

Lohakit Metal Public Company Limited

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Public Company Registration No. 0107548000315

July 3, 2013

- Subject** Notice of the Annual General Meeting of Shareholders for the year 2013
- To** All Shareholders
- Enclosures:**
- (1) Copy of the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2013
 - (2) Annual report of the year 2012, including the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement, which ended on March 31, 2013, 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 2013 will be called and held at 14.00 hrs. on July 26, 2013 at Grand Ballroom No. 889 Thai CC Tower 12th Floor (Parking Building), South Sathorn Road, Yannawa Sub-district, Bangkok. The meeting agenda is as follows:

Agenda Item 1 Consideration to certify the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2013.

General Information:

The Extraordinary General Meeting of Shareholders No. 1/2013 had been held on 21 January 2013, with details as according to the copy of the minutes (Enclosure (1)).

Board's Opinion: The Board confirms that the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2013, as appeared in Enclosure (1), is accurate and shall be proposed for further certification by the Shareholders Meeting.

Agenda Item 2 Consideration to acknowledge the Company's operating report, which ended on March 31, 2013.

General Information:

The Company's operating report, which ended on March 31, 2013, 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, 2013, to be further acknowledged by the Shareholders Meeting. Details of the report as appeared in the Company's Annual Report of the year 2012, Enclosure (2).

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, 2013 and the auditor's report.

General Information:

The Company's Financial Statement, which ended on March 31, 2013 as appeared in the annual report and already obtaining the examination from the audit committee and the authorized auditor, shall be 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, 2013 and the auditor's report, as appeared in Enclosure (2), shall be proposed for further approval by the Shareholders Meeting.

Agenda Item 4 Consideration on dividend

General Information:

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

The Company has a policy to pay the dividend of at least 40% of the net profit after deducting the corporate income tax but the Company may prescribe to pay the dividend less than the above mentioned rate in case the Company needs to use such net profit to expand the Company's business operation.

Board's Opinion: According to the Statement of Comprehensive Income ended on March 31, 2013, the Company has a profit of Baht 89,219,712. The Board recommends to propose the Shareholders Meeting to approve the dividend payment at Baht 0.22 per share deducting the paid interim dividend at Baht 0.10 per share, in total of Baht 32,000,000, the remaining dividend in the amount of Baht 0.12 per share, total of Baht 45,960,000 shall be paid to the shareholders. The record date on which the recorded shareholders have the right to the dividend will be on June 11, 2013. The collection of shareholders'

name by closing the share registration will be on June 12, 2013. The dividend payment shall be on August 9, 2013.

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 23%. Therefore, the tax credit for this dividend shall be equal to dividend value time 23/77.

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

General Information:

According to Section 71 of the Public Limited Companies Act B.E. 2535 and Clause 21 of the Company's Article of Association, at each Annual General Meeting, one-third of the directors must be retired by drawing a lot for the 1st and 2nd year after registration of the Company. For the following years, the directors who remained in office the longest shall be retired. In the year 2013, there are three directors who shall be retired as follows:

- 1) Mr. Prasarn Akarapongpisak Director
- 2) Mr. Teera Na Wangkanai Independence Director
- 3) Mr. Somnuik Thanasarn Director

Board's Opinion:

5.1 The process to elect directors of the Company was not handled by the Nomination Committee due to currently the Company does not have the Nomination Committee. However, the non-interested Board of Directors had considered the qualification of nominees on knowledge, experiences and capability form various occupations, including previous performance as director and of the opinion that the Shareholders Meeting should re-elect Mr. Prasarn Akarapongpisak, Mr. Teera Na Wangkanai and Mr. Somnuik Thanasarn; who retire by rotation to be directors of the Company for another term.

Details of age, educational background, work experience, are as appeared in Enclosure (3).

The election of Company's directors is to be determined by a majority of votes in accordance with the Articles of Association of the Company.

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."

Agenda Item 6 Consideration for payment of directors' remuneration for the year 2013.

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 benefit as according to the Articles of Association or as approved by the shareholders' meeting.

Board's Opinion: The process to consider the remuneration of directors was not handled by the Remuneration Committee, due to the Company does not have the Remuneration Committee. However, the remuneration of directors was carefully considered by the Board of Directors' Meeting by taking into consideration of the followings: former performance, experience, duties, and responsibilities, including the business expansion financial status and the Company profit. It is of the opinion that the Shareholders Meeting should approve the designation of directors' remuneration for the year of 2013 in the same amount as of the year 2012 as follows:

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

Agenda Item 7 **Consideration for appointment of Company's auditor and approval of auditors' fee for the year 2013.**

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 auditor and the remuneration.

In addition, as 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 change does not require the change of new auditor company but may appoint other auditors from the same company. Ernst & Young Office Ltd. has been auditing the Company for 20 consecutive years and Mrs. Gingkarn Asawarangsarit has work as the auditor for 3 consecutive years.

Board's Opinion: According to the opinion of the Audit Committee, the Board recommends that the following auditors from Ernst & Young Office Ltd. shall be proposed for appointment by the Shareholders Meeting:

1. Ms. Sumalee Reevarabandith
C.P.A. License No. 3970
2. Mr. Sophon Permsirivallop
C.P.A. License No. 3182
3. Mrs. Gingkarn Asawarangsarit
C.P.A. License No. 4496

Anyone of the above may carry out the work for the company for the year of 2013. The auditor's fee for annual audit would be Baht 1,110,000 which is the same amount as of the year 2012.

Additional Information:

- (1) The above proposed auditors are independent and do not have any relationship or any interest with the Company, the executives, the shareholders who hold majority of shares or the person relating to such persons.
- (2) The above proposed auditors have been approved by the Office of the Securities and Exchange Commission to examine the registered company.
- (3) Table of comparison of audit fee for the year of 2012 – 2013 is as follow:

Remuneration of the auditor	2012 (Baht)	2013 (Baht)
Audit Fee	1,110,000	1,110,000

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 2013 will be on June 11, 2013. 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 12, 2013.

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 on the meeting date. The meeting registration will start at 12.00 hrs.

Yours sincerely,



Mr. Wanchai Umpungart
Chairman
Lohakit Metal Public Company Limited



**Minutes of Extraordinary General Shareholders' Meeting No. 1/2013
of
Lohakit Metal Public Company Limited**

The Meeting was held on January 21, 2013 at 14.00 hrs. at the Grand Ballroom, No.889 Thai CC Tower, 12th Floor (Parking Building), South Sathorn Road, Yannawa, Sathorn, Bangkok.

Attending Directors

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

Absent Director

- | | | |
|----|----------------------|----------|
| 1. | Mr. Anurut Vongvanij | Director |
|----|----------------------|----------|

Legal Consultant

- | | | |
|----|--------------------------|-------------------------|
| 1. | Mrs. Nittaya Kiatsarikul | Seri Manop & Doyle Ltd. |
|----|--------------------------|-------------------------|

Financial Advisors

- | | | |
|----|----------------------------------------|-----------------------------------------------------------------|
| 1. | Mr. Chonlachart Worawutthitchongsathit | Financial Advisor from The Brooker Group Public Company Limited |
| 2. | Mrs. Duangjai Lorlertvit | Independent Financial Advisor from JayDee Partners Limited |
| 3. | Miss Jirayong Anuman-Rajadhon | Independent Financial Advisor from JayDee Partners Limited |
| 4. | Miss Kanokkorn Pornsawat | Independent Financial Advisor from JayDee Partners Limited |

The Chairman informed the meeting that there were 172 shareholders attended the meeting, both in person and by proxy, together represented 236,363,490 shares with equivalent to 73.8036% of the total issued shares, thus forming a quorum according to Article 39 of the Articles of Association. The Chairman then appointed Ms. Sukhontha 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. 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 agenda items 2 to 5 shall be approved by the Shareholders' Meeting with the vote not less than three-fourths of the votes of the shareholders attending the meeting having the right to vote. List of shareholders who have conflict of interest and have no right to vote are as follows:

No.	Name of shareholder	Number of shares
1	Mr. Kasem Akarapongpisak	93,282,180
2	Mr. Prasarn Akarapongpisak	44,046,300
3	Mr. Prasert Akarapongpisak	36,284,300
4	Mr. Vittawat Akarapongpisak	12,811,500
5	Miss Vasana Akarapongpisak	6,000,020
Total		192,424,300

The Chairman then proceeded as according to the following agendas:

Agenda 1. Consideration to certify the Minutes of the Annual General Meeting of Shareholders No. 1/2012

The Chairman presented the Minutes of the Annual General Meeting of Shareholders No. 1/2012, held on July 26, 2012, for approval by the Meeting.

The Meeting has resolved with the majority votes to approve the minutes of the Annual General Meeting of Shareholders No. 1/2012 with the following voting results:

- Approved, representing 236,363,490 votes, equivalent to 100% of the total votes of shareholders attending the meeting and having the rights to vote;
- Disapproved, representing 0 vote, equivalent to 0% of the total votes of shareholders attending the meeting and having the rights to vote;
- Abstained, representing 0 vote, equivalent to 0% of the total votes of shareholders attending the meeting and having the rights to vote.

