

รายงานประจำปี 2561
Annual Report 2018



บริษัท อุตสาหกรรมถังโลหะไทย จำกัด (มหาชน)

THAI METAL DRUM MANUFACTURING
PUBLIC COMPANY LIMITED

CONTENTS

THE REPORT FROM THE BOARD OF DIRECTORS.....	82
GENERAL AND OTHER IMPORTANT INFORMATION.....	83
FINANCIAL HIGHLIGHTS.....	85
VISION AND BUSINESS OVERVIEW.....	86
TYPE OF PRODUCTS AND NATURE OF BUSINESS.....	88
RISK FACTORS.....	90
SHAREHOLDERS STRUCTURE AND DIVIDEND PAYMENT POLICY.....	91
MANAGEMENT STRUCTURE.....	92
CORPORATE GOVERNANCE.....	99
SOCIAL RESPONSIBILITY OF THE COMPANY.....	115
INTERNAL CONTROL AND RISK MANAGEMENT.....	117
CONNECTED TRANSACTIONS.....	118
MANAGEMENT DISCUSSION AND ANALYSIS	119
REPORT OF THE AUDIT COMMITTEE.....	123
REPORT OF THE BOARD OF DIRECTORS – THE RESPONSIBILITY ON THE COMPANY'S FINANCIAL REPORT.....	125
INDEPENDENT AUDITOR'S REPORT.....	126

THE REPORT FROM THE BOARD OF DIRECTORS

The overall Thai economy in 2018 expanded by 4.1 percent, accelerating from 4.0 percent in year 2017 and was recorded as the fastest expansion in 6 years. Key economic drivers occurred from private spending including consumption and investment, the improvement of export goods and services while the government spending slowed down. Inflation and interest rate was low including the recovering tourist sector. The above mentioned factors had eased the strains from the global economic slowdown.

2018 was the year that the Company and its subsidiaries could make the highest profit since the establishment of the Company and its subsidiaries, especially the performance of steel drum business of both the company and its subsidiary gained the remarkable profit. Owing to the business strategy focusing on inventory, expenditure control and increasing market share, the Company and its subsidiaries gained the net profit of Baht 335.99 million, an increase of Baht 52.18 million or increasing 18.39 percent. The Company and its subsidiaries gained the revenues from sales by product as detail below:

Although the revenue from sales of metal drums was Baht 1,211.05 million, decreasing Baht 33.83 million or 2.72 percent, this was from a decline in sales volume but the selling price per unit increased comparing to the year 2017. The cold rolled steel price which is the major raw material and the main cost of steel drum business has increased constantly every quarter. However, the Company was able to manage inventory of cold rolled steel which is the major cost of production more effectively and was able to keep a large volume of cold rolled steel for the whole year. As a result, the Company had the stock of lower cost of steel than the market price. Consequently, the sales cost reduced by 4.38 percent comparing to the previous year. This led to an increasing profit for the Company and its subsidiaries with the amount of Baht 46.64 million or increasing by 21.93 percent.

The revenue from plastic product was Baht 808.27 million, increasing Baht 40.78 million or 5.31 percent. The Company's subsidiary gained an increase in sales volume but the selling price dropped due to the fierce competition of the market. Thus, the sales cost increased. Due to an increase in sales volume, this resulted in an increase in profit from the plastic product with the amount of Baht 0.71 million or 5.07 percent.

The Company and its subsidiaries had gained revenues from rent and services with the amount of Baht 70.66 million, an increase of Baht 3.54 million or 5.27 percent 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 and all rental spaces were fully occupied.

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.



Suchin 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 Rachadapisek 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 Rachadapisek 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 Rachadapisek 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 Rachadapisek 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. 0-2009-9000 Fax. 0-2009-9991
- Auditor Accountant** : Mr. Pornchai Kitipanya-ngam
Certified Public Accountant License No. 2778 or
: Mrs.Suwanee Kitipanya-ngam
Certified Public Accountant License No. 2899
: Mr.Thanakorn Fakfaipol
Certified Public Accountant License No.4879
: Bunchikij Co., Ltd.
9th Floor, Modern Town Building, 87 Ekamai Soi 3,
Sukhumvit 63 Rd., North Klongton, Wattana, Bangkok 10110
Tel. 0-2382-0414
: 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 2018 - 31 December 2020
- 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	2018	2017	2016	2015	2014
TOTAL ASSETS	3,126,026	2,921,760	2,797,679	2,651,120	2,508,042
TOTAL LIABILITIES	275,252	271,913	257,545	269,486	292,203
SHAREHOLDERS' EQUITY	2,850,774	2,649,847	2,540,134	2,381,634	2,215,839
SALES	1,955,124	1,935,971	1,882,752	1,844,507	1,866,580
TOTAL REVENUES	2,065,828	2,040,298	1,973,899	1,933,677	1,953,219
GROSS PROFIT	465,236	413,644	471,867	456,641	413,472
NET PROFIT	335,992	283,811	312,880	293,846	268,590

FINANCIAL RATIO

RETURN ON EARNING (%)	16.26	13.91	15.85	15.20	13.75
RETURN ON EQUITY (%)	12.22	10.94	12.71	12.78	12.95
RETURN ON ASSETS (%)	11.11	9.92	11.48	11.39	11.48
EARNING PER SHARE (BAHT)	2.24	1.89	2.09	1.96	1.79
DIVIDEND PER SHARE (BAHT)	⁽¹⁾ 1.40	1.20	1.20	1.10	1.00
BOOK VALUE PER SHARE (BAHT)	19.01	17.67	16.95	15.88	14.77

(1) The proposed dividend per share will be brought into the Annual Shareholder Meeting for approval which is held on 24 April 2019

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 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. The PET has held 99% of registered shares in Eastplast while the PET has increased its shares in The Pet Co., Ltd. from 75% to 79.99% 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 and the new branch in Chiangmai had opened.
2017	Eastplast Co., Ltd. obtained a privilege from the Board of Investment (BOI) in manufacturing 200 litre plastic drums.

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	2018		2017		2016	
	Income	%	Income	%	Income	%
Metal Drum	1,211.05	57.95	1,244.88	59.86	1,115.78	54.29
Plastic Product	808.27	38.67	767.49	36.91	878.00	42.73
Rent and Service	70.66	3.38	67.13	3.23	61.32	2.98
Total	2,089.98	100.00	2,079.50	100.00	2,055.10	100.00
Less Related Transaction	69.71		81.35	-	112.69	-
Total Value add	2,020.27		1,988.15	-	1,942.41	-

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, Suburban and in the Industrial Estate area of the Eastern Region. 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 0.25-6 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 as well as supply plugs for steel and plastic drums 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 with 38 floors height 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

In 2018, cold rolled steel price which is the major raw material in steel drum making remained fluctuating violently. Cold rolled steel price was risen every quarter which increased by 8% comparing to the price in 2017. The steel drum demand of company's customer especially from chemical and petroleum sectors remained high. Due to the fact that the contract of one of our major customers in Lubricant segment ended since 31 December 2017, this resulted in a decline in sales volume of steel drum comparing to the previous year.

However, the Company and its subsidiaries focused on the raw material cost administration at the maximum efficiency and monitor the steel price closely as well as keeping enough inventory of raw material especially the stock of cold rolled steel which is the major raw material and main cost of steel drum production to suit for the demand of the customers. As a result, the company had a lower cost of steel in stock than the market price, leading to a decline in cost of sales of the Company while the company was able to increase selling price following to an increase in raw material price. Consequently, the Company and its subsidiaries gained an increasing profit 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 added more molds for new shape of packaging to cater for rising demand of PET bottles in the Southern, Eastern and Northern region. The sales volume of PET bottles to contain carbonate drink of this year slightly increased at 6% comparing to the previous year due to an increase in new customer. However, due to the high competition in pricing and a significant increase in the raw material price, these factors resulted in a decline in the net profit per unit.

Price competition in Polyboard has continued to persist, especially among major customers as their product quality has not been uniquely different from one another. Therefore, manufacturers and distributors have to maintain their customers as many as possible. The Company therefore, pays a great deal of attention to achieve the highest standard of product quality and services through constantly re-engineering the production process and modernizing machinery to reduce weight of corrugate sheets consecutively including giving an important on reducing cost of production in term of energy consumption saving. For the overseas customers which the transaction is in US dollar, the profit per unit in the past year reduced due to the Baht appreciation by 3%.

Office Space for Rent

Bangkok Office market kept growing continuously in term of high rental rate and low vacancy rate owing to the healthy demand and limited new supply act as drivers to the growth of rent every year. The demand for office space is from both of high profile local companies and international companies who want to setup their own office in Thailand. Rents continue to rise over 2018.

In the past year, most of the lease agreements were due to end but the customers decided to renew the lease agreement for another term at the higher rate. This is because 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 and doing well maintenance of the building at all time. In the past year, the entrance hall of the building was renovated with the delightful modern look. As a result, in 2018 the Company and its subsidiaries gained the revenue from rent and services with the total amount of Baht 70.66 million, an increase of Baht 3.54 million or 5.27% comparing to the previous year. The Company and its subsidiaries had rented out at 100% 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 2018, 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. Mr. Yongyut Charanvas	13,499,987	9.000
4. The Navakij Insurance Public Co., Ltd.	12,601,600	8.401
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.	2,365,300	1.577

Remark : Percentage of shareholding was shown as of the last closing of registration book which was on March 12, 2018
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 2018, the Company approved the dividend payment at Baht 1.20 or equivalent to Baht 180,000,000.00 totally or 66.55% of the net profit of the Company's Separate Financial Statement of year 2017.

7. MANAGEMENT STRUCTURE

7.1 BOARD OF DIRECTORS

Consist of 9 persons as the Board of Directors as follows :-

1.	Mr. Suchin	Wanglee	Chairman
2.	Mr. Vivat	Charanvas	Independent Director
3.	Mr. Anurat	Tiyaphorn	Director
4.	Mrs. Wanida	Chansikarin	Independent Director
5.	Mr. Pitiphong	Bisalputra	Independent Director
6.	Mr. Anin	Wanglee	Independent Director
7.	Mr. Nate	Charanvas	Managing Director
8.	Mr. Somchai	Jongsirilerd	Director
9.	M.L. Chintat	Jombunud	Director & Company's Secretary

Duties and Responsibilities of the Board of Directors are as follows:

1. To oversee that the Company's operations are operated in accordance with the objects, the articles of association of the Company, and the resolutions of the shareholders' meeting, as well as the regulations specified by related laws in good faith and with due care to preserve the greatest interests of the Company.
2. To consider and approve vision, mission, directions, as well as overseeing and superintend the management to be in line with the vision or framework with effectiveness and efficiency.
3. To regularly monitor and evaluate the implementation of the corporate governance policy and the code of conduct of the Company at least once a year.
4. To approve connected transactions and any transactions in compliance with the laws and regulations specified by all regulatory agencies, to prevent transactions that may have a conflict of interest.
5. To approve the acquisition and disposition of assets and any transactions in compliance with the laws and regulations specified by all regulatory agencies, to prevent transactions that may have a conflict of interest.
6. To approve a significant matters submitted by the management such as business plan, budget or any project that the transaction value is greater than the authority of the management.
7. To set up a control system for financial reports, compliance with regulatory, risk management and internal control as well as providing units or personnel with an independent duty to act in the audit practice to ensure the efficient and transparent management.
8. To oversee selection of directors and set up the efficient succession plan of the top executives.
9. To appoint subcommittees to be adequate and appropriate of its duties, and to appoint or delegate any power to any other person(s) to conduct the Company's business subject to the control of and within the time frame as may be specified by the Board.
10. Assessing the performance of the Board of Directors and its subcommittees annually.
11. To approve the criteria for annual special bonus payment for the employees.
12. To appoint the Company Secretary.

The Board of Directors' Meeting

In 2018, 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. The Board of Directors set the meeting schedule throughout the year in advance which the Company Secretary will notify the Board of Directors to consider and acknowledge in December of each year 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 2018 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.Suchin Wanglee	5/5	1/1
2.	Mr.Vivat Charanvas	5/5	1/1
3.	Mr.Anurat Tiyaiphorn	5/5	1/1
4.	Mrs.Wanida Chansikarin	5/5	1/1
5.	Mr.Pitiphong Bisalputra	5/5	1/1
6.	Mr.Anin Wanglee	5/5	1/1
7.	Mr.Nate Charanvas	5/5	-
8.	Mr.Somchai Jongsirilerd	5/5	-
9.	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.

