

ANNUAL REPORT 2020

EASON & CO PUBLIC COMPANY LIMITED

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Board of Directors





1. Mrs. Pismai Boonyakiat
Chairman of Board of Directors / Independent Director

2. Mr. Jane Wong-isariyakul
Independent Director

3. Ms. Thipawan Uthaisang
Independent Director

4. Prof. Dr. Tharapong Vitidsant
Independent Director

5. Mr. Sanan Eksangkul
Director

6. Ms. Petcharat Eksangkul
Director

7. Mr. Sanit Eksangkul
Director

8. Mr. Wichai Eksangkul
Director

9. Ms. Sirinun Eksangkul
Director





Mrs. Pismai Booyakiat
Chairman

Report of the Board of Directors

This is the very first for me to serve as the Chairman of the Board of directors beside have been being Chairman of the audit committee of Eason & Co public company limited, in accordance with the Stock Exchange of Thailand's compliance and good governance policy.

Due to the Coronavirus pandemic, many people have been infected or even lost their life and it is inevitable for everyone to adapt to the new norm of living. As well as the alteration in business strategy and its operation to cope up with this radical change. Despite such difficulty in the past year, there was still opportunity in coatings and inks related to food and beverage packaging, while there is a glimpse of recovery in automotive coatings after a slump in demand during the last few years.

However, the company had ceased its operation in Malaysia and remodelling its business in Indonesia because of the pandemic and price sensitivity of the market in both countries while the investments in non-paint business have not been as expected, the consideration of strategic move has been carried out together with closely monitoring.

The company emphasises on the development of staff by preparing them with essential skill to enhance the efficiency and communication throughout the organisation to deal with the dynamic environment, moreover; the consciousness in terms of safety and well-being of every single employee and family in accordance with the instructions given by the government as the minimisation of virus spreading is a very crucial part of responsibility towards stakeholders.

My sincere gratitude on behalf of Eason to all shareholders, with thankfulness to management team and staff for the cooperation in withstanding through challenges.

Financial Overview

ข้อมูลสำคัญทางการเงิน

งบการเงินรวม	Consolidated	2563 2020	2562 2019	2561 2018
ฐานะทางการเงินและผลการดำเนินงาน (ล้านบาท)	Financial Position and Operation Result Million Baht			
สินทรัพย์รวม	Total Assets	1,211.59	1,265.90	1,389.07
หนี้สินรวม	Total Liabilities	251.22	122.71	167.15
ส่วนของผู้ถือหุ้นบริษัทใหญ่	Shareholder's equity of the parent	936.68	1,118.05	1,193.21
รายได้จากการขายและบริการ	Revenue from Sales and Services	489.88	501.19	511.78
รายได้รวม	Total Revenue	513.34	531.73	538.96
กำไรขั้นต้น	Gross Profit	204.77	193.01	198.04
ขาดทุนการด้อยค่าของเงินลงทุน	Loss on impairment of investments in subsidiaries	263.32	-	-
รายได้ทางการเงิน	Finance Income	2.44	-	-
ส่วนแบ่งกำไร(ขาดทุน)จากเงินลงทุนในบริษัทร่วม	Share of profit (loss) associated companies	(5.85)	(46.23)	26.72
กำไร(ขาดทุน) สุทธิ (ส่วนที่เป็นของผู้ถือหุ้นบริษัทใหญ่)	Net Profit (Loss) (Attributable to shareholders of the parent)	(161.36)	(25.10)	59.77
ข้อมูลต่อหุ้น (บาท)	Per Share (Baht)			
มูลค่าที่ตราไว้	Par Value	1.00	1.00	1.00
กำไร(ขาดทุน) ต่อหุ้นขั้นพื้นฐาน	Basic earning/share	(0.28)	(0.04)	0.11
อัตราส่วนทางการเงิน	Financial Ratio			
ความสามารถในการทำกำไร (%)	Profitability Ratio (%)			
อัตรากำไรสุทธิ	Net Profit Margin	(31.28%)	(5.17%)	10.57%
อัตราผลตอบแทนผู้ถือหุ้น	Return on Equity	(15.71%)	(2.17%)	5.00%
สภาพคล่อง (เท่า)	Liquidity Ratio (Times)			
อัตราส่วนสภาพคล่อง	Current Ratio	3.01	5.05	3.15
ประสิทธิภาพในการดำเนินงาน (%)	Efficiency Ratio (%)			
อัตราผลตอบแทนจากสินทรัพย์	Return on Assets	(16.02%)	(0.98%)	5.68%
อัตราผลตอบแทนจากสินทรัพย์ถาวร	Return on Fixed Assets	(14.72%)	0.81%	9.79%
วิเคราะห์นโยบายทางการเงิน (เท่า)	Financial Policy Ratio (Times)			
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	Debt to Equity Ratio	0.27	0.11	0.14
อัตราส่วนความสามารถชำระดอกเบี้ย	Interest Coverage Ratio	27.31	16.06	37.35
อัตราการจ่ายเงินปันผล (%)	Payout Ratio (%)	N/A	N/A	66.15%

* ที่ประชุมคณะกรรมการบริษัทเมื่อวันที่ 1 มีนาคม 2564 มีมติงดจ่ายเงินปันผลและให้นำเสนอต่อที่ประชุมสามัญผู้ถือหุ้นพิจารณาอนุมัติ ซึ่งกำหนดจัดขึ้นในวันที่ 23 เมษายน 2564

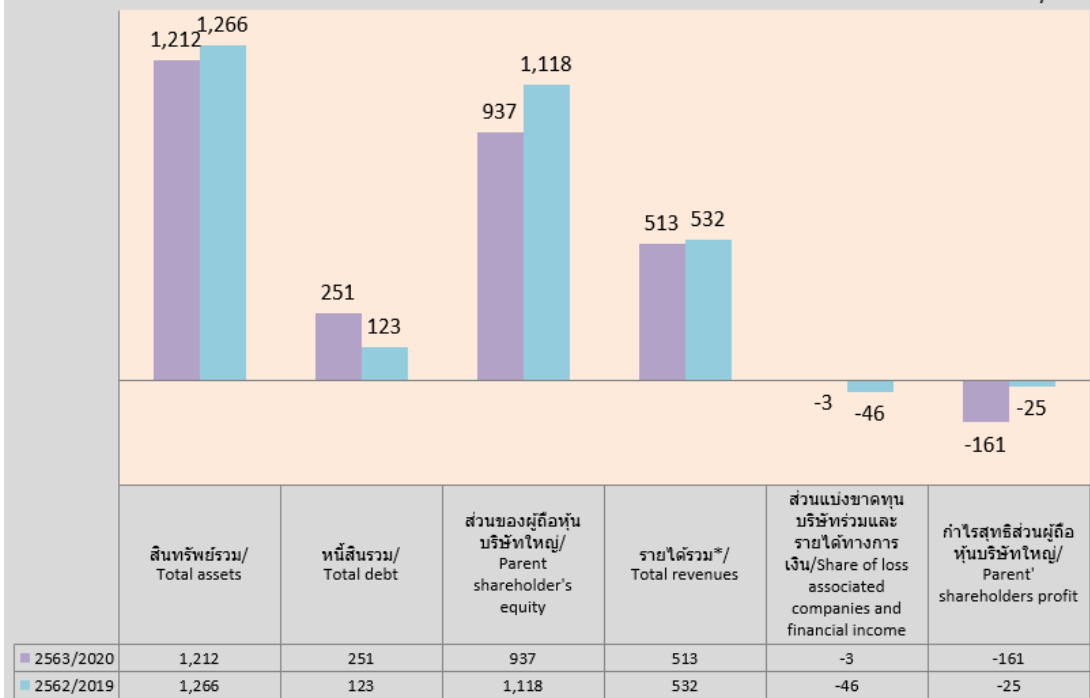
* The Board of Directors dated March 1, 2021 resolved to omit the dividend payment, for further proposal to the shareholders' general meeting for approval on April 23, 2021

2020

2019

ข้อมูลสำคัญทางการเงิน / Financial Hilight

Unit: ล้านบาท/M.Bt

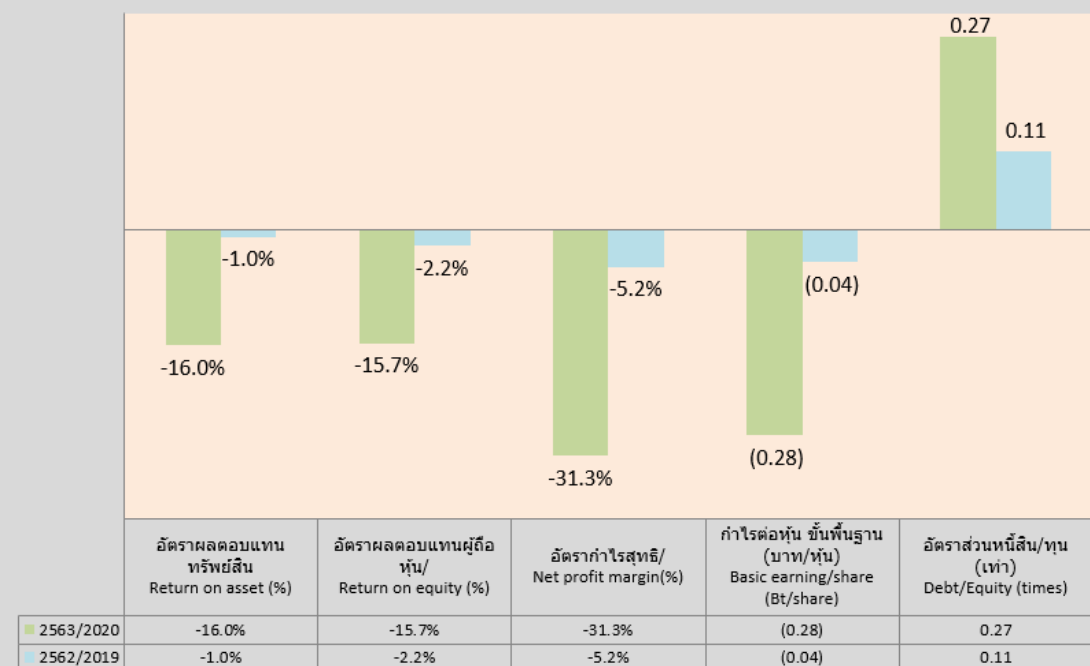


* รายได้รวม (**ไม่รวมส่วนแบ่งกำไรบริษัทร่วมและรายได้ทางการเงิน) / Total revenues exclude share of profit of associated company, financial income

2020

2019

อัตราส่วนสำคัญทางการเงิน / Key financial ratio



Executive Summary

Eason & Co Public Company Limited and its subsidiaries' main business activities are manufacturing and selling of industrial paints. Products include motorcycle paints, off-set inks, packaging coatings and others.

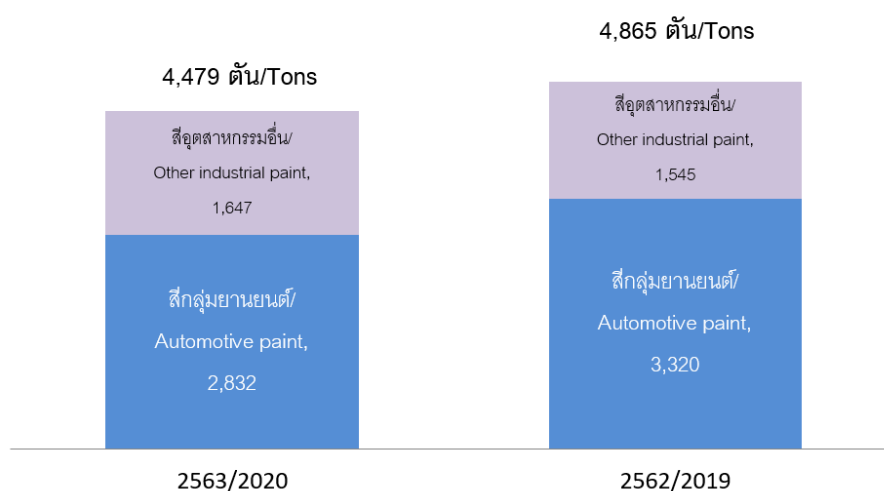
In year 2020 the company had total revenue exclude share of profit of associated company and financial income was 513.34 million Baht, decreased 18.39 million Baht or 3.46% due to revenue from automotive paints went down 14.70% from decreasing sale order (tons) comparing to the prior year and other revenue in year 2020 decreased 7.08 million Baht since in year 2020, there was no extraordinary item of share deposit income like year 2019 which happened only one time. In year 2020 revenue from other industrial paint was increased from higher sale order (tons)

Unit: M.TH.B and Percentage (%)

Revenues	Year 2020	Year 2019	% Year 2020	% Year 2019
Sales and Services	489.88	501.19	95.43%	94.26%
Other industrial paints	366.26	361.14	71.35%	67.92%
Automotive	121.13	134.77	23.60%	25.35%
Other	2.49	5.28	0.48%	0.99%
Other Income	23.46	30.54	4.57%	5.74%
Total revenues*	513.34	531.73	100.00%	100.00%

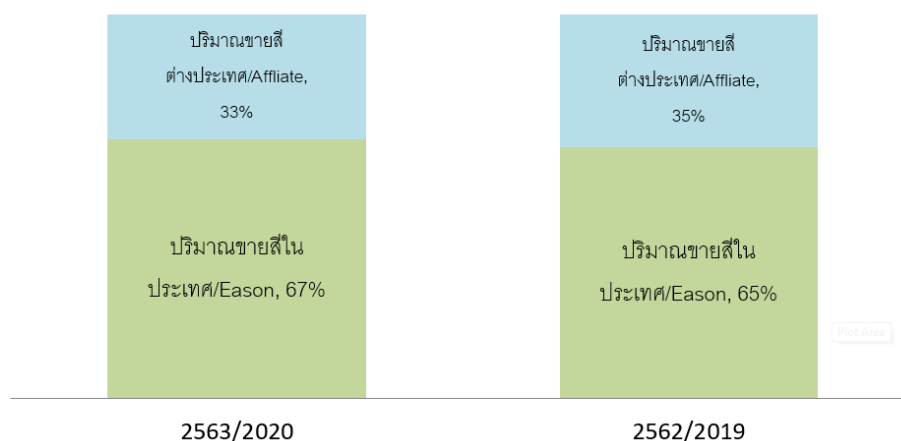
*Total revenues exclude share of loss of associated companies and financial income

Coating Sale (Tons)



Proportion of coating sales volume in Thailand increased from 65% in year 2019 to 67% in year 2020 due to other industrial paint for example can coating due to COVID-19 pandemic causes higher canned food demand. While automotive paints sale order (tons) outside Thailand decreased. The management decided to cease operation of PT. Eason Indonesia, in Indonesia due to its accumulated operation losses. Also Eason Far East Sdn.Bhd. is on processing of dissolving its business in Malaysia.

Proportion of coating sales volume based on area



In year 2020 and year 2019, the company gross profit to revenue from sale and service are 41.80% and 38.51% respectively. The company earned net loss margin of (31.28%) and (5.17%) to total revenue included share of profit (loss) of associated company and financial income and earned to the major shareholders of (15.71%) and (2.17%) to total revenue included share of profit (loss) of associated company and financial income.

Net (loss) in year 2020 and year 2019 was (161.50) million Baht and (25.96) million Baht respectively. Net (loss) attributable to shareholder in year 2020 and year 2019 were (161.36) million Baht and (25.10) million Baht respectively.

Net (loss) in year 2020, caused by impairment of investment in associated company, Advance Conversion Power Co.ltd ("APCON") in amount of 263.32 million Baht. The management of the Company performed impairment of investment in APCON determined future cash flows based its business plan and the assumption from assessing of past and current operation results of APCON group. Based on the impairment test, its recoverable value was lower than its book value. Resulting in the management of the Company had considered to record impairment of investment in associated company.

The Covid-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operation of the Company and its subsidiaries. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact.

Company Securities and Shareholders

As of December 31, 2020, the company has total registered capital of 567,084,913 baht which classified into 567,084,913 ordinary shares with the par value of 1 baht. Those ordinary shares are divided into the paid-up share amount of 566,764,945 shares and the reserved share amount of 319,968 shares for exercising of warrants to purchase the newly issued ordinary shares of the company No. 2 (EASON-W2), with paid-up capital as the amount of 566,764,945 baht.

Top Ten major shareholders as of December 31, 2020

Item	Shareholder's name	The number of shares	Percentage
1.	Eksang Holding Co., Ltd. and Eksangkul Group	206,874,125	36.50
2.	Nijsiripat Group	136,435,724	24.07
3.	Ms. Chotiros Attakornwarodom	25,744,900	4.54
4.	Miki & Co. Ltd. (Japan)	14,892,500	2.63
5.	Jirapattanakul Group	13,205,231	2.33
6.	Anantawatchakorn Group	13,137,535	2.32
7.	Lohprakrong Group	11,490,200	2.03
8.	Luengwattanakij Group	10,628,500	1.88
9.	Dejkijvikrom Group	9,619,700	1.70
10.	Sub. Lt. Kitti Srisukri	6,913,500	1.22
Total 10 Major Shareholders		448,941,915	79.22
Total Shareholders		566,764,945	100.00

Shareholders proportion

As of December 31, 2020, shareholders proportion of the company by the Board of Committee, Management team and related persons, Institutional investors, Shareholders who hold more than 5%, and Free float under the corporate governance criteria for Thai listed company

No.	Shareholder categories	No. of Shareholders	No. of Shares	%
1.	BOD, Management Team and related persons	11	206,904,621	36.51
2.	Institutional investors	1	4,248,350	0.75
3.	Shareholders who hold more than 5%	3	109,190,524	19.26
4.	Free float	1,543	246,421,450	43.48
Total		1,558	566,764,945	100.00

Shares holding of the Board of Directors in 2020

No.	Name	No. of Shares			
		Dec 31, 2019	Changed	Dec 31, 2020	%
1.	Mrs. Pismai Boonyakiat	-	-	-	-
2.	Mr. Jane Wongissariyakul	-	-	-	-
3.	Ms. Thipawan Uthaisang	30,496	-	30,496	0.005
4.	Prof.Dr. Tharapong Vitidsant	-	-	-	-
5.	Mr. Sanan Eksangkul	19,855	-	19,855	0.004
6.	Ms. Petcharat Eksangkul	7,655,667	571,400	8,227,067	1.451
7.	Mr. Sanit Eksangkul	2,826,808	-	2,826,808	0.499
8.	Mr. Wichai Eksangkul	1,231,111	-	1,231,111	0.217
	Spouse	19,001	-	19,001	0.003
9.	Ms. Sirinun Eksangkul	784,336	-	784,336	0.138
Total		12,567,274	571,400	13,138,674	2.317

Dividend Policy

The dividend of the company will be paid at the rate of 40%, or higher, of the net profit after tax deduction and after a certain amount of fund is reserved in accordance with the law. The dividend will be paid regularly unless it is considered that paying the dividend might affect the operation of the Company and the subsidiaries significantly, and the necessity to use fund occurs.

However, the dividend rate might not follow as mentioned with regarding a decision concerning paying dividend, which the company would take the following factors into consideration, such as the company's performance, cash flow status, business expansion, and other factors related to management of the Company and subsidiaries. The decision of paying dividend has to be approved by shareholders and/or Board of Directors.

Dividend payment from the operation of year 2017 - 2019

Eason & Co PLC	2019	2018	2017
Net profit	(10.71 million baht)	59.97 million baht	95.17 million baht
No. of shares	566.76 million shares	566.76 million shares	566.76 million shares
Dividend per share	N/A	0.07 baht	0.10 baht
Total of dividend	N/A	39.67 million baht	56.67 million baht
Pay-out ratio (%)	N/A	66.15%	59.55%

The Board of Directors resolved to omit the dividend payment for the operation of year 2020 due to the company's operating performance has incurred a net loss. The decision of the omission of dividend payment has to be approved by Annual General Shareholder Meeting which will be held on April 23, 2021.

Issuance of other securities

In 2020, the company has not issued any securities other than ordinary shares.



Ms. Thipawan Uthaisang
Chairman of The Nomination
and Remuneration Committee

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 3 persons namely, Ms. Thipawan Uthaisang as the Chairman, Mrs. Pismai Boonyakiat and Mr. Jane Wong-isariyakul as members of the committee. In 2020, the committee held 2 meetings to determine the criteria and methods for nominating by considering basic qualifications and qualities that are in accordance with the strategy of the company's business operation. Moreover, the nominated persons must be the person with leadership, vision, morality, ethics, and transparent work experience as well as no characteristics as forbidden by laws and the Articles of Association of the company, together with considering in director's database from Directors' Pool of Thai Institute of Directors.

The company has provided opportunity for shareholders to participate in nominating candidates to be appointed as company directors prior to the Annual General Meeting of shareholders. In 2020, none of the shareholders nominated any candidates to be considered as company directors. The committee considered the qualifications of 3 persons who had been nominated to serve as company directors replacing the directors who retired by rotation, which are Mrs. Pismai Boonyakiat, Mr. Sanan Eksangkul and Ms. Thipawan Uthaisang to resume their position for another term, which was proposed to the Annual General Shareholders Meeting 2020. The committee also considered the remuneration which is appropriate for their responsibilities, the company's performance and factors which may affect the company.

Moreover, the committee held the Board of Directors, the Sub-committee and CEO's performance assessment for the most effective performance to the company, and their remuneration also the management team are disclosed in this annual report as well.



Mr. Sanan Eksangkul
Chairman of Executive Committee

Report of Executive Committee

The situation of COVID-19 pandemic in 2020 is an unexpected crisis which impact on nationally and globally, including creating new challenge in business and all sectors.

The Executive Committee acts as Management team which responsible for the overall of business operations as assigned by the Board of Directors in accordance with its scope of duties, the summary as follows;

1. Proposed the annual strategies, actions plans, and budget to the Board of Directors, as well as undertook its responsibilities to manage various business activities in accordance with the agreed policies and corporate objectives.
2. Approved the investment for developing production technology, information technology, together with enhancing capabilities of human resources so that prepare the company to compete in better manner.
3. Overseeing and ensuring that the financial reports are prepared for the external auditor to review and give their opinions before submit to the audit committee and the board of directors respectively.
4. Overseeing and ensuring that the business processes are reviewed by the internal audit before these reports are submitted to the audit committee and the board of directors respectively.
5. Monitoring overall activities of the company together with providing any required relevant suggestions and recommendations for the ongoing development of business activities to achieve further efficiency.
6. Considering any proposed connected transactions together with acquisitions or dispositions of assets, so that these transactions are undertaken in a reasonable manner, at the appropriate prices, and under the most appropriate terms and conditions for the best interests to the company and shareholders whereby any executive members having conflict of interests are not allowed to participate in deciding on such matter, before propose to the Audit Committee and the Board of Directors.
7. Reviewing the scope of duties in order to appropriate the current situation, and serving as operating guidelines for compliance by both the management team and staff in a fully transparent and equitable manner so that they are still relevant in the business operating environment.

The Executive Committee is fully committed to manage the company's business to achieve its stated vision and mission, coupled with taking corporate social responsibility and environment to enable the company to continue growing on a sustainable basis.

General Information

Company's name:	Eason & Co Public Company Limited
Business:	Manufacturing and distributing industrial paints such as Motorcycle coatings, Printing ink, Packaging coatings, other industrial paints, and investment in sustainable business
HO and factory addresses:	7/1-2 Moo 1, Panthong, Panthong, Chonburi 20160 Telephone 0-3845-1833 Fax 0-3845-1825
Branch office address:	312, 402/3-6 Soi Phaholyothin 32, Phaholyothin Road Chankasem, Chatuchak, Bangkok 10900 Telephone 0-2941-6931 Fax 0-2941-2930
Company's registration number:	0107548000111
Website :	www.easonplc.com

Subsidiary Companies

Eason Urai Paint Company Limited ("EUP")

Business:	Manufacturing and distributing motorcycle paint and other Industrial paints
Address:	Lot 76, 77 Noi Bai Industrial Zone, Mai Dinh Soc Son, Hanoi, Vietnam Tel. +84-4-3582-4480 Fax +84-4-3582-4483

PT. Eason Indonesia ("EI")

Business:	Manufacturing and distributing motorcycle paint and other Industrial paints
Address:	JL.Tekno Boulevard Block A3 No.3A-6, Pasirgombong-Cikarang Utara, Bekasi-Jawa Barat, Indonesia Tel. +62-813-1051-6965

Eason Far East Sdn. Bhd. (EFE)

Business:	Distributing packaging coatings, inks and other Industrial paints
Address :	32, Jalan Prima Selayang-3, Prima Selayang KM-15 Jalan Rawang Selayang, 68100 Batu Caves, Selangor, Malaysia Tel. +60-03-612-83255 Fax +60-03-612-03458

Joint Venture Company

Origin Eason Paint Company Limited (“OEP”)

Business: Manufacturing and distributing plastic paint and raw material
Address: 312 Soi Phaholyothin 32, Chankasem, Chatuchak Bangkok 10900
Telephone 0-2941-7567 – 8 Fax 0-2579-8043

Advance Power Conversion Company Limited (“APCON”)

Business : Engineering system design and supply, machine installation, managing and maintenance power plant construction for both government and private organisations
Address: 223/40 Sanphawut Road, 11th Floor, Country Tower A
Bangna, Bangna, Bangkok 10260
Telephone 0-2745-5050 Fax 0-2745-5051

Green Fuel Management Company Limited (“GFM”)

Business : Biomass fuel trading for power plant
Address: 240/46 Ayothaya Tower, 21st Floor, Ratchadapisek 18 Rd.
Huaykwang, Huaykwang, Bangkok 10310

References

Thailand Securities Depository Company Limited - *Registrar*

No. 93 Ratchadaphisek Road, Dindeang, Bangkok 10400
Tel. 0-2009-9000 Fax 0-2009-9991

Dharmniti Auditing Company Limited - *Auditing Company*

178 Dharmniti Building, 6th Floor, Soi Permsap (Prachachuen 20)
Prachachuen Road, Bangsue, Bangkok 10800
Tel. 0-2555-0600 Fax 0-2555-0664

Nature of Business

Eason & Co Public Company Limited has been established in 1965 in the name “Eason Paint Products Co., Ltd” by the founder, Mr. Ko Eksangkul, whose experiences and vision in paint industry. The company operates manufacturing and distributing industrial paints such as motorcycle coatings, printing ink, packaging coatings, and other industrial paints.

Corporate Vision

To be a leading Paints Manufacturer in Asean and sustainable growth through investment

Mission

Be the learning organization for self-preparation and able to minimize both internal and external factors which are likely to be affected for the company, also could be applied for the risk management, and working skills improving of staffs toward the leading Paints Manufacturer in Asean

Significant developments

1982 - 2007

1982

Increased authorized capital to 7.5 million baht to expand business and became a manufacturer and distributor of industrial paints

2005

Renamed to Eason Paint Public Company Limited with registered capital amount of 200 million baht and listed in SET

2006

Increased paid-up capital to 285.89 million baht by issuing warrants to purchase the new ordinary shares (EASON-W1)

2007

Eason Urai Paint Co., Ltd. was established with aim to be the manufacturer and distributor motorcycle paint and others industrial paints in Vietnam

2008 - 2017

2008

Increased the proportion of shareholding in Origin Miki Thailand Co. Ltd. from 10% to 40%, and change its name to Origin Eason Paint Co., Ltd.

2009

Bright Blue Water Corporation Co., Ltd. was established with aim to be service provider and distributor of water filter and air filtering machine

2013

PT. Eason Indonesia was established with aim to be the manufacturer and distributor motorcycle paint and others industrial paints in Indonesia

2014

Eason Far East Sdn. Bhd. was established in Malaysia for expansion market base in the future, with aim to be distributor of packaging coatings, inks, and other Industrial paints

2016

- Increased paid-up capital to 538.43 million baht by issuing TSR (EASON-T1) and warrants (EASON-W2)
- Invested in Advance Power Conversion Co., Ltd. (APCON), which operates the engineering system design and supply, machine installation, especially the operation of renewable energy power plant with biomass energy from refuse derived fuel (RDF) with holding 20.95 of proportion of shareholding

2017

Increased paid-up capital to 566.76 million baht by issuing 29.25 million new ordinary shares to reserve for the rights adjustment of EASON-W2 (all warrants now have expired)

2018 - 2020

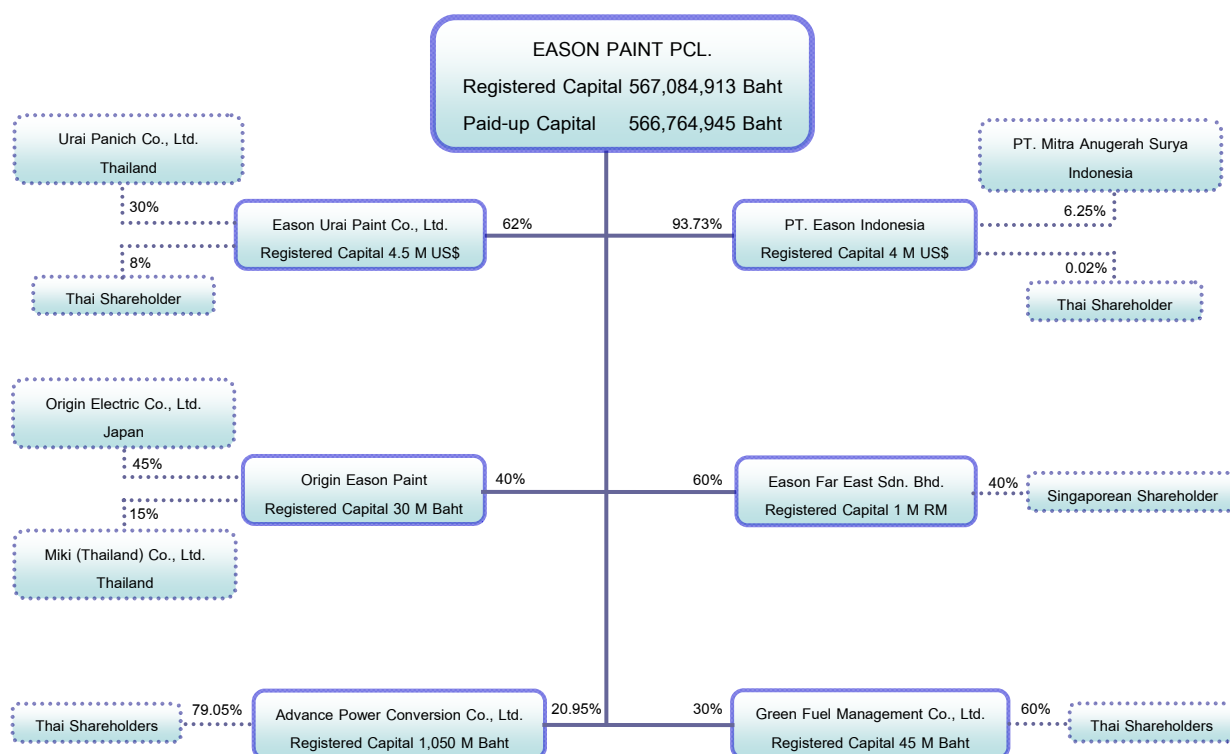
2018

Joined the establishment of All S Holding Co., Ltd., which aims to invest in automobile assembly business and public transportation services with holding 6.25% of proportion of shareholding

2020

- Renamed to Eason & Co Public Company Limited in order to consistent with the existing business operation and to continue in the future
- Joined the establishment of CAS Green Energy Co., Ltd., which aims to invest in the business engaging in power plant with holding 10% of proportion of shareholding
- Invested in Green Fuel Management Co., Ltd. ("GFM") which aim to be Biomass fuel trader for power plant with holding 30% of proportion of shareholding

Shareholding structure of EASON



Subsidiaries Companies and Related Companies

Eason Urai Paint Co., Ltd. ("EUP")

EUP, registered capital amount of USD 4 million in 2007, and increased to USD 4.5 million in 2012, aim to be the manufacturer and distributor motorcycle paint and others industrial paints in Vietnam, which locate in Noi Bai Industrial park, Hanoi. The company is holding 62% of total shares, and Urai Panich Co.,Ltd, holding 30%, who has long experience in manufacturer and distributor architecture paint in Thailand, and under Urai Panich group in Vietnam, Lao, Cambodia and Myanmar, and other Thai shareholder is holding 8% of total shareholders.