Agenda 2. Consideration to approve the investment in Ngeck Seng Chiang Metal Co., Ltd. ("NSCM") by purchasing all ordinary shares of NSCM from its current shareholders and pay the total consideration by issuing new ordinary shares

The Chairman assigned Mr. Anan Manatchinapisit to present the information of purchase of all ordinary shares of NSCM from its current shareholders and pay the total consideration by issuing new ordinary shares resulting the Company to hold all shares of NSCM,

details of which are as appeared in information memorandum on acquisition of assets and connected transaction sending to the shareholders, Attachment No.2.

The Chairman assigned Miss Jirayong Anuman-Rajadhon to present the comment of the independent financial advisor related to acquisition of assets and connected transaction. The Company shall purchase all ordinary shares of NSCM from its current shareholders and pay the total consideration by issuing new ordinary shares in type of private placement to the sellers to pay for the share of NSCM, details of which are as appeared in report of comment of the independent financial advisor related to acquisition of assets and connected transaction sending to the shareholders, Attachment No.3.

The Chairman asked the shareholders to question and give any suggestion.

The shareholders questioned and the Company answered as follows:

1. Mr. Sathit Kumar asked: Is this case Back Door Listing? What is the percentage of the existing NSCM goods comparing to the Company's goods? When this new issued shares shall be offered?

Miss Jirayong Anuman-Rajadhon explained that this case is not back door listing, but a normal investment. For the existing goods, the Company has approximately 1,700 Million Baht of goods and NSCM has 587 Million Baht of goods, totaling amount of approximately 2,300 Million Baht. The new issued shares shall be offered in the Stock Exchange Market around February 2013.

2. Mr. Supot Uchailertkul asked: How this deal of sale and purchase occur? What is the liability of NSCM?

Mr. Prasarn Akarapongpisak explained that Akarapongpisak's family has grown with this business. The businesses were clearly divided prior to the Company listed into the Stock Exchange Market. The Company emphasizes in stainless steel, whereas NSCM specializes in other metals. When the Company listed into the Stock Exchange Market, there are many advantages particularly in financial management. The merger of the business between the Company and NSCM shall resulted in the Company is able to offer various products and increase the opportunity to gain more profit.

Regarding NSCM's liability, most of the liabilities of NSCM are debts from the purchase of goods, which was mostly paid by cash that may resulted in the liability from loan to pay the dividend in the future.

3. Mr. Anurak Boonsawang asked: What kind of industries are NSCM's clients? How is the business competition?

Mr. Prasarn Akarapongpisak explained that NSCM's clients are construction group using copper as the main material of electric switch. There are some business competitions and the growth of NSCM is approximately 10-15%.

4. Mr. Teerayuth Pheatanyakit asked: What is the approximate income from sale of the year of 2014-2017 after purchase of the business?

Mr. Prasarn Akarapongpisak explained that the Company expects potential growth and shall revise the working methods by moving warehouse to the plant of the Company.

5. Mr. Sakchai Sakulsrimontri asked: (1) Request the Independence Financial Advisor to explain regarding the compensation as stated in page 13 of the Information

Memorandum. (2) Shall the commission fee be paid after the Company purchases NSCM's shares? (3) What is the policy of dividend payment from NSCM to the Company?

Miss Jirayong Anuman-Rajadhon explained that the compensation in page 13 consisted of 2 cases: the first case is the compensation in case of not in compliance with the Agreement; the second is in case of on the date of transfer of shares, Deloitte Touche Tohmatsu Jaiyos Co., Ltd. checks the inventory and finds that the inventory is different from the internal balance sheet of NSCM.

Mr. Prasarn Akarapongpisak explained that the same rate of commission pay shall be sustained as the remuneration to the sales officers. For the dividend pay, the Company shall further consider on this matter.

6. Mr. Anurak Boonsawang asked: What is the policy of the Company to reduce the result from pay for interest of NSCM?

Mr. Prasarn Akarapongpisak explained that firstly, the cost from overlapped procedure may be reduced, the extent of such reduction shall then be considered after jointly doing business. In the first year, the Company shall emphasis on logistic management to provide more services to the clients. Regarding the interest policy, it shall be considered to reduce the inventory, then having cash to settle the debts.

7. Mr. Anurak Boonsawang asked: Do the clients databases of both companies duplicate?

Mr. Prasarn Akarapongpisak explained that the clients' databases of both companies are not duplicated. The Company's clients are Japanese company whereas NSCM's clients are Thai company.

After there were no other questions from the shareholders, the Chairman proposed the Meeting to consider and approve.

The Meeting considered and approved the investment in NSCM by purchasing all ordinary shares of NSCM from its current shareholders and pay the total consideration by issuing new ordinary shares and to authorize Mr. Prasarn Akarapongpisak, the company's managing director, to negotiate and sign the Sale and Purchase Agreement and relevant documents regarding the purchase of ordinary shares of NSCM as proposed by the Chairman with the following voting results:

- Approved, representing 43,968,337 votes, equivalent to 99.9998% of the total votes of shareholders attending the meeting and having the rights to vote;
- Disapproved, representing 100 vote, equivalent to 0.0002% of the total votes of shareholders attending the meeting and having the rights to vote;
- Abstained, representing 0 votes, equivalent to 0% of the total votes of shareholders attending the meeting and having the rights to vote.

Agenda 3. To consider and approve to increase the registered capital from Baht 320,000,000 to Baht 383,000,000 by issuing new 63,000,000 ordinary shares at par value of Baht 1 per share

The Chairman proposed to the Meeting that the Company has to pay NSCM's share price with its new issuing shares not exceed 63,000,000 shares, therefore requested the Meeting to consider and approve to increase the registered capital from Baht 320,000,000 to Baht 383,000,000 by issuing new 63,000,000 ordinary shares at par value of Baht 1 (one) per share.

The Meeting considered and approved to increase the registered capital from Baht 320,000,000 to Baht 383,000,000 by issuing new 63,000,000 ordinary shares at par value of Baht 1 (one) per share with the following voting results:

- Approved, representing 43,968,337 votes, equivalent to 99.9998% of the total votes of shareholders attending the meeting and having the rights to vote;
- Disapproved, representing 100 vote, equivalent to 0.0002% of the total votes of shareholders attending the meeting and having the rights to vote;
- Abstained, representing 0 votes, equivalent to 0% of the total votes of shareholders attending the meeting and having the rights to vote.

Agenda 4. To consider and approve the amendment of the Company Memorandum of Association Clause No. 4 to be consistent with the increment of registered capital as follows:

The Chairman proposed to the Meeting to consider and approve the amendment of the Company Memorandum of Association Clause No. 4 to be consistent with the increment of registered capital as follows:

“Clause 4	Registered Capital	383,000,000	Baht	(Three Hundred Eighty Three Million Baht)
	Divided into	383,000,000	Shares	(Three Hundred Eighty Three Million Shares)
	Par Value	1	Baht	(One Baht)
	Ordinary Shares	383,000,000	Shares	(Three Hundred Eighty Three Million Shares)
	Preferred Share	-	Share	(-)”

The Meeting considered and approved the amendment of the Company Memorandum of Association Clause No. 4 to be consistent with the increment of registered capital as follows:

- Approved, representing 43,968,337 votes, equivalent to 99.9998% of the total votes of shareholders attending the meeting and having the rights to vote;
- Disapproved, representing 100 vote, equivalent to 0.0002% of the total votes of shareholders attending the meeting and having the rights to vote;
- Abstained, representing 0 votes, equivalent to 0% of the total votes of shareholders attending the meeting and having the rights to vote.

Agenda 5. To consider and approve the allotment of new ordinary shares not to exceed 63,000,000 shares at par value of Baht 1 per share to NSCM’s shareholders at Baht 3.92 per share by exchange shares

The Chairman proposed to the Meeting by referring to the Meeting has approved the purchase of 2,300,000 NSCM’s shares, totaling in the amount of Baht 246,960,000 and the Company shall pay the new ordinary shares not exceed 63,000,000 shares with share price of Baht 3.92 per share to 4 shareholders of NSCM i.e. Mr. Prasert Akarapongpisak, Mr. Pongthep Akarapongpisak, Miss Vasana Akarapongpisak and Mr. Vittawat Akarapongpisak.

These 4 shareholders of NSCM obtained the allotment of 15,750,000 new ordinary shares each, with share price of Baht 3.92 totaling in the amount of Baht 61,740,000.

Each shareholder of NSCM must bring 575,000 of NSCM shares to pay the share price to the Company.

In case of having the remaining shares from the allotment, the Company grants the authority to Mr. Anan Manuschinapisith and Mr. Lert Nittheranont, the Company's directors to be authorized to allot the remaining shares to private placement pursuant to the definition as prescribed in Clause 24 of the notification of the Capital Market Supervisory Board No. TorChor. 28/2551 re: Application for Permission and Grant of Permission to Offer Newly Issued Shares (as amended) at the same price to the issuance and offer to the previous shareholders of NSCM or cancel the allotment of the remaining shares.

The Meeting considered and approved the allotment of new ordinary shares to 4 shareholders of NSCM i.e. Mr. Prasert Akarapongpisak, Mr. Pongthep Akarapongpisak, Miss Vasana Akarapongpisak and Mr. Vittawat Akarapongpisak as abovementioned, with the following voting results:

- Approved, representing 43,968,337 votes, equivalent to 99.9998% of the total votes of shareholders attending the meeting and having the rights to vote;
- Disapproved, representing 100 vote, equivalent to 0.0002% of the total votes of shareholders attending the meeting and having the rights to vote;
- Abstained, representing 0 votes, equivalent to 0% of the total votes of shareholders attending the meeting and having the rights to vote

Agenda 6. Other matters

Mr. Wanchai Umpungart, the Chairman of the Board asked whether any shareholders have any question or suggestion.