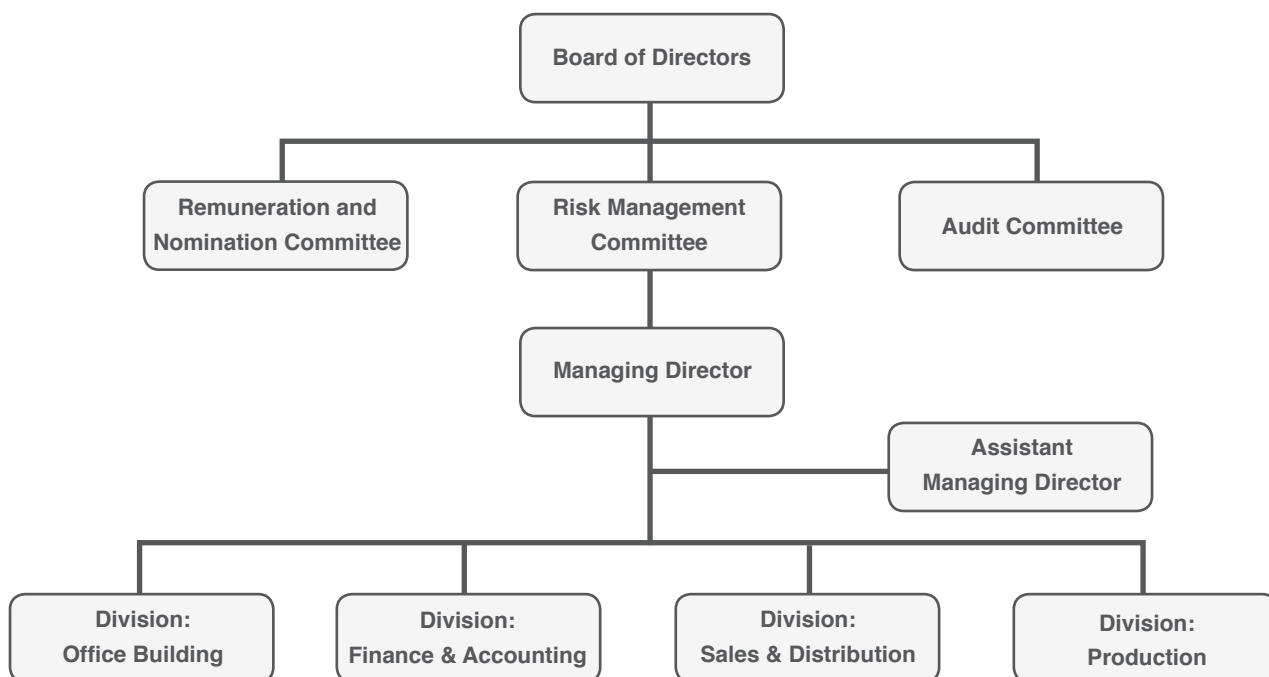
7.2 MANAGEMENT TEAM

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 Wattanaputtiapreut	Plant Manger
6.	Mr.Panya Pattarayutawat	Sales and Logistic Manager

M.L.Chintat Jombunud, the Accounting & Finance Manager is the person being responsible for a company's accounting activities and is assigned to control and supervise the bookkeeping and financial reporting of the organization. Qualification of the Management team is shown in the table of the detail of Board of Directors and Executive Management.

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)	Education	Working experience/ Training Directors
1.	Mr.Suchin Wanglee Chairman, 4 October 1989	82	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 - Advisor,Falcon Insurance Plc - Independent director, Varopakorn 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, Wanglee Co.,Ltd. - Chairman, T.I.I Co.,Ltd - Director Pipatanasilp Co.,Ltd. - Director, Poon Phol Co.,Ltd. - Chairman/Director, C.E.S Co.,Ltd. - Attending Director Accreditation Program (DAP 105/2013) - Attending The Role of Chairman (RCM4/2001)
2.	Mr.Vivat Charanvas Director, Risk Management Chairman, Remuneration and Nomination Committee Director 4 October 1989	70	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: - President, Siam Food Public Co.,Ltd. - 1998-2006: Director, Eastern Seaboard Industrial Estate (ESIER) 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)
3.	Mr.Anurat Tiayphorn Director, Remuneration and Nomination Committee Director 4 October 1989	66	<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.

No.	Name-Surname Position/Appointment date	Age (years)	Education	Working experience/ Training Directors
4.	Mrs.Wanida Chansikarin Audit Committee Chairman, Independent Director 4 October 1989	57	Bachelor Degree of Science in Accounting from Rajamangala University of Technology	- Vice President Accounting Department of Sathorn Thani Co., Ltd. (permanent) - Attending Director Accreditation Program (DAP) 2004 - Attending Audit Committee Program (ACP) 2006
5.	Mr.Pitiphong Bisalputra Audit committee Director, Independent Director, Remuneration and Nomination Committee Director 1 January 2018	54	Master Degree in M.B.A from University of Hartford, U.S.A.	- CEO and President, The Navakij Insurance Plc. (permanent) - Director, Thai General Insurance Association - Director, Thanapisal Co., Ltd. - Director, Praphai and Sons Co., Ltd. - Director, Rangsit Ruampatana Co., Ltd. - Director, Thanasarn Sombat Co., Ltd. - Attending Director Certification Program (DCP) Year 2003 - Attending Successful Formulation & Execution of Strategy Year 2009
6.	Mr.Anin Wanglee Audit committee Director, Independent Director 22 Jun 2015	39	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
7.	Mr.Nate Charanvas Director, Risk Management Director, Managing Director 4 October 1989	56	Master Degree in M.B.A. from University of New Haven	- Director, Songkhla Metal Drum Co., Ltd. - Director, The PET Co., Ltd. - Attending Director Accreditation Program (DAP) 2003
8.	Mr.Somchai Jongsirilerd Director, Risk Management Director, Deputy Managing Director 29 April 1996	60	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. - Audit Committee Director, Nomination and Remuneration Director, Qualitech Plc. - Attending Director Accreditation Program (DAP) 2004
9.	M.L.Chintat Jombunud Director, Accounting & Finance Manager, Company's secretary 26 April 2004	59	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. - From year 1993-1995, Assistant Accounting Division Manager, TMB Bank Public Co., Ltd. - Attending Director Accreditation Program (DAP) 2004
10.	Mrs.Suwaporn Nansurakit Office Manager, 29 January 2006	46	Master Degree in Inter Business And Management from Westminster University, U.K.	- 2005: Asst. Marketing Director, British American Tobacco Thailand Co., Ltd.
11.	Mr.Wiboon Wattanaputtiapruet Plant Manager 17 January 2007	47	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.

No.	Name-Surname Position/Appointment date	Age (years)	Education	Working experience/ Training Directors
12.	Mr.Panya Pattarayutawat Sales and Logistic Manager 1 January 2003	46	Master Degree in from M.B.A. Ramkhamheang University	- 2001-2002: Asst. Sales Manager

Remark: 1. Director ranking number 1-9 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 1-12 (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 2014-2018)

A table showing Shareholding of Director and Executives

No.	Name-Surname	Position	Shareholdings as at December 31, 2017	Shareholdings as at December 31, 2018	Increase/ Decrease during financial year	% of shareholders
1	Mr.Sukit Wanglee	Chairman	1,331,600	1,331,600	-	0.888
	Spouse and Minor Children		-	-	-	
2	Mr.Vivat Charanvas	Director	85,333	85,333	-	0.057
	Spouse and Minor Children		350,000	350,000	-	0.233
3	Mr.Anurat Tiyaphorn	Director	6,600	6,600	-	0.004
	Spouse and Minor Children		-	-	-	
4	Mrs.Wanida Chansikarin	Director	10,000	10,000	-	0.007
	Spouse and Minor Children		-	-	-	
5	Mr.Pitiphong Bisalputra	Director	49,720	49,720	-	0.033
	Spouse and Minor Children		-	-	-	
6	Mr.Anin Wanglee	Director	7,000	7,000	-	0.005
	Spouse and Minor Children		-	-	-	
7	Mr.Nate Charanvas	Managing Director	48,952,910	48,952,910	-	32.635
	Spouse and Minor Children		-	-	-	
8	Mr.Somchai Jongsirilerd	Director	-	-	-	
	Spouse and Minor Children		46,000	46,000	-	0.031
9	M.L.Chintat Jombunud	Director	-	-	-	
	Spouse and Minor Children		-	-	-	
10	Mrs.Suwaporn Nansurakit	Office Manager	-	-	-	
	Spouse and Minor Children		-	-	-	
11	Mr.Wiboon Wattanaputtiapruet	Plant Manager	-	-	-	
	Spouse and Minor Children		-	-	-	
12	Mr.Panya Pattarayutawat	Sales and Logistic Manager	-	-	-	
	Spouse and Minor Children		-	-	-	

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 2018, 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 2018 (same as the previous year)

1. Chairman	40,000 Baht/time
2. Vice Chairman (if any)	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 9,000,000 Baht (same as previous year) which would be allocated by the Board of Director.

In 2018, the total remuneration package for the Board of Directors, the Audit Committee, the Remuneration and Nomination Committee and the Risk Management Committee, received from the Company is in the form of meeting allowance and gratuity, for 12 directors (after the end of the office term on 23 April 2018, there were 9 Company Directors in the position) in total of Baht 10,620,000 decreasing from the previous year with the amount of 90,000 Baht or a decline of 0.84% which details has shown below:

Baht

Directors' names	Position	Meeting Allowance (THB)	Gratuity Fee (THB)	Other benefit
1 Mr.Nibhond Charanvas <i>Completed term on 23 Apr 2018</i>	Honorary Chairman	40,000	1,333,332	none
2 Mr.Sukit Wanglee <i>Completed term on 23 Apr 2018</i>	Chairman and Independent Director	80,000	1,333,332	none
3 Mr.Suchin Wanglee <i>Since 19 June 2018</i>	Chairman	200,000	1,000,000	none
4 Mr.Vivat Charanvas	Independent Director Risk Management Chairman Remuneration & Nomination Chairman	180,000	666,667	none
5 Mr. Anurat Tiyaophorn	Director and Remuneration & Nomination Committee Director	140,000	666,667	none
6 Mrs.Wanida Chansikarin	Independent Director and Audit Committee Chairman	220,000	666,667	none
7 Mr.Pitiphong Bisalputra	Independent Director, Audit Committee Director and Remuneration & Nomination Committee Director	220,000	-	none
8 Mr.Anin Wanglee	Independent Director and Audit Committee Director	200,000	666,667	none
9 Mr.Nate Charanvas	Managing Director Risk Management Director	120,000	666,667	none
10 Mr.Somchai Jongsirilerd	Director and Asst. Managing Director Risk Management Director	120,000	666,667	none
11 M.L.Chintat Jombunud	Director and Accounting & Finance Manager	100,000	666,667	none
12 Mrs.Achriyar Pattanawong <i>(resigned on 31 Dec 2017)</i>	Independent Director and Audit Committee Director	-	666,667	none
TOTAL		1,620,000	9,000,000	-

- 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 18,373,600 increasing from year 2017 with the amount of Baht 1,751,440 or 10.54%

2. Other Remuneration

In the year 2018, the social security fund together with the provident fund contribution for the Management, as the Company's employees, has amounted to Baht 791,490 together with the Company's car provided for the position.

7.5 PERSONNEL

The Company has employed 161 persons in total as of 31 December 2018 and has the employee's expenses with the total amount of Baht 65.86 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 SUB-COMMITTEE

Sub-Committee of the Company is comprised of 3 sets as follow:

1. Audit Committee
2. Remuneration & Nomination Committee
3. Risk Management Committee

1. **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.Wanida	Chansikarin	Audit Committee Chairman
2.	Mr.Pitiphong	Bisalputra	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 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 report the performance of the Audit Committee to the Board of Director of the Company at least 4 times per year.
7. 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.
8. to perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee.
9. Reporting the findings or suspicious transactions or any of the following acts which may materially affect the Company's financial condition and operating results, to the Board of Directors for rectification within the period of time that the Audit Committee thinks fit:
 1. a transaction which causes a conflict of interest;
 2. any fraud, irregularity, or material defect in an internal control system; or
 3. an infringement of the law on securities and exchange, the Stock Exchange of Thailand's regulations, or any law relating to the Company's business.
10. If the external auditor discovers any suspicious circumstance that the director, manager or any other person responsible for the operation of the Company commits an offense as defined by laws and the auditor informed the fact relating to such circumstance to the Committee in order to continue the inspection without delay. The Committee shall inspect the circumstance and report the result of preliminary inspection to SEC and the external auditor within 30 days from the date received the external auditor noticed. The suspicious circumstance to be reported and the process to uncover facts of such circumstance shall be as specified by the Capital Market Supervisory Board.

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

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

In the 3rd Audit Committee Meeting of year 2018, held on 23 August 2018, 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 but in 2018, Company's director resigned and new Directors were nominated to replace those resigned as per the following names.

List of Remuneration and Nomination Committee

- | | | | |
|----|---------------|------------|--|
| 1. | Mr. Suchin | Wanglee | Remuneration and Nomination Committee Chairman
(Resigned on 19 June 2018) |
| 2. | Mr. Vivat | Charanvas | Remuneration and Nomination Chairman
(Nominated on 19 June 2018) |
| 3. | Mr. Anurat | Tiyaphorn | Remuneration and Nomination Director |
| 4. | Mr. Pitiphong | Bisalputra | Remuneration and Nomination Director
(Nominated on 19 June 2018) |

Duties and Responsibilities

1. Duties and responsibilities in term of Remuneration Process
 - 1.1 Proposed to the Board or shareholder's meetings (as it may be) to consider approval of structure and procedures of remunerations for the Board, the committees and senior executives.
 - 1.2 Consider and fix bonus for directors propose to the Board and shareholders' meetings for approval.
 - 1.3 Consider and fix bonus for senior executives propose to the Board for approval.
 - 1.4 Consider and review authority and duties of the remunerating to appropriate and comply with legal, regulations and regulatory agencies such as SET and SEC etc.
2. Duties and responsibilities in term of Nomination Process
 - 2.1 Determine criteria and procedures for selection of nominees to serve as the Company's director, member of the committees and senior executive propose to the Board for approval.
 - 2.2 Recruit and nominate a qualified person to serve as the Company's director, the committees and senior executive when retiring by rotation or the position is vacant, propose to the Board or shareholder's meetings for approval.
 - 2.3 Review structure and composition of the Board appropriate to the organization and accountability to the shareholders.
 - 2.4 Consider and review authority and duties of the nominating to appropriate and comply with legal, regulations or regulatory agencies such as SET and SEC etc.

In 2018, the Remuneration and Nomination Committee had conducted 2 times of meeting

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	1/2
2.	Mr.Vivat	Charanvas	2/2
3.	Mr.Anurat	Tiyaphorn	2/2
4.	Mr.Pitiphong	Bisalputra	1/2

The Company has put in place a Charter of the Board of Nomination and Remuneration Committee and disclose on the company's website at www.thaimetaldrum.com under the section of Sustainability.