EUP has been entered into business agreement with BASF (Vietnam) Ltd. ("BVL") for having rights to manufacture motorcycle coating product. BVL will then response for product distribution to client's base in motorcycle industry in Vietnam.

PT. Eason Indonesia ("EI")

PT. Eason Indonesia or EI was established in April 2013 in Indonesia with registered capital amount of USD 3 million, and aims to be the manufacturer and distributor motorcycle paint and others industrial paints in Indonesia. In 2014, EI has 4 million USD of paid-up capital, the company holds 93.725%, and PT. Mitra Anugerah Surya, the partner in Indonesia holds 6.25%, and EI runs business under toll manufacturing agreement with PT. BASF Indonesia ("BASF").

Due to the current economic circumstances and slowdown in the automotive sector around the globe, it has reflected on the result of EI's operation which failed to achieve its operational plan and encounter a continuous loss for many years. The company considered that EI should cease its operations, to lower the operating expenses and terminate an agreement with BASF in June 2020. At the current stage, EI is on the process of consideration the business model so that its operation can be continued onwards.

Eason Far East Sdn. Bhd. ("EFE")

EFE was established in January 2014 in Malaysia registered capital in amount of 400,000 RM (about 4 million baht), and with aim to be distributor of packaging coatings, inks, and other Industrial paints. In July 2015, EFE increased registered capital to 1 million RM which the company holds 60%, and Singaporean shareholder holds the rest of 40%.

EFE performance result has not been in line with the expected plan due to the impact of price competition which is a key factor affecting the sale volume of EFE. The company has continuously discussed with partner so that EFE would be able to run business and being competitive, however, the operating result of EFE still was not meet target. The shareholders of EFE decided to cease its operation, while agreed to let EASON distribute metal ink and packaging coating to customers in Malaysia directly. The company will proceed the liquidator to complete dissolution process. In this regards, the dissolution has no impact to business operations of the company.

Origin Eason Paint Co., Ltd. ("OEP")

The company is holding only 40% of total shares, while Origin (Japan) Co., Ltd. ("Origin"), the leaders in research and development of plastic coatings for automobile parts, electrical appliances, and telecommunication devices is holding 45% of total shares and Miki (Thailand) Ltd. ("Miki"), a distributor of chemical products with large client base in Thailand and Japan for many years is holding 15%. OEP manufactures industrial paint under Origin's Know-How by raw material supplied from Miki, who will deliver all goods to customers after that.

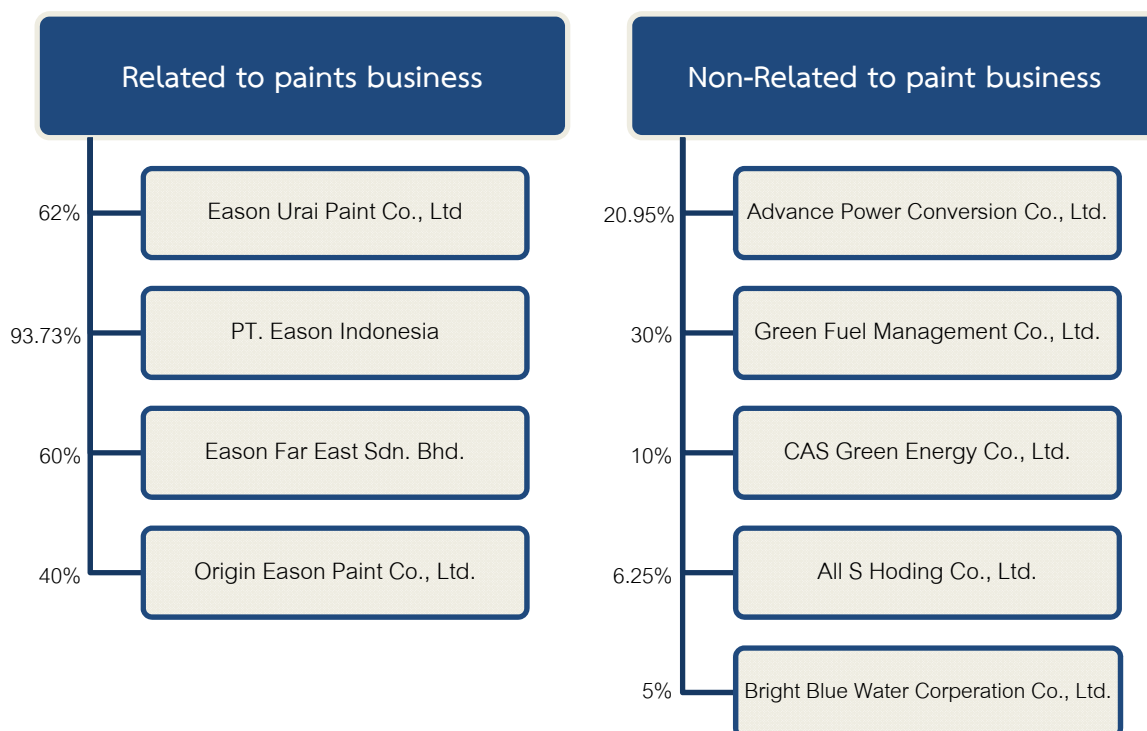
Advance Power Conversion Co., Ltd. ("APCON")

APCON was established in 2012, operates the engineering system design and supply, machine installation, managing and maintenance power plant construction for both government and private organisations; especially the operation of renewable energy power plant with biomass energy from Refuse-derived fuel (RDF) to generate electricity and use in industrial plant.

APCON has current registered capital in amount of 1,050 million baht, which the company holds 2,199,999 shares or 20.95%.

Green Fuel Management Co., Ltd. ("GFM")

GFM runs business biomass fuel trading for power plant in the 4 quarter 2020 (established in 2016) with registered capital in amount of 45 million baht. The company holds 1,350,000 shares or 30% of proportion of shareholding. At current stage, GFM supplies biomass fuel to power plant in Prachuap Khiri Khan province and plans to expand its customers based in other area in near future. The business of GFM is a potential business and relate to the development of country's industry. If the operating result of GFM keeps going positive as expected, the it will help better performance of the company.



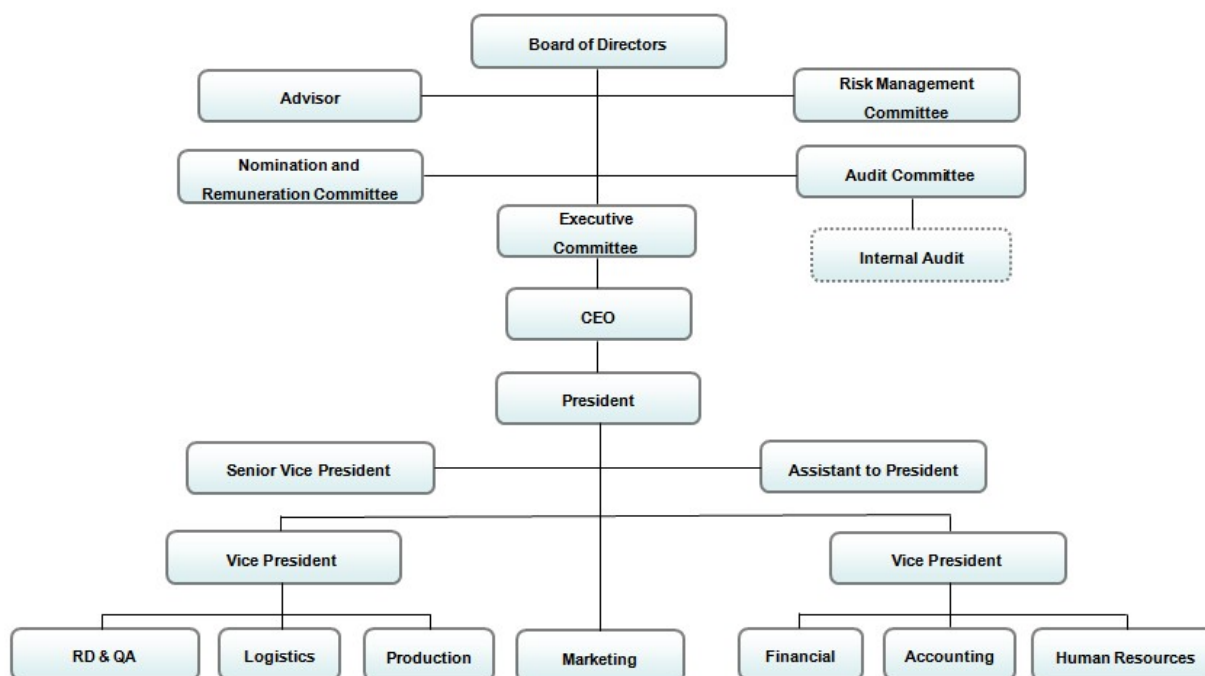
- **Advance Power Conversion Co. Ltd.** : Registered capital 1,050 million baht, Engineering system design and supply, machine installation, managing and maintenance power plant construction
- **Green Fuel Management Co., Ltd.** : Registered capital 45 million baht, Supply biomass fuel for power plant
- **CAS Green Energy Co., Ltd.** : Registered capital 100 million baht, Invest in power plant project
- **All S Holding Co., Ltd.** : Registered capital 400 million baht, ,Automobile assembly business and public transportation services
- **Bright Blue Water Corporation Co., Ltd.** : Registered capital 1,500 million baht, Water & air filtering machine and water resources management

Awards of Achievements

	Year 2006	ISO 9001:2000 – SGS (Thailand) Ltd.
	Year 2010	ISO 9001:2008 – SGS (Thailand) Ltd.
	Year 2017	ISO 9001:2015 – SGS (Thailand) Ltd.
	Year 2011	ISO 14001:2004 – SGS (Thailand) Ltd.
	Year 2017	ISO 14001:2015 – SGS (Thailand) Ltd.
	Year 2009	ISO/TS 16949:2002 – SGS (Thailand) Ltd.
	Year 2012	ISO/TS 16949:2009 – SGS (Thailand) Ltd.
	Year 2017	IATF 16949:2016 – SGS (Thailand) Ltd.
	Year 2007	Joined The Responsible Care – The Federation of Thai Industries
	Year 2008	Employee Relation & Benefits Awards – Ministry of Labour
	Year 2009	Employee Relation & Benefits Awards – Ministry of Labour
	Year 2010	Employee Relation & Benefits Awards – Ministry of Labour
	Year 2011	Employee Relation & Benefits Awards – Ministry of Labour
	Year 2012	Employee Relation & Benefits Awards – Ministry of Labour
	Year 2012	Continuous 5 Years of Employee Relation & Benefits Awards – Ministry of Labour
	Year 2012	CSR-DIW Beginner Awards : Standard for Corporate Social Responsibility Award (CSR-DIW) – Department of Industrial Works, Ministry of Industry
	Year 2013	CSR-DIW Flagship Awards : Standard for Corporate Social Responsibility Award (CSR-DIW) – Department of Industrial Works, Ministry of Industry
	Year 2014	CSR-DIW Continuous Awards : Standard for Corporate Social Responsibility Award (CSR-DIW) – Department of Industrial Works, Ministry of Industry
	Year 2013	SET Awards 2013 – Outstanding Company Performance Awards and Outstanding CEO Awards – Stock Exchange of Thailand
	Year 2015	Thailand Energy Awards 2015 Department of Alternative Energy Development and Efficiency, Ministry of Energy
	Year 2015	the accreditation for “Green Industry” – Ministry of Industry
	Year 2016	TEM Awards 2016 : Total Energy Management – Department of Industrial Promotion, Ministry of Industry
	Year 2016	The 6th Consolation Prize of Transparency (the NACC Integrity Awards) – The Office of National Anti-Corruption Commission (the NACC)
	Year 2017	Green Productivity for Sustainability Thai Industry 2017 – Ministry of Industry
	Year 2017	Thai Chamber of Commerce Best Awards 2017 – The Thai Chamber of Commerce
	Year 2018	Thai Chamber of Commerce Best Awards – The Thai Chamber of Commerce
	Year 2019	Employee Relation & Benefits Awards – Ministry of Labour

Management Structure

Organization Structure As of December 31, 2020



Remark: The Company hires Well Planning Solution Co., Ltd. as the Internal Audit

Board of Directors

As of December 31, 2020, directors in the Board of Directors are 5 executive directors and 4 non-executive directors (4 independent directors). They shall have a 3-year term which is listed as follows;

No.	Name	Position	Term	Period	No. of Year	First appointed date
1.	Mrs. Pismai Boonyakiat	Chairman/Independent	6	2020 – 2022	16	March 14, 2005
2.	Mr. Jane Wongissariyakul	Independent	6	2015 – 2017	16	March 14, 2005
3.	Ms. Thipawan Uthaisang	Independent	6	2020 – 2022	16	March 14, 2005
4.	Prof. Dr. Tharapong Vitidsant	Independent	2	2019 – 2021	5	April 22, 2016
5.	Mr. Sanan Eksangkul	Chairman	6	2020 – 2022	16	March 14, 2005
6.	Ms. Petcharat Eksangkul	Director	6	2015 – 2017	16	March 14, 2005
7.	Mr. Sanit Eksangkul	Director	6	2019 - 2021	16	March 14, 2005
8.	Mr. Wichai Eksangkul	Director	6	2015 - 2017	16	March 14, 2005
9.	Ms. Sirinun Eksangkul	Director	6	2019 - 2021	16	March 14, 2005

Remark: Directors No.1 and No.3 are the expertise in accounting and financial

Categories of Directors

No.	Name	Independent Director	Non-Executive Director	Executive Director
1.	Mrs. Pismai Boonyakiat	✓	✓	
2.	Mr. Jane Wongissariyakul	✓	✓	
3.	Ms. Thipawan Uthaisang	✓	✓	
4.	Prof. Dr. Tharapong Vitidsant	✓	✓	
5.	Mr. Sanan Eksangkul			✓
6.	Ms. Petcharat Eksangkul			✓
7.	Mr. Sanit Eksangkul			✓
8.	Mr. Wichai Eksangkul			✓
9.	Ms. Sirinun Eksangkul			✓

Sub Committee

The Company has 4 groups of Sub Committee; Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Executive Committee. Names of directors and position of each group are as follows:

No.	Name	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Executive Committee
1.	Mr. Sanan Eksangkul	-	-	-	Chairman
2.	Ms. Petcharat Eksangkul	-	-	Chairman	Director
3.	Mr. Sanit Eksangkul	-	-	-	Director
4.	Mr. Wichai Eksangkul	-	-	Director	Director
5.	Ms. Sirinun Eksangkul	-	-	-	Director
6.	Mrs. Pismai Boonyakiat	Chairman	Director	-	-
7.	Mr. Jane Wongissariyakul	Director	Director	-	-
8.	Ms. Thipawan Uthaisang	Director	Chairman	-	-
9.	Mr. Nathapol Eksangkul	-	-	Director	-
10.	Mr. Jitti Eksangkul	-	-	Director	-

Remark: Qualification standard for independent director and audit committee were in accordance with the provisions set forth in related announcement.

Authorized Directors

Two out of the following five authorized directors; Miss Petcharat Eksangkul, Mr. Sanit Eksangkul, Mr. Sanan Eksangkul, Mr. Wichai Eksangkul, and Miss Sirinan Eksangkul are approved to co-sign any documents with a company seal.

Controller

The company does not has any controller who has the influence over the company's management policy, or its operations, in such manner deemed as significant.

The Board of Directors' information as of December 31, 2020

Name/Position	Age (year)	Education	Shareholding shares	Experience		
				Period	Position	Company
1. Mrs. Pismai Boonyakiat <i>Independent Director</i> <i>Chairman of the Board of Directors</i> <i>Chairman of Audit Committee</i> <i>Nomination & Remuneration Committee</i>	75	<ul style="list-style-type: none"> • Master of Commerce Thammasat University • Bachelor of Accountancy Chulalongkorn University • Director Accreditation Program 34th • Director Certification Program 58th 	-	2005 - Present 2000 - Present 2000 - 2019 1999 - 2000	Chairman of Audit Committee Chairman Associated Judge Director of Internal audit office	D-Con PLC. New Wave Institute and Consultant Nonthaburee Juvenile and Family Court Bio File Co., Ltd.
2. Mr. Jane Wong-isariyakul <i>Independent Director</i> <i>Audit Committee</i> <i>Nomination & Remuneration Committee</i>	67	<ul style="list-style-type: none"> • XMBA Thammasat University • Bachelor of Science Chulalongkorn University • Bachelor of Business Beijing Language and Culture University • Capital Market Academy 23rd • Director Accreditation Program 31st • Role of Nomination and Governance Committee (RNG 5/2013) 	-	1983 - Present 2019 - Present 2019 - Present 2017 - Present 2010 - 2013	Director Chairman of Executive Director Director Director President	Winner Group Enterprise PLC. CU Enterprise Co., Ltd. Aesthetic Zecret Co., Ltd. Winner Fam Co., Ltd. CU Science Alumni Association
3. Ms. Thipawan Uthaisang <i>Independent Director</i> <i>Audit Committee</i> <i>Chairman of Nomination & Remuneration Committee</i>	62	<ul style="list-style-type: none"> • XMBA Thammasat University • Bachelor of Accountancy Thammasat University • Director Certification Program 29th • The College of Politics and Governance, The King Prajadhipok's Institute 9th • Capital Market Academy 8th • National Defense College (NDC) Program 53rd 17/2013) • Roll of the Compensation Committee (RCC 17/2013) • Thailand Energy Academy Program 10th 	30,496	2015 - Present 2013 - Present 2013 - Present 2009 - Present 2008 - Present	Independent Director, Chairman of Audit Committee Chairman of Audit Committee Audit Committee, Chairman of Remuneration Committee Audit Committee Managing Director	Aira & Aiful PLC. Prodigy PLC. Winner Group Enterprise PLC. Ladprao General Hospital PLC. Papermate (Thailand) Co., Ltd.

Name/Position	Age (year)	Education	Shareholding shares	Experience		
				Period	Position	Company
4. Prof. Dr. Tharapong Vitidsant <i>Independent Director</i>	64	<ul style="list-style-type: none"> • Doctorate of Science, Institute National Polytechnique, Toulouse, France • Master of Chemical Engineering, Institute National e Polytechnique, Toulouse, France • Master of Science, Chulalongkorn University • Bachelor of Science, Chulalongkorn University 	-	2018-Present	Independent Director	Union Petrochemical PLC.
				2016-Present	Head of Center	Center of Fuels and Energy from Biomass Chulalongkorn University
				2015-2017	Chairman	Shun Thai Rubber Gloves Industry PLC.
				2014-2016	Vice Rector	Chulalongkorn University
				2013-2014	Executive Committee	Energy Research Institute, Chulalongkorn University
5. Mr. Sanan Eksangkul <i>Director</i> <i>Chairman of Executive Committee</i> <i>Chief Executive Officer</i>	65	<ul style="list-style-type: none"> • Honorary Doctorate of Arts (Business Administrative, Western University) • Bachelor of Arts (Literature) Fujen University, Taiwan • Mini MBA Thammasat University • Director Accreditation Program 31st 	19,855	2017 - Present	Director	Advance Power Conversion Co. Ltd
				2019 - Present	Director	Apcon Renewable Energy Co., Ltd.
				2019 - Present	Director	Apcon Fabrication & Construction
				2019 - Present	Director	Apcon Operation & Management
				2019 - Present	Director	Apcon Technology Co., Ltd.
				2015 - Present	Director	Eksang Holdings Co., Ltd.
				2007 - Present	Chairman	Eason Urai Paint Co., Ltd.
6. Ms. Petcharat Eksangkul <i>Director</i> <i>Executive Committee</i> <i>President</i>	63	<ul style="list-style-type: none"> • XMBA Thammasat University (X13) • Bachelor of Science Chulalongkorn University • Director Accreditation Program 31st • Director Certificate Program 154th • National Defense College (NDC) Program 49th • Top Executive Program in Commerce and Trade (TEPCoT) Program 6th • Capital Market Academy Program 18th • National Security Management Program 7th, National Intelligence Agency • OIC Advanced Insurance Institute Program 7th 	8,227,067	2014 - Present	Director	Eason Far East Sdn. Bhd.
				2007 - Present	Director	Eason Urai Paint Co., Ltd.
				2004 - Present	Director	Eksang Holding Co., Ltd.
				1996 - 2015	Director	N.O.F.(Thailand) Ltd.
				2008 - Present	Honorable Chairman	Chemical Industry Club
						The Federation of Thai Industries
				2006 - Present	Academic Advisor	Faculty of Science, Chulalongkorn University
				2014 - 2018	President	Chulalongkorn University
						Science Alumni Association

Name/Position	Age (year)	Education	Shareholding shares	Experience		
				Period	Position	Company
		<ul style="list-style-type: none"> Thailand Energy Academy Program 12nd Institute of Metropolitan Development Program 8th 		2008 - 2011	President	Thai Paint Manufacturer
7. Mr. Sanit Eksangkul <i>Director</i> <i>Executive Committee</i> <i>Senior Vice President</i>	62	<ul style="list-style-type: none"> BA, Ramkhamhaeng University Mini MBA Kasetsart University Director Accreditation Program 31st 	2,826,808	2020 - Present	Director	Green Fuel Management Co., Ltd.
				2008 - Present	Director	Eason Urai Paint Co., Ltd.
				2004 – Present	Director	Eksang Holdings Co., Ltd.
				2016 - 2020	Director	KOI The (Thailand) Co., Ltd.
				2007 - 2016	Director	Origin Eason Paint Co., Ltd.
				2009 - 2015	Director	Bright Blue Water Corp.
				1996 - 2015	Director	N.O.F. (Thailand) Ltd.
8. Mr. Wichai Eksangkul <i>Director</i> <i>Executive Committee</i> <i>Senior Vice President</i> Spouse's share holding	57	<ul style="list-style-type: none"> Master of Science Kasetsart University Bachelor of Science Kasetsart University Director Accreditation Program 31^s 	1,231,111	2013 - Present	President	PT. Eason Indonesia
				2013 – Present	Director	Eason Urai Paint Co., Ltd.
				2004 – Present	Director	Eksang Holding Co., Ltd.
				2009 - 2015	Director	Bright Blue Water Corp.
			19,001	1996 - 2015	Director	N.O.F.(Thailand) Ltd.
9. Ms. Sirinun Eksangkul <i>Director</i> <i>Executive Committee</i> <i>Senior Vice President</i>	56	<ul style="list-style-type: none"> BA, Ramkhamhaeng University Mini MBA Kasetsart University Director Accreditation Program 31st 	784,336	2004 – Present	Director	Eksang Holding Co., Ltd.
				1996 - 2015	Director	N.O.F.(Thailand) Ltd.

The number of companies served by each director as of December 31, 2020

No.	Name	Company type	Company name
1.	Mrs. Pismai Boonyakiat	2 Listed Companies	1. Eason & Co PLC. 2. D-Con PLC.
2.	Mr. Jane Wong-isariyakul	2 Listed Companies	1. Eason & Co PLC. 2. Winner Group Enterprise PLC.
		3 Other Companies	1. Winner Fam Co., Ltd. 2. Aesthetic Zecret (At-z) Co., Ltd. 3. CU Enterprise Co., Ltd.
3.	Ms. Thipawan Uthaisang	4 Listed Companies	1. Eason & Co PLC. 2. Winner Group Enterprise PLC. 3. Prodigy PLC. 4. Ladprao General Hospital PLC.
		2 Other Companies	1. Papermate (Thailand) Co., Ltd. 2. Aira & Aiful PLC ¹
4.	Prof. Dr.Tharapong Vitidsant	2 Listed Companies	1. Eason & Co PLC. 2. Union Petrochemical PLC.
5.	Mr. Sanan Eksangkul	1 Listed Company	Eason & Co PLC.
		1 Subsidiary Company	Eason Urai Paint Co., Ltd.
		1 Joint Venture Company	Advance Power Conversion Co., Ltd.
		5 Other Companies	1. Eksang Holdings Co., Ltd. 2. Apcon Renewable Energy Co., Ltd. 3. Apcon Fabrication & Construction Co., Ltd. 4. Apcon Operations & Management Co., Ltd. 5. Apcon Technology Co., Ltd.
6.	Ms. Petcharat Eksangkul	1 Listed Company	Eason & Co PLC.
		2 Subsidiary Companies	1. Eason Far East Sdn. Bhd. 2. Eason Urai Paint Co., Ltd.
		1 Other Company	Eksang Holdings Co., Ltd.
7.	Mr. Sanit Eksangkul	1 Listed Company	Eason & Co PLC.
		1 Subsidiary Company	Eason Urai Paint Co., Ltd.
		2 Other Companies	1. Eksang Holdings Co., Ltd. 2. Green Fuel Management Co., Ltd.
8.	Mr. Wichai Eksangkul	1 Listed Company	Eason & Co PLC.
		2 Subsidiary Companies	1. Eason Urai Paint Co., Ltd. 2. PT. Eason Indonesia
		1 Other Company	Eksang Holdings Co., Ltd.
9.	Ms. Sirinun Eksangkul	1 Listed Company	Eason & Co PLC.
		1 Other Company	Eksang Holdings Co., Ltd.

In this regard, none of the company's directors serve as director more than 5 listed companies, and none of the company's director who is executive directors serves as director in other listed companies.

The Number of Directors' meeting

During 2020, the Board of Directors and other committees regularly held their meetings, whose attendance records by the director were summarized as follows;

No.	Name	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Executive Committee
1.	Mrs. Pismai Boonyakiat	6/6	6/6	2/2	-	-
2.	Mr. Jane Wongissariyakul	6/6	6/6	2/2	-	-
3.	Ms. Thipawan Uthaisang	6/6	6/6	2/2	-	-
4.	Prof. Dr.Tharapong Vitidsant	5/6	-	-	-	-
5.	Mr. Sanan Eksangkul	6/6	-	-	-	4/4
6.	Ms. Petcharat Eksangkul	5/6	-	-	4/4	4/4
7.	Mr. Sanit Eksangkul	6/6	-	-	-	4/4
8.	Mr. Wichai Eksangkul	6/6	-	-	4/4	4/4
9.	Ms. Sirinun Eksangkul	6/6	-	-	-	4/4
10.	Mr. Nathapol Eksangkul	-	-	-	4/4	-
11.	Mr. Jitti Eksangkul	-	-	-	4/4	-

In addition, during 2020, one meeting was held among independent directors only, without the attendance by management team, with full attendance by all the independent directors.

Remuneration criteria for the directors and management team

The Nomination and Remuneration Committee will set the budget and allocation criteria for the directors, on the comparative basis with other companies in the same business category, expansion in the company' business, business growth rate and operating result, together with refer to authority, duties and responsibility scope. Said solution would be forwarded to the Board of Directors meeting for their consideration prior to submitting to the shareholder meeting for the final approval.

As of the remuneration for management team would be required to follow the criteria set forth by the company, in term of comparative basis with other companies in the same business category, duties and responsibility scope as same as remuneration for the directors.

Structure of remuneration for company directors

The company has set the same remuneration structure for company directors, regardless of whether they also served as members of the management or not, as follows;

- Meeting allowance : paid to person attending the meeting
- Annual remuneration : paid to all directors, based on the consideration by the Nomination and Remuneration Committee

Unit : Baht per time	2020	2019	2018
1. Meeting allowance			
• Board of Directors (Chairman/Member)	15,000/10,000	15,000/10,000	15,000/10,000
• Audit Committee (Chairman/Member)	15,000/12,000	15,000/12,000	15,000/12,000
2. Annual remuneration			
• Board of Directors (Chairman/Member)	150,000/120,000	150,000/120,000	150,000/120,000
• Audit Committee	None	None	None

Remark: No remuneration for the Nomination and Remuneration Committee, Risk Management Committee, and Executive Committee

Remuneration of the Board of Directors in 2020 (Individually)

Unit : Baht

No.	Name	Position	Amount
1.	Mrs.Pismai Boonyakiat	Chairman / Independent Director	255,000
2.	Mr.Jane Wong-issariyakul	Independent Director	240,000
3.	Ms.Thipawan Uthaisang	Independent Director	240,000
4.	Prof. Dr. Tharapong Vitidsant	Independent Director	180,000
5.	Mr. Sanan Eksangkul	Chairman of Board of Directors	240,000
6.	Ms. Petcharat Eksangkul	Director	180,000
7.	Mr. Sanit Eksangkul	Director	180,000
8.	Mr. Wichai Eksangkul	Director	180,000
9.	Ms. Sirinun Eksangkul	Director	180,000
Total			1,894,000

According to the Annual General Meeting 2020 dated on April 27, 2020, the resolution of the meeting on the issue of remuneration of Company's directors in 2020 would total up no greater than 2.5 million baht.

Total remuneration of Directors

Unit : Baht

Directors	2020	2019	2018
Meeting allowance	784,000	765,000	510,000
Annual remuneration	1,110,000	1,110,000	1,110,000
Total	1,894,000	1,875,000	1,620,000

Director's other remuneration

The company does not has the policy to provide any extra benefit to directors

Structure of remuneration for management team

The remuneration for the 5 executive directors will be classified into salary and bonus (based on the company' operating result)

The remuneration for

Management Team

As of December 31, 2020, the management team who are executives in compliance with the Notification of the Capital Market Supervisory Board No. ThorJor. 23/2008, has 5 members as follows;

No.	Name	Position
1.	Mr. Sanan Eksangkul	Chief Executive Officer
2.	Ms. Petcharat Eksangkul	President
3.	Mr. Sanit Eksangkul	Senior Vice President
4.	Mr. Wichai Eksangkul	Senior Vice President
5.	Ms. Sirinun Eksangkul	Senior Vice President

Remark : Executive of the company or subsidiary in compliance with section 3/1 of the Securities and Exchange Act B.E. 2535 which was amended by the Securities and Exchange Act (No. 4) B.E. 2551, they are a manager or the next four executives succeeding the manager and every person holding an equivalent position too.

Remuneration for management team

Unit : Baht

Remuneration	2020	2019	2018
Salary, Bonus and	(5 persons)	(5 persons)	(5 persons)
Provident Fund	16,573,060	16,323,130	21,338,610

Management team's other remuneration

The management team received the company's contribution to their provident fund.

Company Secretary

The Board of Directors resolved to appoint Mr. Saroch Chantadee, who passed the Company Secretary course from Thai Institute of Directors (IOD) on October 16 – 17, 2012, and Certificate in Investor Relation 2017 course from Thai Listed Companies Association, as the company secretary effective from August 8, 2008, to have duties and responsibilities as specified in the Securities and Exchange Act, B.E. 2008, together with other duties assigned by the Board of Directors.

