

AMC 2023E-06-001

June 21, 2023

Subject : Additional Investment in Associated Company which is considered a connected transaction

Dear Managing Director
 Stock Exchange of Thailand

We would like to inform you that the Board of Directors' Meeting of Asia Metal Public Company Limited (the " Company ") No. 3/2023 held on June 21, 2023 resolved to approve the additional investment in Prime Steel Mill Company Limited with the following details:

- 1. Transaction Date** : It is expected that the transaction and payment will be completed within June 2023.

- 2. Contracting party**
 - Seller** : Mr. Chusak Yongvongphaiboon (as a personal related party is the managing director of Asia Metal Plc. and a director of Prime Steel Mill Co.,Ltd.

 - Purchaser** : Asia Metal Public Company Limited

 - Number of shares** : 500,000 shares of Prime Steel Mill Co., Ltd.
(representing 5 percent of the registered capital)

 - Trading value** : 48,000,000 baht (Forty eight million baht only)

 - Pricing Criteria** : **The offering price is 96 baht per share** , which is lower than the par value of 100 baht per share. The company hires UK Valuation and Agency Co., Ltd., "Independent Appraiser", evaluate the fair value of Prime Steel Mill Co., Ltd. 's shares to acknowledge the value of ordinary shares and used for considering the purchase of some shares from the current ordinary shareholders. The independent appraiser has an opinion that Discounted Cash Flow Method (DCF) is an appropriate method. The enterprise value of Prime Steel Mill Co., Ltd. is 1,332.51 million baht and the fair value of shares is 110.42 baht per share.

However, this selling price compared to the fair value of shares is considered the most beneficial price in the price agreement than other methods because it causes the company to lose liquidity the least and the company estimates that this additional investment resulting in better performance in the future.

Enterprise Valuation Method and fair value (Valuation Methodology)

Assessment method	Appraisal price (Baht per share)	Book value of shares (Baht per share)	Appraised price higher (lower) Par value	
			Baht / share	%
1. Book Value Approach	150.38	100 .00	50.38	50.38 %
2. Adjust Book Value Approach	150.38	100.00	50.38	50.38 %
3. Price to Book Value Ratio Approach (P/BV)	94-87 – 115.20	100.00	(5.13) - 15.20	(5.13 %) - 15.20%
4. Price to Book Value Ratio (P/E) Approach	(18.92) – (29.68)	100.00	(129.68) - (118.92)	(129.68%) - (118.92%)
5. Discounted Cash Flow Approach (DCF)	110.42	100.00	10.42	10.42%

Discounted Cash Flow Approach is share price valuation under this method takes into account the profitability of the business in the future by calculating the present value of free cash flow from operations expected each year. Based on financial projections for approximately 5 years (2023-2027) with a discount rate derived from The calculation of the weighted average cost of capital (WACC) of the business is 10.09% .

By calculating the enterprise value using the discounted of cash flow approach (DCF), the enterprise value is equal to 1,332.51 million baht, deducting interest bearing debts (Interest Bearing Debt) of 251.61 million baht and plus cash on hand as of 1/5/2023 in the amount of 23.28 million baht, the net equity value is equal to 1,104.19 million baht divided by the number of ordinary shares of 10 million shares (where the Business has registered and paid - up shares of 10 million shares) and the fair value of the shares is 110.42 baht per share which is higher than the book value per share. 100.00 baht equals 10.42 baht per share.

3. Details of assets acquired

The Company wishes to purchase 500,000 ordinary shares of Prime Steel Mill Co., Ltd. at the par value of 100 baht, representing 5 percent of the registered capital, from Mr. Chusak Yongvongphaiboon . (A personal related party is a managing director and director of Asia Metal Plc. and a director of Prime Steel Mill Co., Ltd.). The Company will enter into the transaction at a price of 48,000,000 baht only.

4. List of connected persons and their nature of connection

List of connected persons	Position in the Company and Associated Companies	Share of Prime Steel Mill Co., Ltd.
1. Mr. Chusak Yongvongphaiboon	- Managing Director, Director of Asia Metal plc. - Director, Prime Steel Mill Co., Ltd.	10 %

Directors with interests in the Company or a director who is a connected person will not have the right to vote in the Board of Directors' meeting. as follows:

1. Mr. Chusak Yongvongphaiboon

Such person has left the meeting room and has no right to vote in the Board of Directors' meeting.

5. Nature of Business of Prime Steel Mill Company Limited

Entrepreneurship Production of basic, primary and intermediate steel The main business of the company is the production and distribution of hot-rolled narrow section steel. which is a manufacturer and deliver efficient raw materials and reasonable price for AMC.

