

รายงานประจำปี 2559
Annual Report 2016



บริษัท อุตสาหกรรมถังโลหะไทย จำกัด (มหาชน)

THAI METAL DRUM MANUFACTURING
PUBLIC COMPANY LIMITED

สถิตอยู่ในใจตราบนิรันดร์
น้อมรำลึกในพระมหากรุณาธิคุณอันหาที่สุดมิได้ และร่วมถวายอาลัย
พระบาทสมเด็จพระปรมินทรมหาภูมิพลอดุลยเดช

*In Remembrance of
His Majesty King Bhumibol Adulyadej
With Deepest Respect and Eternal Gratitude*

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THE REPORT FROM THE BOARD OF DIRECTORS

Thailand's economy in 2016 grew at 3.2 percent, an acceleration from 2015's 2.8 percent expansion. The key drivers of growth remain government consumption and government investment rebounded, fueled by accelerated government budget disbursement and infrastructure projects for the transportation. The tourism sector's propensity to stay strong is favorable as well as the trends in recovery and accelerated agricultural production. The recovery in private investment and exports of goods and services comparing to the previous year reflected the improvement of Thai economy recovery.

2016 was the year that the Company and its subsidiaries could make the remarkable profit since the establishment of the Company and its subsidiaries, especially the performance of steel drum business. Owing to the business strategy focusing on expenditure control and increasing market share, the Company and its subsidiaries gained the total revenues of Baht 1,973.90 million, an increase from year 2015 with the amount of Baht 40.22 million or increasing 2.08% while having a net profit with the total amount of Baht 312.88 million, an increase of Baht 19.03 Million or 6.48% The Company and its subsidiaries gained the revenues from sales by product as detail below:

For the business operation of steel drum, the Company gained the total revenue with the amount of Baht 1,115.78 million, an increase of Baht 64.34 million or equivalent to 6.12% because the Company was awarded a supply contract for steel drums. It resulted in an increase in sales volume of steel drums although the selling price reduced. In 2016, the cold rolled steel price which is the major raw material fluctuated considerably by which the price had fallen significantly in the 1st quarter but started to raise sharply since the 3rd quarter of the year. The Company and its subsidiaries monitored the steel price closely, thus it enabled to manage sales cost more effectively. As a result, cost of sales of the Company and its subsidiaries reduced by 3.95 percent comparing to the previous year.

The Company's subsidiary gained the revenue from sales of plastic products with the total amount of Baht 878.00 million, an increase of Baht 11.63 million or 1.34%. The Company's subsidiary could sell more PET bottles to contain soft drink and drinking water in a large quantity but the selling price decreased. Although the Company's subsidiary invested in installation of the machinery to produce the PET bottles at the customer's factory in order to reduce transportation and production cost, the Company's subsidiary was unable to raise selling price following to an increase in raw material price due to intense price competition over the year. Consequently, the profit of plastic products decreased comparing to the previous year.

For the Office Building for rent, the Company and its subsidiaries gained the revenue from rent and service with the amount of Baht 61.32 million, an increase of Baht 5.71 million or 10.27% comparing to the previous year. An increase in revenue was from the ability to adjust the rental fee at the market rate for all tenants who renewed the Lease Agreement. Thus, the revenue from rent and service increased.

In a challenge economic environment, the Company and its subsidiaries are aware of the importance on careful business administration, emphasizing on the development of the core competency and an increase in competitiveness in every aspect, coupling with the close monitor on information and raw material price movement to assess the possibility and potential impacts of risk toward the business performance of the Company. We also rely on Good Corporate Governance and Anti-Corruption.

On behalf of the Board of Directors, I would like to thank our shareholders, investors, clients, business alliances, financial institutions to their continuous support during the year. I am also grateful to our talented management and staff for all of their hard work and dedication for sustainable growth in a long run.



Sukit Wanglee
Chairman



Nate Charanvas
Managing Director

1. GENERAL AND OTHER IMPORTANT INFORMATION

1.1 COMPANY INFORMATION

Company's Name : Thai Metal Drum Manufacturing Public Co., Ltd.
Office Location : 35th Floor, Lake Rajada Office Complex, 193/142 Ratchadapisek Road,
Klongtoey, Bangkok 10110 Tel. 0-2264-0817-9 Fax. 0-2264-0820
www.thaimetaldrum.com
Factory Location : 179 Moo 9 Tambol Bangwua, Amphur Bangpakong, Chachoengsao 24180
Tel. (038) 571-980-2 Fax: (038) 571-983
Type of Business : Manufacturer and distributor of metal drum and office building for rent.
Registered Number : 0107537000645
Type and number of shares issued : 150,000,000 Common stocks of Baht 1.00 each, fully paid.

JURISTIC PERSON'S SHARES OF WHICH THE COMPANY HOLDS MORE THAN 10% SHAREHOLDING IN AFFILIATE COMPANIES

1. **Company Name** : Songkhla Metal Drum Co., Ltd.
Location : 35th Floor, Lake Rajada Office Complex,
193/142 Ratchadapisek Road, Klongtoey, Bangkok 10110
Type of Business : Manufacturer and distributor of metal drums
Type and number of shares issued : 200,000 ordinary shares of Baht 100 each
Type and number of shares held : 160,000 fully paid ordinary shares
Percentage Equity stage : 80%

2. **Company Name** : The Pet Co., Ltd.
Location : 23/4 Moo 2 Patumthani-Lad Lum Kaow Road,
Tambol Banchang, Amphur Muang, Patumthani 12000
Type of Business : Manufacturer and distributor of Plastic Products
Type and number of shares issued : 700,000 ordinary shares of Baht 100 each
Type and number of shares held : 559,993 fully paid ordinary shares
Percentage Equity stage : 79.999%

2.1. **Company Name** : Eastplast Co., Ltd.
Location : 23/4 Moo 2 Patumthani-Lad Lum Kaow Road,
Tambol Banchang, Amphur Muang, Patumthani 12000
Type of Business : Manufacturer and Distributor of Plastic Products
Type and number of shares issued : 200,000 ordinary shares of Baht 100 each
Type and number of shares held by The Pet Co., Ltd. : 199,993 fully paid ordinary shares
Percentage Equity stage by The Pet Co., Ltd. : 99.999%

- 3. Company Name** : Surat Metal Drum Co., Ltd.
Location : 35th Floor, Lake Rajada Office Complex,
193/142 Ratchadapisek Road, Klongtoey, Bangkok 10110
Type of Business : Buyer and Distributor raw material to produce container.
Type and number of shares issued : 200,000 ordinary shares of Baht 100 each
Type and number of shares held : 199,994 fully paid ordinary shares
Percentage Equity stage : 99.997%
- 3.1. Company Name** : Lake Rajada Co., Ltd.
Location : 35th Floor, Lake Rajada Office Complex,
193/142 Ratchadapisek Road, Klongtoey, Bangkok 10110
Type of Business : Distributor Machine and raw material for produce container,
and advisor service.
Type and number of shares issued : 400,000 ordinary shares of Baht 100 each
Type and number of shares held by Surat Metal Drum Co., Ltd. : 399,994 fully paid ordinary shares
Percentage Equity stage by Surat Metal Drum Co., Ltd. : 99.9985%

OTHERS REFERENCE

- Share Registrar** : Thailand Securities Depository Co., Ltd.
93 Ratchadapisek Road, Dindaeng, Dindaeng,
Bangkok 10400 Thailand
Tel: 02-009-9000 Fax: 02-009-9991
- Auditor Accountant** : Mr.Pornchai Kitipanya-ngam
Certified Public Accountant License No. 2778 or
: Mrs.Suwanee Kitipanya-ngam
Certified Public Accountant License No. 2899
: Bunchikij Co., Ltd.
9th Floor, Modern Town Building, 87 Ekamai Soi 3,
Sukhumvit 63 Rd., North Klongton, Wattana, Bangkok 10110
Tel: 02-382-0414
: Accounting Period January 1 to December 31
- Internal Auditors** : AMC International Consulting Co., Ltd.
408/162 Phaholyothin Place Building, 39th Floor
Phaholyothin Road, Samsen-nai,
Phayathai, Bangkok 10400, Thailand
Tel: 02-619-0221-5
Audit period: 1 January 2015 - 31 December 2017
- Legal Councilor** : None
- Financial Advisor** : None
- Others** : Listed on the Stock Exchange of Thailand on 4th October 1989
And changed to the Public Company Limited on 22nd February 1994

1.2 OTHER IMPORTANT INFORMATION

None

2. FINANCIAL HIGHLIGHTS

Unit : Thousand Baht

FINANCIAL STATUS AT YEAR END	2016	2015	2014	2013	2012
TOTAL ASSETS	2,797,679	2,651,120	2,508,042	2,171,882	2,086,178
TOTAL LIABILITIES	257,545	269,486	292,203	240,044	216,090
SHAREHOLDERS' EQUITY	2,540,134	2,381,634	2,215,839	1,931,838	1,870,088
SALES	1,882,752	1,844,507	1,866,580	1,810,976	1,977,452
TOTAL REVENUES	1,973,899	1,933,677	1,953,219	1,895,965	2,076,347
GROSS PROFIT	471,867	456,641	413,472	425,698	434,300
NET PROFIT	312,880	293,846	268,590	278,383	308,095

FINANCIAL RATIO

RETURN ON EARNING (%)	15.85	15.20	13.75	14.68	14.84
RETURN ON EQUITY (%)	12.71	12.78	12.95	14.64	17.72
RETURN ON ASSETS (%)	11.48	11.39	11.48	13.08	15.91
EARNING PER SHARE (BAHT)	⁽¹⁾ 2.09	⁽¹⁾ 1.96	⁽¹⁾ 1.79	⁽¹⁾ 1.86	20.54
DIVIDEND PER SHARE (BAHT)	^{(1),(2)} 1.20	⁽¹⁾ 1.10	⁽¹⁾ 1.00	⁽¹⁾ 1.00	9.00
BOOK VALUE PER SHARE (BAHT)	⁽¹⁾ 16.95	⁽¹⁾ 15.88	⁽¹⁾ 14.77	⁽¹⁾ 12.88	124.67

(1) The par value of share was changed originally from 10.00 Baht per share to 1.00 Baht per share, resulting in an increase in number of shares from 15 million shares to 150 million shares. As a result, the number of shares that were brought to calculate to get earning per share, dividend per share and book value per share are more than the number of shares in previous years.

(2) The proposed dividend per share will be brought into the Annual Shareholder Meeting for approval which is held on 25 April 2017.



3. VISION AND BUSINESS OVERVIEW

3.1 VISION, MISSION, AND STRATEGY OF BUSINESS OPERATION

The Company and its subsidiaries commit to be a leading manufacturer of 210 litre steel drum and PET Bottle with high quality in response to meet with the customer's demand as well as and building trust and create maximum satisfaction to the product of the Company. In addition, the Company will continue to enhance the production capacity, to increase efficiency and to reduce loss from production process enabling to manufacture high quality of product with lower production cost. Furthermore, the Company also gives an importance on the after sales service by closely monitoring at all times to see if there is any problem or feedback on the quality of product after the delivery so as to further improve the product's quality. This would enable the company to create the long term sustainable growth which is above average in the same industry as well as being well accepted by other related parties. In term of personnel management, the Company and its subsidiaries focus on personnel enhancement to maximize employee's capability and to ensure good employment welfare to the employees at all levels. The Company commits to operate the business in an ethical manner, adhere to corporate social responsibility and equally treat all stakeholders following to the good corporate governance and ethical principles. Besides, the Company has a policy to pay out the dividend payment no less than 40% of its net profit of the Company's Separate Financial Statement.

3.2 CHANGES AND MAJOR DEVELOPMENT

Thai Metal Drum Manufacturing Company Limited was established in 1958 with the registered capital of Baht 5 million. The mission is to manufacture and distribute 200-litre metal drums containing lubricants, chemical and agricultural products. Significant changes and development of businesses are as follows:

1987	Established Songkhla Metal Drum Co., Ltd. of which plant has been located at Hadyai, Songkhla province, to produce and distribute 200-litre metal drums for rubber latex, The Company has held 80% stake in Songkhla Metal Drum Co., Ltd.
1989	Increased the registered capital to Baht 50 million and listed in Securities Exchange of Thailand
1992	Increased the registered capital to Baht 150 million for expanding its business into real estate development with the purchase of office space in Lake Rajada Office Complex for sale and rent, along with holding shares in Lake Rajada Co., Ltd.
1994	Became a public company and established The Pet Co., Ltd. of which plant has been located at Lad Lum Kaow, Pratumthani province, to manufacture and distribute plastic containers e.g. Preform tubes and PET bottles. The Company has held 65% stake in The Pet Co., Ltd.
1997	Expanded the business of The Pet Co., Ltd. in plastic products by increasing production line and distributing plastic and corrugated sheets (POLYBOARD) which are used for packing in industrial application including for producing advertisement sign boards and product displays.
2000	Acquired additional shares in The Pet Co., Ltd. from existing shareholders, resulting in increased shareholding from 65% to 75% of the registered capital. As for property business, the Company has additionally purchased 2.208 sq.m. of office space in Lake Rajada Office Complex for renting out.
2001	Obtained ISO 9001 version 2000 certificate from Bureau Veritas Quality International (BVQI)
2002	Songkhla Metal Drum Co., Ltd. obtained ISO 9001 Version 2000 certificate from SGS Yardley International Certificate Services (SGS)
2003	The Pet Co., Ltd. obtained ISO 9001 version 2000 certificate from Bureau Veritas Quality International (BVQI) The Pet Co., Ltd. established Eastplast Co., Ltd. to produce and distribute PET bottles and plastic bottle cap where the plant is located in Nikompattna, Rayong province. Eastplast is wholly owned by The Pet Co., Ltd. while the Company has increased its shares in The Pet Co., Ltd. from 75% to 80% by acquiring common shares from the existing shareholders.

2006	The Company had purchased new production line of 200 litre steel drum and was obtained a privilege from the Board of Investment (BOI). The Company had relocated the factory to the Wellgrow Industrial Estate and discontinued the production at the Chongnonsee factory.
2008	Obtained ISO14001:2004 environment management system from United Registrar of Systems (Thailand) Ltd. (URS).
2009	The PET Co., Ltd. Obtained Food Safety Certification (GMP) from Bureau Veritas Quality International (BVQI).
2011	The PET Co.,Ltd. had branched another factory for manufacturing PET bottle in Amphur Muang, Suratthani province.
2013	The Company had increased its production capacity of 210 litre steel drum by purchasing the new production line (2 nd line) that was obtained a privilege from the Board of Investment (BOI). The Company had changed par value of ordinary share originally from 10.00 Baht per share of total paid registered capital of Baht 150 million to 1.00 Baht per share, resulting in an increase of number of ordinary share to 150 million shares. The Company had registered the change of par value to the Ministry of Commerce.
2014	Eastplast Co.,Ltd which the PET Co., Ltd. holds share of 99.99% increased its capital registered to Baht 12 million in order to cater for expansion of new machinery located at the new branch in Suratthani province and was promoted by the Board of Investment (BOI).
2015	Eastplast Co.,Ltd has increased its capital registered to Baht 20 million.

OVERVIEW OF BUSINESS NATURE OF THE COMPANY GROUP

Nature of business of the Company and its Subsidiaries can be divided into the following products and services:

1. Packaging Industry
 - 1.1 Metal Drum
 - 1.2 Plastic Product which can be classified into 4 types:
 - Plastic Produce- from PET (raw material), for example PET Bottle
 - Plastic Produce- from PP (raw material), for example Poly Board
 - Plastic product, for example plastic plugs
 - Product made of HMW HDPE (High Molecular Weight High Density Polyethylene) for example 200 Litre plastic drum
2. Office for rent at Lake Rajada Office Complex

3.3 SHAREHOLDER STRUCTURE OF THE COMPANY

Shareholder structure of the company is illustrated as below.

Company's subsidiaries	Nature of business	Registered capital (million baht)	Share holding (%)
Songkhla Metal Drum	Manufacturer and distributor of metal drums	20	80
The Pet Co., Ltd.	Manufacturer and distributor of Plastic Products	70	79.99
Surat Metal Drum Co., Ltd.	Trading	20	99.99
Lake Rajada Co., Ltd.	Trading	40	99.99
Eastplast Co., Ltd.	Manufacturer and Distributor of Plastic Products	20	79.99

3.4 BUSINESS RELATION WITH THE GROUP OF MAJOR SHAREHOLDERS

None

4. TYPE OF PRODUCTS AND NATURE OF BUSINESS

STRUCTURE OF REVENUE

Details of revenue structure of The Company and its subsidiaries is as follows:

Unit : Million Baht

Type of Product	2016		2015		2014	
	Income	%	Income	%	Income	%
Metal Drum	1,115.78	54.29	1,051.44	53.28	1,210.27	61.76
Plastic Product	878.00	42.73	866.37	43.90	693.85	35.40
Rent and Service	61.32	2.98	55.61	2.82	55.69	2.84
Total	2,055.10	100.00	1,973.42	100.00	1,959.81	100.00
Less Related Transaction	112.69	-	73.41	-	37.65	-
Total Value add	1,942.41	-	1,900.01	-	1,922.16	-

4.1 DESCRIPTION OF PRODUCT OR SERVICE

1. PACKAGING INDUSTRY

Metal drum

The core business of the Company is to produce 200-litre metal drum for containing lubricant, chemical products, fruit juice and rubber latex. Majority of the customers are located in Bangkok and suburban areas. The Company's operation does not vary seasonally due to its various groups of customers resulting in stable average sales each month. Conversely, the sales of the Songkhla Metal Drum, the subsidiary whose major customers are rubber latex producers will vary seasonally according to the demand of rubber latex from China.

Plastic product can be divided into 4 types

1) Plastic Produce- From PET (raw material)

The subsidiary company is in the business of producing PET plastic bottle for containing carbonated water, drinking water and vegetable oil by joint venture with Serm Suk Public Company Limited who is the major user. The products produced and sold are PREFORM tubes for blowing bottles and 0.25-2 litre PET plastic bottles.

2) Plastic Product- From PP (raw material)

The subsidiaries company produces poly board to be used as raw material for various forms of goods, i.e. packaging for industrial application, advertising board, display board as well as stationery business and others.

3) Plastic product

The subsidiary company is the manufacturer of plastic plugs used for sealing PET bottles and other plastic products.

4) Product made of HMW HDPE (High Molecular Weight High Density Polyethylene)

The Company's subsidiary is the manufacturer of 200 litre plastic drum to contain chemical product and others.

2. OFFICE BUILDING FOR RENT

The Company has acquired office spaces in Lake Rajada Office Complex, a Grade-A office building in the business area located on Rachadapisek Road (Sukhumvit - Rama 4) with the total area of 9,103 sq.m. The total space amount to 51,730 square meters comprising spaces for office rental and commercial shops. The Company has a total rentable space of 8,786 sq.m. ranging from a size of 80 sq.m. to 1,400 sq.m. The rest of spaces are used to locate the head office of the Company.

4.2 INDUSTRY ENVIRONMENT, COMPETITION, AND CHANGES OVER THE PAST YEAR

Metal Drum Product

Cold rolled steel price in 2016 fluctuated considerably which the price dropped significantly in the 1st quarter of the year but it began to rise sharply in the 3rd quarter and in the 4th quarter of the year. There is a sign that the steel price in 2017 is expect to rise constantly. This is due to an increase in raw material price such as iron ore and coking coal as well as the rebound in demand for steel owing to the several government projects.

In 2016, the steel drums demand both from the chemical and petroleum sectors remained high. During the past year, the Company won the bidding for this group which resulted in a substantial increase in sales volume but the unit price decreased. The demand of steel drum from the agricultural sector dropped due to a decline in demand of steel drum to contain natural latex.

In addition, the Company and its subsidiaries remains focusing on monitoring the steel price closely including managing the stock of the material as appropriated and also paying an importance on production enhancement at every step. As a result, it helps reducing loss from production process and also lower the production cost. The Company and its subsidiaries put a great effort to manufacture products to meet with customer's requirement and with the international standard in term of quality, price and the before and after sales service. Consequently, the Company and its subsidiaries gained an increase in revenue from sales of steel drum by 6.12 percent comparing to the past year.

Plastic Product

The demand of PET bottles to contain drinking water of the Company's major customer has changed from purchasing from outsource suppliers to allow the PET bottles manufacturer to install their production facilities of PET bottles at the factory of the customers in order to reduce the transportation cost, wages and the packaging cost. As a result of this change, it enabled the company to drive more sales volume continuously especially at the factory in Suratthani and the factory of customers where the company had installed PET bottles production facilities to cater for rising demand of PET bottles in Southern area. The sales volume of PET bottles to contain carbonate drink in 2016 is similar to the previous year but due to the high competition in pricing and the fluctuation of the raw material, these factors resulted in a decline in the net profit.

Price competition in Polyboard has continued to persist, especially among major customers as their product quality has not been uniquely different from one another. In addition, price of raw material of this product has been fluctuating considerably. As a result, pricing of this product is considered risky. Therefore, manufacturers and distributors have to maintain their customer and service quality to achieve the highest standards through constantly re-engineering the production process and modernizing machinery to improve productivity and reduce production loss.

Office Space for Rent

The Bangkok office market performed well over the year of 2016, with limited new supply and healthy take up driving rental growth and further reducing low vacancy rates.

In 2016, most tenants still renewed the Lease Agreement with the Company for another term. Although some tenants moved out at the end of the contract but the Company could find a replacement in a short period with an increase in the rental fee. This is due to the fact that Lake Rajada Office is located in the best location in the business area and closed to the BTS sky train and MRT station coupling with the good building management. Thus, this had made the Lake Rajada Office Complex the good choice for tenants.

The Company and its subsidiaries gained revenue from rent and service in 2016 with the total amount of Baht 61.32 million, an increase of Baht 5.71million or 10.26% comparing to the previous year. The Company and its subsidiaries had rented out at 97% of the total 8,786 sq.m. rental space.

5. RISK FACTORS

5.1 FLUCTUATION OF RAW MATERIAL PRICE

Fluctuation in cold rolled steel price is still considered the key risk factor toward the metal drum business because the cold rolled steel is the major raw material for drum manufacturing and accounted for 75% of the total production cost. To cushion with this risk, the Company has conducted price comparison every time when purchasing raw material in order to select the source with the best price and condition and meet with the quality required. In addition, the Company has placed an important on the regular surveillance of steel price movement as this is the useful information on the management of stock inventory to have enough raw materials with the suitable quantities at the right time.

5.2 CHANGES IN PURCHASING POLICY OF THE CUSTOMERS

Since some of the major company's customers had changed the purchasing method to combine the quantities of steel drum from the group of the company so that there would become a big volume of packaging for supplier to submit the best offer. In addition, the customer determines the formula for steel drum price adjustment by referring to the steel price index set by the customer. This could be a high risk for being unable to adjust the selling price of steel drum following to the steel price the company had purchased. Besides, there would be a high chance that the customer would select only single supplier of packaging in order to receive the lowest bid price in a designated delivery time. Some manufacturers therefore, choose to adopt a price cutting strategy. Consequently, there would be a chance that affects toward sales and profitability of the company in the future.

5.3 RISK FROM BEING CONTROLLED IN THE GENERAL MEETING BY MAJOR SHAREHOLDERS

A group of majority of shareholders of the company, namely Charanvas consisted of Mr.Nibhond Charanvas, Mr.Nate Charanvas, Miss Savitree Charanvas and Mr. Nop Charanvas (collectively called "the Majority shareholders) who are the same group of shareholders, holding shares accounted for 47.76 percent of the company's total issued shares and some of them are the executives and directors who have signing authority of the company. As a result, they are the authority who manages and nearly controls the crucial majority votes in engaging in other matters requiring approval by the majority of the general meeting with the exception of laws and company's regulations requiring three-fourth of the number of shareholders attending the meeting and having the voting rights. Therefore, the other shareholders who attend the meeting and have the voting rights may not gather the votes to counterbalance the management of the majority shareholders.