Duties and responsibilities of company secretary

1. To provide preliminary advice to the company directors on laws, regulations and articles of the company, and to monitor proper and regular compliance, as well as to report substantive changes to the directors.
2. To coordinate between the company directors and the management, to supervise and coordinate matters pertaining to the relevant laws and regulations, including proceedings to ensure compliance with resolutions of the Board of Directors.
3. To organize the Board of Directors' meeting and shareholders' meeting in accordance with laws, company articles and other directive.
4. To record minutes of the Board of Directors' meeting and shareholders' meeting as well as monitor compliance with resolutions of the meeting
5. To oversee the disclosure of information and file the relevant reports under the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
6. To prepare and archive the following documents;
 - Company directors' register
 - Notice of the Board of Directors' meeting and minutes of the meeting
 - Notice of shareholders' meeting and minutes of the meeting
 - Annual registration statement (Form 56-1) and Annual Report (Form 56-2)
7. To maintain report of interest report filed by company directors or executives
8. To carry out other proceeding as prescribed by the Capital Market Supervisory Board

Employees

Total number of employees and total remuneration

	2020	2019	2018
• Production (person)	121	124	123
• Support and administration (person)	75	78	79
Total remuneration (baht)	92,778,207	94,177,778	96,042,426

Report of Audit Committee

The Audit Committee consists of 3 independent directors possessing the required qualifications specified by the Stock Exchange of Thailand and the Securities and Exchange Commission, namely Mrs. Pismai Boonyakiat as the Chairman, Mr. Jane Wong-isariyakul and Ms. Thipawan Uthaisang as members of the Audit Committee.

During 2020, the Audit Committee fully discharged its duties and responsibilities as assigned by the Board of Directors, through holding 6 committee meetings, with Risk Management Committee, management team, the external auditor, in order to discuss various significant importance, which are summarized below;



Mrs. Pismai Boonyakiat
Chairman of Audit Committee

- *Review the financial statement* for the company and subsidiary companies for every quarter and the 2020 financial year, whereby the Audit Committee's opinion agreed that the financial statements of the company and subsidiary companies are correct and accurate, complete and credible as well as have been prepared in accordance with the required accounting standards and standards for financial disclosures.
- *Review the adequate of internal control system* together with effective anti-corruption measures and good corporate governance practices, also monitored other associated internal systems. As such, the Audit Committee's opinion agreed that the established internal controls system are both adequate and appropriate, and also ensured that the Internal Audit has acquired various working experiences, relevant knowledge appropriately sufficient to undertaking the required duties and responsibilities in an effective manner.
- *Proposed appointment of the external auditor* together with the audit fee, by considered the relevant knowledge, capabilities, experiences, and degree of independence in undertaking the assigned duties. As such, it was proposed to the Board of Directors then submit for approval by the Annual General Shareholders Meeting, to appointed auditors from Dharmniti Auditing Co., Ltd., to be the authorized external auditor of the company for the 2020 financial year with total audit fee of 925,000 baht
- *Review of connected transactions* together with any transactions that involved a conflict of interests, whereby the Audit Committee's opinion agreed that the various transactions are normal business transactions, fully transparent, equitable and of maximum benefit for the company, as well as that relevant accurate information have been disclosed in a complete and adequate manner.
- *Review of risk management* that the company has in place systematic risk management procedures that are comprehensive and adequate for the company's business operations.

In summary, the Audit Committee has discharged its assigned duties and responsibilities in a comprehensive manner and with full independence, there are in place good corporate governance practices, together with an adequate internal controls system and appropriate risk management procedures. The Financial Statements have been prepared in a correct manner and in accordance with the required standards of financial disclosures. As such, the Audit Committee has not found any operational deficiencies or irregularities of any significant importance.

Corporate Governance

The company has developed a strategic policy and a code of best practices for directors of the company in accordance with Code of Best Practices for Directors of List Company as set up by SET. The company has applied Good Corporate Governance to formulate the company's policy used in administration, and business operation of the company to achieve high efficiency and transparency for a purpose of protecting benefits and promoting confidence of shareholders, investors, employees, and other stakeholders. Guidelines developed from Good Corporate Governance and submitted to the committee for further consideration are described as follows:

1. *Policy of management and administration* Guidelines of this policy are detailed as follows:

- Manage with care and perform duties as efficiently as possible for the purpose of the highest benefits of shareholders.
- Perform duties with transparency and disclosure to the public, shareholders, and other stakeholders.
- Give importance to control and internal audit system. Beware of the company's risk exposure and manage the risks diligently.
- Assure of no conflict of interest in business operation and take full responsibility for one's own decision and actions.
- Treat shareholders and stakeholders equally. Assure of fairness among business partners, shareholders, and other stakeholders.

2. *Rights of shareholders* The company gives importance to equal rights among all shareholders.

- Right to obtain the company's information.
- Right to cast a vote
- Right to obtain fair treatment whereas every shareholder shall be assured of the equal right as deserved by all shareholders

3. *Rights of stakeholders* The company gives importance to right of every group of stakeholders as described below

- *Shareholders:* The company is committed to representing the best of shareholders in the business transparently. Taking into account of the growth of its value in the long term and good returns
- *Employees:* Employees are an important factor for company to achieve goal thus the company shall treat all employees equally and fairly in accordance with the law, including fair compensation and fringe benefits.
- *Business partners:* the company's purchase and sales of goods and service follows the acceptable commercial practices. And the company shall strictly follow all terms and conditions as agreed in the business contract.

- *Creditors:* The company will maintain compliance with the terms strictly creditors.
 - *Customers:* The company's responsibility and concern for the customers are toward the effort in providing quality and standard service, including having measure of keeping confidential customer information and having customer complaint procedure.
 - *Competitors:* the company competes within the acceptable rules and the boundary. Avoid unethical actions which cause unfairness of competitive advantages over the competitors.
 - *Community:* the company has responsibility in maintaining good environment for the surrounding communities and the society as a whole. The company has established a measure of assuring pollution-free environment ie. good maintenance of equipment and tools.
4. *Shareholders' Meeting* In the meeting, shareholders are able to ask questions and to give opinions or suggestion to the company. In addition, after the company is listed in the securities market, the company will invite the president of directors, representative of Audit Committee, external auditors, and a legal officer to attend the meeting in order to answer shareholders' questions as appropriately as possible.
5. *Leadership and Vision* The Board of Directors takes parts (or approve) in establishing vision, mission statement, strategy, objectives, business plans, and a budget. Also, the committee controls and oversees the executives to assure that business and budget plan is executed efficiently and proficiently. All actions taken reflect the effort to increase economic value of the company, resulting greatest security for shareholders. Audit Committee is established to take charge of preparing proper financial statements, running internal control, disclosing information of the company when there are any related-party transactions occurred, and correcting any transactions suspicious of being conflict of interests.
6. *Conflict of interests* Whenever there are transactions which are probably the conflict of interest, Board of Directors and the executives will carefully review such transactions with the company's interest as a priority. Measure used for approving related-party transactions, including policy and guideline of doing related-party transactions in the future has been agreed and approved in the meeting of Audit Committee no.1/2006 on 29 March 2006, and Board of Directors meeting no.2/2006 on 29 March 2006.
7. *Business ethics* The company has developed and issued Code of Ethics for directors, management, and employees to serve as guidelines for proper actions in performing duties. This is communicated to all directors, management team and every level of employees, also public on company's website which would be best practice to comply the principle of good governance.
8. *Balances of non- Executive Committees* In order to prevent the possibility of a person's or a group of persons' having an absolute decision power, the company has appointed 4 Independent

Directors to sit in the committee, which is accountable for more than one third of the whole committee. Balance of power and authorities will promote efficiency of management and overall internal control system.

9. *Position aggregation or segregation* Chief of Officer does not hold a position of President concurrently in order to separate the duties of policy making, supervision, and routine work management. Scope of duties and authority of Board of Directors and President is clearly stated, resulting that neither the CEO nor President has an absolute power whereas approval from Board of Directors and majority of shareholders is required for execution of significant deals or plans. In addition, President or Board of Directors cannot approve any transactions or proposals in which there is a conflict of interest between such person(s) and the company.

10. *Remuneration of directors and the Management officers* Remuneration of directors is considered upon the assigned duties and responsibilities, and be approved in the meeting of shareholders, whereas those of the management officers is upon the policies as established by Board of Directors, which associated with the assigned duties and responsibilities of the management officers. Apart from the policies of Board of Directors, remuneration of the management officers is evaluated from performance of the individual management officer and of the company

Board of Directors

The Board of Directors consisted of 9 members, 3-year term, which can be classified into 4 non-executive directors (4 Independence directors) and 5 executive directors.

No.	Name	Position	First appointed date
1.	Mrs. Pismai Boonyakiat *	Chairman / Independent Director	March 14, 2005
2.	Mr. Jane Wongissariyakul	Independent Director	March 14, 2005
3.	Ms. Thipawan Uthaisang *	Independent Director	March 14, 2005
4.	Prof. Dr. Tharapong Vitidsant	Independent Director	April 22, 2016
5.	Mr. Sanan Eksangkul	Director	March 14, 2005
6.	Ms. Petcharat Eksangkul	Director	March 14, 2005
7.	Mr. Sanit Eksangkul	Director	March 14, 2005
8.	Mr. Wichai Eksangkul	Director	March 14, 2005
9.	Ms. Sirinun Eksangkul	Director	March 14, 2005

Remark : 1. Mrs. Pismai Boonyakiat was appointed as chairman on November 14, 2020

2. * Non-Executive director who has experience in financial and accounting

Term of Company's Directors

The term of Company's Directors is a 3-year term in accordance with company articles of association and charter as follows;

1. At each annual shareholder's general meeting, one-third of the sitting directors are required to retire from director, whereas if the number of directors cannot be divided into 3 equal portions, the closet to such number shall apply. Retiring directors are eligible for re-election. At present, the Board of Directors had 9 members, therefore each director shall have a 3-year term.
2. Apart from retiring upon term completion, the company's directors shall also relieved of his/her position upon resignation of death or having disqualifications as prohibited by law or the resolution adopted by the shareholders' meeting to remove that person from the position, or court ruling remove that person from the position.
3. In case where the position of Board member is left vacant due to reasons other than term completion, with such remaining term not less than 2 months, the Board of Directors are required to appoint other persons having full qualifications to succeed in that position. In such case, the newly-appointed Board member any only serve out the term remaining for the person he/she succeeds
4. The company's director resigning from the position before term completion is required to submit his/her resignation letter to the company, with such resignation coming into effect on the date of said submission.
5. The shareholders' meeting may vote for any of director to be out before retiring upon term completion, by a vote of not less than three-fourth of the number of shareholders attending the meeting and having the right to vote and the total number of shares being not less than half of the number of shares and having the right to vote.

Authority of the Board of Directors

1. Appoint, remove, and assign authority to advisors to The Board of Directors, various committees, and president, to carry out the assigned duties.
2. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
3. Approve loan transaction to be used as the company's working capital, for such portion exceeding the authority of the Executive Committee.
4. Approve loan extension to companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies.
5. Approve the entering into guarantee for credit facility, for companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies.
6. Approve the set up, merger, or dissolution of subsidiary company.

7. Approve the investment for the purchase or sales of common shares, and/or other securities, for such portion exceeding the authority of the Executive Committee.
8. Approve the procurement and investment transactions of fixed asset, for such portion exceeding the authority of the Executive Committee.
9. Approve the sales and transfer transactions of fixed assets, for such portion exceeding the authority of The Executive Committee.
10. Approve the adjustment, disposal, and write-off for fixed assets, and/or intangible assets no longer in use, or being subject to damage, loss, destruction, deterioration, out of date, or no longer functionable, for such accounting value (historical cost) exceeding the authority of the Executive Committee.
11. Approve the settlement of conflicts by reconciliation or by the resolution through arbitration, petition, lawsuit, and/or court proceedings on the company's behalf, for such case not considered as normal business practice, and/or such case considered as normal business practice, for such portion exceeding the authority of the Executive Committee.
12. Approve the entering into such transaction not considered as normal business practice, for such portion exceeding the authority of the Executive Committee.
13. Propose the capital increase or capital decrease, or the change in par value, change or amendment to memorandum of association, articles of association, and/or objectives of the company to the shareholders for consideration.
14. Authorize The Executive Board members, management members, managers or other persons, to act on their behalf.
15. Authorize to summon management members or employees concerned to provide explanation or opinion, to join the meeting, and to submit those documents deemed necessary.
16. Appoint and remove Company Secretary.
17. The authority scope for The Board of Directors pertaining to the acquisition and disposal of assets and connected transactions, shall comply with the Notification of The Capital Market Supervisory Board.

Scope of duties and responsibilities of the Board of Directors

The directors have duties, authorization, and responsibility to manage the company in accordance with the law, Company's objectives and regulations, and the resolution agreed upon in the meeting of shareholders, whereas all actions have to be taken with honesty, integrity, and vigilance toward shareholders' benefits. Parts of important duties, authorization, and responsibility of the directors are itemized as follows;

1. To ensure an annual ordinary meeting of shareholders is held within 4 months after the end of an accounting period

2. To ensure a Board of Directors meeting is held every 3 months at least.
3. To ensure that the financial statements including a balance sheet, and profit/loss statement are generated at the end of accounting period. The auditors have checked and approved statement which will, later, be submitted in the meeting of shareholders for further consideration and approval.
4. Board of Directors can authorize one or more directors or other person to perform certain duties for and under a control of the Board of Directors in such a way that this person will complete the assigned duties within a period of time agreed upon by the Board of Directors. Board of Directors may change the authorized person or revoke the authorization if appropriate. Board of Directors may authorize Executive Committee to perform duties whereas details of scope of duties, responsibility and authorization have to be specified and such authorization must not allow Executive Committee to have a right to approve any activities where there is a conflict of interest between the company or subsidiaries (as defined in the announcement of Securities and Exchange Commission, Thailand (SEC)) and Executive Committee, with the exception when such activities follow the policy and a decision of a meeting of shareholders, or when such activities are approved by Board of Directors, or when such activities are the regular business operation with a predetermined scope.
5. To establish a goal, guidelines, policies, work plan, and a budget of the company, including to control and to oversee the management of Executive Committee to ensure all works are accomplished according to the assigned policy. Board of Directors needs to get approval from shareholders' meeting to perform the following activities: the activities enforced by the law to obtain a resolution from shareholders' meeting ie. increasing/decreasing capital, issuing bonds, and amending requirement or any parts in memorandum of association.

In addition the Board of Directors has other duties as follows;

1. To ensure that all company's operation and activities abided by the law concerning securities and public trading and the regulation of securities market. For instance, any related-party transactions, buying or selling significant assets of the company as specified in the rules of SET or the law governing the company's business.
2. To consider the company's management structure and to appoint an Executive Committee, a president of Executive Committee, and other committee as appropriate.
3. To follow up the operation to make sure that it complies with the work plan and a budget.
4. Directors shall not own, engage or involve with the following businesses and activities: the business entities with the same business nature as and being a competitor to the company, being a business partner with or without obligation in the partnerships entities, or being a director of other companies having the same business nature as and being a competitor to the company, no matter if the business interest is for the directors or for other parties. There is an exception if the resolution of shareholders' meeting approves such actions before appointment.

5. The directors shall inform the company without hesitation in the situation where the directors have conflict of interest with any contracts the company engaging in, or when the directors own more or few shares or bonds of the company or of the subsidiaries.

The directors' action concerning assigning duties, responsibility and authorization must not be in a way that allows directors or the appointee to have a right to approve any activities where there is a conflict of interest between the company or subsidiaries (as defined in the announcement of Securities and Exchange Commission, Thailand (SEC)) and the directors or the appointee, with the exception when such activities follow a policy or a decision of shareholders' meeting, or when such activities are approved by Board of Directors, or when such activities are the regular business operation with a predetermined scope i.e. characteristic of transaction, ceiling of approvable fund.

In 2020, the directors strictly followed all terms and conditions as notification of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Meeting of Board of Directors

Meeting of Board of Directors shall be held at least every 3 months and, if necessary, an extra meeting can be arranged. The directors may submit any proposal for approval in the meeting, including presenting ideas or suggestion openly and straightforward. The company will prepare a minute of meeting for each meeting.

Board of Directors report

Board of Directors is responsible for the company's overall operations, financial statements, and other financial information as shown in the company's annual report and annual business operations reports.

Sub-Committees

The Board of Directors appointed the Sub-Committees comprising of competent and experienced members, to supervise over each particular aspect of company operations, to ensure careful and effective management and operation for the company. Those committees consisted of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Executive Committee.

The Board of Directors clearly laid down the authority and responsibility scope for each committee per the charter for said committee. The chairman of each committee will responsible for supervising the operation in accordance with the policy of the Board of Directors, and report the result in the Board of Directors' meeting.

- **Audit Committee**

The Board of Directors appointed 3 Independence Directors as the Audit Committee with a 2-year term. All of them are qualified as required by security law and the Stock Exchange of Thailand.

The purpose of Audit Committee appointment is to be responsible to operation of internal control system whereas the scope of duties and responsibilities follows requirements of SET. Meeting of Audit Committee will be held at least every quarter and, if emergency, an extra meeting will be arranged. As of December 31, 2020, the Audit Committee consisted of 3 persons as follows:

No.	Name	Position
1.	Mrs. Pismai Boonyakiat	Chairman of Audit Committee
2.	Mr. Jane Wongissariyakul	Audit Committee
3.	Miss Thipawan Uthaisang	Audit Committee

Authority of Audit Committee

1. Coordinate to facilitate common understanding regarding company operations among the certified public accountant, The Board of Directors, and the internal control office.
2. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
3. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed necessary, while being allowed to gain access to all levels of information.
4. Authorized to carry out investigation on concerned persons relating to such matters lying within the authority and duty scope of the Audit Committee.

Scope of duties and responsibilities of Audit Committee

The scope of duties and responsibilities of Audit Committee is assigned by Board of Directors. Audit Committee is responsible to perform the following work and to report to Board of Directors.

1. To check/verify that the company prepares financial documents and statements correctly and the statement contains adequate information needed for public's acknowledgement. To work in cooperation with external auditors and executives who are directly responsible to prepare quarterly and annual financial statement. During audit period, Audit directors may suggest external auditors to check/review particular transactions which Audit Directors think is necessary and important.
2. To check/verify that the company's financial/accounting operations comply with the law concerning securities and SET, SET requirements and other laws applicable to the company's business

3. To consider connected transaction or other transactions which may have conflict of interest and disclose information to comply with the law concerning securities and SET to ensure that transaction is reasonable and obtain most advantage to the company.
4. To check/verify by means of working with external auditors and internal auditors to assure that the financial control mechanism and internal audit system is carried on properly and efficiently.
5. To propose the directors an appropriate choice of auditing company for approval, appraise, appoint, including the proposed audit fee. Audit directors needs to consider the following factors when selecting an audit company, audit company's reliability, Company's resources, the amount of work of audit company, and an experience of the external auditors assigned to work with the company. Also attend the meeting with auditor without management at least once a year.
6. To propose the directors an appropriate choice of internal audit for approval, appraise, appoint, including consideration internal audit fee, factors when selecting an internal audit, company's resources, the amount of work of internal audit, and experience of internal audit, also join the meeting with the audit committee at least once a quarter.
7. To perform other duties as assigned by Board of Directors and also agreed upon by Audit Committee, for example reviewing policies associated with financial management and risk management, reviewing business ethics as practiced by the executives, reviewing with the executives the information disclosure to the public as required by the law ie. Company's report and analysis performed by the executives.
8. To prepare a report describing activities performed by Audit Committee, which will be re-stated in the company's annual report. This report is acknowledged and signed by the president of Audit Committee and including the information as follows:
 - Opinion toward the company's procedure and practices of disclosing information of financial statement whether it is reliable and prepared properly.
 - Opinion as whether the company's existing internal control serves its purpose sufficiently.
 - Opinion as whether the appointed audit company should be re-appointed to audit the company next year.
 - Opinion concerning the company's practices whether they comply with the law governing securities and securities market, requirements of SET, or the law associated with the company's business.
 - Report of information, as within the scope of duties as assigned by Board of Directors, which shareholders and general investors should be informed.
9. To report work progress and findings to Board of Directors once a year minimally.

10. Have an authorization to examine and investigate into any suspicious transactions or activities, including seeking second opinion or consultancy of external parties, if necessary, by using the company's fund for a purpose of fulfilling responsibility and duties of Audit Committee.

In carrying out its above duties, the Audit Committee is directly responsible to the Board of Directors, who in turn is responsible to the shareholders and general investors.

The Audit Committee regularly held its meeting once a quarter, whereby the meeting dates had been decided in advance throughout the year. The Audit Committee regularly reported its finding to the Board of Directors, and also attended joint meeting with the company's auditor and the CFO each quarter, to review the company's quarterly financial statement.

Qualification of Independent Director/Audit Committee

1. Having a stake in the company, subsidiaries, joint-venture companies, or other related companies not exceeding 1% of the paid-up shares, whereas including shares hold by other persons related to the Audit Directors.
2. Not participating in management of the company, subsidiaries, joint-venture companies, or other related companies and not being one of the majority of the company's shareholders.
3. Not being the company's, subsidiaries', joint-venture companies', other related companies', or the majority of shareholders' employee, staff, or a consultant who is on a regular payroll. For instance, the company's Chief Executive Officer cannot be an Audit Director since Chief Executive Officer is directly responsible to manage and administrate the company
4. Do not get any direct or indirect benefits from the operation of the company, subsidiaries, joint-venture companies, other related companies, or majority of the company's shareholders.
5. Do not get any direct / indirect benefits as mentioned above within 1 year prior to being appointed to be an Audit Director. However, there is one exception when, upon Board of Director's consideration, the above circumstance does not affect the ability to perform the duties of Audit Director.
6. Not related to or being the next of kin of the company's executives or any person in a majority of the company's shareholders.
7. Not being the representative to safeguard benefits of Board of Directors, a person in, or any related person to a majority of the company's shareholders.
8. Be able to perform duties, to express opinion, or to report work progress or findings as assigned by the Board of Directors whereas not being under the influence of the company's executives or the majority of shareholders, including any persons related to or being the next of kin to those aforementioned executives or shareholders.

- **The Nomination and Remuneration Committee**

The Board of Directors appointed 3 Independence Directors as the Nomination and Remuneration Committee. All of them are qualified as required by security law and the Stock Exchange of Thailand, with a 3-year term.

As of December 31, 2020 the Nomination and Remuneration Committee consisted of 3 persons as follows;

No.	Name	Position
1.	Miss Thipawan Uthaisang	Chairman of the Nomination and Remuneration Committee
2.	Mrs. Pismai Boonyakiat	The Nomination and Remuneration Committee
3.	Mr. Jane Wongissariyakul	The Nomination and Remuneration Committee

Remark : Ms. Thipawan Uthaisang was appointed as chairman on November 14, 2020

Authority of the Nomination and Remuneration Committee

1. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
2. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed as necessary.

Scope of duties and responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is appointed by the Board of Director with 3 years each term. The scope of duties and responsibilities of the Nomination and Remuneration Committee is assigned by Board of Directors. The Nomination and Remuneration Committee is responsible to perform the following work and to report to Board of Directors.

1. Setting guidelines and policies in nominating Board of Directors by considering what would be the appropriate structure and composition of members, and outlining necessary directors' qualifications, and proposing these ideas for approval by the Board of Directors and/or Shareholders Meeting as appropriate.
2. Setting guidelines and policies in determining the Board of Directors and other committees' remuneration, and proposing it to the Board of Directors and/or Shareholders Meeting for approval as appropriate.
3. Searching and proposing appropriate persons to assume the position of the company's directors whose terms have expired or became vacant, including newly appointed director.

4. Determining necessary and appropriate monetary and non-monetary remuneration of the Board of Directors each year, by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, and the benefits expected in return from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.
5. To ensure the meeting of Nomination and Remuneration Committee once a year minimally
6. Report work progress and findings to Board of Directors once a year minimally.

Qualification of the Nomination and Remuneration Committee

1. Having a stake in the company, subsidiaries, joint-venture companies, or other related companies not exceeding 1% of the paid-up shares, whereas including shares hold by other related persons
2. The Chairman of the Nomination and Remuneration Committee must be independent director for independence in performance truly
3. Not participating in management of the company, subsidiaries, joint-venture companies, or other related companies and not being one of the majorities of the company's shareholders, or the director who is a member of management should be minimal part of the Committee, and the Chairman of the Board of Directors must not be a member of the Nomination and Remuneration Committee.
4. Do not get any direct or indirect benefits from the operation of the company, subsidiaries, joint-venture companies, other related companies, or majority of the company's shareholders.
5. Do not get any direct or indirect benefits as mentioned above within 1 year prior to being appointed to be the Committee. Upon Board of Director's consideration, the above circumstance does not affect the ability to perform the duties of the Nomination and Remuneration Committee.
6. Be able to perform duties, to express opinion, or to report work progress or findings as assigned by the Board of Directors whereas not being under the influence of the company's executives or the majority of shareholders, including any persons related to or being the next of kin to those aforementioned executives or shareholders.

- **The Risk Management Committee**

The Board of Directors appointed the Risk Management Committee to comply the principle of good governance with a 3-year term.

As of December 31, 2020, the Risk Management Committee consisted of 4 persons as follows:

No.	Name	Position
1.	Ms. Petcharat Eksangkul	Chairman of The Risk Management Committee
2.	Mr. Wichai Eksangkul	Risk Management Committee
3.	Mr. Nathapol Eksangkul	Risk Management Committee
4.	Mr. Jitti Eksangkul	Risk Management Committee

Authority of Risk Management Committee

1. Authorized to secure the professional services consultant or specialist for any valued suggestion to the company
2. Authorized to request various departments in the company to attend the join meetings with the Risk Management Committee, as may deem necessary.
3. Authorized to set up a working committee, to monitor and evaluate risk management activities throughout the overall organization.

Scope of Duties and responsibilities of the Risk Management Committee

The Risk Management Committee was appointed by the Board of Directors, consisted with the management team from each related departments with 3-year term. Duty and responsibility scope are as follows;

1. Set forth the policies, target and the implementation plan of risk management, which would cover all the major risks such as financial risk, investment risk, and corporate reputation risk, before proposing to the Board of Directors for approval.
2. Formulate strategies, organization structure, and resources used in risk management, in compliance with risk management policies under the acceptable risk level among the Board of Directors' policies.
3. Encourage and promote mutual cooperation among various departments in company, to implement the risk management plan at all operational levels.
4. Review the policies, strategies, and best practice to ensure that the company has adequate and efficient risk management system in place.

5. Quarterly report to the Board of Directors about the management, operation, risk status, change and area of improvement the risk management system throughout the organization, so as to remain effective on a consistent basis.
6. Other matter as assigned by the Board of Directors.

Risk Management Policy

1. To promote all levels of employee to stimulate understanding, conscience, and collective responsibility of risk, that could occur in the process of management and operations.
2. To promote and set up risk management standard process, including managing, controlling, monitoring, reporting, and communicating the information of risks continuously.
3. To measure the risk by considering both in terms of quality such as the company's reputation and image, and quantity such as revenue, expense or business operation.
4. To determine the risk limit at the acceptable level, and identify circumstances and risk degrees that are noted as warning signs for the operators to manage risk and control it under the risk limit.
5. To provide operational regulations in writing for the management team and all employees to abide by in order to control the operational risk.

• Executive Committee

The Executive Committee was set up to carry out management duties for the company as assigned by the Board of Directors. During 2020, the Executive Committee convened total 4 meetings. As of December 31, 2020, the Executive Committee of the company consisted of 5 persons as follows:

No.	Name	Position
1.	Mr. Sanan Eksangkul	Chairman of Executive Committee
2.	Miss Petcharat Eksangkul	Executive Committee
3.	Mr. Sanit Eksangkul	Executive Committee
4.	Mr. Wichai Eksangkul	Executive Committee
5.	Miss Sirinun Eksangkul	Executive Committee

Authority of Executive Committee

1. Appoint, remove, transfer, and evaluate the performances, as well as deciding on the remuneration and benefits to be granted to the employees at all levels.

2. Appoint and remove any committee assigned to carry out duties for the benefits of the company.
3. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
4. Issue the rules and announcement pertaining to company operations, and assign the authority to executive directors and/or staff members acting in the management position, to sign their names approving the disbursement of company assets.
5. Approve loan transaction to be used as the company's working capital, not to exceed 50 million baht per such transaction.
6. Approve the procurement and investment transactions of fixed assets, with the amount not to exceed 30 million baht for each transaction.
7. Approve value adjustment and disposal for raw materials and/or inventory already deteriorated or out-of-date, to reflect lower accounting value according to actual situation.
8. Assign management members, managers or other persons, to act on their behalf.
9. Authorize to summon management members or employees concerned to provide explanation or opinions, to join the meetings, and to submit those documents deemed necessary.
10. Issue work guidelines deemed necessary and appropriate.

Scope of duties and responsibilities of Executive Committee

Executive Committee has duties, authorization, and responsibility to manage the regular business operation of and to administrate the company. Executive Committee has to establish policies, business plans, a budget, structure and authorization of management, business procedure and guidelines to operate the business in line with the current economic situation. After completion, this information will be presented to Board of Directors for approval and, later, Executive Committee has a duty to implement and follow up to assure the company's policies and plans are followed. To summarize, duties and responsibilities of the Executive Committee are listed as follows:

1. To operate and manage the company's business in accordance with Company's objectives, regulation, policies, standards, requirements, instruction and the resolution of the Board of Directors meeting and/or the shareholders' meeting in every other way.
2. To formulate and to execute policies, direction and strategy of the company, budget planning, human resources management, investment in information technology, business expansion, public relation, including to control and to oversee that the working teams/committee accomplish the goal as assigned.

3. To review an annual budget allocation as proposed by management departments before submitting to Board of Directors meeting for approval. To make any necessary changes of annual expense budget when the immediate Board of Directors meeting is not possible. These changes have to be reported in the next meeting for the directors' acknowledgement.
4. To authorize expenditures incurring from regular business operation ie. purchase of assets, raw materials, vehicles, and etc. with the ceiling of approvable amount of 30 million baht per item.
5. Be able to authorize expenditures of significant investment as specified in the annual expense budget which was approved earlier by Board of Directors.
6. Be able to authorize borrowing fund, applying for a loan, issuing debt instruments, giving warranty and guarantee for a loan, whereas the ceiling of such funds must not exceed 50 million baht.
7. To act as a consultant to the management departments in the areas of finance, marketing, human resource, and other operations.
8. To designate a structure of organization, administrative power and authorization, including overseeing such activities as appointing, recruiting, rotating employees, determining salary, compensation, and a bonus of employee in management level, and terminating employment.
9. Be able to authorize one or more directors or other persons to perform a particular assignment under a control of Executive Committee, or to assign the person as mentioned to have a certain authorization for a period of time which Executive Committee considers as appropriate. Executive Committee may terminate, make any necessary changes upon appointment of that person(s)
10. Apart from the aforementioned duties, responsibility and authorization, Executive Committee may perform other actions or operations as assigned by Board of Directors.

The Executive Committee's action concerning assigning duties, responsibility and authorization must not be in a way that allows the Executive Committee or the appointee to have a right to approve any activities where there is a conflict of interest between the company or subsidiaries (as defined in the announcement of Securities and Exchange Commission, (SEC), and the Executive Committee or the appointee. Such activities which may cause a conflict of interest have to be presented to Board of Directors' meeting or shareholder meeting (up to discretion) for consideration and approval in accordance with the regulation of the company, subsidiaries, or the applicable law. However, there is an exception when such activities are the regular business operation with a predetermined scope i.e. characteristic of transaction, ceiling of approvable fund.

- **Management Team**

As of December 31, 2020 Management Team who are executives in compliance with the Notification of the Capital Market Supervisory Board No. ThorJor. 23/20081, has 5 members as follows:

No.	Name	Position
1.	Mr. Sanan Eksangkul	Chief Executive Officer
2.	Ms. Petcharat Eksangkul	President
3.	Mr. Sanit Eksangkul	Senior Vice President
4.	Mr. Wichai Eksangkul	Senior Vice President
5.	Ms. Sirinun Eksangkul	Senior Vice President

Remark : Executive of the company or subsidiary in compliance with section 3/1 of the Securities and Exchange Act B.E. 2535 which was amended by the Securities and Exchange Act (No. 4) B.E. 2551, they are a manager or the next four executives succeeding the manager and every person holding an equivalent position to the fourth executive, including persons holding the position of departmental manager or equivalent or higher in accounting or finance.

