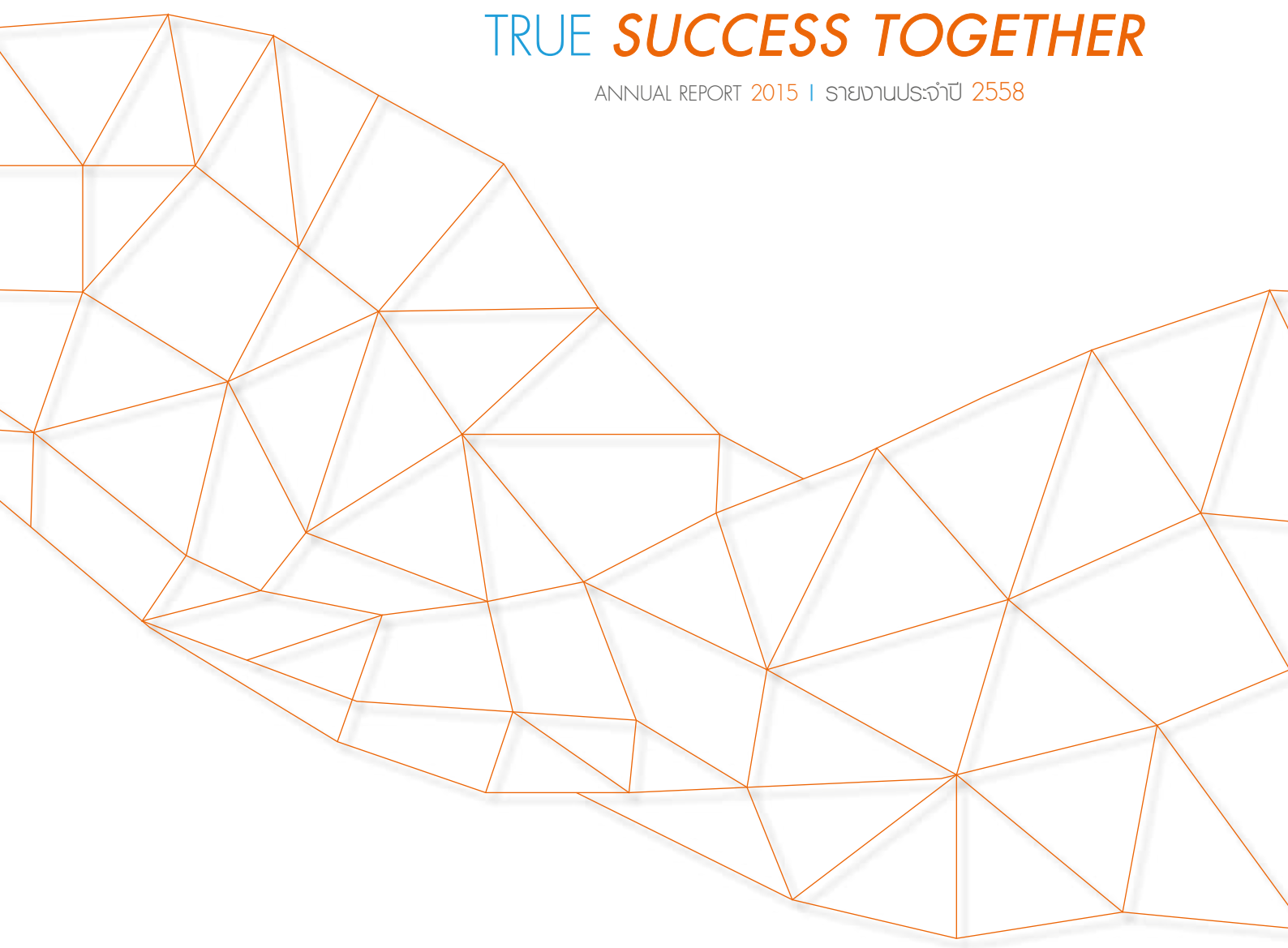




ACHIEVING TRUE *SUCCESS TOGETHER*

ANNUAL REPORT 2015 | รายงานประจำปี 2558



บริษัท คำเหล็กไทย จำกัด (มหาชน)
THAI METAL TRADE PUBLIC COMPANY LIMITED

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Audit Fee

Providing
structure
of your
imagination

เราเป็นโครงสร้างให้กับทุกจินตนาการ

ACHIEVING TRUE *SUCCESS TOGETHER*

TMT เรามีเป้าหมายเดียวกัน คือ **การมอบสิ่งที่ดีที่สุดให้กับลูกค้า** ทุกส่วนงานต่างมีความมุ่งมั่นที่จะทำทุกอย่างให้ประสบผลสำเร็จ ไม่ลังเลที่จะเปลี่ยนแปลง ปรับปรุง เพื่อสร้างประสิทธิภาพ กระตือรือร้นที่จะร่วมคิดค้น พัฒนาและสรรหานวัตกรรมใหม่ๆ เพื่อตอบสนองทุกความต้องการของลูกค้า ซึ่งทั้งหมดนี้เราตระหนักเป็นอย่างดีว่า ความสำเร็จจะเกิดขึ้นได้ ไม่ใช่แค่มีความมุ่งมั่นทุ่มเทเท่านั้น แต่ต้องลงมือทำด้วยความเข้าใจในธุรกิจของลูกค้า...**เพื่อบรรลุสู่ความสำเร็จที่แท้จริงร่วมกัน**

DETERMINATION
มุ่งมั่นสู่ความสำเร็จ

CHALLENGING
RESPONSIVE
RELIABLE



เปิดวิสัยทัศน์
ตอบรับทุกโครงสร้าง...

RESPONSIVE
RELIABLE
DETERMINATION

CHALLENGING

กล้าท้าทาย สร้างสรรค์สิ่งใหม่

...เพื่อทุกจินตนาการ
สร้างสรรค์สู่ความเป็นจริง



มุ่งมั่น พัฒนาอย่างสร้างสรรค์
สู่การเปลี่ยนแปลงอย่างมั่นคง...



RESPONSIVE

พร้อมตอบสนองทุกความต้องการ

RELIABLE
DETERMINATION
CHALLENGING



...เพื่อตอบสนอง
ในทุกความต้องการ
ที่หลากหลาย



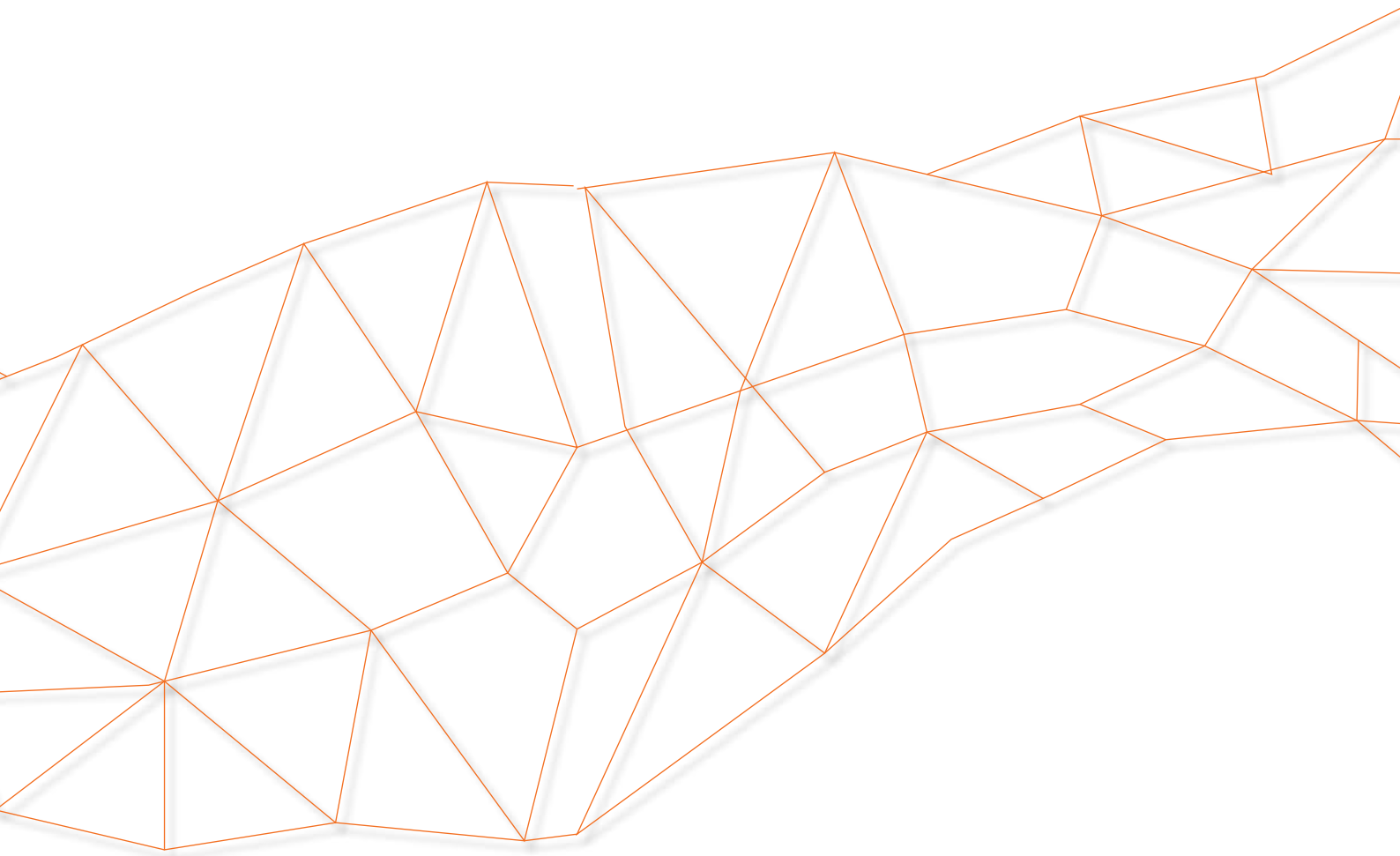
ด้วยบริการที่เป็นเลิศ
ผสานประสบการณ์ที่สั่งสมยาวนาน
เราจึงพร้อมก้าวไปข้างหน้า...

DETERMINATION
CHALLENGING
RESPONSIVE

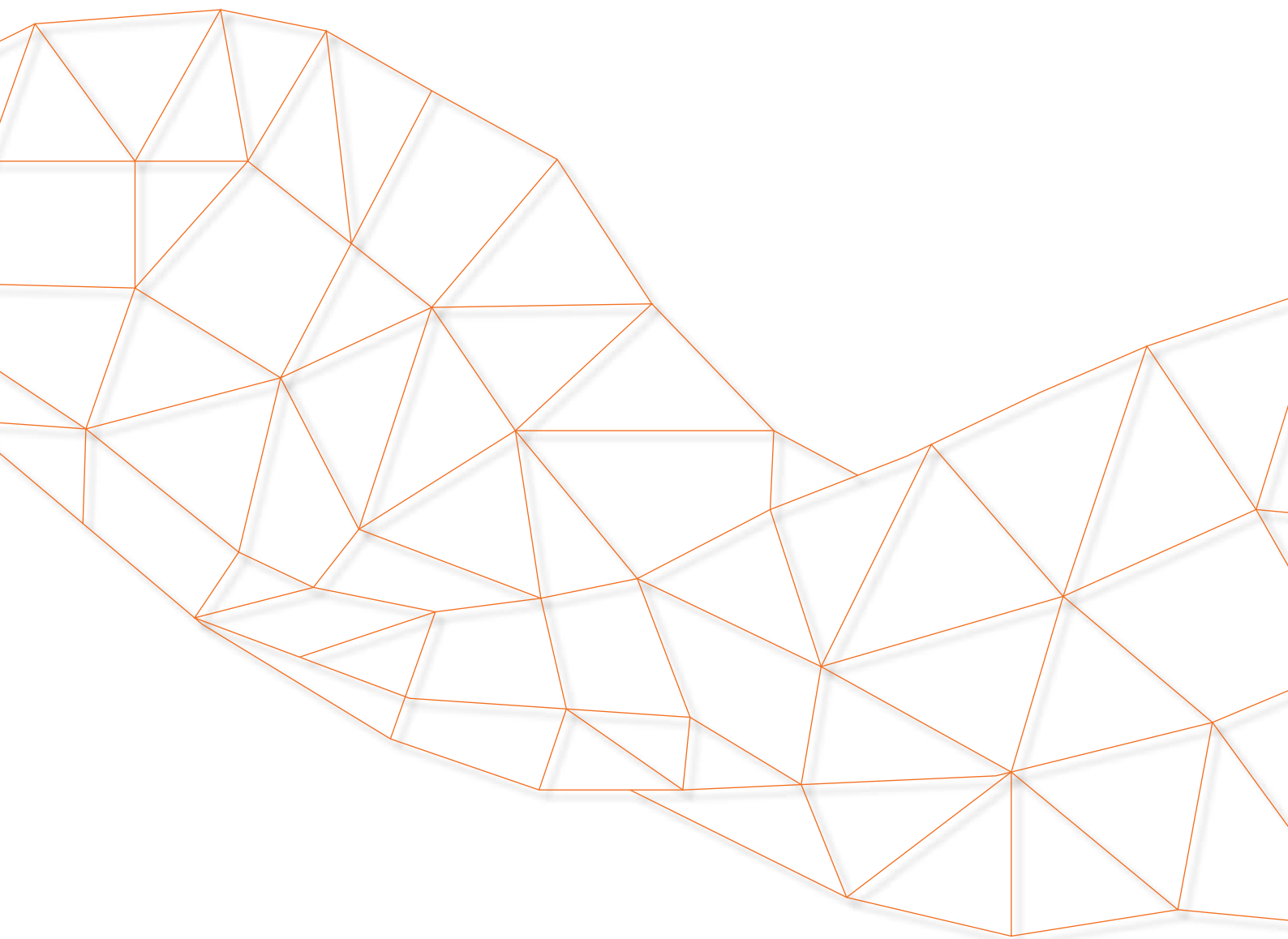
RELIABLE
เชื่อถือเลื่องชื่อ

...สู่ความสำเร็จร่วมกัน
และเติบโตอย่างยั่งยืน

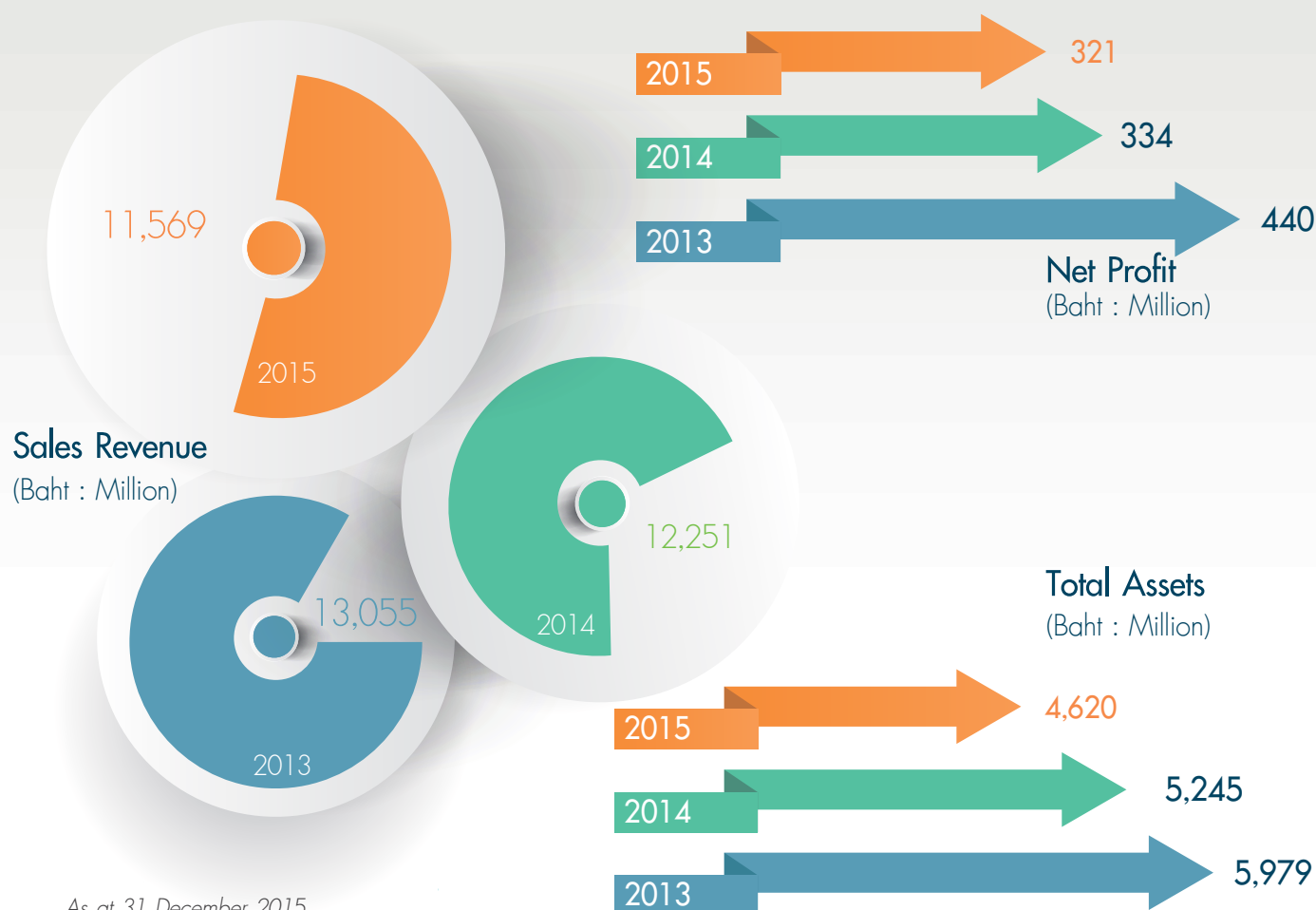




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TRUE *SUCCESS TOGETHER*



Financial Highlights



As at 31 December 2015

Summary	2015	2014	2013
Sales Revenue	11,569	12,251	13,055
Gross Profit	833	869	1,072
Net Profit	321	334	440
Total Assets	4,620	5,245	5,979
Total Liabilities	2,413	3,076	3,795
Shareholder's Equity	2,207	2,169	2,183
Paid-up Capital	435	435	435

Financial Ratio	2015	2014	2013
Gross Profit Margin	7.20%	7.09%	8.21%
Net Profit Margin	2.77%	2.73%	3.37%
Return on Assets (ROA)	6.94%	6.38%	7.36%
Return on Fixed Assets (ROFA)	20.63%	21.84%	29.98%
Return on Equity (ROE)	14.53%	15.41%	20.17%
Current Ratio	1.25	1.20	1.17
Debt to Equity Ratio	1.09	1.42	1.74
Collection period (Day)	59	67	61
Inventory turnover period (Day)	36	49	51
Book Value per share (Baht)	5.07	4.98	5.01

Message from Chairman of the Board

“TMT has to manage appropriate strategies to face all these challenges. Efficient inventory management has been playing a significant role to encounter the long depressing global steel price recently. It has been so clear that the faster moving inventory could effectively response to the change of steel price to this volatile market”

It was a hard and also challenging year of 2015 that Thailand has been facing a vast impact of glooming global economy and low domestic demand resulted in lack of confidence and weak consumption broadly in almost every sector. The slump of global economy has apparently led to the shrink in consumption of major commodities world wide, especially for oil and steel. Unprecedentedly, the oil and steel prices have been falling deeply in the last few years, whereas the bottom is not unlikely to be seen. Furthermore, a lot of monetary measures launched by those developed countries; in order to stimulus their economy, have put a lot of pressure into the currency exchange and interest policy in the world money market that has caused inevitably high volatility. Consequently, Thailand export market has been severely hit and contracted by all these matters. The private sector has lost confidence due to low local consumption, plus the drop in price of most national agricultural products, meanwhile the general household debt has already reached the highest level. This has been clearly shown by the slowdown in private investment number. However, the government spending and Thai tourism industry are still the major driven factors for supporting Thai economy.

