

รายงานประจำปี 2562
Annual Report 2019



บริษัท อุตสาหกรรมถังโลหะไทย จำกัด (มหาชน)

THAI METAL DRUM MANUFACTURING
PUBLIC COMPANY LIMITED

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THE REPORT FROM THE BOARD OF DIRECTORS

Thailand's economy grew by 2.4% in 2019, lower than the previous estimate of 2.6% which is the lowest expansion in over five years. The main deceleration is from a consequence of economy slowdown from the impact of trade war, baht appreciation resulting in a sharp drop in exports, the delayed passage of the 2020 government budget resulting in delayed disbursement of budgets and the impacts of drought. It's forecasted that Thai economy in 2020 will continuously slowdown from the above mentioned factors coupled with the novel coronavirus outbreak (COVID-19), threatening notably to tourism sectors which is the key driver of Thailand's economy in the past years.

However, 2019 was the year that the Company and its subsidiaries were able to make a satisfactory profit although the profit of the Company and its subsidiaries dropped by 1.91% comparing to previous year. This was because the Company had to pay increasing corporate income tax due to an expiry of the privilege from the Board of Investment ended in March 2019. As a result, the Company and its subsidiaries earned the net profit of Baht 329.56 million, a decline of Baht 6.43 million or dropped by 1.91%. The Company and its subsidiaries gained the revenues from sales by product as detail below:

The revenue from sales of metal drums was Baht 1,174.89 million, decreasing Baht 36.16 million or dropped by 2.99% comparing to the year 2019, due mainly to a decline both in sales volume and selling price per unit. In the past year, cold rolled steel price dropped in the last quarter due to baht appreciation against US dollar and the impacts of trade war. As a result, the demand for steel decreased. Although Company was able to manage inventory of cold rolled steel which is the major cost of production more effectively, due to an intense competition, the Company and its subsidiaries had to reduce the sales price in order to maintain market share. Consequently, sales cost rose by 1.31% comparing to the previous year. This caused a drop in profit for the Company and its subsidiaries with the amount of Baht 28.47 million or dropped by 10.98%. The Company and its subsidiaries earned the profit of Baht 230.77.

The revenue from plastic product was Baht 869.00 million, an increase of Baht 60.72 million or increasing by 7.51%. The Company's subsidiary gained an increase in sales volume while raw material price dropped significantly. The selling price per unit decreased less than the raw material price. As a result, sales cost of the Company's subsidiary decreased by 5.22%. From an increase in sales volume and a reduction in sales cost, this enabled the Company's subsidiary having the profit from plastic product with the total amount of Baht 63.35 million, an increase of Baht 48.71 million.

The Company and its subsidiaries gained revenues from rent and services with the amount of Baht 70.31 million, a decline of Baht 0.35 million or dropped by 0.50% comparing to the previous year. Decreasing rent and services were from an end of the lease agreement between the Company and the subsidiary company at the beginning of 2019 and the subsidiary of the company did not renew the lease agreement. If not taking the above connected transaction into consideration, the Company and its subsidiaries gained increasing revenue from rent and services from the office building from Baht 65.15 million in 2018 to Baht 68.83 million in 2019, an increase of Baht 3.68 million or increasing by 5.65%. An increase in rent and service was due to the renewal of most of the lease agreements for another term at the higher rate. The customers decided to renew the lease agreement because of its good location as Lake Rajada Office is located in the business area and close to the BTS sky train and MRT station, coupling with the good building management and doing well maintenance of the building at all times.

The Company and its subsidiaries are aware of the importance on careful business operation, emphasizing on the development of the core competency and an increase in competitiveness in every aspect, coupling with the close monitor on raw material price movement to assess the possible and potential impacts of risk toward the business performance of the Company as well as conducting business in compliance with good governance and promote Anti-corruption in order to pursue sustainable growth for all.

On behalf of the Board of Directors, we would like to thank our shareholders, investors, clients, business alliances, financial institutions to their continuous support during the year. We are also grateful to our talented management and staff team 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. 02 264 0817-9 Fax. 02 264 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 : 500,000 ordinary shares of Baht 100 each
Type and number of shares held by The Pet Co., Ltd. : 499,993 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. 02 009 9000 Fax. 02 009 9991
Auditor Accountant	: Mr. Pornchai Kitipanya-ngam Certified Public Accountant License No. 2778 or : Mrs. Suwanee Kitipanya-ngam Certified Public Accountant License No. 2899 : Mr. Thanakorn Fakfaipol Certified Public Accountant License No. 4879 : Bunchikij Co., Ltd. 9 th Floor, Modern Town Building, 87 Ekamai Soi 3, Sukhumvit 63 Road, North Klongton, Wattana, Bangkok 10110 Tel. 02 382 0414 : Accounting Period January 1 to December 31
Internal Auditors	: AMC International Consulting Co., Ltd. 408/162 Phaholyothin Place Building, 39 th Floor Phaholyothin Road, Samsen-nai, Phayathai, Bangkok 10400, Thailand Tel: 02 619 0221-5 Audit period: 1 January 2018 - 31 December 2020
Legal Counselor	: None
Financial Advisor	: None
Others	: Listed on the Stock Exchange of Thailand on 4 th October 1989 And changed to the Public Company Limited on 22 nd February 1994

1.2 OTHER IMPORTANT INFORMATION

CONTACT CHANNEL TO THE COMPANY

The company provides a contact channel for all stakeholders to express opinion and suggestion, report problems or complaints as below detail:

Mrs. Wanida Chansikarin
Audit Committee Chairman
Tel: 02-689-2632
Email: stms_adv@truemail.co.th

Mr. Nate Charanvas
Managing Director
Tel: 02 264 0460
Email: tmdplc@loxinfo.co.th

M.L. Chintat Jombunud
Director, Company's secretary and Secretary to Audit Committee
Tel: 02 264 0826
Email: chintatj@thaimetaldrum.com

Mr. Apirak Preechum
Chief of Human Resources Department
Tel: 038 571 980-2 extension 15
Email: apirakp@thaimetaldrum.com

The company's secretary is the responsible person in receiving and opening documents that are sent to the Board of Directors and summarize an issue, ideas, suggestions, problems and other complaints in order to bring them up to the Board of Directors at the Company Board of Director Meeting. Unlike, the documents which are sent to the Audit Committee will be sent directly to the Board of Audit Committee.

2. FINANCIAL HIGHLIGHTS

Unit : Thousand Baht

FINANCIAL STATUS AT YEAR END	2019	2018	2017	2016	2015
TOTAL ASSETS	3,161,291	3,126,026	2,921,760	2,797,679	2,651,120
TOTAL LIABILITIES	280,403	275,252	271,913	257,545	269,486
SHAREHOLDERS' EQUITY	2,880,888	2,850,774	2,649,847	2,540,134	2,381,634
SALES	1,962,512	1,955,124	1,935,971	1,882,752	1,844,507
TOTAL REVENUES	2,095,853	2,065,828	2,040,298	1,973,899	1,933,677
GROSS PROFIT	492,789	465,236	413,644	471,867	456,641
NET PROFIT	329,560	335,992	283,811	312,880	293,846

FINANCIAL RATIO

RETURN ON EARNING (%)	15.72	16.26	13.91	15.85	15.20
RETURN ON EQUITY (%)	11.50	12.22	10.94	12.71	12.78
RETURN ON ASSETS (%)	10.48	11.11	9.92	11.48	11.39
EARNING PER SHARE (BAHT)	2.20	2.24	1.89	2.09	1.96
DIVIDEND PER SHARE (BAHT)	1.40⁽¹⁾	1.40	1.20	1.20	1.10
BOOK VALUE PER SHARE (BAHT)	19.21	19.01	17.67	16.95	15.88

(1) The proposed dividend per share will be brought into the Annual Shareholder Meeting for approval which is held on 20 April 2020

3. VISION AND BUSINESS OVERVIEW

3.1 VISION, MISSION, AND STRATEGY OF BUSINESS OPERATION

Thai Metal Drum Mfg. Public Co., Ltd. and its subsidiaries commit to be a leading manufacturer of 200-liter metal drum and PET Bottle with high quality in response to meet with the customer's demand together with building trust and create maximum satisfaction to the product of the Company for all customers.

The Company continuously develops production processes and cost management to increase efficiency and reduce loss during production process, which results in a decrease in the overall production cost while maintain high quality of products. In addition, the company pays an important on services and after sale service by monitoring and evaluating customer satisfaction for the company's products continuously and consistently in order to maintain the standard and improve the quality of products and services.

In accordance with the principles of sustainable development and good corporate governance as well as being well accepted in the industry of 200-liter metal drums and PET plastic bottles manufacturer, the Company and its subsidiaries also focus on enhancing and developing personnel capability by providing regular training and seminars, promote teamwork, build up good relationships and connection to the company as well as providing fair and equal compensation and welfare to employees at all levels.

Moreover, the company has a dividends payment policy to shareholders not less than 40 percent of its net profit of the Company's Separate Financial Statement and target the revenue growth at 5-10% while maintaining an average net profit margin at 10-15% in 2020.

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. with Baht 20 Million registered capital of which the 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. with Baht 50 million registered capital of which the plant has been located at Lad LumKaow, 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 advertising 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 Certification 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. with Baht 7 million registered capital to produce and distribute PET bottles and plastic bottle cap where the plant is located in Nikompattana, 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 environmental 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 200 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.
2019	Eastplast Co., Ltd. increased its capital registered to Baht 50 million in order to expand its production capacity according to the company's investment plan.

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	50	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	2019		2018		2017	
	Income	%	Income	%	Income	%
Metal Drum	1,174.89	55.57	1,211.05	57.95	1,244.88	59.86
Plastic Product	869.00	41.10	808.27	38.67	767.49	36.91
Rent and Service	70.31	3.33	70.66	3.38	67.13	3.23
Total	2,114.20	100.00	2,089.98	100.00	2,079.50	100.00
Less Related Transaction	82.85		69.71	-	81.35	59.86
Total Value Added	2,031.35		2,020.27	-	1,988.15	-

4.1 DESCRIPTION OF PRODUCT OR SERVICE

1. PACKAGING INDUSTRY

Metal drum

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

Plastic product can be divided into 4 types

1) Plastic Produce- From PET (raw material)

The subsidiary company is in the business of producing PET plastic bottle for containing carbonated water, drinking water and vegetable oil by joint venture with Serm Suk Public Company Limited who is the major user. The products produced and sold are PREFORM tubes for blowing bottles and 0.25-6 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 HMWHDPE (High Molecular Weight High Density Polyethylene)

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

2. OFFICE BUILDING FOR RENT

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

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

Metal Drum Product

In 2019, cold rolled steel price which is the major raw material for steel drum production fluctuated slightly. Price dropped in the 4th quarter of the year due to baht appreciation against US dollar and the trade war that continuously affected to the steel price. Thus the demand for steel in the market decreased.

The demand for steel drum in 2019 for customers in the chemical and lubricant sector slightly increased comparing to the previous year while the demand for customers in agricultural sector fell especially for most customers who used steel drum for containing rubber latex had changed to 20 tons flexi bag instead of 200 liter metal drums. As a result, sales of metal drums from rubber latex group decreased by 20% comparing to the previous year.

The Company and its subsidiaries focused on the administration of raw material cost at the maximum efficiency and monitor the steel price closely as well as keeping enough inventories 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 with customer's demand. However, from the fierce competition in the market, the Company and its subsidiaries had to reduce selling price of steel drum to maintain the market share. As a result, sales cost against sales income increased and caused a decline in revenue from sales of steel drums by 10.98% 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 as well as an increase in sales volume, while raw material cost reduced. Thus, the Company gained an increased in net profit comparing to the previous year.

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 corrugated 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 sales decline by 20% and baht appreciation.

Office Space for Rent

The office market in Bangkok continued to perform strongly in 2019, but challenges would be coming in the near future from the large amount of new supply since the 3rd quarter of 2019. The increase in supply was still in line with the demand of the new supply. Thus, it would not have a significant effect on the overall Bangkok Office Market in 2019. Rents continued to increase constantly but at a slower pace.

In the next 2-3 years, new office spaces which are under construction and scheduled to be completed soon will have a significant effect on Bangkok Office Market especially the old office buildings. The tenants will likely move from Grade B to Grade A office buildings due to small rental difference. As a result, landlords may need to offer attractive lease terms together with upgrading their buildings to compete in the highly competitive market.