The Chairman and the Chief Executive Officer

The Board of Directors has clearly assigned the authority, duty and responsibility of the Chairman and the Chief Executive Officer as a guideline to serve as each position. The details are as follows;

Scope of authority, duties, and responsibilities of the Chairman

1. Take responsibility as the leader of the Board of Directors in monitoring and supervising the operations of the Board of Directors and various committees.
2. Preside at the Board of Directors' meeting. In case of tie, the Chairman adds an additional vote as a casting vote.
3. Summon the Board of Directors' meeting or may assign another person to act on own behalf.
4. Preside at the shareholders' meeting and control the meeting to be in accordance with the company's regulations regarding the meeting. Conduct the meeting according to the agenda specified in the invitation to the meeting, unless the meeting resolves to change the order of the agenda by votes of not less than two-third of the shareholders present at the meeting.
5. Engage in order acts as assigned by the Board of Directors.

Scope of authority, duties and responsibilities of Chief Executive Officer

Chief Executive Officer has duties, authorization, and responsibility to manage the regular business operation of the company. To summarize, duties and responsibilities of President are listed as follows:

1. Be responsible to daily business operation and management of the company.
2. To assure that the operation is practiced in accordance with the policies, work plans, and a budget as approved by the directors and/or Board of Directors.
3. Having authorization to administrate, to manage the company's operation to be in line with Company's objectives, regulation, policies, standards, requirements, instruction and the resolution of the directors' meeting and/or the shareholders' meeting in every other way.
4. Be able to authorize and/or to assign other persons to perform a particular assignment whereas this authorization has to be within the scope as specified in this copy of document or has to follow regulation, requirements or instruction of Board of Directors and to follow the company's requirement
5. Follow-up business operation in order to evaluate Company's performance on regular basis so that a proper action will be taken to prevent or minimize risks associated with external and internal factors.
6. To get involved in any contracts associated with the company's business or being beneficial to the company, including to oversee the process of making a contract, to further submit to Executive Committee and/or Board of Directors
7. Be able to authorize expenditure incurring from normal business operation ie. contact with a bank about saving account, purchase of raw materials not exceeding 10 million baht/item.
8. To get involve in allocation for pension fund, awards, and compensations to employees or the persons who work for the company, as previously been approved by Board of Directors.
9. Be able to authorize employment, including transferring, rotating across departments / lines / sections, or terminating employment. Be responsible to determine rate of salary, compensation, bonus, and fringe benefits of every employees except those in executive level.
10. To authorize, issue regulation, announcement, memorandum to assure that the company's policy are followed, to safeguard Company's benefits, and to promote work discipline within the organization
11. To perform other duties as assigned by Board of Directors.

Chief Executive Officer' action concerning assigning duties, responsibility and authorization must not be in a way that allows Chief Executive Officer or the appointee to have a right to approve any activities where there is a conflict of interest between the company or subsidiaries (as defined in the announcement of SEC) and the Chief Executive Officer or the appointee. Such activities which may cause a conflict of interest have to be presented to Board of Directors meeting or shareholders' meeting (up to discretion) for consideration and approval in accordance with the regulation of the company, subsidiaries, or the applicable law. However, there is an exception when such activities are the regular business operation with a predetermined scope ie. characteristic of transaction or ceiling of approvable fund.

Summary of General Approval

Position	General Expense
Executive Committee	< 30 Million Baht
President	< 10 Million Baht
Senior Vice President	< 2 Million Baht
Vice President	< 1 Million Baht
Assistant to President	< 500,000 Baht
Manager	< 200,000 Baht

The selection and appointment of the Directors and Executive officers

The Nomination and Remuneration Committee will responsible for the criterion for selection of directors and executive are based on the qualification, education background, experience, and the availability to attend Board of Directors meeting. In the meeting of shareholders, the qualified persons will be voted to become a director based on the majority vote and other requirements as follows:

The selection method of persons to be appointed directors and independent directors

The Nomination and Remuneration Committee has been assigned to select qualified persons having appropriate qualifications to be nominated as company directors, or searching from licensed and registered person list (Directors' Pool) on The Securities and Exchange Commission's website for consideration by the Board of Directors, prior to submitting to the shareholders' meeting for approval by the majority votes of the shareholders present at said meeting. In case where the retirement took place prior to term completion with the remaining term being not less than 2 months, the Board of Directors' meeting shall then be authorized to select the persons from the candidates proposed by the Nomination and Remuneration Committee, for further appointment as company directors, by the majority votes of not less than 3/4 of the remaining directors. In such case, the newly-appointed directors shall serve out the remaining term of their predecessors.

Board of Director's qualification

The Board of Directors should consist of members of eclectic qualifications in terms of gender, age, knowledge and experiences in various fields from finance to economy, management, business administration, marketing and law as this will allow the Board to formulate business policies and goals, audit the management's performances and make sure the management is carried out under the principles of Good Corporate Governance.

1. The Board of Directors must be knowledgeable, expertise and experience in various professions, which will be the most beneficial and increase value to the company.
2. The Board of Directors must be understanding one's roles and responsibilities; able to completely conduct one's practices on behalf of others with good faith and with ongoing commitment to maximize long-term interest of the business and shareholders.
3. The Director candidates must have characteristics which will encourage the Good Corporate Governance Practices, and create value for the company, such as Integrity, Ethics, Independence, Self-confidence, Creativity, Duty of Care and Duty of Loyalty, Dedicate time, the suitable Age, Strong physical health in order to be ready for the accountability.
4. The Board of Directors must possess the qualifications required by the Public Limited Companies Act BE 1992, the Securities and Exchange Act BE 1992 and the regulations and requirements of the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), the Good Corporate Governance of the Company and other relevant regulations.

Independence Director's qualification

The Board of Directors resolved to adopt the definition for "Independent Director" having qualifications in accordance with the Notification of The Capital Market Supervisory Board as follows;

1. Holding shares not exceeding 1% of the total number of voting rights of the company, its parent company, subsidiary company, affiliate company, major shareholders or controlling person of the company, including the share being held by related persons of independent directors.
2. Neither being nor having been an executive director, employee, staff or advisor who received regular salaries, or being a controlling person of the company, its parent company, subsidiary company, affiliate company, major shareholders or person having supervision authority over the company, unless the foregoing station ended not less than 2 years prior to the date of their appointments as independent directors.
3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of executive, major shareholder, controlling person, or person to be nominated as executive or as controlling person of the company or its subsidiary company.
4. Not having business relationship with the company, its parent company, subsidiary company, affiliate company, major shareholders or controlling person of the company, in such manner likely to interfere with own independent judgment, and neither being nor having been a significant shareholder or person having supervision authority over the person who has business relationship with the company, unless the foregoing relationship ended not less than 2 years prior to the date of appointment as independent director.
5. Neither being nor having been an auditor of the company, its parent company, subsidiary company, affiliate company, major shareholders or controlling person of the company, and not being a

significant shareholder or person having supervision authority, or partner of an audit firm which employs auditors of the company, unless the foregoing relationship ended not less than 2 years prior to the date of appointment as independent director.

6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee from the company, its parent company, subsidiary company, affiliate company, major shareholders or controlling person of the company, and not being a significant shareholder, unless the foregoing relationship ended not less than 2 years prior to the date of appointment as independent director.
7. Not being a director who has been appointed as the representative of the company's director, major shareholder, or being a share holder who is related to the major shareholder.
8. Not engaging in business operations of the same business nature or in competition against the business operations of the company or its subsidiary company, nor serving as a significant partner in a limited partnership or otherwise serving as a director participating in the management, or serving as employee or consultant receiving regular salary or holding over 1% shares out off total share in other companies engaging in the same business nature or in competition against the company and its subsidiary company.
9. Not having any characteristics which make him incapable of expressing independent options with regard to the company's business affairs.

In the event of any announcement by the Capital Market Supervisory Board imposing the revision to the qualifications for independent director, the company's independent director would thereby be required to possess such qualifications well complying with such revision.

After being appointed independent director, they may then be assigned by the Board of Directors to participate in the decision making procedures for the company, its parent company, subsidiary company, affiliate company, major shareholders or controlling person of the company on the condition that such decision must be a collective one. Additionally, in the past period, the independent directors of the company never have or had business relationship or professional service exceeded than the rules stipulated in the notification of the Capital Market Supervisory Board.

The Board of Directors' structure diversity policy

For such nominating process of the persons to be appointed directors, the company has set qualifications of nominated directors in term of professional skill, specialization that is beneficial to the company's business, and ability to meet the requirement of the vacant positions without sexual discrimination. This included leadership, vision, integrity and ethics, as well as transparent work experiences and not be prohibited under law and regulations of the company. With this regard, the company provided an opportunity for minor shareholder to participate in nominating qualification directors together with propose additional agenda which is beneficial to the company's business during for 3 months before the annual general shareholders' meeting every year.

With regard to the selection of persons to be appointed independent director, the Nomination and Remuneration Committee shall select from those persons having qualification required for independent directors, in accordance with the Notification by the Capital Market Supervisory Board, in addition to basic qualification requirements above.

The number of directors representing each major shareholding group

Directors representing major shareholding group	5	persons
Independent directors	4	persons

The rights accorded minor shareholders regarding director's appointment

Nomination of Directors

The company provided minor shareholders with the opportunity to nominate candidates to be appointed as company directors at the annual general shareholders' meeting 3 months in advance according to the criteria specified by the company, whose further details were display on the company's website under the heading Investor Info > Shareholder' meeting > Granting the Rights to Shareholders.

The company invited the shareholders to propose additional agenda and names of qualified candidate to be appointed as company director for the 2020 AGM, during October 2, 2019 – January 15, 2020 in total duration of 3 months, and there is no any proposal from the shareholder proposed to the company.

Vote-casting method for director appointment

According to the company's Articles of Association No. 17, the shareholders' meeting was authorized to appoint company directors according to the criteria and method as follows;

1. One shareholder shall have one vote per one share
2. Each shareholder must exercise all of the votes under the first paragraph to elect one or several persons to be the directors, and must not allot votes to any person in any number.
3. The person receiving the highest number of votes, followed by those with descending highest number of votes shall be elected as the directors fulfilling the number of directorship required to be elected by the shareholders' meeting. In case the numbers of votes for the candidates in descending order are equal and exceed the number of directors to be elected at the said meeting. The Chairman shall cast the deciding vote.

The selection method for the person to be management team

The selection of the management

The selection process for the persons to further serve in management positions, the company begins with the selection of the person having good qualification, sound morality and ethic to join the company. The company then trains and develops employee to be well prepared to meet the challenges as future management members, so as to take up further significant position when they become vacant.

The selection of the top management

With the regard of selection methods for the company's top management, the Nomination and Remuneration Committee shall consider and select from the current management or other, with qualified knowledge and abilities, who deeply understand the company's business, as well as be able to manage to achieve the objective and target set by the Board of Directors, and also not be prohibited by laws. Accordingly, such person is then proposed to the Board of Directors for consideration of appointment.

Supervising the operation of subsidiary and associate company

At the Board of Directors' meeting will consider selecting the person nominated and appointed by the company to be the director in subsidiary and associate company. The number of individual that the company voted to appoint as a director is in accordance with the company's proportion of shareholding. The person who was appointed as a director in subsidiary or associated company was entitled to perform the operation for the best interests of their subsidiary or associate company, unless it is important policies affecting the company's business operations. The company required the appointed person to be approved by the Board of Directors prior to cast a vote.

The company has laid down the policy for subsidiary and associate company which is the company's main business to have proper and adequate internal control system. Such internal control systems or subsidiary and associate company were monitored by the internal audit firm, Well Planning Solution Co., Ltd., annually.

Furthermore, the company has assigned the person who was appointed by the company to oversee its subsidiary company to operate and disclose significant information according to the rule in the same way as the company performed, such as connected transaction, the acquisition or disposition of assets, or other important transactions, including to supervise the information storage and book keeping of the subsidiary company for the company, so that it can be reviewed and collected for financial statement in due time.

The company had no agreement between the company and other shareholders in the management of subsidiary company. In addition, the company had no agreement between the company and other shareholders in sharing return beyond normal return according to proportion of their shareholding in subsidiary company.

Relationship with investors

According to the company's policy, management has a duty to disclose information to investors on the basis of reliability and accuracy, whereas the information may have an impact on the company as specified in the regulation of Securities Exchange Committee and SET. Investors are able to contact Mr. Nathapol Eksangkul directly at Tel. 02-941-6931 or access to www.easonpaint.co.th to get company's information.

Labor dispute -None-

Compliance with good corporate governance principle

The Board of Directors have placed much emphasis on building good corporate governance practice, to enable company operation to be carried out in a transparent and effective manner, leading to further growth and stability for the company. This contain corporate governance policy, corporate governance principle, code of conduct for directors, social and environment responsibility and anti-corruption and internal control, which can be viewed for more details on company's website under the heading "Investor Information"

Section 1 : The right of shareholders

The Board of Directors duly recognized the important of the shareholders and duly respected their ownership rights. The company ensured that carried provision to safeguard the shareholders' rights, while providing the facilitation of right exercise by all shareholders, including minor shareholders and institution investors as follows;

1.1 Basic rights

Referred to the right for shares transaction, the right to receive profits allocation in term of dividend payment, the right to access company information in sufficient, timely, and consistent manner, the right to attend and cast votes at the shareholders' meeting, the right to elect individual company director and approve directors' remuneration, the right to appoint company auditor and approve audit remuneration, and the right to appoint proxy to attend and cast vote.

1.2 The right to significant information access

Shareholders were entitled to access information on an equitable basis. In that regard, the company facilitated information distribution in both Thai and English languages, via the channel of The Stock Exchange of Thailand and company website, to provide shareholders such as the company performance result, connected transaction, changes in supervisory control, and other information essential for decision making of shareholders.

1.3 The right to attend the shareholders' meeting

The company held its annual shareholders' meeting regularly within 4 months after completing its accounting year. Nevertheless, in the event of such emergency situation possible affecting the shareholders' interests, the company was authorized to convene the extraordinary shareholders' meeting on a case by case basis. The company held its meeting at such date, time, and venue, deemed convenient to the shareholders, to facilitate their meeting attendance. In 2020, the company convened the shareholders' general meeting once, without convening any shareholders' extraordinary meeting.

- **Prior to the shareholders' meeting**

- 1) The company provided the shareholders with the opportunity to propose meeting agenda and name of qualified candidates to be appointed as company directors prior to the meeting date for the year 2020 during October 8, 2019 – January 15, 2020 or 3 months, by providing related conditions on company website, together with channel of The Stock Exchange of Thailand. Nevertheless, there were no shareholders proposed any meeting agenda or name of candidate during said specified period.
- 2) The company informed the shareholders about the Board of the resolution to convene the shareholders' meeting 58 days prior to the said meeting date, namely on February 28, 2020, to allow the shareholders sufficient time to plan their meeting attendance.
- 3) The company disseminated the meeting invitation letter via company website, carrying the same content as the invitation letter sent to the shareholders 33 days prior to the meeting, to provide the shareholders with necessary information in advance, namely on March 24, 2020.
- 4) The company sent out the meeting invitation letter to the shareholders 15 days prior to the meeting, exceeding the minimum time limit specified by law, namely on April 12, 2020.
- 5) The company also posted the announcement notifying said meeting invitation letter to the shareholders on newspaper for 3 consecutive days, 27 days prior to the meeting, during March 30 – April 1, 2020.
- 6) The documents sent out to the shareholders were, the meeting invitation letter providing details on the rationale for each meeting agenda, together with related opinions by the Board of Directors and the documents in support of the voting decision by the shareholders for each meeting agenda, the annual report, profile of candidate persons to be elected as company directors, company regulations regarding the shareholders' meeting, the documents and evidences required for the shareholders to present for meeting attendance, meeting regulations, meeting procedure, the map of the meeting venue, and registration form. Other documents were the proxy appointment letter form B for voting in line with the shareholders' decision which shareholders could download from company website.
- 7) Due to a severe of Corona virus (COVID-19) pandemic in Thailand and according to the Emergency Decree which ordered to close the place at risk of communicating the disease, therefore the company decided to change the venue for the AGM 2020 from Chaopraya Park Hotel, Bangkok to Multipurpose Building of the company such circumstance and cooperate with the following measures as follows;
 - The company asked the shareholders to appoint an independent director to act as their proxy

- The shareholders were welcome to submit written questions which related to the agendas in advance through email or facsimile
- All attendees were required to fill in the COVID-19 Infection Risk Screening Form prior to the meeting as the violation of the Communicable Diseases
- The company assigned a seat with appropriate social distancing for attendees by the guideline of Ministry of Health, and all attendee must wear a facemask for the duration of time in the meeting room



• On the day of the shareholders' meeting

- 1) The company decided to set the meeting date, time and venue in such manner being most convenient. For 2020, the company held the shareholders' meeting on Monday, April 27, 2020, at 10.00 hours, at Multipurpose Building of the company, where the shareholders could easily reach by personal car, and the company provided a shuttle bus to facilitate the shareholders who travelling by public bus or BTS.
- 2) The shareholder were allowed to register by barcode system not less than an hour prior to the meeting, and continued until the meeting completion. At the registration desk, the company prepared sufficient personnel to take care of the registration, as well as providing stamp service for proxy appointment form authorized by the shareholders, together with vote-casting ballot to each shareholder.
- 3) The Board of Directors placed much emphasis on the shareholders' meeting, by considering as their obligations to always attend the meeting in person unless facing

inevitable circumstances or becoming seriously ill, which all 9 directors attended the shareholders' meeting in the year 2020. Furthermore, the meeting was also attended by company management team, the company auditor from Dharmniti Auditing Co., Ltd., as well as the company law counselor.

- 4) Prior to the meeting commencement, the company secretary informed the meeting of the meeting quorum, the vote-casting and vote-counting methods for each meeting agenda. The company also invited representatives from shareholders to act as inspector during the vote tallying for each meeting agenda, in 2020 Mr. Bood-amnaj Akuldi, Proxy, act as inspector to ensure that the meeting was conducted in a transparent manner. In case where some shareholders joined the meeting after the meeting commencement, the shareholders still cast votes for the remaining agenda not yet considered and vote upon by including them as the meeting quorum. In this regard, the company also informed that the meeting was strictly arranged under the circumstantial of COVID-19 pandemic.
- 5) During the meeting, the chairman proceeded with the meeting agenda in such order earlier set forth in the meeting invitation letter without adding any further agenda, while allowing equal opportunity for all shareholders to present question, comment or suggestion for each meeting agenda. In the regard, for shareholders' meeting in 2020, there was no shareholder presenting question and suggestion to the meeting.
- 6) The barcode system was employed to tally the votes cast for each meeting agenda, whose results were displayed on the screen in the meeting room, to provide immediate access to all the shareholders who were present.



- **Subsequent to the shareholders' meeting**

- 1) The company disclosed the resolutions adopted by the shareholders' meeting together with voting results for each meeting agenda in both Thai and English, via the channel of The Stock Exchange of Thailand in the same day, and the company website on the following day.
- 2) The company complied the meeting minute subsequent to the shareholders' meeting, by incorporating all essential details and summarizing voting results for each meeting agenda, together with the record on the discussion and conclusion regarding significant topics. Said the minute was submitted to The Stock Exchange of Thailand, and The Securities and Exchange Commission within 14 days subsequent to the meeting, and disseminated on the company website, so as to enable the shareholders to review said minute contents without having to wait until the next shareholders' meeting.
- 3) The company recorded the meeting on VDO, for further distribution to the shareholders upon request.

Section 2 : Equitable treatment of shareholders

The Board of Directors ensured that every shareholder was entitled to fair and equitable treatment as follows;

2.1 The shareholders' meeting

- 1) The company provided the shareholders with the opportunity to nominate candidates as directors prior to holding the shareholders' meeting 2020 during the period of October 8, 2019 – January 15, 2020 or 3 months. For such purpose, the company disseminated on the company website, as well as notifying the shareholders via the channel of The Stock Exchange of Thailand. Nevertheless, there was no shareholder nominating any candidate for consideration as the company directors.
- 2) The allocation of votes in the meeting was based on the number of shares being held by each shareholder, with 1 vote representing 1 share with no shareholding any special privilege in restricting the right of other shareholders.
- 3) In case where shareholders could not attend the meeting in person, the company allowed said shareholders to appoint proxies from independent director or other parties to attend the meeting on own behalf. The company provided clear details pertaining to the proxy appointment letter, sent together with the proxy appointment letter (Form B), allowing the shareholders to instruct own voting direction.

- 4) The voting procedure for each meeting agenda was carried out in a transparent manner, with the voting ballot provided the shareholders for each agenda, whereas only disapproval and abstention votes were kept afterwards. Vote tallying was carried out using the barcode system and displayed on screen in the meeting room to facilitated convenience, and easy verification.

2.2 Supervision over inside information

The company has laid down the policy safeguarding against inside information abuse for directors, management team and employees to exploit the information unjust gains for own self or for the others. In relation to this, the company communicated to company directors, management team, and employees to serve as guidelines for the company's operation. In 2020, the directors, management team, and employees strictly followed those company policies on a consistent basis.

2.3 Supervision over the transaction of company securities

Shares holding of the Board of Directors in 2020

No.	Name	No. of Shares			
		Dec 31, 2019	Changed	Dec 31, 2020	%
1.	Mrs. Pismai Boonyakiat	-	-	-	-
2.	Mr. Jane Wongissariyakul	-	-	-	-
3.	Ms. Thipawan Uthaisang	30,496	-	30,496	0.005
4.	Prof.Dr. Tharapong Vitidsant	-	-	-	-
5.	Mr. Sanan Eksangkul	19,855	-	19,855	0.004
6.	Ms. Petcharat Eksangkul	7,655,667	571,400	8,227,067	1.451
7.	Mr. Sanit Eksangkul	2,826,808	-	2,826,808	0.499
8.	Mr. Wichai Eksangkul	1,231,111	-	1,231,111	0.217
	Spouse	19,001	-	19,001	0.003
9.	Ms. Sirinun Eksangkul	784,336	-	784,336	0.138
Total		12,567,274	571,400	13,138,674	2.317

The company specified conditions regarding the transaction of company securities in its business ethics, by forbidding the directors, management team, and employees in those departments accessible to inside information, to engage in the transaction of company securities, during the period of a month before the disclosure of such information to the public, and at least 24 hours after the disclosure. In 2020, all the company directors and management team strictly followed accordingly, without engaging in such transaction during the said period. In this regard, the company laid down the regulation requiring company directors and management team to duly report own first securities holding,

together with any subsequent change in securities holding, to The Securities and Exchange Commission in accordance with article 59 of The Securities and Exchange Act B.E. 2535.

2.4 Treatment of conflict of interests

The company treated the issue of conflict of interest with caution and reason by laying down major policy regarding good governance practice. The company supervised the implementation of connected transaction so as to comply with the announcement by The Capital Market Supervisory Board.

Before implementing each connected transaction requiring prior approval from the Board of Directors, the item was first proposed to the Audit Committee for endorsement prior to submitting to the Board of Directors for further approval. The directors with possible conflict of interests were not allowed to take part in the meeting. Afterwards, the company informed said meeting resolution to the shareholders via the channel of The Stock Exchange of Thailand. The information included the disclosure of names and relationship of connected parties, pricing policy, transaction value, and other related details, as well as the opinion of the Board of Directors pertaining to such transaction.

Furthermore, the company laid down the policy on approval criteria for business transactions under normal business term, conducted between the company and the directors, management team, major shareholders, or connected persons as the notification of The Capital Market Supervisory Board.

2.5 Supervision over assets transaction

The company supervised assets transaction in accordance with the announcement by The Capital Market Supervisory Board regarding the acquisition and disposal assets, whereby directors with possible conflict of interests were not allowed to participate, so as to facilitate fairness and transparency.

Section 3 : Consideration of the roles of stakeholders

Based on its recognition of the rights of stakeholders, the Board of Directors duly laid down relevant policies and guidelines in the company's business ethics manual, and communicates to the directors, management team, and employees to be followed as practice guidelines, to ensure that all stakeholders receive fair and equitable treatment.

3.1 Shareholders

The company duly respect the basic right accorded the shareholders in accordance with the laws, regulations and business ethics of the company. The company ensured that the measures safeguarding against conflict of interest, connected transaction, and against the exploitation of inside

information for personal gain. Furthermore, the company also aimed to generate justifiable return for the shareholders by laying down appropriate dividend payment policy on a consistent basis.

Due to the company's operating performance as of December 31, 2019 has incurred a net loss, the AGM dated on April 27, 2020 has resolved the omission of dividend payment.

3.2 Employees

In the company's recognition of employees as its valuable human resources playing the critical role in leading the organization toward success, the company set the policy to devote its best efforts to develop and upgrade the employees' potentials on a consistent basis. The company sought to provide job security and advancement opportunities to all employees based on their own potentials, as well as encouraging the employees to play a part in charting the company policy, and laid down its remuneration policy toward the employees by providing the employees with fair and reasonable remuneration commensurate with the capability, responsibility, and performance. (Details under the heading "Sustainability Report" on Human Resources)



The company provided necessary welfare benefit to the employees to promote better livelihood and living quality, such as the provident fund, annual check-up, accident and life insurance, uniform, credit union, scholarship for employee's children, and transportation. As well as supporting for the sport day for Bangkok office and factory employees, and beneficial activities for social and environment.

At the same time, the company placed much emphasis on the employees' safety, hygiene, and property protection, by laying down the policy regarding work safety, sanitation, and work environments for the employees. Furthermore, the company arranged to set up the billboard display showing the accident statistics relating to work activities. In 2020, the company organized training session regarding work safety, such as "First aid training", and "How to control the fork lift in safety used". The company regularly carried out the fire prevention and fire fighting system, escape route, checking fire fighting equipments and fire alarm system, to provide the safety working environment. (Details under the heading "Sustainability Report")



3.3 Customers

The company recognized of the cultivating and retaining customer's loyalty, honesty, fairness and not taking any actions in violation of the customers' right. The company paid the highest attention to the customers' complaints under policy "Continues to develop and improve its customer services for both production and delivery", and emphasis in safeguarding all the customers' secrets, strictly forbidding any abuse of such information for personal gain or connected persons' interest.

The company also provided "Customer Relations Services" where customers could lodge complaints, comments, or suggestion as the direct line at telephone number 02-941-6931 ext. 5102 or email : sales@easonplc.com



In 2020, there was no significant complaint from customers. Whereas the company duly took into consideration all the complaints received from the customers, in order to devise proper measures to safeguard against, and provide solutions to the problems on a systematic basis, to ensure that similar problem would not occur again. In this regard, the company arranged customer's satisfaction survey annually with dividing the assessment into 5 areas according to ISO practices as follows;

Customer satisfaction score criteria

Level	Criteria	Score
4	Most Satisfaction	Up to 90%
3	Satisfaction	Up to 90%
2	Fair	Up to 90%
1	Poor	Up to 90%
0	Very poor	Less than 50%

Customer satisfaction survey in 2020

	Automotive Paint	Printing Ink	Packaging Coating
Ease coordination	90.2	91.1	88.9
Documents and Delivery	86.4	86.7	88.3
Quality and Improvement	80.8	88.9	84.4
After sale service	83.6	81.7	86.3
Total satisfaction with products	81.6	80.0	83.3
Average satisfaction level	85.28	86.9	87.0

3.4 Business partner

The company upheld its policy to deal with partners on the basis of fair competition, equality and mutual respect by following business agreement term, providing true and accurate information, sharing know-how in paint technical, as well as engaging in joint efforts to develop and promote better value for product and services, as well as arranging the football relationship between the company and partners annually.



The company's procurement process is complied with ISO 9001, in which the selection system of business partners who conduct their business according to laws, and comply with occupational health and safety standard which environmentally friendly. During 2020, there was no case of the company failing to abide by its outstanding agreements with business partners.

3.5 Competitors

The company placed much importance on fair and honest business competition under the framework specified by law. Accordingly, the company implemented its business operations according to fair competition rules. Over the years, the company was never engaged in any trade dispute with other competitors.

3.6 Creditors

The company has set the policy to treat all groups of creditors equally and fairly by strictly following contracts or conditions as earlier agreed upon with the creditors. The company's financial position was disclosed accurately and on time. The trade account payables can submit their invoices to the company on Thursday of the first and the third week of following month, with payment to be made on the same day. During 2020, the company paid all creditors following agreed term of payment, without causing any payment default.

3.7 Promotion of efficient energy resources utilization

Based on the company's firm recognition of critical value generated from its energy resources utilization, so as to create the energy saving project alongside its regular business operations such as turning off air conditioner earlier 15 minutes before lunch time and working end, installation the reflective lamp lantern, using energy saving lamp, together with promote awareness and conscience among all the employees.

The result of participating in Energy Saving project for industrial Phase 2 under Department of Alternative Energy Development and Efficiency, Ministry of Energy, the company has installed 10 kWh of Solar Cell system that energy consumption of the company in 2019 – 2020 decreased by 15,800 kWh or 5% from the previous year, and reduced green house gas by 12 tCO₂/year.

3.8 Participation in CSR contributing to community developments

The company regularly engaged itself in those activities aimed at promoting community developments for further common benefits. In 2020, the company participated in cultural activities making merit together with nearby community in area, and practiced on emergency situation for setting up the best practice on safety works and emergency plan, and in cooperation with both government and private sectors.



3.9 Guidelines for refraining from action infringing upon human rights

The Board of Directors duly recognized the significance of human rights by conducting the business in accordance with the law and human rights standards without discrimination on gender, nationality, religion, political ideology. Some of those actions were anti-child labor campaign by refusing

to accept person less than 18 years old of age as company employee, no unfair discharge of company employee in accordance with labor laws supervising strict human right compliance. Throughout its business operation to date, the company had no previous bad record pertaining to any violations of human rights lodged with court. (Details is under the heading “Sustainability Report”)

3.10 Guidelines against business practice infringing upon patent or intellectual properties

The company strictly adhered to its policy of not engaging in any act in possible infringement upon intellectual property rights, either by means of copying or unauthorized usage of intellectual properties belonging to other parties. The company consistently dedicated its efforts to developing products and services on a continuous basis by arranging the Best Performance Team contest every year to seeking for an innovative working instruction with more efficiency and accuracy on employee’s function. During 2020, the company was not engaged in any activities infringing upon the patents or intellectual properties.

3.11 Participation channels for the stakeholders

The company laid down a Whistle Blowing policy to justly protect the whistle-blower, including protection from persecution when filing a report. The company provided the channel for all stakeholders to file the report or complaint on those matter likely to cause damage to the company, whether they concern the accuracy of financial statement, internal control system deficiency, or any act likely to violate the laws and business ethics, or the matters that the stakeholder’ right is violated or the corruption. The whistle blower could directly communicate through the channel as follow;

Section	Telephone	Email address
Customer Service	02-941-6931 Ext. 5112	tada_kh@easonplc.com
Production	038-451-833 Ext. 5263	piti_ek@easonplc.com
Research & Development	02-941-6931 Ext. 2211	punvipa_ch@easonplc.com
Purchasing	02-941-6931 Ext. 1132	chutima_ek@easonplc.com
Environmental & Safety	038-451-833 Ext. 5151	vichai_ma@easonplc.com
Financial Report	02-941-6931 Ext. 1234	chayuth_se@easonplc.com
Investor Relation	02-941-6931 Ext. 1221	ir@easonplc.com

Or send a registered mail to Chairman of the Board of Directors at :

Mrs. Pismai Boonyakiat

Chairman of Eason & Co Public Company Limited

312, 402/3-6 Phaholyothin 32, Chankasem, Chatuchak, Bangkok 10900

In 2020, the company did not receive any such claim from stakeholders.