(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:

1. Assessing, determining, reviewing and presenting risk management policy and framework to the Board of Directors for approval.
2. Regulating and supporting risk management process to be in line with strategy and business goal including changing situations.
3. 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.
4. Continually reporting to the Board of Directors on significant risks and risk management solution.
5. 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.
6. The Risk Management Committee has to hold a meeting when seen as appropriate or at least 1 time a year.
7. 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

The Company has put in place a Charter of the Board of Risk Management Committee and disclose on the company's website at www.thaimetaldrum.com under the section of Sustainability

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 2018. 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's relation 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 Company's secretary will bring up to at the next Company's Board of Meeting a change in securities holding by the Director and the Management and will summarize a securities holding of the Directors and the Management to the Board of Directors every year. In addition, as per the policy, the change 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 2,577,000.- increasing Baht 106,000 comparing to the previous year or accounted for 4.29%

Other Remuneration

The Company and subsidiaries paid remuneration for internal control system auditor office for the past year accounting period in amount of Baht 400,000 same as the previous year.

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. Thus, the Board of Director determined the policy to follow which is compliance with the Corporate Governance Code for Listed Company in year 2016 of Securities and Exchange Commission. (Corporate Governance Code : CG Code) The Company created Corporate Governance Policy and Practices covering the following 8 classifications in order to demonstrate that the company put in place the management system efficiently including information disclosure with transparency and accountability. Corporate governance under good management will bring about the confidences for shareholders, investors, stakeholders and all parties concerned. In addition, the Board of Director of the Company believes that the corporate governance will create long-term value for shareholders in a long term as well as enhancing its competitiveness for sustainable growth.

Every year, the Board of Directors duly reviews its CG Policy and adopts to suit prevailing company's business circumstances. If it seems that certain CG Code does not imply with the circumstances of the company's business, the Company will introduce the alternative measure and inform to all shareholders as well as stakeholders for acknowledgement. The conduct under good corporate governance policy illustrates the company's business ethics including, the ethics of its Board of Directors and Sub-committee in order to ensure that the Board of Director of the Company perform their duties thoroughly and completely. Details of good CG practices and policies that the Company's Board of Director, the management, and employees including those of subsidiaries comply with shown as below:

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 2018, the Company arranged a shareholders' Ordinary Meeting of year 2018 on 23th April, 2018 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 2018, 15 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 9 March 2018, 44 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 times for the meeting that is convenient and appropriate that is during 9.00-17.00 hours and not organizes 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 2018 shareholder's meeting, there were 9 Directors of the Company attended which were accounted for 82 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. Two Directors of the Company did not attend the meeting due to the end of the office term and they did not wish to renew a position of Director for another term. 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 those 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 2018 shareholder's meeting, Mr.Suchin Wanglee, the Chairman of the Board was presided over the meeting. There were 64 shareholders and by proxies attend the meeting in person holding 96,218,939 shares or 64.15% 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.thaimetaldrum.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.

2018 Customer Satisfaction Survey Report

Survey Topic	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 & silkscreen	2	8	7	1							18	155	86.11
- Quality of internal coating	5	8	5								18	162	90.00
- Quality of body seam / drum edge	4	7	7								18	159	88.33
- Overall quality of product	4	6	8								18	158	87.78
Quality of Service													
- Order taking	6	8	3		1						18	162	90.00
- Cooperation	8	7	2	1							18	166	92.22
- Fast response	5	8	4			1					18	159	83.33
- Correctness of documentation	6	4	6	2							18	158	87.78
- Punctuality of delivery	6	9	2			1					18	162	90.00
- Delivery practice under rule of customer	5	7	5	1							18	160	88.89
Percentage/Scores from Customer	51	72	49	5	1	2	0	0	0	0	180	1,601	88.94
	28	40	27	3	1	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, social security 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 incompliance 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 shareholding 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 in the company's website at www.thaimetaldrum.com 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 9 members, namely; 6 non-executive (4 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 1st topic: Structure and qualication of Director	31.15	3.89
Average score of the 2nd topic: Role, duty and responsibility of Director	31.55	3.94
Average score of the 3rd topic: Board of Director's Meeting	31.89	3.99
Average score of the 4th topic: Performing under the role of Director	31.57	3.95
Average score of the 5th topic: Relationship with Management	31.60	3.95
Average score of the 6th topic: Self-development of Director and Executive	30.83	3.85
Total average score of the 6 topics	31.58	3.95

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.

The Company has put in place a Charter of the Board of Directors and disclose on the company's website at www.thaimetaldrum.com under the section of Sustainability

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 vote's 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. SOCIAL RESPONSIBILITY OF THE COMPANY

9.1 OVERALL POLICY

The Company always takes not only Code of Conduct and Code of Ethics into consideration when operating the business but also equality treat business partner and creditor with fairness and honesty. The Company strictly carries out its business ethically as per rule and regulation by not asking or paying any form of benefits to business partner in conformity to the good corporate government. The Company is committed to develop the quality of product together with the personal enhancement in order to create satisfaction to the customers both in quality of product and company's service. To achieve the business goal, the Company has put in place a policy of social responsibility according to the rule of The Stock Exchange of Thailand in order to create sustainable growth of the company

9.2 OPERATION AND REPORT PREPARATION

The Company operates its business according to Social Responsibility Policy as described below:

Good corporate governance

The Company conducts its business under the good corporate governance practice as disclosed in the point 8.7, the Company Practices in compliance with Good Corporate governance.

Operate business with fairness

The Company operates its business under Code of Conduct and Code of Business Ethics to create fairness in running business, not seeking benefit for one's self, promoting fair condition of competition, guard the right of intellectual property, avoiding conflict of interest and make the appropriate payment of purchase with fairness.



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.

In October 2017, the certification of the membership in Collective Action Coalition Against Corruption in Private Sector Project was expired (membership is valid for 3 year). The Company as a result goes through the self-assessment process to certify that the Company has put in place policies and practices in preventing corruption, together with full documentation compliance as regulated by the CAC committee. On 17 May 2018, the Committee of Collective Action Coalition Against Corruption in Private Sector has passed the resolution to renew the certification of Thailand’s Private Sector Collective Action Coalition Against Corruption for Thai Metal Drum Mfg. Public Co.,Ltd which the certification is valid for 3 years from the date of renewal. This effort clearly reflected the policy of the company, the commitment and the practices in preventing corruption in the organization.

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 makes 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 2015 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.

Business Operation under ESG100 practice

In 2018, the Company was listed in ESG100 for 3 consecutive years, 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 till the present.

ESG100 refers to 100 best-performing publicly listed companies in ESG areas. Just 100 out of the 683 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. Since 2017 until present, the Company and its subsidiaries did not obtain any environmental complaints from the community and companies nearby.

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 4 major processes:

1. The process relating to Human Resource covered the area of the policy, rule and regulation pertinent to the employee. The audit includes the area of recruitment process, job description, job evaluation, head count, training and other fringe benefit for employee as required by labor law including salary payment, wage and pay roll.
2. The procurement process (of the factory) covers the areas of the purchase of raw material, parts and equipment, budget setting and payment method, price comparison and order approval.

3. Production process which covers the policy and rule for practice concerning the production process, production planning, production and production control, control of products that do not meet the requirements
4. Quality control process covers the areas of policy, regulation and rule for practice according to the requirement of quality management system, quality control on production process, customer's complaint handling.

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 2018, the Board of Risk Management Committee had considered and reviewed the risk factor, the effect and the possibility as well as the guideline on risk management and submit to the Board of the Director and to the Executive of the Company for their information to operate the business more effectively

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 2018, the Company and its subsidiaries did not have any new connected transaction which need an approval from the Board of Director as well as to disclose to the Stock Exchange of Thailand.

For the connected transaction between Songkhla Metal Drum Co., Ltd. and the PET Co., Ltd., which both companies are the Company's subsidiary.

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% of shareholders

3. General Description of transaction

Details on Financial Assistance are as follows:

Type:	: Financial Assistance
Loan Limited	: Loans, 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 1st July 2016 to 30 th June 2019.
Interest Payment	: Quarterly Payment
Repayment	: Paid within 30th June 2019

As of 31 December 2018, 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

Year 2018 was the year that the Company and its subsidiaries could make the highest profit since the establishment of the Company and its subsidiaries especially the profit from steel drum sector. The Company and its subsidiaries gained an increasing profit significantly. The Company and its subsidiaries gave an important not only on cost control to be in a suitable level for the company's business but also paying an important to quality of product and services coupling with maintaining the market share. Thus, this enabled the Company and subsidiaries to gain an increasing profit

The Company and its subsidiaries had gained the net profit from the business operation with the amount of Baht 335.99 million, rising with the amount of Baht 52.18 million or 18.39%. The Company had gained a net profit per share at Baht 2.24, increasing 0.35 Baht per share comparing to year 2017.

In 2018, the Company and its subsidiaries gained increasing revenue from sales and services which can be described by product line as below:

The revenue from sales of metal drums was Baht 1,211.05 million, decreasing Baht 33.83 million or 2.72%. This was from a decline in sales volume but the selling price per unit increased comparing to the year 2017. The cold rolled steel price which is the major raw material and the main cost of steel drum business has increased constantly every quarter. However, the Company was able to keep increasing stock of cold rolled steel for the whole year. As a result, the Company had the stock of lower cost of steel than the market price. Consequently, the sales cost reduced by 4.38 percent comparing to the previous year. This led to an increasing profit for the Company and its subsidiaries with the amount of Baht 46.64 million or increasing by 21.93%.

The revenue from plastic product was Baht 808.27 million, increasing Baht 40.78 million or 5.31%. The Company's subsidiary gained an increase in sales volume but the selling price dropped due to the fierce competition of the market. Thus, the sales cost increased. Due to an increase in sales volume, this resulted in an increase in profit from the plastic product with the amount of Baht 0.71 million or 5.07%.

The Company and its subsidiaries had gained revenues from rent and services with the amount of Baht 70.66 million, an increase of Baht 3.54 million or 5.27% 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 and all rental spaces were fully occupied.

Sales cost against sales income of steel drum product decreased from 76.09% in year 2017 to 71.71% in year 2018. As the Company and its subsidiaries could increase selling price coupling with the ability to control cost and expenses at the suitable level, sales cost reduced by 4.38%. For the plastic product, the sales cost against sales income increased by 90.81% in 2017 to 91.10% in 2018. An increase in sales cost against sales income was from the high competition. The subsidiary had to reduce selling price in order to increase market share. As a result, sales cost increased by 0.29%.

Expenses incurred from sales and administrations slightly increased by 0.45%. Payment for interest decreased Baht 0.42 million or reducing 63.05%. Corporate income tax increased with the amount of Baht 1.61 million or 13.67%.

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 35.01 million accounted for 1.79% of the total revenue from sales. (Please refer to note 25.4 the financial statement, section of sales export)

The Company and its subsidiaries have earned the total income of Baht 2,065.83 million, increasing from the year 2017 with the amount of Baht 25.53 million or 1.25%. The Company and its subsidiaries had earned the core revenues from sales of the packaging products representing 94.64% of total revenue. While the rest revenue came from rental and service income and other incomes, representing 3.15% and 2.21% respectively.

Gross margin of the Company and its subsidiaries increased from 20.70% in year 2017 to 23.03% in year 2018. Profit from operation increased from 13.28% to 15.66%. Return on earning increased from 13.91% to 16.26%. The higher ratio of gross profit of the Company and subsidiaries increased because the cost of sales the Company and its subsidiaries reduced while sales of goods slightly increased. Thus, this resulted in an increase in profit for the Company and its subsidiaries. Efficiency Ratio on Profit gained thus increased.

Return on equity increased from 10.94% to 12.22%. In year 2018, the Company through the Board of Directors resolved to pay the dividend for the year 2018, with the period of 1 January 2018 to 31 December 2018 at Baht 1.40 per share, totaling Baht 210.00 million or equivalent to 64.50% of the net profit of the separate financial statement of the Company. In 2017, dividend paid was Baht 180.00 million equivalents to 66.55% of the net profit of year 2017. 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 2019 Annual Shareholder's meeting for approval held in April 24th, 2019.

Efficiency Ratio on Profit gained	Year 2018	Year 2017
Gross profit	23.03%	20.70%
Profit from operation	15.66%	13.28%
Return on earning	16.26%	13.91%
Return on equity	12.22%	10.94%

(2) FINANCIAL STATUS

ASSET

1) Asset Mix

Current Assets increased with the amount of Baht 126.88 million or 9.72%. Short-term investment increased for Baht 152.19 million. Cash and cash equivalent decreased Baht 3.67 million. Net account receivable decreased with the amount of Baht 0.88 million. Inventory decreased with the amount of Baht 15.37 million and other current assets decreased Baht 5.38 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, an increase in short-term deposit at bank, a decrease in inventories and in trade accounts receivable.

Total value of Non-Current Assets increased by Baht 77.38 million or 4.79%. Available-for-sale investment increased with the amount of Baht 79.62 million. Long term investments increased with the amount of Baht 20.90 million. Investment property decreased Baht 3.65 million. Property, plant and equipment reduced with the amount of Baht 16.47 million mainly from the annual depreciation and from the purchase of machines to replace some certain old machines by the Company's subsidiary. In October 2018, the Company and its subsidiaries had reviewed the price of land and conducted the land appraisal by the independent appraiser which new price of land after reappraisal with the amount of Baht 47.15 million.

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 to note 3.2 and note no. 5 to 14. From the below table of Efficiency Ratio, it showed that in 2018, the Company and its subsidiaries had an increasing ratio of the return on Asset comparing to the previous year. This was from an increase in net profit of the Company and its Subsidiaries. While the fixed Asset of the Company and its subsidiaries increased owing to an accumulative increase in net profit every year. 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 tried to maintain the better ration of the return on Assets in order to increase the profit to the Company in the future.