However, the management structure of the company is comprised of the board of directors, the audit committee and the nomination and remuneration committee. The duties and responsibilities of each committee are clearly set. In addition, the Chairman of the Company and the audit committee are the independent directors who are knowledgeable in operating business, understanding financial statement and report which have an ability to perform duties systematically, transparently and accountably

6. SHAREHOLDERS STRUCTURE AND DIVIDEN PAYMENT POLICY

6.1 TOTAL REGISTERED CAPITAL AND ISSUED & PAID CAPITAL

As of 31 December 2016, the Company has the total registered capital with the amount of Baht 150 million which had already been paid, dividing into the common share with the amount of 150,000,000 shares. The par value is 1 Baht per share.

6.2 LIST OF 10TH MAJOR SHAREHOLDERS

Name of Shareholders	Number of Share*	% of Shareholding
1. Mr.Nate Charanvas	48,952,910	32.635
2. Mr.Nibhond Charanvas	14,632,260	9.755
3. The Navakij Insurance Public Co., Ltd.	13,601,600	9.068
4. Mr.Yongyut Charanvas	13,473,520	8.982
5. Rangsit Ruampattana Co., Ltd.	6,435,000	4.290
6. Miss Savitree Charanvas	4,556,000	3.037
7. Mr.Supachai Suthipongchai	3,822,000	2.548
8. Mr.Nop Charanvas	3,493,000	2.329
9. Miss Koeka Takeuchi	2,900,000	1.933
10. Thai NVDR Co., Ltd.	2,893,400	1.929

Remark : Percentage of shareholding was shown as of the last closing of registration book which was on March 15, 2016
Shareholders ranking no. 1, 2, 6 and 8 are in the same group of shareholders.

6.3 ISSUANCE OF OTHER SECURITIES

None

6.4 DIVIDEND PAYMENT POLICY

The Company and its subsidiaries have policies to pay out dividend no less than 40% of net profit of the Company's separate financial statement excluding extraordinary items on the condition that there is no accumulated loss brought forward. In 2016, the Company approved the dividend payment at Baht 1.10 or equivalent to Baht 165,000,000.00 totally or 71.85% of the net profit of the Company's Separate Financial Statement of year 2015.

7. MANAGEMENT STRUCTURE

7.1 BOARD OF DIRECTORS

Consist of 11 persons as the Board of Directors as follows :-

1.	Mr.Nibhond	Charanvas	Honorary Chairman
2.	Mr.Sukit	Wanglee	Chairman & Independent Director
3.	Mr.Suchin	Wanglee	Vice Chairman
4.	Mr.Vivat	Charanvas	Director
5.	Mr.Anurat	Tiyaphorn	Director
6.	Mrs.Achriyar	Pattanawong	Independent Director
7.	Mr.Nate	Charanvas	Managing Director
8.	Mrs.Wanida	Chansikarin	Independent Director
9.	Mr.Somchai	Jongsirilerd	Director
10.	Mr.Anin	Wanglee	Independent Director
11.	M.L.Chintat	Jombunud	Director & Company's Secretary

Board of Directors, is responsible to oversee the business operation, within the set of laws, and the company objectives and rules. It establishes company policies and operating directions as well as regulates and controls the operations according to the delegated policies. The Committee makes decisions to maximize the benefits and security of firm and the shareholders. The Company has established effective internal control, internal audit, and risk management systems, as well as constantly monitoring the business operation through the Audit Committee who provides reports to the Board of Directors in every meeting.

The Board of Directors' Meeting

In 2016, the Board of Directors had set up 6 times of ordinary meetings. In order to comply with good corporate governance policy, the Company determined at least 6 times per year of ordinary meetings for the Board of Directors so as to build more confidence that the Board of Directors could closely follow up the operation of the Company more effectively. One of the six meetings will be held without the presence of the Company Executives so that the Boarding of Director could freely express their opinion on the problem of the Management. Besides, an extraordinary meeting can be held as necessary or needed. In every meeting, the Company Secretary will send a meeting invitation with the detail of agenda to the Board of Director at least 7 days before the meeting date. Normally, each meeting will last 2 to 3 hours. The meeting attendance of company directors in 2016 can be summarized as below.

Name of Director			Meeting Attendance / Total Number of Meeting (Times)	
			Meeting with the presence of all members	Meeting with the absence of Executive Director
1.	Mr.Nibhond	Charanvas	2/5	1/1
2.	Mr.Sukit	Wanglee	5/5	1/1
3.	Mr.Suchin	Wanglee	5/5	1/1
4.	Mr.Vivat	Charanvas	5/5	1/1
5.	Mr.Anurat	Tiyaphorn	5/5	1/1
6.	Mrs.Achriyar	Pattanawong	5/5	1/1
7.	Mr.Nate	Charanvas	4/5	-
8.	Mrs.Wanida	Chansikarin	5/5	1/1
9.	Mr.Somchai	Jongsirilerd	5/5	-
10.	Mr.Anin	Wanglee	5/5	1/1
11.	M.L.Chintat	Jombunud	5/5	-

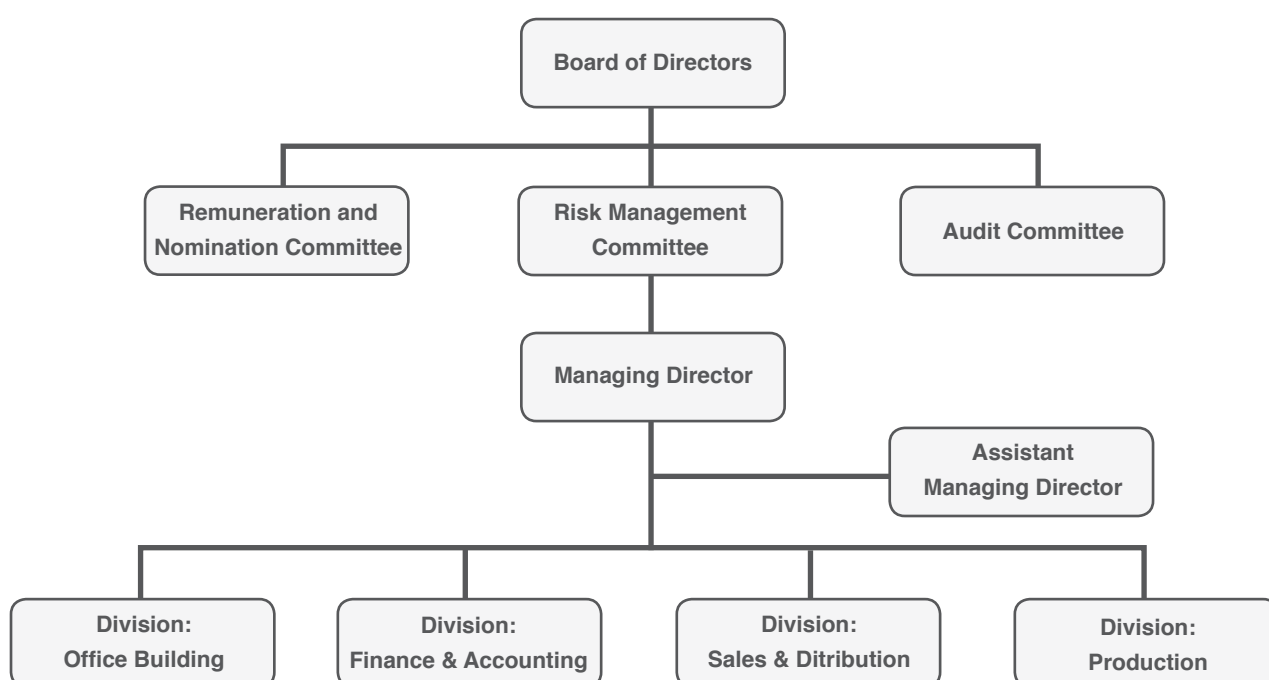
Minutes to the meeting have been prepared in writing and minutes approved by Board are documented and readily accessible for audit by the Board of Director and related parties.

7.2 MANAGEMENT TEAM

Management team and the Company's secretary is listed below:

1.	Mr.Nate	Charanvas	Managing Director
2.	Mr.Somchai	Jongsirilerd	Assistant Managing Director
3.	M.L.Chintat	Jombunud	Accounting & Finance Manager and Company's Secretary
4.	Mrs.Suwaporn	Nansurakit	Office Manager
5.	Mr.Wiboon	Wattanaputti-preut	Plant Manger
6.	Mr.Panya	Pattarayutawat	Sales Manager

Organization chart of the Company



7.3 COMPANY SECRETARY

The Company had appointed M.L.Chintat Jombunud to be the Company Secretary as per the resolution of the Board of Director's Meeting No: 2/2551, effective from 1 July 2008 which the responsibility includes preparing agenda and documents for the Shareholders and Board of Directors Meetings, keeping registrations of directors and other document of the Company as required by laws, providing the Company and the Board of Directors with legal, regulatory, and practice required by related institutions such as The Stock Exchange of Thailand, The Securities and Exchange Commission etc. In addition, the Company's secretary has duty and responsibilities toward company's shareholders such as building relationship with shareholders, responding to any query including considering any request or proposal from the shareholders and report all shareholders' requests to the Board of Director and the Company Executive Directors. In addition, the Company's secretary would act in liaising between shareholders and the Board of Director and the Company Executive Directors. Shareholders or anyone who wish to contact the Company's Secretary, please contact him at 02-264-0826 or fax at 02-264-0820, email address: chintatj@thaimetaldrum.com.

Below table is illustrating detail of Board of Directors and Executive Management.

No.	Name-Surname Position/Appointment date	Age (years)	No of shares Holding (as of 15 Mar 2016)	Education	Working experience/ Training Directors
1.	Mr.Nibhond Charanvas Honorary Chairman 1 January 1965	86	14,632,260	Bachelor Degree in Business Administration from Temple University, Philadelphia, U.S.A	<ul style="list-style-type: none"> - Director, City Sports Recreation Plc - President, Pimalai Resort & Spa Co., Ltd. - Attending Director Accreditation Program (DAP) year 2004
2.	Mr.Sukit Wanglee Chairman & Independent Director 4 October 1989	86	273,000	Bachelor Degree in Mechanical Engineering from Leicester College, England	<ul style="list-style-type: none"> - Chairman, Rojana Industrial Park Plc - Chairman, Poon Phol Co., Ltd. (permanent) - Chairman, Pipatanasin Co., Ltd. - Vice Chairman, Loxley Public Co., Ltd. - Attending Director Accreditation Program (DAP) year 2004
3.	Mr.Suchin Wanglee Vice Chairman, Remuneration and Nomination Committee Chairman 4 October 1989	80	1,331,600	Bachelor Degree in Electrical Engineering from Northop Institute of Technology, U.S.A	<ul style="list-style-type: none"> - Audit committee/Independent Director/ Remuneration & Nomination committee of BTS Group Holding Plc - Chairman of the Remuneration and Nomination Committee/Vice Chairman/ Independent Director/Audit committee, Serm Suk Plc - Chairman, Navakij Insurance Plc (permanent) - Chairman, Thaire Life Assurance Plc - Chairman, Thai Reinsurance Plc - Chairman/Advisor, Falcon Insurance Plc - Independent director, Varopakorn Plc - Independent director, Thai-German Ceramics Industry Plc - Director, Rajadamri Hotel Plc. - Chairman, Rangsit Plaza Co., Ltd. - Chairman, Sathorn Thani Co., Ltd. - Director, Aqua Infinite Co., Ltd. - Director, Wanglee Pattana Co., Ltd. - Director, Nuchapon Co., Ltd. - Director, Thai-Petchaboon Co., Ltd. - Attending The Role of Chairman (RCM4/2001) - Attending Director Accreditation Program (DAP 105/2013)

No.	Name-Surname Position/Appointment date	Age (years)	No of shares Holding (as of 15 Mar 2016)	Education	Working experience/ Training Directors
4.	Mr.Vivat Charanvas Director, Risk Management Chairman, Remuneration and Nomination Committee Director 4 October 1989	68	435,000	Bachelor Degree in Business Administration from California State University, U.S.A.	<ul style="list-style-type: none"> - Chairman, Progress Watch Co., Ltd. - Chairman, Songkhla Metal Drum Co., Ltd. - Director, The PET Co., Ltd. - Director, Montien Riverside Hotel - 1997-2006: - Managing Director, Siam Food Public Co., Ltd. - Attending The Role of Chairman (2002) - Attending Director Certification Program (DCP) Year 2002 - Attending Effective Audit Committee (2002) - Attending Board and CEO Assessment (2002)
5.	Mr.Anurat Tiyaphorn Director, Remuneration and Nomination Committee Director 4 October 1989	65	6,660	<ul style="list-style-type: none"> - Bachelor Degree in Law (Honor) from Chulalongkorn University - Master Degree in Specialize in Corporate & Commercial Law From New York University 	<ul style="list-style-type: none"> - Director, Baker & McKenzie Co., Ltd. - Director, United Standard Terminal Plc - Executive Director, Pimalai Resort & Spa Co., Ltd. (permanent) - Director, Malaiwadee Co., Ltd. - Director, NCAT Co., Ltd. - Managing Director, Power And Property Development Co., Ltd.
6.	Mrs.Achriyar Pattanawong Audit Committee Director, Independent Director 26 June 2002	78	-	Bachelor Degree in Economics From Thammasart University	<ul style="list-style-type: none"> - in 2002: Advisor to Executive Office, Bangkok Bank Public Co., Ltd. - in 1994-2001: Executive Vice President Bangkok Bank Public Co., Ltd. - Attending Audit Committee Program (ACP) 2006 - Attending Director Accreditation Program (DAP) 2004
7.	Mr.Nate Charanvas Director, Risk Management Director, Managing Director 4 October 1989	54	48,952,910	Master Degree in M.B.A. from University of New Haven	<ul style="list-style-type: none"> - Director, Songkhla Metal Drum Co., Ltd. - Director, The PET Co., Ltd. - Attending Director Accreditation Program (DAP) 2003
8.	Mrs.Wanida Chansikarin Audit Committee Director, Independent Director 4 October 1989	55	10,000	Bachelor Degree of Science in Accounting from Rajamangala University of Technology	<ul style="list-style-type: none"> - Vice President Accounting Department of Sathorn Thani Co., Ltd. (permanent) - Attending Director Accreditation Program (DAP) 2004 - Attending Audit Committee Program (ACP) 2006

No.	Name-Surname Position/Appointment date	Age (years)	No of shares Holding (as of 15 Mar 2016)	Education	Working experience/ Training Directors
9.	Mr.Somchai Jongsirilerd Director, Risk Management Director, Deputy Managing Director 29 April 1996	59	46,000	Master Degree in M.B.A. from University of Detroit, U.S.A.	- Director, The PET Co., Ltd. (permanent) - Director, Songkhla Metal Drum Co., Ltd. - Attending Director Accreditation Program (DAP) 2004
10.	Mr.Anin Wanglee Audit committee Director, Independent Director 22 Jun 2015	37	7,000	Master Degree in M.B.A from Sasin Graduate Institute of Business Administration, Chulalongkorn University	- Senior Vice President at Navakij Insurance Public Co., Ltd. (permanent) - Attending Director Accreditation Program (DAP) 2015
11.	M.L.Chintat Jombunud Director, Accounting & Finance Manager, Company's secretary 26 April 2004	57	-	Bachelor Degree in Accounting & Finance from the University of the Thai Chamber of Commerce	- Director, The PET Co., Ltd. - Director, Songkhla Metal Drum Co., Ltd. - Attending Director Accreditation Program (DAP) 2004
12.	Mrs.Suwaporn Nansurakit Office Manager, Secretary to Honorary Chairman 29 January 2006	44	-	Master Degree in Inter Business And Management from Westminster University, U.K.	- 2005: Asst. Marketing Director, British American Tobacco Thailand Co., Ltd.
13.	Mr.Wiboon Wattanaputtiwong Plant Manager 17 January 2007	45	-	Master Degree in Engineering Management from Griffith University, Australia	- 2006: Production Manager, Smartrac Technology Co., Ltd. - 2005-2006: Production Manager, Cobra International Co., Ltd. - 2004-2005: Factory Manager, PPC Asian Insulator Co., Ltd.
14.	Mr.Panya Pattarayutawat Sales Manager 1 January 2003	44	-	Master Degree in M.B.A. from Ramkhamheang University	- 2001-2002: Asst. Sales Manager

Remark: 1. Director ranking number 1-11 are the directors who are the authorized person to sign their names in performance of the acts that bind the company as stipulated in Company Affidavit.

2. Director and Executive Management ranking number 1-14 (all members) have no record of punishment from being guilty in violating the Securities and Exchange Act B.E.2535 and / or Derivatives Act B.E.2546 in the past 5 years (year 2012-2016).

7.4 REMUNERATION FOR DIRECTORS AND THE MANAGEMENT

1. Monetary Remuneration

(a) Remuneration package for Directors:

The Company has set the policy of remuneration for Directors clearly and transparently. In 2016, the Board of Director has proposed at the shareholder meeting to consider for the remuneration in form of meeting allowances and Annual gratuity for the Directors as detail below:

- Detail of remuneration in form of meeting allowances in 2016 (same as the previous year)

1. Chairman/Honorary Chairman	40,000 Baht/time
2. Vice Chairman	30,000 Baht/time
3. Director	20,000 Baht/time
4. Audit Committee Chairman	30,000 Baht/time
5. Audit Committee Director	25,000 Baht/time
6. Remuneration & Nomination Chairman	30,000 Baht/time
7. Remuneration & Nomination Director	20,000 Baht/time
8. Risk Management Chairman	30,000 Baht/time
9. Risk Management Director	20,000 Baht/time
- Annual gratuity for the Directors with the amount of 8,250,000 Baht (increasing 10% from the previous year) which would be allocated by the Board of Director.

In 2016, the total remuneration package for the Board of Directors, the Audit Committee, the Remuneration and Nomination Committee, received from the Company is in the form of meeting allowance and gratuity, for 12 directors in total of Baht 9,920,000 increasing from the previous year with the amount of 1,050,000 Baht or an increase of 11.84% which details has shown below:

			Baht		
Directors' names		Position	Meeting Allowance (THB)	Gratuity Fee (THB)	Other benefit
1	Mr.Nibhond Charanvas	Honorary Chairman	80,000	1,222,222	none
2	Mr.Sukit Wanglee	Chairman and Independent Director	200,000	1,222,222	none
3	Mr.Suchin Wanglee	Vice Chairman and Remuneration & Nomination Committee Chairman	180,000	916,668	none
4	Mr.Vivat Charanvas	Risk Management Chairman Director and Remuneration & Nomination Committee Director	150,000	611,111	none
5	Mr.Anurat Tiyaphorn	Director and Remuneration & Nomination Committee Director	120,000	611,111	none
6	Mrs.Achriyar Pattanawong (Elected on 22 June 2015)	Independent Director and Audit Committee Chairman	220,000	611,111	none
7	Mr.Nate Charanvas	Managing Director Risk Management Director	100,000	611,111	none
8	Mrs.Wanida Chansikarin	Independent Director and Audit Committee Director	200,000	611,111	none
9	Mr.Danai-Thanit Bisalputra (Resigned on 22 Jun 2015)	Independent Director and Audit Committee Chairman	-	305,555	none
10	Mr.Somchai Jongsirilerd	Director and Asst. Managing Director Risk Management Director	120,000	611,111	none
11	Mr.Anin Wanglee (Elected on 22 June 2015)	Independent Director and Audit Committee Director	200,000	305,555	none
12	M.L.Chintat Jombunud	Director and Accounting & Finance Manager	100,000	611,111	none
TOTAL			1,670,000	8,250,000	-

- b) Remuneration of the Executive Management: For the remuneration of the Executive Management, the Board of Directors has nominated Remuneration and Nomination Committee, comprising 3 persons to consider and set the appropriate remuneration package for the Executive Management taking into consideration the company's business operation result and bring it to the Board of Director for approval.

The total remuneration package for the Executive Management received from the Company is the form of monthly salary and benefits in cash, for 6 persons in total of Baht 14,959,750 increasing from year 2015 with the amount of Baht 1,464,200 or 10.85%.

2. Other Remuneration

In the year 2016, the social security fund together with the provident fund contribution for the Management, as the Company's employees, has amounted to Baht 751,260 together with the Company's car provided for the position.

7.5 PERSONNEL

The Company has employed 182 persons in total as of 31 December 2016 and has the employee's expenses with the total amount of Baht 65.54 million, comprising of Salary, Bonus, other fringe and benefit including provident fund. The Company has a policy to provide both in-house and outside training to the employees at every level in order to improve their effectiveness constantly.

8. CORPORATE GOVERNANCE

8.1 CORPORATE GOVERNANCE POLICY

The Board of Directors realizes the importance of the principles of good corporate governance as a major tool in leverage the standard of the company management system, ensuring transparency in operating business, boosting the Company's competitiveness and building confidences and trust among shareholders, investors and all relevant parties. The Board of Directors has determined the policy and defined strategic direction in compliance with the principle of good corporate governance set by laws. In addition, the Company has put in place the policy of good corporate governance as well as the ethics for board of committees and directors in written which had already been approved by the Company Board of Directors at the resolution of the 4/2004 Board Meeting dated 8 December 2004 and been published to all relevant concerned to follow as listed below:

- The Board of Directors shall treat every shareholders and stakeholders equally and fairly in accordance with their legal rights.
- The Board of Directors shall be committed to create added value and sustainable growth of the business for long term as well as operate business with prudent and carefulness in accordance with the relevant regulations and laws. The Board of Directors shall perform their duty with full capability and effectively in order to generate the maximum benefits to the shareholders. In addition, the Board of Directors shall oversee and resolve any potential conflict of interest and being responsible for their own decision.
- The Board of Directors shall operate business with transparency and can be examined as well as disclosing adequate information timely and accurately to all parties concerned.
- The Board of Directors shall consider any potential risk factor when operating business and shall have appropriate, efficient risk management processes and systems in place.
- The Board of Directors has formulated the Company's business ethics and code of conducts for the Directors, Executive management and employees to adhere to.

- **Business Ethics**

The Company's code of ethics has been set for the committee, the management and employees in written form to follow. In addition, guideline and rules on working practice have been documented into a manual, which covers all working guidelines and disciplinary and punishment actions. The guidelines and rules are communicated to employees for understanding and acknowledgement in the new employee orientation and the Company has prepared a confirmation document on conflict of interest for management at all levels to officially sign for acknowledgement as mentioned in the subject on conflict of interest.

- **Code of Ethics for the Board of Directors and Executive Officers**

In order to comply with the good corporate governance practice ruled by SET, the company has set a guideline for the Directors and Management to follow as set out below:

1. To carry out their duty in comply with all laws, the objectives and the regulation of the Company as well as the shareholders' resolutions.
2. To operate the business with integrity and honesty at all times in order to maximize the benefits for the Company, shareholders and employees.
3. To avoid any possible conflict of interest when performing their duty so as to carry out duty with fullest capability and efficiency. The above mentioned interests include:
 - Refrain using their positions for personal gain
 - Not hold the position in rival companies
 - Not engage in any conduct or activities that the Company enters into a business or contractual relationship
 - Not use inside information of the Company for its own interest
4. To perform their duty with care and prudent and not to create conflict of interest.
5. To perform their duty with full capability to maximize the ultimate benefit for the Company.
6. To commit to prevent and eradicate any type of corruption which must be done rapidly, clearly and strictly.
7. To refrain from seeking illegitimately benefit direct and indirectly way.
8. To be independent in term of both making decision and action including the justification of the decision made by the Board of Director and Management Executive.