The shareholders asked and the Company answered as follows:

1. During the last year, the operation of the Company related to automobile industry gained benefit from the first car policy resulted in the increment of sale and good profit to the Company. What will be the Company's policy after completion of this project?

Mr. Prasarn Akarapongpisak explained that the Company is one of the supply chains of the automobile manufacturing, the Company has sufficient strength and adequate purchase orders. The automobile manufacturing businesses shall be operated continuously, with development and introduction of new models to serve the coming Motor Show. Additionally, the manufacturing of electric railcar required stainless steels for hand rails and other equipments, the business of NSCM shall also support the Company's products portfolios.


2. Regarding the risk management of NSCM from the exchange rate of importing goods and the unstable price of brass and copper, which are the commodity products, whether the Company should bring the good management method of "FAST IN FAST OUT" to be used with NSCM?

Mr. Prasarn Akarapongpisak explained that most of NSCM's products are purchased within the country and exposed to lesser risk of exchange rate. For the unstable price of commodity products, the Company shall exercise the safety first policy and Mr. Prasert Akarapongpisak, who has a lot of experience, shall be capable of handling the unstable price of the products.

The "FAST IN FAST OUT" method of goods management shall not be exercised in full. In the beginning, we must educate NSCM's clients for understanding as this

type of management requires cooperation from the clients to prepare the forecast of the purchase of goods.

The Chairman declared the Meeting closed at 3.35 p.m.


Signed _____ Chairman
(Mr. Wanchai Umpungart)

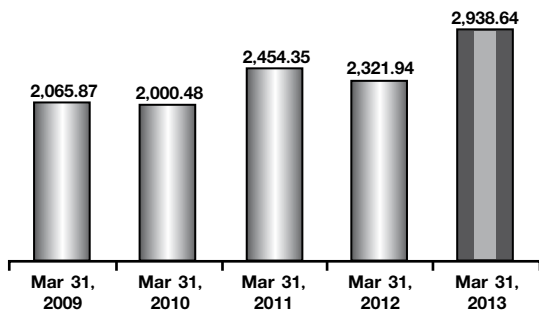
Financial Highlight

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

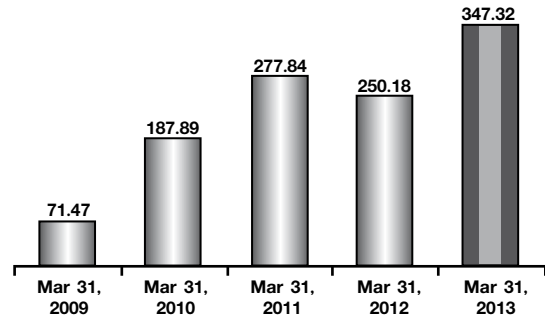
	For the year ended 31 st March				
	2009	2010	2011	2012	2013
Profit and loss statement (Baht millions)					
Total revenue	2,065.87	2,000.48	2,454.35	2,321.94	2,938.64
Revenue from the sales of good and services	2,036.96	1,970.41	2,415.00	2,287.87	2,889.38
Gross profit	71.47	187.89	277.84	250.18	347.32
Net profit provided by operating activities	(8.98)	122.72	196.65	166.24	249.30
Net profit	(52.93)	101.27	139.11	96.72	157.20
Balance Sheet (Baht millions)					
Total assets	1,203.03	1,386.20	1,493.00	1,522.84	2,432.89
Total liabilities	550.56	632.46	582.22	533.98	1,072.65
Total shareholders' equity	652.47	753.74	910.78	988.86	1,360.24
Per ordinary share (Baht), at Par 1.00					
Book Value per share (Baht)	2.04	2.36	2.64	2.68	3.11
Earning per share (Baht)	(0.17)	0.32	0.43	0.30	0.48
Dividend per share (Baht)	0.04	0.15	0.22	0.14	0.22
Ratio Analysis					
Gross profit margin (%)	3.51%	9.54%	11.50%	10.94%	12.02%
Net profit margin (%)	-2.56%	5.06%	5.67%	4.17%	5.35%
Return on equity (%)	-7.60%	14.40%	17.40%	11.36%	15.34%
Return on Assets (%)	-3.77%	7.82%	9.66%	6.41%	7.95%
Liquidity ratio (times)	1.49	1.63	1.98	2.27	1.84
Debt to equity ratio (times)	0.84	0.84	0.64	0.54	0.79

Consolidated Results of Fiscal years as of March 31, 2009 - March 31, 2013

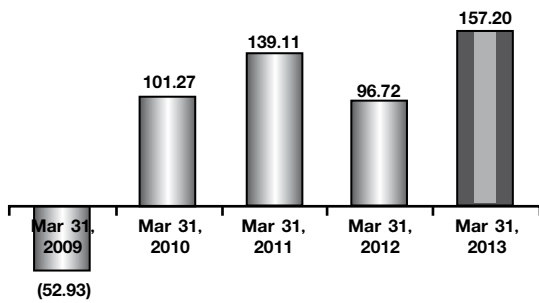
Total Revenue (Baht Millions)



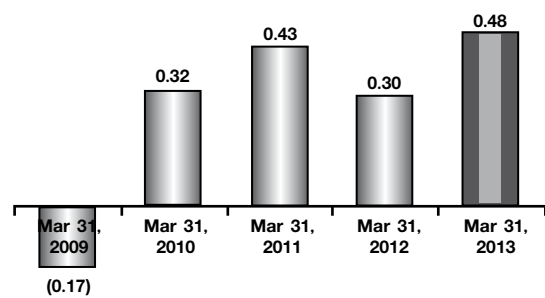
Gross Profit (Baht Millions)



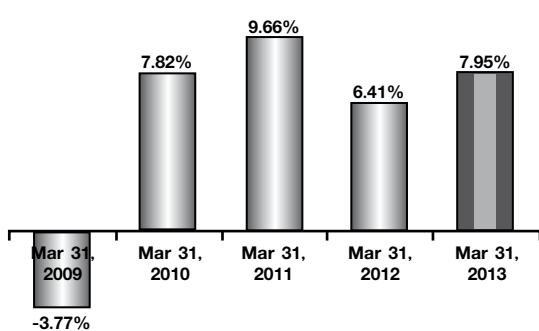
Net Profit (loss) (Baht Millions)



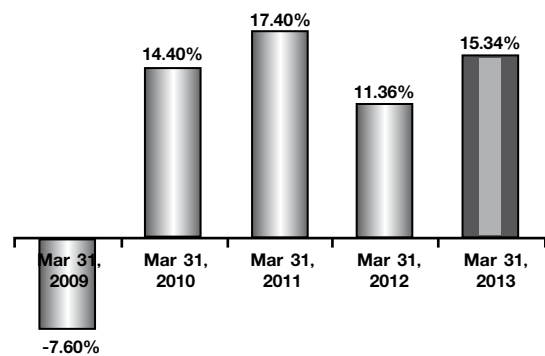
Earning Per Share (Baht)



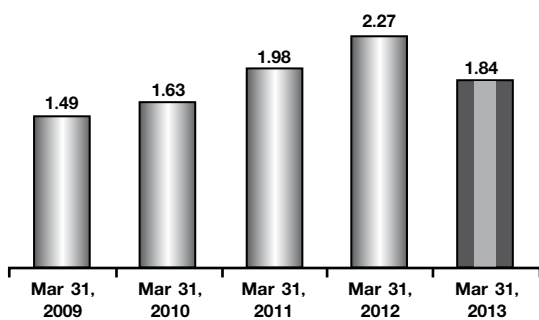
Return On Assets (%)



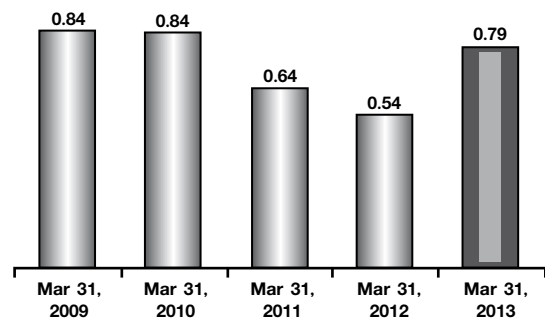
Return On Equity (%)



Liquidity Ratio (Times)



Debt To Equity Ratio (Times)



Lohakit Metal Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 March 2013

Independent Auditor's Report

To the Shareholders of Lohakit Metal Public Company Limited

I have audited the accompanying consolidated financial statements of Lohakit Metal Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 March 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Lohakit Metal Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lohakit Metal Public Company Limited and its subsidiaries and of Lohakit Metal Public Company Limited as at 31 March 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

A handwritten signature in black ink, appearing to read 'GingA', written in a cursive style.

