



**Lohakit Metal Public Company Limited**

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Public Company Registration No. 0107548000315

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June 26, 2017

- Subject** Notice of the Annual General Meeting of Shareholders for the year 2017
- To** All Shareholders
- Enclosures:**
- (1) Copy of the Minutes of the Annual General Meeting of Shareholders for the year 2016
  - (2) Annual Report of the year 2016, including the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement, which ended on March 31, 2017, 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 2017 will be called and held at 14.00 hrs. on July 27, 2017 at the Meeting Room, 12<sup>th</sup> Floor, 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 2016.**

General Information:

The Annual General Meeting of Shareholders for the year 2016 had been held on 28 July 2016, 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 2016, 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, 2017.**

General Information:

The Company’s operating report, which ended on March 31, 2017, 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, 2017, to be further acknowledged by the Shareholders’ Meeting. Details of the report as appeared in the Company’s Annual Report of the year 2016, 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, 2017 and the auditor’s report.**

General Information:

The Company’s Financial Statement, which ended on March 31, 2017 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, 2017 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.

At March 31, 2017, the Company’s registered capital is Baht 383,000,000 and legal reserve amounted to Baht 38,300,000 or equal to 10% of the Company’s registered capital, which is fully appropriated according to the Company’s Article of Association, therefore, no additional allocation is required.

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

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

**Board's Opinion:** According to the Statement of Comprehensive Income ended on March 31, 2017, the Company has a profit of Baht 157,551,359. The Board recommends to propose the Shareholders' Meeting to approve the dividend payment at Baht 0.34 per share deducting the paid interim dividend at Baht 0.14 per share in the total of Baht 53,620,000. The remaining dividend in the amount of Baht 0.20 per share, or the total of Baht 76,600,000, shall be paid to the shareholders. The record date on which the recorded shareholders have the right to the dividend will be on June 19, 2017. The collection of shareholders' name by closing the share registration will be on June 20, 2017. The dividend payment will be on August 11, 2017.

**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 2015 – 2016 is as follows:

Details	2015	2016
Net profit (Baht)	103,640,380	157,551,359
Reserve for legal reserve	2,492,665	-
Dividend payment per share (Baht/Share)	0.24	0.34
- First half interim dividend (Baht/Share)	0.10	0.14
- Second half dividend (last 6 months) (Baht/share)	0.14	0.20
Number of Shares (Shares)	383,000,000	383,000,000
Total Dividend Payment (Baht)	91,920,000	130,220,000
Dividend Payment Ratio (%)	88.69	82.65

**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 2017, the directors who shall be retired are as follows:

- |                           |  |
|---------------------------|--|
| (1) Mr. Wanchai Umpungart | Chairman of the Board of Director<br>Chairman of the Audit Committee and<br>Member of the Nomination and<br>Remuneration Committee |
| (2) Mr. Anurut Vongvanij  | Director   |
| (3) Mr. Lert Nittheranont | Director, Audit Committee and<br>Member of the Nomination and<br>Remuneration Committee  |

For the Annual General Meeting of Shareholders for the year 2017, the Company provided minor shareholders an opportunity to propose in advance qualified candidates to be nominated for election in the annual shareholders' meeting between April 18, 2017 to May 17, 2017, as announced on the Company's website ([www.lohakit.co.th](http://www.lohakit.co.th)) and on the SET's news and information system. There was a shareholder's nomination of a director candidate but the qualifications of such shareholder (who nominated a candidate) were not met as he did not provide the Company with the evidence of shares held and also he did not fill in the Form to nominate the Company's director (Form B.).

Board's Opinion:

- 5.1 The Board, excluding members having conflict of interest, agreed with the Nomination and Compensation Committee's proposal, that the Shareholders' Meeting should re-elect Mr. Wanchai Umpungart, Mr. Anurut Vongvanij and Mr. Lert Nitheranont who 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 2017.**

General Information:

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

To ensure that directors will receive appropriate and fair remuneration, the Nomination and Remuneration Committee proposed that the remuneration of the Board be determined by considering their duties and responsibilities, past performance, experience, business expansion, and the Company turnover, details of the proposed directors' remuneration for year 2017 are in the table below, and the Directors who are the Company's Executives shall not be entitled to receive the directors' remuneration.

Board's Opinion: The Board agreed with the Nomination and Remuneration Committee's proposal. It is of the opinion that the Shareholders' Meeting should approve the allocation of directors' remuneration for the year 2017.



Table of comparison of directors' remuneration for the year of 2015 – 2017 is as follows:

Directors' Remuneration	2015 (Baht)	2016 (Baht)	2017 (Baht)
Remuneration for the Meeting of the Board			
- Chairman (per meeting)	20,000	20,000	30,000
- Director (per meeting)	10,000	10,000	20,000
Remuneration for the Meeting of the Audit Committee			
- Chairman (per meeting)	20,000	20,000	30,000
- Director (per meeting)	10,000	10,000	20,000
Remuneration for the Meeting of the Nomination and Remuneration Committee			
- Chairman (per meeting)	-	20,000	30,000
- Director (per meeting)	-	10,000	20,000
Bonus (assigned the Board of Directors to allocate)	4,000,000	4,000,000	4,000,000

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

Voting Rule:

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

**Agenda Item 7** **Consideration for appointment of Company's auditors and approval of auditors' fee for the year 2017.**

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 28 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. Rungnapa Letsuwankul  
C.P.A. License No. 3516
3. Mr. Chayapol Suppasedtanon  
C.P.A. License No. 3972
4. Mrs. Gingkarn Atswarangsalit  
C.P.A. License No. 4496

5. Ms. Pimjai Manitkajohnkit  
C.P.A. License No. 4521
6. Ms. Rosaporn Dechakom  
C.P.A. License No. 5659
7. Ms. Sumana Punpongsanon  
C.P.A. License No. 5872
8. Ms. Orawan Techawatanasirikul  
C.P.A. License No. 4807

Anyone of the above may carry out the work for the company for the year of 2017. The auditor's fee for annual audit would be Baht 1,170,000.

**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 2015 – 2016 is as follows:

Remuneration of the auditor	2015 (Baht)	2016 (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)**

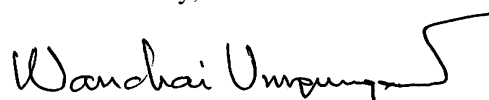
The record date on which the recorded shareholders have the right to attend the Annual General Shareholders' Meeting for the year of 2017 will be on June 19, 2017. The collection of shareholders' name in accordance with Section 225 of The Securities and Exchange Act B.E. 2535 by closing the share registration will be on June 20, 2017.

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 2016  
of  
Lohakit Metal Public Company Limited**

The Meeting was held on July 28, 2016 at 14.00 hrs. at Ballroom 1, 12nd Floor, Ah Yat Abalone Convention Hall, Thai CC Tower Parking Building, No.43, Thai CC Tower, South Sathorn Road, Yannawa, Sathorn, Bangkok.

**Attending Directors**

- |    |                            |   |
|----|----------------------------|---|
| 1. | Mr. Wanchai Umpungart      | Chairman of the Board / Independent Director /<br>Chairman of the Audit Committee |
| 2. | Mr. Prasarn Akarapongpisak | Director / Chairman of the Executive Director /<br>Managing Director              |
| 3. | Mr. Teera Na Wangkanai     | Director / Audit Committee  |
| 4. | Mr. Anurut Vongvanij       | Director  |
| 5. | Mr. Lert Nitheranont       | 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. | Ms. Summana Panpongsanon      | EY Office Ltd. |
| 2. | Ms. Orawan Techwattanasirikul | EY Office Ltd. |
| 3. | Ms. Prim Wacharapha           | 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 164 shareholders attended the meeting, both in person and by proxy, together represented 265,565,090 shares with equivalent to 69.33% 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 2015**

The Chairman presented the Minutes of the Annual General Meeting of Shareholders for the year 2015, held on July 28, 2015, for approval by the Meeting.

The Meeting has unanimously resolved to approve the minutes of the Annual General Meeting of Shareholders for the year 2015 with the following voting results:

- Approved, representing 265,804,690 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 100 votes, 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, 2016**

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, 2016 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 3,207.02 million Baht which is 6.1% lower than the previous year (2.6% increase in quantity but 8.7% decrease in price).