In the past year, most of the lease agreements were due to end and the customers still renewed 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 close to the BTS sky train and MRT station, coupling with the good building management and doing well maintenance of the building at all times. As a result, in 2019 the Company and its subsidiaries gained increasing revenue from rent and services with the total amount of Baht 65.15 million, an increase of Baht 3.68 million, increasing 5.65% comparing to the previous year. The Company and its subsidiaries had rented out at 96.24% 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 DIVIDEND PAYMENT POLICY

6.1 TOTAL REGISTERED CAPITAL AND ISSUED & PAID CAPITAL

As of 31 December 2019, 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.	11,501,600	7.668
5. Rangsit Ruampattana Co., Ltd.	6,435,000	4.290
6. Miss Savitree Charanvas	4,556,000	3.037
7. Mr. Nop Charanvas	3,493,000	2.329
8. Thai NVDR Co.,Ltd	3,110,800	2.074
9. Miss Koeka Takeuchi	2,900,000	1.933
10. Bank of Singapore Limited	2,314,200	1.543

Remark : Percentage of shareholding was shown as of the last closing of registration book which was on July 4, 2019. Shareholders ranking no. 1, 2, 6 and 7 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 2019, the Company approved the dividend payment at Baht 1.40 or equivalent to Baht 210,000,000.00 totally or 64.50% of the net profit of the Company's Separate Financial Statement of year 2018.

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. Somchai	Jongsirilerd	Director
8.	Mr. Nate	Charanvas	Managing 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, strategy, direction, as well as overseeing and superintend the management to be in line with the vision, strategy or framework with effectiveness and efficiency. In addition, there will be a revision made annually to be in lined with the business operation according to good corporate governance policy.
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 such as OIC, SEC Etc., 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 such as OIC, SEC Etc., 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 2019, the Board of Directors had set up 6 times of ordinary meetings. In order to comply with good corporate governance policy, the Company has set at least 6 times per year of the ordinary meetings for the Board of Directors and at least 4 time of the Audit Committee meeting per year. The Nomination and Remuneration Committee meeting is set at least 2 times a year and the Risk Management Committee meeting at least once a year. The Board of Directors has set a schedule in advance for meetings throughout the year, which the company secretary will inform the Board of Directors for consideration and acknowledgment in December of every year.

To ensure that the Board of Directors is able to efficiently monitor the company's operations and able to comment freely on various problems which relate to overall management, the Board of Directors has scheduled a meeting that does not have an executive committee to attend the meeting, for 1 from 6 meetings of all the Board of Directors. In the year 2019, there was a meeting of non-executive directors on the 16th December 2019.

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 2019 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. Somchai Jongsirilerd	5/5	1/1
8. Mr. Nate Charanvas	5/5	-
9. M.L. Chintat Jombunud	5/5	-

The Company determined the policy about the minimum number of quorum is two-third whenever they need to vote in the Board of Director's Meeting. 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. M.L. Chintat Jombunud	Accounting & Finance Manager and Company's Secretary
3. Mrs. Suwaporn Nansurakit	Office Manager
4. Mr. Wiboon Wattanaputtiapreut	Plant Manager
5. Mr. Panya Pattarayutawat	Sales and Logistic Manager

The scope of duties of the Managing Director

1. Manage the business of the company in accordance with the vision, mission, policy, law, objectives, regulations of the company, Shareholders meeting's resolution, the Board of Directors meeting's resolution as well as relevant regulations.

2. Provide recommendations regarding the strategic direction, management structure, operation policy, business plan, annual budget and the company's investment return target to be in accordance with the guidelines set by the Board of Directors.
3. Command, manage, supervise and monitor the company's operations and financial status. Reports company's operations as well as other important and relevant matters to the Board of Directors' meeting regularly.
4. Consider and approve the placement, appointment, transfer, dismissal, including meritorious consideration, disciplinary measures including determining remuneration and welfare for employees. In this regard, the operations must not conflict with the authority of the Board of Directors.
5. Perform other tasks as assigned by the resolution of the Board of Directors' meeting and / or the resolution of the shareholders' meeting. However, it must comply with the company's objectives, regulations and relevant laws.

The Responsible Person in Finance and Accounting

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 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	83	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 Chairman 4 October 1989	71	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 Tiyaphorn Director, Remuneration and Nomination Committee Director 4 October 1989	67	<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	58	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	55	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	40	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. Somchai Jongsirilerd Director, Risk Management Director 29 April 1996	61	Master Degree in M.B.A. from University of Detroit, U.S.A.	- Director, The PET Co., Ltd. (permanent) - Managing Director, East Plast Co., Ltd. - Director, Songkhla Metal Drum Co., Ltd. - Audit Committee, Independence Director, Remuneration Committee, Qualitec PCL. - Attending Director Accreditation Program (DAP) 2003 - Attending Anti-corruption the Practical Guide (ACPG) 37/2017 - Attending Ethical Leadership Program (ELP) 7/2017 - Attending Advance Audit Committee Program (AACP) 33/2019
8.	Mr. Nate Charanvas Director, Risk Management Director, Managing Director 4 October 1989	57	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
9.	M.L. Chintat Jombunud Director, Accounting & Finance Manager, Company's secretary 26 April 2004	60	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	47	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 Wattanaputtiwong Plant Manager 17 January 2007	48	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	47	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 2015-2019)

A table showing Shareholding of Director and Executives

No.	Name-Surname	Position	Shareholdings as at December 31, 2018	Shareholdings as at December 31, 2019	Increase/ Decrease during financial year	% of shareholders
1	Mr. Suchin Wanglee	Chairman	1,331,600	1,331,600	-	0.888
	Spouse and Minor Children		-	-	-	
2	Mr. Vivat Charanvas	Director	85,333	235,333	150,000	0.157
	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 Charnsikarin	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. Somchai Jongsirilerd	Director	-	-	-	
	Spouse and Minor Children		46,000	46,000	-	0.031
8	Mr. Nate Charanvas	Managing Director	48,952,910	48,952,910	-	32.635
	Spouse and Minor Children		-	-	-	
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 package for Directors clearly and transparently which will take the following into account: responsibility, appropriateness, performance and operation result of the company comparing to other companies in the same business including taking the survey of the Director Compensation Best Practice from Thai Institute Directors and the Stock Exchange of Thailand into consideration. The policy had already been approved and passed the resolution from the shareholder's meeting.

In 2019, 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 2019 (same as the previous year)

1. Chairman/ Honorary 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 10,500,000 Baht, increasing from the previous year Baht 1,500,000 which would be allocated by the Board of Director.

In 2019, 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 11 directors (after the end of the office term on 23 April 2018, there were 9 Company Directors in the position) in total of Baht 11,960,000 increasing from the previous year with the amount of 1,340,000 Baht, reducing 12.62% which details has shown below:

Comparison of Remuneration Package for the Board of Directors and Sub-Committee

Committee/Board	Remuneration in 2019 (Baht)	Remuneration in 2018 (Baht)
Board of Director	11,500,000.00	10,160,000.00
Sub-Committee		
- Audit Committee	320,000.00	320,000.00
- Remuneration & Nomination Committee	70,000.00	70,000.00
- Risk management Committee	70,000.00	70,000.00
TOTAL	11,960,000.00	10,620,000.00

Total Remuneration Package Detail in 2019 as detail in below table

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	-	634,355	none
2. Mr. Sukit Wanglee <i>Completed term on 23 Apr 2018</i>	Chairman and Independent Director	-	634,355	none
3. Mr. Suchin Wanglee	Chairman	200,000	1,656,898	none
4. Mr. Vivat Charanvas	Independent Director Risk Management Chairman Remuneration & Nomination Chairman	160,000	946,799	none
5. Mr. Anurat Tiyaphorn	Director and Remuneration & Nomination Committee Director	120,000	946,799	none
6. Mrs. Wanida Chansikarin	Independent Director Audit Committee Chairman	220,000	946,799	none
7. Mr. Pitiphong Bisalputra	Independent Director, Audit Committee Director Remuneration & Nomination Committee Director	220,000	946,799	none
8. Mr. Anin Wanglee	Independent Director Audit Committee Director	200,000	946,799	none
9. Mr. Somchai Jongsirilerd	Director Risk Management Director	120,000	946,799	none
10. Mr. Nate Charanvas	Manager Director Risk Management Director	120,000	946,799	none
11. M.L. Chintat Jombunud	Director and Accounting & Finance Manager	100,000	946,799	none
	TOTAL	1,460,000	10,500,000	-

* The total remuneration of the Board of Directors holding a position in the subsidiary company and received the remuneration from the subsidiary company in the form of meeting allowances was 850,000.00 Baht in total (for 5 directors) which was equal to the previous year.

(b) Remuneration package for Executive Management

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 every year by taking into consideration the company's business operation result and bring it to the Board of Director for final approval.

Allocation for Remuneration package of the Executive Management is based on the appropriateness and alignment with the Company's business result in term of financial result and others factors including the performance and strategies of the company both short term and long term. Remuneration package for both annual and long term compensation should be competitive in the same business in order to allure knowledgeable persons to work with the company and to motivate them to perform well for company.

Monetary Compensation

Salary for Executive is according to the duty, responsibility of his/her position, experience, knowledge and skill which will be reviewed annually according to their performance and salary incremental rate in the current labour market and other monetary benefit such as annual bonus.

The total remuneration package for the Executive Management received from the Company is the form of monthly salary and annual bonus, for 5 persons in total of Baht 17,148,700.00 decreasing from year 2018 with the amount of Baht 1,224,900.00 or 6.67%

Other Remuneration

In the year 2019, the social security fund together with the provident fund contribution for the Management, as the Company's employees, has amounted to Baht 764,880 and other welfare benefits such as, medical expense and company's car.

7.5 PERSONNEL

As of 31 december 2019, The Company has employed 174 persons in total and has the employee's expenses with the total amount of Baht 68.60 million, comprising of salary, annual bonus, other fringe and benefit such as financial support on medical expense, disability, personal loan, uniform, shuttle service, meal for lunch and beverage that aligns with guideline in labour market and as required by law 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. In addition, Directors, Executives and all employees have to do a test to assess their knowledge every year.

This is to establish consistency between the company's operational policies and the good corporate governance principles so in 2019, the Board of Directors reviewed the existing policies and resolved to amend and update the following policies:

- The Board of Directors understands and recognizes the importance of diversity in the structure of the Board of Directors, whether it is gender, age, race, religion, education, experience, skill, or specialized expertise, which in the nomination and consideration of the appointment of directors. Besides using the knowledge and ability to qualify, also take the benefits of diversity into account.
- The Board of Directors has stipulated the maximum of board members in the listed company at 5, unless there is a reasonable cause. The President must seek permission and approval from the Board at the meeting if wanting to hold a Director position at another company So that the directors and the managing director can fully devote time to corporate governance with full efficiency.

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 abusiness 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. Review the Company's financial reporting process to ensure that it is accurate and adequate.
2. 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 outsource internal auditor in charge of the Company's internal audit.
3. 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. Propose, select, nominate and terminate the contract of 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. Propose, select, nominate and terminate the contract of an independent person to be a company's internal auditor and propose the remuneration for the above mentioned person.
6. 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.
7. Report the performance of the Audit Committee to the Board of Director of the Company at least 4 times per year.
8. 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 credibility 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.
9. to perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee.

10. 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.
11. 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 2019, held on 22 August 2019, this audit committee Meeting with the Company's auditor was held in an absence of the Company's Management.

(2) Remuneration and Nomination Committee

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

- | | | |
|----|--------------------------|--------------------------------------|
| 1. | Mr. Vivat Charanvas | Remuneration and Nomination Chairman |
| 2. | Mr. Anurat Tiyaphorn | Remuneration and Nomination Director |
| 3. | Mr. Pitiphong Bisalputra | Remuneration and Nomination Director |

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 2019, 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. Vivat Charanvas	2/2
2.	Mr. Anurat Tiyaiphorn	2/2
3.	Mr. Pitiphong Bisalputra	2/2

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.

(3) Risk Management Committee

The Risk Management Committee was established by the resolution of the Board of Director's Meeting held on 17 December 2018. 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 from the director database or from the consulting company according to circumstances. The Remuneration and Nomination Committee will consider from the candidate's qualification, skill, capability and experiences that is necessary and lacking in the Boarding of Director and the strategy for the Company. After that, the Remuneration and Nomination Committee 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 2019. The company also allowed shareholders to nominate a candidate who is qualified and ready to devote himself/herself to fully perform duty and has capability as required by related law regardless of gender, religion and race 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 as well as the company's management shall report to the Board of Director 1 day ahead in case of company's stock trading and also report the changes of securities holding to the Securities Exchange Commission every time there is a transaction. 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 2,568,000.- decreasing Baht 9,000 comparing to the previous year or accounted for 0.35%.

Other Remuneration

The Company and subsidiaries paid remuneration for internal control system auditor office for the past year accounting period in amount of Baht 420,000, an increase of Baht 20,000 or increasing 5%.

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 such as having in place the policy and regulation to allow directors to be in a position as a Director in the other registered companies not more than 5 companies and the Managing Director must ask for the permission as well as get the approval from the Board of the Company if he has to hold the position as a Director in the other company, etc. 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, 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.