Efficiency Ratio	2018	2017
Return on Asset	11.11%	9.92%
Return on Fixed-Asset	26.77%	24.05%
Asset Turnover	0.68 Times	0.71 Times

Net accounts receivable decreased from Baht 317.42 million to Baht 316.54 million, a decline by 0.28%. Average collection period was as same as the previous year at 58 days which policy of credits offered to customers is between 30 - 90 days. The receivable overdue over 90 days was Baht 2.87 million, decreasing Baht 0.19 million comparing to the year 2017. The Company and its subsidiaries had set aside the reserve or the provisions for loss from debts with the amount of Baht 2.86 million (see note 7 to financial statement).

LIQUILITY

1) Cash flow

Amount and proportion of cash flows from operating activities

Details of cash flow	2018 (Million Baht)	2017 (Million Baht)
Operating profit before changes in assets and liabilities	434.75	387.06
From operating activities	425.39	358.59
From investment activities	(237.27)	(93.34)
From financing activities	(191.79)	(220.25)
Cash and cash-equivalence increase (decrease)	(3.67)	45.00
Cash and cash-equivalence as of December 31	97.54	101.22

In 2017, the Company and its subsidiaries gained an increase in operating profit in terms of cash flow from Baht 358.59 million to Baht 425.39 million, an increase of Baht 66.80 million, as a result of a decrease in inventories and trade receivables. 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 237.27 million, deriving from an increase in both of short term investment with the amount of Baht 152.19 million and long term investment with an increased amount of Baht 79.62 million, including a slightly increase in investment in machinery & equipment. (Please see note no. 6 and no. 9 to no.13 of the financial statement).

The Company and its subsidiaries had paid dividend to the shareholders with the total amount of Baht 191.40 million. As a result, the cash and cash equivalent as of 31 December 2018 for the Company and its subsidiaries remained with the amount of Baht 97.54 million, decreasing from 2017 with the amount of Baht 3.67 million

2) Liquidity Ratio

Details of Liquidity	2018	2017
Current Ratio	8.57 times	7.90 times
Quick Ratio	7.16 times	6.59 times
Account Receivable Turnover	6.17 times	6.15 times
Average Collection Period	58.35 days	58.54 days
Average Day's Inventory	7.05 days	7.10 days
Account Payable Turnover	10.25 times	12.15 times
Average Payment Period	35.16 days	29.63 days
CASH CYCLE	30.24 days	36.01 days

The above table showing liquidity ratio reflects the similar performance of liquidity of the Company and its subsidiaries when comparing to the year 2017 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, similar to the year 2017 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 2,649.85 million to Baht 2,850.77 million, an increase of Baht 200.93 million or 7.58%, as a result from an increasing accumulated profits which have not yet been allocated from Baht 1,768.12 million to Baht 1,924.10 million or increasing 8.82% which was from the operating profit of the Company and its subsidiaries.

Liabilities of the Company & subsidiaries had increased from Baht 271.91 million to Baht 275.25 million, an increase of Baht 3.61 million or equivalent to 1.33%. Trade accounts and notes payable had decreased Baht 4.51 million. Accrue income tax and other liabilities increased by Baht 0.56 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. 4.3 from no. 15 - 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. 28.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Thai Metal Drum Mfg.Public Co.,Ltd consists of 3 Independent Directors; Mrs. Wanida Chansikarin as the Audit Committee Chairman, Mr.Pitiphong Bisalputra and Mr.Anin Wanglee, the Audit Committee Director. The Audit Committee has performed its duties and responsibilities as per the Committee Charter set forth for the Audit Committee by the Company 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 and other applicable law related to the Company's businesses. The duties of Audit Committee includes the selection, and nomination of the company's auditor, reviewing the audit fee, considering an independence of the internal auditor as well as reviewing connected transaction or transaction that may lead to conflict of interest. The Board of Audit Committee would like to summarize the key performance of their duties in 2018 as follow:

The Audit Committee held four meetings which the audit committee member attended all four meetings and always reported the meeting result of all 4 meetings to the Board of Director. Relating to the company's financial statement, the Audit Committee had set 2 meetings with the company's auditor to review the financial statement quarterly and annually and reviewing the findings of the report. One of the said 2 meetings was held without the presence of company's executive. The company's auditor has expressed their opinion on the consolidated financial statements and financial statement of Thai Metal Drum Manufacturing Public Co., Ltd. and its subsidiaries having presented fairly in all material respects and being unconditionally in conformity with Thai Financial Reporting Standards. From the meeting with the auditor, the Audit Committee has the same opinion as auditor that the report of financial statement of the Company and its subsidiaries was prepared completely, accurately according to financial reporting standards.

Concerning the revision of the effectiveness of the company's internal audit, the Independent Auditor had conducted an audit on the 4 major processes:

1. The process relating to Human Resource covered the area of the policy, rule and regulation pertinent to the employee. The audit includes the area of recruitment process, job description, job evaluation, head count, training and other fringe benefit for employee as required by labor law including salary payment, wage and pay roll.
2. The procurement process (of the factory) covers the areas of the purchase of raw material, parts and equipment, budget setting and payment method, price comparison and order approval.
3. Production process which covers the policy and rule for practice concerning the production process, production planning, production and production control, control of products that do not meet the requirements
4. Quality control process covers the areas of policy, regulation and rule for practice according to the requirement of quality management system, quality control on production process, customer's complaint handling.

The audit findings showed that the overall working operations were done at the appropriate level and do not have any major effect toward the overall company's performance. 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 had improved certain working process according to the recommendation of the independent auditor. The Audit Committee has an opinion that the internal control system of the Company is appropriated and the auditor is the third party company which performed their task independently.

Concerning the regulation and law of The Stock Exchange of Thailand, directors and executives of the Company adhere to the regulation. Concerning to the connected transaction, the Company do not have any new connected transaction with the concerned parties of both the Company and its Subsidiaries except the transaction being approved in 2016 which is still effective to the current year as previously disclosed in the Annual Report, section of the connected transaction. Relating to the selection of Company's auditor, the Audit Committee had an opinion that the auditor of the Company and its subsidiaries performed their duty efficiently and independently. Thus, the Audit Committee proposed to the Board of Directors to appoint Mr.Pornchai Kitipanya-ngam, Certified Public Accountant Registration no.2778 or Mrs.Suwannee Kitipanya-ngam, Certified Public Accountant Registration no. 2899 or Mr.Thanakorn Fakfaipol, Certified Public Accountant Registration no.4879 from Bunchikij Company Limited to be the Company's auditor for the fiscal year 2019. In addition, concerning the project of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), in 2018 the company has completely renewed the membership of the said project and obtained the certification which is valid for 3 years

On behalf of Audit Committee



Mrs.Wanida Chansikarin
Chairman of the Audit Committee

20 February 2019

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 2018 which is practiced in accordance with generally accepted auditing standard and with other applicable laws.



Mr. Suchin Wanglee
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the 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, 2018, and the related consolidated and separate statements of comprehensive income, 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, 2018, 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' 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 revenues from sales of goods</p> <p>Revenue from sales of goods for the year ended December 31, 2018 was Baht 1,955.12 million in the consolidated financial statements of the Group, and was Baht 1,012.05 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 self-designed products to customers or to produce products in accordance with the customer's specification.</p> <p>Revenues from sales of goods is a material amount in the 2018 financial statements and directly affected the results of operations of the Group and The Company. The rationality of the recognition of revenues from sales of goods is the key matter that I focus.</p>	<p>My audit of revenues 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 aging analysis and 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.

	<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.
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Other matter

The consolidated and separate financial statements for the year ended December 31, 2017 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 the same office who expressed an unqualified opinion on those statements in her report dated February 23, 2018.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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 Mr. Pornchai Kittipanya-ngam.



(Pornchai Kittipanya-ngam)
Certified Public Accountant No. 2778
Bunchikij Co., Ltd.

Bangkok
February 25, 2019

THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2018

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	3.2 and 5	97,542,630.18	101,218,419.88	39,458,294.25	67,238,707.53
Current investments	3.3 and 6	774,555,855.70	622,368,200.68	542,238,993.90	423,126,361.47
Trade and other receivables	3.4 and 7	316,545,889.96	317,425,056.38	150,013,192.02	158,733,842.16
Inventories	3.5 and 8	238,292,300.47	253,658,708.49	115,248,046.65	107,722,614.55
Other current assets		4,774,260.10	10,158,371.45	2,511,585.06	2,982,496.86
Total current assets		1,431,710,936.41	1,304,828,756.88	849,470,111.88	759,804,022.57
Non-current assets					
Available-for-sale investments	3.3 and 9	286,764,600.00	207,145,500.00	134,980,000.00	82,920,000.00
Investments in subsidiary companies	3.3 and 10	-	-	94,070,966.70	94,070,966.70
Long-term investments	3.3 and 11	411,459,861.28	390,564,568.49	275,209,701.28	287,314,408.49
Long-term loans to related party	4.3	-	-	24,000,000.00	24,000,000.00
Investment properties	3.7 and 12	84,919,372.04	91,270,337.34	81,332,990.69	87,194,004.60
Property, plant and equipment	3.8 and 13	907,099,047.14	923,572,694.94	334,558,310.77	339,192,991.20
Intangible assets	3.9 and 14	102,234.68	31,890.43	99,847.08	27,703.38
Other non-current assets		3,970,032.44	4,345,770.66	2,550,094.78	2,519,949.78
Total non-current assets		1,694,315,147.58	1,616,930,761.86	946,801,911.30	917,240,024.15
Total assets		3,126,026,083.99	2,921,759,518.74	1,796,272,023.18	1,677,044,046.72

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, 2018

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	15	147,398,321.59	151,905,000.92	29,869,725.35	64,961,484.76
Current portion of long-term loans from related parties	4.3	6,000,000.00	-	-	-
Accrued income tax		6,555,861.57	6,708,787.66	3,968,807.90	5,240,005.96
Other current liabilities		7,190,857.76	6,481,015.55	4,810,129.63	4,825,000.86
Total current liabilities		167,145,040.92	165,094,804.13	38,648,662.88	75,026,491.58
Non-current liabilities					
Long-term loans from related parties	4.3	-	6,000,000.00	-	-
Deposit and guarantee received		19,588,655.38	19,310,610.38	16,972,726.38	16,958,201.38
Employee benefit obligations	3.13 and 16	21,480,714.01	22,259,565.02	10,827,035.98	11,724,474.99
Deferred tax liabilities	3.15 and 21	67,037,192.49	59,248,025.99	20,365,286.07	18,938,622.23
Total non-current liabilities		108,106,561.88	106,818,201.39	48,165,048.43	47,621,298.60
Total liabilities		275,251,602.80	271,913,005.52	86,813,711.31	122,647,790.18
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 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	17.2	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00
Unappropriated		1,924,104,899.63	1,768,112,415.19	1,153,499,159.17	1,007,924,119.64
Other components of equity		215,869,679.29	171,784,063.49	50,959,152.70	41,472,136.90
Total equity of the Company's shareholders		2,644,974,578.92	2,444,896,478.68	1,709,458,311.87	1,554,396,256.54
Non-controlling interests		205,799,902.27	204,950,034.54	-	-
Total shareholders' equity		2,850,774,481.19	2,649,846,513.22	1,709,458,311.87	1,554,396,256.54
Total liabilities and shareholders' equity		3,126,026,083.99	2,921,759,518.74	1,796,272,023.18	1,677,044,046.72

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, 2018

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Revenues from sales and services					
Revenues from sales of goods and rendering of services	25	1,955,124,104.11	1,935,971,432.77	1,012,051,323.95	1,058,318,527.23
Rental and service income		65,151,379.52	62,179,859.68	61,187,799.52	58,487,559.68
Total revenues from sales and services		2,020,275,483.63	1,998,151,292.45	1,073,239,123.47	1,116,806,086.91
Costs of sales and services					
Costs of sales of goods and rendering of services		(1,532,681,976.43)	(1,562,847,800.42)	(718,742,570.62)	(810,576,907.78)
Costs of rental and services		(22,525,948.59)	(21,659,664.92)	(16,823,857.58)	(16,952,209.19)
Total costs of sales and services		(1,555,207,925.02)	(1,584,507,465.34)	(735,566,428.20)	(827,529,116.97)
Gross profit		465,067,558.61	413,643,827.11	337,672,695.27	289,276,969.94
Other income	18	45,552,803.96	42,147,037.86	73,152,137.01	63,770,803.84
Profit before expenses		510,620,362.57	455,790,864.97	410,824,832.28	353,047,773.78
Selling expenses		(60,412,954.05)	(74,635,889.79)	(31,573,539.52)	(35,878,586.62)
Administrative expenses		(88,344,713.14)	(73,629,149.99)	(43,811,136.59)	(36,749,707.66)
Profit before finance costs and income tax		361,862,695.38	307,525,825.19	335,440,156.17	280,419,479.50
Finance costs		(244,373.63)	(661,292.34)	-	-
Profit before income tax		361,618,321.75	306,864,532.85	335,440,156.17	280,419,479.50
Income tax expenses	21	(13,375,899.58)	(11,766,997.30)	(9,865,116.64)	(9,948,995.32)
Profit for the years		348,242,422.17	295,097,535.55	325,575,039.53	270,470,484.18
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation surplus of land, net income tax		37,719,320.00	-	9,600,000.00	-
Items that may be reclassified to profit or loss					
Gain (loss) on change in value of available-for-sale investments, net income tax		6,366,295.80	4,015,552.03	(112,984.20)	1,862,818.81
Other comprehensive income for the years, net of income tax	21	44,085,615.80	4,015,552.03	9,487,015.80	1,862,818.81
Total comprehensive income for the years		392,328,037.97	299,113,087.58	335,062,055.33	272,333,302.99
Profit attributable to					
Equity of the Company's shareholders		335,992,484.44	283,811,075.19	325,575,039.53	270,470,484.18
Non-controlling interests		12,249,937.73	11,286,460.36	-	-
		348,242,422.17	295,097,535.55	325,575,039.53	270,470,484.18
Total comprehensive income attributable to					
Equity of the Company's shareholders		380,078,100.24	287,826,627.22	335,062,055.33	272,333,302.99
Non-controlling interests		12,249,937.73	11,286,460.36	-	-
		392,328,037.97	299,113,087.58	335,062,055.33	272,333,302.99
Basic earnings per share					
Profit attributable to equity of the Company's shareholders	3.16 and 22	2.24	1.89	2.17	1.80