**Gross profit:** the Company has a gross profit of 318.19 million Baht or 10.02% of sales volume, which is approximately 0.3% lower than the previous year.

**Net profit:** the Company has a net profit of 97.69 million Baht or 3.1% of the sales volume, or which is approximately 0.3% lower than the previous year.

**Profit per share:** due to such profit, the Company has profit per share equal to 0.26 Baht/share.

Return on Asset (ROA) = 4.24%

Return on Equity (ROE) = 7.31%

Current Liquidity = 2.49 times (increase from previous year)

Debt to Equity Ratio (D/E RATIO) = 0.44 times (decrease from previous year)

Additionally, Mr. Prasarn Akarapongpisak informed the meeting that as the Company has announced its intention to join the Private Sector Collective Action Coalition against Corruption (CAC) in April 2015, CAC Committee certified it for its anti-corruption system in January 2016.

The Meeting unanimously acknowledged the operating report which ended on March 31, 2016.

**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, 2016 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 2016 as appeared in the enclosure (2), which had already been sent to the Shareholders with the Notice to call the meeting.

After due consideration, the Meeting has unanimously resolved to approve the financial statement, which ended on 31 March 2016 as proposed, with the following voting results:

- Approved, representing 268,222,790 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 100 votes, 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 2016, the Company has a net profit of Baht 103,640,380 hence proposed the meeting's approval of dividend payment at Baht 0.24 per share deducting the paid interim dividend at Baht 0.10 per share totaling of Baht 38,300,000 the remaining dividend in the amount of Baht 0.14 per share, totaling of Baht 53,620,000 shall be paid to the shareholders.

After due consideration, the Meeting has unanimously approved for the dividend payment of Baht 0.24 per share, deducting the paid interim dividend at Baht 0.10 per share, the remaining dividend in the amount of Baht 0.14 per share, totaling of Baht 53,620,000 shall be paid to the shareholders. The dividend will be paid on 11 August 2016 to the shareholders registered in the Company Share Register on 16 June 2016, with the following voting results:

- Approved, representing 269,622,790 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 100 votes, 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 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. This year, there are 3 directors who retire by rotation as follow;

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

The Chairman then proposed the Meeting to appoint new directors in replacement of the retired directors and to approve the authority of directors.

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

- (1) Mr. Prasarn Akarapongpisak
  - Approved, representing 258,551,834 votes, equivalent to 95.11% 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 13,321,060 votes, equivalent to 4.89% of the total votes of shareholders attending the meeting and having the rights to vote.
- (2) Mr. Teera Na Wangkanai
  - Approved, representing 271,872,694 votes, equivalent to 100% of the total votes of shareholders attending the meeting and having the rights to vote;
  - Disapproved, representing 100 votes, equivalent to 0% of the total votes of shareholders attending the meeting and having the rights to vote;
  - Abstained, representing 100 votes, equivalent to 0% of the total votes of shareholders attending the meeting and having the rights to vote.
- (3) Mr. Somnuik Thanasarn
  - Approved, representing 271,872,794 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 100 votes, 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 271,872,794 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 100 votes, equivalent to 0% of the total votes of shareholders attending the meeting and having the rights to vote.

**Agenda 6. Consideration for payment of directors' remuneration for the year 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 2016 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) Remuneration of the Meeting for the Nomination and Remuneration Committee
  - Baht 20,000 per Meeting for Chairman of Audit Committee
  - Baht 10,000 per person / Meeting for Audit Committee
- (4) Bonus shall not exceed Baht 4,000,000 to be allocated by the Board of Directors.

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 271,872,794 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 100 votes, equivalent to 0% 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 2016**

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 2015.

After due consideration, the Meeting has unanimously resolved to appoint Mrs. Mr. Sophon Permsirivallop, CPA License No. 3182 or Ms. Pimjai Manitkajohnkit, CPA License No. 4521 or Ms. Sumana Punpongsanon, CPA License No. 5872 or Ms. Rungnapha Lertsuwankul, CPA License No. 3516, 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 271,872,794 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 100 votes, 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;

Mr. Thitipong Sophonudomporn inquired that:

- What is the prospect of the Company's business for year 2016? Does the Company expect profits or not? Will there be a dividend payment at the same rate?

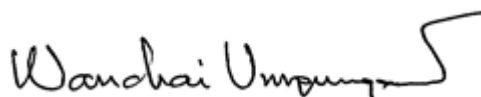
Mr. Prasarn Akarapongpisak explained that at the beginning of this year the Chinese steel industry has been changed, by the closure of many small size steel factories, to limit steel production. The decreased supply, thus, caused the steel price to be higher; however, the demand of steel has not increased. Also, as the current stainless price is considerably stable and the suppliers are feeble, accordingly, the Company is able to negotiate the price with suppliers. Also, the Company has efficient cash-flow together with the ability to get raw materials at a reasonable price. As for the Company's marketing, the Company does not expect much on exportation. The domestic trading is still doing well especially for customers in automotive industry and construction (i.e. condominium, sky train, etc.) while the electric appliance business is steady. Furthermore, the Company has made an effort to gain profit by reducing the production cost so that the Company will have more income, without having to increase the product price. Accordingly, the Company should gain profit in the amount no less than last year.

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

- Whether the awaken of Electronic Vehicle (EV car) in Thailand will affect the Company or not and how does the company prepare for such EV technology adoption?

Mr. Prasan Akarapongpisak informed the meeting that the steel industry related to automobile would be affected if the EV cars were widely used in Thailand, particularly the radiator, exhaust pipe, and fuel tank industrials. Nevertheless, the adoption of EV car technology in Thailand is the issue of distant future. Therefore, at present, the Company does not prepare or have any plans yet but the Company has a risk assessment committee that will assess risks which may arise from adoption of EV car technology in Thailand and find solutions to lessen the damage or mitigate the adverse effect on the company.

The Chairman declared the Meeting closed at 2.50 p.m.



Signed \_\_\_\_\_ Chairman  
(Mr. Wanchai Umpungart)



# Financial Highlight

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

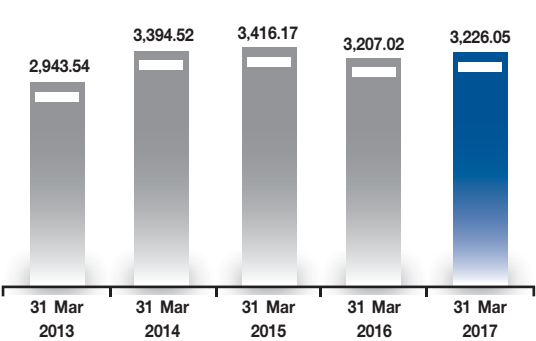
	For the year ended 31 <sup>st</sup> March				
	*2013	2014	**2015	2016	2017
<b>Profit and loss statement (Baht millions)</b>					
Total revenue	2,943.54	3,394.52	3,416.17	3,207.02	3,226.05
Revenue from the sales of good and services	2,889.38	3,358.67	3,372.45	3,176.85	3,199.82
Gross profit	347.32	371.56	346.26	318.19	426.22
Net profit provided by operating activities	254.20	232.11	212.72	173.83	279.67
Net profit	165.90	148.65	131.92	97.69	176.56
<b>Balance Sheet (Baht millions)</b>					
Total assets	2,459.88	2,297.37	2,395.51	2,217.41	2,271.46
Total liabilities	1,072.66	845.43	875.28	678.66	655.42
Total shareholders' equity	1,387.22	1,451.94	1,520.23	1,538.75	1,616.04
<b>Per ordinary share (Baht), at Par 1.00</b>					
Book Value per share (Baht)	3.17	3.32	3.47	3.51	3.70
Earning per share (Baht)	0.50	0.39	0.34	0.26	0.46
Dividend per share (Baht)	0.22	0.22	0.21	0.24	0.34
<b>Ratio Analysis</b>					
Gross profit margin (%)	12.02%	11.06%	10.27%	10.02%	13.32%
Net profit margin (%)	5.64%	4.38%	3.86%	3.05%	5.47%
Return on equity (%)	15.91%	11.97%	10.16%	7.31%	12.79%
Return on Assets (%)	8.29%	6.25%	5.62%	4.24%	7.87%
Liquidity ratio (times)	1.84	2.06	2.08	2.49	2.78
Debt to equity ratio (times)	0.77	0.58	0.58	0.44	0.41