Surrounding by those unfavorable environments, TMT has to manage appropriate strategies to face all these challenges. Efficient inventory management has been playing a significant role to encounter the long depressing global steel price recently. It has been so clear that the faster moving inventory could effectively response to the change of steel price to this volatile market. For many years, we have been penetrating into various segments of steel industries in Thailand, and we are able to gain more market shares gradually. By having market diversity, we can well manage the raw material to serve our production effectively to fit each customer's specific requirement combined with our efficient sourcing functions and best logistic system. Being a sophisticated solution provider and one stop steel service center, we have successfully gained more trusts and reliability from our customers those who have experienced the values we provided for many years. Those values such as; reducing cost by keeping low inventory, mitigating the risks of price volatility, efficient logistic and reducing unnecessary double handling cost, what all we have been serving our customers, have enabled TMT to reach the highest record of 567,000 metric tons of steel sold in 2015 or 13.7 percent increased from the year before.



In 2016, we are more optimistic about Thailand economy from what the government has been trying hard to drive better growth of the economy by granted many huge infrastructure projects accordingly. This is to build the private sector's more confidence and to encourage them to put more investment in accordance to those public investment initiated by the government. This will certainly benefit most of the construction industries; particularly construction materials including steel. TMT could have more opportunity from additional capacity as our latest expansion of the new pipe mill has been already completed in 2015. Nevertheless, there are still some risks of steel price going down further caused by huge over supply of steel in the world market. We need to run the business prudentially plus choosing the right strategy to assure our customers that they will always receive the best value and good cares for their business. Regarding to all stakeholders, TMT always take into account of our responsibility to their interests, cooperation, and of course, social responsibility in order to achieve steadily and sustainable growth in our business path.

The Board of Directors has submitted the declaration of intention to join the Private Sector Collective Action Coalition (CAC) against corruption together with Partnership Against Corruption for Thailand (PACT) network. These participations are the company's willingness to be a part of building the sustainability of Thai economy and society, along with providing the valuable services to partners and Thai industry. In this regard, the Board of Directors would like to express the high appreciation to shareholders, customers, business partners, staff, and other related parties for all their support and confidence giving to TMT as always.

Chai Jroongtanapibarn
Chairman of the Board

Corporate Profile



Thai Metal Trade Public Company Limited

Stock Code : TMT
 Type of Business : Integrated Steel Service Center
 Head Office : 179 Bangkok City Tower 22nd
 Floor, South Sathorn Rd.,
 Thungmahamek, Sathorn,
 Bangkok 10120 Thailand
 Tel : 02 685 4000
 Fax : 02 670 9090-2

Registration
 Number
 0107547000800

Registered
 Capital
 436,000,000 Baht

Issued and
 Paid-up Capital
 435,379,017 Baht

Rama III Plant and Distribution Center : 129, 131 Rama III Rd., Bangkholaem, Bangkok 10120
 Wangnoi Plant and Distribution Center : 332-333 Moo 5, Paholyothin Rd., Lamsai, Wangnoi, Ayutthaya 13170
 Investor Relations : Tel : 02 685 4000 ext. 6002
 E-mail : ir@thaimetaltrade.com
 Designated Directors as Shareholders' representative : Fax : 02 670 9093
 E-mail : ind_dir@thaimetaltrade.com
 Homepage : www.thaimetaltrade.com

References

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 93 SET Building, Ratchadaphisek Rd.,
 Dindaeng, Bangkok 10400
 Tel : 02 009 9999 Fax : 02 009 9991

Legal Consultant :

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 21 Soi Amnuaywat, Suthisarn Rd., Samsen-nok,
 Huay Kwang, Bangkok 10310
 Tel : 02 693 2036 Fax : 02 693 4189

Auditor :

PricewaterhouseCoopers ABAS Company Limited
 179, 15th Floor Bangkok City Tower, South Sathorn Rd.,
 Thungmahamek, Sathorn, Bangkok 10120
 Tel : 02 344 1000 Fax : 02 286 5050

Internal Auditor :

KPMG Phoomchai Business Advisory Company Limited
 1, 48th Floor Empire Tower, South Sathorn Rd.,
 Yannawa, Sathorn, Bangkok 10120
 Tel : 02 677 2000 Fax : 02 677 2222

Shareholders Structure / Dividend Policy

The Top 10 Shareholders of the Company as of March 5, 2015*

No.	Shareholders	Number of shares	Percentage of shareholding
1.	Mr. Soon Tarasansombat	162,350,000	37.29
2.	Mr. Chamnan Tarasansombat	36,556,000	8.40
3.	Ms. Patitta Tarasansombat	35,416,400	8.13
4.	Mr. Komsan Tarasansombat	33,046,675	7.59
5.	Mrs. Pornjit Tarasansombat	32,000,000	7.35
6.	Mrs. Panlapa Tarasansombat	18,540,400	4.26
7.	Mr. Paisal Tarasansombat	16,900,000	3.88
8.	METAL ONE CORPORATION	7,250,000	1.67
9.	Mr. Paisal Chartpitak	4,450,000	1.02
10.	Mr. Anan Reweesangsoon	3,650,000	0.84
11.	Other Shareholders	85,219,542	19.57
Total		435,379,017	100.00

Source: Thailand Securities Depository Company Limited.

* Closing date for the rights to attend the Annual General Meeting of Shareholders for the year 2015

Dividend Policy

The Company dividend payout policy is to pay not less than 50 percent of its net profit after legal reserved deduction, depending on the company's financial position, operating results and future business plans.

History of Dividend payment last 5 years as follows.

Performance Year	Net Profit (Baht)	Net Profit per share (Baht)	Dividened per share (Baht)	Dividened Yield (%)	Total Dividened Payment (Baht)	Dividened Payout ratio (%)
2014	334,380,090	0.77	0.65	6.13%	282,996,361.05	84.63%
2013	440,314,413	1.02	0.80	7.02%	348,303,213.60	79.10%
2012	421,003,949	0.99	0.80	6.11%	342,900,461.60	81.45%
2011	80,812,068	0.19	0.15	2.83%	63,750,000.00	78.89%
2010	242,037,155	0.57	0.45	7.14%	191,250,000.00	79.02%

Policy and Business Overview

“Providing Structure of your imagination”

This vision statement is what we believe in, and we strive every single day to live up to this commitment. To be different, we challenge ourselves at all times to come up with new creative ideas to provide better solutions to customers and to keep improving our business functions, in order to respond to the ever-changing demand.

- We provide the structures for architects to materialize great design concepts...
- We provide the structures for customers to achieve their success...
- We provide the structures for countless industries to thrive...
- We provide the structures for the Thai economy to prosper...
- all for a strong, sustainable growth of Thai society to day, tomorrow and beyond.

“Not just only adding more value to our products and services, it is also our strong commitment to support customers in achieving their success.”

Positioned as a leading integrated steel solution provider, TMT is geared up and ready to provide an all-inclusive steel-related service to our customers. Besides supplying quality products, we offer consultation, business solutions and material planning. These are aimed at creating greater values in order to benefit our customers. In other words, we are transforming a conventional steel business into a fully integrated steel solution.

TMT is operated based on a sophisticated management system which has proven to be capable, efficient and able to meet all requirements. In addition to these comprehensive facilities, technologies, and good quality control system, we are also concerned regarding to social and environmental responsibilities. Furthermore, the company has an excellent logistics system in place which offers reliability, inventory management and on time delivery to our customers. All of the above implementations are further complemented by a high performing information system and a hi-speed data communication network to ensure that all customers' requirements will always be treated with great care and fulfilled.

History and Background

Mr. Soon Tarasansombat founded “Soon Huat Iron Work Limited Partnership” in 1976. The business had initially been focused on only steel trading until 1986, when it was transformed to “Soon Huat Steel Co., Ltd.”. The company eventually was reformed to a new business model in 1992 as “Thai Metal Trade Company Limited”.

Thai Metal Trade Company Limited (TMT) was established on April 17, 1992, with an initial paid up capital of 5 Million Baht. The Company was positioned as a fully integrated steel service center. Being able to cover a full range of steel products, expertise in steel trading, a manufacturing and an excellent distribution system, plus proactive marketing strategies, Thai Metal Trade was rapidly on its way to guarantee long-term growth.

On September 1, 2004, TMT became a public company and listed company on the Stock Exchange of Thailand since February 18, 2005. This was a bold step forward to enhancing creditability, widening financial instruments and greater business opportunities, and reinforcing sustainable growth.

The Company's first plant and distribution center is located on Rama III Road, and the substantial investment of over One Billion Baht has been spent on a plot of 135 rai compound in Ayutthaya, to increase capacity of warehouse and capacity.

The Company's present paid-up capital was Baht 435,379,017. We are now one of the Thailand's largest integrated steel solution provider whose business priority lies on increasing the value of our partnership with customers, rather than on mere product sales.

Significant of changing and development, in 2015 as follows:

-  New mid-size pipe mill and warehouse expansion project, totally 5,950 square meters, was completed in 2015 providing additional pipe production capacity 48,000 tons per annual and inventory space for 7,000 tons.
-  TMT received the CSR-DIW Continuous Award 2015 from Department of Industrial Work. The awards and certificates were given to the Company that has developed and maintained the Corporate Social Responsibility activities continuously.
-  The TMT (Thai Metal Trade) Knowledge Center, designed by A49, won the first prize in “Innovative Steel Design Contest” in the BlueScope Design Awards 2015, Professional Architects category. The awards organized by BlueScope, in collaboration with the Association of Siamese Architects Under Royal Patronage.
-  TMT has submitted the declaration of intent to join the Private Sector Collective Action Coalition (CAC) against corruption together with Partnership Against Corruption for Thailand (PACT) network as an intention to collaborate with other private sectors and government to establish sustainability to Thai society and economy.
-  TMT received a level 3 of the Anti-Corruption Progress Indicator for Thai Listed Companies 2015 from Thaipat Institute.
-  The Company's CGR (Corporate Governance Report) score was upgraded to a “very good” level () in 2015 from “good” level () in previous year by the survey of Thai Institute of Director (IOD)
-  TMT got an approval of Carbon Footprint for Organization register from Thailand Greenhouse Gas Management Organization (Public Organization) as to be a part of private organization to reduce the greenhouse gases emission from all activities directly or indirectly. This will benefit to the efficiency of power utilization and environmental protection.

Nature of Business



Our Products & Services

The principal activity of the Company is to act as total steel solution provider. The Company places priority on serving the needs of customers and providing the type of product customers require through its management and warehousing system. The Company also delivers products at a pre-specified time and place. These activities comprise value-added for customers in terms of providing product variety, quality, optimal cost and convenience with professionalism and dependable expertise which are at the core of all TMT operations, and that is why we are proudly referred to as Thailand's one-stop integrated steel solution service. The Company's solution can be divided into categories, as follows:

01

Steel Distribution
Center

02

Steel
Processing

03

Cold Forming
Process

04

Constantly Adding
Value to Our Products

Our customers are fully served domestically and internationally with all kinds of steel products, from raw materials to finished products. The TMT distribution center is situated at a strategic location that increases our capabilities to transport products all across the board to most destinations within the shortest time. This apparently results in minimizing inventory management costs to our customers.

We are capable of handling virtually all kinds of steel orders, even ones with specific requirements. With our state-of-the-art machinery and teams of professionally trained mechanics, we can cater for shearing, slitting and cutting to any specific requirements as needed.

As a one-stop integrated steel solution provider, TMT is equipped with comprehensive cold forming production lines to produce various types of general structural steel for construction.

At TMT, we strive to constantly add greater value to our existing and future offerings whenever we can, relentlessly making it worthwhile for customers to choose our products and services. This is evident in our recent successful development of the water based corrosion resistant coating system to be applied to our cold forming products. The system has proven to be safe and eco-friendly because it does not contain any hazardous volatile or solid substances, and it is a clear proof of our genuine commitment to corporate environmental friendliness.

Marketing and Competition

With a complex requirement of customer which is diverse as its industrial needs and variety of its business application, it creates a complicated need not only in pattern, quality, standard or utilization to meet their requirement, but also a need of services which can ensure a committed delivery, secured source of material

and valuable recommendation on alternatives of efficient material planning. In the mean time, this management should be synchronized and conformed to upstream material management in both local and foreign mills' constraints and conditions which are described as below:

Mills' Needs	Customers' Needs
01 Quantity Mills prefer mass production and require a minimum quantity in order to control production costs and achieve economies of scale.	01 Quantity Customers, such as construction companies, manufacturers of parts, automobile parts, require limited quantities of products for a certain period of time which may not meet the minimum quantity requirement of mills. In addition, customers need various types of products at one time.
02 Pattern Mills prefer standard pattern orders which require a normal production process in order to ensure efficiency in the production process.	02 Pattern Each customer requires different types of products. Some products cannot be completed in a mill's production process and need additional processing.
03 Delivery Mills prefer mass volume for each delivery together with few shipments and few destinations in order to control transportation costs.	03 Delivery Customers generally require a one-time delivery of several types of products in one order. In addition, many customers mean many destinations.
04 Order Mills prefer to have a confirmed order in advance and lead time in order to fix the production planning.	04 Order Consumers may require the product immediately at a shortened period, making it difficult to place orders in advance.

The Company, as a full service center and distribution center, manages and serves the varying preferences of both mill and consumers to meet their requirement at the same time by placing orders to mills in a large volume, with some products maintained in its warehouse and others were reprocessed in order to provide various

products to customers in each industry. The Company assists its customers in saving time, reducing handling and storage costs and expenses by providing a product sourcing service. The Company also helps mills reduce transportation costs by delivering the products to each consumer directly.

Sources of Supply

In 2015 the Company's products were from its production and procurement from other sources which were raw materials for use in its production and finished goods for sale, described as follows:

The Production

The Company has factory and warehouse totally 14 buildings. In the year 2015, the company completely installed one new pipe mill and also enhanced the existing machines with supporting tools and equipment together with process improvement; consequently, the total capacity is expanded to 780,400 tons per annual with the production utilization rate of 72.68%.

Raw Material Sourcing

Hot Rolled Coil is the main raw material for the Company's production. The Company purchased Hot Rolled Coil from various domestic and foreign mills where the domestic sourcing was accounted to 57.78% and the import sourcing was 2.87% of total products purchasing amount in 2015.

Products for Sale sourcing

The Company sources the products for sale as the customer's requirement which cannot be produced itself or some can be produced but not match with its the production planning as the following:

1. Hot Rolled Steel Section

The Company purchased Hot Rolled Steel Section products from various domestic mills, accounting to 23.66% of the 2015 total products purchase. These products are H or I Sections, Equal and Angle.

2. Cold Forming Steel Section

Though the Company can produce some types of this Cold Forming Steel Section, TMT also purchase the others mostly are Pipes from various domestic manufacturers which accounted to 7.00% of the total products purchase in 2015.

3. Hot Rolled Plate

This product type is not the production from Hot Rolled Coil or cannot be processed through the Company's production line. Therefore, the Company purchased from various domestic mills at 5.29% of total products purchase amount.

4. Other Steel Products

As a Total Steel Solution Provider, TMT has to source and procure to serve the variety of customers' needs such as D Formed Bars, Steel Rods, Stainless Steel, Wire Mesh, etc., amounting 3.40% of the total products purchase in 2015.

Revenue Structure

The Company's revenue structure over the past three years covering its financial period ended 31 December 2013 to 2015 is as follows:

Product Category	2015		2014		2013	
	Baht thousands	%	Baht thousands	%	Baht thousands	%
Trading						
1. Hot-Rolled Coil	55,439	0.48	25,315	0.21	18,985	0.14
2. Hot Formed Shape Steel	2,663,488	22.85	3,016,625	24.46	3,445,739	26.23
3. Steel Pipe and C-Channel	768,774	6.60	968,140	7.85	771,373	5.87
4. Sheet and Plate Steel	687,955	5.90	835,808	6.78	715,918	5.45
5. Others*	246,949	2.12	192,016	1.56	224,512	1.71
Total	4,422,605	37.94	5,037,903	40.85	5,176,527	39.41
Processing						
1. Steel Sheet (Cutting)	2,364,613	20.29	2,344,398	19.01	2,805,584	21.36
2. Steel Sheet (Shearing and Pressing)	2,341,627	20.09	2,431,268	19.71	2,584,734	19.68
3. Slit Coil	290,739	2.49	300,239	2.43	297,380	2.26
Cold Formed Steel Processing						
4. Steel Pipe	1,109,502	9.52	1,072,078	8.69	907,419	6.91
5. C-Channel	1,060,721	9.10	1,101,514	8.93	1,318,730	10.04
Total	7,167,201	61.49	7,249,496	58.78	7,913,846	60.25
Income**	66,887	0.57	45,823	0.35	44,589	0.34
Total Revenue	11,656,693	100.00	12,333,222	100.00	13,134,963	100.00

Notes : * Such as deformed bar, special size and special grade steel

** Such as processing service, delivery service and interest income

Risk Factors

Risk factors that may have an adverse effect on TMT's business, financial position or operating results are as follows:

1. Risk associated with reliability on major steel producers

During 2015, the Company purchased hot-rolled coil from domestic manufacturers, local and foreign traders. Mainly, domestic purchase was from Sahaviriya Steel Industries Plc., GJ Steel Plc. and G Steel Plc., which accounted for a combined 52.40% of its total purchase, comparing with 25.83% in 2014. The import in year 2015 and 2014 were 2.87% and 6.50% of the total purchase respectively. Furthermore, in year 2015, the Company also purchased structural steel products from Siam Yamato Steel Co., Ltd., the largest structural steel producer in Thailand, accounting for 10.96% of the total purchase compared with 15.80% in 2014.

As there are only three domestic hot-rolled steel coil producers as well as an import restriction caused by the extending of an anti-dumping measure and the Department of Foreign Trade has imposed the Safeguard measure for imported Hot Rolled Alloyed Steel Products, there still may be a risk if these major domestic steel producers are unable to deliver their products to the Company as scheduled or the producer's operation is halted with any causes and if the Company is unable to provide substitute products or procure from alternative sources to fill its customers' orders.

The Company is able to mitigate this risk through its minimum stock policy of 30 days to 60 days and its policy to place orders approximately 30 to 60 days in advance by coordinating with its steel producers to share the information on customers' needs that might be easy for producers to fix the production planning. Moreover, the Company has maintained a close relationship with its producers and distributors both in local and global in order to secure and reserve the alternative material sources for the Company.

2. Risk associated with impacts from Anti-Dumping Measures

According to the Ministry of Commerce has extended the effectiveness of the anti-dumping duties on imports of hot-rolled steel from 16 countries and the Department of Foreign Trade has also imposed the safeguard measure on imported Hot Rolled Alloyed Steel Products, such measures led to a rise in the cost of imported hot-rolled coil (HRC) from such countries, an increase in the trading volume of HRC produced domestically, which may cause a shortage of supply in the future if the local domestic producers could not produce their products to respond the market needs.

The Company still mitigates the risk through its minimum stock policy of 30 days to 60 days and place orders approximately 30 to 60 days in advance.

3. Risk associated with fluctuations in the price of Hot-rolled Coil (HRC)

In 2015 and 2014, the Company's main revenue stemmed from trading and processing HRC, accounted for 69.66% and 67.09% of total revenue respectively. The Company's total purchase of HRC from domestic producers was 95.27% and 88.49% of its total HRC purchased in 2015 and in 2014 respectively. Therefore, the volatility of domestic HRC price, which fluctuates with the world price, will have an impact on the Company's cost of goods sold, price of products, and inventory management.

The Company has done a best effort to minimize the price fluctuation impact by setting its selling prices at a level whereby it can maintain its spread margin. The Company closely monitors fluctuations in steel prices to evaluate the market situation as well as price trends. This information can be used in making purchasing decisions as well as managing inventory.

4. Risk associated with Accounts Receivable

As at 31 December 2015, the Company had accounts receivable in the amount of Baht 1,724.27 million representing 14.90% of total sales, the average collection period was 59 days, while accounts receivable which aged less than 3 months was Baht 1,715.01 million representing 99.46% of net accounts receivable. Hence, the Company may encounter a delinquency risk in the event customers have a poor operating performance, and this may affect the Company's profitability and financial status.

The Company periodically reviews the credit quality of its customers and sets aside provisions for no guarantee doubtful accounts aged overdue more than 180 days, or if the Company detects that a client has a problem in making a payment, even if does not exceed 180 days, the Company will set aside provisions for doubtful debt for said client. The Company focuses on providing credit which was considered by Credit Committee to grant a credit line for its own customers and allows credit for repeat customers with a good credit history and long-term relationship. In the case of new customers, customers in high-risk industries or who place unusually large purchase orders, the Company will request a bank guarantee, aval or letter of credit. The Company also has a diversified revenue base and a large number of customers without having to rely on any one specific customer group. Risk is also minimised as no large proportion of credit is provided to any one sector or industry.