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, 2018

Unit : Baht

Note	Equity of the Company's shareholders										Non-controlling interests	Total shareholders' equity
	Issued and paid - up share capital	Premium on ordinary shares	Retained earnings		Other components of equity			Total equity of the Company's shareholders				
			Appropriated Legal reserve	Unappropriated	Revaluation surplus of land	Available-for-sale investments	Total other components of equity					
Balance as at January 1, 2017												
	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		
Subsidiaries paid dividend to non-controlling interests	-	-	-	-	-	-	-	-	(9,400,070.00)	(9,400,070.00)		
Dividend paid	-	-	-	(180,000,000.00)	-	-	-	(180,000,000.00)	-	(180,000,000.00)		
Total comprehensive income for the year 2017	-	-	-	283,811,075.19	-	4,015,552.03	4,015,552.03	287,826,627.22	11,286,460.36	299,113,087.58		
Balance as at December 31, 2017												
	150,000,000.00	340,000,000.00	15,000,000.00	1,768,112,415.19	134,290,260.46	37,493,803.03	171,784,063.49	2,444,896,478.68	204,950,034.54	2,649,846,513.22		
Subsidiaries paid dividend to non-controlling interests	-	-	-	-	-	-	-	-	(11,400,070.00)	(11,400,070.00)		
Dividend paid	-	-	-	(180,000,000.00)	-	-	-	(180,000,000.00)	-	(180,000,000.00)		
Total comprehensive income for the year 2018	-	-	-	335,992,484.44	37,719,320.00	6,366,295.80	44,085,615.80	380,078,100.24	12,249,937.73	392,328,037.97		
Balance as at December 31, 2018												
	150,000,000.00	340,000,000.00	15,000,000.00	1,924,104,899.63	172,009,580.46	43,860,098.83	215,869,679.29	2,644,974,578.92	205,799,902.27	2,850,774,481.19		

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

For the year ended December 31, 2018

- 133 -

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, 2018

Unit : Baht

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Cash flows from operating activities					
Profit before income tax		361,618,321.75	306,864,532.85	335,440,156.17	280,419,479.50
Adjustments to reconcile profit before income tax to net cash provided by operating activities					
Depreciation and amortization	23	107,209,522.77	110,492,451.98	36,362,977.76	39,828,363.77
(Gain) Loss on sale of fixed assets		(80,740.15)	(113,775.91)	(454,946.87)	83,418.35
Loss on obsolete fixed assets		1,447.21	20,962.54	878.45	4,494.66
Unrealized (gain) loss on currency exchange rate		(6,473.81)	6,302.14	(26,684.47)	-
Loss from deteriorated and obsolete inventories	8	4,097,340.53	2,112,436.22	-	-
Loss on inventories devaluation	8	168,093.80	-	-	-
Bad debt expense	7	320,309.00	3,549,554.11	-	-
Doubtful debt expense	7	-	917,935.53	-	-
Doubtful accounts (reversal)	7	-	(3,549,554.11)	-	-
Unrealized gain on changes in value of investments	6	(430,722.18)	(498,200.68)	(238,993.90)	(126,361.47)
Gain on sales of securities		(6,958,840.28)	(8,966,583.03)	(5,231,802.02)	(7,113,745.36)
Transferred assets to expenses		80,000.00	172,459.20	-	-
Withholding tax-written off		380,140.65	-	-	-
Employee benefit expenses	16	2,044,897.99	2,286,605.02	946,361.99	929,595.99
Dividend income		(17,203,504.00)	(10,211,525.00)	(52,565,300.00)	(39,927,690.00)
Interest income		(16,737,492.06)	(16,683,720.84)	(14,103,402.28)	(14,270,878.64)
Interest expenses		244,373.63	661,292.34	-	-
		434,746,674.85	387,061,172.36	300,129,244.83	259,826,676.80
Change in operating assets and liabilities					
(Increase) decrease in assets					
Trade and other receivables		657,293.99	(6,617,381.12)	8,813,230.38	(14,873,746.56)
Inventories		11,100,973.69	(57,866,618.58)	(7,525,432.10)	(32,062,577.16)
Other current assets		2,159,962.69	6,329,699.26	25,359.14	262,349.11
Other non-current assets		74,905.95	267,817.09	(30,145.00)	29,800.00
Increase (decrease) in liabilities					
Trade and other payables		(4,428,504.14)	46,745,692.88	(34,963,829.59)	29,100,443.43
Other current liabilities		709,842.21	(2,857,315.58)	(14,871.23)	(380,785.32)
Deposit and guarantee received		278,045.00	1,200,909.55	14,525.00	1,201,049.55
Employee benefit obligations	16	(2,823,749.00)	(972,425.00)	(1,843,801.00)	(150,180.00)
Cash generated from operations		442,475,445.24	373,291,550.86	264,604,280.43	242,953,029.85
Interest paid		(244,373.63)	(720,893.71)	-	-
Income tax paid		(16,840,371.50)	(13,976,992.85)	(12,081,404.81)	(11,336,261.06)
Net cash provided by operating activities		425,390,700.11	358,593,664.30	252,522,875.62	231,616,768.79

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, 2018

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Cash flows from investing activities					
Increase in current investments		(92,798,092.56)	(62,166,963.42)	(61,641,836.51)	(21,740,055.82)
Increase in available-for-sale investments	9	(71,661,230.25)	(60,787,959.95)	(52,201,230.25)	(50,891,476.48)
Increase in long-term investments		(73,000,000.00)	(38,000,000.00)	(40,000,000.00)	(28,000,000.00)
Decrease in long-term investments		-	73,000,000.00	-	40,000,000.00
Purchase of investment properties		(6,279.44)	-	-	-
Purchase of fixed assets		(35,426,418.24)	(31,735,852.08)	(12,284,570.37)	(7,373,671.34)
Purchase of intangible assets		(90,200.00)	(28,500.00)	(90,200.00)	(28,500.00)
Increase in deposits for purchase of fixed assets		(1,889,986.19)	(1,560,600.00)	(1,070,222.19)	(1,521,600.00)
Sales of fixed assets		3,674,414.96	443,465.51	494,228.04	46,269.25
Dividend received		17,203,504.00	10,211,525.00	52,565,300.00	39,927,690.00
Interest received		16,720,384.78	17,286,385.29	14,115,529.25	14,519,475.69
Net cash used in investing activities		(237,273,902.94)	(93,338,499.65)	(100,113,002.03)	(15,061,868.70)
Cash flows from financing activities					
Decrease in short-term loans from financial institutions		-	(30,608,786.00)	-	-
Payment for asset payables		(392,516.87)	(244,580.60)	(190,286.87)	(153,630.60)
Dividend paid	17.1	(191,400,070.00)	(189,400,070.00)	(180,000,000.00)	(180,000,000.00)
Net cash used in financing activities		(191,792,586.87)	(220,253,436.60)	(180,190,286.87)	(180,153,630.60)
Net increase (decrease) in cash and cash equivalents		(3,675,789.70)	45,001,728.05	(27,780,413.28)	36,401,269.49
Cash and cash equivalents as at January 1,		101,218,419.88	56,216,691.83	67,238,707.53	30,837,438.04
Cash and cash equivalents as at December 31,	3.2 and 5	97,542,630.18	101,218,419.88	39,458,294.25	67,238,707.53
Supplemental disclosures of cash flow information					
Non-cash items					
Gains (loss) on changes in value of available-for-sale investments		7,957,869.75	5,019,440.05	(141,230.25)	2,328,523.52
Revaluation surplus of land		47,149,150.00	-	12,000,000.00	-
Asset payables		334,589.02	344,366.87	89,041.52	190,286.87

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, 2018

1. General information

- 1.1 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 operations are manufacturer and distributor of 200 liters metal drum, and to provide office buildings for rent.
- 1.3 The Company's major shareholders 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
	2018	2017	
Surat Metal Drum Co., Ltd. *	99.9970	99.9970	Distributor of raw materials for the production of containers.
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 subsidiary)	99.9970	99.9970	Distributor of raw materials for the production of containers, selling machinery equipment and providing consultation service.
Eastplast Co., Ltd. (Indirect subsidiary)	79.9990	79.9990	Manufacturer and distributor of plastic products.

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

Subsidiaries are entities controlled by the Company. The Company has power to control the financial and operating policies of these entities which including the returns from its involvement with the Company.

The financial statements of the subsidiaries are consolidated from the date on which the Company obtains control, and continue to be consolidated until the date when such control cease.

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

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and in the shareholders' equity in the consolidated statement of financial position.

2.4 New and Revised Thai Financial Reporting Standards

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

The Company and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards, Thai Accounting Standards, Thai Financial Reporting Standard Interpretations, Thai Accounting Standard Interpretations, and Guidelines promulgated by the Federation of Accounting Professions that are effective for accounting periods

beginning on or after January 1, 2018. The adoption of these standards, interpretations and guidelines does not have any material effect on the Company's and its subsidiaries financial statements.

2.4.2 The Financial Reporting Standards that have not yet been effective in the current accounting period

The Federation of Accounting Professions also has promulgated the new and revised Thai Financial Reporting Standards, Thai Accounting Standards, Thai Financial Reporting Standard Interpretations, Thai Accounting Standard Interpretations and Guidelines that have not yet been effective in the current accounting period. However, the summarized of new and revised standards and interpretations have certain changes to their key principles, as below:

Thai Financial Reporting Standard No. 15: Revenue from Contracts with Customers is effective for the accounting periods beginning on or after January 1, 2019 and to replace the following standards and interpretations:

Thai Accounting Standards

Name of entities	Title
TAS 11 (Revised 2017)	Construction Contracts
TAS 18 (Revised 2017)	Revenue

Thai Accounting Standard Interpretations

Name of entities	Title
TSIC 31 (Revised 2017)	Revenue - Barter Transactions Involving Advertising Services

Thai Financial Reporting Standard Interpretations

Name of entities	Title
TFRIC 13 (Revised 2017)	Customer Loyalty Programmes
TFRIC 15 (Revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (Revised 2017)	Transfers of Assets from Customers

According to the assessment made by the management of the Company and its subsidiaries, there will be no material effect on the financial statements in the period that the aforesaid standard is applied.

The followings are Thai Financial Reporting Standards, Thai Accounting Standard and Interpretations that are relevant to financial instruments and effective for the accounting periods beginning on or after January 1, 2020:

Thai Accounting Standards

Name of entities	Title
TAS 32	Financial Instruments : Presentation

Thai Financial Reporting Standards

Name of entities	Title
TFRS 7	Financial Instruments : Disclosures
TFRS 9	Financial Instruments

Thai Financial Reporting Standard Interpretations

Name of entities	Title
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The management of the Company and its subsidiaries are in the process of assessing the effects on the financial statements in the year that the aforesaid standards and interpretations 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 Unit trusts (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 between cost and fair value of trading securities are recorded in profit or loss.

Investments in marketable securities either Unit trusts or equity securities (available-for-sale investments) are accounted for at fair value (the last bid price as of the end of the accounting 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 cost less allowance for decline in value of investment (if any).

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).

Cost of investments sold 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 Properties

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 and equipment	5,10 Years

3.8 Property, plant and equipment

Land of the Company and its subsidiaries are stated at the revalued amount.

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
Buildings 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 softwares 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 and its subsidiaries 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 properties, 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 will 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 sale of goods is recognized when significant risks and rewards of ownership have been transferred to the buyer based on the invoice value less discount, goods return, and the estimates of goods return (if any).

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

Rental income is recognized using the straight-line method over the period of lease.

Dividend income is recognized when the right to receive dividend 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.

Provident fund

The Company and its subsidiaries and their employees have jointly established a provident fund for the employees. The fund comprises 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.

Post-employment benefits

The Company and its subsidiaries recognized provision for post-employment benefits in accordance with the labor law, which was calculated on the basis of the Actuarial Valuation Methods by using the projected unit credit method.

The Company and its subsidiaries recognize the actuarial gains and losses on remeasurements of defined benefit plan arising from the above provision 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 as profit or loss for each accounting period.

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 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 assets 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 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. Parts 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.

4.1 Relationships with related parties are detailed as follows:

Name of entities	Nature of relationships
Surat Metal Drum Co., Ltd.	Subsidiary and common directors
Songkhla Metal Drum Co., Ltd.	Subsidiary and common directors
The Pet Co., Ltd.	Subsidiary and common directors
Lake Rajada Co., Ltd.	Subsidiary of Surat Metal Drum Co., Ltd. and common directors
Eastplast Co., Ltd.	Subsidiary of The Pet Co., Ltd. and common directors
Sermsuk Public Company Limited	Shareholder of The Pet Co., Ltd.