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

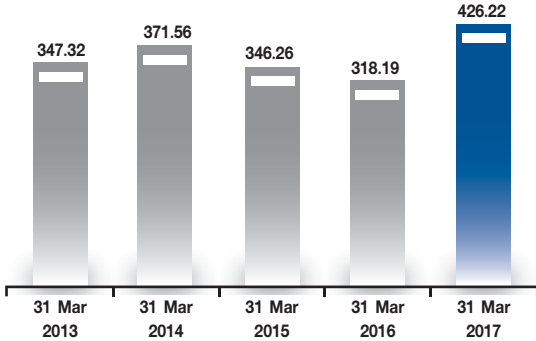
\*\* 2015 - Restating financial statement following the enforcement of Thai Accounting Standard no. 19 (Revise 2014) regarding employee benefit

Consolidated Results of Fiscal years as of March 31, 2013 - March 31, 2017

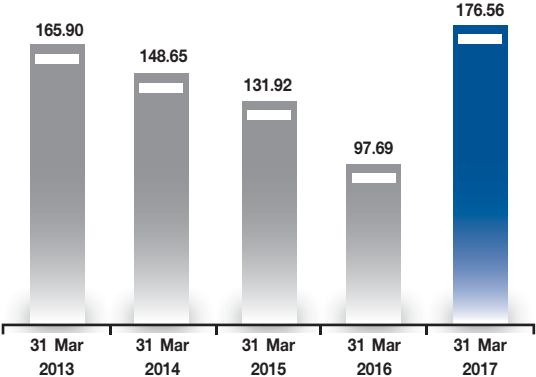
Total Revenue (Baht Million)



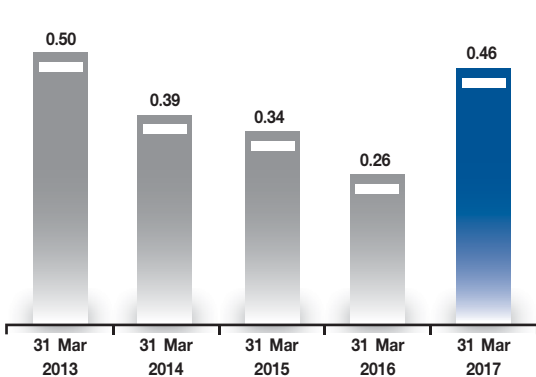
Gross Profit (Baht Million)



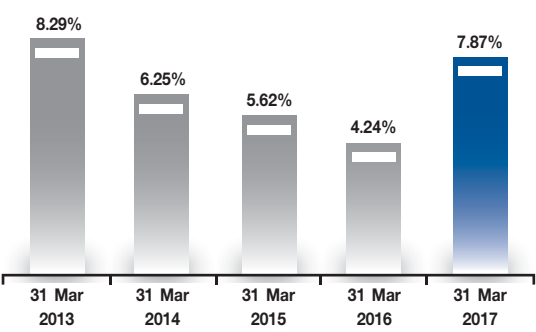
Net Profit (Baht Million)



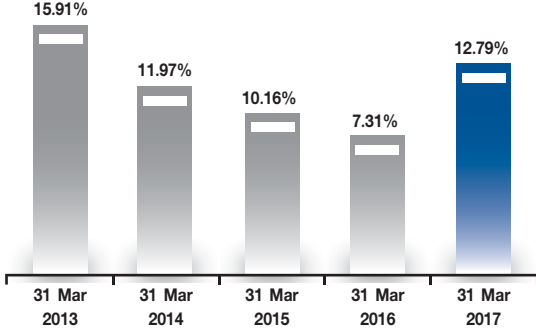
Earning per share (Baht)



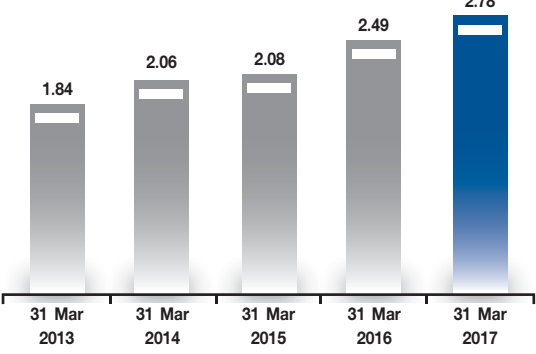
Return on assets (%)



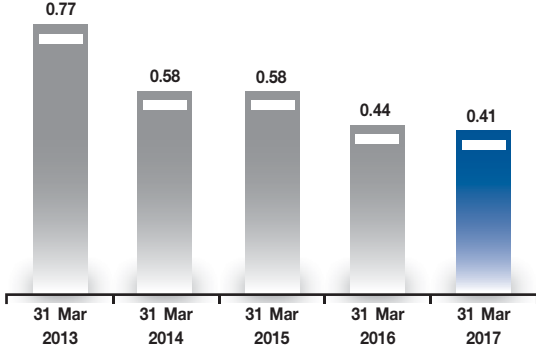
Return on equity (%)



Liquidity ratio (Times)



Debt to equity ratio (Times)



**Lohakit Metal Public Company Limited**  
**and its subsidiaries**  
**Report and consolidated financial statements**  
**31 March 2017**

## **Independent Auditor's Report**

To the Shareholders of Lohakit Metal Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Lohakit Metal Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2017, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Lohakit Metal Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lohakit Metal Public Company Limited and its subsidiaries and of Lohakit Metal Public Company Limited as at 31 March 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

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

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

### **Revenue recognition**

The Group sell their goods to a large number of customers under different commercial terms. In addition, the economic slowdown has directly resulted in more intense competition in the industry. Revenues are the key performance indicator to which users of financial statements pay attention. I therefore determined revenue recognition a key audit matter and focused on the occurrence and timing of revenue recognition.

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

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



### **Allowance for diminution in value of inventories**

As at 31 March 2017, the Group had outstanding inventories of Baht 793 million and inventories are valued at the lower of cost and net realisable value. Estimating the net realisable value of inventory, as disclosed in Note 11 to the consolidated financial statements, is an area of significant management judgment, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle. Therefore, there is a risk that the amount of provision set aside for diminution in the value of inventory will be inadequate, causing the overstatement of the value of inventories of the Group.

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

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

### **Other Information**

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

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

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

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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



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

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



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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Miss Rungnapa Lertsuwankul.



Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 29 May 2017

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

**Statement of financial position**

**As at 31 March 2017**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	237,452,102	177,643,146	20,103,980	28,817,101
Current investments	9	21,351,523	4,504,132	-	-
Trade and other receivables	10	679,827,296	762,172,743	349,651,405	402,335,791
Inventories	11	792,708,709	664,351,918	492,012,866	349,927,128
Other current assets		5,713,482	4,972,880	4,012,059	3,741,504
<b>Total current assets</b>		<b>1,737,053,112</b>	<b>1,613,644,819</b>	<b>865,780,310</b>	<b>784,821,524</b>
<b>Non-current assets</b>					
Restricted bank deposits	12	45,980,000	46,500,000	5,880,000	5,500,000
Investment in associate	13	10,989,759	9,330,492	4,900,000	4,900,000
Investments in subsidiaries	14	-	-	406,487,245	406,487,245
Long-term investments	15	2,730,195	3,159,913	-	-
Property, plant and equipment	16	448,517,725	519,216,594	290,145,710	336,884,431
Intangible assets	17	762,248	432,910	546,834	159,255
Deferred tax assets	24	21,601,160	21,493,944	13,228,916	12,824,890
Other non-current assets		3,828,109	3,630,019	2,573,480	2,439,390
<b>Total non-current assets</b>		<b>534,409,196</b>	<b>603,763,872</b>	<b>723,762,185</b>	<b>769,195,211</b>
<b>Total assets</b>		<b>2,271,462,308</b>	<b>2,217,408,691</b>	<b>1,589,542,495</b>	<b>1,554,016,735</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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from banks	18	53,562,539	252,952,833	26,035,879	180,961,274
Trade and other payables	19	531,894,476	362,818,465	349,311,973	209,672,958
Current portion of financial lease payables	20	1,167,521	3,479,708	1,167,521	3,479,708
Income tax payable		29,492,356	15,167,137	8,033,504	1,667,135
Other current liabilities		8,233,168	13,051,966	4,693,477	7,539,055
<b>Total current liabilities</b>		<b>624,350,060</b>	<b>647,470,109</b>	<b>389,242,354</b>	<b>403,320,130</b>
<b>Non-current liabilities</b>					
Financial lease payables - net of current portion	20	-	1,167,521	-	1,167,521
Provision for long-term employee benefits	21	31,068,559	30,018,009	19,139,057	18,679,359
Other non-current liabilities		1,400	1,400	-	-
<b>Total non-current liabilities</b>		<b>31,069,959</b>	<b>31,186,930</b>	<b>19,139,057</b>	<b>19,846,880</b>
<b>Total liabilities</b>		<b>655,420,019</b>	<b>678,657,039</b>	<b>408,381,411</b>	<b>423,167,010</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 2017**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
<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	72,600,000	65,300,000	38,300,000	38,300,000
Unappropriated		440,805,985	376,513,601	240,188,484	189,877,125
Other components of shareholders' equity	15	(454,997)	(25,279)	-	-
Equity attributable to owners of the Company		1,415,623,588	1,344,460,922	1,181,161,084	1,130,849,725
Non-controlling interests of the subsidiary		200,418,701	194,290,730	-	-
<b>Total shareholders' equity</b>		<b>1,616,042,289</b>	<b>1,538,751,652</b>	<b>1,181,161,084</b>	<b>1,130,849,725</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,271,462,308</b>	<b>2,217,408,691</b>	<b>1,589,542,495</b>	<b>1,554,016,735</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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Revenues</b>					
Sales and service income		3,199,817,163	3,176,851,447	1,616,901,869	1,675,469,766
Dividend income		176,955	199,706	82,894,710	78,623,711
Other income		26,053,359	29,968,986	33,528,033	34,100,894
<b>Total revenues</b>		<b>3,226,047,477</b>	<b>3,207,020,139</b>	<b>1,733,324,612</b>	<b>1,788,194,371</b>
<b>Expenses</b>					
Cost of sales and services		2,773,596,163	2,858,659,741	1,446,449,851	1,555,587,418
Selling expenses		67,990,163	75,202,471	44,919,359	48,486,040
Administrative expenses		104,795,455	99,323,896	63,671,736	57,895,429
<b>Total expenses</b>		<b>2,946,381,781</b>	<b>3,033,186,108</b>	<b>1,555,040,946</b>	<b>1,661,968,887</b>
<b>Profit before share of profit from investment</b>					
<b>in associate, finance cost and income tax expenses</b>		<b>279,665,696</b>	<b>173,834,031</b>	<b>178,283,666</b>	<b>126,225,484</b>
Share of profit from investment in associate	13	1,659,267	1,198,865	-	-
<b>Income before finance cost and income tax expenses</b>		<b>281,324,963</b>	<b>175,032,896</b>	<b>178,283,666</b>	<b>126,225,484</b>
Finance cost		(8,015,095)	(14,912,432)	(5,135,449)	(11,950,136)
<b>Profit before income tax expenses</b>		<b>273,309,868</b>	<b>160,120,464</b>	<b>173,148,217</b>	<b>114,275,348</b>
Income tax expenses	24	(54,316,936)	(33,403,779)	(17,287,908)	(7,791,116)
<b>Profit for the year</b>		<b>218,992,932</b>	<b>126,716,685</b>	<b>155,860,309</b>	<b>106,484,232</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		176,563,656	97,694,779	155,860,309	106,484,232
Non-controlling interests of the subsidiary		42,429,276	29,021,906		
		<u>218,992,932</u>	<u>126,716,685</u>		
<b>Earnings per share</b>					
26					
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		0.46	0.26	0.41	0.28
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 2017

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Profit for the year</b>	<u>218,992,932</u>	<u>126,716,685</u>	<u>155,860,309</u>	<u>106,484,232</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Gain (loss) on changes in value of available-for-sale investments	15 (429,718)	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 2,447,714	(4,123,938)	1,691,050	(2,843,852)
<b>Other comprehensive income for the year</b>	<u>2,017,996</u>	<u>(4,048,100)</u>	<u>1,691,050</u>	<u>(2,843,852)</u>
<b>Total comprehensive income for the year</b>	<u>221,010,928</u>	<u>122,668,585</u>	<u>157,551,359</u>	<u>103,640,380</u>
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company	178,402,957	93,767,151	<u>157,551,359</u>	<u>103,640,380</u>
Non-controlling interests of subsidiaries	<u>42,607,971</u>	<u>28,901,434</u>		
<b>Total comprehensive income for the year</b>	<u>221,010,928</u>	<u>122,668,585</u>		

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



Lohakit Metal Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity (continued)  
For the year ended 31 March 2017

	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 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	
<b>Balance as at 1 April 2016</b>		383,000,000	519,672,600	38,300,000	189,877,125	1,130,849,725	
Profit for the year		-	-	-	155,860,309	155,860,309	
Other comprehensive income for the year		-	-	-	1,691,050	1,691,050	
Total comprehensive income for the year		-	-	-	157,551,359	157,551,359	
Dividend paid	29	-	-	-	(107,240,000)	(107,240,000)	
<b>Balance as at 31 March 2017</b>		383,000,000	519,672,600	38,300,000	240,188,484	1,181,161,084	

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



Lohakit Metal Public Company Limited and its subsidiaries

Cash flows statement

For the year ended 31 March 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit before tax	273,309,868	160,120,464	173,148,217	114,275,348
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:				
Depreciation	82,743,400	91,621,652	45,115,790	38,768,252
Amortisation	161,862	140,180	103,621	43,758
Allowance for doubtful accounts (reversal)	749,127	6,440,428	(825,000)	1,353,224
Reduction of inventories to net realisable value (reversal)	(1,901,138)	2,659,734	1,635,431	1,698,072
Gain on sale of current investments	(22,642)	(88,504)	-	-
Unrealised gain on change in current investments	(24,748)	(4,132)	-	-
Gain on sale of equipment	(3,969,341)	(1,132,167)	(5,615,064)	(96,657)
Movements in provision for long-term employee benefits	4,241,142	3,319,290	2,704,460	1,931,400
Unrealised gain on foreign exchange	(358,943)	(159,725)	(349,269)	(169,399)
Share of profit from investment in associate	(1,659,267)	(1,198,865)	-	-
Dividend income	(176,955)	(199,706)	(82,894,710)	(78,623,711)
Interest income	(842,495)	(896,297)	(94,460)	(95,202)
Interest expenses	6,701,727	13,636,157	4,412,832	11,289,496
Income from operating activities before changes in operating assets and liabilities	358,951,597	274,258,509	137,341,848	90,374,581
Decrease (increase) in operating assets				
Trade and other receivables	81,627,427	9,879,633	53,527,539	67,502,479
Inventories	(126,455,653)	156,787,292	(143,721,169)	124,117,305
Other current assets	(740,602)	2,933,407	(270,555)	3,257,745
Other non-current assets	(198,090)	4,903,594	(134,090)	5,152,495
Increase (decrease) in operating liabilities				
Trade and other payables	169,592,468	(72,392,176)	140,126,176	(45,375,973)
Other current liabilities	(4,818,798)	137,889	(2,845,578)	(2,677,528)
Cash paid for long-term employee benefits	(130,950)	(1,118,450)	(130,950)	(801,300)
Cash flows from operating activities	477,827,399	375,389,698	183,893,221	241,549,804
Cash paid for interest expenses	(6,937,323)	(13,977,707)	(4,628,805)	(11,629,238)
Cash paid for income tax	(40,710,861)	(35,576,027)	(11,748,327)	(11,157,952)
<b>Net cash from operating activities</b>	<b>430,179,215</b>	<b>325,835,964</b>	<b>167,516,089</b>	<b>218,762,614</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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Cash paid for purchasing investment in a subsidiary	-	-	-	(3,250,100)
Cash paid for purchasing current investments	(22,900,000)	(4,500,000)	-	-
Decrease (increase) in restricted deposits	520,000	(500,000)	(380,000)	(500,000)
Cash paid for acquisitions of machinery and equipment	(13,671,063)	(65,474,196)	(4,389,654)	(55,924,603)
Proceeds from sales of current investments	6,100,000	20,118,411	-	-
Cash received from dividends	176,955	199,706	82,894,710	78,623,711
Proceeds from sale of machinery and equipment	5,104,673	1,224,480	11,136,449	125,446
Cash received from interest income	829,541	913,129	94,460	95,202
<b>Net cash from (used in) investing activities</b>	<b>(23,839,894)</b>	<b>(48,018,470)</b>	<b>89,355,965</b>	<b>19,169,656</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from banks	(199,390,294)	(125,891,967)	(154,925,395)	(154,195,607)
Repayment of financial lease payables	(3,479,708)	(4,851,577)	(3,479,708)	(4,147,890)
Cash received from increase in share capital of a subsidiary	-	1,249,900	-	-
Dividend paid	(143,720,291)	(105,401,288)	(107,240,000)	(76,600,000)
<b>Net cash used in financing activities</b>	<b>(346,590,293)</b>	<b>(234,894,932)</b>	<b>(265,645,103)</b>	<b>(234,943,497)</b>
<b>Effect of exchange rate to cash and cash equivalents</b>	<b>59,928</b>	<b>(86,039)</b>	<b>59,928</b>	<b>(86,039)</b>
Net increase (decrease) in cash and cash equivalents	59,808,956	42,836,523	(8,713,121)	2,902,734
Cash and cash equivalents at beginning of year	177,643,146	134,806,623	28,817,101	25,914,367
<b>Cash and cash equivalents at end of year (Note 8)</b>	<b>237,452,102</b>	<b>177,643,146</b>	<b>20,103,980</b>	<b>28,817,101</b>
<b>Supplemental cash flows information</b>				
Non-cash items:				
Actuarial loss (gain) for long-term employee benefits	(3,059,642)	5,154,923	(2,113,812)	3,554,815
Increase (decrease) in revaluation surplus in investments in available-for-sale securities	(429,718)	75,838	-	-