Section 4 : Information disclosure and transparency

The company duly recognized the importance of disclosing significant company information relating to both financial and non-financial topics, which was regarded good corporate governance policy. The company ensured that the shareholders and investors receive such information in equitable manner through such channel as the annual report, annual information disclosure form 56-1, news distribution channel of The Stock Exchange of Thailand, and company website also (www.easonpaint.co.th), with that information being regularly updated.

In 2020, the company facilitated information disclosure in accordance with the requirement of The Stock Exchange of Thailand and The Stock and Exchange Commission in display of transparency toward its business operation as follows;

4.1 Corporate governance

The company disclosed its corporate governance policies, corporate governance principles, business ethics, and code of conduct for the Board of Directors, and Sub-committees on company website.

4.2 Social and environment management policy

The company incorporated these topics under the policies on corporate governance and business ethics with regard to society and environments (Details under the heading “Sustainability Report”)

4.3 Risk management policy

The company has set up Risk Management Committee to supervise risk management of organization in a systematic and cover all areas appropriately, as well as assign risk management policy (Details under the heading “Corporate Governance”)

4.4 Shareholding structure

The company disclosed the names of top 10 shareholders at the time of closing shares registration book for the shareholders’ meeting, and at the end date for each quarter on company website.

4.5 The Board of Directors’ responsibility report toward financial statement

The Board of Directors recognized the importance of compiling financial statement in such manner deemed accurate and reliable, to serve as references for decision-making by the investors, by displaying said report of the Audit Committee in the annual report. In 2020, the company received unconditional certification for its financial statement from the company auditor, and facilitated the submission of said financial statement to the Securities and Exchange Commission and The Stock Exchange of Thailand within the timeframe required, and was never subject to any instruction to revise its financial statements.

4.6 Duty performance by the Board of Directors and Sub-committees

The company disclosed the details on the role of the Board of Directors and Sub-committees, the number of meetings held, the number of meeting attendance by each director during the year 2020 (Details under the heading “Management Structure”)

4.7 Shareholding by directors

The company annually disclosed shareholding and change of the company’s shareholding of directors during 2020 in the annual report. (Details under the heading “Company Securities and Shareholders”)

4.8 The remuneration for directors and management team

The company disclosed the policy regarding the remuneration for directors and management team, the remuneration accorded the director for the Board of Directors and Sub-committee in the annual report (Details under the heading “Management Structure”)

4.9 The policy to report possible conflict of interest by the directors

The Board of Directors laid down the policy requiring company directors and management team to report each time possible conflict of interests arose by either themselves or connected persons. The company secretary was required to submit related report to the Board of Directors after the company learnt of such event. During 2020, the company directors and management team strictly followed said policy, by not taking part in such meeting agenda having possible conflict of interests. The company will facilitate information of the meeting’s resolution to The Stock Exchange of Thailand.

4.10 Connected transaction

The Board of Directors laid down the policy for the company to comply with the regulations of the Capital Market Supervisory Board, in case of connected transaction. The company will bring the issue to the Audit Committee’s meeting, and the Board of Directors’ meeting for consideration respectively, so the Audit Committee will be able to comment in case there are different opinions, and the Board of Directors can acknowledge the details before the company disclosure to The Stock Exchange of Thailand.

4.11 Quarterly performance report

In case of net profit according to last financial statement changed from the financial statement in the same period last year more than 20%, the company has revealed the explanation of the operation’s results for the quarter to The Stock Exchange of Thailand.

4.12 The relationship with investors

The company set up the investor relation to serve as the center in communication and distributing significant information useful to the investor and other parties concerned. With this regard,

the company has assigned the roles of investor relation for staff to take as a guideline of practice. Interested person could view the company's latest company's information on company website, under heading "Investors Relation", and the news system of The Stock Exchange of Thailand, or contact Mr. Saroch Chantadee, Company secretary, Tel. 03-941-6931 ext. 1221, Email : ir@easonplc.com

Section 5 Responsibilities of the Board of Directors

The Board of Directors had important responsibility in setting the direction for company's business operations, following up on the working result by its management team, and being responsible for duties to contribute to the best interest of the shareholders.

5.1 Structure of the Board of Directors

1) Composition of the Board of Directors

The Board of Directors comprised 9 persons, classified in to 5 executive directors, and 4 non-executive directors (4 independent directors).

The Board of Directors consisted of qualified directors with knowledge, proficiency, and various experiences in accounting, financial, management, marketing, and paint business. They provided useful suggestion and advice in business operation to the company consistently. The company's number of independent director is accounted for more than one-third of the Board of Directors, complying with the requirements by the Capital Market Advisory Board.

2) Independent director's qualifications

All of company's independent directors are fully qualified to serve as an independent director under the rules set by the company, and none of independent director take a position as director in more than 5 listed companies.

The Board of Directors resolved to adopt the definition for independent director having qualifications in accordance with the notification of the Capital Market Supervisory Board. The independent directors are truly independent from management team, and major shareholders of the company, and independent directors and the person being involved have no shareholding in the company over than 1% complies with the rules.

3) Directors selection process

The Board of Directors appointed the Nomination and Remuneration Committee, to supervise the director selection process to be carried out in a transparent manner (Details under the heading "The selection of the management")

4) Directorship term for independent directors

The Board of Directors was elected by the shareholders' meeting, with directorship term complying with company regulations, while being eligible for re-election after term completion. Independent directors were not allowed to serve more than 5 listed companies.

5) The number of companies served by each director

The company disclosed the information regarding the holding of directorship by each company director in other companies in the heading "Management Structure". All directors well understand the best practice in the number of companies which are able to serve as director, regarding good governance practice. At present, none of the company's directors serve as director in more than 5 listed companies, and none of the company's directors who is executive directors serve as director in other listed companies.

However, the company has not specified the number of listed companies and subsidiary company that each director hold directorship for not more than 5 places, since the company needed the directors to supervise operation management of those companies to be in the same direction.

6) The separation of the position of Chairman from Managing Director

Based on the different responsibility scope between Chairman of the Board of Directors and the Managing Director, the company therefore specified the Chairman and the Managing Director to be different persons, so as to clearly separate the supervision and management authority for the company, and contributing to proper authority balance in company management within the company. In relation to this, the company has set up the Board of Directors' charter, setting the authority and duly scope clearly separating for Chairman from the Managing Director.

Furthermore, despite the Chairman of the Board of Directors not being an independent director, nevertheless, both of them duly carried out their assignment in an independent manner, and providing opportunities to all directors to act freely in expressing own options and suggestions contributing to the best interest of the organization

7) Company Secretary

The Board of Directors resolved to appoint Mr. Saroch Chantadee, the Manager of Office of Managing Director who passed the company secretary course from Thai Institute of Directors (IOD) on October 16 – 17, 2012, as the company secretary, having the duties and responsibilities as specified by the company.

In 2017, the company secretary passed the Certificated in Investor Relation 2017 organized by Thai Listed Companies Association dated August 23 – 24, 2017. (Details under the heading "Management Structure" in Company Secretary)

5.2 Sub-Committee

The Board of Directors appointed several committees comprising of Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Executive Committee, who has experienced members to supervise over each particular aspect of company operations, and clearly laid down the authority and responsibility scope for each committee per the charter for the said committee. (Details under the heading “Corporate Governance” in Sub-committee)

The Audit Committee and The Nomination and Remuneration Committee, they all are independent committee.

5.3 The roles, authority, and responsibilities scope of the Board of Directors

1) Leadership and vision

The Board of Directors consisted of member who had extensive capabilities and experiences beneficial to company management, together with leadership and independent decision-making qualities to the objectives and goals of the company and shareholders.

The Board of Directors also approved strategy, target, plan and budget of the company proposed by the management. At the same time, they were required to ensure that there were adequate mechanisms in supervising and monitoring, so that to meet the target contributing to further value and interested of all stakeholders.

2) Good corporate governance

In due recognition of the importance of good corporate governance practice, The Board of Directors therefore laid down good corporate governance policy in writing and revealed company website. Together with communicate to the Board of Directors, management team and employees, which required that all of them comply with such manual strictly.

3) The policy regarding possible conflict of interests

The Board of Directors placed much importance on ensuring that any transaction with possible conflict of interest was carried out in a cautious, careful, and honest manner. The company incorporated the policy regarding possible conflict of interest into its policy pertaining to corporate governance and business ethics. (Details under Section 2 Equitable treatment of shareholders)

In 2020, the company disclosed such items with possible conflict of interest under the heading “Connected transaction”

4) Supervision over internal control and audit system

The Board of Directors placed much emphasis on the systems financial control, company management, and corporate supervision, by assigning the Internal Audit Office to supervise over the audit, review, and monitoring of those operation results. The Internal Audit Office also provided recommendations to ensure independent and effective practices according to those guidelines in an independent and balance manner.

Accordingly, the Board of Directors instructed the Internal Audit Office to directly report to the Audit Committee at least once a quarter, so as to allow the Audit Committee to review and ensure sufficient internal control.

At the Board of Directors' meeting no. 2/2020 dated February 28, 2020, reviewed the adequacy of the internal control system (Details under Anti-corruption and Internal Control" in The Board of Directors' Opinion). With this regard, the Audit Committee is responsible for considering and giving approval for the appointment or dismissal of the Internal Audit Office. In 2020, the company hired Well Planning Solution Co., Ltd., who has good quality of knowledge, abilities and experiences as the Internal Audit.

5) Risk management

Regarding risk management, the Board of Directors supervised to ensure that the company had adequate systems overseeing the view, monitoring, and management. In the past, The Board of Directors had evaluated the risk management at least once a year, and set policy to manage the possible risk. During 2020, the committee held 4 meeting and invited Risk Management Working Group which consists all of department managers to join the meeting in order to discussed various matters, and also arranged the training on Risk Assessment for all sections, to ensure that all risks were properly maintained at acceptable levels. The Risk Management Committee analyzed and evaluated possible risk, and compiled risk management report, for submission directly with the Board of Directors. (Details under the heading "Risk Factors")

5.4 The Board of Directors' meeting

The Board of Directors scheduled the meeting for the whole year and notified the directors in advance in which the meeting will be held at least every quarter with additional meeting if necessary. Each director was able to propose agenda, and the company secretary will send out the meeting invitation letter, meeting agenda, and relevant meeting documents to the directors not less than 7 days in advance, to allow the directors sufficient time to review the information prior to the meeting.

All directors considered as their duties to attend the meeting each time, unless unable to do so due to significant obligation or illness. The chairman allowed directors to present opinion and comment freely, while those directors having conflict of interests would not be allowed to cast vote at such meeting. In this regard, the numbers of director are not less than two-third of the Board of Directors on each casting vote at the meeting. The company secretary recorded the meeting minutes and the classified those minutes in systematic manner to facilitate easy reference. The Board of Directors supported the joint meeting between the Audit Committee and management team at least once a year.

During 2020, the Board of Directors held 6 meetings altogether, and independent directors held 1 meeting without the management team in attendance. (Details about the meetings under the heading "Management Structure"

5.5 Evaluation of the Board of Directors and Chief Executive Officer

The evaluation of the Board of Directors performance for the year 2020 has been carry out, was set for each of the directors to assess the performance of both the board as a whole, sub-committee and individuals so as to review performance results, problems, and obstacles faced during the past year, in order to contribute the better effective performances.

The company secretary sent out evaluation form to all directors. Every director was independent in taking such evaluation. The evaluation form was returned to the company secretary once completed to be collected, summarized, and reported to The Board of Directors.

The percentage score criteria for The Board of Directors and Chief Executive Director

Level	Criteria	Score
4	Excellent	Up to 80%
3	Good	Up to 70%
2	Fair	Up to 60%
1	Poor	Up to 50%
0	Very poor	Less than 50%

- 1) The Board of Directors carried out the performance evaluation, which divided into 4 parts as follows;

- The Board's structure and qualification
- Efficiency of the Board
- Role, duty and responsibility of the Board
- Others (Relationship with the management team and independent)

In 2020, the evaluation result was in "Excellent" criteria with the average score of 93.68%

- 2) The Board of Directors has set the evaluation of performance of the Sub-committee. In 2020, the result can be summarized as follows;

Sub-committee	Evaluation result (%)
Audit Committee	96.18
Executive Committee	94.07
Nomination and Remuneration Committee	96.00
Risk Management Committee	93.61

- 3) The individuals performance was divided into 3 parts as follows;

- Qualification of Director
- Involve in the Board meeting
- Role, duty, responsibility and self development of director

In 2020, the evaluation result was in "Excellent" criteria with the average score of 94.78%

4) The annual performance evaluation for Chief Executive Officer is divided into 8 parts as follows;

- Leadership
- Performance strategies
- Compliance strategies
- Financial plan
- Self-development and management
- Relationship with committee
- Relationship with external parties
- Relationship with employee

In 2020, the evaluation result was in “Excellent” criteria with the average score of 93.18%

5.6 Directors’ remuneration

The Board of Directors appointed the Nomination and Remuneration Committee to supervise and ensure that the remuneration process for directors and management team were carried out in a transparent manner. (Details of regulations and criteria on remuneration policy for directors under heading “Remuneration for the directors and management team”).

5.7 Development for the directors

1) Orientation for new directors

In case of the new directors, the company will host the orientation for the new directors to properly prepare them for director assignments. The company will arrange the factory site visit, and organized presentation on company background, business perspective and business policy for the new directors. The company also provided them with the manual for directors for listed company; clearly summarizing and comparing the provision in the company regulation comply with the Securities and Exchange Act., the public company Act, as well as the corporate governance policies for the company’ directors.

In 2020, the company has no new director was appointed by Annual General Meeting of Shareholders.

2) Training attendance by the directors

The Board of Directors encourages further knowledge for the directors on a consistent basis, so as to gain better effective skills regarding their duty assignments. The programs included the training and seminar organized by Thai Institute of Directors Association (IOD) and other organizers. (Details under the heading “Management Structure” in the Board of Directors’ information)

The directors attended course designed to promote their management abilities, and applied the knowledge when performing duty. During 2020, the directors attended the course on significant operation topic such as “Institute of Metropolitan Development (IMD)”

Training and seminar attended by the Board of Directors in 2020

Date	Name	Training Course/Seminar
April 24 – September 18, 2020	Ms. Petcharat Eksangkul	<ul style="list-style-type: none"> Institute of Metropolitan Development Program (IMD)

5.8 Succession plan

The company has set succession plan for all levels of key management person, starting from the process of nominating the persons who will be responsible in a proper and transparent manner. The persons were prepare in different areas, as well as continuously participated in training for development. There was also monitoring activities to create the management with knowledge, abilities, leadership, and honest, allowing the company to proceeds its operation continuously and effectively.

The Board of Directors has recognized the importance of creating the management to succeed the top management with the principles as follows;

- 1) Specify description for the top management position, and relation with targets and strategies of the organization, including qualifications of knowledge which related to company operation.
- 2) Select subordinate executive with potential, and capabilities.
- 3) Analyze their qualification individually to find performance and what needs to be further developed.
- 4) Create individual developing plan to promote potential and capability development.

5.9 Un-accomplishment performances in Good Corporate Governance

Regard to the suggestion of Thai Institute of Directors on the parts that the company had not practiced complying with Good Corporate Governance principle for listed company, the company would like to take into account to apply appropriate such as;

Un-accomplishment parts	Reasons
The company should reveal the remuneration of CEO	The company has revealed the said information in the management team's remuneration. The company also is a small sized business and the Information has no impact on the management as well
The Board of Directors should specify the number of listed companies that each director hold directorship for not more than 5 places	The Board of Directors has not specified the said policy, since The Board of Directors believed that each director has business expertise and capabilities to carry out own assignments in fulfilling the expectations by The Board of Directors and shareholders. At present, none of the company's directors serve as director in more than 5 listed companies

The Board of Directors should specify the limit of the number of years for independent directors not exceeding 9 years

The Board of Directors has not specified the said policy, since the independent directors continue to perform their duties with independence from the management and major shareholders of the company, as well as make decisions by taking into account the best interests of the company without private interests that may conflict with the interests of the company

At present, the company has 3 independent directors appointed as the company's director for more than 9 years because they have good performance for business operations, and fully qualified to further serve as independent directors

5.10 Good Corporate Governance Assessment

In 2020, the company has a result of "Very good" on Corporate Governance Report of Thai Listed Companies (CGR), which organized by Thai Institute of Directors as follows;

	Average score of Listed company	Company's score	Level
2020	83	87	Very good
2019	82	87	Very good
2018	81	85	Very good
2017	80	82	Very good
2016	78	79	Good

Sustainability Development Report

Apart from the continuous competitiveness enhancement of the organization, Eason & Co Public Company Limited has elevated and improved social responsibility towards sustainable business growth in the long run, which can be summarized into 4 points as follows;

1. Business ; to emphasize on development for value adding and innovation as well as developing production process in order to fulfill the needs of customers and partners.

2. Social ; The company emphasizes on raising knowledge of employees and set up appropriate welfare, as well as safety, health and working environment including participation in community and social development.

3. Environment ; the company received the Corporate Responsibility Standard toward the Society (CSR-DIW) from Industrial Works Department and Department of Alternative Energy Development and Efficiency, Ministry of Energy, by installation Solar Cell system combined power plant of the factory.

4. Corporate Good Governance ; to propel business operations with the accountability to society and environment towards sustainability, through the establishment of continuous risk management scheme both in the organizational and divisional levels, the encouragement for the participating working culture with honesty, ethical and moral, law compliance and anti-corruption towards the transparency and verifiable working.

The company believes that the commitments on the best corporate social responsibility and the dedication to pursue above approach towards the society and environments, shall serve as a significant threshold leading the organization towards sustainable developments in the future.



Ms. Petcharat Eksangkul
President

Sustainability Report

The company conducts its business with firm belief in ethics and morality. It takes into consideration the benefits of all stakeholders. Therefore, the company implemented the Sustainability Development Framework, which conforms to a globally recognized guideline. The framework ensures balance between the company's impacts to the business operation, society, environment and good corporate governance. The company's operation and activities abided by the law concerning. The company believes that the commitments on the best corporate social responsibility shall serve as a significant threshold leading the organization towards sustainable developments.

Stakeholders	Participation	Action	Result
Shareholders	<ul style="list-style-type: none"> • AGM • Investor Relation • Site visit • website 	<ul style="list-style-type: none"> • Good Corporate Governance • Compliance with Good Corporate Governance 	<ul style="list-style-type: none"> • Good return on investment • Disclose information with transparency • Transparency management
Employees	<ul style="list-style-type: none"> • Information • Relation activities • Satisfaction survey 	<ul style="list-style-type: none"> • Review remuneration and benefits • Built up relation activities in organization 	<ul style="list-style-type: none"> • Proper remuneration and benefits • Progress and stability • Improve personal skills
Customers	<ul style="list-style-type: none"> • Satisfaction survey • Customers relation • email / Call center 	<ul style="list-style-type: none"> • Product development • Standard production for good quality • Quick response for complaint 	<ul style="list-style-type: none"> • Suitable price with quality • Clearly product's information • Safety in product usage • Complaint receiving
Business Partners	<ul style="list-style-type: none"> • Partners meeting • email / Telephone 	<ul style="list-style-type: none"> • Review purchasing procedure • Joint products development 	<ul style="list-style-type: none"> • Fair and transparent with partners • Sustainable business growth
Community	<ul style="list-style-type: none"> • Discuss with community • Relation activities 	<ul style="list-style-type: none"> • Basic fire fighting • Resuscitation Training 	<ul style="list-style-type: none"> • Health safety & Hygiene • Involve in community improvement
Social & Environment	<ul style="list-style-type: none"> • Survey and assess effect on environment 	<ul style="list-style-type: none"> • Energy saving tips • Apply ISO 14001 	<ul style="list-style-type: none"> • Efficiency use for resources • Continuous social activities

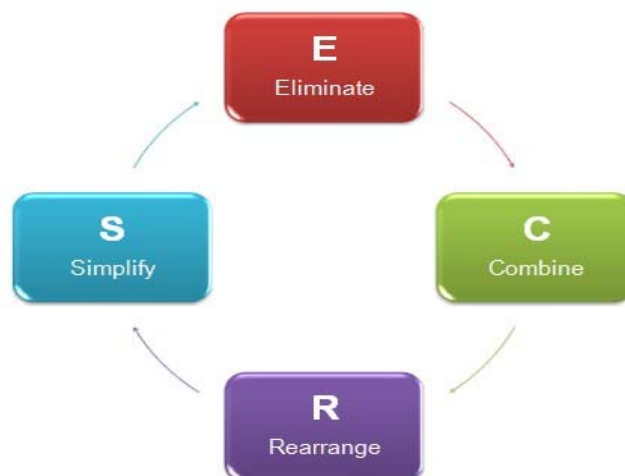
To cover all stakeholders, the company committed to operate the business with social responsibility based on business principles as follows;



Business

Responsibility for Product Quality

The company has upgraded its production line by ECRS best practice implementation for consistent and environmental friendly, in 2020 the company focused on increasing production efficiency by adding tools and quality testing equipments including researching on product development to faster and up to date with customer's need, together with maintaining the competitiveness production costs, quality and on time delivery. The company is able to reduce lead time in the amount of 25%.



Since a severe of COVID-19 pandemic in 2020, the consumption of automotive paint has decreased due to the discontinued of production line of motorcycle manufacturers. However, the company has continued to receive the orders from customers in packaging coating which the company has adjusted production plans and its operations in accordance with the recommendations of the Ministry of Public Health, as well as strictly keeping social distancing in production line. In this regards, the company was able to maintain production capacity and control production costs at the same level as the previous year without reducing the number of employees or discontinued the production line in anyway, also able to maintain readiness in products delivery plan continuously.

In 2021, the company has planned to improve the production area to be in a closed production process, which will enhance the quality of products without contamination.

Responsibility to customers and partners

The company produces products with quality, safety standard and concern about the environment, which are used as a guideline in all production processes. The company has been certified for quality management system as follows;

1. The company has been certified for quality management system ISO9001:2015 in all production processes from incoming raw material, quality insurance, packing and waste management.
2. The company has been certified for ISO14001:2015 which related to environmental management that exists to help organizations minimize how their operations negatively affect the environment, comply with applicable laws, regulations, and other environmentally oriented requirements.
3. The company has been certified for IATF16949:2016, which are used as a guideline in all production processes, improving process and services that related to automotive industry.



The company aware for importance of customers and partners with the guideline are as follow;

1. Provide correct, sufficient and up to date information to customers and partners, so that they know about the products and services without overstatement from reality, which may cause misunderstanding.
2. Contact customers and partners with good manners and trust. Provide channels for them to file in complaints about quality and safety or product.
3. Retain customers and partners' secret and do not use for personal or related person's interests wrongfully.
4. Give recommendations about usage methods for products and services efficiently and most beneficial for customers and partners.
5. The company has a duty to maintain good relations and to cooperate with customers in the long term, based on the principles of honesty, reliability and mutual trust.
6. The company is committed to presenting and delivering products and services of high standard which meet the needs of the customers.
7. Taking responsibility for interests of the customers as its priority
8. Strives to adhere to the various conditions as agreed upon with the customers to the best of its abilities.
9. Establish good relations with its creditors and to treat them based on the principles of honesty, reliability and mutual trust by providing information that are accurate, transparent, and accountable to creditors
10. Responsible for pay attention, and give importance to the various promises and conditions as agreed upon with its creditors to the best of its abilities in repaying debts, loans and interest. In the case that the company is unable to perform the obligations under the agreements, The company will inform creditors in advance to mutually find solutions to the problems.
11. The company will perform work based on the principles of ethics, and will not solicit, receive or pay dishonest benefits to the customers and creditors.



Social

Human Resources Management

In 2020, a total of 111 employees took the training course equivalent to 56% of all employees, and average training hours of 8 hours per person.



Executive level	Management level	Operation level
Lay out vision and business operation strategy in order to meet with the Board of Director's policy	Develop knowledge and management skill as well as create good team work to achieve the target	To gain knowledge and expertise on functions. Be aware about customer's need and their own team

The company emphasizes on raising knowledge of employees. They will be developed on continual basis on knowledge for their duties, production and quality control, skill for purchasing, transportation, maintenance, accounting-financial, safety hygiene and environment by in-house and public training course in order to meet with the vision of organization.

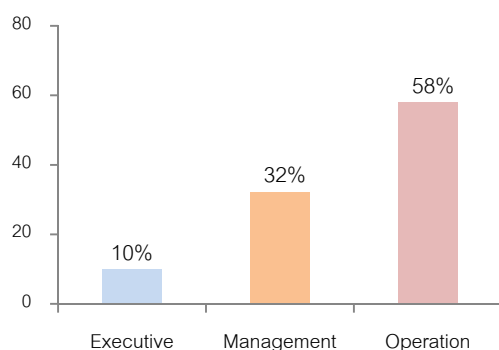
In 2020, the company arranged training course follow the annual training plan, consists of courses in 6 fields as follows;

Training of employees in 2020

Training Course	%
Management skills	26
Production & Quality Control	42
Purchasing & Logistics	3
Hygiene & Environment	3
Supporting Skills	23
Anti Corruption	3

Level	%
Executive	10
Management	32
Operation	58

Level of Staff Training 2020



Training Course in 2020

Skills type	Training course
Management Skills	<ul style="list-style-type: none"> • How to use tools for MAS : Error Measurement • Design Thinking & Creative Thinking • Critical Thinking For Better Decision • Cross Functional Problem Solving • Institute of Metropolitan Development (IMD)
Production & Quality Control	<ul style="list-style-type: none"> • Basic Knowledge of Raw Materials for Ink • How to use Acid cure (K-KAT, NACURE, K-SPERSE) • APCP : Advance Product Control Planning • Production Part Approval Process (PPAP) • IATF16949:2016 for Management/MR
Purchasing & Logistics	<ul style="list-style-type: none"> • Purchasing Contract Management • Suppliers Management • How to use Folk Life with safety
Hygiene & Environment	<ul style="list-style-type: none"> • Environmental Aspects in ISO 14001:2015
Supporting Skills	<ul style="list-style-type: none"> • Accounting Management : Transfer Pricing • Accounting & Taxation for Non-accountants • Techniques for Analyzing and Writing MD&A • Personal Data Protection Act 2020 (PDPA) • The World After COVID-19, Where is Thailand in The New Normal
Anti Corruption	<ul style="list-style-type: none"> • ISO37001:2016 : Anti-bribery and Bribery System

Safety, Health and Working Environment

Determine the Safety, Hygiene and Environment in Working Policy. The committee will be responsible to draw up training plan for every level of employees, prepare equipment to prevent danger in working and campaign to encourage employees to be aware on safe working environment. As employees are the organization's most valuable resources, therefore, the company has a commitment to ensuring safety, health and working environment as a part of goals and objectives are determined to controlling and preventing possible risks with review and improvement in a consistent manner. With the aim to prevent injury and sickness possibly resulted from working, the company also ensures its business direction is being practiced in compliance with relevant laws as well as rules and regulation in relation to health and safety as follows;

1. All employees shall maintain workplace safety.
2. The company shall improve safety and occupational health and workplace environment in order to exercise risk control and prevention.
3. The company shall promote activities in relation to safety and occupational health and working environment to reinforce awareness and increase participation of all employees.
4. The company shall sufficiently provide resources as deem suitable in support of achievement.
5. Commanders at all levels shall act as a good example conforming to rules and regulations in relation to safety, health and working environment.
6. All employees shall take their own safety and their colleagues including the company's assets into consideration during working hours.

In 2020, there is no employee who has suffered from work related to accident, and the company can reduce the number of work related to accident to zero by 443,520 working hours.



The company provided continuous monitoring and evaluation of environment at least once a year. The company recently operated on January 23, 2020 by Bangkradi Industrial Estate Co., Ltd., which the 2020, the company has an environment management budget of about 544,000 baht.

The company also looks after employee' health by preventive measures, treatment and health care. Organize annual health check-up as well as medical care benefits in case of sickness, also provide knowledge "The First Aids" so that all employees are informed and can prevent themselves from various diseases.



Moreover, the company has encouraged employees to do exercises by providing spaces or areas for exercising and installing exercise machines for employees, and encourages employees to make organic and non-toxic agriculture in line of Sufficiency Economy principle longer than 5 years passed as well.



In 2020, the company operations to promote safety, health and working environment during the PM 2.5 dust situation and the COVID-19 pandemic such as;

- Set measures to support operations in the dust PM 2.5 situation with providing protection equipment to reduce the impact of PM 2.5 dust to employees who must work in risky areas.
- Perform air quality inspections and install air purifier in the office to reduce PM 2.5 dust in the air that does not affect the health of employees.
- Set measures to reduce risks and prevent COVID-19 infection in the offices or workplaces of each section, such as providing mask and sanitizing alcohol to employees, produce a spraying kill bacteria and viruses in the office and allowing employees to work from home under the consideration of each section.



- Requirement to measure temperature before entering the office or factory area, the requirement to wear face mask during working period and, social distancing and the awareness of sanitizing hands with effective sanitizing alcohol, and up to date the situation of COVID-19 for all employees.



Social Responsibility Awareness

The company believes that business growth will be sustainable when the operations of that business are accepted and trusted by communities and societies that are directly and indirectly. The company must involve in the development of communities and society to grow along with the operations of the company. In addition to conducting business with social responsibility by following the laws, rules and regulations and quality standards related to business, the company aims to bring its resources and expertise under the participation of employees in order to help develop community and society especially in areas where the company operates by focusing on the outcomes that caused positive change for the community in society through various forms of support such as employee volunteer activities, donation from employees who donate money to public charities etc

The company has been aware of the roles in participating for taking care of society and communities which are the significant sectors for business contribution towards sustainable growth, the emphasis has been on life quality upgrading, enhancing strength and happiness for society and communities for the quality growth as follows;

1. Build up good relationship between the company and community. Responsible for effect which may occur from business operation.



2. Social and Environmental Responsibilities by improving and developing process in accordance to efficient environment. Selective about trading partners who operate business with social and environment responsibilities.
3. Cooperate with government sectors to abide to the law and change regulations to conform to laws, with varieties information correctly in labor information, regular billing disclosure to government sectors.
4. Encourage and give chance to employees, community and society to participate and express their opinion. Organize discussion platform about human rights violation issue to determine appropriate corrective measure.

“Corporate Social Responsibility” (CSR) is being committed and treated as an integral part of the strategic sustainability business plan as a result, both internal and external affairs cover on an environment awareness, safety concern from the starting of the operational system, logistic process throughout the supply chain also communication with the community in order to enhance its confidence towards company. Moreover, the contribution for the society is one part of our commitment especially an education support for students on National Children’s Day 2020.



The company encourages its employees in all of its businesses to present knowledge, idea, or start doing things with new methods in order to add value to products and benefits to society by develop cleaning solutions for disinfecting COVID-19, and support the product for medical personel in various hospitals, government’s agency and the Thai Red Cross Society.



Environment

Energy Management

Based on the company's firm recognition of critical value generated from its energy resources utilization, so as to create the energy saving project alongside its regular business operations such as turning off air conditioner earlier 15 minutes before lunch time and working end, installation the reflective lamp lantern, using energy saving lamp, together with promote awareness and conscience among all the employees.

Year	Energy Saving Project
2013 - 2014	Appointed the Energy Management Committee to laid down the company's energy resources conservation policy
2015 - 2016	Certified to be an efficient energy management organization, and received "Thailand Energy Award" 2015 by Department of Alternative Energy Development and Efficiency, and the best practice of energy management organization or "TEM Awards 2016" by Department of Industrial Promotion, Ministry of Industry.
2017 - 2018	Engaged the Energy Saving project with The Institute of Industrial Energy, with improving the efficiency of machinery and equipment for energy saving with installation Solar Cell system combined power plant of the factory
2019 - 2020	Engaged the Energy Saving project Phase 2, subsidized by Department of Alternative Energy Development and Efficiency, Ministry of Energy,

The result of participating in Energy Saving project for industrial Phase 2 under Department of Alternative Energy Development and Efficiency, Ministry of Energy, the company has installed 10 kWh of Solar Cell system that energy consumption of the company in 2019 decreased by 15,800 kWh or 5% from the previous year, and reduced green house gas by 12 tCO₂/year.