Gingkarn Atsawarangsalit
Certified Public Accountant (Thailand) No. 4496

Ernst & Young Office Limited
Bangkok: 27 May 2013

Lohakit Metal Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Assets					
Current assets					
Cash and cash equivalents	7	87,280,600	53,847,848	52,668,017	45,689,800
Current investment	8	70,512,620	-	-	-
Trade and other receivables	6, 9	855,392,834	541,542,247	458,454,451	377,789,620
Inventories	10	896,034,793	553,949,706	518,095,917	375,461,027
Other current assets		6,657,557	7,029,010	5,626,647	6,386,915
Total current assets		1,915,878,404	1,156,368,811	1,034,845,032	805,327,362
Non-current assets					
Restricted bank deposits	11	46,000,000	5,000,000	5,000,000	5,000,000
Investments in subsidiaries	12	-	-	403,237,145	144,998,600
Investment in associated company	13	11,250,578	9,140,526	4,900,000	4,900,000
Long-term investment	8	3,210,471	-	-	-
Other long-term investment	14	5,000,000	-	-	-
Property, plant and equipment	15	447,901,459	349,495,109	152,435,879	126,140,477
Intangible assets	16	478,313	376,927	64,139	175,714
Other non-current assets		3,176,629	2,462,564	2,372,900	1,863,835
Total non-current assets		517,017,450	366,475,126	568,010,063	283,078,626
Total assets		2,432,895,854	1,522,843,937	1,602,855,095	1,088,405,988

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 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	17	469,895,915	266,171,794	142,800,464	138,671,174
Trade and other payables	6, 18	531,499,387	223,115,441	355,899,696	116,385,814
Current portion of financial lease payables	19	4,348,875	3,633,151	2,155,708	2,315,710
Income tax payable		25,108,426	9,348,906	17,294,187	9,348,906
Other current liabilities		8,440,279	6,069,717	3,510,202	4,410,691
Total current liabilities		1,039,292,882	508,339,009	521,660,257	271,132,295
Non-current liabilities					
Financial lease payables - net of current portion	19	8,033,339	9,569,111	4,658,966	5,963,414
Provision for long-term employee benefits	20	25,328,478	16,075,911	12,137,983	11,332,102
Other non-current liabilities		1,400	1,400	-	-
Total non-current liabilities		33,363,217	25,646,422	16,796,949	17,295,516
Total liabilities		1,072,656,099	533,985,431	538,457,206	288,427,811

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 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Shareholders' equity					
Share capital					
Registered	21				
383,000,000 ordinary shares of Baht 1 each (31 March 2012: 320,000,000 ordinary shares of Baht 1 each)		383,000,000	320,000,000	383,000,000	320,000,000
Issued and fully paid-up					
383,000,000 ordinary shares of Baht 1 each (31 March 2012: 320,000,000 ordinary shares of Baht 1 each)		383,000,000	320,000,000	383,000,000	320,000,000
Share premium		519,672,600	330,672,600	519,672,600	330,672,600
Retained earnings					
Appropriated - statutory reserve	22	38,047,435	24,457,435	25,707,335	21,237,335
Unappropriated		250,130,514	183,316,018	136,017,954	128,068,242
Other components of shareholders' equity		25,279	-	-	-
Equity attributable to owners of the Company		1,190,875,828	858,446,053	1,064,397,889	799,978,177
Non-controlling interests of the subsidiary		169,363,927	130,412,453	-	-
Total shareholders' equity		1,360,239,755	988,858,506	1,064,397,889	799,978,177
Total liabilities and shareholders' equity		2,432,895,854	1,522,843,937	1,602,855,095	1,088,405,988

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

Directors

Lohakit Metal Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 March 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Profit or loss:					
Revenues					
Sales and service income		2,889,378,413	2,287,867,227	1,854,100,182	1,697,806,169
Dividend income		24,774	-	7,718,362	-
Gain from purchase of investment		9,596,563	-	-	-
Other income		39,639,118	34,072,619	27,436,681	32,533,452
Total revenues		2,938,638,868	2,321,939,846	1,889,255,225	1,730,339,621
Expenses					
Cost of sales and services		2,542,056,786	2,037,688,180	1,673,589,193	1,553,660,373
Selling expenses		63,293,402	50,402,292	38,446,565	30,615,028
Administrative expenses		83,985,140	67,607,622	50,263,166	51,226,295
Total expenses		2,689,335,328	2,155,698,094	1,762,298,924	1,635,501,696
Profit before share of profit from investment					
in associate, finance cost and income tax expenses		249,303,540	166,241,752	126,956,301	94,837,925
Share of profit from investment in associate	13	2,110,052	1,622,887	-	-
Income before finance cost and income tax expenses		251,413,592	167,864,639	126,956,301	94,837,925
Finance cost		(17,945,134)	(19,599,532)	(7,839,038)	(12,862,582)
Profit before income tax expenses		233,468,458	148,265,107	119,117,263	81,975,343
Income tax expenses	24	(32,166,849)	(25,780,730)	(29,897,551)	(25,780,730)
Profit for the year		201,301,609	122,484,377	89,219,712	56,194,613
Other comprehensive income:					
Gain on changes in value of available-for-sale investment		25,279	-	-	-
Total comprehensive income for the year		201,326,888	122,484,377	89,219,712	56,194,613
Profit attributable to:					
Equity holders of Company		157,204,535	96,723,840	89,219,712	56,194,613
Non-controlling interests of the subsidiary		44,097,074	25,760,537		
		201,301,609	122,484,377		
Total comprehensive income attributable to:					
Equity holders of the Company		157,229,814	96,723,840	89,219,712	56,194,613
Non-controlling interests of the subsidiary		44,097,074	25,760,537		
		201,326,888	122,484,377		
Earnings per share					
26					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.48	0.30	0.27	0.18
Weighted average number of ordinary shares (shares)		330,356,164	320,000,000	330,356,164	320,000,000

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

Lohakit Metal Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 March 2013

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company					Other components of equity				
	Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated	on changes in value of available-for-sale investment	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity	
			Appropriated - statutory reserve	Unappropriated						
Balance as at 1 April 2011										
(As restated - cumulative effect of change in accounting policy for employee benefits)	320,000,000	330,672,600	18,427,585	163,022,028	-	832,122,213	64,651,916	896,774,129		
Capital increase in a subsidiary for non-controlling interests of the subsidiary	-	-	-	-	-	-	40,000,000	40,000,000		
Dividend paid (Note 29)	-	-	-	(70,400,000)	-	(70,400,000)	-	(70,400,000)		
Total comprehensive income for the year	-	-	-	96,723,840	-	96,723,840	25,760,537	122,484,377		
Transferred to appropriated retained earnings - statutory reserve (Note 22)	-	-	6,029,850	(6,029,850)	-	-	-	-		
Balance as at 31 March 2012	320,000,000	330,672,600	24,457,435	183,316,018	-	858,446,053	130,412,453	988,858,506		
Balance as at 1 April 2012	320,000,000	330,672,600	24,457,435	183,316,018	-	858,446,053	130,412,453	988,858,506		
Increase share capital (Note 21)	63,000,000	189,000,000	-	-	-	252,000,000	-	252,000,000		
Dividend paid (Note 29)	-	-	-	(76,800,039)	-	(76,800,039)	(5,145,600)	(81,945,639)		
Total comprehensive income for the year	-	-	-	157,204,535	-	157,204,535	44,097,074	201,301,609		
Surplus on change in value of available-for-sale investment	-	-	-	-	25,279	25,279	-	25,279		
Transferred to appropriated retained earnings - statutory reserve (Note 22)	-	-	13,590,000	(13,590,000)	-	-	-	-		
Balance as at 31 March 2013	383,000,000	519,672,600	38,047,435	250,130,514	25,279	1,190,875,828	169,363,927	1,360,239,755		

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 2013

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total	
			Appropriated - statutory reserve	Unappropriated		
Balance as at 1 April 2011						
(As restated - cumulative effect of change in accounting policy for employee benefits)	320,000,000	330,672,600	18,427,585	145,083,379		814,183,564
Dividend paid (Note 29)	-	-	-	(70,400,000)		(70,400,000)
Total comprehensive income for the year	-	-	-	56,194,613		56,194,613
Transferred to appropriated retained earnings - statutory reserve (Note 22)	-	-	2,809,750	(2,809,750)		-
Balance as at 31 March 2012	320,000,000	330,672,600	21,237,335	128,068,242		799,978,177
Balance as at 1 April 2012	320,000,000	330,672,600	21,237,335	128,068,242		799,978,177
Increase in share capital (Note 21)	63,000,000	189,000,000	-	-		252,000,000
Dividend paid (Note 29)	-	-	-	(76,800,000)		(76,800,000)
Total comprehensive income for the year	-	-	-	89,219,712		89,219,712
Transferred to appropriated retained earnings - statutory reserve (Note 22)	-	-	4,470,000	(4,470,000)		-
Balance as at 31 March 2013	383,000,000	519,672,600	25,707,335	136,017,954		1,064,397,889