Shareholders' Ordinary Meeting

In 2019, the Company arranged a shareholders' Ordinary Meeting of year 2019 on 24th April, 2019 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 9 April 2019, 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 11 March 2019, 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 institutional 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.

1.1 On-site Meeting Procedure

- In the 2019 shareholder's meeting, there were 8 Directors of the Company attended which were accounted for 88.89 percent of the total numbers of Directors. The Directors who attended were comprised of Chairman, Audit Committee Chairman, all members of Audit Committee, Managing Director and other and other Directors. One Director of the Company did not attend the meeting due to an engagement in travelling overseas. 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 2019 shareholder's meeting, Mr. Suchin Wanglee, the Chairman of the Board was presided over the meeting. There were 53 shareholders and by proxies attend the meeting in person holding 95,107,741 shares or 63.41% 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 which the company representative recorded questions and answers during the meeting until there were no more questions. The Chairman would end the meeting.

1.2 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.

Equitable Treatment of Shareholders

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

The use of internal information

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

- Every director and executive including their spouse and children below lawful age must report any change made to the securities ownership of their own to the Company's secretary in order to submit to such report to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) within the period set by law and regulation.
- The Board or management members or employees with access to, or acknowledgement of, internal information are not allowed to leak the information to the outsiders or other unauthorized persons which can affect the trading of the Company's share. The Directors, Executive and employees shall not use inside information of the Company or business trading partners of the Company, that they know from performing duties, to purchase or sell or offer to purchase or sell, or persuade others to purchase or sell or offer to purchase or sell securities of the Company or those of the Company's trading partners for personal gains or for the gains of others.
Therefore, the Company had ruled the policy of the use of internal information for all employees and Executives and all Company's Directors to strictly comply with. The breach of the rules will be punished according to the rule & regulation of the Company. In addition, every year, the Company provided written document for employees, executives and everyone to sign for their acknowledgement and to follow.

Protection of minor shareholders

- The Company provided opportunity for minor shareholders to propose any agenda item in advance including the nomination of candidates by minority shareholders by mean of publicizing criteria, channel to propose and the timing of proposal through the company's website at www.thaimetadrum.com in the investor relations section.
- 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.

2. 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.

2019 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	6	6			1					15	127	84.67
- Quality of internal coating	3	8	4								15	134	89.33
- Quality of body seam / drum edge	3	6	5	1							15	131	87.33
- Overall quality of product	3	7	4	1							15	132	88.00
Quality of Service													
- Order taking	7	4	1	3							15	135	90.00
- Cooperation	7	4	3	1							15	137	91.33
- Fast response	6	5	3		1						15	135	90.00
- Correctness of documentation	3	4	6	1		1					15	126	84.00
- Punctuality of delivery	3	5	6		1						15	129	86.00
- Delivery practice under rule of customer	5	6	4								15	136	90.67
Percentage/Scores from Customer	42	55	42	7	2	2					150	1,322	88.13
	25	32	25	4	1	1					100%		

**The target for customer satisfaction criteria is set at not less than 85%*

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.
- Refrain from seeking confidential information of the competitor with dishonest method.
- Do not try to dishonor competitor's reputation by accusing without truth.
- Promote free trade, no monopoly or not impose the customer to do business only with the company.

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 annual bonus. Reviewing the compensation and welfare allocation of employees is made regularly to ensure that it can motivate employees to outperform competitively in the same industry

- Provide special welfare to employees in order to reduce burden and concern about cost of living such as uniform cost, provident fund, emergency loans (0% interest) and determine financial support in case of employee deaths, shuttle bus service arrangement for employees who work at the factory, cafeteria welfare by providing free rice and water and provide hygienic food at a reasonable price including annual health examination, group health and accident insurance and others.
- Promote the well-being of employees covering the family of the employee such as medical expenses and the educational expenses of the child
- 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 non-compliance with the rules or laws according to Whistle Blowing or Appeal Policy.

Society and Environment

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

- The company shall consider alternatives to utilize the natural resources which will have the least impact to the society, environment and quality of people' lives.
- To conduct activities that will establish society and environment regularly.
- To create awareness on social responsibility and environment among the employees at all levels continuously. Providing a training relating to the topics on social responsibility and environment for example, ISO14001:2015 and ISO14001:1015 Internal Audit, Energy Conservation and Delve into Government funds, Energy Conservation by law and How to drive a truck safely and properly.
- 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.

3. 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, and 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.

4. BOARD OF DIRECTORS' RESPONSIBILITIES

4.1 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 vision 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; 7 non-executive (4 of them are served as Independent director and Audit Committee member), 2 executive directors are the 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 both by individual and as a whole group as appropriated. The Company's Secretary will summarize and submit the evaluation result to the Board of Directors for consideration and for seeking the guidelines to improvement business operation more effectively. 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 qualification of Director	35.54	3.95
Average score of the 2nd topic: Role, duty and responsibility of Director	35.10	3.90
Average score of the 3rd topic: Board of Director's Meeting	35.67	3.96
Average score of the 4th topic: Performing under the role of Director	35.86	3.98
Average score of the 5th topic: Relationship with Management	35.40	3.93
Average score of the 6th topic: Self-development of Director and Executive	34.33	3.81
Total average score of the 6 topics	35.45	3.94

In order to prepare the Directors to be able to perform their duty effectively, the Board of Director will provide director orientation for new director by assigning the Company's Secretary to provide information, knowledge and detail of company's business, company's business structure, director's structure, scope and responsibility of director, related basic of law, strategy of company's business operation in-depth arranging a meeting with Company Chairman and Managing Director to be informed of indepth company's business operation.

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

4.2 SUB-COMMITTEE

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

4.3 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 and has set the policy and guideline as below:

1. All employees are responsible for maintaining trade secrets and intellectual property of the company, including all business information and technical information of the company and business partners, Which must be protected in order to prevent those information from being leaked or use for personal or other personal benefits by the obligation to protect this information will continue, even when that employee has resigned from the company. Legal liability for disclosing information or using it without permission and causes damage.
2. All employees must not solicit, receive or use business information that has been obtained by unlawful means.
3. The company encourages not allowing any use which is violate of the intellectual property rights of others.
4. The company has established regulations regarding the use of computers and internet within the company in accordance with the Computer Crime Act.

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.

The company has established guidelines on the supervision, control, prevent, monitor and assess the risk of possible corruption by mean of having an internal control and risk management in place covering important processes such as Human Resources, Procurement (factory), Production, Quality Control (QC), Delivery and Inventories etc. The company will assign supervisors in each department to be responsible for communications, information dissemination, annual assessment and providing training for employees regarding anti-corruption policies and practices including other related policies. Those mentioned supervisors will keep monitoring and make a report to Risk Management Committee, who will evaluate and oversees the annual audit plan and report any possible risk to the Board of Directors.

In addition, the Company also provides channels for informing information, whistle blowing or complaints with mechanisms to protect whistleblower and give a priority on collecting complaints confidentially including complaints inspection measurement as well as impose punishment fairly to offenders.

Respect Human Rights

The Company engages and treats the related parties not limit to employee, community and neighbors with respect and dignity and not violates human rights both direct and indirect way by considering hiring any person of all ages, genders, races and religion fairly. 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 including imposing punishment for offenders.

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

Each year, the company has allocated a budget for the development of community and society and encourages all employees to continually participate in related various activities.

Since 2012, the company has been cooperating with SathornThani Co., Ltd. in organizing "Weave-A-Dream for Children" projects annually with the objective to help students who lack of educational opportunities. In the year 2019, the project was organized on 31 August 2019, the company offered scholarships and repair & development funds to Ban Nong Nae School, Prachinburi for better quality teaching and learning in the amount of 80,000 baht.

On the occasion of National Children's Day 2019, the company in cooperation with Thai MMA Co., Ltd. bought gifts for children at 42th Wat Khod Hin Mittrapab School in the amount of 10,000 baht.

The Company in cooperation with Dow Chemical Thailand Co., Ltd. Organized "Dow Charity Run" on 16 June 2019 and donated money to the Thai Red Cross for the surgery project to fix Cleft lip and cleft palate and other disabilities in the amount of 100,000 baht.

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 2019, 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.

1. The process of delivery and inventory which covers the policies, orders, regulations, and practices related to delivery and inventory management in accordance with the latest updated effective operating manual. The executives emphasize and focus on the relevant employees work inspection.
2. Assessment of the internal control system of Songkhla Metal Drum Co., Ltd. (a subsidiary of the Company), covers the production process, customer relationship, product delivery and quality control process as well as Human Resources and Accounting and Finance in order to assess whether or not the existing internal control systems of Songkhla Metal Drum Co., Ltd. is adequate, appropriate and concise so as to improve the processes more concisely and effectively.

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 and Songkhla Metal Drum Co., Ltd. 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 2019, the Board of Risk Management Committee had considered and reviewed the risk factors with high impact high possibility, high impact medium possibility and less impact less possibility with a 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 rationale 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 2019, 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 1 st July 2016 to 30 th June 2019.
Interest Payment	: Quarterly Payment
Repayment	: Paid within 30 th June 2019

As of 30th June 2019 (the end of the financial support), 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 2019 was the year that the Company and its subsidiaries could make the good profit continuously from the previous year although the profit of the Company and its subsidiaries reduced by 1.91 percent from the previous year. This was due to the fact that the Company and its subsidiaries had to pay increasing corporate income tax because the privileges from the Board of Investment ended in March 2019. The Company and its subsidiaries pay 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 good profit constantly. The Company and its subsidiaries had gained the net profit from the business operation with the amount of Baht 329.56 million, reducing with the amount of Baht 6.43 million or accounted for 1.91%. The Company had gained a net profit per share at Baht 2.20, reducing 0.04 Baht per share comparing to year 2018.

In 2019, 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 1,174.89 million, decreasing Baht 36.16 million or 2.99%. This was from a decline in sales volume and selling price per unit comparing to the year 2018. The cold rolled steel price which is the major raw material and the main cost of steel drum business declined steadily in every quarter. The Company was able to manage stock properly, resulting in having the stock of steel at the lower cost than the market price. However, from the fierce competition, the Company and its subsidiaries had to reduce the selling price in order to maintain the market share. As a result, the sales cost of the Company and its subsidiaries increased by 1.31 percent comparing to the previous year. The Company and its subsidiaries had a total profit of amount Baht 230.77 million, reducing Baht 28.47 million or dropping by 10.98%.

The revenue from plastic product was Baht 869.00 million, increasing Baht 60.72 million or 7.51%. The Company's subsidiary gained an increase in sales volume but the selling price dropped considerably and sharply but the selling price per unit decreased less than raw material price. Consequently, the cost of sales of the company reduced by 5.22%. Due to an increase in sales volume and a decrease in cost of sales, the Company's subsidiary gained a profit with the total amount of Baht 63.35 million, comparing to the previous year having a profit of Baht 14.64 million, an increase of Baht 48.71 million.

The Company and its subsidiaries had gained revenues from rent and services with the amount of Baht 70.31 million, reducing Baht 0.35 million or 0.50% comparing to the previous year. A decrease in rent and service was from an expiration of the lease agreement between the Company and its subsidiary at the beginning of year 2019 and the subsidiary did not renew the lease agreement with the Company. However, if looking at the financial statements of comprehensive income in the consolidated financial statements which eliminated connected transactions, the Company and its subsidiaries gained an increasing income from Baht 65.15 million in 2018 to be Baht 68.83 million in 2019, increasing with the amount of Baht 3.68 million or increasing 5.65%. The Company and its subsidiaries were able to increase the rental fee for the renewal of lease agreement for all tenants. Currently the Company and its subsidiaries had a total tenants, representing 96.24% of the total leased spaces.

Sales cost against sales income of steel drum product increased from 71.71% in year 2018 to 73.02% in year 2019. The Company and its subsidiaries had to reduce the selling price in order to maintain the market share. Thus, cost of sales increased by 1.31%. For plastic product, sales cost againsts sales income reduced from 91.10% in year 2018 to be 85.88% in 2019. Cost of sales reduced by 5.22%.

Expenses incurred from sales and administrations slightly increased by 0.42%. Payment for interest was Baht 0.24 million, slightly reducing from the previous year by 2.33%. Corporate income tax increased with the amount of Baht 13.37 million in 2018 to be Baht 58.84 million in 2019, an increase with the amount of Baht 45.47 million or increasing by 339.91%. This caused by the expiration of the privilege to exempt the corporate income tax of the Company and its subsidiary, ending in March 2019 and in January 2019 respectively.

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 30.24 million accounted for 1.54% 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 2,095.85 million, increasing from the year 2018 with the amount of Baht 30.02 million or 1.45%. The Company and its subsidiaries had earned the core revenues from sales of the packaging products representing 93.64% of total revenue. While the rest revenue came from rental and service income and other incomes, representing 3.28% and 3.08% respectively.