8.2 BOARD OF DIRECTORS

Management Structure is comprised of 4 sets of Board of Directors as follow:

1. The Company's Board of Directors
2. Audit Committee
3. Remuneration & Nomination Committee
4. Risk Management Committee

1. The Board of Directors

The Board of Directors comprising of 11 Directors are responsible to oversee the business operation, within the set of laws, and the company objectives and rules. It establishes company policies and operating directions as well as regulates and controls the operations according to the delegated policies. The Committee makes decisions to maximize the benefits and security of firm and the shareholders. The Company has established effective internal control, internal audit, and risk management systems as well as constantly monitoring the business operation through the Audit Committee who provides reports to the Board of Directors in every meeting.

2. Audit Committee

The Audit Committee has to take a position of 3 years term comprising of 3 committee members. All of them are independent Directors and two of them have the knowledge and background in reviewing financial report. Names of Audit Committee are shown below:

List of Audit Committee

1.	Mrs.Achriyar	Pattanawong	Audit committee Chairman
2.	Mrs.Wanida	Chansikarin	Audit Committee Director
3.	Mr.Anin	Wanglee	Audit Committee Director
	Accounting & Finance Manager		Audit Committee's Secretary

The Audit Committee meetings are held regularly once every quarter and report to the Board of Directors.

The Audit Committee is responsible to:

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 review the independence of the outsource internal auditor as well as to approve the appointment of the outsource internal auditor in charge of the Company's internal audit.
3. to review the Company's operations being in compliance with the laws on Securities and Exchanges, the regulations of the Stock Exchange of Thailand, the other laws relating to the Company's business.
4. to consider, select and nominate 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 an 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 Stock Exchange's regulations and are reasonable and for the utmost benefit of the Company.
6. to prepare the audit committee's report, and to disclose it in the Company's annual report which must be signed by the audit committee's chairman and consist of at least the following information:
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report;
 - (b) an opinion on the adequacy of the Company's internal control system;
 - (c) an opinion on the compliance with the laws on Securities and Exchange, the regulations of the Stock Exchanges of Thailand, or the other laws relating to the Company's business;
 - (d) an opinion on the suitability of an auditor;
 - (e) an opinion on the transactions that may lead to conflicts of interests;
 - (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member;
 - (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with charter, and
 - (h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subjected to the scope of duties and responsibilities assigned by the Company's Board of Directors.
7. to perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee.

The meeting attendance of the Audit Committee can be summarized as below.

Name		Meeting Attendance/Total Number of Meeting (Times)
1. Mrs.Achriyar	Pattanawong	4/4
2. Mrs.Wanida	Chansikarin	4/4
3. Mr.Anin	Wanglee	4/4

In the 3rd Audit Committee Meeting of year 2016, held on 25 August 2016, this audit committee Meeting with the Company's auditor was held in an absence of the Company's Management.

(3) Remuneration and Nomination Committee

The Remuneration and Nomination Committee was established comprising of 3 members with the following names.

List of Remuneration and Nomination Committee

- | | | |
|--------------|-----------|--|
| 1. Mr.Suchin | Wanglee | Remuneration and Nomination Committee Chairman |
| 2. Mr.Anurat | Tiyaphorn | Remuneration and Nomination Director |
| 3. Mr.Vivat | Charanvas | Remuneration and Nomination Director |

The Remuneration and Nomination Committee has a duty to consider and propose policies and guidelines in setting remunerations of Directors, Managing Directors, and members of the sub-committees as well as having a duty on nominating candidates for the replacement of the Directors and Executive Directors in case of vacancy and propose to the Board of Directors for approval. In 2016, the 2 meetings of the Remuneration and Nomination Committee were held.

The meeting attendance of the Remuneration and Nomination Committee can be summarized as below.

Name		Meeting Attendance/Total Number of Meeting (Times)
1. Mr.Suchin	Wanglee	2/2
2. Mr.Anurat	Tiyaphorn	2/2
3. Mr.Vivat	Charanvas	2/2

(4) Risk Management Committee

The Risk Management Committee was established by the resolution of the Board of Director's Meeting held on 16 December 2015. The Risk Management Committee will have the office term of three years and is comprised of 3 Directors as below:

- | | | |
|---------------|--------------|--------------------------|
| 1. Mr.Vivat | Charanvas | Risk Management Chairman |
| 2. Mr.Nate | Charanvas | Risk Management Director |
| 3. Mr.Somchai | Jongsirilerd | Risk Management Director |

The Risk Management Committee has to perform its duties and responsibilities as below:

- Assessing, determining, reviewing and presenting risk management policy and framework to the Board of Directors for approval.
- Regulating and supporting risk management process to be in line with strategy and business goal including changing situations.
- Coordinating with the Audit Committee about significant risk factors to ensure that the company has an appropriate internal audit system to manage possible risk and system must be adopted throughout the organization.
- Continually reporting to the Board of Directors on significant risks and risk management solution.
- Recommending and advising the Sub-Risk Management Committee and / or the parties concerned or the relevant working committees about significant risk and risk management as well as evaluate the appropriate means to improve various databases that are related to the development of risk management solutions.
- The Risk Management Committee has to hold a meeting when seen as appropriate or at least 1 time a year.
- Executing other activities that pertain to risks management as assigned by the Board of Directors.

The meeting attendance of the Risk Management Committee can be summarized as below.

Name		Meeting Attendance/Total Number of Meeting (Times)
1. Mr.Vivat	Charanvas	1/1
2. Mr.Nate	Charanvas	1/1
3. Mr.Somchai	Jongsirilerd	1/1

8.3 NOMINATION AND APPOINTMENT OF DIRECTOR AND MANAGEMENT

1. Appointment of Independent Directors

For the appointment of Independent Directors and Audit Committee members, the Board of Directors will consider to appoint appropriate persons, through the selection process conducted by the Remuneration and Nomination Committee which the qualification of the candidate must comply with the definitions of the Independent Director of the Company.

Definitions of Independent Director of the Company

Independent Director of the Company shall not conduct any business, not participate in administration, or not have any benefit related to the Company which may interfere his/her independent decision and must have the following qualifications:

1. Holding shares not exceeding 0.5 percent of the total number of shares with voting rights of the Company, its parent company, subsidiary, affiliate, major shareholders or controlling person, including shares held by related persons of such Independent Director.
2. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary company, major shareholder or controlling person, unless foregoing status has ended not less than two years prior to taking the independent dictatorship.
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child of other executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company.
4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in the manner which may interfere with his/her independent decision, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, affiliate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to taking the independent dictatorship.

The Term “business relationship” under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or the counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences.

5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, affiliate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to taking the independent dictatorship.
6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million Baht per year from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to taking the independent dictatorship.

7. Not being a director appointed as representative of Directors of the Company, major shareholder or shareholder who is related to major shareholder.
8. Not conducting any business in the same nature and in competition to the business of the Company or subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which conducts business in the same nature and in competition to the business of the Company or its subsidiary company.
9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.
10. The Independent Director must be appointed by the Board of Directors of the Company or the Board of Remuneration and Nomination.

Besides, the qualifications of Independent Director of the Company shall be applicable to any revision or relaxation of the qualifications of Independent Director as required by the Capital Market Supervisory Board or by SEC.

2. Nomination and Appointment of Director and Management

The appointment of company director requires resolution from the shareholders meeting, which the Remuneration and Nomination Committee will nominate candidates to the Board of Directors for consideration. After having passed resolution by the Board of Directors, Chairman will propose the selected candidates to the Shareholder at the shareholders meeting. In the voting, the persons with the largest numbers of votes and subsequent orders will be selected, on the basis that each shareholder has one vote for one share being held. Director election should utilize a process in which shareholders are able to vote on individual nominee. The details and background of the Director nominated will be sent and enclosed with the invitation letter of the Annual General Meeting of Shareholders 2016. The company also allowed shareholders to nominate a candidate who are qualified and has capability as required by related law for the director election. The Company announced the criteria and procedures for minor shareholders to propose nominee or candidates as a Director through the Company's website under the investor section from November until 31 December of each year.

For the appointment of the Top Management, the Board of Directors will be the person who considers the appointment. However, the Remuneration and Nomination Committee will play an important role in nominating and appointing the Top Management. The Top Management must have the qualification as per the rule and regulation set by both the Securities and Exchange Commission and the Stock Exchange of Thailand.

8.4 GOVERNANCE OF THE COMPANY AND ITS SUBSIDIARIES

The Company has 5 subsidiaries (please see more detail in 1.1) which the company holds shares from 79.999% to 99.997% and have the same Board of Management who determine the principle policy of business operation for each subsidiary. The nature of business of each subsidiary is related to packaging products which help supporting to each others. The holding company will receive the investment returns in form of dividend.

8.5 USE OF INSIDE INFORMATION

For use of inside information, the Board of Directors, the management shall report on the changes of securities holding to the Securities Exchange Commission every time there is a transaction. In addition, the changes on the holding of Securities less than 45 days before the submission date of the financial statement to the Securities Exchange Commission (SEC) is also prohibited for the Board of Directors and the Management. The Management or business line possession of inside information are also prohibited to disclose the inside information to any outside persons or unrelated persons by duties, except for the designated persons.

8.6 REMUNERATION OF EXTERNAL AUDITOR

Remuneration of company audit and internal audit are as below:

Remuneration of company audit

The Company and subsidiaries hired the same external auditor and paid remuneration for external auditor office for the past year, in amount of Baht 2,336,000.- increasing Baht 120,000 comparing to the previous year or accounted for 5.42%.

Other Remuneration

The Company and subsidiaries paid remuneration for internal control system auditor office for the past year accounting period in amount of Baht 380,000 increasing Baht 10,000 comparing to the previous year or accounted for 2.70%.

8.7 THE COMPANY PRACTICES IN COMPLIANCE WITH GOOD CORPORATE GOVERNANCE

The Board of Directors of the Company is well aware of the importance of corporate governance as it reflects that the Company has an efficient management system with transparency and accountability to ensure the confidence of shareholders, investors, stakeholders and all parties concerned. The Board of Directors believes that the good corporate governance will add value for shareholders in a long run. The Board of Directors, Management Executive and all employees including the Company's subsidiaries have complied with the good corporate governance policy including the relating policies as specified in the following details:

1. Right of shareholders

The Company recognizes and attaches important to the right of shareholders by promoting to all shareholders to use their own rights and not to violate or reduce the rights of other shareholders as well as not do any act to limit chances of shareholders to receive sufficient data and information of the Company to attend the Shareholder's Meeting. The basic rights are shareholders are to purchase, sell or transfers shares, repurchase of shares, the rights to obtain dividend, to have a share in profit of the business, to receive sufficient data and information of the Company, to attend the shareholders' meeting to exercise their rights in the shareholders' meeting to appoint or remove directors, approve the Directors' remuneration, appoint auditor and matters having impact on the Company such as dividend allocation, determination or amendment to provisions of the Memorandum and Articles of Association, capital increase or reduction and approval for special transactions (if any). Shareholders has an equal right to receive in advance the information in of date, time and venue as well as the agenda of the shareholders' meeting including to receive an adequate information of related matter that needed to be voted in the Shareholders' Meeting. The Company notifies shareholders the rule & regulation as well as the procedures to attend the Shareholders' Meeting, voting and proxy appointments. The Company also posted the Notice of the AGM in the company's website in advance prior to send out the document in order to ensure that Shareholders have sufficient time to consider agenda items of the AGM including prior to receive the document from the Company. The aforesaid Notice of AGM contained information regarding to the right of shareholders to attend the meeting, the channel to express their opinions, questions, suggestion and to consider change that is important to the Company which the Chairman of AGM meeting allocates appropriate time for discussion and any queries the shareholders may have and encourage to express opinion during the meeting in an equitable manner.

1.1 Shareholders' Ordinary Meeting

In 2016, the Company arranged a shareholders' Ordinary Meeting of year 2016 on 25th April, 2016 at 14:00 pm at the Vimanthip, Montien Riverside Hotel. The Company conducted the Shareholders' Ordinary Meeting according to law and good corporate governance as detail below:

- The Company assigned Thailand Securities Depository Company Limited who is the Company's share registrars, is responsible for forwarding an invitation to attend the AGM meeting in advance. The document was sent on 8 April 2016, 17 days prior to the meeting date. The Company informed date, time, venue of the meeting and the agenda of the meeting with clarification and opinion of the Board of Director in each agenda clearly both in Thai and English. In addition, the Company also posted the same information in the Company's website at www.thaimetaldrum.com on 14 March 2016, 42 days prior to the meeting.
- The Company had the policy to facilitate shareholders to use their rights to cast their vote and to attend the meeting as well as to encourage every shareholder, shareholders who are institution investors to attend the Shareholders' meeting of the Company while ensuring that the policies are observed in order to conduct the meeting in compliance with the laws and guidelines for shareholders' meeting. In organizing the meeting, the Company shall take into account the convenience of the venue of the meeting and all facilities ready for the meeting. In addition, the Company will determine date and time for the meeting that is convenient and appropriate that is during 9.00-17.00 hours and not organize the meeting on traditional holidays or holiday of commercial bank. The Company arranged the sufficient officers to welcome and provide the sufficient information on document checking and registration and to provide stamp duty to the shareholders who appoint the proxy to attend the meeting, as well as prepare lunch, coffee break and souvenirs for the shareholders attending the meeting.
- The Company invited shareholders to propose matters to be included as meeting agenda items, qualified candidates for directorship, and questions in advance of the shareholders' meeting based on the criteria announced on the Company's website.
- The Company had sent the 2 types of proxy letters to shareholders to select in case that they will assign a proxy to attend the meeting. 2 types proxy letters are Proxy Form A by which the Company nominated at least 1 Independent Director of the Company to be the proxy while the Proxy Form B is for shareholders to determine to cast their vote on each agenda.

1.2 On-site Meeting Procedure

- In the 2016 shareholder's meeting, there were 10 Directors of the Company attended which were accounted for 91 percent of the total numbers of Directors. The Directors who attended were comprised of Chairman, Remuneration and Nomination Committee Chairman, Audit Committee Chairman and all members of Audit Committee, Managing Director and other Directors. One Director of the Company did not attend the meeting due to having other engagement. Besides, the Company auditor from Bunchikij Co., Ltd. and the representative from Thai Investors Association attended the meeting.
- In order to preserve voting transparency, the Company made available ballots to facilitate exercise of voting right by shareholders with clearly explanation of vote-casting and vote-counting procedures for each agenda in case that shareholders expressed their disapproval or abstention of any agenda being considered. The Company will deduct the vote of disapproval or vote for abstention from the total numbers of votes. Shareholders who casted their vote with disapproval or abstention would raise their hand and the office of the Company would collect the ballots and recorded the result. The Chairman of the Meeting will clearly announced the vote result onsite to make known to all attending shareholders immediately following the end of voting procedure in each agenda. In case that there were several items in the agenda to be voted, such as, the vote for each director candidate, the Company also provided ballots and vote on an individual basis for this agenda.
- In the 2016 shareholder's meeting, Mr.Sukit Wanglee, the Chairman of the Board was presided over the meeting. There were 103 shareholders and by proxies attend the meeting in person holding 99,950,009 shares or 66.66% of total units of shares.
- The Company would also give an opportunity to shareholders to raise questions or to give opinions with reasonable time for discussion of the matters of the Company and its subsidiaries until there were no more questions. The Chairman would end the meeting.

1.3 Post Meeting Procedure and the announcement of the Resolution

- The Company's Secretary would document and take minutes of the meeting in detail such as list of Directors of the Company attending the meeting, Director who was absent as well as the procedure of voting and resolution. All questions raised by shareholders and answered given during the meeting session and the complete resolutions of the meeting were recorded completely and correctly.
- After the meeting, the Company publicized the resolutions of all agenda considered in the Annual General Meeting of Shareholders both in Thai and English on the Company's website and through the Stock Exchange of Thailand communication systems on the date of meeting. The Company submitted the complete resolutions of the meeting to the Stock Exchange of Thailand communication systems and forwarded to corporate website within 14 days after the meeting date so that the shareholders would know the resolution completely and rapidly.

2. Equitable Treatment of Shareholders

The Company has the policy to treat its shareholders equally by placing emphasis on equality for all major shareholders, small shareholders institutional shareholders including foreign shareholders, regardless of gender, age, race, nationality, religious beliefs, social status, disability, or political opinion. The Board of Directors had put in place the practices as follow:

The use of internal information

In order to create transparency and to prevent the use of internal information for personal gains, the Company imposes preventive measures to guard against the use of internal information for personal gains among the Board of Directors, Management member and employees which the measures will cover the trading of shares of the Company as detail below:

- Every director and executive including their spouse and children below lawful age must report any change made to the securities ownership of their own to the Company's secretary in order to submit to such report to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) within the period set by law and regulation.
- The Board or management members or employees with access to, or acknowledgement of, internal information are not allowed to leak the information to the outsiders or other unauthorized persons which can affect the trading of the Company's share. The Directors, Executive and employees shall not use inside information of the Company or business trading partners of the Company, that they know from performing duties, to purchase or sell or offer to purchase or sell, or persuade others to purchase or sell or offer to purchase or sell securities of the Company or those of the Company's trading partners for personal gains or for the gains of others.

Therefore, the Company had ruled the policy of the use of internal information for all employees and Executives and all Company's Directors to strictly comply with. The breach of the rules will be punished according to the rule & regulation of the Company. In addition, every year, the Company provided written document for employees, executives and everyone to sign for their acknowledgement and to follow.

Protection of minor shareholders

- The Company provided opportunity for minor shareholders to propose any agenda item in advance including the nomination of candidates by minority shareholders by mean of publicizing criteria, channel to propose and the timing of proposal through the company's website at www.thaimetadrum.com in the investor relations.
- The Company provides a proxy form on which shareholders can dictate the direction of their voting through proxies in the event that shareholders are unable to attend the meeting in person. At least one independent director will be nominated in a notice of meeting as an alternative proxy for shareholders.

- A notice of meeting will specify the documents or evidence, including instructions and process for appointing a proxy, in order to ensure correct preparation by shareholders and to avoid problems in the attendance of meeting by proxies. The rules, procedures, and conditions for the appointment of proxies will be prescribed according to the legal requirements. The Company will not intentionally include any other requirement to make it complicated for shareholders to appoint proxies.
- The Company shall ensure that no shareholder who is an executive can add any agenda items without advance notice, through the same process applicable to general shareholders.
- The Company gives its shareholders equal voting right, one share one vote for ordinary share,
- A policy regarding transactions which may cause conflicts of interest shall be established to provide explicit guidelines and prescribe a careful, reasonable, and independent consideration process for the execution of such transactions within the scope of the code of ethics and for the interests of the Company and shareholders as a whole
- The Company shall explicitly disclose shareholders information on related party transactions, which include the names and relationships of the related persons, pricing policies, and transaction values, as well as the Board's opinions relating to such transactions.

3. Roles of stakeholders

The Company perceives the importance of right of all stakeholders and equitable treatment, as the Company foresees the importance of their support and the mutual cooperation between the Company and the various groups of stakeholders in that it can secure long-term business wealth, employment and financial stability. Therefore, the Company adheres to equitable treatment of all stakeholders based on the equitable treatment considering to the roles of stakeholders by law or by agreement with the company and not to do any act to reduce the rights of stakeholders so as to create sustainable growth and profitability to all concerned as summarized below;

Shareholders

The Company attaches the most importance on the right of all shareholders with equitable treatment. The Company realizes that the shareholders are the business owner. Therefore, the Company oversees and operates according to the right of shareholders under the good corporate governance and treats all shareholders on an equal basis. The Company had ruled the practice as below:

- To be committed to conducting business with transparency under good corporate governance.
- To report and disclose the operating result of the company's business completely and correctly to all shareholders.
- To give an importance on the right of shareholders under the policy of good corporate governance.
- To provide equitable treatment to all shareholders.

Customers

The Company is committed to be the leading in manufacturing high quality of 200 litre steel drums to response to the satisfactory of the customer and to create confidences among customers that the product the Company supply are of high quality as well as to build long term relationship and operate business in a fair manner. The Company had set guideline to treat the customers as below:

- Create satisfaction and confidence to the customer to ensure that the products are of high quality and being delivered punctually.
- Disclose the information of production and service completely thoroughly and correctly and not to distort information whilst building good long term relationship with customers and operate business in a fair manner.
- To guarantee the quality of product and service under the mutual agreement in a proper time.
- To set the system for customer and other concerned party to be able to make a complaint on product and service as well as any unfair act so that the complaint can be responded immediately.
- Not to make any overprice when comparing to the quality of product and services in the same type of product and not to create unfair condition to the customers.
- To keep confidential on the customer's information strictly and constantly and not disclose information to make benefit for one's self and for related person.

2016 customer satisfaction report

Detail	Satisfaction rating from 10 (Max) to 1 (Min)										Total	Score of each topic	
	10	9	8	7	6	5	4	3	2	1		score	%
Quality of Product													
- Quality of external coating & silk screen	3	6	6	1	1						17	145	85.29
- Quality of internal coating	6	9	2								17	157	92.35
- Quality of body seam/drum edge	3	9	4	1							17	150	88.24
- Overall quality of product	1	13	3								17	151	88.82
Quality of Service													
- Order taking	6	6	5								17	154	90.59
- Cooperation	7	6	4								17	156	91.76
- Fast response	4	8	4	1							17	151	88.82
- Correctness of documentation	2	9	4	2							17	147	86.47
- Punctual of delivery	4	7	5	1							17	150	88.24
- Delivery practice under rule of customer	5	9	3								17	155	91.18
Percentage/Scores from Customer	41	82	40	6	1	0	0	0	0	0	170	1,516	89.18
	24	48	24	4	1	-	-	-	-	-	100%		

Business Partners, Competitors and Creditors

The Company realizes the equity and honesty in operating the business and in sharing business profit with suppliers, competitors and creditors. The Company will conduct business under law and regulation strictly in an ethical manner as per the below:

Relationship with Business Partner

- To maintain commitment to contract obligation and treat the business partners with fair, honest and sincerity.
- Do not use influence power or lobbying to exploit from the business partners.
- Do not disclose any confidential data and violate ownership property right of the business partners.
- To provide opportunity to the local business partners for joint venture.

Relationship with Competitor

- To act and comply with competitive rules.
- Do not try to dishonor competitor's reputation by accusing without truth.

Relationship with Creditor

- To maintain and strictly comply with the creditors' conditions in term of repayment, maintenance of collateral and other conditions.
- To report the company financial status to the creditors with honest.
- To report the creditors in advance in case of failing to meet the contract obligation and find together for problem-solving.

Employee

The company considers employees as the key factor that shall drive the company to business success. The employee guidelines are defined as follows.

- To provide fair compensation to the employees in forms of salary, phone expenses, gasoline, allowances and/or bonus.

- To provide special welfare to the employees such as employee uniform, provident funds, emergency loans, supporting funds in case of death, shuttle services to pick-up and drop-off the employees working in factory, welfare canteen for free of charge food and drinks and provide sanitary food at reasonable prices as well as annual medical check-up service.
- To take care of the employees' families by setting procedures for medical claims and education fees for children.
- To look after and maintain safety working environment to the employees' lives and belongings regularly by implementing Safety and Health Policy. The company to disclose accident statistics, leave ratio, sickness ratio causing from work, posted on the board at the entrance of factory and including submitting reports to all relevant government units.
- Designation and transfer as well as rewarding and punishment to the employees must be treated equally, honestly and base on knowledge, capabilities and appropriateness including actions or behaviors of those employees.
- To emphasize on development, knowledge transfer and capabilities of the employees by providing them opportunity thoroughly and regularly with training plan and budget reserve regularly on yearly basis.
- To listen to comment and recommendation from the employees at all levels equally.
- Strictly follow the employment's laws and regulations.
- To manage by avoiding any unfair actions that shall impact job security of the employees.
- To treat the employees with politeness and giving respect to individuals and human rights.
- To provide channels for the employees to be able to notify or raise any concerns which are in compliance with the rules or laws according to Whistle Blowing or Appeal Policy.