Waste Management

The company has been certified for environmental management standards ISO 14001: 2015 which is aware of the environmental impacts that may occur from the paints production. Therefore, the company has proceeded the waste treatment system caused by the production process in accordance with the standards of Department of Industrial Works, also continuously inspect the quality of the environment at least twice a year which the latest was made on January 23, 2020 by Bangkradi Industrial Estate Co., Ltd. with there was no environment legal disputes.

Chemical Concentration in Workplace Report

Parameter	Detected Report (ppm)			Standard (ppm)		Result
	Lab	Spray Booth	Production	Thai	ACGIH	
Toluene	0.26	<0.007	1.25	200	20	✓
Xylene	1.65	<0.002	2.81	100	100	✓
Methyl ethyl ketone (MEK)	<0.006	<0.006	<0.006	200	200	✓
Formaldehyde	0.10	<0.02	0.14	None	50	✓
n-Butanol	0.11	<0.02	0.22	1000	1000	✓
Ethyl acetate	15.91	-	6,88	15	400	✓

Chemical Contamination in Air Report

Parameter	Detected Report				Result
	Vent 1	Vent 2	Vent 3	Vent 4	
Diameter (m)	0.30 x 0.50	0.30 x 0.80	0.45 x 0.80	0.30 x 0.50	✓
Temperature (°C)	32.6	29.8	35.4	34.5	✓
Wind Speed (m/s)	1.3	5.1	2.6	1.9	✓
Air Flow Rate (m ³ /s)	0.20	2.04	0.94	0.29	✓
CO ₂ (%)	<1.0	<1.0	<1.0	<1.0	✓
O ₂ (%)	20.93	20.90	20.92	20.75	✓
Volatile Organic Compound (mg/m ³)	<0.010	0.111	2.035	0.110	✓
Xylene (ppm)	<0.383	<0.010	0.072	<0.010	✓



Good Governance

Fair Competition

The company has made Good Corporate Governance and Ethics Handbook for business operation, so as to comply with Principle of Good Corporate Governance for Registered Companies of Stock Exchange of Thailand. The Handbook has been distributed in order to implant good conscience and apply the principle by management and all level of employees, and also public on the company's website as follows;

1. Demonstrate strategy and capability in adding value in a long run
2. Set up the company's vision and strategic intent suitable with own capability in achieving value-adding activities, raising efficiency and ensuring operational effectiveness, as well as equally ensuring satisfaction among shareholders, clients and investors.
3. Demonstrate operational transparency. Able to answer inquiries and held accountable through mechanisms such as a clear decision-making process and transparent working procedures disclose through reports and analyses on operating results and plans to the shareholders, the clients, the investors and other stakeholders equally, adequately and promptly.
4. A public relations officer must be appointed to present information and able to facilitate communication. At the level of the board of directors, all committees must be balanced in their opinions and monitor the operation, be controlled in giving cautious advices to ensure smooth business and sustainability.
5. Focus on building business allies with trading partner for long term growth and joint development. Compete fairly, do not take advantage or claim benefit not included trading agreement. Adhere to satisfaction on both sides in business negotiation.
6. Respect fair competition rules. Do not destroy competitor fame, and not copy or use other intellectual property in business without permission.

In 2020, The company has not received complaints or disputes of unfair competition



Respect rights of stakeholders

The company emphasizes on building good relationship and happy co-existence with related group from employees, partner, communities and society by human right of every person. This is the principle which the company adheres to while carrying out activities in business operation. The company has a clear, written business management and stakeholder treatment policies which directors, managers, and all employees strictly hold to. The company avoids situations that would cause conflicts of interest, respecting stakeholders' rights and maximizing mutual benefits.

1. Respect the ownership right of stockholders, look after their interests, support and provide opportunities for all groups of shareholder fairly and equally such as access to information, attend the meeting to determine business operation direction, and make decision on issues which affect the company significantly.



2. Produce and distribute product which are safe. Determine product price according to cost of goods and stay competitive, keep promise and agreement in product distribution, take care of customer's demand and complaint, also customer satisfaction.
3. Manage work so that debtors feel confident about financial status and ability to pay debt. Strictly carry out as state in contract or other conditions.
4. Treat employees and respect their existence as basic human right in working. Promote equality in employment, opportunity in professional development. Encourage participation to determine direction of business operation and development of the company.
5. Determine respect human rights issue as social responsibility policy. This is communicated to management and every level of employees, including related persons.
6. Organize meetings to review, and improve procedure which may be against human rights. The Safety, Hygiene and Environment in Working Committee will propose to management to proceed in accordance to International Human Rights Principle
7. Give every employees equal opportunity in job employment, occupational development, sufficient and appropriate safety measures, environment and quality of working life.

8. Encourage employees to exercise their voting rights to select representatives on required occasions.
9. Employment opportunity after retirement for employees with knowledge, skills. Ability and good health, so that they can work with the company for another appropriate period of time.
10. Treat all level of employee equally when wrong doing is found. The discipline investigation committee is appointed to give fair trial to employee. Give employee the chance to explain, change and improve, so that they become good member of the organization. Nevertheless, the wrong doing in working regulation will lead to disciplinary measure and consider punishment according to rank.
11. The company provided equal employment opportunity especially the handicapped. In 2020, the company employed the 2 handicapped as required by law (Law states that 1 handicapped person per 100 employees)

Number of employees classified by gender

Year	Male	Female	Total
2020	114	82	196
2019	119	83	202
2018	117	85	202
2017	117	84	201
2016	113	87	200

12. The company emphasizes on happy working environment, stresses on building good understanding among employees – employees, and employees – the company which are the basic of good labor relation. The management will also create balance between working life and living.
13. The company employ employee legally, give remuneration and determine working day, holiday. Rights to take leave, health care, safety standard as required by law to create balance between working life and living. The company has operated based on the policies on wage management by setting the wage increase rate and bonus in accordance to the economic situation together with the performance of the company, and then the wage increase is considered based on the performance and working ability of employees including the consideration of increase in special occasion for promoting employees who have outstanding performance. The company provides equal welfares for employees without discrimination on gender, race, age, and religion with the focus on law compliance, taking care of employee to have good quality of life and sufficient for living such as;

Social Security Fund	Yearly vocational leave
Provident Fund	Married leave
Insurance fee for life and accident	Maternity leave
Insurance fee for sickness	Cremation leave
Scholarship for children	Ordination leave
Giving certification and souvenir for long serving 10, 15, 20, 25, 30, 35 years	Grant in case of employee or parents death

14. Organize training for all level of employees to improve their skills and receive sufficient training to perform their job. Provide occupational development based on ability.



In 2020, The company has not received complaints or disputes on human rights violations were filed against the company.

Report of Risk Management Committee

With awareness on important of risk management, the Board of Directors has been appointed The Risk Management Committee, consists of 4 persons namely; Ms. Petcharat Eksangkul, Chairman, Mr. Wichai Eksangkul, Mr. Nathapol Eksangkul and Mr. Jitti Eksangkul to responsible for the risk assessment which the risk management result will be reported to the Board of Directors for acknowledgement in order to ensure that it is in line with determined objectives.

During 2020, the committee held 4 meeting and invited Risk Management Working Group which consists all of department managers to join the meeting in order to discussed various matters, including investment risk assessment, government policy change and situation of COVID-19 pandemic that might affects company's business, which the result can be summarized as follows;



Ms. Petcharat Eksangkul
Chairman of Risk Management Committee

- **Risk management plan for 2020**

The Risk Management Working Group arranged the meeting and training on Risk Assessment to defined risk factors that will have an impact on the business operations of the company, which include both internal and external risks for year 2020, with the defined framework of risks, together with establishing 4 categories of risks – namely; very high level, high level, middle level, and low level. This is to build knowledge base for all level of managers to be able to define risk factor of each section for setting up the year plan of Risk Management.

- **Risk assessment**

Defined procedures and processes to assess various risk factors which could impact the company's business operation such as strategic risk, operational risk, financial risk and environmental risk, also reviewed and considered the respective risk management plan to acceptable levels.

- **Risk management monitoring and overseeing**

The committee closely monitored and management of various risks, through holding the meeting, as well as giving various recommendations to ensure that such risk management will be fully effective and efficient. The risk management result will be reported to the Board of Directors afterward.

The Risk Management Committee has discharged its assigned duties and responsibilities in an adequate manner; whereby it is the opinion of the Risk Management Committee that the company has effectively and adequately managed all the various perceived risks, in accordance with the good corporate governance practices and guidelines.

Risk Factor

Due to the recognition by the Board of Directors of the various risk factors posing possible threats to the company's business operations, the Board of Directors, therefore, assigned the Risk Management Committee to be responsible for supervising the organization's risk management practices and procedures in a systematic manner. The Risk Management Committee has determined the following risk management policies as follows;

1. To promote all levels of employee to stimulate understanding, conscience, and collective responsibility of risk, that could occur in the process of management and operations.
2. To promote and set up risk management standard process, including managing, controlling, monitoring, reporting, and communicating the information of risks continuously.
3. To measure the risk by considering both in terms of quality such as the company's reputation and image, and quantity such as revenue, expense or business operation.
4. To determine the risk limit at the acceptable level, and identify circumstances and risk degrees that are noted as warning signs for the operators to manage risk and control it under the risk limit.
5. To provide operational regulations in writing for the management team and all employees to abide by in order to control the operational risk.

The Risk Management Committee has undertaken an evaluation and analysis of those risks that could possibly affect the organization, through covering both internal and external risk factors, setting priorities for the risk management plans, as well as undertaking regular follow-up on the implementation of associated established plans. At the same time, the Committee has provided the progress and ongoing development of these plans on each quarterly, which the risks are as follows;

Risk from the operation under Toll Manufacturing Agreement

The Company operates Motorcycle coating business under the Toll Manufacturing Agreement by manufacture according to purchase order from BASF (Thailand) Ltd. ("BTL") and BTL will distribute to OEM manufacturing in motorcycle industry both local and other countries in ASEAN

Under the Toll Manufacturing Agreement, the company will earn in form of Toll fee that fluctuate based on production quantities for this reason the company may have risk from BTL whose marketing planner may be unable to expand customer base in this regional also company may have risk if BTL hire other manufacturers instead

The company realize that branding may get revenue better than toll manufacturing but motorcycle coating business has a relatively high competitive therefore manufacturing, distributing and branding as their own must have publicity and promotion which requires an investment as well as a risk of the sales opportunity to compete with other manufacturers. While toll manufacturing can help company to reduce purchasing and management of raw material which may have risk related in price of raw materials which are varied by economic. In addition, BASF is a famous brand and is recognized internationally and aims to Thailand as a manufacturing hub for the expansion of the coatings business (Coatings) in the motorcycle industry and other industries in the region. Making sure that BTL is committed to the marketing plan and expands its customer base to achieve this goal as well.

Moreover the company assumes that generally product has price and quality as importance key as well as the company has very long experience as an industrial paint manufacturer and has been trusted from customer over long, the company focus on quality of products along with appropriate toll fee therefore ensures that the company is trusted and been hired by the customers afterward.

Risk related to a growth of automotive industry

The company's revenue is from tolling fee of automotive paint, and food & beverage industry which as the same direction of economic situation. In 2020, Thailand economic still continually recovery same as the past several years, brought the household sector spending to careful.

However, automotive industry has been promoted by the government ongoing, and almost parts manufacturing base in Thailand. The motorcycle consumption was increased due to consumer reduce their daily cost by using motorcycle rather than higher cost of car which are supported factors to company's business. At the same time, customers are reluctant to change brand of paints, they currently use due to high cost of switching brand. Cost of paints is very low if compared with cost of a car. Thus, despite of the lower price of a new brand, the customers are willing to stick with BASF brand

Besides the Company has focus more on manufacture and distribute other industrial paint apart from automotive industry such packaging coating and printing ink, also develop own brand and know-how which R&D department has studied and developed for many years to enlarge company's customer base.

Risk concurring from dependency toward know-how of the business partners

The company produces motorcycle coatings by purchase order from BASF (Thailand) limited ("BTL") with know-how of BASF. Furthermore, raw materials for production based on such know-how can only be obtained through particular chemicals suppliers accepted by know-how owner. Thus,

BASF is interested to invest in paint industrial, the company's operation and business performance will be significantly affected.

However, even the company produces paint with know-how of world famous companies and deliver to distributors for local end users, but some adjustment with regard to formula or application of the know-how is needed due to environmental differences of the countries. As a result, the company has to further invest in research, development and staff to come up with the exact formula suitable for Thailand. Thai personnel are needed for technical support, after-sale service and marketing activities since they have a better understanding of clients' demand and equip with years of experience in paint industry such the Company is able to recommend for paint application under higher humidity than Japan besides, The company expand its customer base in can coatings and printing ink business which will make the same revenue proportion between motorcycle paints and other industrial paint.

Risk related to the limited numbers of raw material supplier

To produce motorcycle coating, packaging coating and printing ink, the Company is supplied the related raw materials by 27 Thailand-based distributors. As mentioned earlier, these raw materials are specifically and strongly recommended by know-how owners which this license is important to industrial paint business. As a result, it makes the Company vulnerable to the suppliers' decision if they stop to delivery raw material or unable to deliver as schedule.

However, the Company has made the agreement with the supplier of chemicals used for a production of motorcycle coatings and established business relationship with this supplier for a long period of time. This can ensure consistency of raw material supplied at some degree. In the worse case of their inability to supply at all or to supply on time, the Company can order and import the chemicals from business partner or know-how owner to manufacture and punctually distribute to the customer which unfortunately, will drive up the cost of production.

Risk related to price fluctuation of raw materials and exchanged rate

Chemicals are the major raw materials of paint production, such as pigments, resin, and solvent. Most raw materials, particularly pigments and resin, have to be imported or purchased through the chemicals distributors. Consequently, the Company's purchase of raw materials involves foreign currency. In the year 2020, the Company's percentage of raw material purchases through importer or distributors are 71% of the total raw material purchases respectively and the percentage of raw materials imported by the Company are 29% of the total purchases respectively. This practice makes the Company vulnerable to the foreign currency exchange fluctuation

However, financial institution has approved credit line for the Company to apply with Forward Contract which is sufficient to the value of raw material for each order. Besides the Company also has production plan which consistence with customer's production plan for ordering the major raw material from supplier to ensure that raw material will be efficient to manufacture for each purchase order by place raw material order in advance 1 – 3 months and reserved for 3 month. The Company has policy to adjust selling price upon the fluctuation of the cost even the Company is unable to adjust price immediately but most of products have life-cycle in short period therefore the Company is able to adjust or decide new price base on actual cost to maintain profit also monitoring global market price situation to manage overhead cost and reduce risk from the fluctuation of raw material cost, so that the Company can manage gross margin.

Risk from ASEAN Economic Community (AEC)

Business operation under ASEAN Economic Community (AEC) is another big challenging task for all Thai industries as it would encourage more competition among member countries; in the pursuit of drawing fund and investment. The country with competitive edge in terms of cost and production efficiency would be fascinated by various manufacturers; as a result the production of automotive, food and beverage cans might relocate their plants to the place where they could enjoy such benefits which directly effects the consumption of paints and coatings.

In order to cope up with this foreseeing risk, the company has already expanded its production facility in Vietnam as well as setting up a new plant in Indonesia and services centre and distribution office in Malaysia in the year to come. Such moves would enable Eason to lower the exposure towards aforementioned risk since the company together with its partners will be able to response to customers' requirements in each area specifically with continuity of supports as expected by both automotive manufacturers and can maker counterparts.

Risk related to a change of technology

Majority of the Company's customers are manufacturers and engage in an on-going industry. The Company always keeps product quality to match with the standards or requirements set by the customers. For instance, if a customer gives importance to providing environmental-friendly product, the Company's product sold to that customer has to be environmentally safe as well, thus if customer changes production lines or technology in a large scale ie. changing from metal to paper, reduction of thinner content, changing to water-based formula, the Company has to either adjust its technology to go with the customer's or loses business.

However, the customers' nature of business cannot allow frequent changes of production line or technology in a large scale due to high cost. In addition, the Company usually joins in production planning with most customers in order to best meet their demand. The advantage of joint planning is that the Company is able to monitor and evaluate if there will be any major change at the customers' production line, in particular the technology in the future. This can lower the risk of technology that the Company bears for a certain extent.

Risk related to being compliant with regulatory requirements and applicable laws

Both business operations in country as well as overseas are always subject to regulatory requirements and laws related to chemical rules such as raw materials purchasing, production and transportation. The company always aware all related rules whereby if not strictly adhered to, it could have serious adverse affects for the operations and reputation of the company.

The company places much importance to operate in full compliance with all regulatory requirements and applicable laws for the company's business operations as well as monitoring announcements of any new laws that are applicable for and could impact the company. Together with informing and disseminating all staffs for full understanding of these laws by the same direction.

Risk related to natural disasters

The company has formulated plans to prevent and lessen risks stemming from fire and flood disasters. To cope with fire-related risks, the company has set the Emergency Working Group to response when emergency situation occur. Together with, undertaken fire drills and evacuation training activities every year, and installed emergency fire alarms, also regularly carries out the checking and testing of its fire-fighting equipments so as to ensure their proper functioning and good condition. Moreover, the company has taken out insurance to cover its assets against disasters related risks in order to minimize any damages resulting from such risks.

Regard to the threats of flooding, the Safety, Hygiene and Environment in Working Team will be in charge of preventing and implementing solutions planning for flooding with such measures to be undertaken before, during and after a flood crisis situation, together with plans for regular updates during the flood crisis so as to keep abreast of the developing situation.

Risk related to corruption

The company recognizes that corruption is major obstacle to the ongoing operation development. Throughout the past, the company has adhered to operate businesses in an honest and transparent manner within the principles of good corporate governance, together with a channel of communications to receive information related to corruption and associated procedures to protect the whistle blowers.

Throughout the past, no issue found about corruption and unlawful operation or related requirements as well as no violation about business operation ethics.

Anti-corruption and Internal Control

Resistance to corruption is an important policy of the company besides implanting attitude and ethics as basic for performance for management and all level of employees. The company has drawn up audit process and internal control system to check and balance appropriately.

Moreover, the company has made implementation to create confidence in accordance to Resistance to Corruption Policy as follow;

1. Set up a code of conduct for employees as a standard manual for employees to conduct themselves which focusing on honesty, morality, reliability and the desire for excellence
2. Review rules and regulations about purchase, employment, determine requirement for authorized signatures for expense and purchase document to control and prevent corruption within the company
3. Board of Directors, management and employees are forbidden to engage in any action to claim or accept or offer to give assets, other benefits to induce to carry out or refrain from performing duty which is wrongful.
4. Organize training to give knowledge to the management and employees about risk management frame and internal control in order to manage risk
5. Determine communication channels, receive complaints or information about corruption, the informers will be protected in strict confidence and will not be disclosed. The issue informed will be examined by the Board fairly

Participation channels for the stakeholders

The company laid down a Whistle Blowing policy to justly protect the whistle-blower, including protection from persecution when filing a report. The company provided the channel for all stakeholders to file the report or complaint on those matter likely to cause damage to the company or the matters that the stakeholder' right is violated or the corruption. The whistle blower could communicate to persons in charge through the channel as follow;

Section	Telephone	Email address
Customer Service	02-941-6931 Ext. 5112	tada_kh@easonplc.com
Production	038-451-833 Ext. 5263	piti_ek@easonplc.com
Research & Development	02-941-6931 Ext. 2211	punvipa_ch@easonplc.com
Purchasing	02-941-6931 Ext. 1132	chutima_ek@easonplc.com
Environmental & Safety	038-451-833 Ext. 5151	vichai_ma@easonplc.com
Financial Report	02-941-6931 Ext. 1234	chayuth_se@easonplc.com
Investor Relation	02-941-6931 Ext. 1221	saroch_ch@easonplc.com

Contact/Complaint channels to the Board of Directors

The stakeholder stakeholders are able to file the report or complaint to the Board of Directors directly through the channel as follow;

Ms. Pismai Boonyakiat
Chairman of the Board of Directors
Eason & Co Public Company Limited
312, 402/3-6 Phaholyothin 32, Chankasem, Chatuchak, Bangkok 10900
Tel. 02-941-6931 Email : pismaib@gmail.com

In 2020, the company has no issue found about corruption and unlawful operation or related requirements as well as no violation about business operation ethics.

Internal Control Policy

Company aims to establish and maintain the confidence of all stakeholders and adherence to operate as a good citizenship. All employees have a reputation to protect and preserve the dignity of the company. By maintaining the highest standards of professional and ethical conduct as follows;

1. Conflict of Interest Policy

- Employees should avoid any action that might be conflicted to the company interest whether contact with relevant companies such as customers, suppliers, competitors or take advantage or information from being employee for their own benefit and doing business to compete with company.
- Employees shall avoid the shareholding in the company's competitors. In cases the stocks have been obtained before being an employee or before the company went into business, or by way of inheritance. Employees must report to their superiors.
- The company will enforce by intellectual property laws or other laws if there is the violation of confidentiality of business.

2. Corporate Assets Policy

- Employees have duty and responsibility for the corporate assets by ensure that it will not be damaged, lost also utilized corporate assets for highest benefit and do not take for personal use.
- The assets means tangible and intangible property such as chattel, property, technology, knowhow, certificate of ownership, patents, copyright also the confidential information that not disclosed to the public, such as business plans, financial projections. Information of Human Resources.
- All employees should avoid disclosing or using the confidential information strictly.

3. Gifts and Entertainment Policy

- Employees shall not request, receive or accept money, materials, or other benefits from the relevant with the corporate.
- Employees may accept gift as conventional. By accepting the gift shall not affect any business decisions of the recipient.
- The gift should not be much valuable and shall not be cash or equivalent as cash.
- If employees receive valuable gift than usual from the relevant with the corporate, employees should report to theirs superiors.
- Giving or accepting gift can be made if made by transparent or in open location.

4. Securities Trading and Inside Information Policy

- Employee shall avoid using internal information or disclosing internal information to others for trading corporate stock.
- Insiders should not buy or sell shares before the publication of financial statements. Or publishing company status as well as other important information and should wait at least 24-48 hours after the disclosure to the public prior to purchase or sell shares of the company.

5. Internet Controls and Audits, Financial Reporting

- The management has responsibility to prepare the financial report to be accurate, complete and in timely manner both annual report and quarterly report in accordance with acceptable accounting standard.
- Establish efficient control system and internal audit to ensure that the Corporate has complied with the standards and related laws and under monitoring of internal audit and reviewed of the audit committee.
- Perform duties with honesty and take any action to all shareholders with equitable.

6. Shareholders Policy

- Inform status of the Corporate to Shareholder regularly and completely.
- Report to the shareholders of the future prospects of the organization, both positive and negative with sufficient rationale.

7. Customer Relations and Product Quality Policy

- Deliver product with higher quality than customer expectation under fair condition.
- Provide correct and sufficient Product and Service information in timely manner which will support customer to make decision without exaggerating on advertisement or other communication channel that may cause misleading about the quality, quantity, or any other condition of Products and Services.

- Maintain customer confidentiality and do not use for own benefit or related person.
 - Response to customer request by rapidly and provide procedure and channel for customer's complaint about Product and Service efficiently.
8. Suppliers/Creditors Policy
- Treat all creditors equally and fairly on the basis of obtaining a fair return on both sides.
 - Strictly comply with terms or conditions agreed upon by the business partners, in case failure to comply, must inform to Suppliers and/ or Creditors in advance to find solutions mutually.
 - To negotiate business must exempt any request, accept or give any unlawful benefits which in dealing with business Partners and / or Creditors.
 - If corruption was found must inform to Partners and /or Creditors to explore the solution fairly and rapidly.
 - Financial report must be regularly provide to creditor with accuracy, completely and timely
9. Employees Policy
- Offer fair remunerations to the employees
 - Ensure working environment that secures life and property of employees
 - Ensure that promotion and transfer employee including reward and punishment must be trustworthy and based on appropriate and capability of employee.
 - Give priorities to the development of employee's capabilities and knowledge by providing the opportunity thoroughly and regularly.
 - Strictly adhere to rules and regulations relating to the employees;
10. Rivals Policy
- Comply with the rule of fair competition
 - Do not make any unlawful exercise or inappropriate in seeking information of competitors such as give bribe to competitor's employees.
 - Do not defame or slander against the competitor's reputation.
11. Employees Practice Policy
- Perform duties with endeavor, integrity and transparent and shall refrain from giving to superior or receiving from subordinates.
 - Respect employee's right including management
 - Superiors should practice themselves as respectful person and employees should not disrespect Superiors.
 - Comply with rules, regulations and traditional whether provided in written or not.

- Maintain and create the unity among the employees and avoid any action which is affect to company reputation and image or cause problem later

12. Environment and Community Policy

- Responsible and commit for the environmental preservation also including custom and local tradition where the corporate is located.
- Carry out activities to develop the society, the community and the environment to enabling the good quality of life for the community where the corporate is located by own operate and cooperate with government and community.
- Prevent accident and control waste emission to be lower than standard level.
- Response immediately and efficiency to the situation that effect to the environment and the community from the company operation also cooperate with government and related agencies.

The Insider information policy

The Board of Directors has been aware of the importance of good corporate governance in order to run a business with transparency and prevent seeking individual benefit from the use of insider information which not disclose to the public, the company, therefore, set the insider information policy as follows;

1. Educated Directors, executives, the management in accounting and finance and employees about related legal and regulatory in order to be a pattern for them to follow strictly.
2. Educated Directors, executives, the management in accounting and finance about duty of initial reporting on their securities holding in the company also their spouse, people who live and cohabit together as husband and wife, their minor child and juristic person that they held shares more than 30 percent of all eligible vote according to section 59 to the Securities and Exchange Commission.
3. Directors, executives, the management in accounting and finance, are always required to initially report on their securities holding in the company also their spouse, people who live and cohabit together as husband and wife, their minor child and juristic person that they held shares more than 30 percent of all eligible vote to company secretary before send to the Securities and Exchange Commission within 30 days of the date on which they are appointed. They are also required to report on any changes in securities holdings as a result of the purchase, sale, transfer or acceptance of transfer of securities within 3 business days of the date of any changes.

4. Directors, executives, the management in accounting and finance, employees and any related persons who acknowledge the significant insider information which may affect to the change of securities' pricing, shall be prohibited from trading company's shares as well as be prohibited from disclose significant insider information to anyone at that time and prior to the release of the company's financial statements or financial status and the company's status until the release of the company's disclosure. The company shall inform all concerned persons in writing of the silent period, which is at least 30 days prior to the release of the company's disclosure, and 24 hours after the release.
5. Penalties for insider trading shall be imposed for any breaches e.g. caution, suspension and dismissal depends on intention and effect of the action. Moreover, violation of the prohibition on insider trading can result in a prison sentence and civil and criminal fines for the individuals and the entities who commit the violation.

Measure of preventing misuse of insider information by the management officers

1. To prevent misuse of insider information, each department/section shall not disclose any information of one's own department/section to any other departments/sections or to other parties not entitled to that information.
2. The management officers who are entitled to the company's financial reports/information shall not seek any benefits from that information prior to public disclosure. One of the rules to prevent misuse of information is that the management officers shall not engage in security trading for one month before public disclosure of the company's financial statements.
3. All directors and management officers are required to report on the company's shares hold by them as specified in Section 59 and in accordance with Announcement of Securities Exchange Commission no. Sor.Jor.14/2540 about report and disclosure of shareholding as dated May 12, 1997, and the requirements of SET. The penalty for not following the rules and requirements is described in Act of Securities and Securities Exchange B.E. 2535. Besides, any directors and management officers who break the rules are subjected to penalization according to the company's Regulation ie. receiving verbal warning, written warning, suspension, or terminating employment, as the case may be.

At the same time, the company also developed internal control system regarding inside information, by applying information technology system to classify inside information access level for each employee level, through the setting of ID code for accessing such information.

Securities Trading Policy

Eason & Co Public Company Limited is committed to treating all of its shareholders with transparency and fairness in accordance with good corporate governance principles. In order to achieve this, the Board of Directors has adopted the following Securities Trading Policy as follows;

1. Compliance with the law
 - 1.1 All directors, executives and employees must comply with the insider trading prohibition, as defined in the Securities and Exchange Act, B.E.2535, at all times.
 - 1.2 Any director, executive or employee who knows or possesses inside information related to a securities issuing company must not:
 - (1) Purchase or sell securities or enter into a derivatives contract related to securities for their own or another person's benefit.
 - (2) Disclose inside information to other persons, either directly or indirectly and by any means, while one knows or ought reasonably to know that the recipient of such information may exploit it for trading securities or entering into a derivatives contract related to such securities, either for their own or another person's benefit.
2. Policy on trading of the company's securities
 - 2.1 Designated Persons
 - 2.1.1 "Designated persons" are the persons who, because of their positions or responsibilities, have access to the Company's inside information. (This term includes their spouses and minor children, as well as any juristic person in which the aforementioned persons hold an aggregated amount of shares exceeding 30% of its total voting rights if this amount constitutes the largest proportion of the shareholding) These include:
 - (1) Directors
 - (2) Senior executives
 - (3) Executives and employees who have access to the company's inside information, such as members of Portfolio Management & Investor Relations, Corporate Accounting, Corporate Finance, Venture Capital & Business Development, Internal Audit, Legal and Compliance Office
 - (4) All executives and employees who participate in the meetings of the company's board of directors and/or its sub-committees
 - (5) Any other person whom the compliance office and related persons (e.g. supervisor or head of unit) have mutually agreed to define as such

- 2.1.2 The office of managing director responsible for maintaining the register of designated persons and reviewing it on an annual basis, as well as notifying these persons and their heads of department when their names are added or removed

2.2 Blackout Periods

- 2.2.1 All designated persons are prohibited from trading the company's securities for a period of thirty (30) days prior to the disclosure or publication of the quarterly and annual financial statements, or any other period that the company might specify from time to time.

- 2.2.2 In exceptional circumstances, a designated person may sell the company's securities during the blackout period if he or she suffers severe financial hardship or has to meet legal or regulatory requirements, especially under a court order. In this case, the designated person must submit a written request, explaining his or her reasons for selling the securities, to one of the following persons for approval:

- (1) The Chairman of the Board (in the case of a director or the company secretary)
- (2) The Chairman of the Audit Committee (in the case of the Chairman of the Board)
- (3) The Chief Executive Officer (in the case of any designated person other than a director, executives and employees)

A copy of the request must also be submitted to the company secretary.

- 2.2.3 The company secretary will publish the dates of every blackout period in advance in order to help the designated persons comply with this requirement

2.3 Prior Notification for Trading

- 2.3.1 Any designated person who intends to trade The company's securities must notify the Board of Directors at least one day in advance
- 2.3.2 The designated person must notify to the company secretary no later than 10.00 a.m. on the business day before the intended date of transaction.
- 2.3.3 Upon receipt of the notification, the company secretary shall determine whether the proposed trade by the designated person is within the terms of this policy.
- 2.3.4 Each notification can be submitted via email.