Gross margin of the Company and its subsidiaries increased from 23.03% in year 2018 to 24.26% in year 2019. Profit from operation increased from 15.66% to 16.90%. Return on earning decreased from 16.26% to 15.72%. The higher ratio of gross profit and profit from operation 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 but the return on earning reduced because the Company and its subsidiaries had to pay an increasing corporate income tax.

Return on equity decreased from 12.22% to 11.50%. In year 2019, the Company through the Board of Directors resolved to pay the dividend for the year 2019, with the period of 1 January 2019 to 31 December 2019 at Baht 1.40 per share, totaling Baht 210.00 million or equivalent to 76.90% of the net profit of the separate financial statement of the Company. In 2018, dividend paid was Baht 210.00 million equivalents to 64.50% of the net profit of year 2018. 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 2020 Annual Shareholder's meeting for approval held in April 20th, 2020.

Efficiency Ratio on Profit gained	Year 2019	Year 2018
Gross profit	24.26%	23.03%
Profit from operation	16.90%	15.66%
Return on earning	15.72%	16.26%
Return on equity	11.50%	12.22%

(2) FINANCIAL STATUS

ASSET

1) Asset Mix

Current Assets decreased with the amount of Baht 68.45 million or 4.78%. Short-term investment decreased for Baht 29.76 million. Cash and cash equivalent decreased Baht 27.58 million. Net account receivable increased with the amount of Baht 31.91 million. Inventory decreased with the amount of Baht 49.20 million and other current assets increased with the amount of Baht 6.18 million. The change in current assets of the Company and subsidiaries slightly decreased from previous year due to a decline in investment of trading unit, a decline in short-term deposit at bank, a decrease in inventories but an increase in trade accounts receivable.

Total value of Non-Current Assets increased by Baht 103.72 million or 6.12%. Available-for-sale investment increased with the amount of Baht 59.94 million. Long term investments increased with the amount of Baht 86.79 million. Investment property decreased Baht 6.35 million. Property, plant and equipment reduced with the amount of Baht 36.79 million mainly from the annual depreciation and from the purchase of machines to replace some certain old machines by the Company's subsidiary.

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 2019, the Company and its subsidiaries had a decline in ratio of the return on Asset comparing to the previous year. This was from a decline 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	2019	2018
Return on Asset	10.48%	11.11%
Return on Fixed-Asset	24.77%	26.77%
Asset Turnover	0.67 times	0.68 times

Net accounts receivable increased from Baht 316.54 million to Baht 348.46 million, an increase with the amount of Baht 31.91 million or increasing 10.08%. Average collection period was 60 days; slightly increasing from the previous year which policy of credits offered to customers is between 30 – 90 days. The company and its subsidiaries did not have the receivable overdue over 90 days (see note 7 to financial statements).

LIQUILITY

1) Cash flow

Amount and proportion of cash flows from operating activities

Details of cash flow	2019 (Million Baht)	2018 (Million Baht)
Operating profit before changes in assets and liabilities	464.71	434.75
From operating activities	406.01	425.39
From investment activities	(88.35)	(237.27)
From financing activities	(345.24)	(191.79)
Cash and cash-equivalence increase (decrease)	(27.58)	(3.67)
Cash and cash-equivalence as of December 31	69.96	97.54

In 2019, the Company and its subsidiaries gained a decline in operating profit from Baht 425.39 million to be Baht 406.01 million, a decline of Baht 19.38 million, as a result of an increase in trade receivables while trade payable decreased. 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 raised with the amount of Baht 88.35 million, deriving from an increase in both of long term investment and the investment in machinery & equipment. (Please see note no. 6 and no. 9-13 of the financial statements).

The Company and its subsidiaries had paid dividend to the shareholders with the total amount of Baht 344.90 million. As a result, the cash and cash equivalent as of 31 December 2019 for the Company and its subsidiaries remained with the amount of Baht 69.96 million, decreasing from 2018 with the amount of Baht 27.58 million.

2) Liquidity Ratio

Details of Liquidity	2019	2018
Current Ratio	8.81 times	8.57 times
Quick Ratio	7.23 times	7.16 times
Account Receivable Turnover	5.98 times	6.17 times
Average Collection Period	60.20 days	58.35 days
Average Day's Inventory	6.16 days	7.05 days
Account Payable Turnover	11.88 times	10.25 times
Average Payment Period	30.30 days	35.16 days
CASH CYCLE	36.06 days	30.24 days

The above table showing liquidity ratio reflects the similar performance of liquidity of the Company and its subsidiaries when comparing to the year 2018 which the average collection period increased from 58 days in 2018 to 60 days in 2019. Average payment period reduced from 35 days in 2018 to 30 days in 2019 which the ratio was similar to the past years. Thus, the Company and its subsidiaries had better and adequate 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 2018 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 2,850.77 million to Baht 2,880.89 million, an increase of Baht 30.11 million or 1.06%, as a result from decreasing accumulated profits which have not yet been allocated from Baht 1,924.10 million to Baht 1,910.09 million or decreasing with the amount of Baht 10.01 million although the Company and its subsidiaries had net profit of Baht 329.56 million. In 2019, besides, the company paid the dividend with the amount of Baht 210 million, the company also paid the interim dividend to the shareholders with the amount of Baht 127.50 million. The Company and its subsidiaries gained an increasing profit from available-for-sale investment with the amount of Baht 22.05.

Liabilities of the Company & subsidiaries had increased from Baht 275.25 million to Baht 280.40 million, an increase of Baht 5.15 million or equivalent to 1.87% by which the employee benefit obligations increased with the amount of Baht 8.23 million. Trade accounts and notes payable increased Baht 3.26 million. Accrue income tax and other liabilities increased by Baht 31.36 million. Trade and other payable reduced with the amount of Baht 39.18 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 2019 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 2 major processes:

1. The logistics process, which has a comprehensive scope of policy, procedures and documentation related to the finished product delivery process, the delivery staff's operation, operational control and training, fuel cost and other expenses of the delivery reimbursement, control register and error solving report which caused by the delivery process, compensation payment for employee and the maintenance of the company fleet trucks.
2. Inventory process which scope covers policies, procedures and related documentation, examination of storing methods for each type of finished products, receiving goods in and withdrawing from warehouse, inventories checking, security and maintaining product quality before delivering to customers

An independent auditor report that the audit findings showed the overall working operations were done at the appropriate level. The Company has improved its internal control systematically. 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. In addition, the Independent auditor had audited the internal control system of Songkhla Metal Drum Co., Ltd. which is one of the Company subsidiaries regarding manufacturing process, customer relation system, logistics process and quality control process and Human Resources, Finance and accounting. The independent auditor report that the audit findings showed the overall internal control system was done at the appropriate level and provide recommendations on an improvement of some working processes of the company in order to strengthen the internal control process more efficiently which the executive management had already improved some parts as per recommendations. From the improvement of both Company and its subsidiaries, 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 and end on 30 June 2019 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 in accordance with the regulation of The Securities and Exchange Commission. 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 2020.

On behalf of Audit Committee



Mrs. Wanida Chansikarin
Chairman of the Audit Committee

25 February 2020

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 2019 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 (the Company), which comprise the consolidated and separate statements of financial position as at December 31, 2019, 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, 2019, 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>Revenues from sales of goods for the year ended December 31, 2019 were Baht 1,962.51 million in the consolidated financial statements of the Group, and were Baht 1,015.17 million in the separate financial statements of 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 were material to the 2019 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 those customers. • Analyze the consistency of goods ordered by each customer 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 to each relevant customers to ensure the rationality of sales volume by each customer. • 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 of 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 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 end of year to ensure that all information are in the same direction and rational.
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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:



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

Bangkok
 February 25, 2020

THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2019

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	3.2 and 5	69,961,230.18	97,542,630.18	23,786,124.37	39,458,294.25
Current investments	3.3 and 6	744,799,639.91	774,555,855.70	473,208,174.82	542,238,993.90
Trade and other receivables	3.4 and 7	348,455,975.88	316,545,889.96	177,318,790.42	150,013,192.02
Inventories	3.5 and 8	189,091,033.76	238,292,300.47	101,809,845.99	115,248,046.65
Other current assets		10,952,800.77	4,774,260.10	1,834,928.83	2,511,585.06
Total current assets		1,363,260,680.50	1,431,710,936.41	777,957,864.43	849,470,111.88
Non-current assets					
Available-for-sale investments	3.3 and 9	346,706,122.80	286,764,600.00	166,046,399.20	134,980,000.00
Investments in subsidiary companies	3.3 and 10	-	-	94,070,966.70	94,070,966.70
Long-term investments	3.3 and 11	498,250,160.00	411,459,861.28	315,000,000.00	275,209,701.28
Long-term loans to related party	4.3	-	-	24,000,000.00	24,000,000.00
Investment properties	3.7 and 12	78,564,298.80	84,919,372.04	75,471,972.35	81,332,990.69
Property, plant and equipment	3.8 and 13	870,308,350.37	907,099,047.14	329,486,818.56	334,558,310.77
Intangible assets	3.9 and 14	76,695.63	102,234.68	76,107.48	99,847.08
Other non-current assets		4,124,756.85	3,970,032.44	2,544,934.78	2,550,094.78
Total non-current assets		1,798,030,384.45	1,694,315,147.58	1,006,697,199.07	946,801,911.30
Total assets		3,161,291,064.95	3,126,026,083.99	1,784,655,063.50	1,796,272,023.18

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, 2019

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	15	108,217,647.60	147,398,321.59	40,488,542.69	29,869,725.35
Current portion of long-term loans from related parties	4.3	-	6,000,000.00	-	-
Accrued income tax		37,920,323.91	6,555,861.57	30,376,044.59	3,968,807.90
Other current liabilities		8,602,338.91	7,190,857.76	4,588,798.09	4,810,129.63
Total current liabilities		154,740,310.42	167,145,040.92	75,453,385.37	38,648,662.88
Non-current liabilities					
Long-term loans from related parties	4.3	6,000,000.00	-	-	-
Deposit and guarantee received		19,647,926.32	19,588,655.38	17,359,828.38	16,972,726.38
Employee benefit obligations	3.13 and 16	29,712,593.14	21,480,714.01	15,491,053.65	10,827,035.98
Deferred tax liabilities	3.15 and 21	70,302,085.36	67,037,192.49	21,168,417.86	20,365,286.07
Total non-current liabilities		125,662,604.82	108,106,561.88	54,019,299.89	48,165,048.43
Total liabilities		280,402,915.24	275,251,602.80	129,472,685.26	86,813,711.31
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		1,914,093,039.94	1,924,104,899.63	1,088,636,114.34	1,153,499,159.17
Other components of shareholders' equity		238,661,944.90	215,869,679.29	61,546,263.90	50,959,152.70
Total equity of the Company's shareholders		2,657,754,984.84	2,644,974,578.92	1,655,182,378.24	1,709,458,311.87
Non-controlling interests		223,133,164.87	205,799,902.27	-	-
Total shareholders' equity		2,880,888,149.71	2,850,774,481.19	1,655,182,378.24	1,709,458,311.87
Total liabilities and shareholders' equity		3,161,291,064.95	3,126,026,083.99	1,784,655,063.50	1,796,272,023.18

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, 2019

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Revenues from sales and services					
Revenues from sales of goods and rendering of services	25	1,962,512,499.53	1,955,124,104.11	1,015,174,401.23	1,012,051,323.95
Rental and related service income		68,833,166.89	65,151,379.52	65,005,358.09	61,187,799.52
Total revenues from sales and services		2,031,345,666.42	2,020,275,483.63	1,080,179,759.32	1,073,239,123.47
Costs of sales and services					
Costs of goods sold and services rendered		(1,518,003,944.25)	(1,532,513,882.63)	(734,316,979.89)	(718,742,570.62)
Costs of rental and related services		(20,552,660.83)	(22,525,948.59)	(17,559,294.59)	(16,823,857.58)
Total costs of sales and services		(1,538,556,605.08)	(1,555,039,831.22)	(751,876,274.48)	(735,566,428.20)
Gross profit		492,789,061.34	465,235,652.41	328,303,484.84	337,672,695.27
Other income	18	64,506,978.18	45,552,803.96	66,327,714.53	73,152,137.01
Profit before expenses		557,296,039.52	510,788,456.37	394,631,199.37	410,824,832.28
Selling expenses		(58,750,484.81)	(60,412,954.05)	(31,396,719.06)	(31,573,539.52)
Administrative expenses		(90,796,029.91)	(88,512,806.94)	(43,486,825.83)	(43,811,136.59)
Profit before finance costs and income tax		407,749,524.80	361,862,695.38	319,747,654.48	335,440,156.17
Finance costs		(238,668.50)	(244,373.63)	-	-
Profit before income tax		407,510,856.30	361,618,321.75	319,747,654.48	335,440,156.17
Income tax expenses	21	(58,841,872.47)	(13,375,899.58)	(46,652,446.25)	(9,865,116.64)
Profit for the years		348,668,983.83	348,242,422.17	273,095,208.23	325,575,039.53
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation surplus of land, net of income tax		-	37,719,320.00	-	9,600,000.00
Actuarial loss, net of income tax		(2,071,656.11)	-	(458,253.06)	-
Items that may be reclassified to profit or loss					
Gain (loss) on changes in value of available-for-sale investments, net of income tax		28,416,410.80	6,366,295.80	10,587,111.20	(112,984.20)
Other comprehensive income for the years, net of income tax	21	26,344,754.69	44,085,615.80	10,128,858.14	9,487,015.80
Total comprehensive income for the years		375,013,738.52	392,328,037.97	283,224,066.37	335,062,055.33
Profit attributable to					
Equity of the Company's shareholders		329,559,796.42	335,992,484.44	273,095,208.23	325,575,039.53
Non-controlling interests		19,109,187.41	12,249,937.73	-	-
		348,668,983.83	348,242,422.17	273,095,208.23	325,575,039.53
Total comprehensive income attributable to					
Equity of the Company's shareholders		355,904,551.11	380,078,100.24	283,224,066.37	335,062,055.33
Non-controlling interests		19,109,187.41	12,249,937.73	-	-
		375,013,738.52	392,328,037.97	283,224,066.37	335,062,055.33
Basic earnings per share					
Profit of the equity of the Company's shareholders	3.16 and 22	2.20	2.24	1.82	2.17