5. Risk associated with interest rates

As at 31 December 2015, the Company's liabilities were short-term loans from financial institutions totaling Baht 2,123.80 million representing 88.03% of its total liabilities. The short-term financing consisted of short-term loans from financial institutions, trust receipts and letters of credit which were used as working capital to purchase raw material from its suppliers and its age was longer than the age of the Company's account receivable.

Any changes in market interest rate may effect to the Company's interest expense and net profit. However, the interest expense in 2015 was equaled to 0.51% of total sales revenue while in year 2014 was 0.65%. The interest coverage ratio was 7.79 times in year 2015 while in year 2014 was 6.29 times when compared with earning before interest and tax.

6. Risk associated with exchange rate

For the fiscal year 2015 and 2014, the Company's total imports in US dollar terms accounted for 2.87% and 6.50% of total purchases, respectively. This exposes the Company to a risk of fluctuations in foreign currency. However, the Company has a policy to hedge this risk by making forward contracts or converting to be Baht debt or making early payment depending on the level of cash on hand.

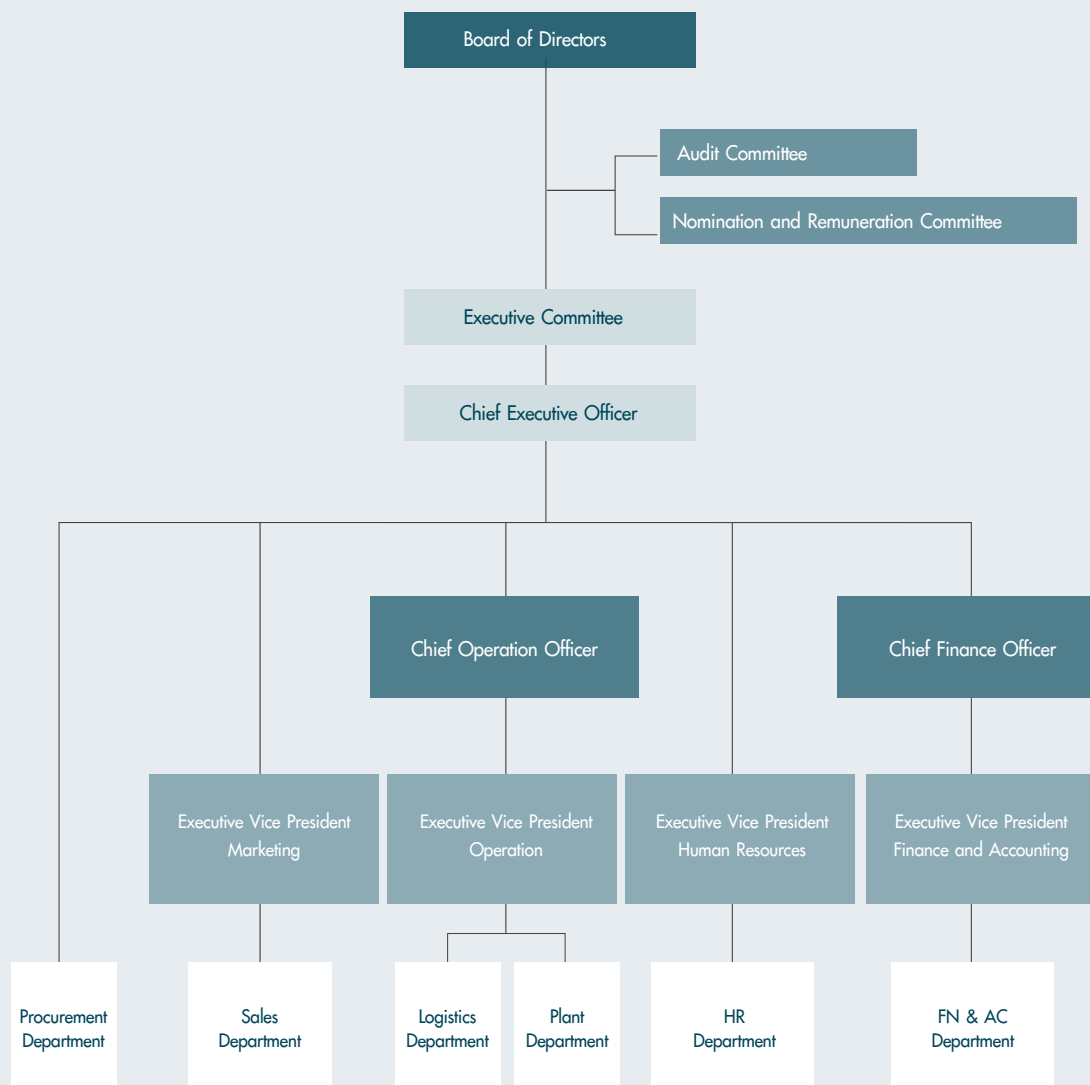
The Company will continue to import some of its raw material requirement while maintaining its hedging policy to manage foreign exchange risk exposure whenever the Company deems appropriate.

7. Risk associated with natural disaster

A natural disaster is an event that may occur and cannot be predicted in advance. As the flood situation in 2011, the Company had been affected to its manufacturing operations and transportation of Wangnoi plant which made the operation halted for a month. The Company has insured all risks including risks from flood which effected to inventory, buildings and machines with limited coverage of flood disaster. However, the Company has completely set up an action plan and preventive system to prevent a future disaster by making permanent and mobile concrete dikes around the plant area and each factory building together with centralized drainage system and necessary equipments to prevent water leak into the factory in the future.

Management Structure

Organization Chart as of December 31, 2015



Board of Directors

As of December 31, 2015, the Board of Directors consisted of seven members as follows:

Name		Position
1. Mr. Chai	Jroongtanapibarn	Chairman of the Board and Independent Director
2. Mr. Soon	Tarasansombat	Director
3. Mr. Paisal	Tarasansombat	Director
4. Mr. Komsan	Tarasansombat	Director
5. Mr. Somjate	Tretarnthip	Director
6. Mrs. Ratanavalee	Gorsanan	Independent Director
7. Mr. Anake	Pinvanichkul	Independent Director

Authorized Directors:

1. Mr. Paisal Tarasansombat
2. Mr. Komsan Tarasansombat
3. Mr. Somjate Tretarnthip

Any above two of three directors jointly sign along with the Company's seal affixed.

Scope, Duties, and Responsibilities of the Board

The Board of directors has its duties and responsibilities to perform in compliance with the laws, objectives, and the Company's Articles of Association as well as resolutions of shareholders' meeting with honesty and due care of the Company's benefits, except the transactions that must be approved by shareholders' meeting before conducting such as transactions that required by laws to obtain the majority votes of shareholders' meeting, the connected transaction and the acquisition or disposal of assets in accordance with the regulations specified by SET or any issues defined by government agencies etc. In this regards, the Board of directors may assign any one director or other person to act on behalf of the Board of directors. The Scope, Duties, and Responsibilities of the Board of directors are as follows:

1. To hold the Company's annual general meeting of shareholders within no later than four months from the end of the Company's fiscal year;
2. To hold the Company's Board of directors' meeting at least once every three months;
3. To arrange the preparation of financial statement as at the end of the Company's fiscal year which is audited by auditor, and then shall propose to the shareholder's meeting for their consideration and approval;
4. The Board of directors may delegate their authority to any one or several directors or other person to take any action on their behalf and under the supervision of the Board of directors, or empower such person/persons to have power according to

the Board of directors deem appropriate and within time limit as the Board of directors indicate. The Board of directors may cancel, revoke, change, or amend such authorities whenever it deems appropriate. The Board of Directors may authorize the Executive Committee to manage any operations, which was already described in scope, duties, and responsibilities of executive committee, however, such authorization shall not include the consideration and approval of any transaction in respect of which his or any persons have interest or conflict of interests with the Company or its subsidiary, except where the transactions are in accordance with policies and measures as considered and approved by the Board of directors;

5. To set target, guideline, policy, business plan and budget of the Company as well as to monitor the operation and management of executive committee to ensure that they perform in compliance with such policies, except the following matters which must be approved by the meeting of shareholders before conducting : the issue that required by laws to obtain the majority votes of shareholders' meeting such as capital increasing, capital reduction, debenture issuance, the sale or transfer of business of the Company in whole or in essential part to other persons or the purchase or acceptance of transfer of business of other companies, and the amendment of the Company's memorandum of association. Furthermore, the Board of directors has its duty to conduct the Company to perform in compliance with the Securities and Exchange laws and rules issued by SET such as connected transaction and the acquisition or disposal of assets according to the regulations issued by SET, or relevant legislation with the Company's business;

6. To consider the management structure, and to appoint the Executive Committee, Chief Executive Officer, and other Committees as deem appropriate;
7. To supervise and monitor the operating results in order to meet the business plan and budget continuously;
8. The Director is forbidden to operate a business of the same nature as, and in competition with that of the Company, or to enter to be a partner in an ordinary partnership or a partner of limited partnership or a director of a private company or other company which operates a business of the same nature as and in competition with that of the Company, whether for their own or other's benefit, unless the meeting of shareholders has been notified prior to appointment thereto;
9. The Director shall file to the Company a report on his interest which may cause conflict of interest directly or indirectly when the Company enters into a contract, or has any changes in shares or debenture holding in the Company or its subsidiary.

The Board's Meeting: In year 2015, The Board's meeting held a total of four meetings with directors' attendance as detailed below:

Name		Position	No. of Attendance / No. of Meeting (times)
1. Mr. Chai	Jroongtanapibarn	Chairman of the Board and Independent Director	4/4
2. Mr. Soon	Tarasansombat	Director	4/4
3. Mr. Paisal	Tarasansombat	Director	4/4
4. Mr. Komsan	Tarasansombat	Director	4/4
5. Mr. Somjate	Tretarnthip	Director and Corporate Secretary	4/4
6. Mrs. Ratanavalee	Gorsanan	Independent Director	4/4
7. Mr. Anake	Pinvanichkul	Independent Director	3/4

Executive Committee As of December 31, 2015, the Executive Committee consisted of three members as follows:

Name		Position
1. Mr. Paisal	Tarasansombat	Chief of Executive Board
2. Mr. Komsan	Tarasansombat	Executive Director
3. Mr. Somjate	Tretarnthip	Executive Director

Scope, Duties, and Responsibilities of the Executive Committee

The Executive Committee has its scope of authorities, duties, and responsibilities to manage the Company's normal business operation as well as to set a policy, business plan, budget, management structure and job authorization, and business protocol in relation with economic conditions in order to propose to the Board of Directors for approval and/or acceptance, including the verification and supervision of the operating results compared with its policies. The Scope, Duties, and Responsibilities of the Executive Committee are as follows:

1. To consider the annual budget allocation as proposed by management team before submit to the Board of directors' meeting for approval, including the consideration and approval of changes in interim expenses in case of emergency item when there is no Board of Directors' meeting, and then report to the next Board of directors' meeting;
2. To approve buying or selling transaction that value of not exceeding Baht 500 Million per transaction;
3. To approve the investment expense which is not in the approved annual budget, and not exceeding Baht 50 Million;
4. To approve the expenses for investment as annual budget as approved by the Board of directors or in accordance with the approved principle by the Board of Directors;
5. To provide consultancy to the management in respect of financial, investment, marketing, human resources management, and other operation matters;
6. To allocate pension funds approved by the Board of Directors to employees or any persons employed to work for the Company;
7. To control the operation and/or daily management of the Company.

However, the authorities of the Executive Committee are not included the approval of any transactions in respect of executive committee who has a conflict or any matters in respect of which executive committee or related persons has interest or conflict of interest with the Company or its subsidiary (if any) pursuant to the rules of SET. The approval on such matters shall proposed to the Board of directors' meeting and/or the shareholder's meeting so as to consider and approve those matters according to the Articles of Association of the Company or any relevant laws, except for normal business transactions that are already prescribed by existing guidelines approved by the Board.

Audit Committee

As of December 31, 2015, the Audit Committee consisted of three knowledgeable members as follows:

Name		Position
1. Mr. Chai	Jroongtanapibarn	Chairman of the Audit Committee
2. Mrs. Ratanavalee	Gorsanan	Audit Committee
3. Mr. Anake	Pinvanichkul	Audit Committee

Scope, Duties, and Responsibilities of Audit Committee

The Audit Committee has its scope of authorities, duties, and responsibilities as authorized by the Board of directors, including the report to the Board on following matters:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine independency of internal audit unit, as well as to approve the appointment, transfer and dismissal of the head of internal audit unit or any other unit in charge of internal audit;
3. To review compliance with the Securities and Exchange Act, regulation of the Stock Exchange of Thailand and any other relevant regulations or laws which related to the Company's business;
4. To consider, select, and nominate or terminate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with the auditor at least once a year;
5. To review the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To prepare, and to disclose in the Company's annual report, an Audit Committee' report which must be signed by the Chairman of Audit Committee and consist of at least the following information:
 - 6.1 an opinion on the accuracy, completeness and reliability of the Company's financial report,
 - 6.2 an opinion on the adequacy of the Company's internal control system,
 - 6.3 an opinion on the compliance with the law on the Securities and Exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - 6.4 an opinion on the suitability of an auditor,
 - 6.5 an opinion on the transactions that may lead to conflicts of interests,
 - 6.6 the number of audit committee' s meeting, and the attendance of such meetings by each committee member,
 - 6.7 an opinion or overview comment acknowledged by the audit committee from its performance of duties in accordance with the charter, and
 - 6.8 other transactions which, according to the audit committee's opinion, should be disclosed to the shareholders and investors, subject to the scope of duties and responsibilities assigned by the Board.
7. To report the Audit Committee's operation to the Board at least once every quarter;
8. To perform any duties as designated by the Board with the consent of the Audit Committee.

In addition, The Board of directors has fixed the term for members of Audit Committee as follows:

- | | |
|-----------------------------------|---------|
| - Chairman of the Audit Committee | 3 years |
| - Audit Committee | 3 years |

In this regards, when they complete their term, Chairman of Audit Committee or audit committee can be re-appointed to their position.

Audit Committee's Meeting: In year 2015, Audit Committee's meeting held a total of four meetings with the committee's attendance as detailed below:

Name		Position	No. of Attendance / No. of Meeting (times)
1. Mr. Chai	Jroongtanapibarn	Chairman of the Audit Committee	4/4
2. Mrs. Ratanavalee	Gorsanan	Audit Committee	4/4
3. Mr. Anake	Pinvanichkul	Audit Committee	3/4

Nomination and Remuneration Committee As of December 31, 2015, the Nomination and Remuneration Committee consisted of five members as follows :

Name		Position
1. Mr. Soon	Tarasansombat	Chairman of the Nomination and Remuneration Committee
2. Mr. Chai	Jroongtanapibarn	Nomination and Remuneration Committee
3. Mrs. Ratanavalee	Gorsanan	Nomination and Remuneration Committee
4. Mr. Anake	Pinvanichkul	Nomination and Remuneration Committee
5. Mr. Somjate	Tretarnthip	Nomination and Remuneration Committee

Scope, Duties, and Responsibilities of the Nomination and Remuneration Committee

1. To set the policy, criteria, and method of remuneration payment and nomination process for the Board of directors, Sub-Committee and Chief Executive Officer;
2. To nominate, determine, and propose the suitable directorial candidates as the setting criteria, in order to replace the retired directors of the Board or Sub-Committee, or Chief Executive Officer, or when those positions are vacant as well as the new position set by the Board of directors or set by laws, and then propose to the Board and / or the shareholder's meeting to approve;
3. To draw up guideline for remuneration criteria and fix the remuneration for the Board of directors, Sub-Committee and Chief Executive Officer, either cash or non cash and propose to the Board of directors for approval. The remuneration for the Board of directors will be proposed to shareholders' meeting for final approval;
4. To review the appropriateness of the current remuneration and nomination criteria;
5. To perform any duties as designated by the Board.

Nomination and Remuneration Committee's Meeting: In year 2015, Nomination and Remuneration Committee's meeting held a total of one meeting with the committee's attendance as detailed below:

Name		Position	No. of Attendance / No. of Meeting (times)
1. Mr. Chai	Jroongtanapibarn	Chairman of the Nomination and Remuneration Committee	1/1
2. Mrs. Ratanavalee	Gorsanan	Nomination and Remuneration Committee	1/1
3. Mr. Anake	Pinvanichkul	Nomination and Remuneration Committee	1/1
4. Mr. Somjate	Tretarnthip	Nomination and Remuneration Committee	1/1

Remark : The above attendance was held on February 13, 2015 which Mr. Soon Tarasansombat was appointed as the Chairman of the Nomination and remuneration Committee on May 8, 2015.

Management Team As of December 31, 2015, the management of the Company consisted of six members as follows:

Name		Position
1. Mr. Paisal	Tarasansombat	Chief Executive Officer
2. Mr. Prawas	Sontawakul	Chief Operations Officer
3. Mr. Somjate	Tretarnthip	Chief Finance Officer
4. Ms. Petrung	Measincee	Executive Vice President - Marketing
5. Mr. Komsan	Tarasansombat	Executive Vice President - Operations
6. Mrs. Panlapa	Tarasansombat	Executive Vice President - Human Resources

Scope, Duties, and Responsibilities of Chief Executive Officer

The scope, duties and responsibilities of Chief Executive Officer for managing normal business and operation of the Company are as follows:

1. To control and supervise the operation and/or manage day-to-day business of the Company;
2. To operate or carry out the business in respect of execution of policies, business plan, and budgets approved by the Board of Directors and/or the Executive Committee;
3. To act as the attorney of the Company in management to comply with objectives, Articles of Association, policies, guidelines, regulations, orders,

resolutions of shareholder's meeting and/or resolutions of the Board of Directors or the Executive Committee.

However, the authorities of Chief Executive Officer are not included the approval of any transactions in respect of which Chief Executive Officer or related persons have interest or conflict of interest with the Company or its subsidiary (if any) pursuant to the rules of SET. The approval on such matters shall proposed to the Board of directors' meeting and/or the shareholder's meeting so as to consider and approve those matters according to the Articles of Association of the Company or any relevant laws, except for normal business transactions that are already prescribed by existing guideline approved by the Board of directors.

Corporate Secretary

As of December 31, 2015

Name		Position
1. Mr. Somjate	Tretarnthip	Corporate Secretary

Scope, Duties, and Responsibilities of the Corporate Secretary

Responsible for organizing the meetings of the Board of directors, committees and shareholders, and preparing the minutes of the Board's meeting, the minutes of other Committees' meeting, the minutes of Shareholders'

meeting and annual report as well as filing documents as specified by laws. Support and supervise the Company to perform in compliance with the laws and regulation of the Stock Exchange of Thailand.

Remuneration of directors and management

The Nomination and Remuneration Committee is responsible for prescribing and considering the remuneration of directors and executive committee by comparing with the others in the same industry and conforming to the Company's operating results, including the accountabilities and responsibilities of those directors and executive committee. The allocation of remuneration is detailed as below;

5,000,000 per annum which is the same rate as year 2014 and bonus for the Board Baht 2,500,000. This remuneration and bonus were allocated to 7 directors separated by Baht 4,720,000 for directors' allowance and Baht 280,000 for meeting allowance which were allocated to Chairman : Audit Committee : Director at the ratio 1.48 : 1.23 : 1.00 and Baht 10,000 for each Board of directors' meeting attendance. Meanwhile, the bonus was allocated to Chairman : Director at the ratio 1.29 : 1.00. The allocation of remuneration is detailed as below:

1. The Board and Other Sub-committee Remuneration

The annual general meeting of shareholders on April 2, 2015 approved the directors' remuneration for Baht

Name	Position	Directors Allowance (Baht)	Meeting Allowance (Baht)	Bonus from 2014 Operating results (Baht)	Total (Baht)
1. Mr. Chai Jroongtanapibarn	Chairman of the Board and Chairman of the Audit Committee	830,000	40,000	425,000	1,295,000
2. Mr. Soon Tarasansombat	Director and Chairman of Nomination and Remuneration Committee	830,000	40,000	425,000	1,295,000
3. Mr. Paisal Tarasansombat	Director	560,000	40,000	330,000	930,000
4. Mr. Komsan Tarasansombat	Director	560,000	40,000	330,000	930,000
5. Mr. Somjate Tretarnthip	Director and Nomination and Director Remuneration Committee	560,000	40,000	330,000	930,000
6. Mrs. Ratanavalee Gorsanan	Director Audit Committee and Nomination and Remuneration Committee	690,000	40,000	330,000	1,060,000
7. Mr. Anake Pinvanichkul	Director Audit Committee and Nomination and Remuneration Committee	690,000	30,000	330,000	1,050,000
Total		4,720,000	270,000	2,500,000	7,490,000

Remark : The Board and Sub-committee as above mentioned do not receive other benefits except the aforementioned.