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

Lohakit Metal Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 March 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from operating activities				
Profit before tax	233,468,458	148,265,107	119,117,263	81,975,343
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:				
Depreciation	66,642,714	56,039,186	15,212,767	15,431,570
Amortisation	184,669	1,474,933	111,574	1,078,802
Reversal of allowance for doubtful accounts	(239,906)	(4,041,284)	-	(3,396,230)
Decrease of inventory to be at net realisable value	17,177,062	3,131,291	15,529,183	1,537,268
Loss (gain) on sales of equipment	928,561	(3,808,934)	222,169	(3,411,740)
Gain from purchase of investment in subsidiary	(9,596,563)	-	-	-
Movements in provision for long-term employee benefits	1,793,454	2,130,894	805,881	1,437,003
Unrealised gain on foreign exchange	(104,349)	(909,173)	(273,420)	(324,008)
Unrealised gain from change in value of current investment	(291,595)	-	-	-
Share of profit from investment in associate	(2,110,052)	(1,622,887)	-	-
Dividend income	(24,774)	-	(7,718,362)	-
Interest income	(321,938)	(79,949)	(160,359)	(7,091,673)
Interest expense	15,686,795	17,967,797	6,197,337	11,945,382
Income from operating activities before changes in operating assets and liabilities	323,192,536	218,546,981	149,044,033	99,181,717
Decrease (increase) in operating assets				
Trade and other receivables	(118,228,318)	33,152,296	(80,692,303)	55,586,000
Inventories	(212,414,109)	(31,876,475)	(158,164,072)	(8,638,708)
Other current assets	405,317	6,719,030	760,268	6,929,412
Other non-current assets	(690,065)	(124,000)	(509,065)	-
Increase (decrease) in operating liabilities				
Trade and other payables	266,484,684	(26,798,710)	240,035,832	(36,270,894)
Other current liabilities	(40,652,656)	(617,211)	(900,490)	(868,844)
Cash flows from operating activities	218,097,389	199,001,911	149,574,203	115,918,683
Cash paid for interest expenses	(15,850,090)	(17,881,897)	(6,267,817)	(11,863,746)
Cash paid for income tax expenses	(21,956,907)	(29,700,108)	(21,952,270)	(29,675,566)
Net cash from operating activities	180,290,392	151,419,906	121,354,116	74,379,371

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 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Decrease in short-term loan to related party	-	-	-	115,000,000
Cash received from interest income	427,433	79,949	160,359	8,900,560
Cash received from dividend	24,774	-	7,718,362	-
Proceed from sales of current investment	12,000,000	-	-	-
Cash paid for investment in subsidiary	-	-	(6,238,545)	(60,000,000)
Acquisition of equipment	(114,951,611)	(65,220,327)	(43,006,277)	(17,575,462)
Cash received from purchase of investment in subsidiary	45,496,863	-	-	-
Proceeds from sales of equipment	4,191,555	7,253,271	3,343,939	6,856,075
Net cash from (used in) investing activities	(52,810,986)	(57,887,107)	(38,022,162)	53,181,173
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(7,048,138)	(39,763,762)	3,957,579	(26,092,369)
Cash received from non-controlling interests of the subsidiary for capital increase in a subsidiary	-	40,000,000	-	-
Dividend paid	(81,945,639)	(70,400,000)	(76,800,000)	(70,400,000)
Repayment of financial lease payables	(5,074,010)	(3,502,343)	(3,532,449)	(2,202,415)
Net cash used in financing activities	(94,067,787)	(73,666,105)	(76,374,870)	(98,694,784)
Effect of exchange rate to cash and cash equivalents	21,133	14,092	21,133	14,092
Net increase in cash and cash equivalents	33,432,752	19,880,786	6,978,217	28,879,852
Cash and cash equivalents at beginning of year	53,847,848	33,967,062	45,689,800	16,809,948
Cash and cash equivalents at end of year	87,280,600	53,847,848	52,668,017	45,689,800
Supplemental cash flows information				
Non-cash items:				
Motor vehicles purchased under financial lease agreement	3,897,439	11,059,738	2,068,000	7,073,368
Revaluation surplus on changes in value of investments	25,279	-	-	-
Share issued to exchange of common share in subsidiary	-	-	252,000,000	-

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 2013

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 distribution and shearing of iron 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 with accounting 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”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013 Percent	2012 Percent
Auto Metal Company Limited	Production, smelting and assembly for all types of metal	Thailand	60	60
Alternative Stainless Company Limited	Distribution of metal products	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2013</u> Percent	<u>2012</u> Percent
Ngeck Seng Chiang Metal Company Limited	Distribution of stainless steel, aluminum, brass, copper, zinc and galvanized steel products	Thailand	100	-

- b) 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.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- e) 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 On 21 January 2013, the Extraordinary Shareholders' Meeting No. 1/2013 of the Company passed resolutions to:

- acquire ordinary shares of Ngeck Seng Chiang Metal Company Limited ("NSCM") of 2.3 million ordinary shares at Baht 107.37 per share, totaling Baht 246.96 million. As a result of the share acquisition, the Company hold 99.99 percent of ordinary shares of NSCM
- increase its share capital from Baht 320 million (320 million ordinary shares with a par value of Baht 1 each) to Baht 383 million (383 million ordinary shares with a par value of Baht 1 each) by issuing 63 million ordinary shares of Baht 1 each through private placement. The Company allocated 63 million of ordinary shares to NSCM's shareholders for payment of the investment in ordinary shares of NSCM.

The Company and NSCM had completed the above transactions on 31 January 2013 and the Company registered the increase of paid up share capital on 1 February 2013.

Fair value amount of the assets acquired and the liabilities of the Ngeck Seng Chiang Metal Company Limited as at the acquisition date are as follows:

	(Unit: Thousand Baht)
Cash and cash equivalents	45,497
Current investment	82,221
Trade and other receivables	195,524
Inventories	146,848
Restricted bank deposits	41,000
Long-term investment	3,185
Other long-term investment	5,000
Property, plant and equipment	51,320
Intangible assets	286
Short-term loans from financial institutions	(210,591)
Trade and other payables	(42,363)
Other assets (other liabilities) - net	<u>(56,330)</u>
Net assets from acquisition of subsidiary company	261,597
Fair value of common share of the Company as of the exchange date	<u>252,000</u>
Gain from purchase of investment	<u>9,597</u>

The total cost of acquisition of Baht 6 million was recorded as expense under the caption of "Administrative expenses" in the consolidated statements of comprehensive income.

Revenue and profit for the period as from 1 February 2013 to 31 March 2013 of Ngeck Seng Chiang Metal Company Limited which included in the consolidated statements of comprehensive income is Baht 133 million and Baht 6 million, respectively,

- 2.4 The separate financial statements, which present investments in subsidiaries and associate presented under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards not yet effective

The Federation of Accounting Professions issued the following accounting standards, financial reporting standards, accounting standard interpretations and accounting treatment guidance, all of which are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21(revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

In addition, the Federation of Accounting Professions has issued notifications which have been published in the Royal Gazette during the current period, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows:

	<u>Effective date</u>
Thai Financial Reporting Standard:	
TFRS 4 Insurance Contracts	1 January 2016
Accounting Standard Interpretation:	
TSIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10 Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The management of the Company and subsidiaries believes that these financial reporting standard, accounting standard interpretations and financial reporting standard interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

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.

Finished goods purchased of a subsidiary are valued at the lower of average cost and net realisable value. Such cost consist of the 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/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 is calculated by reference to their costs on a straight-line basis over the following estimated useful lives.

Buildings and fixture	-	5 and 20 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 Income tax

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.

4.10 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.

4.11 Long-term leases

Leases of plant or equipment 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 or equipment 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.

4.12 Foreign currencies

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.

4.13 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.

4.14 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.

Post-employment benefits

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.

For the first-time adoption of TAS 19 Employee Benefits in the year ended 31 March 2012, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2012.

4.15 Provisions

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

5. 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/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.

Post-employment benefits under defined benefit plans

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

6. Related party transactions

During the years, the 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	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<u>Transactions with subsidiaries</u>					
(Eliminate from the consolidated financial statements)					
Sales of goods and service income	-	-	232,083	268,646	Sale of goods: Market price less discount 2%, and cost plus a margin at rate of 5% Service income: Closed to the market price
Interest income	-	-	-	7,012	MLR per annum
Service income	-	-	4,800	600	Accordance with the negotiation price
Dividend income	-	-	7,718	-	As approved by shareholders' meeting
Purchases of goods	-	-	397	-	Market price
Commission expenses	-	-	13	-	Not over 2% of sales
Sales of fixed assets	-	-	-	2,243	Accordance with the negotiation price
<u>Transactions with related companies</u>					
Sales of goods and service income	38,726	56,743	32,081	42,353	Sales of goods: Closed to the net selling price that is sold to major customers Service income: Closed to the market price
Rental income	300	300	300	300	Fixed fee per month
Commission expenses	11,069	9,338	196	202	Not over 2% of sales
Car rental expenses	72	-	-	-	Contract price
<u>Transactions with related parties</u>					
Building rental expenses	496	-	-	-	Contract price that closed to the market price

As at 31 March 2013 and 2012, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Trade and other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	45,594	62,298
Related company (related by common major shareholders)	-	5,063	-	4,761
Total trade and other receivables - related parties	-	5,063	45,594	67,059
<u>Trade and other payables - related parties (Note 18)</u>				
Associated company	3,145	3,514	-	-
Subsidiary	-	-	450	-
Related company (related by common major shareholders)	-	29	-	29
Total trade and other payables - related parties	3,145	3,543	450	29

Directors and management's benefits

For the years ended 31 March 2013 and 2012, 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	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term employee benefits	38,640	32,218	23,449	21,604
Post-employment benefits	823	512	375	463
Total	39,463	32,730	23,824	22,067

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash	125	85	55	55
Bank deposits	87,156	53,763	52,613	45,635
Total	87,281	53,848	52,668	45,690

As at 31 March 2013, bank deposits in saving accounts and fixed deposits carried interests between 0.625 and 1.70 percent per annum (2012: between 0.62 and 1.90 percent per annum).