4.2 The pricing policies by type of transactions are detailed as follows:

Transactions	Pricing policies
Purchase of material	Cost plus contribution margin
Purchase of goods	Agreed upon basis
Sale of material	Market price, Cost plus contribution margin
Sale of fixed assets	Agreed upon basis
Interest income	As per contract rate
Rental and service income	As per contract rate
Dividend income from subsidiaries	Upon declaration
Other income	Agreed upon basis
Interest paid	As per contract rate
Dividend paid	Upon declaration
Compensation for damage	Agreed upon basis

4.3 Outstanding balances at the end of years

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade and other receivables				
Trade receivables				
- Songkhal Metal Drum Co., Ltd.	-	-	34,186.50	12,037.50
- Sermsuk Public Company Limited	53,491,875.72	63,214,885.70	-	-
Other receivables				
- Songkhal Metal Drum Co., Ltd.	-	-	2,728.50	2,086.50
- The Pet Co., Ltd.	-	-	481.50	481.50
- Lake Rajada Co., Ltd.	-	-	321.00	802.50
Total	53,491,875.72	63,214,885.70	37,717.50	15,408.00

Investments in subsidiary companies

Unit : Baht

Consolidated financial statements					
	Nature of relationship	Paid-up Share capital	Share Holding	Equity Method	
				2018	2017
Songkhla Metal Drum Co., Ltd.	Manufacturer and distributor of metal drums.	20,000,000.00	80.0000	366,767,525.51	373,885,191.73
The Pet Co., Ltd.	Manufacturer and distributor of plastic products.	70,000,000.00	79.9990	482,258,057.28	448,148,642.19
Surat Metal Drum Co., Ltd.	Distributor of raw materials for the production of containers.	20,000,000.00	99.9970	174,097,348.21	160,988,872.98
				1,023,122,931.00	983,022,706.90
Eliminated intra-group transactions				(1,023,122,931.00)	(983,022,706.90)
Net				-	-

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Long-term investments				
Rangsit Plaza Co., Ltd.				
(Shareholding 5%)	51,250,160.00	51,250,160.00	-	-
Total	51,250,160.00	51,250,160.00	-	-

Unit : Baht

	Separate financial statements	
	2018	2017
Long-term loans to related party		
Balance at beginning of the years	24,000,000.00	24,000,000.00
Increase during the years	-	-
Decrease during the years	-	-
Balance at end of the years	24,000,000.00	24,000,000.00

The Pet Co., Ltd. (subsidiary company) 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.

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade and other payables				
Trade payables				
- The Pet Co., Ltd.	-	-	-	112,992.00
- Eastplast Co., Ltd.	-	-	273,411.75	26,707.21
	-	-	273,411.75	139,699.21
Other payables				
- Sermasuk Public Company Limited	463,619.13	-	-	-
	463,619.13	-	-	-

Long-term loans from related parties

The Pet Co., Ltd. (subsidiary company) entered into the Amendment No. 2 of loan agreement on January 1, 2013, the new interest rate is at MMR p.a. and interest is payable quarterly. Such loan of Baht 3 million was obtained from a related person while another loan of Baht 3 million was obtained from a related entity and both loans were due in 2014. According to the loan agreement if there is no request for requirement to change conditions in the agreements when both loans fall due, their repayments shall be extended for the next 5 years. The above loans will be due in 2019, and have therefore been reclassified to current portion of long-term loans from related parties.

4.4 Related party transactions

Related party transactions for the years ended December 31, 2018 and 2017, are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Purchase of raw materials	-	-	713,930.00	864,086.89
Purchase of goods	-	-	1,643,760.50	769,117.87
Sale of goods	327,214,753.94	270,206,068.34	31,950.00	3,781,411.68
Interest income	-	-	972,000.00	963,123.29
Dividend income from subsidiaries	-	-	45,599,930.00	37,599,930.00
Rental and service expenses	-	-	406,500.00	415,200.00
Other income	-	921,924.37	-	-
Interest expense	121,500.00	120,390.42	-	-
Dividend payment	700,000.00	700,000.00	-	-
Compensation for damages	3,786,107.89	587,126.00	-	-

4.5 Management remuneration

Management remuneration for the years ended December 31, 2018 and 2017, are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Management remuneration	36,231,308.00	31,694,781.00	32,815,690.00	28,583,832.00

5. Cash and cash equivalents

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash on hand	502,512.63	484,069.16	160,000.00	160,000.00
Cheques on hand	9,402,051.47	8,981,960.97	9,402,051.47	5,462,168.09
Demand deposits				
Savings accounts	68,918,778.77	73,427,137.27	23,471,899.51	49,702,872.86
Current accounts	18,719,287.31	18,325,252.48	6,424,343.27	11,913,666.58
Total	97,542,630.18	101,218,419.88	39,458,294.25	67,238,707.53

6. Current investments

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trading securities				
Unit trusts-at cost	692,125,133.52	568,870,000.00	490,000,000.00	423,000,000.00
Changes in fair value	430,722.18	498,200.68	238,993.90	126,361.47
	692,555,855.70	569,368,200.68	490,238,993.90	423,126,361.47
Deposit at bank–Fixed a/c				
(Interest rate at 1.50% – 3.40% p.a.)				
Fixed deposit 3-12 months	30,000,000.00	53,000,000.00	-	-
Long-term fixed deposit due within 1 year	52,000,000.00	-	52,000,000.00	-
Total	774,555,855.70	622,368,200.68	542,238,993.90	423,126,361.47
Movements of trading securities are as follows:				
Book value at beginning of the years	569,368,200.68	484,736,453.55	423,126,361.47	366,146,198.82
Acquisitions	1,593,423,000.00	1,419,680,000.00	809,500,000.00	904,200,000.00
Disposal	(1,470,294,227.95)	(1,335,518,198.98)	(742,626,361.47)	(847,346,198.82)
Changes in value of investments	58,882.97	469,946.11	238,993.90	126,361.47
Book value at end of the years	692,555,855.70	569,368,200.68	490,238,993.90	423,126,361.47

7. Trade and other receivables

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables				
- Related parties (Note 4.3)	53,491,875.72	63,214,885.70	34,186.50	12,037.50
- Other companies				
Domestic	259,531,099.23	250,685,456.48	147,983,421.01	156,842,425.95
Foreign	1,810,389.53	3,012,134.64	-	-
	314,833,364.48	316,912,476.82	148,017,607.51	156,854,463.45
Less Allowance for doubtful accounts	2,863,664.76	2,863,664.76	-	-
	311,969,699.72	314,048,812.06	148,017,607.51	156,854,463.45
Other receivables	4,576,190.24	3,376,244.32	1,995,584.51	1,879,378.71
Total	316,545,889.96	317,425,056.38	150,013,192.02	158,733,842.16
Aging analysis of trade accounts receivable is detailed as follows:				
Not yet due	249,747,860.13	242,862,569.96	114,749,316.01	119,720,303.96
Overdue:				
Not over 3 months	62,216,446.07	70,984,158.21	33,268,291.50	37,134,159.49
Over 3 months to 6 months	5,393.52	196,927.08	-	-
Over 6 months to 9 months	-	5,156.81	-	-
Over 12 months	2,863,664.76	2,863,664.76	-	-
	314,833,364.48	316,912,476.82	148,017,607.51	156,854,463.45
Less Allowance for doubtful accounts	2,863,664.76	2,863,664.76	-	-
Trade receivables, net	311,969,699.72	314,048,812.06	148,017,607.51	156,854,463.45
Doubtful account	-	917,935.53	-	-
Doubtful account reversal	-	3,549,554.11	-	-
Bad debt expense	320,309.00	3,549,554.11	-	-

8. Inventories

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Finished goods	29,551,766.24	30,495,812.16	10,388,386.45	9,531,527.96
Work in process	16,613,472.19	12,008,519.83	15,928,954.48	11,816,230.59
Raw materials	184,643,026.34	200,001,580.41	88,132,084.63	85,688,975.37
Factory supplies	4,067,258.21	4,254,804.50	798,621.09	685,880.63
Spare parts	7,531,470.01	6,897,991.59	-	-
Total	242,406,992.99	253,658,708.49	115,248,046.65	107,722,614.55
Less Allowance for decline in value	168,093.80	-	-	-
Allowance for deteriorated and obsolete inventories	3,946,598.72	-	-	-
Net	238,292,300.47	253,658,708.49	115,248,046.65	107,722,614.55
Loss on inventories devaluation	168,093.80	-	-	-
Loss from deteriorated and obsolete inventories	3,946,598.72	-	-	-
Inventories-written off	150,741.81	2,112,436.22	-	-

9. Available-for-sale securities

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Available-for-sale securities				
Listed securities	231,939,476.45	160,278,246.20	133,681,059.12	81,479,828.87
Changes in fair value	54,825,123.55	46,867,253.80	1,298,940.88	1,440,171.13
Total	286,764,600.00	207,145,500.00	134,980,000.00	82,920,000.00
Movements of available-for-sale securities are as follows:				
Book value at beginning of the years	207,145,500.00	141,338,100.00	82,920,000.00	29,700,000.00
Acquisitions	71,661,230.25	60,787,959.95	52,201,230.25	50,891,476.48
Change in value of investments	7,957,869.75	5,019,440.05	(141,230.25)	2,328,523.52
Book value at end of the years	286,764,600.00	207,145,500.00	134,980,000.00	82,920,000.00

10. Investments in subsidiary companies

Unit : Baht

	Separate financial statements					
	Paid-up Share capital	Share Holding (%)	2018		2017	
			Cost Method	Dividend	Cost Method	Dividend
Surat Metal Drum Co., Ltd.	20,000,000.00	99.9970	18,221,666.70	-	18,221,666.70	-
Songkhla Metal Drum Co., Ltd.	20,000,000.00	80.0000	16,000,000.00	40,000,000.00	16,000,000.00	32,000,00.00
The Pet Co., Ltd.	70,000,000.00	79.9990	59,849,300.00	5,599,930.00	59,849,300.00	5,599,930.00
Total			94,070,966.70	45,599,930.00	94,070,966.70	37,599,930.00

11. Long-term investments

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Long term deposits at banks-Fixed a/c (Interest rates at 1.65% – 3.60% p.a.)				
Long-term fixed deposits	97,000,000.00	54,000,000.00	72,000,000.00	52,000,000.00
Long-term fixed deposits due within 1 year	(52,000,000.00)	-	(52,000,000.00)	-
	45,000,000.00	54,000,000.00	20,000,000.00	52,000,000.00
Long-term investments-related party (Note 4.3)	51,250,160.00	51,250,160.00	-	-
Investments in Debt securities				
- Debentures due in 2021 – 2026 (Interest rates at 2.86% - 5.50% p.a.)	245,209,701.28	215,314,408.49	185,209,701.28	165,314,408.49
- Subordinated Instrument due in 2025 (Interest rates at 4.65% p.a. and 5.10% p.a.)	70,000,000.00	70,000,000.00	70,000,000.00	70,000,000.00
Total	411,459,861.28	390,564,568.49	275,209,701.28	287,314,408.49

12. Investment Property

Unit : Baht

	Consolidated financial statements				
	2017	Increase (Decrease) in the period			2018
		Additions	Disposal	Transfer	
Cost of assets					
Land	14,099,903.19	-	-	-	14,099,903.19
Buildings and improvement	18,989,699.31	-	-	-	18,989,699.31
Office condominium	385,412,417.01	-	-	-	385,412,417.01
Condominium decoration and equipment	13,934,520.75	6,279.44	-	-	13,940,800.19
	432,436,540.26	6,279.44	-	-	432,442,819.70
Accumulated depreciation					
Buildings and improvement	17,636,059.76	195,541.45	-	-	17,831,601.21
Office condominium	309,597,959.23	6,158,271.71	-	-	315,756,230.94
Condominium decoration and equipment	13,932,183.93	3,431.58	-	-	13,935,615.51
	341,166,202.92	6,357,244.74	-	-	347,523,447.66
Investment Property, net	91,270,337.34				84,919,372.04

Unit : Baht

	Separate financial statements				
	2017	Increase (Decrease) in the period			2018
		Additions	Disposal	Transfer	
Cost of assets					
Land	14,099,903.19	-	-	-	14,099,903.19
Buildings 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
	426,989,430.98	-	-	-	426,989,430.98
Accumulated depreciation					
Buildings and improvement	17,636,059.76	195,541.45	-	-	17,831,601.21
Office condominium	308,263,891.27	5,665,472.46	-	-	313,929,363.73
Condominium decoration and equipment	13,895,475.35	-	-	-	13,895,475.35
	339,795,426.38	5,861,013.91	-	-	345,656,440.29
Investment Property, net	87,194,004.60				81,332,990.69

The fair value of land and condominiums of the Company and a subsidiary company amounting to Baht 1,727.04 million (2017: Baht 1,440.07 million), comprises the fair value of the land amounting to Baht 734.86 million and office condominiums amounting to Baht 992.18 million. They have been valued by the independent appraiser. The fair value is at level 2 by using the market approach.