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 2017

#### 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	
			2017	2016
			(Percent)	(Percent)
Auto Metal Company Limited	Production, smelting and assembly for all types of metal	Thailand	60	60



Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017	2016
			(Percent)	(Percent)
Alternative EnMat Company Limited	Distribution of metal and non-ferrous metal products	Thailand	75	75
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**

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become 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, 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 financial statements of the Company and its subsidiary.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which will be effective for fiscal years beginning on or after 1 January 2017. 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 management of the Company and its subsidiary believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

#### **TAS 27 (revised 2016) Separate Financial Statements**

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Company and its subsidiaries financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

#### **4. Significant accounting policies**

##### **4.1 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.

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

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

##### **4.3 Trade accounts receivable**

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



#### **4.4 Inventories**

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

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

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

#### **4.5 Investments**

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) 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.

#### **4.6 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.

#### **4.7 Borrowing costs**

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

#### **4.8 Intangible assets**

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

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



#### **4.9 Related party transactions**

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

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

#### **4.10 Long-term leases**

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

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

#### **4.11 Foreign currencies**

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

#### **4.12 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.

#### **4.13 Employee benefits**

##### ***Short-term employee benefits***

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

##### ***Post-employment benefits***

###### *Defined contribution plans*

The 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.

#### **4.14 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.



#### **4.15 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The 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.

#### **4.16 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The 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.

#### **5. Use of accounting estimates**

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

#### **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	financial statements	financial statements	
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods and service income	-	-	66,503	96,152	Sale of goods: Market price less discount 2%, and cost plus a margin at rate of 5% Service income: Close to the market price

(Unit: Thousand Baht)

	For the years ended 31 March				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements		financial statements		
	2017	2016	2017	2016	
Rental income	-	-	1,728	1,728	Contract price close to the market price
Other service income	-	-	15,000	15,000	Accordance with the negotiation price
Dividend income	-	-	82,895	78,624	As approved by shareholders' meeting
Purchases of goods and services	-	-	2,324	3,542	Market price
Sales of fixed assets	-	-	7,300	-	Accordance with the negotiation price
Commission fee	-	-	-	5	Not over 2% of sales
<u>Transactions with related companies</u>					
Other service income	265	300	265	300	Fixed fee per month
Commission fee	6,243	5,878	-	-	Not over 2% of sales

As at 31 March 2017 and 2016, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<u>Trade accounts receivable - related parties (Note 10)</u>				
Subsidiaries	-	-	1,311	9,970
<u>Trade and other payables - related parties (Note 19)</u>				
Associate	1,663	1,669	-	-
Subsidiary	-	-	-	481
Total trade and other payables - related parties	1,663	1,669	-	481



### Directors and management's benefits

During the years ended 31 March 2017 and 2016, 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
	2017	2016	2017	2016
Short-term employee benefits	51,766	47,138	32,739	28,138
Post-employment benefits	960	3,923	547	2,285
Total	<u>52,726</u>	<u>51,061</u>	<u>33,286</u>	<u>30,423</u>

### 8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Cash	120	130	60	70
Bank deposits	237,332	177,513	20,044	28,747
Total	<u>237,452</u>	<u>177,643</u>	<u>20,104</u>	<u>28,817</u>

As at 31 March 2017, bank deposits in saving accounts and fixed deposits carried interests between 0.37 and 0.85 percent per annum (2016: 0.38 and 1.00 percent per annum).

### 9. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2017		2016	
	Cost	Fair value	Cost	Fair value
<b><u>Trading securities</u></b>				
Investment units in open-end fund	21,323	21,352	4,500	4,504
Total trading securities	21,323	<u>21,352</u>	4,500	<u>4,504</u>
Add: Changes in fair value	29		4	
Total trading securities	<u>21,352</u>		<u>4,504</u>	



As at 31 March 2017 and 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 2017, another 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	financial statements	financial statements
	2017	2016	2017	2016
<u>Trade accounts receivable - related parties (Note 7)</u>				
Aged on the basis of due dates				
Not yet due	-	-	598	5,041
Past due				
Not over 3 months	-	-	733	4,929
Total trade receivables - related parties	-	-	1,331	9,970
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	541,556	591,612	281,516	296,026
Past due				
Not over 3 months	136,623	164,110	66,734	95,838
Over 3 months but less than 12 months	1,157	11,066	-	47
Over 12 months	24,616	18,874	17,954	18,732
Total	703,952	785,662	366,204	410,643
Less: Allowance for doubtful accounts	(24,794)	(24,045)	(17,954)	(18,779)
Total trade receivables - unrelated parties, net	679,158	761,617	348,250	391,864
Total trade receivables - net	679,158	761,617	349,581	401,834
<u>Other receivables</u>				
Other receivables	619	502	70	502
Interest receivables	50	54	-	-
Total other receivables	669	556	70	502
Total trade and other receivables - net	679,827	762,173	349,651	402,336

During the year ended 31 March 2016, certain trade accounts receivable of a subsidiary, amounting to Baht 4 million, were written-off as bad debt (2017: Nil).

## 11. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
	Finished goods	435,983	426,145	(46,368)	(46,076)	389,615
Raw materials	386,197	264,603	(8,915)	(11,109)	377,282	253,494
Supplies	23,934	20,866	-	-	23,934	20,866
Goods in transit	1,878	9,923	-	-	1,878	9,923
<b>Total</b>	<b>847,992</b>	<b>721,537</b>	<b>(55,283)</b>	<b>(57,185)</b>	<b>792,709</b>	<b>664,352</b>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
	Finished goods	218,214	192,086	(36,187)	(32,358)	182,027
Raw materials	304,466	186,156	(8,915)	(11,109)	295,551	175,047
Supplies	13,013	11,801	-	-	13,013	11,801
Goods in transit	1,422	3,351	-	-	1,422	3,351
<b>Total</b>	<b>537,115</b>	<b>393,394</b>	<b>(45,102)</b>	<b>(43,467)</b>	<b>492,013</b>	<b>349,927</b>

During the current year, the Company and its subsidiaries reversed the reduction of cost of inventories by Baht 2 million (2016: recorded the reduction of Baht 3 million) (Separate financial statements: recorded the reduction of Baht 2 million (2016: recorded the reduction of Baht 2 million)), to reflect the net realisable value. This was presented as cost of sales.