8. Investments

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	2013		2012	
	Cost	Fair value	Cost	Fair value
<u>Trading securities</u>				
Investment units in open-end fund	70,221	70,513	-	-
Total trading securities	70,221	70,513	-	-
Add: Changes in fair value	292		-	
Total trading securities	70,513		-	
<u>Available-for-sale securities</u>				
Investment units in property fund	3,185	3,210	-	-
Total available-for-sale securities	3,185	3,210	-	-
Add: Changes in fair value	25		-	
Total available-for-sale securities	3,210		-	

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	2,820	34,653	44,438
Past due				
Up to 3 months	-	2,243	10,941	22,621
Total trade receivables - related parties	-	5,063	45,594	67,059
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	652,003	402,311	309,109	242,345
Past due				
Not over 3 months	203,213	134,140	103,707	68,358
Over 12 months	25,947	17,426	17,426	17,426
Total	881,163	553,877	430,242	328,129
Less: Allowance for doubtful accounts	(25,947)	(17,426)	(17,426)	(17,426)
Total trade receivables - unrelated parties, net	855,216	536,451	412,816	310,703
Total trade receivable - net	855,216	541,514	458,410	377,762

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Other receivables</u>				
Other receivable	67	28	45	28
Interest receivable	110	-	-	-
Total other receivables	<u>177</u>	<u>28</u>	<u>45</u>	<u>28</u>
Trade and other receivables - net	<u>855,393</u>	<u>541,542</u>	<u>458,455</u>	<u>377,790</u>

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Finished goods	454,077	244,650	(46,032)	(22,968)	408,045	221,682
Raw materials	422,427	294,014	(5,819)	(3,470)	416,608	290,544
Supplies	7,632	7,578	-	-	7,632	7,578
Goods in transit	63,749	34,146	-	-	63,749	34,146
Total	<u>947,885</u>	<u>580,388</u>	<u>(51,851)</u>	<u>(26,438)</u>	<u>896,034</u>	<u>553,950</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Finished goods	222,208	172,286	(34,251)	(21,070)	187,957	151,216
Raw materials	282,764	190,891	(5,819)	(3,470)	276,945	187,421
Supplies	6,174	6,818	-	-	6,174	6,818
Goods in transit	47,020	30,006	-	-	47,020	30,006
Total	<u>558,166</u>	<u>400,001</u>	<u>(40,070)</u>	<u>(24,540)</u>	<u>518,096</u>	<u>375,461</u>

11. Restricted bank deposits

These represent fixed deposits of a subsidiary and the Company which pledged with the banks to secure credit facilities as described in Note 30.3.

12. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost method	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Million Baht	Million Baht	Percent	Percent		
Auto Metal Company Limited	240	240	60	60	144,000	144,000
Alternative Stainless Company Limited	1	1	100	100	999	999
Ngeck Seng Chiang Metal Company Limited	230	-	100	-	258,238	-
Total					<u>403,237</u>	<u>144,999</u>

12.1 On 19 June 2012, the Annual General Meeting of the shareholders of Auto Metal Co., Ltd. pass a resolution to approve the payment of dividend for 2012. The Company received dividend total of Baht 7.7 million.

12.2 The Company had already purchased common shares of NSCM by increase its share capital and allocate 63 million of ordinary shares to the existing shareholders of NSCM on 31 January 2013 and the Company registered the increase of paid up share capital on 1 February 2013 as described in Note 2.3.

13. Investments 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	
			<u>2013</u>	<u>2012</u>	Cost method		Carrying amount based on equity method	
			%	%	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Mory Lohakit (Thailand) Co., Ltd.	Agent	Thailand	<u>49</u>	<u>49</u>	<u>4,900</u>	<u>4,900</u>	<u>11,251</u>	<u>9,141</u>

13.2 Share of profit and dividend received

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in associates during the year		Dividend received during the year	
	2013	2012	2013	2012
Mory Lohakit (Thailand) Co., Ltd.	2,110	1,623	-	-

13.3 Summarised financial information of associate

Financial information of the associated company is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit	
	as at		as at		as at		for the year		for the year	
	31 March		31 March		31 March		ended		ended	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Mory Lohakit (Thailand) Co., Ltd.	10	10	24	20	1	1	11	9	4	3

14. Other long-term investment

This represents other long-term investment of a subsidiary of Baht 5.0 million in the 5-year debentures of a bank in Thailand, bearing interest at a rate of 4.9% per annum and maturing on 12 November 2014.

(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
Cost							
1 April 2011	73,062	107,781	331,794	12,998	45,958	-	571,593
Acquisitions	-	-	2,792	400	14,409	7,048	24,649
Disposals	-	-	(120)	-	(12,676)	-	(12,796)
Transfer in (out)	-	-	5,349	-	-	(5,349)	-
31 March 2012	73,062	107,781	339,815	13,398	47,691	1,699	583,446
Acquisitions	-	-	2,455	475	9,902	32,242	45,074
Disposals	-	-	(6,438)	(3,235)	(8,718)	-	(18,391)
Transfer in (out)	-	-	9,129	-	-	(9,129)	-
31 March 2013	73,062	107,781	344,961	10,638	48,875	24,812	610,129
Accumulated depreciation							
1 April 2011	-	84,947	317,157	11,420	37,702	-	451,226
Depreciation for the year	-	4,523	5,926	545	4,438	-	15,432
Depreciation for disposals	-	-	(120)	-	(9,232)	-	(9,352)
31 March 2012	-	89,470	322,963	11,965	32,908	-	457,306
Depreciation for the year	-	4,390	5,641	493	4,688	-	15,212
Depreciation for disposals	-	-	(6,438)	(3,234)	(5,153)	-	(14,825)
31 March 2013	-	93,860	322,166	9,224	32,443	-	457,693
Net book value							
31 March 2012	73,062	18,311	16,852	1,433	14,783	1,699	126,140
31 March 2013	73,062	13,921	22,795	1,414	16,432	24,812	152,436
Depreciation for the year							
2012 (Baht 11.0 million included in manufacturing cost, and the balance in selling and administrative expenses)							15,432
2013 (Baht 10.7 million included in manufacturing cost, and the balance in selling and administrative expenses)							15,212

As at 31 March 2013, motor vehicles have been pledged as collateral against liabilities under finance lease agreements, amounting to Baht 12.9 million (31 March 2012: Baht 14.9 million) (Separate financial statements: Baht 6.7 million (31 March 2012: Baht 9.8 million)).

As at 31 March 2013, 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 425.3 million (31 March 2012: Baht 370.8 million) (Separate financial statements: Baht 377.1 million, (31 March 2012: Baht 359.1 million)).

The Company and a subsidiary have mortgaged all of their land with structures thereon and pledged the following machinery 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 30.3.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cost	306	306	197	197
Net book value	31	41	-	-

16. Intangible assets

The net book value of intangible assets as at 31 March 2013 and 2012 presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
As at 31 March 2013:	14,208	14,208	11,899	11,899
Cost	494	-	-	-
Less: Accumulated amortisation	(14,224)	(13,831)	(11,835)	(11,723)
Net book value	<u>478</u>	<u>377</u>	<u>64</u>	<u>176</u>

A reconciliation of the net book value of intangible assets for the years 2013 and 2012 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Net book value at beginning of year	377	1,852	176	1,255
Acquisitions of subsidiary during the year	286	-	-	-
Amortisation	(185)	(1,475)	(112)	(1,079)
Net book value at end of year	<u>478</u>	<u>377</u>	<u>64</u>	<u>176</u>

17. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term loans from banks	4.25 - 4.60	5.05	215,000	100,000	10,000	10,000
Trust receipts	1.90 - 5.35	5.25 - 5.85	254,896	166,172	132,800	128,671
			<u>469,896</u>	<u>266,172</u>	<u>142,800</u>	<u>138,671</u>

Short-term loans from banks represent promissory notes maturing within 1 - 4 months.

Bank overdrafts, short-term loans and trust receipts facilities are secured by the directors, and by the Company's and its subsidiaries' land with structures thereon, unit of condominium, and machinery, as described in Note 30.3.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Trade payables - unrelated parties	501,243	200,309	345,478	104,706
Trade payables - related party	-	-	425	-
Other payables - unrelated parties	24,263	14,293	8,756	9,168
Other payables - related party	3,145	3,514	25	-
Accrued commission expenses - unrelated parties	273	41	250	-
Accrued commission expenses - related party	-	29	-	29
Accrued expenses	2,575	4,929	965	2,483
Total trade and other payables	<u>531,499</u>	<u>223,115</u>	<u>355,899</u>	<u>116,386</u>

19. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Liabilities under finance lease agreements	13,466	14,766	7,463	9,252
Less : Deferred interest expenses	(1,084)	(1,564)	(648)	(973)
Total	12,382	13,202	6,815	8,279
Less: Portion due within one year	(4,349)	(3,633)	(2,156)	(2,316)
Liabilities under finance lease agreements - net of current portion	<u>8,033</u>	<u>9,569</u>	<u>4,659</u>	<u>5,963</u>

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 it is 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					
	2013			2012		
	Less than 1 year	1-5 years	Total	Less than 1 year	1-5 years	Total
Future minimum lease payments	5,157	8,309	13,466	4,678	10,088	14,766
Deferred interest expenses	(808)	(276)	(1,084)	(1,045)	(519)	(1,564)
Present value of future minimum lease payments	<u>4,349</u>	<u>8,033</u>	<u>12,382</u>	<u>3,633</u>	<u>9,569</u>	<u>13,202</u>