2. The Executive Committee and Management Remuneration

In year 2015, the Company paid out the remuneration for 3 executive committees and 6 managements in term of salary, pension fund and bonus, totaling Baht 28,530,000

Board of Directors and Executives

Mr. Chai Jroongtanapibarn

Chairman of the Board, Chairman of Audit Committee, Nomination and Remuneration Committee and Independent director

Age : 61 years

Education :

- Bachelor of Accounting, Chulalongkorn University
- Master of Accounting, Thammasat University

Training for Director course of IOD :

- Director Certification Program (DCP) :
Class 29/2003
- Audit Committee Program (ACP) : Year 2005

Family Relationship between directors and management :

None

Number of shares

(include related person as section 258) :
522,750 shares or 0.12%

Experience (5 years past) :

- **May.15 - Present** Chairman of the Board, Chairman of Audit Committee, Nomination and Remuneration Committee and Independent Director / Thai Metal Trade Plc. / Steel Service Center
- **2007 - Present** Audit Committee / Siam Food Products Plc. / Food processing for export
- **2006 - Present** Audit Committee / Oishi Group Plc. / Food and Beverage business
- **2003 - Present** Director / Siam Future Development / Shopping Center
- **2002 - Present** Chairman of Audit Committee / Major Cineplex Group Plc. / Cinema and Bowling
- **2000 - Present** Chairman of Audit Committee / Team Precision Plc. / Electronics Board
- **Aug. 10 - Apr.15** Chairman of Audit Committee, Chairman of Nomination and Remuneration Committee and Independent Director / Thai Metal Trade Plc. / Steel Service Center

Illegal record in the past 10 years :

None

Mr. Soon Tarasansombat

Director, Chairman of Nomination and Remuneration Committee

Age : 74 years

Education :

Mattayom 6

Training for Director course of IOD :

Director Accreditation Program (DAP) :
Class 19/2004

Family Relationship between directors and management :

Father of Mr. Paisal Tarasansombat and Mr. Komsan Tarasansombat

Number of shares

(include related person as section 258) :
194,350,000 shares or 44.64%⁽¹⁾

Experience (5 years past) :

- **May.15 - Present** Director and Chairman of Nomination and Remuneration Committee / Thai Metal Trade Plc. / Steel Service Center
- **1986 - Present** Director / Soon Huat Steel Co.,Ltd. / Property Lessor
- **2004 - Apr.15** Chairman of the Board / Thai Metal Trade Plc. / Steel Service Center

Illegal record in the past 10 years :

None

Mr. Paisal Tarasansombat

Director, Chief of Executive Board
and Chief Executive Officer

Age : 50 years

Education :

- Diploma, Assumption Commercial College
- Diploma in Business Study, Eastbourne College of Art & Technology, United Kingdom
- Mini IE, Chulalongkorn University
- Top Executive Program : Class 10/2010, Capital Market Academy

Training for Director course of IOD :

- Director Accreditation Program (DAP) : Class 21/2004
- Director Certification Program (DCP) : Class 197/2014

Family Relationship between directors and management :

Son of Mr. Soon Tarasansombat, brother of Mr. Komsan Tarasansombat, and spouse of Mrs. Panlapa Tarasansombat

Number of shares

(include related person as section 258) :
35,440,400 shares or 8.14%⁽²⁾

Experience (5 years past) :

- **Mar. 11 - Present** Director, Chief of Executive Board and Chief Executive Officer / Thai Metal Trade Plc. / Steel Service Center
- **Apr. 15 - Present** Director / Thai Listed Companies Association / Independent nonprofit organization
- **Jun. 14 - Present** Audit Committee and Independent Director / Master Ad Plc./ Outdoor Advertising
- **2004 - Present** Director / CONNEX Business Online Co.,Ltd. / Software Solution
- **1986 - Present** Director / Soon Huat Steel Co.,Ltd. / Property Lessor
- **Mar. 08 - Feb. 11** Director, Chief of Executive Board and President / Thai Metal Trade Plc. / Steel Service Center

Illegal record in the past 10 years :

None

Mr. Komsan Tarasansombat

Director, Executive Director and
Executive Vice President - Operations

Age : 47 years

Education:

- Bachelor of Industrial Engineering, Khon Kaen University
- M.B.A. (Finance), Middle Tennessee State University, USA.

Training for Director course of IOD :

Director Accreditation Program (DAP) :
Class 19/2004

Training for Director course of TLCA :

Executive Development Program (EDP) :
Class 14/2014

Family Relationship between directors and management :

Son of Mr. Soon Tarasansombat and Brother of Mr. Paisal Tarasansombat

Number of shares

(include related person as section 258) :
34,546,675 shares or 7.93%⁽³⁾

Experience (5 years past) :

- **Mar. 11 - Present** Director, Executive Director and Executive Vice President - Operations / Thai Metal Trade Plc. / Steel Service Center
- **Aug. 09 - Feb. 11** Director, Executive Director, Executive Vice President - Operations and Acting in Executive Vice President - Supply Chain / Thai Metal Trade Plc. / Steel Service Center

Illegal record in the past 10 years :

None

Mr. Somjate Tretarnthip

Director, Nomination and Remuneration Committee,
Executive Director, Chief Finance Officer and Corporate
Secretary

Age : 51 years

Education:

- Bachelor of Business Administration,
Ramkamhaeng University
- Mini M.B.A., Kasetsart University

Training for Director course of IOD :

Director Accreditation Program (DAP) :
Class 19/2004

**Family Relationship between directors and
management :**

None

Number of shares

(include related person as section 258) :
3,300,000 shares or 0.76%

Experience (5 years past) :

- **Mar. 11 - Present** Director, Nomination and
Remuneration Committee, Executive Director,
Chief Finance Officer and Corporate Secretary /
Thai Metal Trade Plc. / Steel Service Center
- **2004 - Present** Director / CONNEX Business
Online Co.,Ltd. / Software Solution
- **Aug. 10 - Feb.11** Director, Nomination and
Remuneration Committee, Executive Director ,
Executive Vice President - Finance and
Accounting and Corporate Secretary /
Thai Metal Trade Plc. / Steel Service Center

Illegal record in the past 10 years :

None

Mrs. Ratanavalee Gorsanan

Audit Committee, Nomination and Remuneration
Committee and Independent director

Age : 51 years

Education:

- Bachelor of Accounting, Thammasat University
- Master of Accounting, Thammasat University

Training for Director course of IOD :

Director Accreditation Program (DAP) :
Class 21/2004

**Family Relationship between directors and
management :**

None

Number of shares

(include related person as section 258) :
272,000 shares or 0.06%

Experience (5 years past) :

- **Aug. 10 - Present** Audit Committee, Nomination
and Remuneration Committee and Independent
Director / Thai Metal Trade Plc. /
Steel Service Center
- **Feb. 12 - Present** Finance Director /
Central Watson Co.,Ltd. / Retailer of health and
beauty products
- **2010 - Feb. 12** Vice President of Finance and
Accounting / Minor Corporation Plc. /
Consumer products manufacturer

Illegal record in the past 10 years :

None

Mr. Anake Pinvanichkul

Audit Committee, Nomination and Remuneration
Committee and Independent director

Age : 51 years

Education:

- Bachelor of Science, Kasetsart University
- MBA, New York University

Training for Director course of IOD :

Director Accreditation Program (DAP) :
Class 23/2004

Family Relationship between directors and management :

None

Number of shares

(include related person as section 258) :

272,000 shares or 0.06%

Experience (5 years past) :

- **Aug. 10 - Present** Audit Committee, Nomination and Remuneration Committee and Independent Director / Thai Metal Trade Plc. / Steel Service Center
- **Mar. 13 - Present** Director / Nadmon Business and Consultant Co.,Ltd. / Restaurant Business
- **2002 - May. 13** Director / ACAP Advisory Plc. / Finance advisory and non-performing asset management

Illegal record in the past 10 years :

None

Mr. Prawas Sontawakul

Chief Operations Officer

Age : 57 years

Education:

Bachelor of Engineering (Mechanical Engineering), King Mongkut's University of Technology North Bangkok

Training for Director course of IOD :

Director Accreditation Program (DAP) :
Class 12/2004

Family Relationship between directors and management :

None

Number of shares

(include related person as section 258) :

None

Experience (5 years past) :

- **Mar. 11 - Present** Chief Operations Officer / Thai Metal Trade Plc. / Steel Service Center
- **Nov. 13 - Present** Director / Eco Living Co.,Ltd. / Home Building
- **Aug. 08 - Feb. 11** Deputy Managing Director / Vanachai Intertrading Group Co.,Ltd. / Manufacturing and sale wood products

Illegal record in the past 10 years :

None

Mrs. Panlapa Tarasansombat

Executive Vice President - Human Resources

Age : 48 years

Education:

- BBA, Majoring in Accounting, Assumption University
- Mini IE, Chulalongkorn University
- Graduate Diploma in Human Resource Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Training for Director course of IOD :

None

Family Relationship between directors and management :

Spouse of Mr. Paisal Tarasansombat

Number of shares

(include related person as section 258) :

35,440,400 shares or 8.14%⁽⁴⁾**Experience (5 years past) :**

Aug. 09 - Present Executive Vice President- Human Resources / Thai Metal Trade Plc. / Steel Service Center

Illegal record in the past 10 years :

None

Ms. Petrung Maesincee

Executive Vice President – Marketing

Age : 50 years

Education:

- Bachelor of Art (Economics), Thammasat University
- Master of Art (Economics), Thammasat University

Training for Director course of IOD :

None

Family Relationship between directors and management :

None

Number of shares

(include related person as section 258) :

None

Experience (5 years past) :

Aug. 09 - Present Executive Vice President - Marketing (Department) / Thai Metal Trade Plc. / Steel Service Center

Illegal record in the past 10 years :

None

Remarks:

- ⁽¹⁾ Mr. Soon Tarasansombat holds the Company's share of total 162,350,000 shares, which equivalent to 37.29 percent of its total issued and paid up shares, and Mrs. Pornjit Tarasansombat, his spouse, hold of total 32,000,000 shares, which equivalent to 7.35 percent of its total issued and paid up shares.
- ⁽²⁾ Mr. Paisal Tarasansombat holds the Company's share of total 16,900,000 shares, which equivalent to 3.88 percent of its total issued and paid up shares, and Mrs. Panlapa Tarasansombat, his spouse, holds of total 18,540,400 shares, which equivalent to 4.26 percent of its total issued and paid up shares.
- ⁽³⁾ Mr. Komsan Tarasansombat holds the Company's share of total 33,046,675 shares, which equivalent to 7.59 percent of its total issued and paid up shares, and Mrs. Wimol Tarasansombat, his spouse, hold of total 1,500,000 shares, which equivalent to 0.34 percent of its total issued and paid up shares.
- ⁽⁴⁾ Mrs. Panlapa Tarasansombat holds the Company's share of total 18,540,400 shares, which equivalent to 4.26 percent of its total issued and paid up shares, and Mr. Paisal Tarasansombat, her spouse, holds of total 16,900,000 shares, which equivalent to 3.88 percent of its total issued and paid up shares.

In this regards, the number of shares and percentage of shareholding of all directors and executives are as of March 5, 2015,

Report on Good Corporate Governance

The Board of Directors has realized the significance of the Company's good corporate governance by endorsing the moral and ethics as business principles in order to conduct the business with responsibilities, due care, and loyalty to bring efficient, transparent, and trustworthy growth from our shareholders, investors, and stakeholders. The Board therefore established the good corporate governance principle and guidelines so as to preserve such policy which can be divided into 5 chapters as follows;

Chapter 1 : Rights of shareholders

1. Rights to appoint the Board of Directors

The appointment of the Company's Board of Directors is according to the Company's Articles of Association that shareholders' meeting shall elect the directors in accordance with rules and procedures as follows;

- 1.1 Each shareholder shall be entitled to one vote for each shareholding;
- 1.2 Each shareholder shall be entitled to cast all the votes under 1.1 to elect one or several persons to be the Company's director but cannot distribute their votes to any particular person or persons;
- 1.3 Persons who receive the highest votes arranged in order from highest to lowest in a number equal to that of the number of directors to be appointed are elected to be the Company's directors. In the event of a tie at a lower place, which would make the number of directors greater than the required, the Chairman of the meeting shall cast the deciding vote.

Furthermore, prior to the meeting date, one single shareholder or several shareholders together hold the Company's shares of not less than 5 percent of its total issued and paid up shares has the rights to nominate candidates to be elected as the Company's directors in advance according to date, time, and criteria disclosed by the Company via SET's channel and the Company's website. In this regards, the percentage of shareholding as said shall hold for a minimum period of 12 consecutive months prior to the date of invitation to use their rights. And, this year 2015, no shareholder nominated candidate as said.

In the 2015 Annual General Meeting of Shareholders, shareholders cast their vote to elect the director individually and directors who have conflict of interest could not cast the vote.

2. Rights in shareholders' meeting

- 2.1 The Company sent the notice of the 2015 shareholder's meeting which indicated date, time, place, agenda, opinion of the Board, and supporting documents to all shareholders at least 21 days prior to the meeting date, and also such all relevant information will be posted on the Company's website at www.thaimetaltrade.com at least 30 days prior to the meeting date to support all shareholders, including institutional investors, to attend the meeting and shareholders will have adequate time to study on each agenda thoroughly. In this regards, the meeting agenda and supporting documents as said were provided based on transparent and sufficient information for shareholders to make their best decision.
- 2.2 The Company provided the opportunity to shareholders who are unable to attend the meeting for exercising their rights by appointing other person to attend the meeting and cast the vote on their behalf or appoint an independent director who is appointed by the Company as their proxy. The Company therefore facilitates all shareholders by attaching proxy along with the notice of the meeting.
- 2.3 The Company also published such notice of the meeting in the public daily newspaper for 3 consecutive days and not less than 3 days prior to the meeting date in order to provide multi-channel for receiving information.
- 2.4 The Company provided the best effort to accommodate the most convenience for shareholders in term of the meeting place which the head office of the Company is situated and adjacent to the main public transportation and prepares any supplemental facility such as barcode system ,

adequate registration desk, spare notice of the meeting for those who do not bring such document, ballot card and staff members available for collecting the ballot card, wireless microphone in order to provide shareholders opportunities to question and presentation of each agenda etc.

- 2.5 At beginning of the meeting, the Company explained how to execute the shareholder's voting rights on each agenda, and announced the number of shareholders attending the meeting together with total shares which are entitled to vote.
- 2.6 The Company invited an independent legal advisor to attend the meeting in order to observe and verify the voting procedure on each agenda.
- 2.7 The Board of Directors gave an opportunity for shareholders to raise any questions and suggestions on each agenda and took as responsibility to clarify for those questions.
- 2.8 The Company published the minute and resolution of the shareholders' meeting via SET's channel and the Company's website within 14 days after the meeting so as to accurately provide the information for shareholders who attended or did not attend the meeting as well as other investors.
- 2.9 The Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, and the executive committee has recognized the importance of attending the meeting and deemed it as important duty and responsibility to proceed.

3. Rights to receive the dividend payment

The Company's dividend payment policy for the previous year operating results is not less than 50 percent of its net profit after legal reserve deduction as required by law. In 2015 Annual General Meeting of Shareholders, the meeting approved dividend payment from 2014 operating results at the rate of Baht 0.65 (Sixty five satang) or 84.63% of net profit. The payment was paid to the Company's shareholders whose name appear on Record Date which was fixed by the resolution of the Board of Directors' meeting and approved by the shareholder's meeting.

4. Rights to access the adequate Company's information

The Company has disclosed all significant information such as operating results or financial statements via SET's channel as well as published on the Company's website within the date and time stipulated by law in order to provide multi-channel for stakeholder to receive information.

5. Rights to appoint the Company's auditor and fix audit's fee

In 2015, the Board of Directors proposed the shareholder's meeting to appoint the Company's auditor and fix audit fee for the year 2015. The proposed audit company and auditor have no relationship or conflict of interest in the Company, directors, executives and the Company's major shareholders or any related to those parties as said.

Chapter 2 : Equitable Treatment of Shareholders

1. The Company provided an opportunity for minor shareholders to propose agendas for the shareholders' meeting in advance by fixing that one single shareholder or several shareholders together hold the Company's shares of not less than 5 percent of its issued and paid up shares for 12 consecutive months prior to the date of invitation to use their rights, can exercise as said. And, in 2015, the Company disclosed the aforementioned above via its website and SET's channel at least 30 days prior to the date of shareholders' meeting, and there is no shareholder proposed the agenda as said.

2. The Company made the notice of the meeting, all supporting documents, and proxy in both Thai and English for the convenience of both local and foreign shareholders.
3. The Company will not propose the additional agendas without prior notice to shareholders.
4. The Company has authorized an independent director to safeguard interest of its minor shareholders by creating the E-mail address: ind_dir@thaimetaltrade.com for shareholders to express their opinions, suggestions, or complains related to the Company's operating results. The independent director will consider and proceed as deemed appropriate.
5. All directors and executives will promptly report the corporate secretary when any conflict of interest of their own or related person occurred according to the Securities and Exchange Acts so that the corporate secretary will gather and submit to the Audit Committee and the Board of Directors to consider such conflict of interest and to decide based on the Company's benefit. In this regard, the director and executive who have conflict of interest with a transaction is not allowed to present in the meeting and have no voting rights.
6. The Board of Directors has recognized the importance of inside information control and protects for internal use of restricted person only, so the Board established the policy and conduct to keep it confidential until it is publicized. The Company also informed directors and executives, who shall have a duty as prescribed in SET and SEC's enforcement, to acknowledge their responsibility and to report their shareholding and related person's shareholding included their spouse and minor children, this also including the report on change in securities holding that shall submit to SEC and SET in accordance with the Securities and Exchange Act for preventing the use of inside information for their own benefit.

Furthermore, the directors and executive directors, including their spouse and minor children, are forbidden to buy, sell or transfer the Company's securities by using inside information which has not yet been disclosed to public. In case those persons buy, sell or transfer the Company's securities without knowing such inside information, such persons are required to report the said transaction to SEC and SET within three days from the transaction date in every time of entering into such transaction and then submit a report to the corporate secretary as evidence.

However, if any directors, executive directors and the Company's staffs are taking advantage for their own from using inside information and such action has caused any disgrace or damage to the Company, the Company will consider taking an appropriate legal action against such person.

Chapter 3 : Role of Stakeholders

1. Customers

- 1.1 The Company provides consultation, business solutions and material planning. These are aimed at creating greater values in order to benefit customers under an integrated management system which will be able to meet all customers' requirements.
- 1.2 The Company's products are manufactured by modern technology of production processes, and will be passed quality control before the delivery to customer, according to fixed standard and mutual covenants.
- 1.3 The product information which is presented to customer is true fact and having sufficient details. So, it is easy for the customers to make decisions.
- 1.4 The Company recognized the importance of logistics system in place which offers reliability, inventory management and cost control so as to reserve the customer's production and ensure that the customers' requirements will always be treated with great care and fulfilled.

- 1.5 The Company is committed to maintain customer private data confidentiality and prevent from using the aforementioned for personal gain without prior notice to customers.
- 1.6 The company emphasized on the result of evaluation of customer satisfaction, toward company's products and services. The results will be brought to improve and develop for better ability of responding to the customer demands.