## 12. Restricted bank deposits

As at 31 March 2017, the Company and its subsidiary have deposits with banks of Baht 46 million (2016: Baht 47 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	
			Carrying amount based on equity method		Cost method		Carrying amount based on equity method	
			2017	2016	2017	2016	2017	2016
			(%)	(%)				
Mory Lohakit (Thailand) Co., Ltd.	Agent	Thailand	49	49	4,900	4,900	10,989	9,330

### 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	
	2017	2016	2017	2016
Mory Lohakit (Thailand) Co., Ltd.	1,659	1,199	-	-

### 13.3 Summarised financial information about material associate

Summarised information about financial position

(Unit: Million Baht)

	2017	2016
Current assets	22.8	18.9
Non-current assets	0.4	0.6
Current liabilities	(0.6)	(0.4)
Non-current liabilities	(0.1)	(0.1)
<b>Net assets</b>	<b>22.5</b>	<b>19.0</b>
Shareholding percentage (%)	49.0	49.0
<b>Share of net assets</b>	<b>11.0</b>	<b>9.3</b>
<b>Carrying amounts of associates based on equity method</b>	<b>11.0</b>	<b>9.3</b>



## Summarised information of comprehensive income

	(Unit: Million Baht)	
	For the years ended	
	31 March	
	2017	2016
Revenue	6.3	5.9
Profit	3.4	2.4
Total comprehensive income	3.4	2.4

### 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	
	2017	2016	2017	2016	2017	2016
	(Million Baht)	(Million Baht)	(%)	(%)		
Auto Metal Company Limited	240	240	60	60	144,000	144,000
Alternative EnMat Company Limited	6	6	75	75	4,249	4,249
NSC Metal Company Limited	230	230	100	100	258,238	258,238
Total					<u>406,487</u>	<u>406,487</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	2017	2016
Auto Metal Company Limited	54,720	43,200
NSC Metal Company Limited	28,175	33,925
Alternative EnMat Company Limited	-	1,499
Total	<u>82,895</u>	<u>78,624</u>

### Auto Metal Company Limited

On 20 June 2016, the Annual General Meeting of the shareholders of Auto Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 20 per share, or totaling Baht 48 million to the shareholders from the operating profit for the year ended 31 March 2016. The dividend was paid on 27 June 2016.

On 10 November 2016, the meeting of Board of Directors of Auto Metal Company Limited No. 4/2016 passed a resolution to approve the payment of an interim dividend of Baht 18 per share, or totaling Baht 43.2 million to the subsidiary's shareholders from the net operating profit from 1 April 2016 to 30 September 2016. The dividend was paid on 29 November 2016.

### NSC Metal Company Limited

On 20 June 2016, the Annual General Meeting of the shareholders of NSC Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 5.75 per share, or totaling Baht 13.23 million from the operating profit for the year ended 31 March 2016. The dividend was paid on 27 June 2016.

On 10 November 2016, the meeting of Board of Directors of NSC Metal Company Limited No. 4/2016 passed a resolution to approve the payment of an interim dividend of Baht 6.5 per share, or totaling Baht 14.95 million to the subsidiary's shareholders from the net operating profit from 1 April 2016 to 30 September 2016. The dividend was paid on 29 November 2016.





(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 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)	-	39,797	78,035	-	-	(114,832)	-
31 March 2016	94,745	184,196	500,655	9,911	67,040	3,266	859,813
Acquisitions	-	-	1,373	245	82	2,199	3,899
Disposals	-	-	(12,406)	-	(15,260)	-	(27,666)
Transfer in (out)	-	-	2,098	-	1,729	(3,827)	-
31 March 2017	94,745	184,196	491,720	10,156	53,591	1,638	836,046
<b>Accumulated depreciation</b>							
1 April 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
Depreciation for the year	-	4,616	31,503	715	8,282	-	45,116
Depreciation for disposals	-	-	(8,171)	-	(13,974)	-	(22,145)
31 March 2017	-	112,178	385,476	8,596	39,650	-	545,900
<b>Net book value</b>							
31 March 2016	94,745	76,634	138,511	2,030	21,698	3,266	336,884
31 March 2017	94,745	72,018	106,244	1,560	13,941	1,638	290,146
<b>Depreciation for the year</b>							
2016 (Baht 33 million included in manufacturing cost, and the balance in selling and administrative expenses)							38,767
2017 (Baht 39 million included in manufacturing cost, and the balance in selling and administrative expenses)							45,116

As at 31 March 2017, the Company and its subsidiaries had vehicles under finance lease agreements with net book values amounting to Baht 1 million (2016: Baht 6 million) (Separate financial statements: Baht 1 million (2016: Baht 6 million)).

As at 31 March 2017, 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 725 million (2016: Baht 571 million) (Separate financial statements: Baht 451 million, (2016: Baht 439 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	
	2017	2016	2017	2016
Cost	306	306	197	197
Net book value	-	2	-	-

## 17. Intangible assets

The net book value of intangible assets as at 31 March 2017 and 2016 are presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Cost	15,285	14,794	12,288	11,797
Less: Accumulated amortisation	(14,523)	(14,361)	(11,741)	(11,638)
Net book value	762	433	547	159

A reconciliations of the net book value of intangible assets for the years 2017 and 2016 are presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Net book value at beginning of year	433	573	159	203
Acquisitions during the year	491	-	491	-
Amortisation	(162)	(140)	(103)	(44)
Net book value at end of year	762	433	547	159



## 18. Short-term loans from banks

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	2017	2016	2017	2016	2017	2016
Short-term loans from banks	3.55	3.60 - 3.75	5,000	50,000	5,000	50,000
Trust receipts	3.50 - 3.75	2.75 - 3.68	48,563	202,953	21,036	130,961
Total			53,563	252,953	26,036	180,961

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	
	2017	2016	2017	2016
Trade accounts payable - unrelated parties	512,838	341,019	339,211	197,914
Trade accounts payable - related party (Note 7)	-	-	-	481
Other payables - unrelated parties	15,820	18,164	9,259	10,004
Other payables - related party (Note 7)	1,663	1,669	-	-
Accrued commission expenses - unrelated parties	18	61	18	61
Accrued expenses	1,555	1,905	824	1,213
Total	531,894	362,818	349,312	209,673

## 20. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Liabilities under finance lease agreements	1,178	4,809	1,178	4,809
Less: Deferred interest expenses	(10)	(161)	(10)	(161)
Total	1,168	4,648	1,168	4,648
Less: Portion due within one year	(1,168)	(3,480)	(1,168)	(3,480)
Liabilities under finance lease agreements - net of current portion	-	1,168	-	1,168

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					
	2017			2016		
	Less than 1 year	1 - 5 years	Total	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	1,178	-	1,178	3,631	1,178	4,809
Deferred interest expenses	(10)	-	(10)	(151)	(10)	(161)
Present value of future minimum lease payments	1,168	-	1,168	3,480	1,168	4,648

(Unit: Thousand Baht)

	Separate financial statements					
	2017			2016		
	Less than 1 year	1 - 5 years	Total	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	1,178	-	1,178	3,631	1,178	4,809
Deferred interest expenses	(10)	-	(10)	(151)	(10)	(161)
Present value of future minimum lease payments	1,168	-	1,168	3,480	1,168	4,648

## 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 financial statements		Separate financial statements	
	2017	2016	2017	2016
	Provision for long-term employee benefits at beginning of year	30,018	22,662	18,679
Included in profit or loss:				
Current service cost	3,368	2,314	2,169	1,314
Interest cost	873	1,005	536	617
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
Demographic assumptions changes	(2,285)	2,673	(1,515)	1,731
Financial assumptions changes	(265)	1,702	(150)	1,112
Experience adjustments	(509)	780	(449)	712
Total	(3,059)	5,155	(2,114)	3,555
Benefits paid during the year	(131)	(1,118)	(131)	(801)
Provision for long-term employee benefits at end of year	31,069	30,018	19,139	18,679



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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Selling and administrative expenses	4,241	3,319	2,705	1,931
Total expenses recognised in profit or loss	4,241	3,319	2,705	1,931

The Company and its subsidiaries expect to pay Baht 18 million of long-term employee benefits during the next year (Separate financial statements: Baht 10 million) (2016: Baht 16 million, separate financial statements: Baht 9 million).