(Unit: Thousand Baht)

	Separate financial statements					
	2013			2012		
	Less than 1 year	1-5 years	Total	Less than 1 year	1-5 years	Total
Future minimum lease payments	2,637	4,825	7,462	2,946	6,306	9,252
Deferred interest expenses	(481)	(166)	(647)	(630)	(343)	(973)
Present value of future minimum lease payments	<u>2,156</u>	<u>4,659</u>	<u>6,815</u>	<u>2,316</u>	<u>5,963</u>	<u>8,279</u>

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Defined benefit obligation at beginning of year	16,076	13,945	11,332
Addition from acquisition of subsidiary during the year	7,459	-	-	-
Current service cost	1,056	1,550	322	1,025
Interest cost	737	581	484	412
Provisions for long-term employee benefits at end of year	<u>25,328</u>	<u>16,076</u>	<u>12,138</u>	<u>11,332</u>

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current service cost	1,056	1,550	322	1,025
Interest cost	737	581	484	412
Total expense recognized in profit or loss	1,793	2,131	806	1,437
Line items under which such expenses are included in profit or loss				
Selling and administrative expenses	1,793	2,131	806	1,437

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and separate		Separate and separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.99 - 4.29%	3.68 - 4.30%	4.27%	4.16%
Future salary increase rate (depending on age)	3.0%	3.0%	3.0%	3.0%

Amounts of defined benefit obligation for the current and previous two periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation	
	Consolidated	Separate
	financial statements	financial statements
Year 2013	25,328	12,138
Year 2012	16,076	11,332
Year 2011	13,945	9,895

21. Share capital

On 21 January 2013, the Extraordinary Shareholders' Meeting No. 1/2013 of the Company passed resolutions to increase its share capital from Baht 320 million (320 million ordinary shares with a par value of Baht 1 each) to Baht 383 million (383 million ordinary shares with a par value of Baht 1 each) by issuing 63 million ordinary shares at par value of Baht 1 each through private placement. The Company allocated its 63 million ordinary shares to NSCM's shareholders for payment of the investment in ordinary shares of NSCM. The Company and NSCM had completed the above transactions on 31 January 2013 and the Company registered the increase of paid up share capital with ministry of commerce on 1 February 2013, as described in Note 2.3.

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.

As at 31 March 2013, the Company has transferred profit amounting to Baht 4.5 million (2012: Baht 2.8 million) to the statutory reserve.

23. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Salary and wages and other employee benefits	143,687	107,589	79,658	68,244
Depreciation expenses	66,643	56,039	15,213	15,432
Amortisation expenses	185	1,475	112	1,079
Raw materials used	2,250,209	1,912,886	1,610,503	1,473,779
Consumables used	46,033	33,823	33,330	28,328
Purchase of finished good	103,204	-	-	-
Changes in inventories of finished goods and work in progress	(58,435)	(39,050)	(49,922)	(11,083)
Decrease of inventory to net realisable value	17,177	3,131	15,529	1,537

24. Corporate income tax

Corporate income tax of the Company were calculated at the rate of 23 percent (2012: 30 percent) on net income for the years, after adding back certain expenses and deducting income which are not disallowable for the tax computation purposes and deducting tax loss brought forward from previous years (if any).

Corporate income tax of one subsidiary has been calculated based on following rate of taxable income.

Taxable profits (Baht)	Tax rate (%)	
	2013	2012
1 - 150,000	0	0
150,001 - 1,000,000	15	15
1,000,001 - 3,000,000	23	25
Over 3,000,000	23	30

Corporate income tax of another subsidiary which operates the promoted operations (as described in Note 25) were calculated at the rate of 23 percent (2012: 30 percent) on net income of the subsidiary from non-promoted activities, after adding back certain provisions and expenses which are disallowed for tax computation purposes and deducting tax loss brought forward from previous years (if any).

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 1 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, 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.

The subsidiary's revenue for the year ended 31 March 2013 and 2012 were derived from sales and service of BOI promoted products amounted to Baht 984 million and Baht 625 million, respectively.

26. Basic 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

The Company and its subsidiaries operate in the single industry segment of distribution and provision of service related to iron and metal products and their principal operations are carried on in the single geographic area of Thailand. As a result, all of the revenues, operating income and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area. Export sales of the years ended 31 March 2013 and 2012 amounted to Baht 26 million and Baht 52 million, respectively (Separate financial statements: Baht 19 million, (31 March 2012: Baht 28 million)).

28. Provident fund

The Company, its two 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. During the year ended 31 March 2013, the Company and its subsidiaries contributed Baht 2.5 million (31 March 2012: Baht 1.9 million) (Separate financial statements: Baht 1.7 million, (31 March 2012: Baht 1.4 million)) to the fund.

29. Dividend

	Approved by	Total dividends	Dividend per share	Payment date
		(Million Baht)	(Baht)	
Final dividends for 2012	Annual General Meeting of the shareholders on 26 July 2012	44.80	0.14	10 August 2012
Interim dividends for 2013	The Board of Directors Meeting on 14 November 2012	32.00	0.10	13 December 2012
Total dividends for 2013		<u>76.80</u>	<u>0.24</u>	
Final dividends for 2011	Annual General Meeting of the shareholders on 26 July 2011	70.40	0.22	15 August 2011
Total dividends for 2012		<u>70.40</u>	<u>0.22</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, building and vehicles. The terms of the agreements are generally 1 - 20 years.

As at 31 March 2013, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)	
	As at 31 March	
	<u>2013</u>	<u>2012</u>
Payable:		
In up to 1 year	3.7	2.6
In over 1 and up to 5 years	0.8	1.1
In over 5 years	1.8	-

30.2 Other service commitment

On 1 April 2012, the Company and a subsidiary entered into the business agreement with a company which is situated for a period from 1 April 2012 to 31 March 2014. The Company and the subsidiary had commitment to pay service fee of Baht 3.6 million per year.

30.3 Credit facilities

As at 31 March 2013, the Company and its subsidiaries have been granted credit facilities by various financial institutions for which it has placed collaterals, as follows:-

The Company

- Letter of credit, trust receipts, guarantee and short-term loan facilities totaling Baht 1,460.5 million, of which totaling Baht 249.9 million (2012: Baht 201.5 million) of the utilised amounts are outstanding. These credit facilities are secured by the mortgage of the Company's land with structures thereon and machinery.
- Overdraft facilities of Baht 30 million. The facilities have not yet been utilised. (2012: Nil) The credit facilities are secured by the mortgage of the Company's land with structures thereon and machinery and the pledge of fixed deposit of the Company.
- Forward exchange contract facility of Baht 1,000 million, of which Baht 29.3 million (2012: Baht 44.5 million) of utilised amounts is outstanding. This credit facility is secured by the mortgage of the Company's land with structures thereon and machinery.

A subsidiary

- Letter of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 300 million, of which Baht 142.8 million (2012: Baht 154.2 million) of utilised amount are outstanding. These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machinery.
- Overdraft facility of Baht 10 million. The facility has not yet been utilized (2012: Nil). This credit facility is secured by the mortgage of the subsidiary's land with structures thereon.

- Forward exchange contract facility of Baht 200 million, which has not yet been utilized (2012: Baht 42.1 million). This credit facility is secured by the mortgage of the subsidiary's land with structures thereon and machinery.

Another subsidiary

- Letter of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 516 million, of which Baht. 213 million of utilised amount is outstanding. These credit facilities are secured by the mortgage of the subsidiary's units of condominium which be the subsidiary's office, fixed deposit accounts and guarantees provided by two directors of the subsidiary.
- Overdraft facilities of Baht 65 million that have not yet been utilized. These credit facilities are secured by fixed deposit accounts and a guarantee provided by the subsidiary's director.
- Forward exchange contract facilities, comprising USD 11.7 million (equivalent to Baht 344 million) and Baht 6 million, or a total approximately Baht 350 million. The facilities, which have not yet been utilized, are secured by fixed deposit accounts and guarantees provided by two directors of the subsidiary.