2.4 Report of Securities Holdings

- 2.4.1 Initial reporting

All designated persons must report their holdings of the company's securities to the company secretary as follows;

(1) Report of Directors' and Executives' must be submitted within seven (7) days of appointment

(2) Any designated person must be submitted within seven (7) days of notification by the company secretary

2.4.2 Reporting of changes

All designated persons must also report any changes in their holdings of the company's securities to the company secretary

2.4.3 Reporting by directors and executives

All directors and executives responsible for completing disclose their holdings in the company's securities and any changes thereof, and submitting to the Office of the Securities and Exchange Commission in compliance with Section 59 of the Securities and Exchange Act, B.E.2535, and all relevant notifications

2.5 Trading Exemptions

Sub-sections 2.2 & 2.3 of this policy do not apply in the following situations;

- (1) The acceptance of a takeover offer
- (2) The exercise of stock options or warrants under one of the company's share plans, although any shares or debentures that are purchased may not be sold during a blackout period

Any director, executive or employee who violates this Policy may face disciplinary action up to and including termination of employment, and may also be subject to criminal and civil liabilities under the Securities and Exchange Act, B.E. 2535

Shares holding of the Board of Directors in 2020

No.	Name	No. of Shares			
		Dec 31, 2019	Changed	Dec 31, 2020	%
1.	Mrs. Pismai Boonyakiat	-	-	-	-
2.	Mr. Jane Wongissariyakul	-	-	-	-
3.	Ms. Thipawan Uthaisang	30,496	-	30,496	0.005
4.	Prof.Dr. Tharapong Vitidsant	-	-	-	-
5.	Mr. Sanan Eksangkul	19,855	-	19,855	0.004
6.	Ms. Petcharat Eksangkul	7,655,667	571,400	8,227,067	1.451
7.	Mr. Sanit Eksangkul	2,826,808	-	2,826,808	0.499
8.	Mr. Wichai Eksangkul	1,231,111	-	1,231,111	0.217
	Spouse	19,001	-	19,001	0.003
9.	Ms. Sirinun Eksangkul	784,336	-	784,336	0.138
Total		12,567,274	571,400	13,138,674	2.317

Internal audit and control system

Internal audit and control system has been set up to monitor both management and operation level. The company has defined duties, responsibilities, and authorization of operation officers and the executives clearly, having control system over the usage of Company's assets, clearly separating positions of the persons who operate work and those examine or audit work so as to balance power and to promote efficient internal control. In addition, the company appoints Well Planning Solution Co., Ltd. as an Internal Audit Company which will report directly to Audit Committee. External auditors are required to evaluate and review the company's internal control system when they are on duties to audit the company's financial statements annually. Furthermore, the company has made a handbook of internal control to be used within the organization.

Internal Audit

Company Name	Well Planning Solution Co., Ltd.
Head of Internal Audit	Ms. Woraluck Limsookprasert Managing Director
Education	<ul style="list-style-type: none">• Bachelor of Accounting 2nd Honor University of Thai Chamber of Commerce• Master of Accounting, Thammasat University Certified Public Accountant
Experience	1995 – 2002 SGV-Na Thalang Co., Ltd. 2003 – 2004 KPMG Phoomchai Audit Co., Ltd. 2005 – Present Well Planning Solution Co., Ltd.
Training	<ul style="list-style-type: none">• TSQC1 Monitoring Workshop and EQCR for Capital Market Auditing• Compliance with Quality Control Standard (TSQC1) for Auditing Firm• COSO Internal Control Integrated Framework Update 2013• Enterprise Risk Management Integrating with Strategy & Performance• Integrated Internal Audit for Sales and Debt Management• Risk Management Frameworks

Audit's remuneration

In accordance with the resolution by the shareholder' meeting, the company made remuneration payments as audit fee to Dharmniti Auditing Co., Ltd., where the company's auditor according to details as follows;

Unit : Baht			
Audit remuneration	2020	2019	2018
Eason & Co PLC	925,000	880,000	850,000

During 2020, the company did not make other remuneration payment for other services, either to the auditors of the company and subsidiary companies, the audit office where the auditors were attached to. The company' directors or management team have not been related to the audit office, such as staff or partner in the past 2 years.

The Board of Director' opinion

The company has recognized the importance of internal control system. The Board of Director has appointed the Audit Committee to review the assessment of the company's internal control to ensure that it is a sufficient and appropriate system, as well as to provide accurate and credible accounting system and financial report, also to contribute asset protection and mitigate damage occurred from error and corruption, along with effective compliance with relevant laws and regulations.

The company hires Well Planning Solution Co., Ltd., an external organization, as the internal audit. This will allow the company to be able to fully perform functions, and independently in internal audit. The company can keep improving itself up to internal and external factors which are constantly changing. In this regard, the internal audit will coordinate the System Development Manager of the company, and report directly to the Audit Committee to enhance the effectiveness of the audit process.

At the Board of Directors' meeting No.2/2020 on February 28, 2020, the Board of Directors including member of the Audit Committee evaluated the company's internal control system for 2020. According to the internal audit and inquiring for information from the management, the Board of Directors did not find any significant deficiency regarding internal control system. Therefore, they agreed that the company had sufficient and appropriate internal control system which was compatible with the current operation. These can be summarized as follows;

1. Control Environment

The company has assigned explicit policies and objectives of business with concrete evaluation by considering fairness to employee, customer, trading partner, and responsibility for shareholders, society, community and environment. It has also reviewed the implementation of the goals set on a regular basis to comply with the conditions at that time.

The company has established organizational structure in order to separate duties and responsibilities of the management team, thus allowing effective operation. There were policy

on corporate governance, business ethics, which were acknowledged by executive and employee as guideline for everyone to perform their duties with integrity, and restrain from posing conflict of interest with the company, including not corrupting which causes damage to the organization.

2. Risk Assessment

The company has assigned the Executive Board Committee in order to take care of risk management in a systematic and effective manner. There was risk analysis that revealed probable risks from internal and external factors which could affect business conduct of the organization. It has also decided clear working plan and working procedures, as well as constantly followed up on risk management result to ensure that it is at acceptable level. This included all executives to engage in risk management and communicated to all employees to comply with as a part of organization culture

The company complied with generally accepted accounting principle and suitable for business, by revealing financial report that is fully accurate and reflects the operating activities of the company

3. Control Activities

The company has clearly specified the limitation of authority and approved credit line for each management level in writing, as well as separated duties and responsibilities of each department apart for counter-verification. It has also set the concise regulations concerning financial transaction, purchasing, and general management in writing, to prevent from authority abuse seeking to misappropriate company assets, or acting beyond the authority assigned by the company.

Additionally, the company also had monitoring measures allowing the company operation to correspond with related laws. In the case of transaction with the major shareholder, directors, executives, or those who are involved with such person. The company has followed related procedures and regulations with regard to the best interest of the company.

4. Information & Communication

The company has presented sufficient information and documents to the Board of Directors in advance as relevant references for their decision-making. The company also stored accounting documents and other related accounts in an orderly and classified manner, kept in the safe place according to the duration of time required by law.

The company effectively communicated information to inside and outside the organization with appropriate channels, in order to encourage internal control to be proceeded as required by the company.

5. Monitoring Activities

The company has set its targets and compared operating results to meet its goals. If there are differences to consider, the company would review and adjust its business operations in accordance with the situations. Monitoring process and operating results assessment are assigned based on the principles of good corporate governance to ensure that internal control is carried out fully and appropriately. In this regard, Well Planning Solution Co., Ltd., internal audit, will be responsible for the checking, analysis and assessment of various internal control systems, together with the regular follow up on their implementation. The results of the audit were reported directly to the Audit Committee, who holds their joint meetings quarterly, provided that significant deficiency is detected. The Audit Committee will report the matter to the Board of Directors, suggesting improving the situation and monitoring progress in improving deficiencies regularly.

The Audit Committee' opinion

The Audit Committee agreed with the opinion from the Board of Directors, including auditors who had no observations on internal control



Mrs. Pismai Boonyakiat
Chairman of The Board of Directors

The Board of Directors Responsibility Report Towards Financial Statement

The Board of Directors duly recognized their obligations and responsibilities in their status as the directors of SET listed company, with regard to the compilation of financial statements for Eason & Co Public Company Limited and its subsidiaries. The given financial statements were prepared in accordance with Thai Financial Reporting Standards, based on the adoption of appropriate accounting policies on a consistent basis, accompanied by careful consideration and justifiable accounting estimation.

At the same time, The Board of Directors have exercised efforts to promote good governance practice, and to establish risk management system and internal control system in an efficient and effective manner. These practices were intended to ensure that the recording of accounting information was carried out in an accurate, complete, and sufficient way, in order to safeguard the assets of the company and its subsidiaries, while also safeguarding against any significant fraud or abuse.

The company's Audit Committee whose members comprising independent directors have duly carried out audit work on the quality of the financial statements and the efficiency of internal control system. The opinions of The Audit Committee were displayed per the Audit Committee's report contained in the annual report publication, as well as the annual registration statement (form 56-1).

Accordingly, The Board of Directors concluded that, the good corporate governance practice, the risk management system, as well as the internal control system already in place at the company, were well adequate, reasonably providing sufficient confidence to all the concerned parties that, the financial statements of the company and its subsidiaries ending December 31, 2020, were prepared and presented in substantial context, in an accurate and reliable manner.

Connected Transactions

Connected transaction which occurred between Eason & Co Public Company Limited and the related parties in accordance with notes to the financial statements

as of 31 December 2020 and 2019 are listed in the table below:

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2020	2019	
Eksang Holdings Co., Ltd.	<ul style="list-style-type: none"> Related company (holding Eason & Co Public Company Limited shares 33.06% of total suffrage) 100% of paid-up shares were hold by Eksangkul Group. Having the same group of directors. 	Property rental <ul style="list-style-type: none"> Rental expenses Right-use-assets Lease liabilities 	<ul style="list-style-type: none"> Rented office space for Bangkok branch office, R&D department. Rental contract commenced on March 1, 2017 and expired on February 29, 2020 Rental rate of Baht 307,840 per month. The Company had extended the agreement for 3 years which was effective on March 1, 2020 and expired on February 28, 2023 Rental rate of Baht 323,232 per month. Rented office space additional rental for Bangkok branch office. 	0.00 40.19 41.44	5.91 0.00 0.00	<ul style="list-style-type: none"> The company rented office space for Bangkok branch office and R&D department <u>Audit Committee's Opinion:</u> The Company has necessity to rent the space for operating activities which is for Bangkok branch office and R&D department. The first contract has a period of 3 years. The Company hired the independent appraisers to appraise the rental fee. G.P.V. Global Property Valuation Co., Ltd. appraised on February 25, 2016. The second contract has a period of 3 years. The Company hired the independent appraisers to appraise

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2020	2019	
			<p>Rental contract commenced on May 01, 2016 expired on April 30, 2019. Contract has a period of 3 years. Rental fee was Baht 111,600 per month. It will be renewed on May 01, 2019 expired on April 30, 2022. Contract has a period of 3 years. Rental fee was Baht 111,600 per month.</p> <ul style="list-style-type: none"> Rent space and its improvement for warehouse and car park, rental contract commenced on January 01, 2017 expired on December 31, 2017. Rental fee was Baht 73,370 per month. It will be renewed on January 01, 2018 expired on December 31, 2020. Contract has a period of 3 years. Rental fee was Baht 73,370 per month. 			<p>the rental fee G.P.V. Global Property Valuation Co., Ltd. appraised on February 25, 2016 and February 26, 2019.</p> <ul style="list-style-type: none"> For renewal of both contracts for next 3 years, the company has to declare the intention in written with in one month before the contract ends. The rental fee is negotiable. The third contract has a period of one year. The Company hired the independent appraisers to appraise the rental fee. G.P.V. Global Property Valuation Co., Ltd. appraised on August 1, 2016. The rental fee rates which are appraised by the independent appraisers are close to market rates and representing normal business transactions.

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2020	2019	
		<ul style="list-style-type: none"> Service charges 	<ul style="list-style-type: none"> The Company provides other service such as management service etc. The price is charged at cost plus marginal charge. 	0.36	0.00	<ul style="list-style-type: none"> <u>Audit Committee's Opinion:</u> Being normal business transactions.
Origin Eason Paint Co., Ltd. ("OEP")	<ul style="list-style-type: none"> 40% of holding and co - shareholders / directors Associated company 	<ul style="list-style-type: none"> Revenue from selling raw material. 	<ul style="list-style-type: none"> Some plastic coatings formulas are used same raw material as the Company. This is an aggregated order. The price is charged at market price plus agreed profit margin. 	0.57	0.48	<ul style="list-style-type: none"> OEP is the joint venture, acting as a manufacturer and distributor of plastic coatings. It has the same credit term of payment as the Company's other customers <u>Audit Committee's Opinion:</u> The company joined with OEP for flexibility to expand plastic coating market. <u>Audit Committee's Opinion:</u> Being normal business transactions.
		<ul style="list-style-type: none"> Accounts receivable and notes receivable 	<ul style="list-style-type: none"> Normal business transactions associated with selling activities. 			
		- Beginning balance		0.10	0.13	
		- Ending balance		0.00	0.10	
		<ul style="list-style-type: none"> Purchase goods 	<ul style="list-style-type: none"> Currently the Company still purchases some raw material for manufacturing motorcycle coating at reasonable price in market. The Company purchased 	0.01	0.03	<ul style="list-style-type: none"> If the Company imports this raw material directly from suppliers, it has to purchase at the determined minimum quantity. Ordering through OEP who normally orders large quantity of raw material will help the

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2020	2019	
		<ul style="list-style-type: none"> Accounts payable - Beginning balance - Ending balance 	<p>raw material for using in plastic coatings which was in normal business transactions. The reference prices were not available due to specialized raw material; therefore selling price is agreed by both parties.</p> <ul style="list-style-type: none"> Normal business transactions associated with purchase activities 	<p>0.001</p> <p>0.000</p>	<p>0.000</p> <p>0.001</p>	<p>Company to cut down an excess stock of raw material.</p>
		<p>Property rental</p> <ul style="list-style-type: none"> Rental fee Service fee 	<ul style="list-style-type: none"> The Company entered into factory building and warehouse Rental contract commenced on January 01, 2018 expired on December 31, 2020. Contract has a period of 3 years. . Rental fee is Baht 485,936 and service fee is Baht 109,350 per month. The Company had entered an amendment of contract on June 1,2019, 	<p>8.90</p> <p>3.04</p>	<p>8.82</p> <p>2.95</p>	<ul style="list-style-type: none"> <u>Audit Committee's Opinion:</u> Being normal business transactions. This lease is for renting factory building and warehouse in order to produce and keep plastic coatings total area of 2,704 square meters and office rental total area of 295.53 square meters. The Company has leased the space of Bangkok branch in order to be office building and R&D department total area of 939 square meters. <u>Audit Committee's Opinion:</u> The first contract has a period of 3

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2020	2019	
			<p>increasing the rental area from 2,704 to 2,747.12 square meters, the monthly rental fee is Baht 493,684.94 and service fee is Baht 111,093.53 per month.</p> <ul style="list-style-type: none"> ▪ The Company has subleased the space of Bangkok branch in order to be office building and R&D department of OEP. The Company had entered the contract for 3 years which was effective on March 1, 2017 and expired on February 29, 2020 Rental fee is Baht 181,021 and service fee is Baht 103,525 per month. <p>The Company had extended the agreement for 3 years which was effective on March 1, 2020 and expired on February 28,</p>			<p>years. The Company hired the independent appraisers to appraise the rental fee. G.P.V. Global Property Valuation Co., Ltd. appraised on February 25, 2016.</p> <ul style="list-style-type: none"> ▪ The second and third contract has a period of 3 years. The Company hired the independent appraisers to appraise the rental fee. G.P.V. Global Property Valuation Co., Ltd. appraised on February 25, 2016. ▪ The rental fee rates which are appraised by the independent appraisers are close to market rates and representing normal business.

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2020	2019	
			<p>2023 Rental fee is Baht 187,800 and service fee is Baht 112,680 per month.</p> <ul style="list-style-type: none"> The Company entered into office building rental contract. Rental contract commenced on June 1, 2017 and expired on May 31, 2020. Contract has a period of 3 years. Rental fee is Baht 63,834 and service fee is Baht 31,917 per month. The Company had extended the agreement which was effective on June 1, 2020 and expired on December 31, 2020 Rental fee is Baht 59,946 and service fee is Baht 29,973 per month. 			
		<ul style="list-style-type: none"> Service charges 	<ul style="list-style-type: none"> The Company provides other service such as 	2.80	3.63	<ul style="list-style-type: none"> <u>Audit Committee's Opinion:</u> Being normal business transactions.

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2020	2019	
			property tax, electrical charge, tent rental and information service systems etc. in order to maximize asset utility. The price is charged at cost plus marginal charge.			
Miki (Thailand) Co., Ltd.	<ul style="list-style-type: none"> 15% of holding in associated company Related company 	Property rental <ul style="list-style-type: none"> Rental fee Service fee 	<ul style="list-style-type: none"> The Company entered into office building sublease. The Company had entered the contract for 3 years which was effective from March 1, 2016 and expired on February 28, 2019. The monthly rental fee was Baht 26,313 and the monthly service fee to be Baht 7,056. It will be renewed on March 01, 2019 expired on February 28, 2022. The monthly rental fee was Baht 28,959 and the monthly service fee to be Baht 7,791. 	0.35 0.09	0.34 0.09	<ul style="list-style-type: none"> Rental building for office building. <u>Audit Committee's Opinion:</u> The Company hired the independent appraisers to appraise the rental fee. G.P.V. Global Property Valuation Co., Ltd. appraised on February 25, 2016. The rental fee rates which are appraised by the independent appraisers are close to market rates and representing normal business.

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2020	2019	
		<ul style="list-style-type: none"> Service charges 	<ul style="list-style-type: none"> The Company provides other service such as property tax, electric charge and training and seminar, and etc. The price is charged at cost plus marginal charge. 	0.04	0.09	<ul style="list-style-type: none"> <u>Audit Committee's Opinion:</u> Being normal business transactions.
Bright Blue Water Corp.Ltd,	<ul style="list-style-type: none"> 5% of holding and co - shareholders / directors Related company 	Property rental <ul style="list-style-type: none"> Rental fee Service fee 	<ul style="list-style-type: none"> The Company entered into condominium rental contract. The Company had entered the contract for a year which was effective from January 1, 2019 and expired on December 31, 2019. The monthly rental fee was Baht 180,066 and the monthly service fee to be Baht 30,011.00. It will be renewed on January 01, 2020 expired on December 31, 2020. The monthly rental fee was Baht 75,027.50 and the monthly service fee to be Baht 	1.05 0.64	2.16 1.06	<ul style="list-style-type: none"> Rental condominium for office building. <u>Audit Committee's Opinion:</u> The Company hired the independent appraisers to appraise the rental fee. G.P.V. Global Property Valuation Co., Ltd. appraised on October 24, 2017.

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2020	2019	
			<p>30,011.00.</p> <ul style="list-style-type: none"> The Company entered rental contract for storage assets space. The Company had entered the contract for a year which was effective from February 1, 2020 and expired on January 1, 2021. The monthly rental fee was Baht 10,232. The Company had entered an amendment of contract increasing the rental area from 51.16 to 87.78 square meters, which was effective from July 1, 2020 and expired on January 1, 2021. The monthly rental fee was Baht 16,956. 			

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2020	2019	
Advance Power Conversion Co.,Ltd.	<ul style="list-style-type: none"> 20.95% of holding and co - shareholders / directors Associated company 	<ul style="list-style-type: none"> Providing financial assistance Short-term loan Interest income 	<ul style="list-style-type: none"> The company provides short-term loans to related company in the form of promissory note APCON011/2563 total amount of Baht 30,000,000 ,with interest at the rate of 6.5% per annum with maturity date on May 13, 2021. 	30.00 1.72	00.00 00.00	<ul style="list-style-type: none"> <u>Audit Committee's Opinion:</u> Providing financial assistance for increasing the liquidity of associated company
ALL S Holding Co.,Ltd.	<ul style="list-style-type: none"> 6.25% of holding Related company 	<ul style="list-style-type: none"> Providing financial assistance Short-term loan Interest income 	<ul style="list-style-type: none"> The company provides short-term loans to related company in the form of promissory note PN048/63 total amount of Baht 4,687,500 ,with interest at the rate of 6.75% per annum with maturity date on February 16, 2021, promissory note PN050/63 total amount of Baht 7,500,000 ,with interest at the rate of 6.75% per 	15.94 0.72	0.00 0.00	<ul style="list-style-type: none"> <u>Audit Committee's Opinion:</u> Providing financial assistance for increasing the liquidity of related company

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2020	2019	
			<p>annum with maturity date on February 28, 2021 and promissory note PN051/63 total amount of Baht 3,750,000 ,with interest at the rate of 6.75% per annum with maturity date on March 31, 2021.</p>			

Measure or procedure used to approve connected transactions

Audit Committee and Board of Directors reviewed all related-party transactions, and Audit Committee's opinion was explained as shown in the above table. The Company will report to Audit Committee quarterly if any transactions of the same nature occur again in the future. The Company will assign the department/section to be responsible to collect all data and information associated with related-party transactions and submitting to Audit Committee to further consider if those transactions are of normal business operation and traded at its market value. In Audit Committee, there shall not be any directors who could be suspicious of engaging in conflict of interest occurred from related-party transactions.

Policy or possibility of related-party transactions in the future

Related-party transactions in the future both of the continuous transactions which is consisted of Normal business transaction such as selling raw materials and products, purchasing raw materials and products, service provider and rent and leasing property in short period. Audit Committee and/or Board of Directors will be the party considering whether the related-party transactions are reasonable, be of normal business operation, occurred at agreed price and conditions whereas any persons who could be exposed to conflict of interest shall not be in the position to approve those transactions. The Company strictly follows all applicable regulations and requirement such as Act of Securities and Securities Exchange, announcements, requirements of SET, requirements of disclosing information of transactions occurred between related parties and information about acquisition or disposal of the Company's and subsidiaries' significant assets, and accounting standards as defined by Accountant and CPA Association of Thailand

If there is a case where the person who is exposed to conflict of interest unavoidably involves with the related-party transaction, Audit Committee will consider and evaluate if that transaction is normal and its price has to be compared with others' in the market. If Audit Committee does not have adequate experience in the nature of that transaction, the Company may appoint the external specialized person or the Company's appointed external auditor to review and to evaluate the transaction. The evaluation and opinion will be presented to Board of Directors or shareholders, as the case may be. Related-party transactions will be illustrated in the remark of financial statements which are audited by the Company's external auditors.

Management Discussion & Analysis

Overview of the Company's performance

Eason & Co Public Company Limited and its subsidiaries engage main business activities of the Company are manufacturing and selling of industrial paints. Products include motorcycle paints, off-set inks, packaging coatings and others.

Revenue

Total revenues contains 3 parts as described below:

1. Sale and service revenue from automotive paint such as motorcycle paint use for spray on motorcycle's body and parts. This revenue would vary with automotive industry.
2. Sale and service revenue from other industrial paints sale and service revenue which was come from sale to printing industry and packaging industry, which vary with food and packaging industry.
3. Other revenue e.g. rental and service income, dividend income, interest income, on assets sale, gain on current investments sale and others.

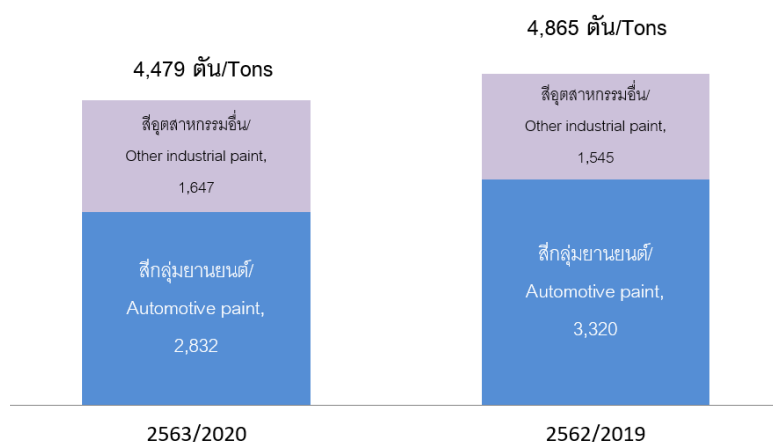
Total revenues* for the year 2020 and year 2019 were 513.34 million Baht and 531.73 million Baht respectively. Major revenues are from sales and services industrial paints such as automotive paints and other industrial paints. The company has accounted for sale and service to total revenue equal to 95.43% and 94.26% respectively.

Unit: Million Baht and Percentage (%)				
Revenues	Year 2020	Year 2019	% Year 2020	% Year 2019
Sales and Services	489.88	501.19	95.43%	94.26%
Other industrial paints	366.26	361.14	71.35%	67.92%
Automotive	121.13	134.77	23.60%	25.35%
Other	2.49	5.28	0.48%	0.99%
Other Income	23.46	30.54	4.57%	5.74%
Total revenues*	513.34	531.73	100.00%	100.00%

*Total revenues exclude share of profit of associated company.

As for year 2020, Revenue from automotive paint valued at 121.13 million Baht, decreasing by 13.64 million Baht or 10.12% from sale order (tons) was reduced 14.70%. Revenue from other industrial paints amount of 366.26 million Baht went up 5.12 million Baht or 1.42% from sale order (tons) increasing 6.60%.

Coatings sales volume in tons



Other income in year 2020 and year 2019 was 23.46 million Baht and 30.54 million Baht, decreasing by 7.08 million Baht. Year 2020, the company has no other income due to forfeiture of dividend deposit.

Share of profit of associated companies in year 2020 and year 2019 were (5.85) million Baht and (46.23) million Baht respectively which contains share of profit of Origin Eason Paint Co., Ltd, in amount of 22.45 million Baht from 35.12 million Baht in prior year, share of loss from Advance Power Conversion Co., Ltd (“APCON”) in amount of (28.35) million Baht from (81.35) million Baht from prior year and share of profit of Green Fuel Management Co., Ltd. (“GFM”) in amount of 0.06 million Baht.

Expenses

Cost of sales and services to revenue of sales and services in year 2020 and year 2019 were 58.20% and 61.49% respectively, Cost mainly decreased from cease operation of PT. Eason Indonesia (“EI”), in Indonesia due to its accumulated operation losses. Also Eason Far East Sdn.Bhd (“EFE”) is on processing of dissolving its business in Malaysia.

The company regularly keeps stock of raw materials for 1 – 4 months. In addition, the company always monitors changes of demand/supply trend in the global market of chemicals for the purpose of proper planning and management of production cost and minimizing a risk of chemical price fluctuation.

In year 2020 and year 2019, the company’s selling and administrative expenses were 159.94 million Baht and 180.19 million Baht respectively, whereas the ratio of selling and administrative expenses to total revenue in year 2020 and year 2019 was 31.16% and 33.89% respectively. In year 2020, expenses decreased from normal business operation 20.25 million Baht. The company had record employee benefit obligations expense following the Labor Protection Act that has been enacted in the Royal Gazette. The Labor Protection Act includes a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of 20 years

or more, receives severance payment of 400 days of wages at the most recent rate. The employee benefit obligations expense was recorded for the first time in year 2019. The expense was also decreased from cease operations of EI in Indonesia and EFE in Malaysia is processing of dissolving its business.

Loss on impairment of investment in consolidated financial statement in year 2020 was 263.32 million Baht came from consideration of the company for impairment of investment in APCON according to accounting standard. The management of the company determined future cash flows based on its business plan, and the assumptions from assessing of past and current operating results of the group of such company. Based on the impairment test, the recoverable value was lower than book value. The management of the company had considered to record on impairment of investment.

Financial Cost and Corporate Tax

In year 2020 and year 2019, the company had financial cost of (3.65) million Baht and (1.43) million Baht respectively. The ratio of financial cost to total revenue was (0.71%) and (0.29%) respectively. Corporate tax in year 2020 and year 2019 were 40.58 million Baht and (14.40) million Baht respectively, such corporate tax was from normal business operation of the company and its subsidiaries.

Consolidated Financial Performance

In year 2020 and year 2019, the company gross profit to revenue from sale and service are 41.80% and 38.51% respectively. The operating profits to total revenue include share of profit of associated company are (38.91%) and (2.08%) respectively. The company earned net loss to the major shareholders of (15.71%) and (2.17%) to total revenue included share of profit of associated company.

Net profit (loss) in year 2020 and year 2019 were (161.50) million Baht and (25.96) million Baht respectively. Net profit (loss) attributable to shareholder in year 2020 and year 2019 were (161.36) million Baht and (25.10) million Baht respectively.

Such net loss in year 2020 was decreased mainly due to share of loss from APCON.

Assets Efficiency Ratio

As of December 31, 2020 and year 2019, the company had total assets of 1,211.59 million Baht and 1,265.90 million Baht respectively, decreased from prior year 54.30 million Baht due to decreasing of non-current assets by 168.87 million Baht, mostly from loss on impairment of investments in APCON, investment value in associated companies was decreased; and increasing of deferred tax assets from loss on impairment of investment. Current asset was increased 114.56 million

Baht from cash and cash equivalents and short-term loans to associated company and related companies were APCON and ALL S Holding Co., Ltd. ("ALL S").

Cash and Cash Equivalents

As of December 31, 2020, the company had cash in amount of 200.95 million Baht, or 16.59% of total assets, increased 65.24 million Baht from prior year because the company had short-term loans from financial institutions.

Account Receivable

As of December 31, 2020, the company had net accounts and bills receivables in amount of 156.86 million Baht or 12.95% of total assets with increase by 4.17 million Baht from prior year. Most of the account receivables were normal receivables in current status according to the credit terms. The details of the account receivables are classified as follows:

Trade account	Y 2020	Y 2019	% Y 2020	% Y 2019
Current	115.06	120.30	73.35%	78.78%
Overdue 0 day to 90 days	31.28	23.57	19.94%	15.44%
Overdue from 91 days onwards	0.04	-	0.02%	-
Total trade receivable	146.38	143.87	93.32%	94.22%
Net trade receivable	146.38	143.87	93.32%	94.22%
Total other receivables	10.48	8.82	6.68%	5.78%
Total trade and other receivables	156.86	152.69	100.00%	100.00%

Inventory

As of December 31, 2020, the company had inventory in amount of 93.81 million Baht or 7.74% of total assets, increased 9.54 million Baht from prior year, followed by sale forecast and inventory management policy to adjust optimal inventory level to market situation.

The company manufactures industrial paints by order, which each order would have different properties and characteristics of paint according each authorized paints. Thus, the Company would plan it production correspond with each customer's annual production plan. The Company therefore produces paints products in quantity according to each purchase order from the customers; and there may be the manufacture of partial reserve paint products. The company had optimal allowance for the diminishing.

Liquidity

As of December 31, 2020, the company had increased of net cash flow in amount of 65.23 million Baht, due to normal operating activities and working capital management 74.23 million Baht. The company used cash outflow to invest in long-term investments in C.A.S Green Energy Co., Ltd and GFM, short-term loans to related companies in APCON and ALL S, invest in property, plant and equipment and dividend from investment, resulting in net cash outflow from investing activities 85.81 million Baht, used cash outflow in financing activities 78.84 million Baht. After adjusted decrease in currency translation change of financial statements of foreign entity and unrealized (gain) loss on exchange rate of cash at bank in currency with cash at the beginning period, the company had its net cash flow at the end of year 2020 of 200.95 million Baht.

Capital Structure

In year 2020 and year 2019, the company had debt to equity ratio of 0.27 times and 0.11 times respectively. The company had increased of debt to equity ratio from short-term loans from financial institution.

Liabilities

At the end of year 2020 and year 2019, the company had liability of 251.22 million Baht and 122.71 million Baht respectively, separated into short term loan 167.63 million Baht and 77.26 million Baht respectively, long term loan in amount of 83.58 million Baht and 45.45 million Baht respectively, the company had increased of debt from bank overdraft and short-term loans and lease liabilities.

Factors that might have impacts on financial status or future operating results

Advance Power Conversion Co., Ltd. "APCON", the associated company, main business is providing engineering system design and supply, machine installation, managing and maintenance power plant construction for both government and private organizations. The Company holds 2,199,999 shares or 20.95% shareholding of APCON's registered capital. Performance of APCON might affect the profit (loss) of the company.