Society and Environment

The company realizes and concerns on the social safety, environment and quality of people's lives as well as giving the importance to preserve natural resources and promoting energy usage in efficient way. The company is given Environmental Management System Certificate ISO14001 and also gets the Certified Green Industry Level 3 from the Ministry of Industry. The company defines the social and environment guidelines as followings.

- The company shall consider alternatives to utilize the natural resources which will have the least impact to the society, environment and quality of people' lives.
- To conduct activities that will establish society and environment regularly.
- To create awareness on social responsibility and environment among the employees at all levels continuously.
- To focus on dealing with business partners having the same aim on social responsibility and environment.
- To do and collaborate or control of having strict practice in compliance with the laws and regulations issued by involved organization units.

4. Information Disclosure and Transparency

The Board of Director of the Company devises policy on disclosure of importation information relating to the company's business both financial or non-financial information correctly, completely, punctually and transparently through the dissemination channels with equality and reliability as set by regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Board of Directors set the policy on information disclosure to the public as below detail:

- Information that will be disclosed must be correct, clear, complete and disclosed in a timely manner under regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- Every group of stakeholder including shareholders, investors, stock analyst and other parties who are interested in the company's share will have an equal right to obtain the Company's information disclosure.

- Information or other issue that will affect on the stock of the Company and will have an effect on the decision of the investors or effect on the right of shareholders, the Company must disclose the said information immediately through the channel of the Stock Exchange of Thailand.

The Company had disclosed the annual financial statement which was audited by the Certified Public Accountant within 60 days after the end of accounting period of the Company. Besides, the Company's auditor must be qualified and appointed by the Audit Committee to ensure that they do not have any relationship nor conflict of interest with the Company, Subsidiary of the Company, managements and major shareholders. The Audit Committee also considered to approve the annual auditing fee and the scope of audit as appropriated and will be brought this to the Board of Director's meeting and the shareholder's meeting to appoint the auditors and approval of auditing fee. Detail of auditing fee will be illustrated in 8.6 of the annual report under section "auditing fee of the auditor"

The Company also disclosed important information to all parties concerned for their acknowledgment in the annual report and in the form of 56-1, under section "Management Structure" In this section, it contained information on name, personal profile, duties and company's share holding as well as the training program attended by directors, audit committee, remuneration & nomination committee, numbers of meeting attended and the remuneration for director and executives.

For the operation of the Sub-committee, was presented and stated in the Audit report in form of Annual report, which also included the report of audit committee on financial statement

The Company has revealed the shareholder structures clearly by indicating names of 10th major shareholders of the company with the percentage of shares holding including the relationship of the group of shareholders. In addition, the Company had done a report of shares holding of its directors and executive management with explanation & analysis from the management illustrated in the form of 56-1, in the 2nd part of Management and Corporate Governance as well as in the chapter 6 of annual report, the shareholders and dividend payment policy. The purpose is to disclose to shareholders, investors and other interested person to better understand the operating result of the company's business.

The company has ruled a Whistle Blowing and Appeal Policy on any act regarded as illegal and non-compliance with ethics, corruption of the personnel of the organization including employees, all stakeholders as well as having a mechanism to protect the Whistle blowers and keep confidential of the information to make the confidences to the Whistle Blowers as per detail disclosed in the company's website and in the form of 56-1. This also includes the purpose, scope of Whistle Blowing and Appeal Policy, channel, conditions and consideration procedure as well as measurement to protect the Whistle Blowers.

In addition, the Board of Director assigned M.L.Chintat Jombunud, the Company's secretary to be in charge of investor relation whom the investors can contact at 02-264-0826 or email: chintatj@thaimetaldrum.com. The Company also notifies the channel to contact the Company's secretary in the Company's website.

5. BOARD OF DIRECTORS' RESPONSIBILITIES

5.1 BOARD COMPOSITION

The Board of Director of the Company is comprised of knowledgeable personnel with capability and expertise, who have a major role in determining policy, goal and version of the Company including their supervision on corporate governance, monitor and evaluation of the Company's business operation pursuant with the work plan and to ensure that the Company conducts its business under law, regulation and resolution of the shareholders with honest and under the code of ethics and code of business conduct. The Board of Director will supervise the management of executive to be aligned with the strategy and goal set and to maximize the best benefit to the Company and the shareholders.

The structure of the Board of Director of the Company must be at one-third of the total number of Board members reflecting effective considerations for the best interests of the Company. In addition, the Company has the audit committee comprising of 3 independent directors.

Currently the Board of the Company is comprised of 11 members, namely; 8 non-executive (3 of them are served as Independent director and Audit Committee member), 3 executive directors are the Managing Director, Deputy of Managing Director and Accounting & Finance Director. The number of Independent Director of the Company is in lined with the requirement of the Stock Exchange of Thailand and the Securities Exchange Commission. The independent directors must be at least one-third of the total number of directors.

According to the regulation of the Company, the ordinary general meeting will be held every year. One third of the total number of Directors must be retired by rotation. If the number of directors could not be divided into one-third, the company should use the closer number of directors to be retired by rotation for the 1st year and the 2nd year after becoming the public company limited, the company would do a lucky draw to select the directors who will be retired by rotation. However, the director who is retired by rotation could be re-elected to be the director for another term.

Moreover, the Board of Directors also nominates the sub-committee comprising of the audit committee, remuneration and nomination committee and risk management committee to perform specific matters and to submit it to the Board of Director for consideration and acknowledgement. The sub-committee has a right to perform their duties as defined and set for each committee.

The Board of Director has set a policy to allow the Chairman not being the same person of the Managing Director so that there would be a clear scope in the responsibility between corporate governance and the day-to-day administrative duty. Besides, the Company clearly defines the scope and responsibility of the Company Director and the Executive Management.

The Company has a policy that the Company's Director has to attend the meeting at least 75% of the total meetings per year and the minimum attendance of the Director per meeting must be two-thirds of the total numbers of Directors. In comply with the good corporate governance for the Public Company; Directors of the company must conduct self evaluation once per year in order to enable the Board of Director to evaluate and improve their performance. The performance evaluation is done as a whole group as well as by individual. This would help to evaluate the performance of the Director by individual as appropriated. The meaning of rating is as below:

- 0 = Strongly disagree or no action on that matter
- 1 = Disagree or having a slight action on that matter
- 2 = Agree or having a moderate action on that matter
- 3 = Fairly Agree or having good action on that matter
- 4 = Strongly Agree or having great action on that matter

Self evaluation of the Company' Directors is shown below:

Topic evaluation	Total	Average
Average score of the 1 st topic: Structure and qualication of Director	40.85	3.71
Average score of the 2 nd topic: Role, duty and Responsibility of Director	41.25	3.75
Average score of the 3 rd topic: Board of Director's Meeting	42.00	3.82
Average score of the 4 th topic: Performing under the role of Director	42.00	3.82
Average score of the 5 th topic: Relationship with Management	42.80	3.89
Average score of the 6 th topic: Self development of Director and Executive	41.33	3.76
Total average score of the 6 topics	41.63	3.78

Besides, the Board of Director had appointed the Company's secretary which the responsibility includes preparing agenda and document for the Shareholder's meeting and for the Board of Director's Meeting, maintaining the statutory registers of the company and other documents of the Company required by laws, administrate the company and director to perform duties in accordance with rule and regulation of related government institutes such as the Stock Exchange of Thailand and the Securities Exchange Commission etc. The duties also include the responsibility to shareholders of the company such as communicating with company shareholders, answer and consider any suggestions of the shareholders and report this to the Board of Directors and to the Executive Management and act as a link between shareholders and the Board of Directors and Executive Management.

5.2 SUB-COMMITTEE

Details are shown in the section 8.2, Sub-Committee.

5.3 BOARD OF DIRECTOR'S MEETING

The Board of Directors determined to hold at least 6 times per year of ordinary meetings for the Board of Directors so as to build more confidence that the Board of Directors could closely follow up the operation of the Company more effectively. One of the six meetings will be held without the presence of the Company Executives so that the Boarding of Director could freely express their opinion on the problem of the Management. Besides, an extraordinary meeting can be held as necessary or needed. In every meeting, the Company Secretary will send a meeting invitation with the detail of agenda to the Board of Director at least 7 days before the meeting date except the urgent case. The minutes of meeting must be filed properly which must be easily retrieved and verified. Besides, the Company prepared the report of operating result of its business and submitted to the Board of Directors every quarter for their acknowledgement so that the Board of Directors could monitor the operation of executive according to the good corporate governance in timely manner and continuously.

In the meeting, the Chairman of the Company and the Managing Director will set agenda of each meeting for consideration and provide opportunity to each director to propose and include any matter into the agenda of the meeting. The Chairman of the Company will preside over the meeting and allow the Directors to express their opinion freely. For voting rule in the Board of Director's Meeting, the Company will use the majority votes principle by which one director has one vote. The director who will have a conflict of interest may not attend the meeting or not cast his/her vote on that matter. In case of equal vote, the Chairman of the meeting will cast his vote in order to make the decision. Besides, each director has a right to verify the meeting document and other important document. If the independent director or audit director has a doubt on any matter, other directors or executive of the company have to response to any doubt immediately and completely as much as possible. In case that the directors do not agree with the resolution of the meeting, directors can ask the Company's secretary to record the objection in the minutes and is able to submit the objection to the Chairman.

In each Board of Director's meeting, the Company's secretary would not only attend, take minutes and submitted to the Chairman to sign for acknowledgement that will be brought forward into the next meeting for being certified but also file documents of the meeting for being easy retrieved. The member of the Board of Director normally attends in every meeting except the urgent matter which will be notified to the Board of Director in advance. Besides, the Board of Director has a policy to assign the non-executive Director to set up its own meeting in an absent of Executive management as appropriated in order to discuss major issues and notify the result of the meeting to the Chairman and the Managing Director for their acknowledgement.

9.1 OVERALL POLICY

9.2 OPERATION AND REPORT PREPARATION

Good corporate governance

Operate business with fairness

Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)

CAC
Partners


The Association of Banks in Thailand






สมาคมธนาคารไทย
The Association of Banks in Thailand


CIPE


Certificate of Membership

The CAC Council hereby certifies that

Thai Metal Drum Mfg. Public Company Limited

*has met the commitments to the CAC declaration on anti-corruption
by putting in place good business principles
and control against bribery,
is now a full member of the CAC*

Bangkok, 3rd October 2014


(Dr. Bandit Nijadhaworn)
Councillor and Secretary


(Dr. Panas Simasathien)
Chairman

Supported by

CIPE

Anti-Corruption Policy

In 2013, the Company had taken part in the “Collective Action Coalition Against Corruption in Private Sector” project to express the commitment to tackle any type of corruption. To ensure that the Company determines scope, responsibility, practice and proper regulation to prevent corruption of its business, the Board of Director approved the announcement of Anti-Corruption Policy as a tangible guideline in conducting business and to develop the organization for sustainable growth as per the announcement of 1/2557 dated 6th January 2014. In 2014, the Company submitted a self-evaluation that verifies whether it meets its commitment. On 3rd October 2014, the committee of the Collective Action Coalition Against Corruption in Private Sector project passed the resolution and certified Thai Metal Drum Mfg. Public Co., Ltd. to be the member of Collective Action Coalition Against Corruption in Private Sector project, showing clearing that the Company had a strong commitment to against any type of corruption.

Respect Human Rights

The Company engages and treats the related parties not limit to employee, community and neighbors with respect and dignity and not violate human rights both direct and indirect way. The Company has ruled a policy of Whistle Blowing or make a complaint of the possible wrongful action or corruption within the organization including employees and every group of stakeholders. In addition, the Company has put in place a Whistle Blower Protection Mechanism as well as giving an important on keeping information confidential in order to build confidence to Whistle Blower according to Human Right Practice as per the Company’s announcement of 4/2014, under the section of Policy of Whistle Blowing and a complaint.

Fair treatment toward labor force

The Company regards the employees as the major factor to drive Company’s business performance successfully. Thus, the Company had set a guideline to conduct fair treatment toward the labor force as described in the point 8.7 of good corporate governance of the Company under chapter 3, stakeholder - employee.

Responsibility toward consumers

The Company is committed to be the leading manufacturer of 200 litre steel drum with high quality to meet with the satisfaction and build confidence to the customers as well as maintaining good relationship and conducting business in a fair manner. The Company has set out the guideline to implement the best practice toward the customers of the company as described in the point 8.7, good corporate governance practice of the chapter 3, stakeholders – customer.

Corporate Social Responsibility

The Company in corporation with Sathorn Thani Co., Ltd. launched a corporate giving project in a purpose of giving help and aid to upcountry students who are lack of financial support. This project emphasized on the activities to restore school building to have the better condition for studying, donating foods to poor children, scholarship donation, education aid donation as well as having the activities with children. Details are shown in the report of Social Responsibility and Environmental Project (After Process).

Environmental Management

The Company obtained a certification of ISO14001, of year 2004 from UNITED REGISTRAR OF SYSTEMS (THAILAND) LTD. (URS) and the certification of Green Industry Project, Level 3 from the Ministry of Industry as a result of having the environmental management system in place together with the close follow up and the revision in order to further develop continuously.

ESG100 in year 2016

In 2016, the Company was listed in ESG100 from the selection by ESG Rating unit of the Thaipat Institute, a Thailand pioneer of corporate sustainability assessment, evaluating the Thai publicly listed companies on their Environmental, Social and Governance (ESG) factors since 2015 and it has been continuously doing the assessment for 2 years in 2016.

ESG100 refers to 100 best-performing publicly listed companies in ESG areas. Just 100 out of the 621 companies on the Thai stock market have made it to the ESG100 list. Thaipat Institute has assessed all these companies based on their publicly released reports or information from their Form 56-1 declaration including annual report, sustainability report and other ESG information from six data sources.

9.3 BUSINESS OPERATION UNDER CORPORATE SOCIAL RESPONSIBILITY

The Company and its subsidiaries conduct its business under the corporate social responsibility principles. Concerning the air pollution emission, the Company had constructed 1 unit of the air pollution treatment by using activated carbon since 2010. Later in 2013, the Company further invested in another unit of air pollution treatment by using the activated carbon to reduce amount of air pollution, annoying other factories nearby. In addition, the Company also follows up periodically the result of air pollution treatment by hiring Thai Environmental Technic Limited to measure and monitor the amount of pollution in the surroundings at the factory, founding that it is in the normal standard and not cause the pollution to the environment. From the statistic record in year 2015, the complaints was reduced significantly since the company had used all 2 units of the air pollution treatment resulting in lessening odors from internal and external painting both in the factory and outside factory. In 2016, the environmental management was also put in place at the factory of Company's subsidiary, in Hadyai Songkhla province by installing 1 unit of the air pollution treatment in order to eliminate nuisance odor toward the community. In 2016, the Company and its subsidiaries did not obtain any environmental complaints from the community and companies nearby.

9.4 SOCIAL RESPONSIBILITY AND ENVIRONMENTAL PROJECT (AFTER PROCESS)

The Company in corporation with Sathorn Thani Co., Ltd. who administrates the Tree On 3 Shopping Mall had continuously organized the 15th corporate giving project with the purpose to help students who are lack of educational opportunity due to the poverty of their family as well as helping schools lack of budget. In 2016, the Project Committee select Baan Pu Takien School, located in Tambol Kaem-Aon, Amphur Chombueng, Ratchaburi province which is the school under the Primary Educational Service Area Office of Ratchaburi which has the total number of 41 students from Kindergarten to Primary Grade 6. From the research, we found that the problem of the school had a direct affect toward the student, for example, luncheon budget supported by the government is insufficient. Due to the long distance from the city, the educational equipment and computers are not enough for all students. In addition, most of students are from poor family. The Project Committee considered and agreed to provide sustainable agricultural assistance in order to tackle the problem of insufficient of luncheon funds, for example, repairing mushroom and poultry house, giving 100 chicken breeders, improving fish pond, building check dam and also fixing and giving new computers.

10. INTERNAL CONTROL AND RISK MANAGEMENT

The Company had put in place the internal control and internal audit systems covering the following areas: financing policy, business operation from the managerial level and operational level according to the laws and related regulation. The Company had rolled out clearly and in written the responsibilities and authorities of operators and management in order to control and make the best use of the Company assets.

Concerning the revision of the effectiveness of the company's internal audit, the Independent Auditor had conducted an audit on the 2 major processes: The sourcing and procurement process covers the scope on the Procurement Planning, the Sourcing of Raw Material, Packaging, Tool and Equipment, Raw Material inspection, Supplier Selection and Appraisal, the Assessment of Suppliers' Establishments and their related Accounting and Financial Operation. The second area was the production process which covers the Production Planning, Manufacturing and Production Controlling, the Control of Non-Conforming Product Procedure and the Manufacturing Quality Control. The audit findings showed that the overall working operations were done at the appropriate level. The independent auditor also had a recommendation on an improvement of some working processes of the company in order to strengthen the internal control process more efficiently.

The Company does not have an in-house internal audit function but hire an outsource auditor to conduct an internal audit control as well as auditing the business operation of the Company and its subsidiaries as per procedure set. Audit Committee, Executive Management together with auditor will consider which function of each company will be audited as per the level of risk assessment the auditor ranks which is stated in the report of business risk assessment of each Company.

Currently, the Company hires AMC International Consulting Co., Ltd. by which Khun Salin Nivapumin, Chief Executive Office of AMC International Consulting Co., Ltd. is the person who signs in the internal audit report and submits to the Audit Committee of the Company.

Concerning to the Risk Management in 2016, the Board of Risk Management Committee had considered and established the risk policy and management for the Company as below:

- 1.1 Identify the possible risk factors that may affect toward the Company's business operation and turnover.
- 1.2 Assess and prioritize potential chance of each risk factor that may arise.
- 1.3 Assess and prioritize potential effect of each risk factor
- 1.4 Preparing a report of potential risk factor and effect of each risk factor from high to low as well as identify the treatment plan to manage the risks

The Board of Risk Management had done a report of each potential factors and effects with the recommendation of policy and plan to manage those potential risks and already submitted to the Board of Director for consideration.

11. CONNECTED TRANSACTIONS

The Company and its subsidiaries had a connected transaction with the person and the related business through intercompany shareholding or the same group of shareholders, directors or management team. Besides, the related transaction would be considered when one of parties has the ability to control the other party or can exercise significant influence over the other party in making financial and operating decision. Some part of the Company's assets, liabilities, revenue and expenses arose from transaction with the related parties. The effects of these transactions are reflected in the accompanying financial statements on the basis determined by the normal business. However the necessity and rational of the connected transaction is

fallen as a normal transaction of business, the Executive Management could propose it to the Board of Directors for approval which was done at the Board of Meeting in 2008 and the Company still followed to the said resolution.

In 2016, 2 Companies' Subsidiaries had the connected transaction type of financial assistance which need an approval from the Board of Director as well as to disclose to the Stock Exchange of Thailand. The financial assistance between Songkhla Metal Drum Co., Ltd. and The PET Co., Ltd. which are the subsidiaries of Thai Metal Drum Mfg. Public Co., Ltd. is classified as the connected transaction announced by the Stock of Exchange of Thailand and the Notification of Capital Market Supervisory Board No.Tor.Jor. 21/2008. The transaction details are as follows

1. Transaction Date

From 1st July 2016 - 30th June 2019

2. The Parties Concerned

Borrower : The PET Co., Ltd., the Subsidiary of Thai Metal Drum Mfg. Public Co., Ltd., Holds 79.999% of shareholders

Lender : Songkhla Metal Drum Co., Ltd., the Subsidiary of Thai Metal Drum Mfg. Public Co., Ltd., Holds 80.00% of shareholders

3. General Description of transaction

Details on Financial Assistance are as follows:

Type	: Financial Assistance
Loan Limited	: Loans of not more than 100 million Baht
Source of Funding	: Working Capital of Songkhla Metal Drum Co., Ltd.
Interest Rate	: 4.00% per year
Loan Term	: Not more than 3 years, starting from 1 st July 2016 to 30 th June 2019.
Interest Payment	: Quarterly Payment
Repayment	: Paid within 30 th June 2019. However, the PET Co., Ltd. may repay all or part of the principal on the load prior to the payment date or the final maturity date of the loan. The lender agreed not to charge any fees or penalty from any early payment.
Guarantee	: None
Loan conditions	: Sonkhla Metal Drum Co., Ltd. can lend The PET Co., Ltd. once or several times throughout the duration of the loan. But the amount of such loans outstanding at any time shall not exceed the amount specified in the Loan Facilities condition and each end of the lending period up to Term Lending.
Breach conditions	: The PET Co., Ltd. agrees to be charged for an interest at the rate of 15 percent per year from the date of default or breach of contract.
Agreement	: The PET Co., Ltd. will enter into a loan agreement or promissory notes with each time a loan to Songkhla Metal Drum Co., Ltd. by stating that 30 th June 2019 is the due date for the payment.
Other loan conditions	: None
Objectives	: 1. To finance the business expansion of the PET Co., Ltd. to meeting the needs of the customers. 2. To be used as working capital of the PET Co., Ltd. in the normal course of operation.

4. Connected Person and Relationship on Related Parties

There is no connected person who is not Thai Metal Drum Mfg. Public Co., Ltd., holding shares of both of two subsidiaries more than 10% of the total shares with voting rights of the subsidiary.

5. Comments from the Board of Directors members and the Audit Committee

To Approve Subsidiaries' Transactions with the above details. Since the transaction is reasonable in terms of the interest rates because the interest on the loan The PET Co., Ltd. is higher than bank deposit interest which will be beneficial both parties by which the PET obtains the lower rate of interest while Songkhla Metal Drum obtains the higher rate of interest than the interest rate from the bank. Thus this enables the group of the company having managed financial more efficiency and in compliance with the purpose of the Parent Company.

The PET Co., Ltd. has a stable financial position and a strength operating result. In 2015, total income of The PET Co., Ltd. was 604.79 Million Baht and had net profit of 62.17 Million Baht, increasing compared with the same quarter of the prior year. The ratio of debt to equity is equal to 0.32 : 1.00 which is lower than the year 2015 (0.48 : 1.00)

6. Comments from the Audit Committee or Board of Directors that are different from those of the Board of Directors.

None

7. The Total Value of Transaction, Size, and the Criteria used to determine the total value of Transaction.

A list of financial assistance between Songkhla Metal Drum Co., Ltd. and The PET Co., Ltd. as follows:

Loan Amount (Baht)	Interest Rate	Interest Received (Bath) As of July 1, 2016 To 30 June 2019	Total Value of Transaction (Baht)
100,000,000.00	4.00% per year	12,000,000.00	112,000,000.00

Therefore, the total value of loans between Songkhla Metal Drum Co., Ltd. and The PET Co., Ltd. is equal to 112,000,000.00 baht

$$\begin{aligned}\text{Calculate the size of transaction} &= \frac{\text{Total loan} \times 100}{\text{Total net asset (as of 31st March 2016)}} \\ &= \frac{112,000,000.00 \times 100}{2,280,106,413.53} \\ &= 4.91\%\end{aligned}$$

The size of the transaction is a connected transaction under the announcement of the Stock of Exchange of Thailand on the disclosure of information and operating a company incorporated in year 2003 and the announcement of the Company's Board of the Capital Market Supervisory Board of Tor Jor 21/2008 relating to giving or receiving financial assistance but exception on the point 7 (2) of Notification of the Board of Governors of the Stock Exchange of Thailand on the Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 regarding transaction between subsidiaries of which the shares are held by the same listed company and by connected persons who are not the listed company for no more than 10 per cent of the subsidiaries' total shares with voting rights. The shareholding however must include shares held by related persons, and those connected persons must not be connected with the subsidiary in other manner.

As of 31 December 2016, loans provided to The PET Co., Ltd. by Songkhla Metal Drum Co., Ltd. as per the financial assistance project has an outstanding balance with the amount of Baht 30 Million and has a schedule to make the full payment no later than 30th June 2019 with the interest rate at 4.00% per year and there is no accrue interest payable.