31. Financial instruments

31.1 Financial risk management

The Company's and subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, investment, trade and other receivables, trade and other payables, short-term borrowings 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 subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. The Company and 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 subsidiaries do not have high concentration of credit risk since it has 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's and subsidiaries' exposure to interest rate risk relates primarily to its cash at banks and short-term borrowings. Most of the Company's and subsidiaries' financial assets and liabilities are short-term, with floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

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 2013						
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
	Financial assets					
Cash and cash equivalents	1.5	-	9.8	75.9	87.2	0.625 - 1.95
Current investment	-	-	-	70.5	70.5	-
Trade and other receivables	-	-	-	855.4	855.4	-
Restricted deposits at banks	46.0	-	-	-	46.0	1.60 - 1.95
Long-term investment	-	-	-	3.2	3.2	-
Other long-term investment	-	-	-	5.0	5.0	4.90
	<u>47.5</u>	<u>-</u>	<u>9.8</u>	<u>1,010.0</u>	<u>1,067.3</u>	
Financial liabilities						
Short-term loans from						
financial institutions	469.9	-	-	-	469.9	1.90 - 5.35
Trade and other payables	-	-	-	531.5	531.5	-
Financial lease payables	4.3	8.1	-	-	12.4	6.37 - 12.17
	<u>474.2</u>	<u>8.1</u>	<u>-</u>	<u>531.5</u>	<u>1,013.8</u>	

(Unit : Million Baht)

Consolidated financial statements as at 31 March 2012

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	1.3	-	2.6	49.9	53.8	0.62 - 1.90
Trade and other receivables	-	-	-	541.5	541.5	-
Restricted deposit at bank	5.0	-	-	-	5.0	0.95
	<u>6.3</u>	<u>-</u>	<u>2.6</u>	<u>591.4</u>	<u>600.3</u>	
Financial liabilities						
Short-term loans from						
financial institutions	266.2	-	-	-	266.2	5.05 - 5.85
Trade and other payables	-	-	-	223.1	223.1	-
Financial lease payables	3.6	9.6	-	-	13.2	6.37 - 12.17
	<u>269.8</u>	<u>9.6</u>	<u>-</u>	<u>223.1</u>	<u>502.5</u>	

(Unit : Million Baht)

Separate financial statements as at 31 March 2013

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	1.5	-	1.4	49.8	52.7	0.625 - 1.70
Trade and other receivables	-	-	-	458.4	458.4	
Restricted deposit at bank	5.0	-	-	-	5.0	2.35
	<u>6.5</u>	<u>-</u>	<u>1.4</u>	<u>508.2</u>	<u>516.1</u>	
Financial liabilities						
Short-term loans from						
financial institutions	142.8	-	-	-	142.8	2.15 - 5.35
Trade and other payables	-	-	-	355.9	355.9	
Financial lease payables	2.1	4.7	-	-	6.8	6.37 - 11.54
	<u>144.9</u>	<u>4.7</u>	<u>-</u>	<u>355.9</u>	<u>505.5</u>	

(Unit : Million Baht)

Separate financial statements as at 31 March 2012

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	1.3	-	2.5	41.9	45.7	0.62 - 1.90
Trade and other receivables	-	-	-	377.8	377.8	-
Restricted deposit at bank	5.0	-	-	-	5.0	0.95
	<u>6.3</u>	<u>-</u>	<u>2.5</u>	<u>419.7</u>	<u>428.5</u>	

(Unit : Million Baht)

Separate financial statements as at 31 March 2012

	Fixed interest rate				Total	Interest rate (% p.a.)
	Within		Floating	Non-interest		
	1 year	1 - 5 years	interest rate	bearing		
Financial liabilities						
Short-term loans from						
financial institutions	138.7	-	-	-	138.7	5.05 - 5.85
Trade and other payables	-	-	-	116.4	116.4	-
Financial lease payables	2.3	6.0	-	-	8.3	6.37 - 11.54
	141.0	6.0	-	116.4	263.4	

Foreign currency risk

The Company's and 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 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	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.2	0.1	5.9	3.9	29.309	30.843
Japanese yen	1.6	3.0	37.6	-	0.312	0.376

As of 31 March 2013 and 2012, the Company and its subsidiaries have foreign exchange contracts as summarized below.

Foreign currency	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
As at 31 March 2013				
US dollar	1.0	-	29.31 - 29.33	-
As at 31 March 2012				
US dollar	2.5	0.02	30.37 - 31.99	30.81
Japanese yen	18.3	-	0.37 - 0.38	-

31.2 Fair values of financial instruments

Since the majority of the Company's and 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.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

32. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 March 2013, the Group's total debt-to-equity ratio was 0.79:1 (31 March 2012: 0.54:1) and the Company's total debt-to-equity ratio was 0.51:1 (31 March 2012: 0.36:1).

33. Event after the reporting period

On 27 May 2013, the meeting of the Company's Board of Directors passed a resolution to propose for approval by the Annual General Meeting of its shareholders, the dividend payment to the Company's shareholders of Baht 0.22 per share from its net operating profit for the year ended 31 March 2013. However, by the resolution of the meeting of the Company's Board of Directors No 5/2555 held on 14 November 2012, the Company had paid out the interim dividend of Baht 0.10 per share, for 320 million ordinary shares, to the Company's shareholders totaling Baht 32 million on 13 December 2012. The remaining dividend is Baht 0.12 per share, for 383 million ordinary shares, or totaling Baht 45.96 million. The dividend will be paid on 9 August 2013

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 May 2013.

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

Name/Surname : **Mr. Prasarn Akarapongpisak**
Age : 54 Years
Proposed Position : Director, Chairman of Executive Committee
And Managing Director

Educational Background : MBA, Sasin Graduate Institute of Business
Administration of Chulalongkorn University
: Bachelors of Technology and Industrial Management
King Mongkut's University of Technology North
Bangkok

Director Training : Thai Institute of Directors Association (IOD)
: Director Accreditation Program DAP 37/2005
On May 20, 2005
: Director Certification Program DCP 60/2005

Work Experience (within 5 years) : 1989-Present, Director, Chairman of Executive
Committee and Managing Director / Lohakit
Metal Public Company Limited
: 2001-Present, Director/ Auto Metal Co., Ltd.
: 2005-Present, Director/ Alternative Stainless Co., Ltd.

**Position in Director of the Board
of the Company** : Director, Chairman of Executive Committee,
and Managing Director
(Years in director position with the Company) (3 years : July 2010 – Present)

Meetings Attended Record : Board of Directors 6/6 (or 100%)
Shareholding in the Company : 44,046,300 (or 11.50 % of total issued shares)

Proposed Candidate	Other Listed Companies		Other Organizations (Non-listed Companies)		Position in other Organization that Compete with/related to The Company
	Number	Position	Number	Position	
Mr. Prasarn Akarapongpisak	-	-	-	-	- None -

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

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

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

Name/Surname : **Mr. Teera Na Wangkanai**
Age : 56 Years
Proposed Position : Director, Independent Director and Member Of Audit Committee

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

Director Training : Thai Institute of Directors Association (IOD) Director Certification Program 54/2005 on March 2005

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

Position in Director of the Board of the Company : Director, Independent Director, and Member of Audit Committee
(Years in director position with the Company) (3 years : July 2010 – Present)

Meetings Attended Record : Board of Directors 5/6 (or 83.33 %)
Shareholding in the Company : None (or 0% of total issued shares)

Proposed Candidate	Other Listed Companies		Other Organizations (Non-listed Companies)		Position in other Organization that Compete with/related to The Company
	Number	Position	Number	Position	
Mr. Teera Na Wangkanai	-	-	-	-	- None -

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

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

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

Name/Surname : **Mr. Somnuik Thanasarn**
Age : 48 Years
Proposed Position : Director, Member of Executive Committee,
Deputy Managing Director And Sales & Marketing Manager

Educational Background : Bachelor of Economics Thammasat University

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

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

Position in Director of the Board of the Company : Director, Member of Executive Committee, Deputy Managing Director and Sales & Marketing Manager
(Years in director position with the Company) (3 years : July 2010 – Present)

Meetings Attended Record : Board of Directors 6/6 (or 100%)
Shareholding in the Company : None (or 0% of total issued shares)

Proposed Candidate	Other Listed Companies		Other Organizations (Non-listed Companies)		Position in other Organization that Compete with/related to The Company
	Number	Position	Number	Position	
Mr. Somnuik Thanasarn	-	-	-	-	- None -

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

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

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

Share registrar no. _____

Written at _____

Date _____ Month _____ Year _____

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

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

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

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

(3) Hereby appoint

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

or

2. Mr. Wanchai Umpungart Age 65 years Independent Director,
 Chairman of the Board of Directors, Chairman of the Audit Committee

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

or

3. Mr. Lert Nittheranont Age 51 years Independent Director,
 Member of the Audit Committee

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

Only one of them as my/our proxy to attend and vote on my/our behalf at the meeting of **the Annual General Meeting of Shareholders for the year 2013 at 14.00 hrs. on July 26, 2013 at Grand Ballroom, No.889 Thai CC Tower, 12th Floor (Parking Building), South Sathorn Road, Yannawa, Sathorn, Bangkok.** or such other date, time and place as the meeting may be adjourned.

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

Agenda 1 Consideration to certify the Extraordinary General Meeting of Shareholders No. 1/2013

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

Agenda 2 Consideration to acknowledge the Company's operating report, which ended on March 31, 2013.

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

Agenda 3 Consideration to approve the Company's Financial Statement, consisting of Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity and Cash Flow Statement, which ended on 31 March 2013.

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

Agenda 4 Consideration on dividend

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

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

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

- (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 2013.

- (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 2013.

- (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 2013 shall be held at 14.00 hrs. on July 26, 2013 at Grand Ballroom, No.889 Thai CC Tower, 12th Floor (Parking Building), 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 26, 2013.

Name List and Details of Independent Director

1. Mr. Wanchai Umpungart

Independent Director, Chairman of the Board of Directors, Chairman of the Audit Committee

Age : 65 years

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

Interest in any agenda :

Agenda 6 - Consideration for payment of directors' remuneration for the year 2013

2. Mr. Lert Nitheranont

Independent Director, Member of the Audit Committee

Age : 51 years

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

Interest in any agenda :

Agenda 6 - Consideration for payment of directors' remuneration for the year 2013

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

Chapter 5 : The board of directors

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

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

Chapter 6 : Shareholder Meeting

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

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

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

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

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

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

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

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

Article 40

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

Article 41

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

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

Article 42

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

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

Thai CC Tower Map