As at 31 March 2017, the weighted average duration of the liabilities for long-term employee benefit of monthly and daily employee are 6 - 19 years and 6 - 20 years (Separate financial statements: 10 years and 15 years) (31 March 2016: 7 - 16 years and 11 - 17 years (Separate financial statements: 10 years and 17 years)).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	2.43 - 3.48	2.40 - 3.34	2.71 - 3.48	2.57 - 3.34
Salary increase rate	4.00 - 5.00	4.00 - 5.00	4.00 - 5.00	4.00 - 5.00
Turnover rate	0 - 58	0 - 54	0 - 58	0 - 54

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 March 2017 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	(0.7)	0.8	(0.4)	0.5
Salary increase rate	0.8	(0.7)	0.5	(0.4)
Turnover rate	(0.7)	0.8	(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	
	2017	2016	2017	2016
Salary and wages and other employee benefits	182,975	178,490	107,999	104,528
Depreciation	82,743	91,514	45,116	38,766
Amortisation	161	140	104	44
Raw materials used	1,727,403	1,866,126	1,176,583	1,353,933
Consumables used	35,884	39,854	29,622	32,611
Purchase of finished goods	670,679	688,844	-	-
Changes in inventories of finished goods	(9,838)	64,093	(26,128)	61,887
Reduce cost (reversal) of inventories to net realisable value	(1,901)	2,660	1,635	1,698

## 24. Corporate income tax

Income tax expenses for the years ended 31 March 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Current income tax:</b>				
Current income tax charge	55,036	35,201	18,115	8,752
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(719)	(1,747)	(827)	(961)
Effects of changes in the applicable tax rates	-	(50)	-	-
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>54,317</b>	<b>33,404</b>	<b>17,288</b>	<b>7,791</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 March 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Deferred tax on actuarial losses (gain)	(612)	1,031	(423)	711

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 March 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Accounting profit before tax	273,310	160,120	173,148	114,275
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	54,662	32,024	34,630	22,855
Effects of:				
Dividend income from subsidiaries	-	-	(16,579)	(15,725)
Bad debt recoveries	(150)	(125)	(150)	(125)
Non-deductible expenses	702	1,773	595	786
Tax-exempt revenues	(17)	-	-	-
Additional expense deductions allowed	(1,210)	-	(1,208)	-
Others	330	(268)	-	-
Total	(345)	1,380	(17,342)	(15,064)
Income tax expenses reported in the statement of comprehensive income	54,317	33,404	17,288	7,791



The components of deferred tax assets for the years ended 31 March 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	1,749	1,449	381	396
Allowance for diminution in value of inventories	11,056	11,437	9,020	8,693
Provision for long-term employee benefits	6,214	6,003	3,828	3,736
Unused tax losses	2,582	2,605	-	-
<b>Total</b>	<b>21,601</b>	<b>21,494</b>	<b>13,229</b>	<b>12,825</b>

## 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 2017 and 2016, respectively.

(Unit: Million Baht)

	For the year ended 31 March 2017				
	Production and distribution	Procurement and distribution	Total reportable segments	Eliminations	Consolidated
Revenue from external customers	2,382	818	3,200	-	3,200
Inter-segment revenue	68	1	69	(69)	-
<b>Total revenues</b>	<b>2,450</b>	<b>819</b>	<b>3,269</b>	<b>(69)</b>	<b>3,200</b>
Segment profit	327	99	426	-	426
Other income					26
Finance cost					(8)
Selling expenses					(68)
Administrative expenses					(105)
Interest in the profit of associate accounted for by the equity method					2
Income tax expenses					(54)
<b>Profit for the year</b>					<b>219</b>
<b>Segment total assets</b>	<b>2,271</b>	<b>399</b>	<b>2,670</b>	<b>(399)</b>	<b>2,271</b>
Investment in associate accounted for by the equity method	11	-	11	-	11
Additions to non-current assets other than financial instruments and deferred tax assets	(65)	(3)	(68)	(3)	(71)

(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)	-
Total revenues	2,484	795	3,279	(102)	3,177
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>	2,196	428	2,624	(407)	<b>2,217</b>
Investment in associate accounted for by the equity method	9	-	9	-	9
Additions (reduction) to non-current assets other than financial instruments and deferred tax assets	43	(1)	42	-	42

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 2017 and 2016, 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 2017 amounting to approximately Baht 4 million (2016: Baht 3 million) (Separate financial statements: Baht 2 million (2016: 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 2016	Annual General Meeting of the shareholders on 28 July 2016	53.62	0.14	11 August 2016
Interim dividends for 2017	The Board of Directors Meeting on 11 November 2016	53.62	0.14	9 December 2016
Total dividends paid during the year ended 31 March 2017		<u>107.24</u>	<u>0.28</u>	
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>	

## 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>2017</u>	<u>2016</u>
Payable:		
In up to 1 year	3	1
In over 1 and up to 5 years	4	-



### **30.2 Service commitment**

As at 31 March 2017, the Company and a subsidiary had commitments of Baht 6 million relating to a technical assistance agreement and other service agreements (2016: Baht 10 million).

### **30.3 Other commitments**

As at 31 March 2017, the Company had outstanding commitments of Baht 3.25 million (2016: Baht 3.25 million) in respect of uncalled portion of investment in a subsidiary.

### **30.4 Guarantees**

As at 31 March 2017, the Company has guaranteed bank credit facilities for a subsidiary amounting to Baht 350 million (2016: Baht 320 million).

### **30.5 Credit facilities**

As at 31 March 2017, 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 65 million (2016: Baht 232 million) of the utilised amount are outstanding. These credit facilities are secured by the mortgage of the Company's land with structures thereon and machineries.
- Overdraft facilities of Baht 30 million have not yet been utilised (2016: Nil). These credit facilities are secured by the mortgage of the Company's land with structures thereon, machineries and the fixed deposits.
- Forward foreign exchange contract facilities of Baht 1,000 million, of which Baht 33 million (2016: Baht 48 million) of the utilised amount are outstanding. These credit facilities are secured by the mortgage of the Company's land with structures thereon and machineries.

#### **A subsidiary**

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 300 million, of which Baht 4 million (2016: Baht 4 million) of the utilised amount are outstanding. These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machineries.
- Overdraft facilities of Baht 10 million have not yet been utilised (2016: 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 2 million (2016: Baht 1 million) of the utilised amounts are outstanding. These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machineries.

#### **A subsidiary**

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 506 million, of which Baht 28 million (2016: Baht 68 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 (2016: 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 404 million) and Baht 115 million, or a total approximately Baht 519 million, of which USD 0.1 million (equivalent to Baht 4 million) (2016: USD 0.8 million (equivalent to Baht 29 million)) of the utilised amount are outstanding.

#### **A subsidiary**

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 22 million, have not yet been utilised (2016: Nil). These credit facilities are secured by the parent company.
- Overdraft facilities of Baht 5 million have not yet been utilised (2016: Nil). These credit facilities are secured by the parent company.

- Forward foreign exchange contract facilities of Baht 30 million have not yet been utilised (2016: Nil). These credit facilities are secured by parent company.