2. Employees

- 2.1 The Company has continued its constructive people development by training staff to be capable, knowledgeable, and experienced. These also aim to build a reliable professional to provide better solution for customers and create the value of determination, reliability, challenging ideas and responsive action through the way of thoughts and practices. In the year 2015, the Company achieved in-house training courses as targeted at TMT Knowledge center. The Company also allocated the sufficient budget for all training, in summary; both in-house and external training courses total is 119 courses, and the number of employee joined the training was 724 persons, or average 16 hours per person.
- 2.2 The Company has regularly organized the activity with sufficient budget in order to promote a collaborative working environment among all staffs with expectation to build a harmony and drive their creativities such as Idea We Can (No. 3), TMT Singing Contest, Garbage for social, TMT Like & Share, TMT News, Touch Point and TMT Day 2015 etc.
- 2.3 The Company provides opportunities for staff to share their opinions or suggestions which benefit to their jobs through many various working groups, such as safety, welfare, labor standard, special operation etc. and the Company has its policy that all parties' comments, suggestions or complaints in their normal operation should be considered and respected.
- 2.4 The Company has an employee benefits policy for short term and long term. The short term benefits are considered according to the employment conditions, competency and job responsibility comparing fairly and properly with the operating result and other companies in the same industry. By the way, the provident fund is provided as a long term benefits. The other employee's welfares are jointly considered with the employee through the welfare committee.
- 2.5 The Company has set up the Safety, Health and Working Environment Committee policy and committee to ensure that all working procedures are safe and comply with safety standard as well as set up a training and campaign to promote a good health and good working environment practices such as "Safety Week" and "Safety we can". The objective is to be a leader in safety production process by decreasing an accident to zero, and having none in operation.
- 2.6 The Company promotes and protects human rights by avoiding any action that may causes human rights violation such as illegal employment, non-permitted alien workers and child labor, or any supports to cause the above action.
- 2.7 The Company has not supported any action that violates copy rights or intellectual property by establishing intellectual policy to prevent our staff and organization do any faults from technology, copy rights and the Company's working regulation.

3. Trading Partners

- 3.1 The Company has created a fair treatment with all partners in compliance with business condition and agreement as mutually agreed to develop and maintain a sustainable relationship.
- 3.2 The Company does not involved in any action that may causes trading conflict or fraud, and not to support any business transaction with any other companies which involved in such actions, for example, collusion, hoard, production restraint or unfair price competition etc.

- 3.3 The Company has determined fair criteria for partner evaluation and selection. The company will not support any actions that may cause conflicts of interests.

4. Shareholders

- 4.1 The Company has intended to extend the sustainable and continuous business growth, based on transparency and fairness, to become the leading company in steel industry and to create confidence and long-term value for shareholders.
- 4.2 The Company has disclosed precisely, completely and punctually information that may effect to shareholders' benefit and decision.
- 4.3 The Company monitored the undeliverable dividend cheque which hadn't been received by shareholders and followed to protect their rights.

5. Creditors

The Company has followed the borrowing condition and truthfully reports the Company's financial status as well as fulfills obligation when payment is due. We also facilitate creditors to have convenience and quick channel in receiving payment, such as payment through cash management centre, transferring into account, or receiving at the company.

6. Independent auditors

The Company strongly supports the independent auditors to perform their duties with independence, transparency and compliance with the requirements of the Securities and Exchange Commission and also provides best cooperation without any conflicts or disagreements as well as direct data or relevant document access and operator interview as the auditors' requirement. The Company also arranges an independent meeting for the Auditors and Audit Committee to meet without the management's attendance.

7. Competitors

The Company has committed to do business under the rules of decent competition and do not falsely disparage the reputation with unfair for competitors.

8. Community, Society, and Environment

- 8.1 The company has operated its business by mainly emphasizing on community, social and environmental care and strictly following the environmental laws and regulations. Therefore, the Company has set a Corporate Social Responsibility policy and Environmental policy which all the employees are communicated and acknowledged as the guideline for their general practices. The both policies are also published on the company's website and introduced in the employee orientation course.
- 8.2 The company has supported and promoted the employee to take part in natural resource's preservation and energy saving, including avoiding any action that may cause environmental pollution both in work time and daily life.
- 8.3 The company has collaborated and promoted the activities with governmental sector, sub-district administration organization or other non profit organizations as proper.

9. Government Sector

- 9.1 The Company has strictly conducted its business complied with Laws, Rules, and other regulations issued by Government sector.
- 9.2 The company is pleased to provide and share any corporate information for government sector to use as it deems appropriate.

Actions on the good governance guideline

The Company issued a Code of Conduct for Directors, Managements and all employees to be a guideline for all operation to be based on right and equitable treatment with all stakeholders in term of integrity and law. Every employee must not perform any duties for self-benefit or look for its benefit from its operations. By the way, the responsibility to community, society and environment shall be everyone's concern. Furthermore, the Company has set a Whistle Blowing Process to prevent and catch up with any risks or abnormal practices that may arise from the internal process or risks that can cause a damage to any assets, life or reputation and also any complaints, Illegal actions or clues which may lead to fraud or corruption within the organizations. In this regard, the Company has established the channels for all stakeholders to submit such information or complaints about the Company's operation directly to Independent Directors at E-mail: ind_dir@thaimetaltrade.com and Facsimile : 02 670 9093

Chapter 4 : Disclosure and Transparency

1. The Board of Directors has monitored for disclosure the significant information related to the Company's financial information and non-financial information in accordance with the regulations of SEC and SET and other relating notification with precisely, completely, on-time, and transparently for the equity of investors and stakeholders through various channel and procedure such as SET's channel, the Annual Registration Statement, Annual Report, and the Company's website. The Company also appointed the corporate secretary to take a duty and responsibility to provide and preserve such information as said.
2. In 2015, the analyst meeting is convened regularly at the Company's head office on a quarterly basis to announce the Company's operating results and financial status on the day after disclosure of financial statement to SET.
3. The Company's financial statement is audited and reviewed by a certified public accountant from PricewaterhouseCoopers ABAS Company Limited who is independent, specialized and skillful, and is certified by Securities and Exchange Commission Thailand. The Audit Committee was reported by such auditor that they were independent, no difficulties and no disagreements with management while they were conducting a review or audit. The Company has disclosed the audit and other fee in the annual report. Furthermore, the Audit Committee also appointed KPMG Phoomchai Business Advisory Ltd to plan and audit the internal control to ensure that the Company has a proper conduct and control as well as risk management in terms of adequacy and efficiency.
4. The Board of Directors prepared a report on the responsibilities for financial statements which was presented along with the auditor's report in the Annual Report of the Company.
5. The Board of Directors has monitored the disclosure of directors' role and duty, management remuneration and number of attending the meeting of the Board and other sub-committees as individual in the Company's annual report.
6. The Company has set up an Investor Relation Unit to keep in touch with investors, analysts and also government and public sectors. Below are the contact channels;
Telephone No. : 02 685 4000 ext. 6002
Facsimile No. : 02 670 9090-2
E-mail : ir@thaimetaltrade.com

Changes in the Shareholding of the Board and Executive

In 2015, the Board of Directors and Executives has changes in the Shareholding as follows;

Name	Position	Share as of		Changes increase/ (decrease)
		1 Jan. 15	31 Dec. 15	
1. Mr. Chai Jroongtanapibarn	Chairman of the Board, Chairman of Audit Committee, and Independent director	522,750	522,750	-
2. Mr. Soon Tarasansombat	Director and Chairman of Nomination and Remuneration Committee	162,350,000	161,380,000	(970,000)
3. Mr. Paisal Tarasansombat	Director, Chief of Executive Board and Chief Executive Officer	17,000,000	16,900,000	(100,000)
4. Mr. Komsan Tarasansombat	Director, Executive Director and Executive Vice President - Operations	33,046,675	33,046,675	-
5. Mr. Somjate Tretarnthip	Director, Nomination and Remuneration Committee, Executive Director and Chief Finance Officer	3,300,000	2,000,000	(1,300,000)
6. Mrs. Ratanavalee Gorsanan	Audit Committee, Nomination and Remuneration Committee and Independent director	272,000	272,000	-
7. Mr. Anake Pinvanichkul	Audit Committee, Nomination and Remuneration Committee and Independent director	272,000	272,000	-
8. Mr. Prawas Sontawakul	Chief Operations Officer	-	-	-
9. Ms. Petrung Measincee	Executive Vice President - Marketing	-	-	-
10. Mrs. Panlapa Tarasansombat	Executive Vice President - Human Resources	18,790,400	18,790,400	-

Chapter 5 : The Board's responsibilities

1. The Board's structure

1.1 The Board of Director

- At the end of year 2015, the Board of Directors has its quorum of 7 persons comprised of 3 independent directors, 3 executive directors and 1 director who is not in management position. The Chairman of the Board is independent director. In this regard, such proportion is well counterbalance in the Board and complies with laws. Further Information about their scope of work, duties, and responsibilities is detailed in Management Structure section.

- The term of directorship complied with the regulation detailed in the Company's Articles of Association that in every the Annual General Meeting of Shareholders, one-third of the Board of Directors shall retire by rotation, and if the number of directors can not be divided exactly into three parts, directors in a number close to one-third shall vacate office. The directors who remained in office for longest time shall vacate office and such directors can be re-elected.
- The directors who position in the Board are forbidden to position in the company that may have conflicts of interest in order to perform their duty efficiently, unless the

shareholders' meeting had been notified prior to appointment thereto. Further details of member of the Board's working experience provided in Board of Directors and Executives section.

1.2 The Audit Committee

- At the end of year 2015, the Audit Committee who was appointed by the Board of Directors has its quorum of 3 independent directors who had no conflict of interest and connected relationship with the Company, the Board of Directors, management, major shareholders, and any others related parties of aforesaid persons, and posses qualification stated by laws. In this regards, the Audit Committee have adequate expertise and experience to review creditability of the financial statements. Further information about their scope of work, duties, and responsibilities is detailed in Management Structure section.
- The term of directorship of the Audit Committee is 3 years from the date of being appointment. The committee who vacates from the office can be re-elected for another term.

1.3 The Nomination and Remuneration Committee

- At the end of year 2015, the Nomination and Remuneration Committee who was appointed by the Board of Directors has its quorum of 5 persons; consisted of 3 independent directors, 1 chairman who is not in management position and 1 executive director. Further information about their scope of work, duties, and responsibilities is detailed in Management Structure section.
- The term of directorship of the Nomination and Remuneration Committee is 3 years from the date of being appointment. The committee who vacates from the office can be re-elected for another term.

2. An Independent Directors

- The Independent Directors of the Company have possessed the qualification according to the

independent standard set forth in the notification of the Capital Market Supervisory Board no. TorChor 4 / 2552 Re: Application for and Approval of Offer for Sale of Newly Issued Shares (No.2),

- All those 3 independent directors are expertise in accounting and finance, experience in high management in other industry and understanding in the Company's business. The directors therefore can review creditability of financial statements and audit work.

3. The Corporate Secretary

The corporate secretary who was appointed by the Board of Directors is responsible for organizing the meetings of the Board of directors, committees and shareholders, and preparing the minutes of the Board's meeting, the minutes of other Committees' meeting, the minutes of Shareholders' meeting and annual report as well as filing documents as specified by laws. Support and supervise the Company to perform in compliance with the laws and regulation of the Stock Exchange of Thailand.

4. The Board's meeting

In 2015, The Company convened the Board of Directors and the Audit Committee's meeting once every quarter according to the schedule that are planned in advance and will call for the additional meetings as necessary. All directors have deemed it as important duty and responsibility to proceed. The Chairman of the Board regularly promoted prudent consideration and allocated adequate time for management to present significant issues and sufficient time for directors to express their opinion and discuss significant concerns carefully and neatly in the meeting, and assigned the corporate secretary to prepare and send a notice of meeting along with all related supporting documents to directors at least 7 days prior to the meeting date so as to provide the opportunity to directors to study the detail in each agenda. Details of meetings of the Board of Directors and the Audit Committee are provided in Management Structure section.

5. Director and Management Nomination and Appointment

The Nomination and Remuneration Committee shall fix the nomination process and determine to propose the suitable directorial candidates in order to replace the retired directors or management when those positions are vacant or any new appointment set by the Board of directors or set by laws, and then propose to the Board and / or the shareholder's meeting to approve;

6. Director and Management Orientation and Training

In case that new director is appointed, and has never been in the position of any committee or executive of the Company before, said director will be oriented by a top management or the corporate secretary for his or her acknowledgement of related code and conduct, corporate profile, nature of business, good corporate governance policy, business ethics, and other important information of the Company. Besides, the Company promotes and supports all directors and executives to obtain any skill or knowledge enhancement courses. In 2015, Directors and Managements have attended the Seminar or Training as follows;

Name	Position	Course	Institute
1. Mr. Paisal Tarasansombat	Director, Chief of Executive Board and Chief Executive Officer	Leadership Workshop With The World's Most Influential Thinker by DAVE ULRICH	Thai Listed Companies Association(TLCA)
		Leadership Competency Workshop	Spirit Consultant Co.,Ltd.
2. Mr. Komsan Tarasansombat	Director, Executive Director and Executive Vice President - Operations	Leadership Competency Workshop	Spirit Consultant Co.,Ltd.
3. Mr. Somjate Tretarnthip	Director, Nomination and Remuneration Committee, Executive Director and Chief Finance Officer	Leadership Competency Workshop	Spirit Consultant Co.,Ltd.
4. Mr. Prawas Sontawakul	Chief Operations Officer	Leadership Competency Workshop	Spirit Consultant Co.,Ltd.
5. Ms. Petrung Measincee	Executive Vice President - Marketing	Strategic Sourcing, Procurement & Supplier Relationship Management	Asia Business Connect Co.,Ltd.
		Leadership Competency Workshop	Spirit Consultant Co.,Ltd.

Name	Position	Course	Institute
6. Mrs. Panlapa Tarasansombat	Executive Vice President- Human Resources	Labor market: Current Status Thailand Development and Outlook	Research Institute
		Minimum Wage: Facts and Probable Directions in the Future	TDRI & FES
		Delivering a Sustainable Benefits Proposition for a Multi-Generational Workforce	Tower's Watson
		HR Thought Leadership	PMAT
		Strategic Business Partnering "Delivering Strategic HR and Results for Your Business"	HCM
		Leadership Workshop with the World's Most Influential Thinker by DAVE ULRICH	Thai Listed Companies Association(TLCA)
		Leadership Competency Workshop	Spirit Consultant Co.,Ltd.

7. Leadership and Vision

The Board of Directors shall possess leadership, vision, and independency on decision-making to set out the business development plan and targets and to consider the operating budget for the optimum benefits to shareholders and for the business growth of the Company. In 2015, the Board of Directors has reviewed the vision, policies and strategies which was implemented during the year and evaluated and followed up the result to make sure that such execution are effective. In the meantime, the target for the year 2016 was delivered and also communicated to the management and staff for their acknowledgement in order to set their KPI together.

8. The Remuneration of directors and executives

The remuneration of each committee was determined by the Nomination and Remuneration Committee which can be decomposed into 3 types; director allowance, meeting allowance, and bonus according to the criteria that fixed at an appropriate level and comparable with the same level in the industry and complied with the Company's operating results, experiences, duties, responsibilities, and performances of each directors and executives in order to attract and maintain qualified directors. Policy that the Nomination and Remuneration Committee use as guideline to fix such remuneration is according to the policy prescribed by the Board of Directors. In this regards, such remuneration shall take in to account in the Annual General Meeting of Shareholder for approval.

9. Business Ethics

The Board of Directors has recognized the importance to conduct its business with ethics by issuing the business ethics manual as a guideline for management to carry out their duties with transparency, integrity, considering on all stakeholders, compliance with laws and regulations. It also uses as guideline for employees to operate their work with honesty and properly. The Board regularly monitors the conducting of work whether such guiding principle is followed as expected. The Company has provided the Code of Conduct guideline and practices training to staff and also included as an employee orientation course.

10. Conflicts of Interest

The Board of Directors and the audit committee together took into account and monitored the issue that may cause conflict of interest carefully so as to check reasonability and necessity of entering into the transaction. The Board also arranges the Company to disclose such conflicts to all related stakeholders and agencies after it was approved by the Board.

11. System of Control and Internal Audit

The Company has segregated the authority and duties of operator, supervisor and assessor independently in order to check and balance their performance and control appropriately. Also, the Company has authorized the Audit Committee to review the compliance of operation control with the internal auditor; which was appointed by the committee, KPMG Phoomchai Business Advisory Ltd.; who is creditable and independent, to propose and conduct the annual internal audit plan, and to report and recommend according to the result of such audit. This will enhance the system of control and efficiency of work.

12. Report on the responsibilities of the Board of Directors towards the financial report

The Board of Directors is responsible for the financial statements and financial information presented in the Annual Report. The aforementioned financial statements have been prepared in accordance with Generally Accepted Accounting Standards in Thailand, based on the appropriate accounting policies and corresponding to its operation and practice regularly, as well as reasonableness in making projections, and adequately disclosing significant information as indicated in the notes of financial statements. The Board of Directors therefore prepared a report on the responsibilities for said matters and presented along with the auditor's report in the Company's Annual Report.

Corporate Social Responsibility



The Company has committed to conduct its business on the basis of morality and business ethics with responsibility to impacts or benefits of all stake holders as well as human rights respect. The Company strives to produce and deliver the best quality and safety to customers along with environmental and social responsibility and laws and regulations compliance. The Company also realizes that continuity of improvement and development will establish the sustainability of business and social responsibility.

The Company has deployed the guideline of corporate social responsibility policy into all business operations as per the guideline recommendation by the Stock Exchange of Thailand and consider to all stakeholder.

Corporate Social Responsibility Operations:

The Company has deployed the guideline of corporate social responsibility policy into all business operations as the following;

1. Fair and good governance conduct

The Company commits to conduct its business in compliance with principles of good corporate governance based on responsibility, transparency and honesty according to the Company's business code of conduct which is the guideline for Directors, Executives and all staff to treat all parties such as customers, staff, business

alliances and competitors, community, society and environment safely and fairly. This policy and code of conduct have been delivered and communicated to all staffs for their daily operation compliance. The Company also always emphasizes on the development and improvement of its operations to deliver the best value of products and services to customers to sustain the reliability to all stake holders as well.

2. Anti-Corruption

All the Company's staff including Directors and Managements has to perform their duties and responsibility in accordance with good corporate governance conduct and strictly comply with the relevant laws and regulations. All staff must not participate or involve in any fraud or corrupted transaction directly or indirectly and also will not provide or accept any benefits or offers that value much more than the good moral traditional practice. In year 2015, TMT has submitted the declaration of intent to join the Private Sector Collective Action Coalition (CAC) against corruption together with Partnership Against Corruption for Thailand (PACT) network as an intention to collaborate with other private sectors and government to establish sustainability to Thai society and economy.

3. Human Rights Respect

The human rights respect is a part in business code of conduct which promotes the Company to concern and respect the human rights of all employees as well as avoiding any actions that may cause human rights violation such as illegal employment, non-permitted alien workers and child labor, or any supports that may cause the illegal or immoral action.

4. Fair Employment and Treatment

The Company provides fair employment and remuneration policy both short term and long term for employee. The short term employee benefits are considered according to job responsibility, competency and employment conditions comparing in line with the operating results and the same industry practice. The Company also provides provident fund for all staff as the long term benefit. The other employee's welfares are joint-considered through the welfare committee.

5. Responsibility to Customers

The Company delivers its products and services to customers with reliable responsibility that it must meet the customer's expected value and quality. Meanwhile, the information for customer's decision should be provided correctly and properly as well as the business conditions and commitment must be fulfilled and maintained. Therefore, the Company always emphasizes on quality control and verifies its products and services that should be handled through the most reliable production process and complied with agreed standards.

6. Environmental Responsibility

The environmental responsibility is a part of business conduct that must be taking care along with the business operations. The Company promotes and educates its employees this responsibility should be a part of daily operation and life, avoiding any actions that may cause the pollution or inefficiency in energy usage and must be strictly complied with environmental laws and regulations.

7. Community and Social Development

The Company prioritizes the social responsibility as a major role which must be conducted along with its normal business functions. Any activities which benefits and values to the nearby community will be supported and also be encouraged to the employee to share and participate in order to create and establish the mutual sustainability of well-being society.