For the connected transaction between The Company and its subsidiary which has been approved and disclosed to public is as follow:

- Financial Assistance provided to the PET Co., Ltd. (subsidiary)

1. Transaction Date

From 1st August 2014 – 31st July 2017

2. The Parties Concerned

Borrower : The PET Co., Ltd., the Subsidiary of Thai Metal Drum Mfg. Public Co., Ltd.,
Holds 79.999% of shareholders

Lender : Thai Metal Drum Mfg. Public Co., Ltd.

3. General Description of transaction

Details on Financial Assistance are as follows:

Type : Financial Assistance
Loan Limited : Loans of 47 million Baht
Source of Funding : Working Capital of Thai Metal Drum Public Co., Ltd.
Interest Rate : 5.50% per year
Loan Term : Not more than 3 years, starting from 1st August 2014 to 31st July 2017.
Interest Payment : Quarterly Payment
Repayment : Paid within 31st July 2017

As of 31 December 2016, the PET Co., Ltd. has paid the total of loans amount to the Lender and there is no accrue interest payable.

12. MANAGEMENT DISCUSSION AND ANALYSIS

(1) BUSINESS PERFORMANCE OVER THE PAST PERIOD

2016 was the best year that the Company and its subsidiaries had an outstanding operating result especially for the operation of steel drum making since the establishment of the Company and its subsidiaries. The Company and its subsidiaries still not only pay an attention for properly control of business expenditure but also increase market share which enabled the Company and its subsidiaries to make a great profit.

The Company and its subsidiaries had net profit from the business operation with the amount of Baht 312.88 million, increasing with the amount of Baht 19.03 million or 6.48%. The Company had gained a net profit per share at Baht 2.09, raising 0.13 Baht per share comparing to year 2015.

In 2016, the Company and its subsidiaries gained increasing revenue from sales by product line as below detail:

The revenue from sales of metal drums was Baht 1,115.78 million, increasing Baht 64.34 million or 6.12%. This was from an increase in sales volume of steel drum which the Company was awarded in numerous tenders, leading to an increase in sales volume although the unit price decrease comparing to year 2015. While the sales of the Company's subsidiary reduced due to the weak demand of steel drum to contact natural latex. However, the cold roll steel price at the beginning of the year fell significantly and started increasing in the 3rd quarter of the year. The Company and its subsidiary kept monitoring the steel price closely, enabling us to manage sales cost wisely and effectively. Thus, sales cost of the Company and its subsidiary

reduced 3.95% comparing to the previous year. As a result, the profit of the Company and its subsidiary increased.

The revenue from plastic product was Baht 878.00 million, increasing Baht 11.63 million or 1.34%. The Company's subsidiary could sell more PET bottle to contain soft drink and drinking water. Although the Company's subsidiary changed the selling policy by installing some machines at the customer's factory but because of the high competition over the year, the Company's subsidiary could not raise selling price following to an increase in raw material cost. Thus, this resulted in a reduction in profit of plastic products comparing to the previous year.

The Company and its subsidiaries had gained revenues from rent and services with the amount of Baht 61.32 million, an increase of Baht 5.71 million or 10.27% comparing to the previous year. An increase in rent and service was from rental fee adjustment for the renewal of lease agreement for all tenants. As a result, an income from the rent and service rose.

Sales cost against sales income of steel drum product decreased from 73.54% in year 2015 to 69.59% in year 2016. Although the selling price of steel drum reduced but the raw material price fell much more than the selling price. Besides, the Company and its subsidiaries could control the expenses at the appropriated level. As a result, sales cost reduced by 3.95%. For plastic product, sales cost against sales income increased from 83.74% in 2015 to be 89.78% in 2016. This was because the Company's subsidiary could sell products in a large quantity but selling price reduced due to the high competition. Thus, this resulted in an increase in sales cost 6.04%.

Expenses incurred from sales and administrations have increased Baht 0.51 million or 0.31%. Payment for interest has decreased Baht 0.63 million from the additional loan made by the Company's subsidiary with the bank, Corporate income tax has increased Baht 3.86 million or 46.29%.

The Company and its subsidiaries were not affected from the risk of currency exchange because the business transaction with overseas was low. The Company's subsidiary gained sales revenue from export with the amount of Baht 38.00 million accounted for 2.02% of the total revenue from sales. (Please refer to note 26.4 the financial statement, section of sales export)

The Company and its subsidiaries have earned the total income of Baht 1,973.90 million, increasing from the year 2015 with the amount of Baht 40.22 million or 2.08%. The Company and its subsidiaries had earned the core revenues from sales of the packaging products representing 95.39% of total revenue, same as the previous year. While the rest revenue came from rental and service income and other incomes, representing 3.02% and 1.59% respectively.

Gross margin of the Company and its subsidiaries had increased from 24.02% in year 2015 to 24.29% in year 2016. Profit from operation had increased from 15.54% to 15.96%. Return on earning had risen from 15.20% to 15.85%. The Company and its subsidiaries had gained higher ratio of gross profit because the Company and its subsidiaries were able to sell plastic products in a large quantity as well as being able to manage cost of raw material efficiently. Thus, cost of unit price dropped while cost of raw material in the 1st half of the year also reduced. As a result, the Company and its subsidiaries gained an increase in net profit comparing to the previous year.

Return on equity slightly decreased from 12.78% to 12.71%. In year 2016, the Company through the Board of Directors resolved to pay the dividend for the year 2016, with the period of 1 January 2016 to 31 December 2016 at Baht 1.20 per share, totaling Baht 180.00 million or equivalent to 62.54% of the net profit of the separate financial statement of the Company. In 2015, dividend paid was Baht 165.00 million equivalents to 71.85% of the net profit of year 2015. The policy of dividend payment of the Company is not less than 40% of the total net profit of the separate financial statements of the Company. This resolution will be brought into the 2017 Annual Shareholder's meeting for approval held in April 25th, 2017.

Efficiency Ratio on Profit gained	Year 2016	Year 2015
Gross profit	24.29%	24.02%
Profit from operation	15.96%	15.54%
Return on earning	15.85%	15.20%
Return on equity	12.71%	12.78%

(2) FINANCIAL STATUS

ASSET

1) Asset Mix

Current Assets rose with the amount of Baht 37.08 million or 3.36%. Cash and cash equivalent decreased Baht 31.67 million. Short-term investment increased for Baht 62.38 million and net account receivable increased with the amount of Baht 24.44 million. Inventory increased with the amount of Baht 4.97 million and other current assets decreased Baht 17.44 million. The change in current assets of the Company and subsidiaries slightly increased from previous year due to an increase in investment of trading unit, a decline in short-term deposit at bank, an increase in trade accounts receivable as a result of a gain of market share and a decline in inventories.

Total value of Non-Current Assets rose by Baht 109.48 million or 7.07%. Available-for-sale investment increased with the amount of Baht 53.94 million. Long term investments increased with the amount of Baht 82.31 million. Investment property decreased Baht 24.13 million from a transfer to asset in term of land, plant and equipment. Net value of land, plant and equipment dropped Baht 2.69 million due to the new investment of the Company's subsidiary to purchase of machines to replace the old machines but less the amount from annual depreciation.

2) Quality of Asset

The Company and its subsidiaries viewed that the account reflects fair value of assets and there is no any indication of impairment or collection loss. In that case, the Company and its subsidiaries have already set aside the reserve or the provisions for impairment of assets according to note 3.4, note 3.10 and note no.5 to 13. From the below table of Efficiency Ratio, it showed that in 2016, the Company and its subsidiaries had a similar ratio of the return on Asset comparing to the previous year. Although the net profit of the Company and its Subsidiaries had risen, fixed Asset of the Company and its subsidiaries also increased owing to an increase in the investment of the Company. However, the above mentioned efficiency ratio of the Company is still better than the ratio of others companies in the same industry. The Company and its subsidiaries believe that the investment on the purchase of machines and to replace the old ones would enhance and boost the efficiency of business operation, resulting in a decrease in production cost while increasing the profit to the Company in the future.

Efficiency Ratio	2016	2015
Return on Asset	11.48%	11.39%
Return on Fixed-Asset	26.39%	26.30%
Asset Turnover	0.72 Times	0.75 Times

Net accounts receivable increased from Baht 283.98 million to Baht 308.42 million, an increase with the amount of Baht 24.44 million or equivalent to 8.61%. Average collection period had decreased from 61 days to 58 days which policy of credits offered to customers is between 30 – 90 days. The receivable overdue over 90 days was Baht 15.61 million (in 2015 was Baht 9.19 million), equivalent to 4.97% of

the total net account receivables or increasing 3.24% comparing to year 2015. The Company and its subsidiaries had set aside the reserve or the provisions for loss from debts with the amount of Baht 5.50 million (see note 7 to financial statement).

LIQUILITY

1) Cash flow

Amount and proportion of cash flows from operating activities

Details of cash flow	2016 (Million Baht)	2015 (Million Baht)
Operating profit before changes in assets and liabilities	425.49	400.22
From operating activities	372.06	440.34
From investment activities	(226.45)	(280.73)
From financing activities	(177.29)	(175.32)
Cash and cash-equivalence increase (decrease)	(31.67)	(15.72)
Cash and cash-equivalence as of December 31	56.22	87.89

In 2016, the Company and its subsidiaries gained a decline of operating profit in terms of cash flow from Baht 440.34 million to Baht 372.06 million, a decline of Baht 68.28 million, as a result of an increase in net accounts receivable and a decline of trade accounts payable. However, monetary profit is still higher than net profit of the financial statement which can imply that an increase in net profit comes from the efficient operation of the company and its subsidiary.

Cash flows from investment activities were risen with the amount of Baht 226.45 million, deriving from an increase in both of short term investment with the amount of Baht 85.61 million and long term investment with an increased amount of Baht 94.55 million, including the investment in machinery & equipment with the amount of Baht 69.63 million (see note no.6, no.10 and no.12 of the financial statement).

The Company and its subsidiaries had paid dividend to the shareholders with the total amount of Baht 173.10 million. As a result, the cash and cash equivalent as of 31 December 2016 for the Company and its subsidiaries remained with the amount of Baht 56.22 million, reducing from 2015 with the amount of Baht 31.67 million.

2) Liquidity Ratio

Details of Liquidity	2016	2015
Current Ratio	7.56 times	7.31 times
Quick Ratio	6.10 times	4.97 times
Account Receivable Turnover	6.17 times	5.87 times
Average Collection Period	58.35 days	61.33 days
Average Day's Inventory	7.55 days	9.17 days
Account Payable Turnover	12.30 times	10.18 times
Average Payment Period	29.27 days	35.36 days
CASH CYCLE	36.63 days	35.14 days

The above table showing liquidity ratio reflects the better performance of liquidity of the Company and its subsidiaries when comparing to the year 2015 with the same rate as previous years. However, the increase in liquidity portion enabled the company and subsidiaries having better liquidity to operate the business efficiently.

CAPITAL STRUCTURE

The capital structure of the Company and subsidiaries has been at the satisfactory level over the past years. The debts to equity ratio were 0.10 times, reducing from year 2015. (year 2015 was 0.13 time) which was the lower equity ratio when comparing to those of the other companies in the similar business. The Company and its subsidiaries did not have policy to increase debt more than what's necessary. The shareholders' equity of the Company and subsidiaries increased from Baht 2,381.63 million to Baht 2,540.13 million, an increase of Baht 158.50 million or 7.03%, as a result from an increasing accumulated profits which have not yet been allocated from Baht 1,520.67 million to Baht 1,664.30 million or increasing 9.45% which was from the operating profit of the Company and its subsidiaries.

Liabilities of the Company & subsidiaries had decreased from Baht 269.49 million to Baht 257.55 million, a decline of Baht 11.94 million or equivalent to 4.43%. Short term loan from financial institutions increased Baht 30.61 million. Trade accounts and notes payable had decreased Baht 25.02 million. Accrue income tax and other liabilities increased by Baht 2.46 million. Long term loan from financial institutions decreased Baht 21.35 million. The Company's subsidiary had long term loan to the Company and to related party with the amount of Baht 24 and 6 million respectively. (Please refer to note no. 4.1 from no. 14-16 of the financial statement), having normal interest rates, collateral and regular debt term conditions. The Company and subsidiaries did not have loan in foreign currency, except the L/C obligation for purchasing raw material from abroad according to the note to financial statement no. 30.

REPORT OF THE AUDIT COMMITTEE

TO SHAREHOLDERS OF THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED

The Audit Committee of Thai Metal Drum Mfg.Public Co., Ltd. is comprised of Mrs. Achriyar Pattanawong as the Chairman of the Audit Committee, Mrs. Wanida Chansikarin and Mr. Anin Wanglee as the Audit Committee.

The Audit Committee has performed its duties and responsibilities as per the Committee Charter set forth for the Audit Committee by the Company as well as per the outlined by the Company's Board of Directors to review the Company's financial report, oversee the effectiveness and appropriateness of internal control system, ensure the Company to be compliance with the Securities and Stock Exchange Laws including Regulations of the Stock Exchange of Thailand or other applicable law related to the Company's businesses as well as to consider the appointment of the Company's auditor and the proposed yearly audit fee.

In 2016, the Audit Committee held four meetings with the purpose of overseeing the Company's business following to their duties and responsibilities and to review financial statement quarterly and annually which two out of four times, were held with the attendance of the Company's auditors in the purpose of reviewing the findings of the report including providing recommendation. In addition, one out of two times of the above meeting with the company's auditors was held without the presence of the member of the Company Management. The Company auditors have expressed their opinion on the consolidated financial statements of Thai Metal Drum Manufacturing Public Co., Ltd. and its subsidiaries and financial statements of Thai Metal Drum Manufacturing Public Co., Ltd. having presented fairly in all material respects and being unconditionally in conformity with Thai Financial Reporting Standards. Concerning the revision of the effectiveness of the company's internal audit, the Independent Auditor had conducted an audit on the 2 major processes:

1. The sourcing and procurement process covers the scope on the Procurement Planning, the Sourcing of Raw Material, Packaging, Tool and Equipment, Raw Material inspection, Supplier Selection and Appraisal, the Assessment of Suppliers' Establishments and their related Accounting and Financial Operation.
2. The production process which covers the Production Planning, Manufacturing and Production Controlling, the Control of Non-Conforming Product Procedure and the Manufacturing Quality Control.

The audit findings showed that the overall working operations were done at the appropriate level. The independent auditor also had a recommendation on an improvement of some working processes of the company in order to strengthen the internal control process more efficiently. The Audit Committee has already submitted the auditor report to the Board of Directors for their acknowledgement.

During year 2016, the Company Subsidiary had a connected transaction in term of financial assistance, which the Board of Audit Committee reviewed and proposed to the Board of Director of the Company and already get an approval on this matter. In addition, the Company had revealed the said connected transaction to the Stock of Exchange of Thailand under the topic of connected transaction. The Audit Committee had reviewed and commented that the Company's Auditor performed their duty efficiently. Thus, the Audit Committee proposed to the Board of Directors to appoint Mrs.Suwannee Kitipanya-ngam, Certified Public Accountant Registration no. 2899 or Mr.Pornchai Kitipanya-ngam, Certified Public Accountant Registration no.2778 or Mr.Thanakorn Fakfaipol, Certified Public Accountant Registration no.4879 from Bunchikij Company Limited to be the Company's auditor for the fiscal year 2017.

On behalf of Audit Committee



Mrs. Achriyar Pattanawong
Chairman of the Audit Committee

23 February 2017

REPORT OF THE BOARD OF DIRECTORS THE RESPONSIBILITY ON THE COMPANY'S FINANCIAL REPORT

The Board of Director of Thai Metal Drum Mfg. Public Co., Ltd. is responsible for the correctness and the completeness of the consolidated and financial statements of the Company and its subsidiaries as published in the annual report. The financial statements were done in conformity with generally accepted accounting principles, by using the appropriated accounting policy which is practiced constantly. The adequate crucial information is also disclosed in the Note to the financial statement in order to make the best benefit out of it for the shareholders and all investors.

The Board of Directors has put in place the efficient internal control systems in order to assure that the financial statements are recorded correctly and accurately as well as to prevent fraud and conflict of interests.

The Board of Directors has appointed the Audit Committee to review the quality of financial reports and the internal control systems which were expressed in the report of the Audit Committee.

In the opinion of the Board of Directors, the current internal control systems of the Company is presented at the satisfactory level which could generate confidences and reliabilities on the consolidated and financial statement of Thai Metal Drum Manufacturing Public Co., Ltd. and its subsidiaries ending on 31 December 2016 which is practiced in accordance with generally accepted auditing standard and with other applicable laws.



Mr.Sukit Wanglee
Chairman

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the consolidated financial statements of Thai Metal Drum Manufacturing Public Company Limited and its subsidiaries (the Group) and the separate financial statements of Thai Metal Drum Manufacturing Public Company Limited, which comprise the consolidated and separate statements of financial position as at December 31, 2016, and the related consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of Thai Metal Drum Manufacturing Public Company Limited and its subsidiaries and the separate financial position of Thai Metal Drum Manufacturing Public Company Limited as at December 31, 2016, and the related consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	How the matter was addressed
<p>Recognition of revenue from sales of goods</p> <p>Revenue from sales of goods for the year ended December 31, 2016 was Baht 1,882.75 million in the consolidated financial statements of the Group, and was Baht 928.70 million in the separate financial statements of Thai Metal Drum Manufacturing Public Company Limited (The Company).</p> <p>Major products of the Group are metal drum, and other plastic products. The Group has offered its own product's models to customers or to produce in accordance with the customer's requirements.</p> <p>Revenue from sales of goods is a material amount in the 2016 financial statements and directly affected the results of operations of the Group and The Company. The rationality of the recognition of revenue from sales of goods is the key matter that I focus.</p>	<p>My audit of revenue from sales of goods including, but not limited to, the following procedures:</p> <ul style="list-style-type: none"> • Gain understandings and test internal control on sale procedures • Gain understandings of the businesses run by the Group's customers and analyze the type of goods and the quantity of goods required by businesses of those customers. • Analyze the consistency of orders of goods made by each customer on the monthly and annually by comparing to the related information in previous years to ensure the rationality of the level of sale volume. • Take the results from accounts receivable balance confirmation and jointly analyzed with the monthly sales of each relevant customers to ensure the rationality of sales level by each customers. • Verify the correctness and completeness of sales transactions with sales documents, goods withdrawal documents, goods delivery documents, customer's goods receipt documents, and sales conditions to ensure that those transactions are valid and in accordance with the sales agreements.

Key audit matter	How the matter was addressed
	<ul style="list-style-type: none"> • Verify the sales records with evidences for goods withdrawal, goods delivery, and customer's goods receipt to ensure that sales are accounted for in the correct accounting period. • Perform an audit after year end subsequent to the audit report date to ensure there is no unusual goods return and at the material volume. • Perform an analysis on the relationship between sales and cost of sales together with the movements of inventories from the beginning of year to the year-end balance to ensure that all information are in the same direction and rational.

Other matter

The consolidated and separate financial statements for the year ended December 31, 2015 of Thai Metal Drum Manufacturing Public Company Limited and its subsidiaries and of Thai Metal Drum Manufacturing Public Company Limited, respectively, which are presented herein as comparative information, were audited by another auditor of Bunchikij Co., Ltd. who expressed an unqualified opinion on those statements in his report dated February 23, 2016.

Other Information

Management is responsible for the other information included in the Group's annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The Group's annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information as referred to above and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information as referred to above when it becomes available and, in doing so, consider whether such the other information is materially inconsistent with the audited consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the Group's annual report, if I conclude that there is any material misstatement in those other information, I am required to communicate the matter to the management and those charged with governance to correct such information.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mrs. Suwanee Kittipanya-ngam.



(Suwanee Kittipanya-ngam)
Certified Public Accountant No. 2899
Bunchikij Co., Ltd.

Bangkok
February 27, 2017

THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2016

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	3.2 and 5	56,216,691.83	87,892,601.74	30,837,438.04	40,825,002.75
Current investments	3.3 and 6	550,736,453.55	488,355,068.47	394,146,198.82	323,206,692.33
Trade and other receivables	3.4 and 7	312,563,469.08	293,726,824.71	144,171,656.67	107,854,514.66
Inventories	3.5 and 8	197,904,526.13	192,932,865.75	75,660,037.39	73,528,823.57
Other current assets		21,764,234.22	39,201,364.86	2,174,645.88	8,555,838.56
Total current assets		1,139,185,374.81	1,102,108,725.53	646,989,976.80	553,970,871.87
Non-current assets					
Available-for-sale investments	3.3 and 9	141,338,100.00	87,401,000.00	29,700,000.00	-
Investments in subsidiary companies	3.3 and 4.1	-	-	94,070,966.70	94,070,966.70
Long-term investments	3.3 and 10	425,669,275.70	343,354,206.52	299,419,115.70	223,524,109.78
Long-term loans to related party	4.1	-	-	24,000,000.00	71,000,000.00
Investment property	3.7 and 11	97,627,630.91	121,753,832.17	93,055,016.77	98,931,551.19
Property, plant and equipment	3.8 and 12	989,301,888.50	991,995,292.31	365,277,315.66	384,594,084.31
Intangible assets	3.9 and 13	15,484.16	30,270.56	1,054.66	2,639.44
Other non-current assets		4,541,034.43	4,477,174.80	2,549,749.78	2,566,449.78
Total non-current assets		1,658,493,413.70	1,549,011,776.36	908,073,219.27	874,689,801.20
Total assets		2,797,678,788.51	2,651,120,501.89	1,555,063,196.07	1,428,660,673.07

Notes to financial statements are an integral part of these statements.

THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

As at December 31, 2016

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial instiutions	14	30,608,786.00	-	-	-
Trade and other payables	15	105,452,722.05	130,476,554.96	35,992,056.29	34,926,868.84
Current portion of long-term loans	16	-	10,920,000.00	-	-
Accrued income tax		5,348,397.22	2,884,702.92	4,274,399.70	1,814,914.28
Other current liabilities		9,338,331.13	6,388,268.32	5,205,786.18	3,461,396.50
Total current liabilities		150,748,236.40	150,669,526.20	45,472,242.17	40,203,179.62
Non-current liabilities					
Long-term loans from financial institutions	16	-	21,350,000.00	-	-
Long-term loans from related parties	4.1	6,000,000.00	6,000,000.00	-	-
Deposit and guarantee received		18,109,700.83	17,615,401.53	15,757,151.83	15,212,852.53
Employee benefit obligations	3.13 and 17	20,945,385.00	15,524,120.99	10,945,059.00	8,300,696.97
Deferred tax liabilities	22	61,741,970.64	58,327,507.40	20,825,789.52	22,998,430.21
Total non-current liabilities		106,797,056.47	118,817,029.92	47,528,000.35	46,511,979.71
Total liabilities		257,545,292.87	269,486,556.12	93,000,242.52	86,715,159.33
Shareholders' equity					
Share capital					
Authorized share capital					
150,000,000 Ordinary shares at Baht 1 each,		150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00
Issued and fully paid-up share capital					
150,000,000 Ordinary shares at Baht 1 each,		150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00
Premium on ordinary shares		340,000,000.00	340,000,000.00	340,000,000.00	340,000,000.00
Retained earnings					
Appropriated for legal reserve	18.3	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00
Unappropriated		1,664,301,340.00	1,520,668,297.44	917,453,635.46	796,625,513.74
Other components of equity		167,768,511.46	157,456,136.46	39,609,318.09	40,320,000.00
Total equity holders of the Company		2,337,069,851.46	2,183,124,433.90	1,462,062,953.55	1,341,945,513.74
Non-controlling interests		203,063,644.18	198,509,511.87	-	-
Total shareholders' equity		2,540,133,495.64	2,381,633,945.77	1,462,062,953.55	1,341,945,513.74
Total liabilities and shareholders' equity		2,797,678,788.51	2,651,120,501.89	1,555,063,196.07	1,428,660,673.07

Notes to financial statements are an integral part of these statements.

THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2016

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Revenues from sales and services					
Revenues from sales of goods and rendering of services	26	1,882,752,150.02	1,844,507,076.13	928,699,857.47	823,379,503.00
Rental and service income		59,664,309.63	55,504,370.54	55,138,051.34	51,135,830.54
Total revenues from sales and services		1,942,416,459.65	1,900,011,446.67	983,837,908.81	874,515,333.54
Costs of sales and services					
Costs of sales of goods and rendering of services		(1,451,476,318.83)	(1,424,416,843.66)	(650,953,425.19)	(602,154,194.23)
Costs of rental and services		(19,072,875.76)	(18,953,737.71)	(14,681,017.73)	(15,807,400.28)
Total costs of sales and services		(1,470,549,194.59)	(1,443,370,581.37)	(665,634,442.92)	(617,961,594.51)
Gross profit		471,867,265.06	456,640,865.30	318,203,465.89	256,553,739.03
Other income	19	31,482,599.54	33,666,220.99	51,561,578.07	52,347,111.96
Profit before expenses		503,349,864.60	490,307,086.29	369,765,043.96	308,900,850.99
Selling expenses		(83,062,410.98)	(75,058,867.24)	(35,003,996.30)	(28,920,328.24)
Administrative expenses		(78,863,799.82)	(86,359,975.88)	(38,724,624.82)	(42,615,877.07)
Profit before finance costs and income tax		341,423,653.80	328,888,243.17	296,036,422.84	237,364,645.68
Finance costs		(1,778,488.19)	(2,405,120.95)	-	-
Profit before income tax		339,645,165.61	326,483,122.22	296,036,422.84	237,364,645.68
Income tax expenses	22	(14,110,796.14)	(9,764,808.29)	(8,208,925.90)	(7,712,782.65)
Profit for the years		325,534,369.47	316,718,313.93	287,827,496.94	229,651,863.03
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial loss , net income tax		(4,247,089.60)	-	(1,999,375.22)	-
Items that may be reclassified to profit or loss					
Gain (loss) on change in value of available-for-sale investments, net income tax		10,312,375.00	7,176,880.00	(710,681.91)	-
Total other comprehensive income for the years, net of income tax		6,065,285.40	7,176,880.00	(2,710,057.13)	-
Total comprehensive income for the years		331,599,654.87	323,895,193.93	285,117,439.81	229,651,863.03
Profit attributable to					
Equity holders of the Company		312,880,132.16	293,845,652.24	287,827,496.94	229,651,863.03
Non-controlling interests		12,654,237.31	22,872,661.69	-	-
		325,534,369.47	316,718,313.93	287,827,496.94	229,651,863.03
Total comprehensive income attributable to					
Equity holders of the Company		318,945,417.56	301,022,532.24	285,117,439.81	229,651,863.03
Non-controlling interests		12,654,237.31	22,872,661.69	-	-
		331,599,654.87	323,895,193.93	285,117,439.81	229,651,863.03
Basic earnings per share					
Profit of equity holders of the Company	23	2.09	1.96	1.92	1.53

Notes to financial statements are an integral part of these statements.

THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended December 31, 2016

Unit : Baht

Note	Equity holders of the company								Non-controlling interests	Total shareholders' equity
	Issued and paid - up share capital	Premium on ordinary shares	Retained earnings		Other components of equity		Total other components of equity	Total equity of holders of the Company		
			Appropriated Legal reserve	Unappropriated	Revaluation surplus of land	Available-for-sale investments				
Balance as at January 1, 2015	150,000,000.00	340,000,000.00	15,000,000.00	1,376,822,645.20	134,290,260.46	15,988,996.00	150,279,256.46	2,032,101,901.66	183,736,955.18	2,215,838,856.84
Subsidiaries paid dividend to non-controlling interests	-	-	-	-	-	-	-	-	(8,100,105.00)	(8,100,105.00)
Dividend paid18.2	-	-	-	(150,000,000.00)	-	-	-	(150,000,000.00)	-	(150,000,000.00)
Total comprehensive income for the year 2015	-	-	-	293,845,652.24	-	7,176,880.00	7,176,880.00	301,022,532.24	22,872,661.69	323,895,193.93
Balance as at December 31, 2015	150,000,000.00	340,000,000.00	15,000,000.00	1,520,668,297.44	134,290,260.46	23,165,876.00	157,456,136.46	2,183,124,433.90	198,509,511.87	2,381,633,945.77
Balance as at January 1, 2016	150,000,000.00	340,000,000.00	15,000,000.00	1,520,668,297.44	134,290,260.46	23,165,876.00	157,456,136.46	2,183,124,433.90	198,509,511.87	2,381,633,945.77
Subsidiaries paid dividend to non-controlling interests	-	-	-	-	-	-	-	-	(8,100,105.00)	(8,100,105.00)
Dividend paid18.2	-	-	-	(165,000,000.00)	-	-	-	(165,000,000.00)	-	(165,000,000.00)
Total comprehensive income for the year 2016	-	-	-	308,633,042.56	-	10,312,375.00	10,312,375.00	318,945,417.56	12,654,237.31	331,599,654.87
Balance as at December 31, 2016	150,000,000.00	340,000,000.00	15,000,000.00	1,664,301,340.00	134,290,260.46	33,478,251.00	167,768,511.46	2,337,069,851.46	203,063,644.18	2,540,133,495.64

Notes to financial statements are an integral part of these statements.

THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended December 31, 2016

Unit : Baht

	Note	Other components of equity						Total	
		Issued and paid - up share capital	Premium on ordinary shares	Retained earnings		Other comprehensive income			Total other components of equity
				Appropriated Legal reserve	Unappropriated	Revaluation surplus of land	Available-for-sale investments		
Balance as at January 1, 2015		150,000,000.00	340,000,000.00	15,000,000.00	716,973,650.71	40,320,000.00	-	-	1,262,293,650.71
Dividend paid	18.2	-	-	-	(150,000,000.00)	-	-	-	(150,000,000.00)
Total comprehensive income for the year 2015		-	-	-	229,651,863.03	-	-	-	229,651,863.03
Balance as at December 31, 2015		150,000,000.00	340,000,000.00	15,000,000.00	796,625,513.74	40,320,000.00	-	-	1,341,945,513.74
Balance as at January 1, 2016		150,000,000.00	340,000,000.00	15,000,000.00	796,625,513.74	40,320,000.00	-	40,320,000.00	1,341,945,513.74
Dividend paid	18.2	-	-	-	(165,000,000.00)	-	-	-	(165,000,000.00)
Total comprehensive income for the year 2016		-	-	-	285,828,121.72	-	(710,681.91)	(710,681.91)	285,117,439.81
Balance as at December 31, 2016		150,000,000.00	340,000,000.00	15,000,000.00	917,453,635.46	40,320,000.00	(710,681.91)	39,609,318.09	1,462,062,953.55

Notes to financial statements are an integral part of these statements.

THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the year ended December 31, 2016

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Cash flows from operating activities					
Profit before income tax		339,645,165.61	326,483,122.22	296,036,422.84	237,364,645.68
Adjustments to reconcile the profit before income tax to net cash provided by operating activities					
Depreciation and amortization		110,285,429.71	97,162,528.17	40,745,417.63	40,246,134.86
Gain on sale of fixed assets		(998,109.57)	(2,661,007.43)	(312,095.12)	(947,101.15)
Loss on unused of fixed assets		7,043.29	52,262.38	2.00	49,268.71
Unrealized gain on currency exchange		(39,227.70)	(4,853.40)	(11,478.51)	-
Loss on obsolete inventories		-	2,040,555.15	-	-
Doubtful accounts		-	251,844.18	-	-
Unrealized gain on change in value of investments		(174,337.52)	(229,690.51)	(146,198.82)	(206,692.33)
Gain on sale of securities		(5,871,542.06)	(4,813,227.07)	(4,386,142.22)	(3,614,684.04)
Transfer assets to be expenses		126,700.00	6,588.00	-	-
Employee benefit expenses		1,683,972.00	1,588,276.95	794,993.00	812,685.94
Dividend income		(6,075,162.00)	(5,831,121.80)	(32,660,465.00)	(32,399,895.00)
Interest income		(14,879,258.16)	(16,229,228.87)	(13,150,397.48)	(13,744,803.17)
Interest expenses		1,778,488.19	2,405,120.95	-	-
		425,489,161.79	400,221,168.92	286,910,058.32	227,559,559.50
Change in operating assets and liabilities					
(Increase) decrease in assets					
Trade and other receivables		(20,656,345.05)	42,952,488.03	(36,348,744.75)	14,076,300.43
Inventories		(4,971,660.38)	23,294,760.80	(2,131,213.82)	28,109,841.66
Other current assets		4,721,306.75	(2,136,560.35)	(450,919.02)	(351,950.19)
Other non-current assets		(1,650.00)	(32,288.57)	16,700.00	(12,980.00)
Increase (decrease) in liabilities					
Trade and other payables		(22,782,059.93)	(13,576,510.47)	1,031,823.66	(268,560.02)
Other current liabilities		2,950,062.81	782,050.41	1,744,389.68	(461,799.62)
Deposit and guarantee received		494,299.30	406,356.00	544,299.30	406,356.00
Employee benefit obligations		(1,571,570.00)	(726,941.94)	(649,850.00)	(726,941.94)
Cash generated from operations		383,671,545.29	451,184,522.83	250,666,543.37	268,329,825.82
Interest paid		(1,736,127.37)	(2,518,537.70)	-	-
Income tax paid		(9,872,473.14)	(8,329,039.39)	(7,244,566.88)	(5,640,883.22)
Net cash provided by operating activities		372,062,944.78	440,336,945.74	243,421,976.49	262,688,942.60

Notes to financial statements are an integral part of these statements.

THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

For the year ended December 31, 2016

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Cash flows from investing activities					
(Increase) decrease in current investments		(85,615,688.17)	(13,441,027.93)	(38,407,165.45)	7,660,483.33
Increase (decrease) in fixed deposit at banks used as collateral		61,303.57	(602.72)	-	-
Increase in available-for-sale investments		(45,092,231.25)	(5,689,000.00)	(30,588,352.39)	-
Increase in long-term investments		(166,222,330.92)	(162,687,660.81)	(104,000,000.00)	(143,524,109.78)
Decrease in long-term investments		116,766,268.35	27,000,000.00	-	10,000,000.00
(Increase) decrease in long-term loans to related party		-	-	47,000,000.00	(7,000,000.00)
Purchase of fixed assets		(123,511,178.75)	(191,075,082.18)	(8,178,087.27)	(13,233,410.17)
Purchase of intangible assets		-	(9,000.00)	-	-
Increase in deposit for purchase of fixed assets		(6,854,884.42)	(23,150,476.67)	(459,440.82)	(7,306,010.88)
Sale of fixed assets		42,939,795.70	68,550,523.18	384,833.73	1,066,772.18
Sale of Investment property		17,800,000.00	-	-	-
Dividend received		6,075,162.00	5,831,121.80	32,660,465.00	32,399,895.00
Interest received		17,201,327.38	13,935,307.45	13,285,761.42	13,373,229.87
Net cash used in investing activities		(226,452,456.51)	(280,735,897.88)	(88,301,985.78)	(106,563,150.45)
Cash flows from financing activities					
(Increase) decrease in short - term loans					
from financial institutions		30,608,786.00	(41,606,517.72)	-	-
Received long-term loans from financial institutions		25,000,000.00	35,000,000.00	-	-
Payment for asset payables		(2,525,079.18)	(7,885,378.18)	(107,555.42)	(593,156.18)
Repayment long-term loans from financial institutions		(57,270,000.00)	(2,730,000.00)	-	-
Dividend paid		(173,100,105.00)	(158,100,105.00)	(165,000,000.00)	(150,000,000.00)
Net cash used in financing activities		(177,286,398.18)	(175,322,000.90)	(165,107,555.42)	(150,593,156.18)
Net (increase) decrease in cash and cash equivalents		(31,675,909.91)	(15,720,953.04)	(9,987,564.71)	5,532,635.97
Cash and cash equivalents as at January 1,		87,892,601.74	103,613,554.78	40,825,002.75	35,292,366.78
Cash and cash equivalents as at December 31,	3.2 and 5	56,216,691.83	87,892,601.74	30,837,438.04	40,825,002.75
Supplemental disclosures of cash flow information					
Non-cash items					
Asset payables		244,580.60	2,399,119.76	153,630.60	107,555.42

Notes to financial statements are an integral part of these statements.

THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2016

1. General information

- 1.1 Thai Metal Drum Manufacturing Public Company Limited (the Company) was incorporated in Thailand in the year 1958, and has been listed in the Stock Exchange of Thailand since 1989. The address of head office is 35th Floor Lake Rajada Office Complex, 193/142 Rachadapisek Road, Klongtoey, Bangkok 10110 and the branch is Factory, which is located 179 Moo 9 Bangwua, Bangpakong, Chachoengsao, in Wellgrow Industrial Estate Zone.
- 1.2 The Company's principal operations are manufacturer and distributor of 200 liters metal drums, and to provide office buildings for rent.
- 1.3 The Company's major shareholder is Charanvas family.

2. Basis of preparation and presentation of the financial statements

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards which are issued under the Accounting Professions Act B.E.2547, and have been presented under the Accounting Act. B.E.2543, and applicable rules and regulations of the Securities and Exchange Commission under the Securities and Exchange Act.
- 2.2 The financial statements are presented for Thai currency reporting purpose and prepared in Thai language. This English translation of financial statements has been prepared for the convenience of the readers who were not conversant with Thai language.
- 2.3 Basis of preparation of the consolidated financial statements

The consolidated financial statements include the financial statements of the Company and its subsidiaries as follows:

	Shareholdings (%)		Nature of relationship
	2016	2015	
Surat Metal Drum Co.,Ltd.*	99.9970	99.9970	Distributor of raw materials for the production of container.
Songkhla Metal Drum Co.,Ltd.	80.0000	80.0000	Manufacturer and distributor of metal drums.
The Pet Co.,Ltd.	79.9990	79.9990	Manufacturer and distributor of plastic products.
Lake Rajada Co.,Ltd.* (Indirect)	99.9970	99.9970	Distributor of raw materials for the production of container and sale of the machinery equipment and consultant.
Eastplast Co.,Ltd. (Indirect)	79.9990	79.9990	Manufacturer and distributor of plastic products.

*There was no earnings from the subsidiaries' operations in this accounting period.

Outstanding intragroup balances, significant intragroup transactions, and the investment of parent company in subsidiaries and shareholders' equity of the subsidiaries have been eliminated in this consolidation.

The financial statements of the subsidiaries have been prepared by applying the same significant accounting policies as the Company.

2.4 New Financial Reporting Standards

The Federation of Accounting Professions has promulgated the newly revised and new financial reporting standards as follows:

2.4.1 The Financial Reporting Standards that are effective in the current accounting period

The Company and its subsidiaries has adopted the Thai Financial Reporting Standards that are effective for accounting periods beginning on or after January 1, 2016. The adoption of these Thai Financial Reporting Standards does not have any significant impact on the Company's and its subsidiaries financial statements.

2.4.2 The Financial Reporting Standards that will become effective in the future

The Financial Reporting Standards which are effective for accounting period beginning on or after January 1, 2017, are as follows:

Financial Reporting Standards

The number	Title
TFRS2 (revised 2016)	Share – based Payment
TFRS3 (revised 2016)	Business Combinations
TFRS4 (revised 2016)	Insurance Contract
TFRS5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS6 (revised 2016)	Exploration for and Evaluation of Mineral Assets
TFRS8 (revised 2016)	Operating Segments
TFRS10 (revised 2016)	Consolidated Financial Statements
TFRS11 (revised 2016)	Joint Arrangements
TFRS12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS13 (revised 2016)	Fair Value Measurement

Accounting Standards

The number	Title
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flow
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Cost
TAS 24 (revised 2016)	Related Party Disclosure
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41(revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation

Financial Reporting Standards Interpretations

The number	Title
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmers
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) Employee Benefits – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customer
TFRIC 20 (revised 2016)	Stripping Cost in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

Accounting Standard Interpretations

The number	Title
TSIC 10 (revised 2016)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 25 (revised 2016)	Income Taxes – Changes in the Tax Status of and Enterprise or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2016)	Disclosure – Service Concession Arrangements
TSIC 31 (revised 2016)	Revenue – Barter Transaction Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets – Web Site Costs

Accounting guidance

The number	Title
No. 5/2559	Accounting guidance for de- recognition of financial assets and financial liabilities
No. 91/2559	Accounting guidance for insurance business to designate financial instruments as financial instruments measured at fair value through profit or loss

The Company and its subsidiaries have not adopted the above standards before the effective date.

The management of the Company and its subsidiaries assess that there will be no material impacts on the financial statements in the period that the above standards are applied.

2.5 Accounting Estimates

Preparation of interim financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

3. Summary of significant accounting policies

3.1 Basis of measurement used in the preparation of the financial statements

Historical cost is used as measurement basis in preparing these financial statements except for some items as indicated in the relevant notes.

3.2 Cash and cash equivalent

Cash represents cash on hand and demand deposits with bank or financial institutions.

Cash equivalents comprises fixed deposit and short-term highly liquid investments which are not restricted in their uses, and that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value, such as deposit expiring less than 3 months from the date of deposit or investments

3.3 Investments

Investments in Units trust (held for trading) which are non-marketable securities, are accounted for at fair value (The fair value of unit trusts is determined from the net asset value). The difference of cost and fair value for trading securities are recorded in profit or loss.

Investments in Units trust of fund and marketable securities (available for sale) are accounted for at fair value (the lasted bid price as of the end of the period). Change in the value is recorded in other components of equity, and will be recorded as gains or losses in profit or loss when they have been disposed.

Investments in debt securities, both due within one year and expected to be held to maturity, are accounted at amortized cost by the effective rate method.

Investments in non-marketable equity securities, which are classified as other investments, are accounted for at the cost less allowance for decline in value of investment (if any).

Investments in subsidiary companies:

Investments in subsidiaries in the Separate financial statements are accounted for by the cost method less allowance for decline in value of investment (if any).

The cost of disposal and the balance of the investments are computed by using the weighted average method.

3.4 Trade receivables

Trade receivables are stated at net realizable value which is the amount of invoices net of allowance for doubtful accounts.

The Company and its subsidiaries have provided the allowance for doubtful accounts for each accounts receivable based on the estimated uncollectible amounts by considering from the financial status and the management' s estimates.

3.5 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Net realizable value is the selling price in the ordinary course of business less the estimated costs necessary to make the sale.

The costs of purchased inventories comprise the purchase price and other costs directly attributed to the acquisition of goods.

Manufacturing cost of finished goods and work in process comprises from raw materials, labor and manufacturing overhead.

The costs of inventories are calculated as follows:

Finished goods and work in process	- Average production cost.
Raw material and supplies	- First-in, first-out (FIFO) method.

3.6 Lease Agreements

3.6.1 Finance Leases

The leases of assets, which all substantial risks and rewards associated with the assets have been transferred to the lessee, ownership may or may not eventually be transferred to the lessee under the finance lease arrangements, are classified as finance leases. The Company and its subsidiaries record asset and obligation at an amount equal to the fair value of the leased asset or the present value of the minimum lease payment, whichever is lower. The interest expense is charged to profit or loss over the lease period. The leased asset is depreciated over the useful life.

3.6.2 Operating Leases

The leases of assets, which all substantial risks and rewards associated with the ownership of the assets have not been transferred to the lessee, are classified as operating leases. The payments made under operating leases are charged to profit or loss on a straight-line method over the period of the lease.

3.7 Investment Property

Investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Building and improvements	20 Years
Condominium	30 Years
Condominium decoration	5, 10 Years

3.8 Property, plant and equipment

Lands are stated at revalued amounts.

Revaluation shall be made by an independent professional valuer with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

The book value of the assets which has been increased as a result of a revaluation, the income shall be recognized in other comprehensive income and accumulated in equity under the entry of revaluation surplus on assets. And the increase shall be recognized in profit or loss, but will not exceed that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

The book value of the assets which has been decreased as a result of a revaluation, the decrease shall be recognized in profit or loss. And, the decrease shall be recognized in other comprehensive income to the extent that it does not exceed the balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the entry of revaluation surplus.

Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Land improvements	5 Years
Building and improvements	30 Years
Machinery and equipment	5-12 Years
Furniture and equipment	5 Years
Vehicles	5 Years

An initial estimation of costs for dismantling and removing the items and restoring the site on which the self-constructed assets are located, if the Company and its subsidiaries have their obligations to do so, have been included in cost of Property, plant and equipment.

Costs of addition, improvement, repair or extensions of lease agreement that enable the Company and its subsidiaries to increase the future economic benefit are recognized as assets.

Depreciation is separately calculated on each component of asset, when the cost of each component is significant in relation to the total cost of the asset item.

Depreciation method, useful life and residual value of assets, are reviewed at least at each financial year-end.

Depreciation is recognized as expense for each accounting period.

3.9 Intangible assets

Computer software are stated at cost less accumulated amortization and allowance for loss on impairment of assets (if any).

Amortization is charged by the straight-line method over the period of economic benefit will flow to the Company for 5 years.

Amortization is recognized as expense for each accounting period.

3.10 Impairment of assets

The Company and its subsidiaries assess the impairment of assets i.e. Investment property, Plant and Equipment and Intangible assets whenever there is indication that an asset may be impaired, the impairment will be assessed by estimating the recoverable amount of asset, if it is below the carrying amount of asset, it signs an asset is impairment. The Company and its subsidiaries should recognize the impairment loss in profit or loss.

Recoverable amount of assets is the higher of an asset's net selling price or its value in use, whichever is higher, and it is determined from an individual asset or cash-generating unit.

3.11 Liabilities, provisions and expenses

The Company and its subsidiaries recognized liabilities, provisions and expenses in the financial statements when it has legal obligation or possible obligation arising from past events, the settlement of which is expected to be made in the amount that can be estimated with sufficient reliability.

The Company and its subsidiaries recognizes the dividend payable when the dividend is approved by their ordinary shareholders' meeting.

3.12 Revenue recognition

Revenue from sales of goods is recognized when significant risks and rewards of ownership have been transferred to the buyer based on the invoices value less discount, goods return, and the estimates of goods return (if any).

Revenue from services is recognized when the outcome of a service can be estimated reliably.

Rental income is recognized over the lease term.

Dividend income is recognized when the right of receiving dividends is announced.

Interest income is recognized in accordance with the period of time.

3.13 Employee Benefits

Short-term employee benefits

Short-term employee benefits, which fall due wholly within 12 months after the end of period in which the employees render the related service, are recognized as expenses when incurred.

Post-employment benefits

The Company and its subsidiaries and their employees have jointly established a provident fund for the employees. The fund companies contributions from employees which are deducted from their monthly salaries and contributions made by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries contributions are recognized as expenses when incurred.

The severance payments upon the retirement under the labor law, was calculated on the basis of the Actuarial Valuation Methods by using the projected unit credit method.

The Company and its subsidiaries recognizes the actuarial gains and losses in other comprehensive income while all expenses related to post-employment benefits plans are recognized in profit or loss.

3.14 Translation of foreign currency

Foreign currency transactions are translated into Thai Baht at the exchange rate on the transaction date. The remaining balances of assets and liabilities denominated in foreign currency at the end of reporting period are translated into Thai Baht at the exchange rates ruling at that date. Exchange differences are recorded profit or loss in the statements of income.

3.15 Income tax

Income tax expense represents the aggregate of current income tax expense and deferred tax.

Current income tax expense and deferred tax are recognized in profit or loss except for that related to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income tax represents the amount of expected income tax payable or recoverable on the taxable profit or loss for the period, using tax rate in accordance with the regulation in the Revenue Code.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the consequences that the Company expects, at the end of the reporting period, to recover or settle the carrying amount.

Deferred tax liabilities is recognized for all income tax payable in the future periods in respect of taxable temporary differences.

Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the amount that the related tax benefit will be realised.

3.16 Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company by the number of weighted average ordinary shares outstanding during the year.

4. Related party transactions

The interim financial statements included related party transactions with intercompany shareholding or the same Group of shareholders, directors or management team. Besides, the related parties are taken into account when one party has the ability to control another party or can exercise significant influence over another party in making financial and operating decisions. Certain portions of the Company and its subsidiaries' assets, liabilities, revenues and expenses arose from transactions with the related parties. The effects of these transactions are reflected in the accompanying financial statements on the basis determined in the business practice normally dealt with other parties.

Related party transactions consist of:

4.1 Outstanding balance at the end of period

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade and other receivables				
Trade receivables				
- Subsidiaries	-	-	-	941,600.00
- Related party	47,687,753.44	66,403,399.57	-	-
Other receivables				
- Subsidiaries	-	-	4,012.50	3,852.00
Total	47,687,753.44	66,403,399.57	4,012.50	945,452.00

Investments in subsidiary companies

Unit : Baht

	Consolidated financial statements			
	Paid-up Share capital	Share Holding	Equity Method	
			2016	2015
Songkhla Metal Drum Co., Ltd.	20,000,000.00	80.0000	373,183,808.46	358,442,125.95
The Pet Co., Ltd.	70,000,000.00	79.9990	439,856,305.91	435,574,267.48
Surat Metal Drum Co., Ltd.	20,000,000.00	99.9970	155,834,759.49	118,067,617.43
			968,874,873.86	912,084,010.86
Eliminated intra-group transactions			(968,874,873.86)	(912,084,010.86)
Net			0.00	0.00

Unit : Baht

	Separate financial statements					
	Paid-up Share capital	Share Holding (%)	2016		2015	
			Cost Method	Dividend	Cost Method	Dividend
Songkhla Metal Drum Co., Ltd.	20,000,000.00	80.0000	16,000,000.00	24,000,000.00	16,000,000.00	24,000,000.00
The Pet Co., Ltd.	70,000,000.00	79.9990	59,849,300.00	8,399,895.00	59,849,300.00	8,399,895.00
Surat Metal Drum Co., Ltd.	20,000,000.00	99.9970	18,221,666.70	-	18,221,666.70	-
Total			94,070,966.70	32,399,895.00	94,070,966.70	32,399,895.00

Long-term investments

General investments-Related party

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Rangsit Plaza Co., Ltd.				
(Shareholding 5.00%)	51,250,160.00	51,250,160.00	-	-
Total	51,250,160.00	51,250,160.00	-	-

Unit : Baht

	Separate financial statements	
	2016	2015
Long-term loans to related party		
Balance brought forward	71,000,000.00	64,000,000.00
Increase during the period	-	7,000,000.00
Decrease during the period	(47,000,000.00)	-
Balance carried forward	24,000,000.00	71,000,000.00

The Pet Co., Ltd. (subsidiary company) has entered into the Amendment No. 2 of loan agreement with the Company on January 1, 2013, the new interest rate is at MMR p.a. and will be paid to the Company quarterly. The loan amount of Baht 24 million is due in 2014, in the case of the agreement was due and there is no request to change conditions in the agreement, this agreement shall be effective for the next 5 years.

The Pet Co., Ltd. has entered into another agreement on August 1, 2014, to obtain loan from the Company in the amount of Baht 47 million, and issued the promissory notes which is due by July 31, 2017. The interest rate is 5.50% p.a. and will be paid to the Company quarterly.

Long-term loans from related parties

The Pet Co., Ltd. (subsidiary company) has entered into the Amendment No. 2 of loan agreements on January 1, 2013, the new interest rate is at MMR p.a. and is payable quarterly. The loan amount of Baht 3 million was obtained from related person and another Baht 3 million was obtained from related entity and due in 2014, in the case of the agreement was due and there is no request to change conditions in the agreement, this agreement shall be effective for the next 5 years.

Unit : Baht

Trade payable

The Pet Co., Ltd.

Eastplast Co., Ltd.

Total

Separate financial statements	
2016	2015
-	112,350.00
6,572.48	-
6,572.48	112,350.00

4.2 Related party transactions

The pricing policies for the types of transactions are as follows:

Transactions	Pricing policies
Purchase	Cost plus contribution margin
Sale	Market price
Purchase of fixed assets	Agree upon basis, Cost plus contribution margin
Interest income	MMR and 5.5% p.a.
Dividend income from subsidiaries	As declaration
Other income	Agree upon basis
Rental and service expense	Service agreement
Interest paid	As required
Dividend paid	As declaration
Compensation for damage	Agree upon basis

Related party transactions for the year ended December 31, 2016 and 2015, are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Purchase	-	-	8,341,185.50	972,635.00
Sale	367,277,428.38	458,218,315.97	1,034,050.00	2,339,661.14
Sale of fixed assets	-	-	-	68,200.00
Interest income	-	-	2,353,016.45	3,673,954.52
Dividend income from subsidiaries	-	-	32,399,895.00	32,399,895.00
Rental and service expense	240,000.00	-	399,450.00	403,500.00
Interest paid	128,580.92	139,698.08	-	-
Dividend paid	1,050,000.00	1,050,000.00	-	-
Compensation for damage	2,481,748.59	1,090,704.16	-	-

4.3 Management remuneration

Management remuneration for the year ended December 31, 2016 and 2015, are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Management remuneration	30,333,131.00	27,851,936.00	27,415,010.00	24,695,222.00

5. Cash and cash equivalents

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash on hand	636,544.46	512,381.83	160,000.00	130,000.00
Cheque on hand	2,151,528.18	2,649,234.40	2,151,528.18	2,649,234.40
Demand deposits	53,428,619.19	84,730,985.51	28,525,909.86	38,045,768.35
Total	56,216,691.83	87,892,601.74	30,837,438.04	40,825,002.75

6. Current investments

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trading securities				
Unit trust	484,562,000.16	308,340,006.69	366,000,000.00	249,000,000.00
Change in fair value	174,453.39	288,762.51	146,198.82	206,692.33
Total	484,736,453.55	308,628,769.20	366,146,198.82	249,206,692.33
Deposit at bank – Fixed a/c				
(Interest rate at 2.05% – 3.40% p.a.)	66,000,000.00	179,726,299.27	28,000,000.00	74,000,000.00
Total	550,736,453.55	488,355,068.47	394,146,198.82	323,206,692.33
Movement of trading securities are as follows:				
Beginning net book amount	308,628,769.20	167,453,100.54	249,206,692.33	130,045,799.29
Acquisitions	1,382,544,344.58	2,034,660,000.00	903,000,000.00	329,000,000.00
Disposal	(1,206,686,246.99)	(1,893,714,021.85)	(786,206,692.33)	(210,045,799.29)
Change in value of investments	249,586.76	229,690.51	146,198.82	206,692.33
Ending net book amount	484,736,453.55	308,628,769.20	366,146,198.82	249,206,692.33

7. Trade and other receivables

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables				
– Related party (Note 4.1)	47,687,753.44	66,403,399.57	-	941,600.00
– Other company				
Domestic	263,884,043.08	221,289,069.42	141,857,191.22	103,994,015.63
Foreign	2,340,713.17	1,782,841.41	-	-
Total	313,912,509.69	289,475,310.40	141,857,191.22	104,935,615.63
Less Allowance for doubtful accounts	5,495,283.34	5,495,283.34	-	-
Total	308,417,226.35	283,980,027.06	141,857,191.22	104,935,615.63
Notes receivables	-	2,203,209.30	-	-
Other receivables	4,146,242.73	7,543,588.35	2,314,465.45	2,918,899.03
Total	312,563,469.08	293,726,824.71	144,171,656.67	107,854,514.66

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Aging analysis of trade accounts receivable as follows :				
Not yet due	197,905,766.76	200,684,265.56	108,431,542.21	83,597,373.14
Not over 3 months	100,399,479.30	79,601,416.37	33,425,649.01	21,338,242.49
Over 3 months to 6 months	10,111,980.29	3,694,345.13	-	-
Over 12 months	5,495,283.34	5,495,283.34	-	-
Total	313,912,509.69	289,475,310.40	141,857,191.22	104,935,615.63
Less Allowance for doubtful accounts	5,495,283.34	5,495,283.34	-	-
Trade receivables, net	308,417,226.35	283,980,027.06	141,857,191.22	104,935,615.63
Doubtful account	-	251,844.18	-	-

8. Inventories

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Finished goods	31,186,748.21	29,714,610.35	9,521,305.06	10,042,437.65
Work in process	10,929,859.02	8,118,181.62	9,370,499.07	7,887,266.62
Raw materials	146,174,587.10	149,377,522.22	56,240,534.29	55,213,700.47
Factory supplies	3,962,175.98	3,417,113.94	527,698.97	385,418.83
Spare parts	5,651,155.82	2,305,437.62	-	-
Total	197,904,526.13	192,932,865.75	75,660,037.39	73,528,823.57

9. Available-for-sale securities

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Listed securities				
Units trust in Property Funds	99,490,286.25	58,443,655.00	30,588,352.39	-
Change in fair value	41,847,813.75	28,957,345.00	(888,352.39)	-
Total	141,338,100.00	87,401,000.00	29,700,000.00	-
Movement of available-for-sale securities are as follows :				
Beginning net book amount	87,401,000.00	72,740,900.00	-	-
Acquisitions	45,092,231.25	5,689,000.00	30,588,352.39	-
Disposal	(4,026,400.00)	-	-	-
Cash received from redemption	(19,200.00)	-	-	-
Change in value of investments	12,890,468.75	8,971,100.00	(888,352.39)	-
Ending net book amount	141,338,100.00	87,401,000.00	29,700,000.00	-

10. Long-term investments

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
General investments-related party (Note 4.1)	51,250,160.00	51,250,160.00	-	-
Deposits at banks (Over 1 year)				
(Interest rate at 2.15% – 3.60% p.a.)	49,000,000.00	36,000,000.00	24,000,000.00	28,000,000.00
Investments in Debt securities				
– Debentures due in 2016 – 2021				
(Interest rate at 4.50% p.a., and receive quarterly)	80,000,000.00	-	80,000,000.00	-
– Subordinated and Unsecured Debentures, maturity in 2020 and 2022				
(Interest rate at 4.50% – 5.50% p.a., and receive quarterly)	20,000,000.00	20,000,000.00	10,000,000.00	10,000,000.00
– Subordinated Debentures due in 2022				
(Interest rate at 4.50% p.a., and receive yearly)	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00
– Savings Bonds, maturity in 2016				
(Interest rate 2.60% p.a., and receive biannually)	-	8,438,106.83	-	-
– Savings Bonds, maturity in 2020				
(Interest rate 3.80% p.a., and receive biannually)	-	2,141,829.91	-	-
– Debentures due in 2017 – 2021				
(Interest rate at 3.55% – 5.10% p.a.)	145,419,115.70	145,524,109.78	105,419,115.70	105,524,109.78
– Subordinated Instrument due in 2025				
(Interest rate at 4.65% p.a., and receive quarterly)	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00
– Subordinated Instrument due in 2025				
(Interest rate at 5.10% p.a., and receive quarterly)	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00
Total	425,669,275.70	343,354,206.52	299,419,115.70	223,524,109.78

11. Investment Property

Unit : Baht

	Consolidated financial statements				
	2015	Increase (Decrease) in the period			2016
		Additions	Disposal	Transfer	
Cost of assets					
Land	26,099,903.19	-	12,000,000.00	-	14,099,903.19
Building and improvement	25,599,864.31	-	6,610,165.00	-	18,989,699.31
Office condominium	385,412,417.01	-	0.00	-	385,412,417.01
Condominium decoration and equipment	13,934,520.75	-	0.00	-	13,934,520.75
Total	451,046,705.26	-	18,610,165.00	-	432,436,540.26
Accumulated depreciation					
Building and improvement	17,990,271.59	389,285.29	935,554.25	-	17,444,002.63
Office condominium	297,377,383.99	6,062,305.22	-	-	303,439,689.21
Condominium decoration and equipment	13,925,217.51	-	-	-	13,925,217.51
Total	329,292,873.09	6,451,590.51	935,554.25	-	334,808,909.35
Investment Property, net	121,753,832.17				97,627,630.91

Unit : Baht

Separate financial statements					
	2015	Increase (Decrease) in the period			2016
		Additions	Disposal	Transfer	
Cost of assets					
Land	14,099,903.19	-	-	-	14,099,903.19
Building and improvement	18,989,699.31	-	-	-	18,989,699.31
Office condominium	380,004,322.13	-	-	-	380,004,322.13
Condominium decoration and equipment	13,895,506.35	-	-	-	13,895,506.35
Total	426,989,430.98	-	-	-	426,989,430.98
Accumulated depreciation					
Building and improvement	17,244,975.49	195,542.82	-	-	17,440,518.31
Office condominium	296,917,428.95	5,680,991.60	-	-	302,598,420.55
Condominium decoration and equipment	13,895,475.35	0.00	-	-	13,895,475.35
Total	328,057,879.79	5,876,534.42	-	-	333,934,414.21
Investment Property, net	98,931,551.19				93,055,016.77

Investment property of the Company and its subsidiaries comprised the land, condominiums and office buildings.

11.1 The fair value of lands and condominiums of the Company and a subsidiary company amounting to Baht 1,440.07 million (2015: Baht 1,440.07 million), which comprised the fair value of the lands amounting to Baht 529.81 million and condominiums amounting to Baht 910.26 million. They have been valued by the independent appraisers in 2014. The fair value is at level 2 by using the market approach.

11.2 In 2015, The Pet Company Limited (subsidiary) has land and building at the total fair value of at Baht 22.86 million. On September 15, 2016, The Pet Co., Ltd. and Eastplast Co., Ltd. (Indirect subsidiary) entered into an agreement to purchase and sell the land whereas Eastplast Co., Ltd. purchased land and buildings which are located in Surat Thani Province from The Pet Co., Ltd. in the amount of Baht 17.80 million, and it has been registered the transfer of ownership on November 7, 2016.

12. Property, plant and equipment

Unit : Baht

Consolidated financial statements					
	2015	Increase (Decrease) in the period			2016
		Additions	Disposal	Transfer	
Cost/revaluation					
Land-original price	87,212,000.00	12,000,000.00	-	-	99,212,000.00
Land-revaluation increase	197,229,200.00	-	-	-	197,229,200.00
	284,441,200.00				296,441,200.00
Land improvement	6,490,949.00	-	-	-	6,490,949.00
Building and improvement	263,585,584.39	7,506,195.25	-	1,718,077.84	272,809,857.48
Machinery and equipment	1,215,277,634.72	116,688,581.78	23,567,567.23	39,257,613.83	1,347,656,263.10
Furniture and equipment	22,904,499.80	1,121,543.59	690,422.62	9,985.00	23,345,605.77
Vehicles	73,880,534.38	9,598,160.41	1,227,000.00	-	82,251,694.79
Total	1,866,580,402.29	146,914,481.03	25,484,989.85	40,985,676.67	2,028,995,570.14

Unit : Baht

Consolidated financial statements					
	2015	Increase (Decrease) in the period			2016
		Additions	Disposal	Transfer	
Accumulated depreciation					
Land improvement	2,085,947.00	-	-	-	2,085,947.00
Building and improvement	115,451,432.90	9,233,574.67	-	-	124,685,007.57
Machinery and equipment	765,668,503.01	83,711,258.70	2,767,037.30	-	846,612,724.41
Furniture and equipment	18,992,228.31	1,432,885.94	641,385.13	-	19,783,729.12
Vehicles	43,310,365.93	9,440,810.80	1,226,998.00	-	51,524,178.73
Total	945,508,477.15	103,818,530.11	4,635,180.13	-	1,044,691,586.83
Net	921,071,925.14				984,303,983.31
Machinery and equipment installment	66,170,374.97	13,142,432.50	42,938,280.00	(36,034,669.47)	97,843.00
Assets under construction	4,752,992.20	4,856,062.19	-	(4,708,992.20)	4,900,062.19
Total	991,995,292.31				989,301,888.50

Unit : Baht

Separate financial statements					
	2015	Increase (Decrease) in the period			2016
		Additions	Disposal	Transfer	
Cost/revaluation					
Land-original price	48,000,000.00	-	-	-	48,000,000.00
Land-revaluation increase	50,400,000.00	-	-	-	50,400,000.00
	98,400,000.00				98,400,000.00
Land improvement	4,405,000.00	-	-	-	4,405,000.00
Building and improvement	148,872,510.83	822,620.25	-	-	149,695,131.08
Machinery and equipment	308,151,735.25	5,246,072.66	487,500.00	104,107.00	313,014,414.91
Furniture and equipment	12,895,687.29	675,131.36	588,695.51	-	12,982,123.14
Vehicles	30,842,778.50	8,786,010.88	919,000.00	-	38,709,789.38
Total	603,567,711.87	15,529,835.15	1,995,195.51	104,107.00	617,206,458.51
Accumulated depreciation					
Building and improvement	38,429,222.21	5,329,681.48	-	-	43,758,903.69
Machinery and equipment	158,265,158.85	24,777,714.06	441,041.53	-	182,601,831.38
Furniture and equipment	11,320,704.40	607,649.50	558,006.61	-	11,370,347.29
Vehicles	11,062,649.10	4,152,253.39	918,999.00	-	14,295,903.49
Total	219,077,734.56	34,867,298.43	1,918,047.14	-	252,026,985.85
Net	384,489,977.31				365,179,472.66
Assets installation	104,107.00	97,843.00	-	(104,107.00)	97,843.00
Total	384,594,084.31				365,277,315.66

12.1 Land and building of the subsidiaries have been mortgaged and pledged as collateral for credit facilities obtained from financial institutions as disclosed in note 29 to the financial statements.

12.2 In November, 2014, the Company and its subsidiaries have provided a review on the revaluation of their lands and they were valued by an independent appraisers. The fair value was valued by using the market approach price of these lands and recorded the increase or decrease in other comprehensive income and recognized the accumulated in the "Revaluation surplus of land" in the equity. Revaluation surplus of land is net from deferred tax in the consolidated financial statements is Baht 134.29 million. (Separate financial statements: Baht 40.32 million)

12.3 As at December 31, 2016, the cost of plant and equipment's which were fully depreciated included in Consolidated financial statements in the amount of Baht 560.24 million (2015: Baht 519.71 million) and in Separate financial statements in the amounts of Baht 59.74 million (2015: Baht 38.04 million)

13. Intangible assets

Unit : Baht

	Consolidated financial statements			
	2015	Increase	Decrease	2016
Cost of assets				
Computer softwares	1,629,040.00	-	-	1,629,040.00
Accumulated amortization				
Computer softwares	1,598,769.44	14,786.40	-	1,613,555.84
Intangible assets, net	30,270.56			15,484.16

Unit : Baht

	Separate financial statements			
	2015	Increase	Decrease	2016
Cost of assets				
Computer softwares	1,244,100.00	-	-	1,244,100.00
Accumulated amortization				
Computer softwares	1,241,460.56	1,584.78	-	1,243,045.34
Intangible assets, net	2,639.44			1,054.66

14. Short-term loans from financial institutions

These represent loans in the form of trust receipt with interest rate at MRR p.a.

15. Trade and other payables

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade accounts payable				
– Related party (Note 4.1)	-	-	6,572.48	112,350.00
– Other company				
Domestic	76,104,470.26	99,955,154.22	27,940,798.65	26,831,503.81
Foreign	5,118,871.45	1,357,303.06	-	-
	81,223,341.71	101,312,457.28	27,947,371.13	26,943,853.81
Note payable	1,963,839.57	4,220,475.99	-	-
Other payables				
– Accrued expenses	21,393,766.62	22,135,122.27	7,722,620.12	7,814,110.92
– Others	2,835,613.72	2,808,499.42	322,065.04	168,904.11
	24,229,380.34	24,943,621.69	8,044,685.16	7,983,015.03
Total	105,452,722.05	130,476,554.96	35,992,056.29	34,926,868.84

16. Long-term loans from financial institutions

Unit : Baht

Consolidated financial statements	
2016	2015
Loans from financial institutions	- 32,270,000.00
Less: Current portion of long-term loans	- 10,920,000.00
Long-term loans from financial institutions, net	- 21,350,000.00

The Pet Co., Ltd. (subsidiary company) and Eastplast Co., Ltd., (indirect subsidiary company) had jointly entered into a long-term loan agreement with a financial institution in the amount of Baht 60 million with interest rate at BIBOR + 3.00% p.a.. The principal is repayable monthly within 78 months starting from October 2015 (due date is in March 2021), the interest from the withdrawn date (February 2015) is payable monthly.

Under the long –term loan agreement, such companies have to conform to covenants imposed by the lender to have Thai Metal Drum Manufacturing Public Company Limited maintain its holding in the first borrower (The Pet Co., Ltd.) at the percentage as prescribed in the agreement and to maintain certain debt to equity ratios as well.

In July, 2016, Eastplast Co., Ltd., (indirect subsidiary company) has repaid all of the principal amount.

17. Employee benefit obligations

Expenses Movement in the present value of the employee benefit obligations are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Employee benefit obligations–beginning	15,524,120.99	14,662,785.98	8,300,696.97	8,214,952.97
Service costs	957,432.00	954,985.89	434,176.00	455,228.88
Interest costs	726,540.00	683,291.06	360,817.00	357,457.06
Benefits paid	(1,571,570.00)	(776,941.94)	(649,850.00)	(726,941.94)
Actuarial loss	5,308,862.01	-	2,499,219.03	-
Employee benefit obligations–ending	20,945,385.00	15,524,120.99	10,945,059.00	8,300,696.97

As at December 31, 2016, the Company expects to pay Baht 321,927.00 (2015: Baht 138,617.00) for long-term employee benefits during the next year. The subsidiaries do not expect to pay a long-term employee benefits for next year.

Expenses recognized in the statement of comprehensive income, are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Recognized in profit or loss				
Current service cost	957,432.00	954,985.89	434,176.00	455,228.88
Interest cost	726,540.00	683,291.06	360,817.00	357,457.06
	1,683,972.00	1,638,276.95	794,993.00	812,685.94
Recognized in other comprehensive income				
Actuarial loss	5,308,862.01	-	2,499,219.03	-
Total	6,992,834.01	-	3,294,212.03	-

Actuarial (gain) loss recognized in the other comprehensive income derived from:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Population assumptions	(3,181,908.00)	-	(1,422,427.00)	-
Financial assumptions	4,627,439.00	-	2,112,900.00	-
Experience adjustment	3,863,331.01	-	1,808,746.03	-
Total	5,308,862.01	-	2,499,219.03	-

Principal actuarial assumptions at the reporting date are as follows:

% per annual

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	2.31 – 2.62	4.63 – 5.04	2.31 – 2.56	4.67 – 5.04
Salary increase rate	5.45 – 6.04	6.00 – 6.15	5.45 – 6.04	6.00 – 6.15
Staff turnover rate				
(Scale related to Age ranging)	0 - 43	0 - 50	0 - 43	0 - 50

Mortality rate : According to Thailand Mortality Ordinary Life table 2008

Effect of changes of the assumptions to the present value of long term employee benefit obligation as at December 31, 2016 are as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	Increase 0.50%	Decrease 0.50%	Increase 0.50%	Decrease 0.50%
Discount rate	(0.94)	1.01	(0.41)	0.44
Salary increase rate	0.96	(0.90)	0.42	(0.40)
Staff turnover rate	(0.90)	0.96	(0.37)	0.40

18. Equity

18.1 Share capital

Indirect subsidiary Company

The extraordinary of shareholders' meeting no. 1/2558 on February 2, 2015, of Eastplast Co., Ltd. passed a resolution to increase the share capital from Baht 12 million (120,000 ordinary share of Baht 100 per share) to Baht 20 million (200,000 ordinary share of Baht 100 per share) and the share capital increase had been registered with the Ministry of Commerce on February 16, 2015.