### 31. Fair value hierarchy

As at 31 March 2017, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated Financial Statements as at 31 March 2017				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Current investments	-	21.4	-	21.4
Available-for-sale investments	2.7	-	-	2.7
<b>Liabilities for which fair value is disclosed</b>				
Derivatives				
Foreign currency forward contracts	-	0.9	-	0.9

(Unit: Million Baht)

Consolidated Financial Statements as at 31 March 2016				
	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 as at 31 March 2017				
	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	0.7	-	0.7

(Unit: Million Baht)

Separate Financial Statements as at 31 March 2016				
	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 2017

	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	-	9	226	237	0.37 - 0.85
Current investments	-	-	-	21	21	-
Trade and other receivables	-	-	-	680	680	-
Restricted bank deposits	46	-	-	-	46	0.65 - 1.00
Long-term investment	-	-	-	3	3	-
	<u>48</u>	<u>-</u>	<u>9</u>	<u>930</u>	<u>987</u>	
<b>Financial liabilities</b>						
Short-term loans from banks	54	-	-	-	54	3.50 - 3.75
Trade and other payables	-	-	-	532	532	-
Financial lease payables	1	-	-	-	1	12.40
	<u>55</u>	<u>-</u>	<u>-</u>	<u>532</u>	<u>587</u>	

(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	-
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>7</u>	<u>939</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)

## Separate financial statements as at 31 March 2017

	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	-	3	15	20	0.37 - 0.85
Trade and other receivables	-	-	-	350	350	-
Restricted bank deposits	6	-	-	-	6	0.65 - 0.90
	<u>8</u>	<u>-</u>	<u>3</u>	<u>365</u>	<u>376</u>	
<b>Financial liabilities</b>						
Short-term loans from banks	26	-	-	-	26	3.50 - 3.75
Trade and other payables	-	-	-	349	349	-
Financial lease payables	1	-	-	-	1	12.40
	<u>27</u>	<u>-</u>	<u>-</u>	<u>349</u>	<u>376</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>	

### **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	
	2017	2016	2017	2016	2017	2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	0.1	0.2	0.9	0.5	34.41	35.24
Japanese Yen	0.5	0.5	2.0	3.2	0.3073	0.3134
SG Dollar	-	-	0.1	0.01	24.93	26.09

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	Sold amount	Contractual exchange rate	
			Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<b><u>As at 31 March 2017</u></b>				
US Dollar	1.0	-	35.07 - 35.47	-
SG Dollar	0.1	-	25.0940	-
<b><u>As at 31 March 2016</u></b>				
US Dollar	2.2	-	34.85 - 36.22	-
Japanese Yen	3.2	-	0.3136	-

## 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 flows model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The 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	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Fair value	Fair value	Fair value	Fair value
	Gain (loss)	Gain (loss)	Gain (loss)	Gain (loss)
<b>Derivatives</b>				
Forward exchange contracts	(0.9)	(1.1)	(0.7)	(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 shareholders value. As at 31 March 2017, the Company and its subsidiaries' total debt-to-equity ratio was 0.41:1 (2016: 0.44:1) and the Company's total debt-to-equity ratio was 0.35:1 (2016: 0.37:1).



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

- 34.1 On 19 May 2017, the meeting of Board of Directors of Auto Metal Company Limited (a subsidiary) No. 3/2017 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 40 per share, or totaling Baht 96.0 million from its net operating profit for the year ended 31 March 2017. However, by the resolution of the meeting of the subsidiary's Board of Directors No. 4/2016 held on 10 November 2016, the subsidiary paid out the interim dividend of Baht 18 per share, for 2.4 million ordinary shares, to the subsidiary's shareholders totaling Baht 43.2 million on 29 November 2016. The remaining dividend is Baht 22 per share, or totaling Baht 52.8 million.
- 34.2 On 22 May 2017, the meeting of the 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 15 per share, or totaling Baht 34.50 million, from its net operating profit for the year ended 31 March 2017. However, by the resolution of the meeting of the subsidiary's Board of Directors held on 10 November 2016, the subsidiary paid out the interim dividend of Baht 6.50 per share, or totaling Baht 14.95 million, on 29 November 2016. The remaining dividend is Baht 8.50 per share, or totaling Baht 19.55 million.
- 34.3 On 29 May 2017, the meeting of the Company's Board of Directors No. 2/2017 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 0.34 per share from its net operating profit for the year ended 31 March 2017. However, by the resolution of the meeting of the Company's Board of Directors No. 4/2016 held on 19 November 2016, the Company paid out the interim dividend of Baht 0.14 per share, for 383 million ordinary shares, to the Company's shareholders totaling Baht 53.62 million on 9 December 2016. The remaining dividend is Baht 0.20 per share, or totaling Baht 76.60 million.

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

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 29 May 2017.

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

**Name/Surname** : Mr. Wanchai Umpungart  
**Age** : 69 Years  
**Proposed Position** : Independent Director, Chairman of the Board of Directors, Chairman of the Audit Committee And Member of the Nomination and Compensation Committee

**Educational Background** : MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University  
: BA Accounting, Chulalongkorn University

**Director Training** : Thai Institute of Directors Association (IOD) Director Accreditation Program DAP 35/2005  
: Director Certification Program DCP 102/2008

**Work Experience (within 5 years)** : 2002-2007 Managing Director, Thai Herbal Products Co.,Ltd  
: 2002-2004 Managing Director Krung Thai Property Development Co., Ltd.  
: 2013-Present, Charoen Pokphand Food Pcl.  
: 2013-Present, OCC Pcl.

**Position in Director of the Board of the Company** : Independent Director, Chairman of the Board of Directors, Chairman of the Audit Committee and Member of the Nomination and Compensation Committee (March 2005 – Present)

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

Proposed Candidate	Other Listed Companies		Other Organizations (Non-listed Companies)		Position in other Organization that Compete with/related to The Company
	Number	Position	Number	Position	
Mr. Wanchai Umpungart	3	1. Independent Director, Member of Audit Committee, Muramoto Electron (Thailand) Public Company Limited 2. Independent Director, Chairman of the Audit Committee, Sahapattana Inter Holding Public Company Limited 3. Independent Director, Member of Audit Committee OCC Public Company Limite	-	-	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.**

<b>Type of relationship</b>	<b>Qualification</b>
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 judgment.	None

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

**Name/Surname** : Mr. Lert Nitheranont  
**Age** : 55 Years  
**Proposed Position** : Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee

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

**Director Training** : Thai Institute of Directors Association (IOD) Director Accreditation Program DAP 35/2005

**Position in Director of the Board of the Company** : Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee (March 2005 – Present)

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

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

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

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



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

**Name/Surname** : Mr. Anurut Vongvanij  
**Age** : 55 Years  
**Proposed Position** : Director of the Board  
  
**Educational Background** : MBA, Sasin Graduate Institute of Business  
Administration of Chulalongkorn University  
: B.A. in Economics and Political Science  
Hawaii University, Hawaii, U.S.A.  
  
**Director Training** : Thai Institute of Directors Association (IOD)  
Director Certification Program DCP 41/2004  
  
**Position in Director of the Board  
of the Company** : Director of the Board  
(March 2005 – Present)  
  
**Meetings Attended Record** : Board of Directors 3/4 (or 75%)  
**Shareholding in the Company** : None (or 0% of total issued shares)  
(Including spouse and underage children)

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

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

Type of relationship	Qualification
1. Taking part in the management of being and employee, staff member, advisor who receives a regular salary.	None
2. Being professional services provider, e.g., auditor, legal advisor	None
3. Having business relation that is material and could be barrier to independent judgment.	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 69 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, Prapadang, Samutprakarn 10130

**or**

3.  Mr. Lert Nittheranont Age 55 years Independent Director,  
 Member of the Audit Committee

**Address :** Lohakit Metal Public Company Limited 66/1 Moo 6 Suksawad Rd.,  
 Bangjak, Prapadang, 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 2017 at 14.00 hrs. On July 27, 2017 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.





- Appointment of each individual directors

**Mr. Wanchai Umpungart**

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

**Mr. Lert Nitheranont**

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

**Mr. Anurut Vongvanij**

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

**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 2017.**

- (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 2017.**

- (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 2017 shall be held at 14.00 hrs. On July 27, 2017 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 27, 2017.

## Name List and Details of Independent Director

### 1. Mr. Wanchai Umpungart

<b>Age</b>	:	69 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> (Including spouse and underage children)	:	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 2017

### 2. Mr. Lert Nitheranont

<b>Age</b>	:	55 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> (Including spouse and underage children)	:	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 2017

## **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