8. Innovation and its sharing from the operation of social responsibility

Innovation is one of major key successes in business sustainability which will create and improve the competitiveness. With this belief, the Company promotes and encourages all staff to challenge its innovative ideas which values and create efficiency in job operation, with or without tools through the project "IDEA WE CAN". In year 2015, the third consecutive year, there were totaling of 38 teams divided to 12 teams of Tools and 26 teams of No Tools category joined the contest. Furthermore, the Company also supported another contest project "SAFETY WE CAN" to promote the consciousness of safety, health and environment in operating process. By the way, it would challenge all staff to explore new ideas or knowledge of safety in process using new technology or review its working instructions to eliminate the accident in operation and mitigate the risks that may be harmful to health or environment. In year 2015, the third consecutive year, there were 13 teams of No tools and 22 teams of Tools category, totaling of 35 teams joined this contest.

Stakeholders of Social Responsibility

The company has reviewed and analyzed the impact of stakeholders on a regular basis. In year 2015, the Company has considered that the stakeholders who will be affected from its operation were categorized as the followings;

Customers : The Company recognizes that Customers are the key influencer of success and growth of the business, therefore, the customer satisfaction is an important priority to respond. In year

2015, the customer satisfaction survey resulted 89% of respondents were satisfied at high to highest level in quality of products and services. For those, if any, results which were not at the target level or any recommendations from the survey, the Company will explore the cause and improve or develop further to meet with their expectations. The Company also provides the trainings to Customers' staff for steel knowledge to apply for their steel usage properly according to industrial standards.

Employees : In year 2015, the Company has a total of 868 staffs, increased of 91 or 11.71% from last year. As a valuable resource, the Company promotes and support all staff to achieve a better quality of work life and opportunity for career progress. The improvement for staff welfare was implemented in 5 projects such as; shuttle bus, new rest and sport areas as well as other projects which benefits to their life, health and working environment such as; personal finance and savings, safe drive, safe crane usage and CSR knowledge.

Shareholders : The Company realizes that the rights of shareholder, as the Company's owner, should be treated in compliance with the principle of good governance. Besides the communication through the Annual General Meeting of shareholders, the Company also discloses all important information through the SET network and TMT's website as well as the channel to reach the independent directors and IR contact person directly. The analyst meeting was also convened in every quarter of the year to share the business information for investors' view.

Trading Partners : Trading Partners are the important parties in TMT business supply chain, providing valuable materials and services that assists TMT to deliver the best solution to the industry. The success key factors to build the sustainable relationship among the partners are Fairness and Reliability which are always the way of TMT's operation. The Code of Conduct

for Trading Partners also provides for the best practice and understanding of doing business together as well as the direct channel to send the recommendation or any complaints which may have through the web site to assure the independency and sustain the best relationship.

Community and Society : The Company has supported activities that benefit the community and society, accompanies with its business. In 2015, the Company has conducted a dialogue with surrounding community to get feedback and build a close relationship, which 2 projects are jointly considered and launched with Lamsai Subdistrict Administrative Organization; "Waste Fund for Merit" to create a value added from the waste and return the benefit to the community and "Steel Material for Temple Renovation" to support Wat Sri Pracha to build a pavilion used for its activities and public rest area. Furthermore, the Company also evaluated itself by examined with Ayutthaya Industrial Office and Lamsai Subdistrict Administrative Organization whether there are any complaints from public to the Company which was found no any issues.

Environment : The Company has operated its business by mainly emphasizing on the environment, supported and promoted to take part in natural resources and energy conservation. In year 2015, the Company has implemented energy saving project; "Evaporative Pre-Cooler for Chiller Systems" to reduce the power consumption of Chiller part in the production. Meanwhile, "Guidelines of the Energy Conservation Promotion Act" and "Energy Conservation Technology" were presented as the employee's training courses.

In 2015, the Company got an approval of Carbon Footprint for Organization register from Thailand Greenhouse Gas Management Organization (Public Organization) as to be a part of private organization to reduce the greenhouse gases emission from all activities directly or indirectly. This will benefit to the efficiency of power utilization and environmental protection.

As the result from its activities of Corporate Social Responsibility, in 2015, the Company achieved the CSR-DIW Continuous Award 2015 from Department of Industrial Work. The award and certificate were given to the Company that has developed and maintained the Corporate Social Responsibility activities continuously.

“Training for student interns” TMT strives to be a learning center for the Educational Institution and other local communities and authorities. In 2015, there are students from several institutions joined a training program with the Company, and expected that they will be able to deploy in their study and working effectively in the future. In 2015, there were 25 student interns; 18 interns from bachelor level and 7 interns from vocational level.

Activities for society and environment (After process):

“National Children’s Day” (Jan.15) The Company celebrated 2015 National Children’s Day by supporting the activities for children together with local governmental authorities. This year, TMT joined the activities with Tambon Lam Sai.

“Chak Rongrian Soo Rong Lhek” (From School to Steel) (Apr.-Dec. 15) Professor and Students from King Mongkut’s University of Technology North Bangkok, Laboratory School of Phranakhon Si Ayutthaya Rajabhat University and Faculty of Architecture Silpakorn University visited TMT Knowledge Center and production plants. The objective is to understand the production process under TISI standard, international standard practice for testing procedure in laboratory and also occupational health and safety care management.

“Waste for Community” (Jun.-Dec. 15) The Company encourages employees to be aware of public and environmental care by separating the waste into its proper storage which not only builds the cleanliness in workplace but also can easily sell the waste and return the value back to the community.

“Safety Week” (Dec.15) Held to encourage and support employees for awareness of work and life safety to secure them from any accidents or unexpected risks.

“Annual Health Check-Up” (Dec.15) The Company realizes that staff of the company is one of the most important key success. Therefore, the Company provides many welfares as well as annual health check-up for its employees together with health care guides from a doctor.

Internal Control and Risk Management

The Board of Directors emphasizes the adequacy and efficiency of internal control and risk management by designating Audit Committee to review and assess the 5 components of COSO frame works which are the control environment, risk assessment, control activities, IT and communication system and monitoring activities consistently. The Board of Directors expresses its opinion that the internal control is in good and proper conduct. The Management also effectively provides and utilizes sufficient resources and people to operate its best control practices to ensure both the Company's assets are safeguarded and any fraud or corrupt transactions will not be occurred. The related transactions with any conflict of interest parties will be verified and complied in accordance with related regulations and laws strictly.

The Board of Directors provides its opinion that the internal control system and risk management are good and efficient to ensure rationally that the business operations and practices are well performed with good governance conduct and sound risk management as well as compliance with related regulations and laws and generally accepted with Thai accounting principles and standards.

The Audit Committee has appointed KPMG Phoomchai Business Advisory Ltd. to be responsible for internal audit planning and review according to approved audit plan by the Audit Committee. The reputation and qualification of this internal auditor both its firm and people are well experienced and verified in relevant business and industry and also can be confident that the auditing process will be conducted fairly and independently.

Connected Transactions

In Year 2015, the Company had connected transactions as follows;

1. Soon Huat Steel Co.,Ltd.1

Relationship :

Five members of Tarasansombat family who are in the top ten shareholders, namely Mr. Soon, Mrs. Pornjit, Mr. Paisal, Mr. Komsan, and Mr. Chamnan which each shareholding are 37.29, 7.35, 3.88, 7.59, and 8.40 percent respectively, are shareholders of Soon Huat Steel Co.,Ltd. whose combined shareholding accounted for 92 percent. Moreover, the Company and such company have two same directors namely Mr. Soon Tarasansombat and Mr. Paisal Tarasansombat, and Mr. Paisal Tarasansombat also the authorized director of those two companies.

General Characteristics of the transaction :

The office building lease renewal on 129 Rama III Road, Bangkholaem Sub-district, Bangkholaem District, Bangkok with Soon Huat Steel Co., Ltd. which Rama III Plant and Distribution center of the Company is currently located. The term of lease renewal is 3 years from April 1, 2013 to March 31, 2016, with rental rate of Baht 200,000 per month (Same rate) which the payment date due on the 5th of each month.

Total Value of transaction :

7,200,000 Baht (for a three-year lease contract)

Opinion of the Board / Audit Committee / The importance and reasonableness of the transaction :

This transaction is reasonable and fair with clear stipulation of lease term and rental rate, and such rental rate is lower than the current market price and the appraisal value reported by U.K. Valuation and Agency Co.,Ltd. (an independent appraiser approved by SEC) on July 15, 2004 of Baht 600,000 per month or Baht 7.2 million per year (for the total of item no.1 - 3 of connected transaction) that will bring the highest benefit to the Company. The Board of Director's meeting no. 1/2013, held on February 15, 2013, resolved to approve the Company to enter into a renewal of such transaction for 3 years tenor with the

same conditions and rental rate. In this regards, the directors who have conflicts of interests were not present in the meeting and had no voting rights in this agenda.

2. Mr. Soon Tarasansombat

Relationship :

Mr. Soon Tarasansombat is the Company's director and one of the top ten shareholders by holding 37.29 percent of its total issued and paid up shares and relationship as father of Mr. Paisal Tarasansombat and Mr. Komsan Tarasansombat.

General Characteristics of the transaction :

Lease of 5 plots of land and plant building which located at 129 Rama III Road, Bangkholaem Sub-district, Bangkholaem District, Bangkok as Rama III Plant and Distribution center of the Company. The term of lease is 3 years from January 1, 2015 to December 31, 2017 with rental rate of Baht 250,000 per month (Same rate as the previous lessor) which its payment date due on December 31 of each year.

Total Value of transaction :

9,000,000 Baht (for a three-year lease contract)

Opinion of the Board / Audit Committee / The importance and reasonableness of the transaction :

This transaction is reasonable and fair with clear stipulation of lease term and rental rate, and such rental rate is lower than the current market price and the appraisal value reported by U.K. Valuation and Agency Co.,Ltd. (an independent appraiser approved by SEC) on January 24, 2015 of Baht 633,625 per month or Baht 7.6 million per year that will bring the highest benefit to the Company. The Board of Director's meeting no. 1/2015, held on February 13, 2015, resolved to approve the Company to enter into a renewal of such transaction for 3 years with the same conditions and rental rate. In this regards, the directors who have conflicts of interests were not present in the meeting and had no voting rights in this agenda.

3. Mr. Paisal Tarasansombat

Relationship :

Mr. Paisal Tarasansombat is the authorized director and Chief Executive Officer of the Company and also one of the top ten shareholders by holding 3.88 percent

General Characteristics of the transaction :

The use of the land with area of 2 rai, 2 ngan and 70 square wah which is a part of the land located at 131 Rama III Road Bangkholaem Sub-district, Bangkholaem District, Bangkok is allowed by Mr. Paisal Tarasansombat to renew without any charges until December 31, 2016, thereafter the rental rate shall be considered based on the market rate. In this regards, the Company has to take all the utility cost and any tax related to or by the using of those land.

Total Value of transaction : - Baht

Opinion of the Board / Audit Committee / The importance and reasonableness of the transaction :

This transaction benefits the Company's operation. The Board of Director's meeting no. 4/2013, held on November 8, 2013, resolved to approve the Company to enter into a renewal of memorandum of land use.

4. Metal Commerz Pte.Ltd.2

Relationship :

Mr. Paisal Tarasansombat, the Company's authorized director and Chief of Executive Officer, is director of Metal Commerz Pte.Ltd. and holds 22.88 percent of its total issued and paid up shares. Mr. Komsan Tarasansombat, the Company's authorized director is major shareholder of Metal Commerz Pte. Ltd. by holding 18.73 percent of its total issued and paid up shares.

General Characteristics of the transaction :

The Company purchases Hot Rolled Coil from Metal Commerz and uses for processing to steel products and then sells to local end users. Metal Commerz performs as a sourcing arm for raw materials and steel products from various mills around the world with competitive price than those of other foreign suppliers.

Total Value of transaction : 230,498,290 Baht

Opinion of the Board / Audit Committee / The importance and reasonableness of the transaction :

The transaction is based on normal business transaction which was approved in principle by the Board of Director's meeting no. 3/2008. Moreover, the purchasing price is not higher than the market price which the Company may purchase from other suppliers. The Company benefits from this transaction not only the price, but also a better balance of purchasing power among local and foreign market.

5. Connex Business Online Co., Ltd.

Relationship :

Mr. Paisal Tarasansombat, the Company's authorized director and Chief of Executive Officer, and Mr. Somjate Tretarnthip, the Company's authorized director and Chief Finance Officer each person is director and holding 4 percent of its total issued and paid up shares in aforesaid the company, Mr. Komsan Tarasansombat, the Company's authorized director and Executive Vice President - Operations, brother of Mr. Chamnan Tarasansombat authorized director and major shareholders of aforesaid the company as well as one of the top ten shareholders of Company by holding 8.40 percent of its issued and paid up shares.

General Characteristics of the transaction :

This transaction was a maintenance fee for Warehouse Management System from July 24, 2015 to July 23, 2016 and weighing machine system from July 1, 2015 to June 30, 2016.

Total Value of transaction : 105,000 Baht

Opinion of the Board / Audit Committee / The importance and reasonableness of the transaction :

The transaction is based on normal practice according to the annual maintenance of TMS system which was implemented by CONNEX. The service rate is not higher than the market price which the Company may purchase from other suppliers. CONNEX knows TMT's nature of business very well and this will bring the highest benefit to the Company.

Remarks :

- 1. Soon Huat Steel Co.,Ltd. has not continued its steel business since TMT was established in year 1992. It currently operates only lease of property.*
- 2. Metal Commerz Pte.Ltd. is an intermediary who provides steel products sourced from around the world which the head office is located at Singapore. The Company has gains from information regarding market price, and referrals from manufacturing mills which the Company can negotiate for better price by comparing it with other suppliers. Most of Metal Commerz's customers are in Asia region, namely, China, Taiwan, Indonesia, Singapore*
- 3. The above information about the name of shareholders and their shareholding is as of March 5, 2015 (the lasted book closing date for the rights to attend the Annual General Meeting of Shareholders for year 2015).*

Management Discussion and Analysis

Performance

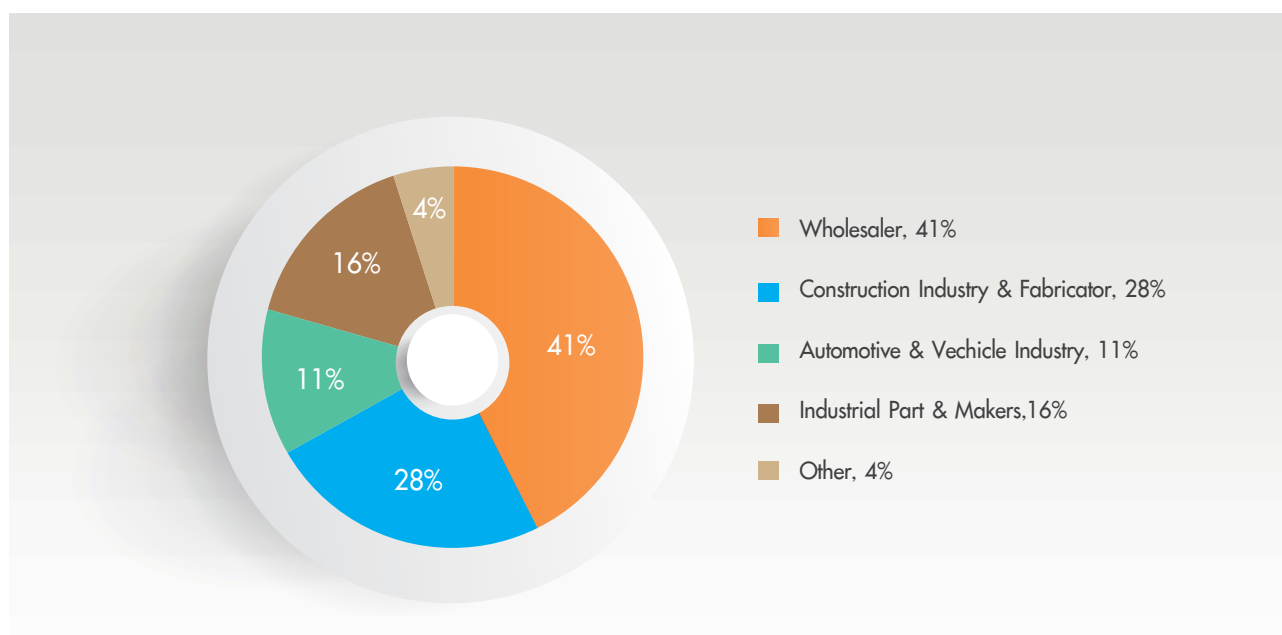
In 2015, the Company earned net profit of Baht 320.63 million which decreased 4.11% compared with 2014 net profit, whilst the gross profit margin was 7.20% compared with 7.09% in 2014. The average selling price in 2015 decreased 17.07% when compared with the last year. The domestic steel price has declined deeply since the beginning and throughout the year. This was caused by the weak domestic demand and slow consumption in most of real sectors as well as oversupply of steel in both local and world market. The slowdown in domestic economy was effected by low investment of both public and private sectors. However, in 2015 the Company's

sales volume increased form the previous year with a highest sales volume records, as a result from the effectiveness of supply chain management and succeeding in market share expansion.

Sales revenue

The company generated revenue from sales of Baht 11,568.93 million or decreased by 5.57% when compared with 2014. The quantity of sales was 567,901 MT in 2015 or Increased by 13.72% when compared with 2014. The average selling price for the year 2015 was 20.41 Baht per kg, decreased 17.07% from last year.

In 2015, The Company's revenue structure classified by business group was as follows:



The proportion of processing and trading sales was 62:38 compared to 59:41 in 2014.

Selling and Administrative expense

The Company's selling expense was Baht 149.28 million or increased by 1.40% compared with the last year, resulted from the increasing of transportation expenses as growth of shipments as the increasing sales volume. Administrative expense was Baht 287.02 million or increased by 6.78% when compared with the 2014, resulted from the increasing of staff expenses and depreciation. Interest expenses was Baht 59.53 million or decreased by 24.91% compared to the previous year, resulted from the reduction of short-term loans from financial institutions and lower average interest rate in the money market when compared with the 2014.

Financial position

Assets

The Company's assets totaled Baht 4,619.70 million or decreased by 11.92% from 2014 which has assets totaled Baht 5,245.05 million. Current assets decreased by Baht 681.17 million or decreased by 18.61% as a result of decreasing in inventory amount Baht 447.69 million and trade account receivable amount Baht 314.34 million as the decline in sales revenue. The inventory turnover period and collection period of year 2015 was 36 days and 59 day respectively. The Company's liquidity, current ratio, maintained approximately same level, 1.25 times in 2015 and 1.20 times in 2014.

The Company's Non-current assets increased Baht 55.82 million or increased by 3.52%, mostly increasing in construction in progress, machinery under installation. Whilst, the asset acquisition totaling of Baht 193.49 million, asset disposal of Baht 1.42 million, net intangible assets which are software increased of Baht 9.45 million and depreciation of Baht 148.27 million.

Liabilities

Total Liabilities stood at Baht 2,412.69 million or decreased by 21.56% compared with the 2014 which has liabilities totaled Baht 3,075.68 million. Most of decreasing came from short-term loan from financial institution which decreased Baht 614.69 million or decreased by 22.45% compared to the 2014 and trade account payable was decreased Baht 60.51 million or decreased by 34.10% when compared with the previous year, resulting from decline of the inventory which directly related to sales revenue. For current liability policy, the Company used less trade credit from suppliers because of its higher cost comparing with the cost of short-term borrowing from financial institutions. Additionally, suppliers prefer cash purchase and provide cash term for their sales. Hence, the Company used source of fund from a financial institution as working capital for managing inventory and accounts receivable. However, the Company's debt to equity ratio slightly decreased from 1.42 times in 2014 to 1.09 times in 2015.

Shareholders' equity

Total shareholders' equity stood at Baht 2,207.01 million increased Baht 37.64 million or increased by 1.73% compared with the 2014 which has shareholder's equity totaled Baht 2,169.38 million, as a result of increasing in Retained earnings.

Report of the Audit Committee

The Audit Committee of Thai Metal Trade Public Company Limited is comprised of three independent directors. The Company's Chief Finance Officer serves as committee secretary. The Audit Committee is empowered by the Board of Directors to examine all matters relating to the financial status of the Company, and its internal and external audits. The Committee pursues and promotes good corporate governance by actively creating awareness and providing advice to management on sound risk management and internal control practices.