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, 2019

Unit : Baht

Note	Equity of the Company's shareholders								Non-controlling	Total
	Issued and paid - up share capital			Retained earnings		Other components of equity		Total equity of the Company's shareholders	interests	shareholders' equity
						Other comprehensive income	Total other components of equity			
Balance as at January 1, 2018	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 17.1.2	-	-	-	(180,000,000.00)	-	-	-	(180,000,000.00)	-	(180,000,000.00)
Total comprehensive income for the year 2018										
Profit for the year	-	-	-	335,992,484.44	-	-	-	335,992,484.44	-	335,992,484.44
Other comprehensive income	-	-	-	-	37,719,320.00	6,366,295.80	44,085,615.80	44,085,615.80	12,249,937.73	56,335,553.53
Balance as at December 31, 2018										
-as previously reported	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
Adjustments on non-controlling interests	-	-	-	-	(5,624,145.19)	-	(5,624,145.19)	(5,624,145.19)	5,624,145.19	-
Balance as at December 31,- after adjustment	150,000,000.00	340,000,000.00	15,000,000.00	1,924,104,899.63	166,385,435.27	43,860,098.83	210,245,534.10	2,639,350,433.73	211,424,047.46	2,850,774,481.19
Subsidiaries paid dividend to non-controlling interests	-	-	-	-	-	-	-	-	(7,400,070.00)	(7,400,070.00)
Dividend paid 17.1.1	-	-	-	(337,500,000.00)	-	-	-	(337,500,000.00)	-	(337,500,000.00)
Total comprehensive income for the year 2019										
Profit for the year	-	-	-	329,559,796.42	-	-	-	329,559,796.42	-	329,559,796.42
Other comprehensive income	-	-	-	(2,071,656.11)	-	28,416,410.80	28,416,410.80	26,344,754.69	19,109,187.41	45,453,942.10
Balance as at December 31, 2019	150,000,000.00	340,000,000.00	15,000,000.00	1,914,093,039.94	166,385,435.27	72,276,509.63	238,661,944.90	2,657,754,984.84	223,133,164.87	2,880,888,149.71

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

THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2019

Unit : Baht

	Note	Other components of equity							Total shareholders' equity
		Issued and paid - up share capital	Premium on ordinary shares	Retained earnings		Other comprehensive income		Total other components of equity	
				Appropriated Legal reserve	Unappropriated	Revaluation surplus of land	Available-for-sale investments		
Balance as at January 1, 2018		150,000,000.00	340,000,000.00	15,000,000.00	1,007,924,119.64	40,320,000.00	1,152,136.90	41,472,136.90	1,554,396,256.54
Dividend paid	17.1.2	-	-	-	(180,000,000.00)	-	-	-	(180,000,000.00)
Total comprehensive income for the year 2018									
Profit for the year		-	-	-	325,575,039.53	-	-	-	325,575,039.53
Other comprehensive income		-	-	-	-	9,600,000.00	(112,984.20)	9,487,015.80	9,487,015.80
Balance as at December 31, 2018		150,000,000.00	340,000,000.00	15,000,000.00	1,153,499,159.17	49,920,000.00	1,039,152.70	50,959,152.70	1,709,458,311.87
Dividend paid	17.1.1	-	-	-	(337,500,000.00)	-	-	-	(337,500,000.00)
Total comprehensive income for the year 2019									
Profit for the year		-	-	-	273,095,208.23	-	-	-	273,095,208.23
Other comprehensive income		-	-	-	(458,253.06)	-	10,587,111.20	10,587,111.20	10,128,858.14
Balance as at December 31, 2019		150,000,000.00	340,000,000.00	15,000,000.00	1,088,636,114.34	49,920,000.00	11,626,263.90	61,546,263.90	1,655,182,378.24

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, 2019

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Cash flows from operating activities					
Profit before income tax		407,510,856.30	361,618,321.75	319,747,654.48	335,440,156.17
Adjustments to reconcile profit before income tax to net cash provided by operating activities					
Depreciation and amortization	23	102,958,034.25	107,209,522.77	33,577,271.91	36,362,977.76
Gain on sale of fixed assets		(3,271,827.95)	(80,740.15)	(732,826.23)	(454,946.87)
Loss on obsolete fixed assets		116,658.64	1,447.21	97,688.13	878.45
Unrealized gain on currency exchange rate		(5,018.59)	(6,473.81)	(5,183.72)	(26,684.47)
Loss on obsolete and written-off inventories	8	3,302,166.23	4,097,340.53	-	-
Loss on inventories devaluation	8	515,064.42	168,093.80	-	-
Loss on inventories devaluation (reversal)	8	(168,093.80)	-	-	-
Bad debt expense	7	2,863,664.76	320,309.00	-	-
Doubtful accounts (reversal)	7	(2,863,664.76)	-	-	-
Unrealized gain on changes in value of investments	6	(421,739.08)	(430,722.18)	(103,180.75)	(238,993.90)
Gain on sales of securities		(13,014,250.06)	(6,958,840.28)	(9,551,602.32)	(5,231,802.02)
Transferred assets to expenses		87,117.69	80,000.00	67,997.19	-
Deposits and guarantees received - write off		(613,399.77)	-	-	-
Employee benefit expenses	16	9,706,077.10	2,044,897.99	4,425,671.35	946,361.99
Dividend income		(20,874,336.99)	(17,203,504.00)	(38,430,583.40)	(52,565,300.00)
Interest income		(21,357,979.36)	(16,737,492.06)	(16,624,664.31)	(14,103,402.28)
Interest expenses		238,668.50	244,373.63	-	-
		464,707,997.53	434,366,534.20	292,468,242.33	300,129,244.83
Change in operating assets and liabilities					
(Increase) decrease in assets					
Trade and other receivables		(31,071,549.33)	657,293.99	(26,876,477.86)	8,813,230.38
Inventories		45,552,129.86	11,100,973.69	13,438,200.66	(7,525,432.10)
Other current assets		(13,340.84)	2,159,962.69	(320,515.03)	25,359.14
Other non-current assets		(126,086.79)	455,046.60	5,160.00	(30,145.00)
Increase (decrease) in liabilities					
Trade and other payables		(39,995,138.10)	(4,428,504.14)	10,535,145.51	(34,963,829.59)
Other current liabilities		1,528,151.92	709,842.21	(221,331.54)	(14,871.23)
Deposit and guarantee received		555,999.94	278,045.00	387,102.00	14,525.00
Employee benefit obligations	16	(4,063,768.09)	(2,823,749.00)	(334,470.00)	(1,843,801.00)
Cash generated from operations		437,074,396.10	442,475,445.24	289,081,056.07	264,604,280.43
Interest paid		(238,668.50)	(244,373.63)	-	-
Income tax paid		(30,827,343.57)	(16,840,371.50)	(21,974,292.31)	(12,081,404.81)
Net cash provided by operating activities		406,008,384.03	425,390,700.11	267,106,763.76	252,522,875.62

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, 2019

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Cash flows from investing activities					
(Increase) Decrease in current investments		141,297,199.00	(92,798,092.56)	133,790,596.22	(61,641,836.51)
Increase in available-for-sale investments	9	(24,966,609.30)	(71,661,230.25)	(18,179,710.20)	(52,201,230.25)
Cash received from redemption of investments		545,600.00	-	347,200.00	-
Increase in long-term investments		(185,000,000.00)	(73,000,000.00)	(95,000,000.00)	(40,000,000.00)
Purchase of investment properties		-	(6,279.44)	-	-
Purchase of fixed assets		(93,357,190.02)	(35,426,418.24)	(22,288,060.20)	(12,284,570.37)
Purchase of intangible assets		-	(90,200.00)	-	(90,200.00)
Increase in deposits for purchase of fixed assets		(7,993,537.13)	(1,889,986.19)	(61,350.00)	(1,070,222.19)
Sales of fixed assets		39,629,031.62	3,674,414.96	1,470,597.68	494,228.04
Dividend received		20,874,336.99	17,203,504.00	38,430,583.40	52,565,300.00
Interest received		20,625,648.22	16,720,384.78	16,300,250.98	14,115,529.25
Net cash provided by (used in) investing activities		(88,345,520.62)	(237,273,902.94)	54,810,107.88	(100,113,002.03)
Cash flows from financing activities					
Payment for asset payables		(344,193.41)	(392,516.87)	(89,041.52)	(190,286.87)
Dividend paid		(344,900,070.00)	(191,400,070.00)	(337,500,000.00)	(180,000,000.00)
Net cash used in financing activities		(345,244,263.41)	(191,792,586.87)	(337,589,041.52)	(180,190,286.87)
Net decrease in cash and cash equivalents		(27,581,400.00)	(3,675,789.70)	(15,672,169.88)	(27,780,413.28)
Cash and cash equivalents as at January 1,		97,542,630.18	101,218,419.88	39,458,294.25	67,238,707.53
Cash and cash equivalents as at December 31,	3.2 and 5	69,961,230.18	97,542,630.18	23,786,124.37	39,458,294.25
Supplemental disclosures of cash flow information					
Non-cash items					
Gains (loss) on changes in value of available-for-sale investments		35,520,513.50	7,957,869.75	133,233,889.00	(141,230.25)
Asset payables		607,790.60	334,589.02	177,897.07	89,041.52
Revaluation surplus of land		-	47,149,150.00	-	12,000,000.00

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, 2019

1. General information

- 1.1 Thai Metal Drum Manufacturing Public Company Limited (the Company) was incorporated in Thailand in the year 1958, and has been listed in the Stock Exchange of Thailand since 1989. The address of head office is 35th Floor Lake Rajada Office Complex, 193/142 Rachadapisek Road, Klongtoey, Bangkok 10110 and the branch is Factory, which is located 179 Moo 9 Bangwua, Bangpakong, Chachoengsao, in Wellgrow Industrial Estate Zone.
- 1.2 The Company's 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 are 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, collectively called the Group. The Company holds shares at the percentages as follows:

	Shareholdings (%)	
	2019	2018
Surat Metal Drum Co., Ltd.*	99.9970	99.9970
Songkhla Metal Drum Co., Ltd.	80.0000	80.0000
The Pet Co., Ltd.	79.9990	79.9990
Lake Rajada Co., Ltd.* (Indirect subsidiary)	99.9970	99.9970
Eastplast Co., Ltd. (Indirect subsidiary)	79.9990	79.9990

* 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 consolidate financial statement 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 have been effective in the current accounting period.

The Group has 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 have been effective for accounting periods beginning on or after January 1, 2019. The adoption of these standards, interpretations and guidelines does not have any material effect on the Group's 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 has promulgated several new and revised Thai Financial Reporting Standards, Thai Accounting Standards, Thai Financial Reporting Standard Interpretations, which will be effective for accounting periods beginning on or after January 1, 2020. The new standards which involve changes to key principles are summarized as follows:

Thai Financial reporting standards and Interpretations reporting to financial instruments comprise:

Thai Accounting Standard Interpretations

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

These TFRSs related to financial instruments require the classification of financial instruments and their measurement at the fair value through profit or loss (FVPL) and at the fair value through comprehensive income (FVOCI) and amortized cost, which will be depended on the characteristics of the contractual cash flow and the entity's business model, impairment of financial instruments for the expected credit loss, and hedge accounting. These include requirement regarding the presentation and disclosure of financial instruments.

Thai Financial Reporting Standards No 16: Leases

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases except for short-term-leases and leases of low value assets.