18.2 Dividend payment

The ordinary shareholders' meeting for the year 2016 held on April 25, 2016 approved to pay the dividend from operating income of 2015 at Baht 1.10 per share, amounting to Baht 165 million, and has paid on May 9, 2016.

The ordinary shareholders' meeting for the year 2015 held on April 27, 2015 approved to pay the dividend from operating income of 2014 at Baht 1 per share, amounting to Baht 150 million, and has paid on May 11, 2015.

18.3 Legal reserve

Pursuant to the Public Limited Companies Act B.E. 2535 (1992), the Company must appropriate the annual net profit to be a reserve fund which not less than five percent of the annual net profit deducted by the total deficit brought forward (if any) until reserve reaches an amount of not less than ten percent of the registered capital. This legal reserve is not available for dividend distribution.

18.4 Managing capital

The Company has no regulation to maintain the debt to equity ratio with outside party. The Company has policy to manage the capital by maintaining the Company's ability to continue the on going business and providing the appropriate returns to the shareholders. The Company has policy to pay out dividend no less than 40% of net profit of the Company's separate financial statements.

At the end of period, the consolidated financial statement's debts to equity ratio are 0.10:1.00 (2015: 0.11:1.00) and separate financial statement's debts to equity ratio are 0.06:1.00 (2015: 0.06:1.00)

19. Other incomes

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Dividend income	6,335,732.00	5,831,121.80	32,660,465.00	32,399,895.00
Interest income	15,211,697.67	16,455,629.02	13,150,397.48	13,744,803.17
Others	9,935,169.87	11,379,470.17	5,750,715.59	6,202,413.79
Total	31,482,599.54	33,666,220.99	51,561,578.07	52,347,111.96

20. Provident fund

The Company and its subsidiaries joined with a contributory registered provident fund, in accordance with The Provident Fund Act B.E. 2530. The contributions from employees are deducted at 3%-6% from monthly salaries, and contributions by the Company and its subsidiaries at 3%-6%.

During the year, 2016 and 2015, the Company contributed to the fund in the amount of Baht 1.42 million each year.

21. Classification of expenses by nature

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Change in finished goods and work in process	(4,335,962.76)	18,673,393.96	(1,014,247.36)	8,725,180.59
Raw materials and consumables used	1,038,223,945.98	1,023,926,309.05	545,499,527.34	497,789,853.14
Management benefit expenses*	30,333,131.00	27,851,936.00	27,415,010.00	24,695,222.00
Employee expenses	165,765,672.93	151,102,046.63	45,551,971.43	38,715,079.86
Depreciation and amortization expenses	110,285,429.71	97,162,528.17	40,745,417.63	40,246,134.86
Finance costs	1,778,488.19	2,405,120.95	-	-
Others	292,203,188.53	286,073,210.68	81,165,385.00	79,326,329.37
Total	1,634,253,893.58	1,607,194,545.44	739,363,064.04	689,497,799.82

Unit : Baht

Management benefit expenses*	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cost of sales	2,362,401.00	2,212,518.00	1,953,240.00	1,796,732.00
Administrative expenses	27,970,730.00	25,639,418.00	25,461,770.00	22,898,490.00
Total	30,333,131.00	27,851,936.00	27,415,010.00	24,695,222.00

22. Income tax

The income tax are computed from the profit before income tax, in accordance with the Revenue Code.

Income tax expenses for the year ended December 31, 2016 and 2015 are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax				
Income tax expenses	12,212,654.24	8,348,096.03	9,704,052.30	6,031,302.68
Deferred tax				
Temporary differences and reversal of temporary differences	1,898,141.90	1,416,712.26	(1,495,126.40)	1,681,479.97
Income tax expenses	14,110,796.14	9,764,808.29	8,208,925.90	7,712,782.65

Reconciliation between the average effective tax rate and the applicable tax rate for the year ended December 31, 2016 and 2015, are as follows:

Unit : Baht

Consolidated Financial Statements				
	Rate (%)	2016	Rate (%)	2015
Accounting profit before income tax		339,645,165.61		326,483,122.22
Income tax at applicable tax rate	20	67,929,033.12	20	65,296,624.44
Tax losses of subsidiaries, not recognized as deferred income tax		168,061.62		311,527.75
Tax effect:				
Disallowed expenses for net profit calculation		7,011,559.77		8,122,358.63
Exemption of income/Additional expenses deduction allowed		(12,331,773.69)		(14,076,945.46)
Promotional privileges		(56,255,386.70)		(55,798,659.91)
Effect of elimination entry on the consolidated financial statement		6,432,551.99		6,376,103.18
Losses carry forward		(741,391.87)		(1,882,912.60)
Current income tax		12,212,654.24		8,348,096.03
Deferred tax:				
Temporary differences and reversal of temporary differences		1,898,141.90		1,416,712.26
Income tax expenses	4	14,110,796.14	3	9,764,808.29

Unit : Baht

	Separate Financial Statements			
	Rate (%)	2016	Rate (%)	2015
Accounting profit before income tax		296,036,422.84		237,364,645.68
Income tax at applicable tax rate	20	59,207,284.57	20	47,472,929.14
Tax effect:				
Disallowed expenses for net profit calculation		4,242,086.25		5,736,916.32
Exemption of income/Additional expenses deduction allowed		(10,283,357.67)		(12,561,721.67)
Promotional privileges		(43,461,960.85)		(34,616,821.11)
Current income tax		9,704,052.30		6,031,302.68
Deferred tax:				
Temporary differences and reversal of temporary differences		(1,495,126.40)		1,681,479.97
Income tax expenses	3	8,208,925.90	3	7,712,782.65

The amount of income tax relating to each component of other comprehensive income for the years ended December 31, 2016 and 2015 are as follows:

Unit : Baht

	Consolidated Financial Statements					
	2016			2015		
	Amount before tax	Tax (expenses) benefit	Net of tax	Amount before tax	Tax (expenses) benefit	Net of tax
Gain (loss) on change in value of available – for – sale investments	13,092,464.13	(2,780,089.13)	10,312,375.00	8,971,100.00	(1,794,220.00)	7,176,880.00
Actuarial gain (loss)	(5,308,862.01)	1,061,772.41	(4,247,089.60)	-	-	-
Total	7,783,602.12	(1,718,316.72)	6,065,285.40	8,971,100.00	(1,794,220.00)	7,176,880.00

Unit : Baht

	Separate Financial Statements					
	2016			2015		
	Amount before tax	Tax (expenses) benefit	Net of tax	Amount before tax	Tax (expenses) benefit	Net of tax
Gain (loss) on change in value of available – for – sale investments	(888,352.39)	177,670.48	(710,681.91)	-	-	-
Actuarial gain (loss)	(2,499,219.03)	499,843.81	(1,999,375.22)	-	-	-
Total	(3,387,571.42)	677,514.29	(2,710,057.13)	-	-	-

The components of deferred tax assets and deferred tax liabilities as at December 31, 2016 and 2015 are detailed as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax assets				
Deposits	881,285.48	832,223.55	865,505.48	816,443.55
Allowance for doubtful accounts	1,099,056.67	1,116,638.67	-	-
Assets under finance lease	211,503.80	51,565.57	-	-
Reserve for employee benefit	4,189,077.00	1,257,401.14	2,189,011.80	543,408.03
Available-for-sale investments	177,670.48	-	177,670.48	-
Total	6,558,593.43	3,257,828.93	3,232,187.76	1,359,851.58
Deferred tax liabilities				
Depreciation of assets	20,307,490.84	16,348,027.33	13,977,977.28	14,278,281.79
Revaluation surplus of land	39,445,840.00	39,445,840.00	10,080,000.00	10,080,000.00
Available-for-sale investments	8,547,233.23	5,791,469.00	-	-
Total	68,300,564.07	61,585,336.33	24,057,977.28	24,358,281.79
Deferred tax liabilities, net	61,741,970.64	58,327,507.40	20,825,789.52	22,998,430.21

23. Earning per shares

Basic earnings per share is calculated by dividing profit for each year attributable to the Company by the weighted average number of ordinary shares outstanding during the years :

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net profit attributable to ordinary shareholders of the Company (Baht)	312,880,132.16	293,845,652.24	287,827,496.94	229,651,863.03
Weighted average number of ordinary shares (shares)	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00
Basic earnings per share (Baht)	2.09	1.96	1.92	1.53

24. Depreciation and amortization

Depreciation and amortization for the year ended December 31, 2016 and 2015, are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Depreciation				
Investment Property				
Cost of goods sold	6,256	6,003	5,681	5,680
Selling and administrative expenses	195	195	195	195
Property, plant and equipment				
Cost of goods sold	94,474	83,016	30,436	31,184
Selling and administrative expenses	9,344	7,932	4,431	3,183
Amortization	15	16	2	4
Total	110,284	97,162	40,745	40,246

25. Information on operating segments

Information on operation segments requires the Company and its subsidiaries disclose the segment information based on the internal reports regularly reviewed by the Company and its subsidiaries's Chief Operation Decision Maker in order to allocate resources to those segments and to assess the segment's performance.

Information on operating segments (Attachment 1 – 2)

26. Investment Promotion

Investment Promotion Privileges

26.1 Thai Metal Drum Manufacturing Public Company Limited has obtained the privileges under the Investment Promotion Certificate No. 1172(2)/2555 dated February 14, 2012 for the production of metal packaging, exemption from corporate income tax for a period of 7 years from the date income is first derived. The Company has started the operation on November 4, 2013.

26.2 Songkla Metal Drum Co., Ltd. (subsidiary company) has obtained the privileges under the Investment Promotion Certificate No. 1802(5)/2554 dated July 11, 2011 for the production of metal products and metal parts, exemption from corporate income tax for a period of 8 years from the date that has been approved on August 30, 2010.

26.3 The Pet Co., Ltd. (subsidiary company) has obtained the privileges under the Investment Promotion Certificate No. 1287(5)/2554 dated January 17, 2011 for the production of plastic bottle PET, exemption from corporate income tax for a period of 8 years from the date income is first derived. The Head office at Pathumthani started the operation on January 19 and 22, 2011 for the plastic bottle PET and polyboard respectively, and the branch (Suratthani) has started the operation on September 17, 2012 for the plastic bottle PET.

The Company has been approved from the Board of Investment to amend the conditions of the original factory in Pathumthani province and Surat Thani Province to be Pathumthani province and effective from January 22, 2015.

26.4 Eastplast Co., Ltd. (Indirect subsidiary)

On May 31, 2010, the company has obtained the privileges under the Investment Promotion Act for the production of plastic bottle PET, exemption from corporate income tax for a period of 8 years from the date income is first derived. The company has started the operation on June 1, 2010.

On August 28, 2010, the company has obtained the privileges under the Investment Promotion Act for the production of plastic bottle PET, exemption from corporate income tax for a period of 8 years from the date income is first derived. The company has started the operation on July 2, 2011.

On August 18, 2014, the company has obtained the privileges under the Investment Promotion Act for the production of plastic bottle PET, exemption from corporate income tax for a period of 8 years from the date income is first derived. The company has started the operation on September 22, 2014.

The Company and its subsidiaries have to comply with certain conditions contains in promotion certificate.

Revenues from promoted and non-promoted business are as follows:

Unit : Thousand Baht

	Consolidated financial statements					
	Promoted Business		Non-Promoted Business		Total	
	2016	2015	2016	2015	2016	2015
Sales-domestic	1,741,549	1,735,116	103,205	68,650	1,844,754	1,803,766
Sales-export	26,860	32,856	11,138	7,885	37,998	40,741
Total	1,768,409	1,767,972	114,343	76,535	1,882,752	1,844,507

Unit : Thousand Baht

	Separate financial statements					
	Promoted Business		Non-Promoted Business		Total	
	2016	2015	2016	2015	2016	2015
Sales-domestic	912,662	810,410	16,037	12,969	928,699	823,379
Total	912,662	810,410	16,037	12,969	928,699	823,379

Allocated the transactions between promoted and non-promoted businesses

The Company and a subsidiary calculation of the profit and loss between promoted and non-promoted businesses are distinguished by the transactions which can be specified. The transaction which cannot be specified (selling and administrative expenses) are allocated by the proportion of income.

The subsidiary and indirect subsidiary calculated the profit and losses between promoted and non-promoted businesses are distinguished by the transactions which can be specified. The transaction which cannot be specified such as

Cost of sales is allocated by the quantity of production and sales.

Selling and administrative expenses and interest expenses are allocated by the proportion of income

27. Financial instruments

The Company and its subsidiaries' information related to the financial instruments are as following:

27.1 Financial risk management

Credit risk

Credit risk refers to the risk that counterparty will default on its agreement and conditions resulting in collection losses to the Company and its subsidiaries. Credit limit is granted for a specific credit amount and is being monitored regularly. Furthermore, the Company and its subsidiaries manage the risk by adopting the policy of only dealing with creditworthy counterparty and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial losses from defaults.

For the financial assets, the carrying amount of assets recorded in the statement of financial position, net of allowance for the doubtful account, represents the Company and its subsidiaries maximum exposure to credit risk.

Interest rate risk

Interest rate risk arises from the potential change in market interest rates to having affected the value of the financial assets and liabilities of the Company and its subsidiaries.

The Company and its subsidiaries have the significant financial assets and liabilities are classified by type of interest rate, and the fixed interest rates are classified based on the maturity date or the date of new

Credit risk

Interest rate is fixed if it is fixed before the maturity date, are as follow:

Unit : Million Baht

	Consolidated financial statements					
	2016					
	Fixed interest rate			Floating Interest rate	Non-interest Bearing	Total
	within 1 year	over 1-5 year	over 5 year			
Financial assets						
Cash and cash equivalents	-	-	-	31.13	25.09	56.22
Current investments	66.00	-	-	-	484.74	550.74
Trade and other receivables	-	-	-	-	312.56	312.56
Available-for-sale investments	-	-	-	-	141.34	141.34
Long-term investments	-	234.42	140.00	-	51.25	425.67
Financial liabilities						
Trade and other payables	-	-	-	-	105.45	105.45
Long-term loans from related parties	-	-	-	6.00	-	6.00

Unit : Million Baht

Consolidated financial statements					
2015					
Fixed interest rate			Floating Interest rate	Non-interest Bearing	Total
within 1 year	over 1-5 year	over 5 year			
Financial assets					
Cash and cash equivalents	-	-	59.82	28.07	87.89
Current investments	179.30	-	0.55	308.51	488.36
Trade and other receivables	-	-	-	293.73	293.73
Available-for-sale investments	-	-	-	87.40	87.40
Long-term investments	-	168.58	8.00	51.25	343.35
Financial liabilities					
Trade and other payables	-	-	-	130.47	130.47
Long-term loans from related parties	-	-	6.00	-	6.00

Unit : Million Baht

Separate financial statements					
2016					
Fixed interest rate			Floating Interest rate	Non-interest Bearing	Total
within 1 year	over 1-5 year	over 5 year			
Financial assets					
Cash and cash equivalents	-	-	18.60	12.24	30.84
Current investments	28.00	-	-	366.15	394.15
Trade and other receivables	-	-	-	144.17	144.17
Available-for-sale investments	-	-	-	29.70	29.70
Long-term investments	-	184.00	-	-	299.42
Long-term loans to related party	-	-	24.00	-	24.00
Financial liabilities					
Trade and other payables	-	-	-	36.00	36.00

Unit : Million Baht

Separate financial statements					
2015					
Fixed interest rate			Floating Interest rate	Non-interest Bearing	Total
within 1 year	over 1-5 year	over 5 year			
Financial assets					
Cash and cash equivalents	-	-	13.43	27.40	40.83
Current investments	74.00	-	-	249.21	323.21
Trade and other receivables	-	-	-	107.85	107.85
Long-term investments	-	108.00	-	-	223.52
Long-term loans to related party	-	47.00	24.00	-	71.00
Financial liabilities					
Trade and other payables	-	-	-	34.93	34.93

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risks relating to purchase and sell which are denominated in foreign currency.

One subsidiary's financial assets and liabilities denominated in foreign currency, which did not hedge against currency risks because they did not enter into forward exchange contracts. The balance of the financial assets and liabilities denominated in foreign currency are as follow:

	Foreign currency	Consolidated financial statements		Exchange rate	
				(Baht per Unit of foreign currency)	
		2016	2015	2016	2015
Financial assets	USD	65,641.95	49,629.11	35.6588	35.9233
Financial liabilities	USD	34,016.00	2,120.00	36.0025	36.2538
	EUR	-	3,660.88	-	39.7995

27.2 Fair value of financial instruments

Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The methods and assumptions are used by the Company and its subsidiaries in estimating fair value of financial instruments are as follows:

Financial assets and liabilities held for the short-term maturities, such as cash on hand and deposits at financial institutions, account receivable and payable, short-term loans and borrowings, the carrying amounts in the statement of financial position approximate at their fair value.

Investments in debt securities and non-marketable equity securities instruments or that do not have a quoted market price in an active market, presented the carrying amounts in the balance sheets at their fair values, or at the net asset value attributable to investments, or based on the required rate of return or the yield rates quoted by the Thai Bond Market Association, or at the discount cash flow of the present value.

Long-term loans and borrowings, which have the fixed interest rate, the carrying value approximate at their fair values, calculated by the present value of the contractually determined stream of future cash flow discounted at the rate of interest applied at that time by the market to instruments, presented as at the balance sheets. Long-term loans and borrowings at fair value, which have the variable interest rate or the nearly interest rate applied at that time by the market to instruments, the carrying value approximate at their fair value, presented in the statement of financial position.

Finance lease liabilities, the carrying value approximate at their fair values, calculated by the present value of the contractually determined stream of future cash flow discounted at the rate of interest applied at that time by the market to instruments, presented as at the statement of financial position.

28. Fair Value Measurement

28.1 Fair value has been defined in different level of inputs as follows:

Level 1 Quoted price (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (market rates) or indirectly (derived from market rates)

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable data)

The financial assets that are measured at fair value as at December 31, 2016 and 2015 are as follows :

Unit : Million Baht

	Consolidated Financial Statements							
	Level 1		Level 2		Level 3		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Assets								
Current investments								
Unit trust	-	-	484.74	308.63	-	-	484.74	308.63
Available-for-sale securities								
Units trust in Property Funds	141.34	87.40	-	-	-	-	141.34	87.40
Total assets	141.34	87.40	484.74	308.63	-	-	626.08	396.03

Unit : Million Baht

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Assets								
Current investments								
Unit trust	-	-	366.15	249.21	-	-	366.15	249.21
Available-for-sale securities								
Units trust in Property Funds	29.70	-	-	-	-	-	29.70	-
Total assets	29.70	-	366.15	249.21	-	-	395.85	249.21

In this accounting period, there are no transfer within the fair value level.

28.2 Valuation method of fair values for Level 2

The fair value of investments in unit trusts is determined by using the net asset value as announced by Assets Management Company.

29. Collateral

Subsidiary companies

- All land and buildings are mortgaged and pledged as collateral for obtaining credit facilities from the financial institutions.
- Fixed deposits at bank amounting to Baht 0.06 million is used as collateral for issuing bank guarantee for electricity use in the amount of Baht 0.05 million and in September 2016, they were free from being used as collateral.

30. Obligations and Contingent liabilities

30.1 Obligation to Financial Institutions

30.1.1 Obligations under the letters of credit, and a letter of guarantee.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Unused letters of credit (USD)	359,104.00	345,451.00	290,364.00	314,151.00
Letters of guarantee (Million Baht)	26.21	19.32	14.91	8.02

30.1.2 Obligations to the credit agreement

The Pet Co., Ltd. (subsidiary company) and Eastplast Co., Ltd. (indirect subsidiary) have jointly entered into the credit bill agreement with a financial institution in the credit amount of Baht 60 million with interest rate at MMR p.a. The period of drawdown is within 10 years, and a certain part of machineries of Eastplast Co., Ltd. were registered as a guarantee to the credit agreement.

30.2 Contractual commitment for purchase of assets

As at December 31, 2016, a subsidiary company had contractual commitment for purchase of assets in the amount of USD 7,000 and EUR 63,000

31. Approval of financial statements

These financial statements were approved for issue by the Company's Board of Directors on February 27, 2017.

Information on operating segment for the year ended December 31, 2016 :

Attachment # 1

Unit : Thousand Baht

	Consolidate Financial Statements					
	December 31, 2016					
	Productions and Sales of Metal drums	Productions and Sales of Plastic Products	Rental and service income	Other	Amount of Eliminated	Total
Sales, net	1,115,781	878,003	61,320	-	(112,688)	1,942,416
Cost of sale and service	776,453	788,296	19,186	-	(113,386)	1,470,549
Gross profit	339,328	89,707	42,134	-	698	471,867
Other incomes	-	-	-	43,070	(11,587)	31,483
Profit before expenses	339,328	89,707	42,134	43,070	(10,889)	503,350
Selling expenses	50,916	32,255	-	-	(109)	83,062
Administrative expenses	38,105	33,982	6,974	275	(472)	78,864
Profit before finance costs and income tax	250,307	23,470	35,160	42,795	(10,308)	341,424
Finance costs	-	12,297	27	-	(10,545)	1,779
Profit before finance costs and income tax	250,307	11,173	35,133	42,795	237	339,645
Income tax expenses						14,111
Profit for the year						325,534
Assets for the operations						1,086,930

Information on operating segment for the year ended December 31, 2015 ::

Unit : Thousand Baht

	Consolidate Financial Statements					
	December 31, 2015					
	Productions and Sales of Metal drums	Productions and Sales of Plastic Products	Rental and service income	Other	Amount of Eliminated	Total
Sales, net	1,051,436	866,370	55,612	-	(73,406)	1,900,012
Cost of sale and service	773,193	725,504	19,349	-	(74,675)	1,443,371
Gross profit	278,243	140,866	36,263	-	1,269	456,641
Other incomes	-	-	-	46,328	(12,662)	33,666
Profit before expenses	278,243	140,866	36,263	46,328	(11,393)	490,307
Selling expenses	48,467	26,592	-	-	-	75,059
Administrative expenses	40,627	37,701	8,197	274	(439)	86,360
Profit before finance costs						
and income tax	189,149	76,573	28,066	46,054	(10,954)	328,888
Finance costs	-	13,828	50	-	(11,473)	2,405
Profit before income tax	189,149	62,745	28,016	46,054	519	326,483
Income tax expenses						9,765
Profit for the year						316,718
Assets for the operations						1,113,749

Information on operating segment for the year ended December 31, 2016 :

Attachment # 2

Unit : Thousand Baht

Separate Financial Statements				
December 31, 2016				
	Productions and Sales of Metal drums	Rental and service income	Other	Total
Sales, net	928,699	55,138	-	983,837
Cost of sale and service	650,953	14,681	-	665,634
Gross profit	277,746	40,457	-	318,203
Dividend income	-	-	32,660	32,660
Other incomes	-	-	18,902	18,902
Profit before expenses	277,746	40,457	51,562	369,765
Selling expenses	35,004	-	-	35,004
Administrative expenses	31,763	6,962	-	38,725
Profit before income tax	210,979	33,495	51,562	296,036
Income tax expenses				8,209
Profit for the year				287,827
Assets for the operations				458,332

Information on operating segment for the year ended December 31, 2015 :

Unit : Thousand Baht

Separate Financial Statements				
December 31, 2015				
	Productions and Sales of Metal drums	Rental and service income	Other	Total
Sales, net	823,379	51,136	-	874,515
Cost of sale and service	602,154	15,807	-	617,961
Gross profit	221,225	35,329	-	256,554
Dividend income	-	-	32,400	32,400
Other incomes	-	-	19,947	19,947
Profit before expenses	221,225	35,329	52,347	308,901
Selling expenses	28,920	-	-	28,920
Administrative expenses	34,462	8,154	-	42,616
Profit before income tax	157,843	27,175	52,347	237,365
Income tax expenses				7,713
Profit for the year				229,652
Assets for the operations				483,526



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