Head office location : 1011 Supalai Grand Tower, Room No. 1202 12th Floor, Rama 3 Road,
Chong Nonsi Subdistrict Yannawa District, Bangkok

Registered capital : 1,000,000,000 baht (Paid-up capital)

Number of shares : 10,000,000 shares

Par value : 100 baht

Financial information of Prime Steel Mill Co., Ltd. (Unit : Million Baht)

List	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022
Total Assets	4,123.46	2,882.95	2,321.33	3,664.59	2,765.49
Total Liabilities	3,436.43	1,877.72	1,507.64	2,137.17	1,261.71
Total Equity	687.04	1005.23	813.69	1,527.42	1,503.78
Gross Income	6,479.23	6,948.29	3,701.05	8,606.45	5,090.04
Net Profit/Loss	(47.90)	317.07	(191.54)	713.73	(24.12)

6. Shareholding Structure of Prime Steel Mill Company Limited

List of shareholders	Number of shares and shareholding percentage		Number of shares and shareholding percentage		Relationship between the company (AMC) and the person
	<u>Before</u> making a transaction		<u>After</u> transaction		
	No. of shares (shares)	Shareholding Proportion (%)	No. of shares (shares)	Shareholding Proportion (%)	
1. The Steel Plc.	5,000,000	50 %	5,000,000	50 %	Not relevant
2. Asia Metal Plc.	4,000,000	40 %	4,500,000	45 %	-
3. Mr. Chusak Yongvongpaiboon	1,000,000	10 %	500,000	5 %	Director, Managing director
Total	10,00,000	100 %	10,00,000	100 %	

7. Investment value

The company will pay for shares amount 48,000,000 baht (Forty eight million baht only)

8. Characteristics of the transaction and size of the transaction

(Unit : Million Baht)

List	Asia Metal PLC.	Prime Steel Mill Co., Ltd.
Total Assets	4,488.24	2,189.36
Intangible Assets	(21,22)	(13.78)
Total Liabilities	(1,479.13)	(685.04)

Source: Financial statements of Asia Metal Plc. reviewed by KPMG Phoomchai Audit Company Limited for the first quarter of the year 2023 as of March 31, 2023.

Transaction Size Calculation Criteria	Formula to calculate	Calculated Item Size
1. Net tangible assets value criteria	$\frac{(\text{NTA of investment in the company} \times \text{proportion acquired or disposed}) \times 100}{\text{NTA of the listed company}}$	2.49%
2. Criteria for net profit from operations	$\frac{(\text{Net operating profit of investment in the company} \times \text{proportion of purchase or sales}) \times 100}{\text{Net profit from operations of listed companies}}$	1.11%
3. Total Value of Consideration Criteria	$\frac{\text{Value of the transaction paid or received} \times 100}{\text{Total assets of listed companies}}$	1.07%

Transaction Size Calculation Criteria	Formula to calculate	Calculated Item Size
4. Criteria for the value of equity shares issued for the payment of assets	$\frac{\text{No. of capital shares issued by the company to pay for assets}}{\text{The number of paid-up shares of the company}} \times 100$	cannot calculated because no shares are issued to pay the goods.

Entering into such transactions The Company will hold ordinary shares of Prime Steel Mill Company Limited in the amount of 500,000 shares, equivalent to 5% of the additional shares purchased. When calculating the size of the asset acquisition transaction, The highest transaction size is calculated based on the net tangible assets value criteria equal to 2.49%, which is not more than 15% of the total asset value of the Company. By referring to financial information as of March 31, 2023 and the Company has an asset acquisition transaction. That occurred in the past 6 months prior to the date of agreeing to enter into the asset acquisition transaction, the highest equals to 0.02 percent based on the net profit from operations criteria. **Therefore, it is not considered that the company has to report information according to the criteria of acquisition and disposal. assets according to the announcement of the Capital Market Supervisory Board.**

Calculation of connected transaction size

Listed Company Asia Metal Public Company Limited As of March 31, 2023 (Unit : Million Baht)

Net tangible assets (NTA)	2,987.89
0.03% of NTA	0.89
3.00% of NTA	89.64
Item Value	48.00

Entering into such transactions is considered a connected transaction in the category of assets. Therefore, when considering the transaction size of such transaction under the Notifications on Connected Transactions. The size of the transaction is more than 0.03 percent but not more than 3.00 percent of the net tangible assets of the listed company. According to the consolidated financial statements of listed companies that have been reviewed as of March 31, 2023, which is considered a medium-sized transaction. When including connected transactions in the past 6 months, the ratio is 1.57 percent, which is considered a transaction that exceeds 0.03 percent but not more than 3.00 percent of the net tangible assets of the listed company. Therefore, the company must seek approval from the Board of Directors' meeting and disclose information on entering into such transactions to the Stock Exchange of Thailand.

9. Expected Benefits to the Company

Additional investment in a subsidiary, Prime Steel Mill Co., Ltd., is an opportunity to increase revenue recognition and profits in the long term, positively affecting the Company's operations in the future.

10. Source of funds

Working capital of the company.

11. Conditions for entering into the transaction

The value of entering into the said transaction will be in accordance with the purchase and sale contract in the amount of 48,000,000 baht (Forty eight million baht only). The transaction is estimated to be completed within June 2023.

12. Opinion of the board

The Board of Directors is of the opinion that this transaction is beneficial to the Company, that is, the growth trend of Prime Steel Mill Co., Ltd. will improve accordingly. Therefore, it is appropriate to additional purchase 500,000 shares or equivalent to 5 percent of the paid-up capital.

13. Opinion of the Audit Committee

No difference of the Audit Committee.

Please be informed accordingly.

Yours sincerely,



(Mr. Chusak Yongvongphaiboon)

Managing director