For the year 2015, the Audit Committee held four meetings to review the Company's financial statements which had been certified by the external auditor and to discuss other related activities of the Company in compliance with the rules and regulations of the Stock Exchange of Thailand as well as good internal control practices.

In such meetings, the Audit Committee met independently with the management and the internal and external auditors of the Company, conducted reviews and evaluations of accounting policies, the procedures relative to the accounting policies, the internal control assessment, and the audit plan. The Audit Committee also verified and accepted every quarterly financial statements and provided assessments and recommendations to the Board of Directors. Where weaknesses were identified in internal controls, corrective action plans were established to eliminate or reduce the associated risks.

The Internal Auditor serves to identify and verify business risks and control weaknesses within the Company by carrying out audit activities systematically. The reports on compliance with good internal control practices and procedures with recommendations were discussed with the relevant management team to incorporate their agreed action plans and submitted to the Audit Committee. Furthermore, the Internal Auditor has held regular meetings with the Audit Committee to give updates on audit results. The Audit Committee is fully committed to ensure that both corrective and preventive actions are taken in an effective and timely manner.

The Board of Directors with the Audit Committee approved the policy and reports for related party transactions in 2015.

According to the mentioned mission, The Audit Committee provided its opinions as the following:

1. The Company's financial reports are accurate, complete and reliable
2. The Company's assets are safeguarded, proper accounting records are maintained, and resources are utilized effectively and efficiently.
3. The Company complied with the securities laws, the Exchange's regulations, and other laws relating to the Company's business.
4. Mr. Prasit Yuengsrikul of PricewaterhouseCoopers ABAS, the Company's auditor, is suitable and provided appropriate services
5. The related transactions arising in 2015 were rational and made for the optimal benefits of the Company

6. In 2015, the number of the audit Committee meetings, and the attendance of such meetings by each committee member were as follows;

Mr. Chai Jroongtanapibarn	Chairman of the Audit Committee	4/4
Mrs. Ratanavalee Gorsanan	Member of the Audit Committee	4/4
Mr. Anake Pinvanichkul	Member of the Audit Committee	3/4

7. Audit Committee performed its duties in accordance with its charter, approved by the Board of Directors.

Accordingly, the Audit Committee has recommended to the Board of Directors that Mr. Prasit Yuengsrikul, Certified Public Accountant No. 4174 of PricewaterhouseCoopers ABAS Company Limited, be re-appointed as the Company's auditor for the fiscal year ending 31 December 2016. The re-appointment of the auditor and acceptance of its fees will be subjected to the approval of the shareholders at the Annual General Meeting to be held on 1 April 2016.



Chai Jroongtanapibarn
Chairman of the Audit Committee
19 February 2016

Report of Directors Relating to Responsibility for Financial Statements

The Board of Directors is responsible for Thai Metal Trade Public Company Limited (“the Company”)’s financial statements including financial information presented in the annual report. The financial statements have been prepared by management in conformity with generally accepted accounting principles, with appropriated accounting policies applying consistently; and based on management’s best estimates and judgments, with adequate disclosure of material issues for the best interest of shareholders and investors.

The Board of Directors has set up and maintains effective internal control system designed to provide management with reasonable assurance that transactions are recorded properly, the assets are safeguarded and that material frauds and malpractices are precluded.

The Board of Directors also appointed the Audit Committee to review accounting policies, accuracy and sufficiency of the company’s financial reports to ensure adequacy and efficiency of the internal control systems in compliance with good conduct and best practice as well as IT audit, and risk management system review. The Audit Committee appointed KPMG Phoomchai Business Advisory Ltd. to be internal control auditor to plan and conduct the internal audit as approved plans by the committee. Opinion of the Audit Committee is shown in Audit Committee’s Report published in this annual report.

The Company’s financial statements are also audited by an independent certified public accountant from PricewaterhouseCoopers ABAS Company Limited. The Board of Directors also support the management to prepare and provide documents and information so that the auditor can perform its audit independently in accordance with generally accepted auditing standards and to express his independent opinion on the true and fair of the financial positions and the results of the company’s operations as stated in the financial statements. There is no any disagreement or different opinion among auditor, management and audit committee. Auditor’s Report is also shown in this annual report.

The Board of Directors is of the opinion that the internal control and risk management system of the Company are in good and efficient conduct and can ensure rationally that the operations are compliance with best practice and proper risk management as well as the Company’s financial report for the fiscal year ended 31 December 2015 is in accordance with generally accepted auditing standards and its compliance with the laws and related legislation.



(Mr. Chai Jroongtanapibarn)

Chairman of the Board



(Mr. Somjate Tretarnthip)

Director

Auditor's Report

To the Shareholders and the Board of Directors of Thai Metal Trade Public Company Limited

I have audited the accompanying financial statements of Thai Metal Trade Public Company Limited, which comprise the statement of financial position as at 31 December 2015, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

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 Thai Metal Trade Public Company Limited as at 31 December 2015, and its results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Prasit Yuengsrikul

Certified Public Accountant (Thailand) No. 4174
PricewaterhouseCoopers ABAS Ltd.

Bangkok

19 February 2016

Statement of Financial Position

Thai Metal Trade Public Company Limited
As at 31 December 2015

	Notes	2015 Baht	2014 Baht
Assets			
Current assets			
Cash and cash equivalents	6	368,420,129	262,198,508
Trade accounts receivable, net	7	1,724,269,900	2,038,613,076
Inventories, net	8	834,188,157	1,281,881,378
Advance payments for purchases of inventories		911,987	64,854,945
Other receivables		50,371,560	11,784,693
Total current assets		2,978,161,733	3,659,332,600
Non-current assets			
Investment property	9	55,729,000	55,729,000
Property, plant and equipment, net	10	1,557,023,347	1,513,220,891
Intangible assets, net	11	19,361,087	9,914,223
Deferred income tax assets	12	5,861,223	2,996,014
Other assets		3,566,581	3,860,518
Total non-current assets		1,641,541,238	1,585,720,646
Total assets		4,619,702,971	5,245,053,246

The notes to the financial statements on pages 146 to 169 form an integral part of these financial statements.

Statement of Financial Position

Thai Metal Trade Public Company Limited
As at 31 December 2015

	Notes	2015 Baht	2014 Baht
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	13	2,123,796,009	2,738,488,138
Trade accounts payable		116,905,466	177,411,664
Income tax payable		38,512,950	31,059,386
Advance receipts from customers for goods		4,706,547	9,537,666
Current portion of finance lease liabilities	14	1,592,000	2,404,863
Other payables	15	98,626,250	89,408,386
Total current liabilities		2,384,139,222	3,048,310,103
Non-current liabilities			
Finance lease liabilities, net	14	5,603,625	8,640,125
Employee benefit obligations	16	22,946,895	18,726,314
Total non-current liabilities		28,550,520	27,366,439
Total liabilities		2,412,689,742	3,075,676,542
Shareholders' equity			
Share capital	17		
Authorised share capital			
436,000,000 ordinary shares of par			
Baht 1 each		436,000,000	436,000,000
Issued and paid-up share capital			
435,379,017 ordinary shares of paid-up			
Baht 1 each		435,379,017	435,379,017
Premium on share capital	17	427,323,198	427,323,198
Retained earnings			
Appropriated - legal reserve	23	43,600,000	43,600,000
Unappropriated		1,300,711,014	1,263,074,489
Total shareholders' equity		2,207,013,229	2,169,376,704
Total liabilities and shareholders' equity		4,619,702,971	5,245,053,246

The notes to the financial statements on pages 146 to 169 form an integral part of these financial statements.

Statement of Comprehensive Income

Thai Metal Trade Public Company Limited
For the year ended 31 December 2015

	Notes	2015 Baht	2014 Baht
Sales		11,568,925,191	12,250,727,236
Costs of sales	26	(10,735,753,921)	(11,382,157,914)
Gross profit		833,171,270	868,569,322
Other income	18	66,886,966	45,823,099
Selling expenses		(149,281,520)	(147,226,815)
Administrative expenses	26	(287,018,494)	(268,783,471)
Finance costs - interest expenses		(59,532,725)	(79,285,010)
Profit before income tax	19	404,225,497	419,097,125
Income tax	20	(83,592,611)	(84,717,035)
Profit for the year		320,632,886	334,380,090
Other comprehensive income		-	-
Total comprehensive income for the year		320,632,886	334,380,090
Earnings per share	21		
Basic earnings per share		0.74	0.77

The notes to the financial statements on pages 146 to 169 form an integral part of these financial statements.

Statement of Changes in Shareholders' Equity

Thai Metal Trade Public Company Limited
For the year ended 31 December 2015

	Notes	Issue and paid-up share capital Baht	Premium on share capital Baht	Retain earnings		Total Baht
				Legal reserve Baht	Unapprop- riated Baht	
Opening balances						
as at 1 January 2014		435,379,017	427,323,198	43,600,000	1,276,988,013	2,183,290,228
Dividends paid	22	-	-	-	(348,293,614)	(348,293,614)
Total comprehensive income						
for the year		-	-	-	334,380,090	334,380,090
Closing balances						
as at 31 December 2014		435,379,017	427,323,198	43,600,000	1,263,074,489	2,169,376,704
Opening balances						
as at 1 January 2015		435,379,017	427,323,198	43,600,000	1,263,074,489	2,169,376,704
Dividends paid	22	-	-	-	(282,996,361)	(282,996,361)
Total comprehensive income						
for the year		-	-	-	320,632,886	320,632,886
Closing balances						
as at 31 December 2015		435,379,017	427,323,198	43,600,000	1,300,711,014	2,207,013,229

The notes to the financial statements on pages 146 to 169 form an integral part of these financial statements.

Statement of Cash Flows

Thai Metal Trade Public Company Limited
For the year ended 31 December 2015

	Notes	2015 Baht	2014 Baht
Cash flows from operating activities			
Profit before income tax		404,225,497	419,097,125
Adjustments for :			
Depreciation and amortisation	10, 11	150,364,470	142,334,517
Doubtful accounts (reversal)		13,179,202	(3,593,912)
Loss on declining in value of inventories	8	14,696,559	4,739,313
(Gains) loss on disposals of equipment		(2,838,428)	867,566
Employee benefit expenses	16	4,297,381	3,798,512
Interest expenses		59,532,725	79,285,010
Cash flows before changes in operating assets and liabilities		643,457,406	646,528,131
Changes in operating assets and liabilities:			
Trade accounts receivable		301,163,974	401,607,056
Inventories		432,996,662	490,605,392
Advance payments for purchases of inventories		63,942,958	(64,843,544)
Other receivables		(38,586,867)	(888,521)
Other assets		293,937	1,128,788
Trade accounts payable		(60,506,198)	(167,888,451)
Advance receipts from customers for goods		(4,831,119)	(34,020,046)
Other payables		11,006,543	(23,883,501)
Employee benefit obligations	16	(76,800)	-
Cash flows received from operating activities before interest and income tax paid		1,348,860,496	1,248,345,304
Interest paid		(60,097,090)	(79,702,179)
Income tax paid		(79,004,256)	(88,532,585)
Net cash receipts from operating activities		1,209,759,150	1,080,110,540
Cash flows from investing activities			
Purchases of property, plant and equipment		(191,815,031)	(168,797,705)
Purchases of intangible assets		(13,736,931)	(4,391,765)
Proceeds from disposals of equipment		4,263,075	5,537,850
Net cash used in investing activities		(201,288,887)	(167,651,620)

The notes to the financial statements on pages 146 to 169 form an integral part of these financial statements.

Statement of Cash Flows

Thai Metal Trade Public Company Limited
For the year ended 31 December 2015

	Notes	2015 Baht	2014 Baht
Cash flows from financing activities			
Short-term loans from financial institutions, net		(614,692,129)	(491,026,502)
Payments for interest on finance lease liabilities		(710,789)	(851,063)
Payments for finance lease liabilities		(3,849,363)	(2,434,429)
Dividends paid	22	(282,996,361)	(348,293,614)
Net cash used in financing activities		(902,248,642)	(842,605,608)
Net increase in cash and cash equivalents		106,221,621	69,853,312
Opening balance		262,198,508	192,345,196
Closing balance		368,420,129	262,198,508
Cash and cash equivalents are made up as follows:			
- Cash on hand		105,451	117,869
- Deposits at financial institutions		368,314,678	262,080,639
		368,420,129	262,198,508
Non-cash transactions			
Significant non-cash transactions for the years ended 31 December 2015 and 2014 are as follows:			
Increase in property, plant and equipment by other payables		2,624,379	946,224
Increase in intangible assets by other payables		358,320	2,550,000
Increase in property, plant and equipment by finance lease liabilities		-	2,520,561
Transfer land from property, plant and equipment to investment property		-	34,700,000

The notes to the financial statements on pages 146 to 169 form an integral part of these financial statements.

Notes to the Financial Statements

Thai Metal Trade Public Company Limited

For the year ended 31 December 2015

1. General information

Thai Metal Trade Public Company Limited (the “Company”) is a public limited company incorporated and resident in Thailand. The address of the Company’s registered office is 22nd Floor, Bangkok City Tower, 179 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120. In addition, the Company has two plants as follows:

- 131 Rama III Road, Bangkorleam, Bangkok 10120; and
- 332-333 Moo 5, Paholyothin Road, Lamsai, Wangnoi, Ayutthaya 13170

The principal business operations of the Company are selling and transforming structural steel, plates and sheets. Purchases are principally made from local suppliers and certain purchases are imported and its products are domestic sales.

These financial statements were authorised for issue by the Board of Directors on 19 February 2016.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act of B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New financial reporting standards and revised financial reporting standards and interpretations

The following new financial reporting standards, revised financial reporting standards, and related interpretations are effective on 1 January 2015. These standards are relevant to the Company.

- | | | |
|----|--|--------------------------------------|
| a) | Financial reporting standards with major changes | |
| | TAS 1 (revised 2014) | Presentation of financial statements |
| | TAS 16 (revised 2014) | Property, plant and equipment |
| | TAS 19 (revised 2014) | Employee benefits |
| | TAS 34 (revised 2014) | Interim financial reporting |
| | TFRS 13 | Fair value measurement |

b) Financial reporting standards with minor changes

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statements of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payments
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 8 (revised 2014)	Operating segments
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 13 (revised 2014)	Customer loyalty programmes

Commencing 1 January 2015, the Company has applied these financial reporting standards. There are no material impacts to the Company as a result of such adoption.

The following new financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Company and are not early adopted:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TFRS 8 (revised 2015)	Operating segments
TFRS 13 (revised 2015)	Fair value measurement

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced).

The management has assessed and considered that the above revised standards will not have a material impact on the Company.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2.4 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, short-term highly liquid investments with maturities of three months or less from the date of acquisition.

2.5 Trade accounts receivable

Trade accounts receivable are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the profit or loss within administrative expenses.

2.6 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the moving average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress are standard costs which comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.7 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property of the Company is land held for long-term rental yields or for capital appreciation, including certain land which is currently undetermined for future use.

Investment property is measured initially at its cost including related transaction costs. After initial recognition, investment property is carried at cost less accumulated impairment losses (if any).

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

2.8 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to its residual value over the estimated useful life as follows except land which is considered to have an indefinite life.

Land improvement	5, 20 years
Building improvement and buildings	3, 10, 20 years
Machinery and equipment	5, 10 years
Furniture and fixtures	3, 5 years
Trucks and motor vehicles	5, 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised within "other gains or losses, net" in profit or loss.

2.9 Intangible asset - Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over their estimated useful lives in five years.

2.10 Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Leases - where the Company is the lessee

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

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

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

2.12 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the country where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.13 Employee benefits

The Company has post-employment benefits both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age of employees, years of service and compensation.

- ***Defined benefit plans - retirement benefit***

The Company provides for post employment benefits, payable to employees under the labour laws applicable in Thailand. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using yields on government bonds which have terms to maturity approximating to the terms of the related liability. The estimated future cash outflows shall reflect employee salaries, turnover rate, mortality, length of service and other factors. Actuarial gains and losses arising from experience

adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss. The costs associated with providing these benefits are charged to the profit or loss so as to spread the cost over the employment period during which the entitlement to benefits is earned.

- **Defined contribution plans - provident fund**

The Company operates a provident fund, being a defined contribution plan. The assets are held in a separate fund which is managed by the external fund manager. The provident fund is funded by payments from employees and by the Company. The Company's contributions to the provident fund are charged to the profit or loss in the years to which they relate.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.15 Revenue recognition

Revenue from sales of goods comprises the invoice valued for the sales of goods net of rebate and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from rendering services is based on the stage of completion.

Interest income is recognised on an accrual basis unless collectibility is in doubt.

2.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

3. Financial risk management

3.1 Financial risk factors

The principal financial risks faced by the Company are market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The risk management policies of these particular risks are as follows:

3.1.1 Foreign exchange risk

The Company purchases goods from overseas and is exposed to foreign exchange risk arising primarily from US Dollar. The Company uses forward contracts to hedge their exposure to foreign currency risk in connection with measurement currency.

3.1.2 Interest rate risk

The Company has short-term loans from financial institutions which are normally used for working capital. These loans have fixed interest rates depending on money market rate. Interest rates are proximate to the market rates as the loans are short-term.

3.1.3 Credit risk

The Company has policies in place to ensure that goods are sold to customers with an appropriate credit history and as a policy, certain major credit sales should be supported by financial instruments as collateral. In addition, as at 31 December 2015 and 2014, the Company had no significant concentrations of credit risk on any industries. In addition, the Company has no significant risk with financial institutions since cash is placed with reputable financial institutions.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to manage market positions. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Accounting for financial instruments

The Company is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instruments are not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Company from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The realised gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes and are recognised in the financial statements.

Disclosures about derivative financial instruments to which the Company is a party are provided in Note 28.

3.3 Fair value estimation

As at 31 December 2015, the Company had no assets or liabilities measured at fair value. Disclosures of fair value measurements by level are as below:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values of financial assets and liabilities approximate their carrying amounts.

4. Critical accounting estimates, assumption and judgement

Accounting estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstance.

4.1 Allowance for doubtful accounts

The Company maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the default or inability of customers to make required payments. The allowance is based on consideration of historical collection experience, known and identified instances of default of each customer. The management will fully set up allowance for outstanding amounts overdue more than 6 months and without any collateral.

4.2 Allowance for obsolete, slow-moving and defective inventories

The Company maintains an allowance for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnover and deterioration of each category.

4.3 Property, plant and equipment

Management determines the estimated useful lives and residual values for the plant and equipment of which are mainly considered by technical ability and economic useful lives. The management will revise the depreciation charge where useful lives and residual values are significantly different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

4.4 Retirement employee benefits

The Company has commitments on retirement benefits to employees under the Thai Labour Law. The amount of provision presented in the statement of financial position represents the present value of employee benefit obligations which is determined on an actuarial basis using various assumptions. The assumptions used in determining the net period cost for employee benefits includes the discount rate, the rate of salary inflation and employee turnover and others. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis the Company determines those assumptions i.e. the appropriate discount rate, which should represent the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Company considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the liability. Other key assumptions are based in part on current market conditions. Additional information is disclosed in Note 16.

5. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

6. Cash and cash equivalents

	2015 Baht	2014 Baht
Cash on hand	105,451	117,869
Current accounts	114,282,328	82,297,173
Saving accounts	254,032,350	179,783,466
Total	368,420,129	262,198,508

As at 31 December 2015, the interest rates of saving accounts were 0.50% to 1.25% per annum (2014: 0.50% to 1.25% per annum).

7. Trade accounts receivable, net

	2015 Baht	2014 Baht
Trade accounts receivable	1,739,443,372	2,040,607,346
<u>Less</u> Allowance for doubtful accounts	(15,173,472)	(1,994,270)
Trade accounts receivable, net	1,724,269,900	2,038,613,076

Outstanding trade accounts receivable can be aged as follows:

	2015 Baht	2014 Baht
Current balance	1,421,073,903	1,738,764,656
Overdue: less than 1 month	258,835,722	243,717,400
Over 1 month to 3 months	35,098,746	55,030,119
Over 3 months to 6 months	7,817,657	160,810
Over 6 months to 12 months	12,863,754	462,092
Over 12 months	3,753,590	2,472,269
	1,739,443,372	2,040,607,346
<u>Less</u> Allowance for doubtful accounts	(15,173,472)	(1,994,270)
Trade accounts receivable, net	1,724,269,900	2,038,613,076

The Company has not provided allowance for doubtful accounts to certain accounts receivable which are over 6 months because these customers provide bank guarantees.