Accounting by lessors is substantially unchanged to lease accounting. Lessors will continue to classify leases as either operating or finance leases.

The Group has not adopted the above standards before the effective date. The management of the Group is in the process of assessing the impact on the financial statements in the year that the above standards are applied.

2.5 Accounting Estimates

Preparation of 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 Equivalents

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 trust (held for trading) which are non-marketable securities, are accounted for at fair value (The fair value of unit trust 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 trust 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 Group has 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 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. Costs of finished goods and work in process comprise costs of 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 Group 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 is 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 Group has 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 Group 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 Group for 5 years.

Amortization is recognized as expense for each accounting period.

3.10 Impairment of Assets

The Group 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 Group 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 Provisions

The Group recognized provisions 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.

3.12 Revenue Recognition

Revenue from sale of goods is recognized at point in time when the goods are delivered and control of goods is transferred to the customer based on the value after deducting estimates of goods return and discount.

Revenue from rendering of services is recognized at point in time based on at the services are provided. The related costs are recognized in profit or loss when they are incurred.

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

Dividend income is recognized when the right to receives dividends established.

Interest income is recognized over the period of time on the accrual basis.

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

Post-employment benefits

The Group 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 Group 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 represents the aggregate of current income tax expense and deferred tax.

Current income tax and deferred tax are recognized in profit or loss except for the related items which 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 are recognized for all income tax payable in the future periods in respect of taxable temporary differences.

Deferred tax assets are 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 profit for the year attributable to equity of the Company's shareholders by the weighted average number of 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 Group's 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	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
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	
	2019	2018	2019	2018
Trade and other receivables				
Trade receivables				
- Songkhal Metal Drum Co., Ltd.	-	-	-	34,186.50
- Sermsuk Public Company Limited	57,071,076.75	53,491,875.72	-	-
Other receivables				
- Songkhal Metal Drum Co., Ltd.	-	-	1,605.00	2,728.50
- The Pet Co., Ltd.	-	-	481.50	481.50
- Lake Rajada Co., Ltd.	-	-	481.50	321.00
Total	57,071,076.75	53,491,875.72	2,568.00	37,717.50

Investments in subsidiary companies

Unit : Baht

	Consolidated financial statements				
	Nature of relationship	Paid-up Share capital	Share Holding	Equity Method	
				2019	2018
Surat Metal Drum Co., Ltd.	Distributor of raw materials for the production of containers	20,000,000.00	99.9970	194,048,028.88	174,097,348.21
Songkhla Metal Drum Co., Ltd.	Manufacturer and distributor of metal drums.	20,000,000.00	80.0000	369,125,013.00	366,767,525.51
The Pet Co., Ltd.	Manufacturer and distributor of plastic products.	70,000,000.00	79.9990	531,450,616.21	482,258,057.28
				1,094,623,658.09	1,023,122,931.00
Eliminated intra-group transactions				(1,094,623,658.09)	(1,023,122,931.00)
Net				-	-

Unit : Baht

Long-term investments

Rangsit Plaza Co., Ltd.

(Shareholding 5%)

Total

Consolidated financial statements		Separate financial statements	
2019	2018	2019	2018
51,250,160.00	51,250,160.00	-	-
51,250,160.00	51,250,160.00	-	-

Unit : Baht

Long-term loans to related party

Balance at beginning of the years

Increase during the years

Decrease during the years

Balance at end of the years

Separate financial statements	
2019	2018
24,000,000.00	24,000,000.00
-	-
-	-
24,000,000.00	24,000,000.00

On January 1, 2013, The Pet Co., Ltd. (subsidiary company) entered into an agreement to obtain loans from the Company in the amount of Baht 24 million which was due in 2014. The loans were extended for another 5 years and will be due in 2019. On May 21, 2019, The Pet Co., Ltd. renewed loan agreement with the Company in the same amount of Baht 24 million with interest rate at MMR p.a. and due on May 20, 2024. Interest on loans shall be paid quarterly. In case that the agreement was due and there was no request to change conditions in the agreement by either party, these loans shall be extended for another 5 years.

Unit : Baht

Trade and other payables

Trade payables

- Eastplast Co., Ltd.

- The Pet Co.,Ltd

Other payables

- Sermasuk Public Company Limited

Consolidated financial statements		Separate financial statements	
2019	2018	2019	2018
-	-	65,591.00	273,411.75
-	-	80,250.00	-
354,549.20	463,619.13	-	-
354,549.20	463,619.13	145,841.00	273,411.75

Long-term loans from related parties

On January 1, 2013, The Pet Co., Ltd. (subsidiary company) entered into the loan agreements to obtain loans in the amount of Baht 6 million from a related entity and related persons (Baht 3 million from a related entity, Baht 3 million from 2 related persons). Both loans were due in 2014. These loans have been extended for another 5 years, which were due in 2019 and have therefore been reclassified to current portion of long-term loans from related parties in the financial statements as at December 31, 2018. On May 21, 2019, The Pet Co., Ltd. renewed these loan agreements with the aforesaid related entity and the aforesaid related persons in the amount of Baht 6 million with interest rate at MMR p.a. and due on May 20, 2024. Interest on loans shall be paid quarterly. In case that these agreements were due and there were no request to change conditions in the agreement by either party, these loans shall be extended for another 5 years.

4.4 Related party transactions

Related party transactions for the years ended December 31, 2019 and 2018, are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Purchase of raw materials	-	-	642,255.00	713,930.00
Purchase of goods	-	-	1,820,176.25	1,643,760.50
Sale materials	-	-	12,208,906.36	31,950.00
Sale of goods	430,572,888.69	327,214,753.94	-	-
Interest income	-	-	954,673.97	972,000.00
Dividend income from subsidiaries	-	-	29,599,930.00	45,599,930.00
Rental and service expenses	240,000.00	-	407,700.00	406,500.00
Interest expenses	119,334.26	121,500.00	-	-
Dividend payment	700,000.00	700,000.00	-	-
Compensation for damages	79,252.48	3,786,107.89	-	-

4.5 Management remuneration

Management remuneration for the years ended December 31, 2019 and 2018, are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Management remuneration	33,530,208.00	36,231,308.00	30,017,580.00	32,815,690.00

5. Cash and cash equivalents

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	349,810.50	502,512.63	160,000.00	160,000.00
Cheques on hand	2,784,160.22	9,402,051.47	2,784,160.22	9,402,051.47
Demand deposits				
Savings accounts	54,670,403.60	68,918,778.77	14,949,664.92	23,471,899.51
Current accounts	12,156,855.86	18,719,287.31	5,892,299.23	6,424,343.27
Total	69,961,230.18	97,542,630.18	23,786,124.37	39,458,294.25

6. Current investments

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trading securities				
Unit trusts-at cost	646,272,906.76	692,125,133.52	418,000,000.00	490,000,000.00
Changes in fair value	421,739.08	430,722.18	103,180.75	238,993.90
	646,694,645.84	692,555,855.70	418,103,180.75	490,238,993.90
Deposits at banks				
Fixed a/c Fixed deposit 3-12 months (Interest rate at 1.50% p.a.)	-	30,000,000.00	-	-
Long-term fixed deposits due within 1 year (Note 11)	43,000,000.00	52,000,000.00	20,000,000.00	52,000,000.00
Total	43,000,000.00	82,000,000.00	20,000,000.00	52,000,000.00
Debt securities due within 1 year (Note 11)	55,104,994.07	-	35,104,994.07	-
Total	744,799,639.91	774,555,855.70	473,208,174.82	542,238,993.90

Movements of trading securities are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Book value at beginning of years	692,555,855.70	569,368,200.68	490,238,993.90	423,126,361.47
Acquisitions	1,816,510,000.00	1,593,423,000.00	857,000,000.00	809,500,000.00
Disposal	(1,862,728,480.42)	(1,470,294,227.95)	(929,238,993.90)	(742,626,361.47)
Changes in fair value	357,270.56	58,882.97	103,180.75	238,993.90
Book value at end of years	646,694,645.84	692,555,855.70	418,103,180.75	490,238,993.90

7. Trade and other receivables

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables				
- Related parties (Note 4.3)	57,071,076.75	53,491,875.72	-	34,186.50
- Other companies				
Domestic	282,326,416.04	259,531,099.23	174,843,852.34	147,983,421.01
Foreign	1,959,428.19	1,810,389.53	-	-
	341,356,920.98	314,833,364.48	174,843,852.34	148,017,607.51
Less Allowance for doubtful accounts	-	2,863,664.76	-	-
	341,356,920.98	311,969,699.72	174,843,852.34	148,017,607.51
Other receivables Related party (Note 4.3)	-	-	2,568.00	37,717.50
Other companies	7,099,054.90	4,576,190.24	2,472,370.08	1,957,867.01
Total	348,455,975.88	316,545,889.96	177,318,790.42	150,013,192.02
Aging analysis of trade accounts receivable is detailed as follows:				
Not yet due	246,700,374.71	249,747,860.13	137,377,760.85	114,749,316.01
Overdue:				
Not over 3 months	94,656,546.27	62,216,446.07	37,466,091.49	33,268,291.50
Over 3 months to 6 months	-	5,393.52	-	-
Over 12 months	-	2,863,664.76	-	-
	341,356,920.98	314,833,364.48	174,843,852.34	148,017,607.51
Less Allowance for doubtful accounts	-	2,863,664.76	-	-
Trade receivables, net	341,356,920.98	311,969,699.72	174,843,852.34	148,017,607.51
Bad debt expense	2,863,664.76	320,309.00	-	-
Doubtful accounts (reversal)	(2,863,664.76)	-	-	-

8. Inventories

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Finished goods	22,433,044.25	29,551,766.24	8,525,050.63	10,388,386.45
Work in process	14,506,123.80	16,613,472.19	13,661,737.74	15,928,954.48
Raw materials	146,788,823.52	184,643,026.34	78,813,422.01	88,132,084.63
Factory supplies	4,165,744.61	4,067,258.21	809,635.61	798,621.09
Spare parts	8,961,126.95	7,531,470.01	-	-
Total	196,854,863.13	242,406,992.99	101,809,845.99	115,248,046.65
Less Allowance for decline in value	515,064.42	168,093.80	-	-
Allowance for deteriorated and obsolete inventories	7,248,764.95	3,946,598.72	-	-
Net	189,091,033.76	238,292,300.47	101,809,845.99	115,248,046.65
Loss on inventories devaluation	515,064.42	168,093.80	-	-
Loss on inventories devaluation (reversal)	(168,093.80)	-	-	-
Loss from deteriorated and obsolete inventories	3,302,166.23	3,946,598.72	-	-
Inventories-written off	-	150,741.81	-	-

9. Available-for-sale securities

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Available-for-sale securities				
Listed securities-at cost	256,360,485.75	231,939,476.45	151,513,569.32	133,681,059.12
Changes in fair value	90,345,637.05	54,825,123.55	14,532,829.88	1,298,940.88
Total	346,706,122.80	286,764,600.00	166,046,399.20	134,980,000.00
Movements of available-for-sale securities are as follows:				
Book value at beginning of years	286,764,600.00	207,145,500.00	134,980,000.00	82,920,000.00
Acquisitions	24,966,609.30	71,661,230.25	18,179,710.20	52,201,230.25
Cash received from redemption	(545,600.00)	-	(347,200.00)	-
Changes in fair value	35,520,513.50	7,957,869.75	13,233,889.00	(141,230.25)
Book value at end of years	346,706,122.80	286,764,600.00	166,046,399.20	134,980,000.00

10. Investments in subsidiary companies

Unit : Baht

	Separate financial statements					
	Paid-up Share capital	Share Holding (%)	2019		2018	
			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	24,000,000.00	16,000,000.00	40,000,000.00
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	29,599,930.00	94,070,966.70	45,599,930.00

11. Long-term investments

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Long term deposits at banks-Fixed a/c (Interest rates at 1.65% – 3.60% p.a.)				
Long-term fixed deposits	109,000,000.00	97,000,000.00	54,000,000.00	72,000,000.00
Long-term fixed deposits due within 1 year	(43,000,000.00)	(52,000,000.00)	(20,000,000.00)	(52,000,000.00)
	66,000,000.00	45,000,000.00	34,000,000.00	20,000,000.00
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.)	366,104,994.07	245,209,701.28	246,104,994.07	185,209,701.28
- 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
Investments in debt securities due within 1 year	(55,104,994.07)	-	(35,104,994.07)	-
	381,000,000.00	315,209,701.28	281,000,000.00	255,209,701.28
Total	498,250,160.00	411,459,861.28	315,000,000.00	275,209,701.28