13. Property, plant and equipment

Unit : Baht

Consolidated financial statements					
2017	Increase (Decrease) in the period			2018	
	Additions	Disposal	Transfer		
Cost/revaluation					
Land–original price	99,212,000.00	-	-	-	99,212,000.00
Land–revaluation increase	197,229,200.00	47,149,150.00	-	-	244,378,350.00
	296,441,200.00				343,590,350.00
Land improvement	6,490,949.00	-	-	-	6,490,949.00
Buildings and improvement	279,055,613.23	5,000,000.00	2,000,000.00	-	282,055,613.23
Machinery and equipment	1,375,993,354.12	26,239,771.98	5,489,348.20	3,975,547.01	1,400,719,324.91
Furniture and equipment	23,805,663.95	1,415,656.33	1,891,693.79	-	23,329,626.49
Vehicles	82,692,369.56	4,484,018.70	2,494,560.75	-	84,681,827.51
	2,064,479,149.86	84,288,597.01	11,875,602.74	3,975,547.01	2,140,867,691.14
Accumulated depreciation					
Land improvement	2,085,947.00	-	-	-	2,085,947.00
Buildings and improvement	134,367,053.32	9,681,782.06	1,304,539.51	-	142,744,295.87
Machinery and equipment	932,784,769.38	83,615,421.19	2,608,446.48	-	1,013,791,744.09
Furniture and equipment	20,601,396.13	1,360,240.19	1,872,936.98	-	20,088,699.34
Vehicles	55,017,336.10	6,174,978.84	2,494,557.75	-	58,697,757.19
	1,144,856,501.93	100,832,422.28	8,280,480.72	-	1,237,408,443.49
Net	919,622,647.93				903,459,247.65
Assets under installation	3,950,047.01	3,745,299.49	-	(4,055,547.01)	3,639,799.49
Total	923,572,694.94				907,099,047.14

Unit : Baht

Separate financial statements					
2017	Increase (Decrease) in the period			2018	
	Additions	Disposal	Transfer		
Cost/revaluation					
Land–original price	48,000,000.00	-	-	-	48,000,000.00
Land–revaluation increase	50,400,000.00	12,000,000.00	-	-	62,400,000.00
	98,400,000.00				110,400,000.00
Land improvement	4,405,000.00	-	-	-	4,405,000.00
Buildings and improvement	151,040,824.64	-	-	-	151,040,824.64
Machinery and equipment	318,313,015.26	7,192,741.60	1,626,200.00	223,483.20	324,103,040.06
Furniture and equipment	13,442,828.88	1,320,911.46	1,593,559.73	-	13,170,180.61
Vehicles	38,709,789.38	4,484,018.70	894,000.00	-	42,299,808.08
Total	624,311,458.16	24,997,671.76	4,113,759.73	223,483.20	645,418,853.39
Accumulated depreciation					
Buildings and improvement	49,208,141.64	5,469,557.85	-	-	54,677,699.49
Machinery and equipment	206,178,158.31	20,434,624.40	1,600,966.43	-	225,011,816.28
Furniture and equipment	11,654,803.28	768,672.32	1,578,634.68	-	10,844,840.92
Vehicles	18,300,846.93	3,811,052.98	893,999.00	-	21,217,900.91
Total	285,341,950.16	30,483,907.55	4,073,600.11	-	311,752,257.60
Net	338,969,508.00				333,666,595.79
Assets under installation	223,483.20	891,714.98	-	(223,483.20)	891,714.98
Total	339,192,991.20				334,558,310.77

13.1 Land, buildings and constructions and certain portion of the machinery of the subsidiaries and indirect subsidiaries are mortgaged and pledged as collateral for credit facilities obtained from financial institutions. (Note 28.2)

13.2 In October 2018, the Company and its subsidiaries had reviewed the valuation of all pieces of land through an independent appraiser. The fair value of these land was valued by using the market approach resulted in a value increase of Baht 47.15 million in the consolidated financial statements and Baht 12 million in the separate financial statements. Additional evaluation surplus of land net of deferred tax in the consolidated financial statements of Baht 37.72 million and Baht 9.60 million in the separate financial statements have been recorded in equity through other comprehensive income.

13.3 As at December 31, 2018, the costs of plant and equipment which were fully depreciated included in the consolidated financial statements in the amount of Baht 606.92 million (2017: Baht 590.68 million) and in the separate financial statements in the amount of Baht 64.33 million (2017: Baht 64.89 million)

14. Intangible assets

Unit : Baht

Consolidated financial statements				
	2017	Increase	Decrease	2018
Cost of assets				
Computer softwares	1,657,540.00	90,200.00	421,200.00	1,326,540.00
Accumulated amortization				
Computer softwares	1,625,649.57	19,855.75	421,200.00	1,224,305.32
Intangible assets, net	31,890.43			102,234.68

Unit : Baht

Separate financial statements				
	2017	Increase	Decrease	2018
Cost of assets				
Computer softwares	1,272,600.00	90,200.00	421,200.00	941,600.00
Accumulated amortization				
Computer softwares	1,244,896.62	18,056.30	421,200.00	841,752.92
Intangible assets, net	27,703.38			99,847.08

15. Trade and other payables

Unit : Baht

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Trade payables					
- Related parties (Note 4.3)		-	-	273,411.75	139,699.21
- Other companies					
Domestic		128,611,605.72	133,113,853.25	24,547,881.47	61,173,853.21
Foreign		2,980,172.65	1,247,404.91	2,475,985.16	-
		131,591,778.37	134,361,258.16	27,297,278.38	61,313,552.42
Other payables					
- Related parties (Note 4.3)		463,619.13	-	-	-
- Accrued expenses		14,768,536.26	17,145,338.31	2,570,794.97	3,647,932.34
- Others		574,387.83	398,404.45	1,652.00	-
		15,806,543.22	17,543,742.76	2,572,446.97	3,647,932.34
Total		147,398,321.59	151,905,000.92	29,869,725.35	64,961,484.76

16. Employee benefit obligations

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

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Balance at beginning of the years	22,259,565.02	20,945,385.00	11,724,474.99	10,945,059.00
Service costs	1,477,991.97	1,683,843.01	663,881.97	661,291.99
Interest costs	566,906.02	602,762.01	282,480.02	268,304.00
Benefits paid	(2,823,749.00)	(972,425.00)	(1,843,801.00)	(150,180.00)
Balance at end of the years	21,480,714.01	22,259,565.02	10,827,035.98	11,724,474.99

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

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Recognized in profit or loss				
Current service cost	1,477,991.97	1,683,843.01	663,881.97	661,291.99
Interest cost	566,906.02	602,762.01	282,480.02	268,304.00
Total	2,044,897.99	2,286,605.02	946,361.99	929,595.99

Principal actuarial assumptions at the reporting date are as follows:

% per annual

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.31-2.62	2.31-2.62	2.31-2.56	2.31-2.56
Salary increase rate	5.45-6.04	5.45-6.04	5.45-6.04	5.45-6.04
Staff turnover rate				
(Scale related to Age ranging)	0-43	0-43	0-43	0-43

Mortality rate: According to Thailand Mortality Ordinary Life table 2008

(Change to the Thailand Mortality Ordinary Life table 2017 has no material effect to the employee benefit obligations)

Effects of changes on the assumptions to the present value of long term employee benefit obligation as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	Consolidated financial statements			
	2018		2017	
	Increase 0.50%	Decrease 0.50%	Increase 0.50%	Decrease 0.50%
Discount rate	(0.94)	1.01	(0.92)	0.99
Salary increase rate	1.18	(1.11)	1.05	(0.99)
Staff turnover rate	(1.12)	1.20	(1.02)	1.10

Unit: Million Baht

	Separate financial statements			
	2018		2017	
	Increase 0.50%	Decrease 0.50%	Increase 0.50%	Decrease 0.50%
Discount rate	(0.39)	0.41	(0.40)	0.43
Salary increase rate	0.51	(0.48)	0.47	(0.44)
Staff turnover rate	(0.46)	0.49	(0.42)	0.44

Change to severance payment under new Labor Protection Act.

On December 13, 2018, the National Legislative Assembly passed a final resolution to approve the draft of new amendment to the Labor Protection Act. Such draft is currently in the process of announcement being made through the Royal Thai Government Gazette.

The aforementioned draft has stipulated that employee who is terminated for an uninterrupted service period of 20 years or more is entitled to receive severance payment for not less than 400 days of the wage at the most recent date of employment. The current maximum severance payment is based on 300 days.

The effects of such change will be resulting in an increase in the employee benefit obligations of the consolidated financial position and separate financial position amounting to approximately Baht 7.69 million and Baht 3.30 million, respectively, and will recognising past services costs as expenses in the income statement, which the law is effective.

17. Equity

17.1 Dividend payment

The ordinary shareholders' meeting for the year 2018 held on April 23, 2018 approved to pay the dividend from operating income of 2017 at Baht 1.20 per share, amounting to Baht 180 million.

The ordinary shareholders' meeting for the year 2017 held on April 25, 2017 approved to pay the dividend from operating income of 2016 at Baht 1.20 per share, amounting to Baht 180 million.

17.2 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 [after 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.

17.3 Managing capital

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

At the end of 2018, the consolidated financial statements' debt to equity ratio is 0.10:1.00 (2017: 0.11:1.00) and separate financial statements' debt to equity ratio is 0.05:1.00 (2017: 0.08:1.00)

18. Other income

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Dividend income	17,203,504.00	11,585,125.00	52,565,300.00	41,301,290.00
Interest income	16,737,492.06	16,694,440.93	14,103,402.28	14,270,878.64
Others	11,611,807.90	13,867,471.93	6,483,434.73	8,198,635.20
Total	45,552,803.96	42,147,037.86	73,152,137.01	63,770,803.84

19. Provident fund

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

During the year, 2018, the Company and its subsidiaries contributed to the fund amounting to Baht 3.02 million (2017: Baht 3.06 million), while the contributions made by the Company in the amount of Baht 1.45 million (2017: Baht 1.44 million).

20. Classification of expenses by nature

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Changes in finished goods and work in process	(3,660,906.44)	(387,724.76)	(4,969,582.38)	(2,455,954.42)
Raw materials and supplies used	1,159,743,404.75	1,164,589,058.61	630,812,768.19	705,432,797.08
Management benefit expenses*	36,231,308.00	31,694,781.00	32,815,690.00	28,583,832.00
Employee expenses	136,900,116.40	146,164,832.31	43,539,716.43	45,903,914.78
Depreciation and amortization	107,209,522.77	110,492,451.98	36,362,977.76	39,828,363.77
Finance costs	244,373.63	661,292.34	-	-
Others	267,542,146.73	280,219,105.98	72,389,534.31	82,864,458.04
Total	1,704,209,965.84	1,733,433,797.46	810,951,104.31	900,157,411.25

Unit : Baht

Management benefit expenses*	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cost of sales	3,878,408.00	2,338,811.00	3,481,440.00	1,942,900.00
Administrative expenses	32,352,900.00	29,355,970.00	29,334,250.00	26,640,932.00
Total	36,231,308.00	31,694,781.00	32,815,690.00	28,583,832.00

21. Income tax

Income tax is computed from the taxable net profit and in accordance with the Revenue Code.

Income tax expenses for the years ended December 31, 2018 and 2017 are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current income tax				
Interim income tax	16,608,137.03	15,264,829.97	10,810,206.75	12,301,867.32
Deferred tax				
Temporary differences and reversal of temporary differences	(3,232,237.45)	(3,497,832.67)	(945,090.11)	(2,352,872.00)
Income tax expenses	13,375,899.58	11,766,997.30	9,865,116.64	9,948,995.32

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2018 and 2017, are as follows:

Unit : Baht

	Consolidated Financial Statements			
	Rate (%)	2018	Rate (%)	2017
Accounting profit before income tax		361,618,321.75		306,864,532.85
Income tax at applicable tax rate	20	72,323,664.35	20	61,372,906.57
Tax losses of subsidiaries, not recognized as deferred income tax		10,792,419.56		6,824,204.18
Tax effect:				
Disallowed expenses for tax calculation		6,760,962.29		7,280,601.60
Exemption of income/Additional expenses allowed		(15,102,242.34)		(12,681,088.91)
Promotional privileges		(67,261,792.97)		(55,026,919.61)
Effect of elimination entry on the consolidated financial statement		9,095,126.14		7,495,126.14
Current income tax		16,608,137.03		15,264,829.97
Deferred tax:				
Temporary differences and reversal of temporary differences		(3,232,237.45)		(3,497,832.67)
Income tax expenses	3	13,375,899.58	4	11,766,997.30

Unit : Baht

	Separate Financial Statements			
	Rate (%)	2018	Rate (%)	2017
Accounting profit before income tax		335,440,156.17		280,419,479.50
Income tax at applicable tax rate	20	67,088,031.23	20	56,083,895.90
Tax effect:				
Disallowed expenses for tax calculation		2,966,074.64		3,597,377.37
Exemption of income/Additional expenses allowed		(12,507,877.45)		(10,149,742.39)
Promotional privileges		(46,736,021.67)		(37,229,663.56)
Current income tax		10,810,206.75		12,301,867.32
Deferred tax:				
Temporary differences and reversal of temporary differences		(945,090.11)		(2,352,872.00)
Income tax expenses	3	9,865,116.64	3	9,948,995.32

The amount of income tax relating to each component of other comprehensive income for the years ended December 31, 2018 and 2017 are as follows:

Unit : Baht

Consolidated Financial Statements					
2018			2017		
Amount before tax	Tax (expenses) benefit	Net of tax	Amount before tax	Tax (expenses) benefit	Net of tax
Revaluation surplus of land	47,149,150.00	(9,429,830.00)	37,719,320.00	-	-
Gain on changes in value of available-for-sale investments	7,957,869.75	(1,591,573.95)	6,366,295.80	5,019,440.05	(1,003,888.02)
Total	55,107,019.75	(11,021,403.95)	44,085,615.80	5,019,440.05	(1,003,888.02)
					4,015,552.03

Unit : Baht

Separate Financial Statements					
2018			2017		
Amount before tax	Tax (expenses) benefit	Net of tax	Amount before tax	Tax (expenses) benefit	Net of tax
Revaluation surplus of land	12,000,000.00	(2,400,000.00)	9,600,000.00	-	-
Gain (loss) on changes in value of available-for-sale investments	(141,230.25)	28,246.05	(112,984.20)	2,328,523.52	(465,704.71)
Total	11,858,769.75	(2,371,753.95)	9,487,015.80	2,328,523.52	(465,704.71)
					1,862,818.81

The components of deferred tax assets and deferred tax liabilities as at December 31, 2018 and 2017 are detailed as follows:

Unit : Baht

Consolidated financial statements		Separate financial statements	
2018	2017	2018	2017
Deferred tax assets			
Allowance for inventories devaluation	822,938.50	-	-
Deposits	1,453,777.68	1,329,612.68	1,241,886.68
Allowance for doubtful accounts	572,732.95	572,732.95	-
Assets under finance lease	131,503.80	171,503.80	-
Employee benefit obligations	4,296,142.81	4,451,913.02	2,165,407.20
	7,277,095.74	6,525,762.45	3,499,562.88
			3,586,781.68

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax liabilities				
Depreciation of assets	14,473,593.51	16,954,497.67	11,125,060.77	12,157,369.68
Revaluation surplus of land	48,875,670.00	39,445,840.00	12,480,000.00	10,080,000.00
Available-for-sale investments	10,965,024.72	9,373,450.77	259,788.18	288,034.23
	74,314,288.23	65,773,788.44	23,864,848.95	22,525,403.91
Deferred tax liabilities, net	67,037,192.49	59,248,025.99	20,365,286.07	18,938,622.23

22. Earnings per share

Basic earnings per share is calculated by dividing profit for each year attributable to equity the Company's shareholders by the weighted average number of ordinary shares outstanding during each year as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit attributable to equity of the Company's shareholders (Baht)	335,992,484.44	283,811,075.19	325,575,039.53	270,470,484.18
Weighted average number of ordinary shares (shares)	150,000,000	150,000,000	150,000,000	150,000,000
Basic earnings per share (Baht)	2.24	1.89	2.17	1.80

23. Depreciation and amortization

Depreciation and amortization for the years ended December 31, 2018 and 2017, are as follows:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Depreciation				
Investment Property				
Cost of services rendered	6,161,703.29	6,161,752.12	5,665,472.46	5,665,470.72
Selling and administrative expenses	195,541.45	195,541.45	195,541.45	195,541.45
Property, plant and equipment				
Cost of productions	88,735,088.22	93,597,013.85	25,946,832.32	29,501,415.49
Selling and administrative expenses	12,097,334.06	10,526,050.83	4,537,075.23	4,464,084.83
Amortization	19,855.75	12,093.73	18,056.30	1,851.28
Total	107,209,522.77	110,492,451.98	36,362,977.76	39,828,363.77

24. Information on operating segments

Information on operation segments requires the Company and its subsidiaries to 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)

25. Investment Promotion

Investment Promotional Privileges

25.1 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, and is eligible to get exemption from corporate income tax for a period of 7 years from the date income is first derived. The Company started the operation on November 4, 2013.