8. Inventories, net

	2015 Baht	2014 Baht
Raw materials	163,336,781	136,205,487
Finished goods	685,547,935	1,150,415,204
Total inventories	848,884,716	1,286,620,691
<u>Less</u> Allowance for net realisable value		
- for raw materials	(5,569,546)	(1,014,696)
- for finished goods	(9,127,013)	(3,724,617)
Inventories, net	834,188,157	1,281,881,378

The Company has provided allowance for net realisable value amounting to Baht 14.70 million to inventories of which was included in costs of sales for the year ended 31 December 2015 (2014: Baht 4.74 million).

9. Investment property

At 31 December	Land	
	2015 Baht	2014 Baht
Cost		
Opening net book value	55,729,000	21,029,000
Transfer from property, plant and equipment (Note 10)	-	34,700,000
Closing net book value	55,729,000	55,729,000
Fair value	112,560,000	112,560,000

The Company engaged an independent appraiser to assess the fair value of investment property by using the Comparison Approach which is based on sales prices of comparable land in close proximity and adjusted for differences in key attributes such as size and shape, location and condition of land. Such information is sufficient for comparison to determine the fair value of the property. As the valuation technique used significant unobservable inputs, the Company classified the fair value measurement as level 3 of fair value hierarchy (Note 3.3).

10. Property, plant and equipment, net

	Land and land improvement Baht	Buildings and building improvement Baht	Machinery and equipment Baht	Furniture and fixtures Baht	Trucks and motor vehicles Baht	Construction in progress Baht	Machinery under installation Baht	Total Baht
At 1 January 2014								
Cost	309,785,543	961,597,368	751,048,100	83,737,564	115,621,054	62,066,052	24,955,001	2,308,810,682
<u>Less</u> Accumulated depreciation	(33,399,346)	(224,236,216)	(413,415,449)	(63,607,827)	(51,021,115)	-	-	(785,679,953)
Net book value	276,386,197	737,361,152	337,632,651	20,129,737	64,599,939	62,066,052	24,955,001	1,523,130,729
For the year ended 31 December 2014								
Opening net book value	276,386,197	737,361,152	337,632,651	20,129,737	64,599,939	62,066,052	24,955,001	1,523,130,729
Additions	-	-	10,544,729	7,076,614	17,970,664	72,651,726	58,305,566	166,549,299
Transfers	-	75,491,369	26,845,455	9,740,000	-	(85,086,469)	(26,990,355)	-
Disposals, net	-	-	(24,614)	(12,592)	(6,368,210)	-	-	(6,405,416)
Transfer to investment property (Note 9)	(34,700,000)	-	-	-	-	-	-	(34,700,000)
Depreciation (Note 19)	(3,754,377)	(51,027,327)	(62,561,912)	(10,739,585)	(7,270,520)	-	-	(135,353,721)
Closing net book value	237,931,820	761,825,194	312,436,309	26,194,174	68,931,873	49,631,309	56,270,212	1,513,220,891
At 31 December 2014								
Cost	275,085,543	1,037,088,737	786,635,733	99,352,749	118,525,513	49,631,309	56,270,212	2,422,589,796
<u>Less</u> Accumulated depreciation	(37,153,723)	(275,263,543)	(474,199,424)	(73,158,575)	(49,593,640)	-	-	(909,368,905)
Net book value	237,931,820	761,825,194	312,436,309	26,194,174	68,931,873	49,631,309	56,270,212	1,513,220,891

10. Property, plant and equipment, net (Cont'd)

	Land and land improvement Baht	Buildings and building improvement Baht	Machinery and equipment Baht	Furniture and fixtures Baht	Trucks and motor vehicles Baht	Construction in progress Baht	Machinery under installation Baht	Total Baht
For the year ended 31 December 2015								
Opening net book value	237,931,820	761,825,194	312,436,309	26,194,174	68,931,873	49,631,309	56,270,212	1,513,220,891
Additions	-	2,410,365	5,484,435	1,418,767	10,519,327	32,107,826	141,552,466	193,493,186
Transfers	-	75,670,558	182,101,865	1,800,000	-	(77,470,560)	(182,101,863)	-
Disposals, net	-	-	(153,951)	(21,401)	(1,249,295)	-	-	(1,424,647)
Depreciation (Note 19)	(3,754,378)	(55,652,726)	(70,466,157)	(10,319,899)	(8,072,923)	-	-	(148,266,083)
Closing net book value	234,177,442	784,253,391	429,402,501	19,071,641	70,128,982	4,268,575	15,720,815	1,557,023,347
At 31 December 2015								
Cost	275,085,543	1,115,169,662	973,635,902	101,745,744	121,927,933	4,268,575	15,720,815	2,607,554,174
<u>Less</u> Accumulated depreciation	(40,908,101)	(330,916,271)	(544,233,401)	(82,674,103)	(51,798,951)	-	-	(1,050,530,827)
Net book value	234,177,442	784,253,391	429,402,501	19,071,641	70,128,982	4,268,575	15,720,815	1,557,023,347

Depreciation expenses of Baht 115,539,291 (2014: Baht 105,705,891) and Baht 32,726,792 (2014: Baht 29,647,830) were charged in costs of sales and administrative expenses, respectively.

10. Property, plant and equipment, net (Cont'd)

Vehicles included the following amounts which the Company is a lessee under the finance lease:

	2015 Baht	2014 Baht
Cost - capitalised finance lease	19,188,561	19,188,561
<u>Less</u> Accumulated depreciation	(7,609,230)	(5,358,753)
Net book value	11,579,331	13,829,808

11. Intangible assets, net

	Computer software Baht	Computer software during installation Baht	Total Baht
At 1 January 2014			
Cost	33,731,333	-	33,731,333
<u>Less</u> Accumulated amortisation	(23,593,079)	-	(23,593,079)
Net book value	10,138,254	-	10,138,254
For the year ended 31 December 2014			
Opening net book value	10,138,254	-	10,138,254
Additions	2,744,265	4,012,500	6,756,765
Transfers	2,552,500	(2,552,500)	-
Amortisation charge (Note 19)	(6,980,796)	-	(6,980,796)
Closing net book value	8,454,223	1,460,000	9,914,223
At 31 December 2014			
Cost	39,028,098	1,460,000	40,488,098
<u>Less</u> Accumulated amortisation	(30,573,875)	-	(30,573,875)
Net book value	8,454,223	1,460,000	9,914,223
For the year ended 31 December 2015			
Opening net book value	8,454,223	1,460,000	9,914,223
Additions	1,789,248	9,756,003	11,545,251
Amortisation charge (Note 19)	(2,098,387)	-	(2,098,387)
Closing net book value	8,145,084	11,216,003	19,361,087
At 31 December 2015			
Cost	40,860,996	11,216,003	52,076,999
<u>Less</u> Accumulated amortisation	(32,715,912)	-	(32,715,912)
Net book value	8,145,084	11,216,003	19,361,087

12. Deferred income taxes

The analysis of deferred income tax assets and deferred tax liabilities is as follows:

	2015 Baht	2014 Baht
Deferred tax assets:		
Deferred tax assets to be recovered within 12 months	2,939,312	947,863
Deferred tax assets to be recovered after more than 12 months	4,589,379	3,745,263
Total deferred tax assets	7,528,691	4,693,126
Deferred tax liabilities:		
Deferred tax liabilities to be settled after more than 12 months	(1,667,468)	(1,697,112)
Total deferred tax liabilities	(1,667,468)	(1,697,112)
Deferred income taxes, net	5,861,223	2,996,014

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 20% (2014: 20%).

The gross movement in the deferred income tax account is as follows:

	2015 Baht	2014 Baht
As 1 January	2,996,014	2,287,308
Credited to profit and loss (Note 20)	2,865,209	708,706
At 31 December	5,861,223	2,996,014

The movement in deferred tax assets and liabilities during the year is as follows:

	Allowance for net realisable value Baht	Employee benefits obligations Baht	Total Baht
Deferred tax assets:			
At 1 January 2014	1,648,900	2,985,560	4,634,460
(Charged)/Credited to profit and loss	(701,037)	759,703	58,666
At 31 December 2014	947,863	3,745,263	4,693,126
(Charged)/Credited to profit and loss	1,991,449	844,116	2,835,565
At 31 December 2015	2,939,312	4,589,379	7,528,691

The movement in deferred tax assets and liabilities during the year is as follows: (Cont'd)

	Temporary difference for depreciation Baht
Deferred tax liabilities:	
At 1 January 2014	(2,347,152)
(Charged)/Credited to profit and loss	650,040
At 31 December 2014	(1,697,112)
(Charged)/Credited to profit and loss	29,644
At 31 December 2015	(1,667,468)

13. Short-term loans from financial institutions

	2015 Baht	2014 Baht
Short-terms loans from financial institutions	2,066,891,529	2,513,800,877
Trust receipts	56,904,480	224,687,261
Total	2,123,796,009	2,738,488,138

The short-term loans from financial institutions denominated in Thai Baht bear interest rates during the year as follows:

	2015 Baht	2014 Baht
Short-term loans from financial institutions	1.89% - 2.65%	2.27% - 2.70%
Trust receipts	1.90% - 2.60%	2.60%

As at 31 December 2015, the short-term loans from financial institutions were unsecured loans and due within January to March 2016 (2014: January to April 2015). The Company has provided the Negative Pledge to the financial institutions.

14. Finance lease liabilities, net

	2015 Baht	2014 Baht
Liabilities due :		
Not later than 1 year	1,943,284	3,115,652
Later than 1 year but not later than 5 years	5,893,927	9,281,711
	7,837,211	12,397,363
<u>Less</u> Future finance charges on finance leases	(641,586)	(1,352,375)
Present value of finance lease liabilities	7,195,625	11,044,988

The present value of financial lease liabilities is as follows:

	2015 Baht	2014 Baht
Not later than 1 year	1,592,000	2,404,863
Later than 1 year but not later than 5 years	5,603,625	8,640,125
Present value of financial lease liabilities	7,195,625	11,044,988

15. Other payables

	2015 Baht	2014 Baht
Accrued expenses and other payables	94,151,964	82,470,168
Retention	285,000	1,263,355
Withholding tax payable	1,276,819	1,487,242
Accrued interest expenses	2,912,467	4,187,621
Total	98,626,250	89,408,386

16. Employee benefit obligations

	2015 Baht	2014 Baht
Statement of financial position		
- Retirement benefits	22,946,895	18,726,314
Profit or loss		
- Retirement benefits	4,297,381	3,798,512

The movement in the obligations for retirement benefit are as follows:

	2015 Baht	2014 Baht
Opening balance	18,726,314	14,927,802
Current service cost	3,568,629	3,213,004
Interest cost	728,752	585,508
Benefits paid	(76,800)	-
Closing balance	22,946,895	18,726,314

The amounts recognised in the statement of comprehensive income are as follows:

	2015 Baht	2014 Baht
Current service cost	3,568,629	3,213,004
Interest cost	728,752	585,508
Total included in staff costs	4,297,381	3,798,512

Of the total charges, Baht 849,565 (2014: Baht 671,449) and Baht 3,447,816 (2014: Baht 3,127,063) were included in costs of sales and administrative expenses, respectively.

The principal actuarial assumptions used were as follows:

	2015 Baht	2014 Baht
Discount rate	3.9% per annum	3.9% per annum
Future salary increase rate	3% per annum	3% per annum
Employee turnover rate	0% - 44% per annum	0% - 44% per annum

Sensitivity analysis for each significant assumption disclose:

	Impact on defined benefit obligations as at 31 December 2015		
	Change in assumption %	Increase in obligations Baht	Decrease in obligations Baht
Discount rate	+1%	-	(1,472,729)
	-1%	1,624,262	-
Future salary increase rate	+1%	1,989,516	-
	-1%	-	(1,810,437)
Employee turnover rate	+1%	-	(1,619,053)
	-1%	747,339	-

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected maturity analysis of undiscounted retirement benefits:

	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2015 Retirement benefits	249,316	-	15,176,612	30,116,673	45,542,601

17. Share capital and premium on share capital

	Number of authorised shares	Issued and paid-up ordinary shares Baht	Premium on share capital Baht	Total Baht
At 1 January 2014	436,000,000	435,379,017	427,323,198	862,702,215
Issue of ordinary shares	-	-	-	-
At 31 December 2014	436,000,000	435,379,017	427,323,198	862,702,215
Issue of ordinary shares	-	-	-	-
At 31 December 2015	436,000,000	435,379,017	427,323,198	862,702,215

As at 31 December 2015, the total number of authorised ordinary shares were 436,000,000 shares with a par value of Baht 1 per share (2014: 436,000,000 shares with a par value of Baht 1 per share). The shares of 435,379,017 shares (2014: 435,379,017 shares) were issued and fully paid-up.

18. Other income

	2015 Baht	2014 Baht
Service income	53,500,122	41,207,094
Interest income	5,943,654	1,659,345
Gains of disposals of equipment	2,838,428	-
Others	4,604,762	2,956,660
Total	66,886,966	45,823,099

19. Expenses by nature

The following expenditures, classified by nature, have been charged in arriving at profit before finance costs and income tax:

	2015 Baht	2014 Baht
Staff costs	288,103,318	268,846,383
Depreciation on property, plant and equipment (Note 10)	148,266,083	135,353,721
Amortisation of intangible assets (Note 11)	2,098,387	6,980,796
Selling and marketing expenses	149,281,520	147,226,815
Professional and consultant fees	4,048,280	3,914,041
Rental expenses	16,244,160	13,364,160

20. Income tax expense

	2015 Baht	2014 Baht
Current tax	86,457,820	85,425,741
Deferred tax (Note 12)	(2,865,209)	(708,706)
Total income tax expense	83,592,611	84,717,035

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	2015 Baht	2014 Baht
Profit before income tax	404,225,497	419,097,125
Tax calculated at a tax rate of 20% (2014: 20%)	80,845,099	83,819,425
Tax effect of :		
Expenses not deductible for tax purpose	2,933,328	979,630
Expenses deductible at a greater amount	(185,816)	(82,020)
Tax charge	83,592,611	84,717,035

21. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2015 Baht	2014 Baht
Profit attributable to shareholders (Baht)	320,632,886	334,380,090
Weighted average number of ordinary shares in issue during the year (Shares)	435,379,017	435,379,017
Basic earnings per share (Baht)	0.74	0.77

There are no potential dilutive ordinary shares in issue during the years ended 31 December 2015 and 2014.

22. Dividends

At the Annual General Shareholders' Meeting held on 2 April 2015, the shareholders approved for the payment of dividends in respect of year 2014 of Baht 0.65 per share for 435,379,017 shares, totalling Baht 283.00 million. The dividends were paid to the shareholders on 10 April 2015.

At the Annual General Shareholders' Meeting held on 3 April 2014, the shareholders approved for the payment of dividends in respect of year 2013 of Baht 0.80 per share for 435,379,017 shares, totalling Baht 348.30 million. The dividends were paid to the shareholders on 11 April 2014. However, dividends of Baht 9,599 were not paid to certain shareholders due to disqualification.

23. Legal reserve

	2015 Baht	2014 Baht
Beginning balance	43,600,000	43,600,000
Ending balance	43,600,000	43,600,000

Under the Public Company Act, B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the authorised share capital. The legal reserve is non distributable.

24. Contingent liabilities

Letters of guarantee

As at 31 December 2015, the Company had outstanding letters of guarantee of Baht 64.33 million (2014: Baht 10.36 million) issued by a bank for electricity usage and purchases of goods. No liabilities are anticipate to be arisen.

Letters of credits

As at 31 December 2015, the Company had outstanding letters of credits amounting to Yen 7.60 million and US Dollars 3.24 million in relation to purchases of goods (2014: Baht 77.21 million).

25. Commitments

Operating leases

The future minimum lease payments under operating leases as at 31 December were as follows:

	2015 Baht	2014 Baht
Due within 1 year	8,098,300	17,126,540
Due over 1 year but less than 5 years	3,891,410	5,324,210
Total	11,989,710	22,450,750

Sales commitments

As at 31 December 2015, the Company had outstanding commitments relating to the sales of goods with a fixed selling price totalling Baht 2.87 million (2014: Baht 0.98 million).

Purchase commitments

As at 31 December 2015, the Company had outstanding commitments relating to the purchases of goods with a fixed buying price totalling US Dollars 6.45 million (2014: Baht 29.40 million and US Dollars 0.86 million).

Capital commitments

As at 31 December 2015, the Company had capital expenditure contracted but not yet recognised of Baht 1.93 million (2014: Baht 33.71 million and US Dollars 2.37 million).

26. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Major shareholders of the Company are members of Tarasarnsombat family.

The transactions with a related company, Metal Commerz Pte. Ltd., arose from purchasing of raw materials. Certain shareholders of the Company have significant holding in the shares of Metal Commerz Pte. Ltd.

A summary of significant transactions with related parties are as follows:

(a) Purchases and operating expenses

	2015 Baht	2014 Baht
Purchases of raw materials	230,498,290	295,962,631
Computer system service expenses	52,500	478,832
Land and building rental expenses	5,400,000	5,400,000

Purchases of raw materials from its related party are in the normal course of business and at prices approximating purchase from other third parties.

The Company has operating lease agreements of land and building at Rama III Road with the director. The lease agreements are for a period of 3 years from 2015 until 2017, at the price according to the rental agreement at Baht 5.4 million per year. In addition, one of the Company's directors allows the Company to use his land of approximately 2 rai which is the part of the land at Rama III Road, free of charge for the 3-year period until December 2016.

As at 31 December 2015 and 2014, the Company had no outstanding account payables to related parties.

(b) Directors and managements' remuneration

Directors and managements' remuneration comprises salaries, other benefits, other remuneration and meeting fees.

For the years ended 31 December	2015 Baht	2014 Baht
Short-term benefits	36,020,000	45,490,000
Post-employee benefits	1,834,624	1,754,504
	37,854,624	47,244,504

27. Segment information

The Company does not present segment information. The Company's business operations are trading and including transform the structural steel, plates and sheets which are in the same product group and its products are mainly sold in domestic.

28. Forward foreign exchange contracts

Forward foreign exchange contracts are entered into to manage exposure to fluctuations in foreign currency exchange rates on the purchase payments.

As at 31 December 2015, the Company has open forward foreign exchange contracts which have settlement dates in June 2016 (2014: Nil). The amounts to be received and contractual exchange rates of the outstanding contracts are:

	2015 Baht	2014 Baht
The amounts to be received USD 1.30 million (Baht 36.11 - 36.24 per Dollar)	47,073,000	-

Net fair values of financial instruments as at the statements of financial position date are as follows:

	2015 Baht	2014 Baht
Unfavourable forward foreign exchange contracts	(4,354)	-

The fair values of forward foreign exchange contracts have been calculated based on rates quoted by the Company's bankers to terminate the contracts as at 31 December. This is within level 2 of fair value hierarchy (Note 3.3).

29. Event after the statement of financial position date

At the Board of Directors' Meeting on 19 February 2016, it passed a resolution to propose the dividends payment in respect of results of operations for the year 2015 of Baht 0.65 per share for 435,379,017 shares, totalling Baht 283.00 million. However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the Shareholders for fiscal year 2016.

Audit Fee

The Company paid the fee to audit firm for year 2013-2015 as the following:

Year	Audit fee (Baht)	Non-Audit fee (Baht)
2015	1,500,000	22,840
2014	1,500,000	18,650
2013	1,470,000	15,410

The auditors from PricewaterhouseCoopers ABAS Company Limited are namely as below;

Name	C.P.A. No.	Audit Year	Total
Mr. Prasit Yuengsrikul	4174	2012-2015	4 years
Mr. Vichien Khingmontri	3977	2007-2011	5 years
Miss Nangnoi Charoenthaveesub	3044	2003-2006	4 years

In this regard, the audit firm and those auditors have no relationship with or conflict of interest in Thai Metal Trade Public Company Limited, directors, executive directors, and the Company's major shareholders.

Investors can find more information from the Company's Annual Registration Statement (Form 56-1) at www.sec.or.th or company's website at www.thaimetaltrade.com



บริษัท ค้าเหล็กไทย จำกัด (มหาชน)
THAI METAL TRADE PUBLIC COMPANY LIMITED

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