12. Investment Properties

Unit : Baht

	Consolidated financial statements				
	2018	Increase (Decrease) in the period			2019
		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	13,940,800.19	-	-	-	13,940,800.19
	432,442,819.70	-	-	-	432,442,819.70
Accumulated depreciation					
Buildings and improvement	17,831,601.21	195,541.45	-	-	18,027,142.66
Office condominium	315,756,230.94	6,158,276.19	-	-	321,914,507.13
Condominium decoration and equipment	13,935,615.51	1,255.60	-	-	13,936,871.11
	347,523,447.66	6,355,073.24	-	-	353,878,520.90
Net	84,919,372.04				78,564,298.80

Unit : Baht

	Separate financial statements				
	2018	Increase (Decrease) in the period			2019
		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	17,831,601.21	195,541.45	-	-	18,027,142.66
Office condominium	313,929,363.73	5,665,476.89	-	-	319,594,840.62
Condominium decoration and equipment	13,895,475.35	-	-	-	13,895,475.35
	345,656,440.29	5,861,018.34	-	-	351,517,458.63
Net	81,332,990.69				75,471,972.35

The fair value of land and condominiums of the Company and a subsidiary company are amounted to Baht 1,727.04 million (2018: Baht 1,727.04 million), which comprises the fair value of the lands 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					
	2018	Increase (Decrease) in the period			2019
		Additions	Disposal	Transfer	
Cost/revaluation					
Land–original price	99,212,000.00	-	-	-	99,212,000.00
Land–revaluation increase	244,378,350.00	-	-	-	244,378,350.00
	343,590,350.00				343,590,350.00
Land improvement	6,490,949.00	-	-	-	6,490,949.00
Buildings and improvement	282,055,613.23	-	515,113.00	-	281,540,500.23
Machinery and equipment	1,400,719,324.91	71,109,041.51	89,125,778.14	5,395,811.15	1,388,098,399.43
Furniture and equipment	23,329,626.49	1,547,674.72	270,532.91	-	24,606,768.30
Vehicles	84,681,827.51	19,629,996.26	14,732,337.39	-	89,579,486.38
	2,140,867,691.14	92,286,712.49	104,643,761.44	5,395,811.15	2,133,906,453.34
Accumulated depreciation					
Land improvement	2,085,947.00	-	-	-	2,085,947.00
Buildings and improvement	142,744,295.87	9,738,852.91	102,690.98	-	152,380,457.80
Machinery and equipment	1,013,791,744.09	79,093,884.46	54,172,947.44	-	1,038,712,681.11
Furniture and equipment	20,088,699.34	1,453,616.27	264,333.44	-	21,277,982.17
Vehicles	58,697,757.19	6,291,068.32	13,834,658.02	-	51,154,167.49
	1,237,408,443.49	96,577,421.96	68,374,629.88	-	1,265,611,235.57
Net	903,459,247.65				868,295,217.77
Assets under installation	3,639,799.49	3,874,524.07	86,259.31	(5,414,931.65)	2,013,132.60
Total	907,099,047.14				870,308,350.37

Unit : Baht

Separate financial statements					
	2018	Increase (Decrease) in the period			2019
		Additions	Disposal	Transfer	
Cost/revaluation					
Land–original price	48,000,000.00	-	-	-	48,000,000.00
Land–revaluation increase	62,400,000.00	-	-	-	62,400,000.00
	110,400,000.00				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	324,103,040.06	4,047,042.43	3,604,810.23	891,714.98	325,436,987.24
Furniture and equipment	13,170,180.61	1,199,193.51	221,210.29	-	14,148,163.83
Vehicles	42,299,808.08	16,996,351.40	5,812,000.00	-	53,484,159.48
	645,418,853.39	22,242,587.34	9,638,020.52	891,714.98	658,915,135.19
Accumulated depreciation					
Buildings and improvement	54,677,699.49	5,469,557.85	-	-	60,147,257.34
Machinery and equipment	225,011,816.28	16,754,984.66	3,396,089.21	-	238,370,711.73
Furniture and equipment	10,844,840.92	924,738.11	215,789.77	-	11,553,789.26
Vehicles	21,217,900.91	4,543,233.35	5,190,681.96	-	20,570,452.30
Total	311,752,257.60	27,692,513.97	8,802,560.94	-	330,642,210.63
Net	333,666,595.79				328,272,924.56
Assets under installation	891,714.98	1,213,894.00	-	(891,714.98)	1,213,894.00
Total	334,558,310.77				329,486,818.56

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 Group had reviewed the valuation of all pieces of land through an independent appraiser. The fair value of these land have been evaluated by using the market approach. Additional revaluation surplus of land have been recorded in equity through other comprehensive income.

13.3 As at December 31, 2019, the costs of plant and equipment which were fully depreciated included in the consolidated financial statements in the total amount of Baht 600.52 million (2018: Baht 606.92 million) and in the separate financial statements in the total amount of Baht 63.60 million (2018: Baht 64.33 million)

14. Intangible assets

Unit : Baht

Consolidated financial statements			
2018	Increase	Decrease	2019
Cost			
Computer softwares	-	-	1,326,540.00
Accumulated amortization			
Computer softwares	25,539.05	-	1,249,844.37
Net			76,695.63

Unit : Baht

Separate financial statements			
2018	Increase	Decrease	2019
Cost			
Computer softwares	-	-	941,600.00
Accumulated amortization			
Computer softwares	23,739.60	-	865,492.52
Net			76,107.48

15. Trade and other payables

Unit : Baht

Consolidated financial statements		Separate financial statements	
2019	2018	2019	2018
Trade payables			
- Related parties (Note 4.3)	-	145,841.00	273,411.75
- Other companies			
Domestic	89,351,035.07	35,796,219.90	24,547,881.47
Foreign	2,660,361.12	2,230,199.83	2,475,985.16
	92,011,396.19	38,172,260.73	27,297,278.38
Other payables			
- Related parties (Note 4.3)	354,549.20	-	-
- Accrued expenses	14,694,285.94	2,303,899.96	2,570,794.97
- Others	1,157,416.27	12,382.00	1,652.00
	16,206,251.41	2,316,281.96	2,572,446.97
Total	108,217,647.60	40,488,542.69	29,869,725.35

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	
	2019	2018	2019	2018
Balances at beginning of years	21,480,714.01	22,259,565.02	10,827,035.98	11,724,474.99
Current service costs	1,946,549.37	1,477,991.97	809,700.17	663,881.97
Past service costs	6,994,559.91	-	3,295,705.24	-
Interest costs	764,967.82	566,906.02	320,265.94	282,480.02
Benefits paid	(4,063,768.09)	(2,823,749.00)	(334,470.00)	(1,843,801.00)
Actuarial loss	2,589,570.12	-	572,816.32	-
Balance at end of the years	29,712,593.14	21,480,714.01	15,491,053.65	10,827,035.98

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

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Recognized in profit or loss				
Current service costs	1,946,549.37	1,477,991.97	809,700.17	663,881.97
Past service costs	6,994,559.91	-	3,295,705.24	-
Interest costs	764,967.82	566,906.02	320,265.94	282,480.02
	9,706,077.10	2,044,897.99	4,425,671.35	946,361.99
Recognized in comprehensive income				
Actuarial loss	2,589,570.12	-	572,816.32	-
Total	12,295,647.22	2,044,897.99	4,998,487.67	946,361.99

Actuarial loss recognized in the other comprehensive income derived from:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Population assumption	3,347,057.49	-	832,889.85	-
Financial assumption	(1,753,081.71)	-	(565,801.70)	-
Experience adjustment	995,594.34	-	305,728.17	-
Total	2,589,570.12	-	572,816.32	-

Principal actuarial assumptions at the reporting date are as follows:

% per annum

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	2.50–3.19	2.31–2.62	2.50	2.31–2.56
Salary increase rate	5.00	5.45–6.04	5.00	5.45–6.04
Staff turnover rate				
(Scale related to Age ranging)	2.39–45.84	0-43	3.82-45.84	0-43
According to Thailand Mortality				
Ordinary Life table	2017	2008	2017	2008

Effects of changes on the assumptions to the present value of long-term employee benefit obligations as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	2019			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (Change 0.50%)	(1.16)	1.24	(0.41)	0.43
Salary increase rate (Change 1%)	2.71	(1.38)	0.99	(0.90)
Staff turnover rate (Change 20%-40%)	(2.29)	2.59	(0.92)	1.06

Unit: Million Baht

	2018			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (Change 0.50%)	(0.94)	1.01	(0.39)	0.41
Salary increase rate (Change 0.50%)	1.18	(1.11)	0.51	(0.48)
Staff turnover rate (Change 0.50%)	(1.12)	1.20	(0.46)	0.49

Change to severance payment under new Labor Protection Act.

On April 5, 2019, the amendment to the Labor Protection Act (No.7) B.E. 2562 was announced in the Royal Thai Government Gazette. This stipulates 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. This Act is effective from May 5, 2019.

The Group had recorded the effect of the above change by recognizing the increase of the employee benefit obligations in the consolidated financial position and separate financial position as at December 31, 2019 in the amounts of Baht 6.99 million Baht 3.29 million, respectively, and recognizing past service costs as expenses in the consolidated and separate statements of comprehensive income for the year then ended.

17. Equity

17.1 Dividend payment

17.1.1 The Board of Directors of the Company No. 3/2562 held on June 19, 2019 approved to pay the interim dividend from retained earnings and profit from operating income of January 1, to March 31, 2019, at Baht 0.85 per share, amounting to Baht 127.50 million.

The ordinary shareholders' meeting of the Company for the year 2019 held on April 24, 2019 approved to pay the dividend from operating income of 2018 at Baht 1.40 per share, amounting to Baht 210 million.

17.1.2 The ordinary shareholders' meeting of the Company 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.

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 annual net profit from the Company's separate financial statements.

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

18. Other income

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Dividend income	20,874,336.99	17,203,504.00	38,430,583.40	52,565,300.00
Interest income	21,357,979.36	16,737,492.06	16,624,664.31	14,103,402.28
Others	22,274,661.83	11,611,807.90	11,272,466.82	6,483,434.73
Total	64,506,978.18	45,552,803.96	66,327,714.53	73,152,137.01

19. Provident fund

The Group 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 made by the Group at 3%-6%.

During the year 2019, the Group contributed to the fund amounting to Baht 2.98 million (2018: Baht 3.02 million), while the contributions made by the Company in the amounting to Baht 1.41 million (2018: Baht 1.45 million).

20. Classification of expenses by nature

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Changes in finished goods and work in process	9,226,070.38	(3,660,906.44)	4,130,552.56	(4,969,582.38)
Raw materials and supplies used	1,087,804,213.50	1,159,743,404.75	623,878,364.79	630,812,768.19
Management benefit expenses*	33,530,208.00	36,231,308.00	30,017,580.00	32,815,690.00
Employee expenses	159,542,239.33	136,900,116.40	50,104,679.73	43,539,716.43
Depreciation and amortization	102,958,034.25	107,209,522.77	33,577,271.91	36,362,977.76
Finance costs	238,668.50	244,373.63	-	-
Others	295,042,354.34	267,542,146.73	85,051,370.38	72,389,534.31
Total	1,688,341,788.30	1,704,209,965.84	826,759,819.37	810,951,104.31

Unit : Baht

Management benefit expenses*	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost of sales	3,947,380.00	3,878,408.00	3,521,800.00	3,481,440.00
Administrative expenses	29,582,828.00	32,352,900.00	26,495,780.00	29,334,250.00
Total	33,530,208.00	36,231,308.00	30,017,580.00	32,815,690.00

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, 2019 and 2018 are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current income tax				
Income tax	62,163,168.29	16,608,137.03	48,381,529.00	10,810,206.75
Deferred tax				
Temporary differences and reversal of temporary differences	(3,321,295.82)	(3,232,237.45)	(1,729,082.75)	(945,090.11)
Income tax expenses	58,841,872.47	13,375,899.58	46,652,446.25	9,865,116.64

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2019 and 2018, are as follows:

Unit : Baht

	Consolidated Financial Statements			
	Rate (%)	2019	Rate (%)	2018
Accounting profit before income tax		407,510,856.30		361,618,321.75
Income tax at applicable tax rate	20	81,502,171.26	20	72,323,664.35
Tax losses (profit) of subsidiaries, not recognized as deferred income tax		(2,474,426.85)		10,792,419.56
Tax effect:				
Disallowed expenses for tax calculation		8,879,511.50		6,760,962.29
Exemption of income/Additional expenses allowed		(13,467,269.42)		(15,102,242.34)
Promotional privileges		(18,171,944.34)		(67,261,792.97)
Effect of elimination entry on the consolidated financial statement		5,895,126.14		9,095,126.14
Current income tax		62,163,168.29		16,608,137.03
Deferred tax:				
Temporary differences and reversal of temporary differences		(3,321,295.82)		(3,232,237.45)
Income tax expenses	14	58,841,872.47	4	13,375,899.58