25.2 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, and is eligible to get exemption from corporate income tax for a period of 8 years from the date that was approved on August 30, 2010 which expired on August 29, 2018.

25.3 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, and is eligible to get 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 February 19 and 22, 2011 for the plastic bottle PET and polyboard respectively, and the branch (Suratthani) started the operation on September 17, 2012 for the plastic bottle PET.

The Company has got an approval from the Board of Investment to change the location of the original factories in Pathumthani province and Surat Thani Province to Pathumthani province, effective from January 22, 2015.

25.4 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, and is eligible to get exemption from corporate income tax for a period of 8 years from the date income is first derived. The Company started the operation on June 1, 2010 which expired on June 1, 2018.

On August 28, 2010, the Company has obtained the privileges under the Investment Promotion Act for the production of plastic bottle PET, and is eligible to get exemption from corporate income tax for a period of 8 years from the date income is first derived. The Company 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, and is eligible to get exemption from corporate income tax for a period of 8 years from the date income is first derived. The Company started the operation on September 22, 2014.

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

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

Unit : Thousand Baht

Consolidated financial statements						
	Promoted Business		Non-Promoted Business		Total	
	2018	2017	2018	2017	2018	2017
Sales-domestic	1,740,536	1,826,374	179,577	76,586	1,920,113	1,902,960
Sales-export	28,193	25,816	6,818	7,195	35,011	33,011
Total	1,768,729	1,852,190	186,395	83,781	1,955,124	1,935,971

Unit : Thousand Baht

Separate financial statements						
	Promoted Business		Non-Promoted Business		Total	
	2018	2017	2018	2017	2018	2017
Sales-domestic	1,001,885	1,041,222	10,167	17,097	1,012,052	1,058,319
Total	1,001,885	1,041,222	10,167	17,097	1,012,052	1,058,319

Allocation of transactions between promoted and non-promoted businesses

The Company and its subsidiary allocate their profit and loss between promoted and non-promoted businesses by separating the transactions that can be identified. The transactions which cannot be clearly identified are allocated based on the proportion of income of promoted and non-promoted businesses.

26. Financial instruments

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

26.1 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 interest rate is applied, whichever is earlier.

Financial assets and liabilities with are exposed to interest rate risk are detailed as follows:

Unit : Million Baht

Consolidated financial statements					
2018					
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	-	-	68.92	28.62	97.54
Current investments	82.00	-	-	692.55	774.55
Trade and other receivables	-	-	-	316.54	316.54
Available-for-sale investments	-	-	-	286.76	286.76
Long-term investments	-	240.21	120.00	51.25	411.46
Financial liabilities					
Trade and other payables	-	-	-	147.40	147.40
Current portion of long-term loans from related parties	-	-	6.00	-	6.00

Unit : Million Baht

Consolidated financial statements					
2017					
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	-	-	73.43	27.79	101.22
Current investments	53.00	-	-	569.36	622.36
Trade and other receivables	-	-	-	317.42	317.42
Available-for-sale investments	-	-	-	207.14	207.14
Long-term investments	-	219.31	120.00	51.25	390.56
Financial liabilities					
Trade and other payables	-	-	-	151.90	151.90
Long-term loans from related parties	-	-	6.00	-	6.00

Financial assets and liabilities with are exposed to interest rate risk are detailed as follows:

Unit : Million Baht

Separate financial statements					
2018					
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	-	-	23.47	15.99	39.46
Current investments	52.00	-	-	490.24	542.24
Trade and other receivables	-	-	-	150.01	150.01
Available-for-sale investments	-	-	-	134.98	134.98
Long-term investments	-	155.21	120.00	-	275.21
Long-term loans to related party	-	-	24.00	-	24.00
Financial liabilities					
Trade and other payables	-	-	-	29.87	29.87

Unit : Million Baht

Separate financial statements					
2017					
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	-	-	49.70	17.54	67.24
Current investments	-	-	-	423.13	423.13
Trade and other receivables	-	-	-	158.73	158.73
Available-for-sale investments	-	-	-	82.92	82.92
Long-term investments	-	167.31	120.00	-	287.31
Long-term loans to related party	-	-	24.00	-	24.00
Financial liabilities					
Trade and other payables	-	-	-	64.96	64.96

Foreign currency risk

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

Two subsidiaries have obtained financial assets and liabilities denominated in foreign currency, which haven't been hedged against currency risks. The balances denominated in foreign currency are as follows:

	Foreign currency	Consolidated financial statements		Exchange rate	
				(Baht per Unit of foreign currency)	
		2018	2017	2018	2017
Financial assets	USD	56,075.60	92,639.45	32.2848	32.5146
Financial liabilities	USD	3,446.53	37,090.25	32.6148	32.8472
	EURO	13,449.16	438.37	37.4884	39.3938

26.2 Fair value of financial instruments

Financial assets and liabilities with short-term maturities, such as cash on hand and deposits at financial institutions, accounts receivable and payable, short-term loans and borrowings, are stated in the statement of financial position approximating their fair value.

27. Fair Value Measurement

27.1 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, 2018 and 2017 are as follows:

Unit : Million Baht

Consolidated Financial Statements				
2018				
	Level 1	Level 2	Level 3	Total
Assets				
Current investments				
Unit trust	-	692.56	-	692.56
Available-for-sale securities				
Listed securities	286.76	-	-	286.76
Total assets	286.76	692.56	-	979.32

Unit : Million Baht

Consolidated Financial Statements				
2017				
	Level 1	Level 2	Level 3	Total
Assets				
Current investments				
Unit trust	-	569.37	-	569.37
Available-for-sale securities				
Listed securities	207.14	-	-	207.14
Total assets	207.14	569.37	-	776.51

Unit : Million Baht

Separate financial statements				
2018				
	Level 1	Level 2	Level 3	Total
Assets				
Current investments				
Unit trust	-	490.24	-	490.24
Available-for-sale securities				
Listed securities	134.98	-	-	134.98
Total assets	134.98	490.24	-	625.22

Unit : Million Baht

Separate financial statements				
2017				
	Level 1	Level 2	Level 3	Total
Assets				
Current investments				
Unit trust	-	423.13	-	423.13
Available-for-sale securities				
Listed securities	82.92	-	-	82.92
Total assets	82.92	423.13	-	506.05

In this accounting period, there was no transfer between the fair value levels

27.2 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 Companies.

28. Commitments and contingent liabilities

28.1 Commitments under the letters of credit and letters of guarantee.

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Outstanding unused letters of credit	(USD)	149,976.00	118,451.25	75,916.00	81,361.00
Letters of guarantee	(Million Baht)	16.21	26.21	6.20	14.91

28.2 Commitments under the credit agreements

Land, buildings and constructions and certain portion of the machinery of Songkhla Co., Ltd. (subsidiary company) are mortgaged and pledged as collateral for credit facilities obtained from financial institutions in the amount of Baht 48 million. In the year 2018, the Company has requested to reduce the credit facility from Baht 48 million to Baht 25 million, which is in the process to redeem the relevant assets used as collateral.

Land, buildings and constructions of The Pet Co., Ltd. (subsidiary company) are mortgaged and pledged as collateral for credit facilities obtained from financial institutions in the amount of Baht 90 million.

Land, buildings and constructions of Eastplast Co., Ltd. (indirect subsidiary) are mortgaged and pledged as collateral for credit facilities obtained from financial institutions in the amount of Baht 3 million.

The Pet Co., Ltd. (subsidiary company) and Eastplast Co., Ltd. (indirect subsidiary) have jointly entered into agreement with a financial institution in 2016, to obtain credit facility (P/N) in the amount of Baht 60 million with interest rate at MMR p.a. The period of drawdown is within 10 years, and certain machineries of Eastplast Co., Ltd. have been registered and placed as collateral for the credit facility agreement.

28.3 Commitments on contract for purchase of assets

As at December 31, 2018 The Pet Co., Ltd. (subsidiary company) had commitment on contract for purchase of assets in the amount of USD 27,900.

29. Approval of financial statements

These financial statements have been approved for issue by the Board of Directors on February 25, 2019.

Attachment # 1

24. Information on operating segment (Continued)

Information on operating segment of Thai Metal Drum Manufacturing Public Company Limited and its subsidiaries for the year ended December 31, 2018 and 2017, are as follows:

Unit : Thousand Baht

Consolidate Financial Statements						
2018						
	Productions and Sales of Metal drums	Productions and Sales of Plastic Products	Rental and service income	Other	Amount of Eliminated	Total
Revenues from sales and services	1,211,050	808,273	70,661	-	(69,709)	2,020,275
Costs of sales and services	868,412	736,484	22,526	-	(72,215)	1,555,207
Gross profit	342,638	71,789	48,135	-	2,506	465,068
Other income	-	-	-	55,829	(10,277)	45,552
Profit before expenses	342,638	71,789	48,135	55,829	(7,771)	510,620
Selling expenses	42,527	17,962	-	-	(76)	60,413
Administrative expenses	40,872	39,186	8,491	288	(492)	88,345
Profit before finance costs and income tax	259,239	14,641	39,644	55,541	(7,203)	361,862
Finance costs	-	-	-	7,571	(7,327)	244
Profit before income tax	259,239	14,641	39,644	47,970	124	361,618
Income tax expenses						13,376
Profit for the years						348,242
Total assets for the operations						992,018

Unit : Thousand Baht

Consolidate Financial Statements						
2017						
	Productions and Sales of Metal drums	Productions and Sales of Plastic Products	Rental and service income	Other	Amount of Eliminated	Total
Revenues from sales and services	1,244,883	767,488	67,125	-	(81,346)	1,998,150
Costs of sales and services	947,280	696,924	21,660	-	(81,357)	1,584,507
Gross profit	297,603	70,564	45,465	-	11	413,643
Other income	-	-	-	50,106	(7,959)	42,147
Profit before expenses	297,603	70,564	45,465	50,106	(7,948)	455,790
Selling expenses	48,623	26,080	1	-	(69)	74,635
Administrative expenses	36,380	30,549	6,860	292	(451)	73,630
Profit before finance costs and income tax	212,600	13,935	38,604	49,814	(7,428)	307,525
Finance costs	-	-	-	8,212	(7,551)	661
Profit before income tax	212,600	13,935	38,604	41,602	123	306,864
Income tax expenses						11,767
Profit for the years						295,097
Total assets for the operations						1,014,843

Attachment # 2

24. Information on operating segment (Continued)

Information on operating segment of Thai Metal Drum Manufacturing Public Company Limited and its subsidiaries for the year ended December 31, 2018 and 2017, are as follows:

Unit : Thousand Baht

Separate Financial Statements				
2018				
	Productions and Sales of Metal drums	Rental and service income	Other	Total
Revenues from sales and services	1,012,051	61,188	-	1,073,239
Costs of sales and services	718,742	16,824	-	735,566
Gross profit	293,309	44,364	-	337,673
Dividend income	-	-	52,565	52,565
Other income	-	-	20,587	20,587
Profit before expenses	293,309	44,364	73,152	410,825
Selling expenses	31,574	-	-	31,574
Administrative expenses	35,355	8,456	-	43,811
Profit before income tax	226,380	35,908	73,152	335,440
Income tax expenses				9,865
Profit for the years				325,575
Total assets for the operations				415,891

Unit : Thousand Baht

Separate Financial Statements				
2017				
	Productions and Sales of Metal drums	Rental and service income	Other	Total
Revenues from sales and services	1,058,318	58,488	-	1,116,806
Costs of sales and services	810,577	16,952	-	827,529
Gross profit	247,741	41,536	-	289,277
Dividend income	-	-	41,301	41,301
Other income	-	-	22,469	22,469
Profit before expenses	247,741	41,536	63,770	353,047
Selling expenses	35,878	-	-	35,878
Administrative expenses	29,897	6,853	-	36,750
Profit before income tax	181,966	34,683	63,770	280,419
Income tax expenses				9,949
Profit for the years				270,470
Total assets for the operations				426,387



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