Unit : Baht

Separate Financial Statements				
	Rate (%)	2019	Rate (%)	2018
Accounting profit before income tax		319,747,654.48		335,440,156.17
Income tax at applicable tax rate	20	63,949,530.90	20	67,088,031.23
Tax effect:				
Disallowed expenses for tax calculation		4,105,505.64		2,966,074.64
Exemption of income/Additional expenses allowed		(9,795,964.67)		(12,507,877.45)
Promotional privileges		(9,877,542.87)		(46,736,021.67)
Current income tax		48,381,529.00		10,810,206.75
Deferred tax:				
Temporary differences and reversal of temporary differences		(1,729,082.75)		(945,090.11)
Income tax expenses	15	46,652,446.25	3	9,865,116.64

The amount of income tax relating to each component of other comprehensive income for the years ended December 31, 2019 and 2018 are as follows:

Unit : Baht

Consolidated Financial Statements					
2019			2018		
Amount before tax	Tax (expenses) benefit	Net of tax	Amount before tax	Tax (expenses) benefit	Net of tax
Surplus on revaluation of land	-	-	47,149,150.00	(9,429,830.00)	37,719,320.00
Actuarial loss	(2,589,570.12)	517,914.01	-	-	-
Gain on changes in value of available-for-sale investments	35,520,513.50	(7,104,102.70)	7,957,869.75	(1,591,573.95)	6,366,295.80
Total	32,930,943.38	(6,586,188.69)	55,107,019.75	(11,021,403.95)	44,085,615.80

Unit : Baht

Separate Financial Statements					
2019			2018		
Amount before tax	Tax (expenses) benefit	Net of tax	Amount before tax	Tax (expenses) benefit	Net of tax
Surplus on revaluation of land	-	-	12,000,000.00	(2,400,000.00)	9,600,000.00
Actuarial loss	(572,816.32)	114,563.26	(458,253.06)	-	-
Gain (loss) on changes in value of available-for-sale investments	13,233,889.00	(2,646,777.80)	10,587,111.20	(141,230.25)	28,246.05
Total	12,661,072.68	(2,532,214.54)	10,128,858.14	11,858,769.75	(2,371,753.95)
					9,487,015.80

The components of deferred tax assets and deferred tax liabilities as at December 31, 2019 and 2018 are detailed as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets				
Allowance for inventories devaluation	1,552,765.87	822,938.50	-	-
Deposits	2,125,510.35	1,453,777.68	2,011,936.35	1,334,155.68
Allowance for doubtful accounts	-	572,732.95	-	-
Assets under finance lease	-	131,503.80	-	-
Provision for employee benefit	5,942,518.63	4,296,142.81	3,098,210.73	2,165,407.20
	9,620,794.85	7,277,095.74	5,110,147.08	3,499,562.88
Deferred tax liabilities				
Depreciation of assets	12,978,082.79	14,473,593.51	10,891,998.96	11,125,060.77
Revaluation surplus of land	48,875,670.00	48,875,670.00	12,480,000.00	12,480,000.00
Available-for-sale investments	18,069,127.42	10,965,024.72	2,906,565.98	259,788.18
	79,922,880.21	74,314,288.23	26,278,564.94	23,864,848.95
Deferred tax liabilities, net	70,302,085.36	67,037,192.49	21,168,417.86	20,365,286.07

22. Earnings per share

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

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit attributable to equity of the Company's shareholders (Baht)	329,559,796.42	335,992,484.44	273,095,208.23	325,575,039.53
Weighted average number of ordinary shares (shares)	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00
Basic earnings per share (Baht)	2.20	2.24	1.82	2.17

23. Depreciation and amortization

Depreciation and amortization for the years ended December 31, 2019 and 2018, are as follows:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Depreciation				
Investment Properties				
Cost of services rendered	6,159,531.79	6,161,703.29	5,665,476.89	5,665,472.46
Selling and administrative expenses	195,541.45	195,541.45	195,541.45	195,541.45
Property, plant and equipment				
Cost of productions	86,617,629.17	88,735,088.22	22,438,448.80	25,946,832.32
Selling and administrative expenses	9,959,792.79	12,097,334.06	5,254,065.17	4,537,075.23
Amortization	25,539.05	19,855.75	23,739.60	18,056.30
Total	102,958,034.25	107,209,522.77	33,577,271.91	36,362,977.76

24. Information on operating segments

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

Information on operating segment for the years ended December 31, 2019 and 2018, are as follows:

Unit : Thousand Baht

	Consolidate Financial Statements					
	2019					
	Productions and Sales of Metal drums	Productions and Sales of Plastic Products	Rental and service income	Other	Amount of Eliminated	Total
Revenues from sales of goods and rendering of services	1,174,894	868,995	70,308	-	(82,851)	2,031,346
Costs of goods sold and services rendered	857,882	746,255	21,077	-	(86,657)	1,538,557
Gross profit	317,012	122,740	49,231	-	3,806	492,789
Other income	-	-	-	74,916	(10,409)	64,507
Profit before expenses	317,012	122,740	49,231	74,916	(6,603)	557,296
Selling expenses	40,705	18,092	-	-	(47)	58,750
Administrative expenses	45,541	41,297	4,113	289	(444)	90,796
Profit before finance costs and income tax	230,766	63,351	45,118	74,627	(6,112)	407,750
Finance costs	-	-	-	6,476	(6,237)	239
Profit before income tax	230,766	63,351	45,118	68,151	125	407,511
Income tax expenses						58,842
Profit for the years						348,669
Total assets for the operations						948,873

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 of goods and rendering of services	1,211,050	808,273	70,661	-	(69,709)	2,020,275
Costs of goods sold and services rendered	868,412	736,316	22,526	-	(72,215)	1,555,039
Gross profit	342,638	71,957	48,135	-	2,506	465,236
Other income	-	-	-	55,829	(10,277)	45,552
Profit before expenses	342,638	71,957	48,135	55,829	(7,771)	510,788
Selling expenses	42,527	17,962	-	-	(76)	60,413
Administrative expenses	40,872	39,354	8,491	288	(492)	88,513
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

Separate Financial Statements				
2019				
	Productions and Sales of Metal drums	Rental and service income	Other	Total
Revenues from sales of goods and rendering of services	1,015,174	65,005	-	1,080,179
Costs of goods sold and services rendered	734,317	17,559	-	751,876
Gross profit	280,857	47,446	-	328,303
Dividend income	-	-	38,430	38,430
Other income	-	-	27,898	27,898
Profit before expenses	280,857	47,446	66,328	394,631
Selling expenses	31,397	-	-	31,397
Administrative expenses	39,464	4,023	-	43,487
Profit before income tax	209,996	43,423	66,328	319,747
Income tax expenses				46,652
Profit for the years				273,095
Total assets for the operations				404,958

Unit : Thousand Baht

Separate Financial Statements				
2018				
	Productions and Sales of Metal drums	Rental and service income	Other	Total
Revenues from sales of goods and rendering of services	1,012,051	61,188	-	1,073,239
Costs of goods sold and services rendered	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

25. Investment Promotion

Investment Promotion 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, and the exemption from corporate income tax was expired in March 2019.

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, and the exemptions from corporate income tax was expired on January 16, 2019.

The aforementioned subsidiary has obtained 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) (Eastplast)

On May 31, 2010, Eastplast obtained the privileges under the Investment Promotion Act for the production of plastic bottle PET, and was eligible to get exemption from corporate income tax for a period of 8 years from the date income was first derived and started the operation on June 1, 2010 which expired on June 1, 2018.

On August 28, 2010, Eastplast obtained the privileges under the Investment Promotion Act for the production of plastic bottle PET, and was eligible to get exemption from corporate income tax for a period of 8 years from the date income was first derived and started the operation on July 2, 2011 which expired on July 1, 2019.

On August 18, 2014, Eastplast obtained the privileges under the Investment Promotion Act for the production of plastic bottle PET, and was eligible to get exemption from corporate income tax for a period of 8 years from the date income was first derived and started the operation on September 22, 2014.

On August 8, 2014, Eastplast obtained the privileges under the Investment Promotion Act for the production of plastic bottle PET, and was eligible to get exemption from corporate income tax for a period of 3 years from the date income was first derived and started the operation on April 2, 2015 which expired on April 1, 2018.

On January 9, 2015 Eastplast obtained the privileges under the Investment Promotion Act for the production of plastic bottle PET, and was eligible to get exemption from corporate income tax for a period of 3 years from the date income was first derived and started the operation on January 16, 2018. Eastplast is in the process of requesting cancellation the investment promotion.

The Group has to comply with certain conditions stipulated in the promotion certificates.

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

Unit : Thousand Baht

Consolidated financial statements						
Promoted Business		Non-Promoted Business		Total		
2019	2018	2019	2018	2019	2018	
Sales-domestic	444,145	1,740,536	1,488,123	179,577	1,932,268	1,920,113
Sales-export	-	28,193	30,244	6,818	30,244	35,011
Total	444,145	1,768,729	1,518,367	186,395	1,962,512	1,955,124

Unit : Thousand Baht

Separate financial statements						
Promoted Business		Non-Promoted Business		Total		
2019	2018	2019	2018	2019	2018	
Sales-domestic	244,356	1,001,885	770,818	10,167	1,015,174	1,012,052
Total	244,356	1,001,885	770,818	10,167	1,015,174	1,012,052

Allocation of transactions between promoted and non-promoted businesses

The Group has allocated 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 revenues earned by promoted and non-promoted businesses.

26. Financial instruments

The Group's information related to the financial instruments are as follows:

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 Group. Credit limit is granted for a specific credit amount and is being monitored regularly. Furthermore, the Group 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 Group 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 Group.

The Group has 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					
	2019					
	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	-	-	-	12.16	57.80	69.96
Current investments	-	-	-	-	646.69	646.69
Current portion of long-term investments	98.10	-	-	-	-	98.10
Trade and other receivables	-	-	-	-	348.45	348.45
Available-for-sale investments	-	-	-	-	346.71	346.71
Long-term investments	-	378.25	120.00	-	-	498.25
Financial liabilities						
Trade and other payables	-	-	-	-	108.22	108.22
Current portion of 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

	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	30.00	-	-	-	692.55	722.55
Current portion of long-term investments	52.00	-	-	-	-	52.00
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 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					
2019					
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	-	-	14.95	8.84	23.79
Current investments	-	-	-	418.10	428.10
Current portion of long-term investments	55.10	-	-	-	55.10
Trade and other receivables	-	-	-	177.32	177.32
Available-for-sale investments	-	-	-	166.05	166.05
Long-term investments	-	195.00	120.00	-	315.00
Long-term loans to related party	-	-	24.00	-	24.00
Financial liabilities					
Trade and other payables	-	-	-	40.49	40.49

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	-	-	-	490.24	490.24
Current portion of long-term investments	52.00	-	-	-	52.00
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

Foreign currency risk

The Group's exposure to foreign currency risks relating to purchase and sell which are denominated in foreign currency. The Pet Co., Ltd. (subsidiary company) has obtained financial assets and liabilities denominated in foreign currency, which hasn't been hedged against currency risks. The balances of the financial assets and liabilities denominated in foreign currency are as follows:

	Foreign currency	Consolidated financial statements		Exchange rate	
				(Baht per Unit of foreign currency)	
		2019	2018	2019	2018
Financial assets	USD	65,365.04	56,075.60	29.8855	32.2848
Financial liabilities	USD	-	3,446.53	-	32.6148
	EURO	12,620.40	13,449.16	34.0846	37.4884

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, 2019 and 2018 are as follows:

Unit : Million Baht

Consolidated Financial Statements				
2019				
	Level 1	Level 2	Level 3	Total
Assets				
Current investments				
Unit trust	-	646.69	-	646.69
Available-for-sale securities				
Listed securities	346.71	-	-	346.71
Total assets	346.71	646.69	-	993.40

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

Separate financial statements				
2019				
	Level 1	Level 2	Level 3	Total
Assets				
Current investments				
Unit trust	-	418.10	-	418.10
Available-for-sale securities				
Listed securities	166.05	-	-	166.05
Total assets	166.05	418.10	-	584.15

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

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	
		2019	2018	2019	2018
Outstanding unused					
letters of credit	(USD)	31,300.00	149,976.00	-	75,916.00
Letters of guarantee	(Million Baht)	22.88	16.21	13.07	6.20

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 said subsidiary requested the financial institutions to reduce the credit facility from Baht 48 million to Baht 24.46 million. All relevant assets which used as collateral were redeemed on March 5, 2019.

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) 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 pledged as collateral for the credit facility agreement.

28.3 Commitments liabilities on contract for purchase of assets

As at December 31, 2019 The Pet Co., Ltd. (subsidiary company) had commitment on contract for purchase of assets in the amount of USD 131,056. (2018: USD 27,900)

29. Approval of financial statements

These financial statements have been approved for issue by the Board of Directors on February 25, 2020.



THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED

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