Summary consolidated financial position as of December 31, 2018 – 2020

Statement of financial position (Unit : M.THB)	2020	2019	2018	2020%	2019%	2018%
Cash and cash equivalents	200.95	135.71	155.42	16.59%	10.72%	11.19%
Trade and other current receivables	156.86	152.69	165.62	12.95%	12.06%	11.92%
Inventories	93.81	84.27	100.04	7.74%	6.66%	7.20%
Total current assets	504.97	390.41	440.08	41.68%	30.84%	31.68%
Total non-current assets	706.62	875.49	948.99	58.32%	69.16%	68.32%
Total Assets	1,211.59	1,265.90	1,389.07	100.00%	100.00%	100.00%
Bank overdraft and short-term loans from financial institution	89.00	-	69.00	7.35%	-	4.97%
Trade and other current payables	64.12	68.25	60.64	5.29%	5.39%	4.37%
Current portion of lease liabilities	4.65	1.12	1.52	0.38%	0.09%	0.11%
Total current liabilities	167.63	77.26	139.91	13.84%	6.10%	10.07%
Total non-current liabilities	83.58	45.45	27.24	6.90%	3.59%	16.96%
Total liabilities	251.22	122.71	167.15	20.73%	9.69%	12.03%
Shareholder's equity						
Share capital						
Registered share capital	567.08	567.08	567.08	46.80%	44.80%	40.82%
Issued and paid-up shares capital	566.76	566.76	566.76	46.78%	44.77%	40.80%
Premium on share capital	232.26	232.26	232.26	19.17%	18.35%	16.72%
Other components of shareholders' equity	(81.83)	(61.64)	(57.40)	(6.75%)	(4.86%)	(4.13%)
Retained earnings	219.49	380.67	451.59	18.12%	30.07%	32.51%
Total shareholders' equity of the parent	936.68	1,118.05	1,193.21	77.31%	88.32%	85.90%
Non-controlling interests	23.69	25.15	28.71	1.96%	1.99%	2.07%
Total liabilities and shareholder's equity	1,211.59	1,265.90	1,389.07	100.00%	100.00%	100.00%

Summary statements of income for the year ended December 31, 2018 – 2020

Statement of income (Unit : M.THb)	2020	2019	2018	2020%	2019%	2018%
Revenues						
Sales and services	489.88	501.19	511.78	95.43%	94.25%	94.96%
Dividend income	0.50	0.83	0.91	0.10%	0.16%	0.17%
Other income	22.96	29.71	26.27	4.7%	5.59%	4.87%
Total revenue	513.34	531.73	538.96	100.00%	100.00%	100.00%
Cost of sales and services	285.11	308.18	313.74	55.54%	57.96%	58.21%
Gross profit	204.77	193.01	198.04	39.89%	36.30%	36.74%
Selling and administrative expenses	159.94	180.18	171.91	31.16%	33.89%	31.90%
Selling expenses	10.48	12.79	6.67	2.04%	2.41%	1.24%
Administrative expenses	149.46	167.39	165.24	29.11%	31.48%	30.66%
Loss on impairment of investments in subsidiaries	263.32	-	-	51.30%	-	-
Total expenses	708.37	495.62	485.65	137.99%	93.21%	90.11%
Finance income	2.44	-	-	0.48%	-	-
Finance costs	(3.65)	(1.43)	3.21	(0.71%)	(0.27%)	0.60%
Share of loss associated companies	(5.85)	(46.23)	26.72	(1.14%)	(8.69%)	4.96%
Profit (loss) before income tax expenses	(202.08)	(11.56)	76.82	(39.37%)	(2.17%)	14.25%
Income tax (expenses)	40.58	(14.40)	(17.50)	7.90%	(2.71%)	(3.25%)
Profit (loss) for the year	(161.50)	(25.96)	59.32	(31.46%)	(4.88%)	11.01%

Profit (loss) attributable to:						
Shareholders of the parent	(161.36)	(25.10)	59.77	(31.43%)	(4.72%)	11.09%
Non-controlling interests	(0.14)	(0.86)	(0.44)	(0.03%)	(0.16%)	(0.08%)

Basic profit (loss) per share (Baht/Share)						
Profit (loss) for the year of parent	(0.28)	(0.04)	0.11			

Summary statements of cash flows for the year ended December 31, 2018 - 2020

Statement of cash flows (Unit : M.THb)	2020	2019	2018
Net cash flows from (used in) operating activities	74.23	102.76	51.02
Net cash flows from (used in) investing activities	(85.81)	(7.50)	70.14
Net cash flows from (used in) financing activities	78.84	(111.88)	(75.40)
Net increase (decrease) statement of foreign entity	(3.14)	(1.30)	1.93
Net increase (decrease) in cash and cash equivalents	65.23	(19.71)	47.49
Cash and cash equivalents, at beginning of year	135.71	155.42	107.93
Cash and cash equivalents, at end of year	200.95	135.71	155.42

Financial ratio as of December 31, 2018 - 2020

Financial ratio	Unit	2020	2019	2018
<u>Liquidity ratio</u>				
Current ratio	(times)	3.01	5.05	3.15
Collection period	(days)	115.32	115.91	113.91
Inventory period	(days)	113.99	109.14	113.22
Payment period	(days)	84.73	76.33	79.00
Cash Cycle	(days)	144.58	148.72	152.48
<u>Profitability ratio</u>				
Gross profit margin	(%)	41.80%	38.51%	40.95%
Operating profit margin	(%)	(38.91%)	(2.08%)	14.15%
Net profit margin *	(%)	(31.28%)	(5.17%)	10.57%
Cash to net profit	(times)	(0.46)	(3.96)	0.86
Return on equity	(%)	(15.71%)	(2.17%)	5.00%
<u>Efficiency ratio</u>				
Return on assets	(%)	(16.02%)	(0.98%)	5.68%
Return on fixed assets	(%)	(14.72%)	0.81%	9.79%
<u>Financial policy ratio</u>				
Debt to equity	(times)	0.27	0.11	0.14
Interest coverage ratio	(times)	27.31	16.06	37.35
Dividend payout ratio	(%)	N/A	N/A	66.15%

* Net profit (loss) margin = net profit (loss)-for parents' shareholders/Total revenue including profit from related company

** Dividend payout ratio = (Stock dividend +Cash dividend) / Net profit (separate financial statement)

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERY : EASON PAINT PUBLIC COMPANY LIMITED)

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Report of Auditor

To The Shareholders and Board of Directors of
EASON & CO PUBLIC COMPANY LIMITED
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)

Opinion

I have audited the consolidated financial statements of Eason & Co Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Eason & Co Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2020, the statement of income, statement of comprehensive income, statement of changes in shareholders' equity and statement of 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 financial statements present fairly, in all material respects, the consolidated financial position of Eason & Co Public Company Limited and its subsidiaries as at December 31, 2020, its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Eason & Co Public Company Limited as at December 31, 2020, its financial performance and its 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 Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Profession's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the 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 our professional judgment, were of most significance in my audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Impairment of investment in associate

As at December 31, 2020, the Company has investment in Advance Power Conversion Co., Ltd. (local associate) in the amount of Baht 459.99 million (35 percent of total assets in the separate financial statements) with shareholding 20.95 percent as such associate operates system installation business with a private company that involves with public sector agencies. Current results of operation are at loss which may indicate that investment in such associate may be impaired. The management has to use considerable judgment in considering the record of an allowance for impairment of such investment. Therefore, I considered this matter to be area of focus in the audit.

I understood the process in considering impairment of investment by the management, reviewed assumptions and methods used by the management in calculating the recovery value of investment in such associate including assessing past and current operating results, and future plans of the associate group. Also, I considered if any factor indicates impairment of investment in the associate and compared future cash flow estimate and assumptions on economic growth rate with the associate group's operation and past operating results to consider the reasonableness of such estimate.

Other Information

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

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company 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 Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 financial statements 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 financial statements 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 and the Company'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 and the Company'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 financial statements 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements 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 we 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 financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Nannaphat Wannasomboon.



(Miss Nannaphat Wannasomboon)

Certified Public Accountant

Registration No. 7793

Dharmniti Auditing Company Limited

Bangkok, Thailand

March 1, 2020

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

		ASSETS			
		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
Current assets					
Cash and cash equivalents	6	200,949,658.58	135,714,729.57	158,863,986.41	92,983,044.54
Current investments		-	9,880,100.85	-	9,880,100.85
Trade and other current receivables	5, 7	156,864,034.02	152,691,680.14	148,738,114.67	151,951,213.21
Short-term loans to associated company and related companies	8	45,937,500.00	-	45,937,500.00	-
Inventories	9	93,809,604.44	84,266,546.14	92,783,179.53	78,586,684.96
Other current assets		7,410,094.13	7,858,809.60	220,798.44	495,844.67
Total current assets		504,970,891.17	390,411,866.30	446,543,579.05	333,896,888.23
Non-current assets					
Other non-current financial assets	10	139,576,854.85	-	139,576,854.85	-
Investments in associated companies	11	170,251,815.98	462,714,709.22	245,964,210.60	495,784,200.00
Investments in subsidiaries	12	-	-	90,323,809.80	90,323,809.80
Other long-term investments	13	-	101,047,551.47	-	101,047,551.47
Long-term loans to subsidiary	5, 14	-	-	87,108,240.91	92,160,614.97
Investment property	15	30,042,999.99	31,620,094.02	30,042,999.99	31,620,094.02
Property, plant and equipment	16	238,650,757.11	252,408,562.49	146,383,252.81	143,798,879.61
Right-of-use assets	17	52,989,504.81	-	40,199,750.79	-
Intangible assets	18	1,605,988.99	1,852,705.26	1,517,728.04	1,740,649.86
Leasehold right	19	-	11,805,514.66	-	-
Deferred tax assets	20	69,933,871.73	8,842,544.20	69,933,871.73	8,842,544.20
Other non-current assets		3,570,801.97	5,194,992.68	2,385,620.03	3,111,699.47
Total non-current assets		706,622,595.43	875,486,674.00	853,436,339.55	968,430,043.40
TOTAL ASSETS		1,211,593,486.60	1,265,898,540.30	1,299,979,918.60	1,302,326,931.63

Notes to the financial statements form an integral part of these statements.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
Current liabilities					
Bank overdraft and short-term loans from					
financial institution	21	89,000,000.00	-	89,000,000.00	-
Trade and other current payables	5, 22	64,120,139.30	68,249,298.21	63,656,702.06	65,442,581.67
Current portion of lease liabilities	23	4,654,095.99	1,123,729.88	4,654,095.99	969,377.90
Accrued income tax		6,715,678.92	4,582,405.87	6,633,049.88	4,446,157.23
Other current liabilities		3,144,509.99	3,301,173.10	2,152,561.55	2,971,136.90
Total current liabilities		167,634,424.20	77,256,607.06	166,096,409.48	73,829,253.70
Non-current liabilities					
Lease liabilities	23	37,446,811.69	743,357.23	37,446,811.69	663,530.61
Provision for employee benefits	24	46,136,666.02	44,525,075.02	45,999,150.02	43,382,738.00
Other non-current liabilities		-	180,530.31	-	-
Total non-current liabilities		83,583,477.71	45,448,962.56	83,445,961.71	44,046,268.61
Total liabilities		251,217,901.91	122,705,569.62	249,542,371.19	117,875,522.31

Notes to the financial statements form an integral part of these statements.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered share capital					
567,084,913 ordinary shares of Baht 1.00 each		567,084,913.00	567,084,913.00	567,084,913.00	567,084,913.00
Issued and paid-up shares capital					
566,764,945 ordinary shares of Baht 1.00 each		566,764,945.00	566,764,945.00	566,764,945.00	566,764,945.00
Premium on share capital		232,264,884.55	232,264,884.55	232,264,884.55	232,264,884.55
Retained earnings					
Appropriated					
- legal reserve	31	41,489,144.72	41,489,144.72	41,489,144.72	41,489,144.72
Unappropriated		178,000,697.96	339,176,621.16	241,792,497.26	356,682,316.32
Other components of shareholders' equity		(81,835,162.51)	(61,649,578.48)	(31,873,924.12)	(12,749,881.27)
Total shareholders' equity of the parent		936,684,509.72	1,118,046,016.95	1,050,437,547.41	1,184,451,409.32
Non-controlling interests		23,691,074.97	25,146,953.73	-	-
Total shareholders equity		960,375,584.69	1,143,192,970.68	1,050,437,547.41	1,184,451,409.32
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,211,593,486.60	1,265,898,540.30	1,299,979,918.60	1,302,326,931.63

Notes to the financial statements form an integral part of these statements.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER A2931, 2020

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
Revenues					
Sales and services	5	489,877,764.24	501,193,357.63	450,412,461.58	456,669,796.52
Dividend income	11	498,000.00	827,000.00	38,873,478.93	36,827,000.00
Gain on exchange rate		1,552,175.66	-	1,428,583.37	-
Other income	5, 25	21,412,507.37	29,711,951.79	21,237,965.65	28,456,138.51
Total revenues		513,340,447.27	531,732,309.42	511,952,489.53	521,952,935.03
Expenses					
Cost of sales and services	5	285,109,559.34	308,182,755.57	259,444,042.30	274,666,590.95
Selling expenses		10,481,059.75	12,791,260.91	10,481,059.75	12,791,260.91
Administrative expenses	5	149,458,666.60	167,394,987.63	133,812,214.60	145,392,282.95
Loss on impairment of investments in subsidiaries	10, 11	263,319,989.40	-	263,319,989.40	87,246,012.83
Other expenses		-	7,253,464.75	144,356.42	3,955,100.51
Total expenses		708,369,275.09	495,622,468.86	667,201,662.47	524,051,248.15
Profit (loss) from operating activities		(195,028,827.82)	36,109,840.56	(155,249,172.94)	(2,098,313.12)
Finance income		2,444,627.55	-	5,883,456.90	3,243,731.96
Finance costs		(3,646,035.24)	(1,434,355.80)	(3,623,856.86)	(1,417,593.38)
Share of loss of associated companies	11	(5,845,116.32)	(46,230,702.14)	-	-
Loss before income tax expenses		(202,075,351.83)	(11,555,217.38)	(152,989,572.90)	(272,174.54)
Income tax (expenses)	26	40,577,288.02	(14,404,095.43)	40,911,359.21	(10,443,172.92)
Loss for the year		(161,498,063.81)	(25,959,312.81)	(112,078,213.69)	(10,715,347.46)
Loss attributable to :					
Shareholders of the parent		(161,360,104.45)	(25,097,492.51)	(112,078,213.69)	(10,715,347.46)
Non-controlling interests		(137,959.36)	(861,820.30)	-	-
Basic loss per share					
Loss for the year of parent	27	(0.2847)	(0.0443)	(0.1978)	(0.0189)

Notes to the financial statements form an integral part of these statements.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
Loss for the year		(161,498,063.81)	(25,959,312.81)	(112,078,213.69)	(10,715,347.46)
Other comprehensive income :					
Items that may be reclassified subsequently to profit or loss					
Unrealized gain (loss) on valuation of available-for-sale securities,					
net of income tax		-	(611,637.29)	-	(611,637.29)
Currency translation changes of the financial statements					
of foreign entity		(1,440,854.07)	(6,342,717.93)	-	-
		(1,440,854.07)	(6,954,355.22)	-	(611,637.29)
Items that not to be reclassified subsequently to profit or loss					
Loss on investments in equity designated at fair value					
through other comprehensive income, net of income tax		(19,102,934.68)	-	(19,102,934.68)	-
Share of loss of associates Companies		(797,787.52)	(367,615.80)	-	-
Actuarial losses arising from post-employee,					
net of income tax	24	-	(5,774,309.08)	-	(6,028,594.40)
		(19,900,722.20)	(6,141,924.88)	(19,102,934.68)	(6,028,594.40)
Other comprehensive loss for the year		(21,341,576.27)	(13,096,280.10)	(19,102,934.68)	(6,640,231.69)
Total comprehensive loss for the year		(182,839,640.08)	(39,055,592.91)	(131,181,148.37)	(17,355,579.15)
Total comprehensive loss attributable to :					
Shareholders of the parent		(182,322,367.83)	(35,490,643.12)	(131,181,148.37)	(17,355,579.15)
Non-controlling interests in subsidiaries		(517,272.25)	(3,564,949.79)	-	-

Notes to the financial statements form an integral part of these statements.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

		Baht									
		Consolidated financial statements									
		Sharholders' equity of the parent							Non-controlling	Total equity	
		Share capital	Premium on	Retained earnings		Other components of shareholders' equity			Total equity	interests	
		issued and	share capital	Appropriated	Unappropriated	Loss on investment	Currency translation	Total	of the parent		
		paid-up		- Legal reserve		in equity designated	changes of the				
						at fair value through	financial statements				
						other comprehensive	of foreign entity				
Notes						income					
Beginning balance, 2019		566,764,945.00	232,264,884.55	41,489,144.72	410,105,521.32	(12,138,243.98)	(45,276,052.46)	(57,414,296.44)	1,193,210,199.15	28,711,903.52	1,221,922,102.67
Dividend paid	32				(39,673,539.08)				(39,673,539.08)		(39,673,539.08)
Total comprehensive loss for the year					(31,255,361.08)	(611,637.29)	(3,623,644.75)	(4,235,282.04)	(35,490,643.12)	(3,564,949.79)	(39,055,592.91)
Ending balance, 2019, as previously reported		566,764,945.00	232,264,884.55	41,489,144.72	339,176,621.16	(12,749,881.27)	(48,899,697.21)	(61,649,578.48)	1,118,046,016.95	25,146,953.73	1,143,192,970.68
Cumulative effect of the changes in accounting policies											
- due to the adoption of new financial reporting standards	4				981,968.77	(21,108.17)		(21,108.17)	960,860.60	588,914.56	1,549,775.16
Beginning balance, 2019, as restated		566,764,945.00	232,264,884.55	41,489,144.72	340,158,589.93	(12,770,989.44)	(48,899,697.21)	(61,670,686.65)	1,119,006,877.55	25,735,868.29	1,144,742,745.84
Dividend paid					-				-	(1,527,521.07)	(1,527,521.07)
Total comprehensive loss for the year					(162,157,891.97)	(19,102,934.68)	(1,061,541.18)	(20,164,475.86)	(182,322,367.83)	(517,272.25)	(182,839,640.08)
Ending balance, 2020		566,764,945.00	232,264,884.55	41,489,144.72	178,000,697.96	(31,873,924.12)	(49,961,238.39)	(81,835,162.51)	936,684,509.72	23,691,074.97	960,375,584.69

Notes to the financial statements form an integral part of these statements.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2020

		Baht				
		Separate financial statements				
	Notes	Share capital issued and paid-up	Premium on share capital	Retained earnings		Total equity
				Appropriated - legal reserve	Unappropriated	
					Other components of shareholders' equity Loss on investment in equity designated at fair value through other comprehensive income	
Beginning balance, 2019		566,764,945.00	232,264,884.55	41,489,144.72	413,099,797.26	(12,138,243.98) 1,241,480,527.55
Dividend paid	32				(39,673,539.08)	(39,673,539.08)
Total comprehensive loss for the year					(16,743,941.86)	(611,637.29) (17,355,579.15)
Ending balance, 2019, as previously reported		566,764,945.00	232,264,884.55	41,489,144.72	356,682,316.32	(12,749,881.27) 1,184,451,409.32
Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standards	4				(2,811,605.37)	(21,108.17) (2,832,713.54)
Ending balance, 2019, as restated		566,764,945.00	232,264,884.55	41,489,144.72	353,870,710.95	(12,770,989.44) 1,181,618,695.78
Total comprehensive loss for the year					(112,078,213.69)	(19,102,934.68) (131,181,148.37)
Ending balance, 2020		566,764,945.00	232,264,884.55	41,489,144.72	241,792,497.26	(31,873,924.12) 1,050,437,547.41

Notes to the financial statements form an integral part of these statements.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Cash flows from operating activities</u>				
Loss for the year	(161,498,063.81)	(25,959,312.81)	(112,078,213.69)	(10,715,347.46)
Items to reconcile loss to net cash provided by (used in) operating activities :				
Unrealized gain on sale of investment in unit trust	(33,147.91)	-	(33,147.91)	-
Bad debt	10,807.02	-	-	-
Allowance for doubtful account	-	-	3,266,177.19	-
Depreciation and amortization	34,666,779.15	33,156,744.28	23,623,787.08	18,825,960.10
Loss on declining in value of inventories (reversal)	(974,644.47)	898,979.72	(974,644.47)	898,979.72
Loss on impairment of investments in subsidiary	-	-	-	87,246,012.83
Loss on impairment of investments in associated companies	263,319,989.40	-	263,319,989.40	-
Acturial losses	-	774,610.00	-	774,610.00
Expenses for employee benefits	4,002,653.22	10,695,053.74	3,537,959.02	10,957,714.04
Loss on sale of assets	737,811.77	365,059.85	144,356.42	202,265.15
Unrealized (gain) loss on exchange rate	(1,111,499.62)	1,793,185.36	(1,174,609.59)	2,900,292.69
Share of loss in associated companies	5,845,116.32	46,230,702.14	-	-
Dividend income	(498,000.00)	(827,000.00)	(38,873,478.93)	(36,827,000.00)
Interest income	(2,588,558.26)	(370,796.88)	(5,945,944.02)	(3,529,652.57)
Interest expenses	3,631,237.81	1,434,355.80	3,623,856.86	1,417,593.38
(Income) tax expenses	(40,577,288.02)	14,404,095.43	(40,911,359.21)	10,443,172.92
Profit from operations before changes in operating assets and liabilities	104,933,192.60	82,595,676.63	97,524,728.15	82,594,600.80
(Increase) decrease in operating assets				
Trade and other current receivables	(3,907,208.42)	12,923,320.57	(1,672,010.89)	10,966,224.08
Inventories	(8,568,413.83)	14,873,518.72	(13,221,850.10)	13,902,473.71
Other current assets	448,715.47	499,687.43	275,046.23	(272,521.07)
Other non-current assets	1,624,190.71	(1,156,037.57)	726,079.44	11,600.00
Increase (decrease) in operating liabilities				
Trade and other current payables	(3,976,026.59)	7,412,815.51	(1,595,324.31)	6,946,389.11
Other current liabilities	(156,663.11)	(787,189.49)	(818,575.35)	(216,339.92)
Other non-current liabilities	(180,530.31)	(6,288.49)	-	-
Cash generated from operation	90,217,256.52	116,355,503.31	81,218,093.17	113,932,426.71
Employee benefits paid by the plan	(2,385,703.30)	(340,000.00)	(921,547.00)	(340,000.00)
Cash paid for income tax	(13,599,755.76)	(13,254,741.36)	(13,212,064.97)	(12,875,570.67)
Net cash provided by operating activities	74,231,797.46	102,760,761.95	67,084,481.20	100,716,856.04

Notes to the financial statements form an integral part of these statements.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)

STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Cash flows from investing activities</u>				
Increase in other non-current financial assets	(50,000,000.00)	-	(50,000,000.00)	-
Cash received from interest income	2,312,605.78	370,796.88	4,833,764.47	3,443,338.25
Cash received from long-term loans to subsidiary	-	-	5,000,000.00	-
Cash paid for long-term loans to subsidiary	-	-	-	(10,000,000.00)
Cash paid for short-term loans to related companies	(45,937,500.00)	-	(45,937,500.00)	-
Cash paid for investments in associated companies	(13,500,000.00)	-	(13,500,000.00)	-
Cash paid for other long-term investments	(2,500,000.00)	(18,750,000.00)	(2,500,000.00)	(18,750,000.00)
Cash received from dividend	36,498,000.00	36,827,000.00	38,873,478.93	36,827,000.00
Cash paid for purchase of investment property	(1,405,645.64)	(10,595.35)	(1,405,645.64)	(10,595.35)
Cash paid for purchase of property, plant and equipment	(16,020,951.79)	(25,612,399.07)	(18,368,631.42)	(19,370,045.58)
Cash received from sale of assets	5,034,167.36	612,559.76	394,449.30	612,559.76
Cash paid for intangible assets	(291,524.00)	(936,500.00)	(291,524.00)	(936,500.00)
Net cash used in investing activities	(85,810,848.29)	(7,499,137.78)	(82,901,608.36)	(8,184,242.92)
<u>Cash flows from financing activities</u>				
Increase (decrease) in bank overdraft and short-term loans from financial institution	89,000,000.00	(69,000,000.00)	89,000,000.00	(69,000,000.00)
Cash paid for lease liabilities	(5,234,314.99)	(1,576,104.26)	(5,000,136.39)	(1,426,082.13)
Cash paid for dividend	(1,527,521.07)	(39,673,539.08)	-	(39,673,539.08)
Cash paid for interest expenses	(3,397,134.45)	(1,629,813.04)	(3,389,753.50)	(1,613,050.62)
Net cash provided by (used in) financing activities	78,841,029.49	(111,879,456.38)	80,610,110.11	(111,712,671.83)
Decrease in currency translation change of financial statements of foreign entity	(3,138,549.27)	(1,298,325.29)	-	-
Unrealized gain (loss) on exchange rate of cash at bank in currency	1,111,499.62	(1,793,185.36)	1,087,958.92	(1,782,418.21)
Net increase (decrease) in cash and cash equivalents	65,234,929.01	(19,709,342.86)	65,880,941.87	(20,962,476.92)
Cash and cash equivalents, at beginning of year	135,714,729.57	155,424,072.43	92,983,044.54	113,945,521.46
Cash and cash equivalents, at end of year	200,949,658.58	135,714,729.57	158,863,986.41	92,983,044.54
<u>Supplemental disclosures of cash flows information :</u>				
Non-monetary transactions				
The acquisition of vehicle by entering into hire-purchase agreement	-	1,052,400.00	-	1,052,400.00

Notes to the financial statements form an integral part of these statements.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. GENERAL INFORMATION

(a) Legal status and address

The Company was registered to be a limited Company on September 8, 1965. The Company was converted to a public company limited on March 14, 2005.

The address of its registered office is as follows:

Head office : located at 7/1-2 Moo 1 Tombol Panthong, Amphur Panthong,
Chonburi, Thailand.

Branch (1) : located at 312, 402/3-6 Soi Senanikom 1, Phaholyothin Road,
Chankasem Jatujak, Bangkok, Thailand.

Branch (2) : located at 162/25 Moo 7 Tombol Nong Pla Mo, Amphur Nong
Khae, Saraburi Province.

(b) Nature of the Company's business and major shareholder

Main business activities of the Company are manufacturing and selling of industrial paints. Products include off-set inks, motorcycle paints, packaging coatings and others.

As at December 31, 2020 and 2019, the company's major shareholder is Eksang holdings Co., Ltd. who held 33.06% and 32.27%, respectively of the paid-up share capital (as Eksang holdings Co., Ltd. held 100% by Eksangkul family) and the rest 3.44% and 3.31%, respectively is held by the person from Eksangkul family, making up 36.50% and 35.58%, respectively in total shareholding.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

- 2.1 The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

2.2 Basis for preparation of the consolidation

2.2.1 The consolidated financial statements are prepared by including the Company's financial statements and its subsidiaries financial statements as follows:-

Name of Subsidiaries	Nature business	Country of incorporation	Percentage of holding		Percentage of assets to the consolidated total assets		Percentage of revenues from sales to the consolidated total revenues from sales	
			2020	2019	2020	2019	2020	2019
Eason Urai Paint Co., Ltd.	Manufacturing and selling of automotive, industrial paint and other	Vietnam	62.00	62.00	8.04	7.55	7.19	7.35
P.T. Eason Indonesia	Manufacturing and selling of automotive, industrial paint and other	Indonesia	93.73	93.73	5.88	6.74	0.19	1.23
Eason Far East Sdn. Bhd.	Trading of industrial paint	Malaysia	60.00	60.00	0.12	0.91	1.36	2.46

2.2.2 The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.

2.2.3 Significant inter-company transactions between the Company and its subsidiaries have been eliminated.

2.2.4 The financial statements of an overseas subsidiary is translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences have been shown under the caption of "Currency translation changes of the financial statements of foreign entity" in shareholders' equity.

2.2.5 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 profit or loss and within equity in the consolidated statement of financial position.

2.3 Financial reporting standards that became effective in the current period

During the year, the Company and its subsidiaries have adopted the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
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 make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective is cancelled.

TFRS 16 Leases

TFRS 16 Leases supersedes TAS 17 Leases together with related Interpretations. 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 with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company and its subsidiaries have adopted TFRSs related to financial instruments and TFRS 16 the first-time in its financial statements by applying modified retrospective approach of which the cumulative effect as an adjustment to retained earnings as at January 1, 2020 and the comparative information was not restated. The cumulative effect of the change is described in Note 4 to the financial statements.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company and its subsidiaries have not elected to apply the temporary relief measures on accounting alternatives.

2.4 Financial reporting standards that become effective in the future

During the year, the Federation of Accounting Professions issued a notification of the Federation of Accounting Professions and published in the Government Gazette for the conceptual framework of financial reporting (new) and several revised financial reporting standards from the year 2019 by becomes effective for the accounting period beginning on or after January 1, 2021 onwards. Which such adjustments are improve/revise principles the financial reporting is as follows:

Adjustment is reference to the conceptual framework in the financial reporting standards

Several financial reporting standards are reference to “IASC’s Framework for the Preparation and Presentation of Financial Statements.” The adjustment of reference project on the conceptual framework in the financial reporting standards has updated reference or partial reference adjustment and other to describe clearly whether each document is reference to “the conceptual framework” of which year.

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Conceptual Framework for Financial Reporting

The conceptual framework for financial reporting consisted of revised definitions of assets and liabilities. Criteria for recognition assets and liabilities in the financial statements. It also includes the following new principles and guidance:

1. Measurement, including factors that must be considered in selecting the valuation criteria
2. Presentation and disclosure which includes when the income and expenses are classified into other comprehensive income.
3. Reporting entities
4. When the assets and liabilities derecognition from the financial statements

In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

Business definition revised in the financial reporting standard No. 3 "Business Combination" describes more clearly on definition of business. The objective is for the business to establish that such transaction has to be recorded as "business combination" or "purchase of assets" or not. Adjustments are as follows:

1. Describe clearly on the consideration of "business", activity group and acquired assets must include input data factor, key process that at least combined will significantly generate outputs.
2. Eliminate the assessment that the market partner can substitute input factor or missing process and generate further outputs from the standards.
3. Add practice guide and example to support understanding and help the company assess whether the key process is acquired.

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4. Narrow down the definition of business and definition of outputs by placing interest in the product and service provided to the customer and eliminate the reference on ability to reduce cost from the standards.
5. Add the intention test as an alternative which allows to make assessment easily whether the activity group and acquired assets are business or not.

Definition of significance

The definition of significance resulted in revising the accounting standard No.1 “Presentation of Financial Statements, Presentation of Financial Statements and Accounting Standards No.8 – Accounting Policy, Change of Accounting Estimates and Error and the revision that resulted in other financial reporting standards.

The adjustment creates better understanding of the definition of significance by

1. For the definition to follow the same direction of the financial reporting standards and conceptual framework to avoid the confusion that may arise from the definition difference.
2. Include the requirements together of the accounting standard No.1 “Presentation of financial statements” in the definition for it to become clearer and describe how the materiality can be clearly applied.
3. Applying existing practice guidance of the definition of the materiality in the same place as the definition.

Reform of swap interest rate

The reform of swap interest rate resulted in the adjustment of the financial reporting standards No. 9 financial instruments and financial reporting standards No.7 financial instrument disclosure. Such adjustment has changed the hedge accounting requirements, especially to reduce the impact arising from the uncertainty as a result of the swap interest rate reform such as interbank offer rates-IBORs. In addition, the adjustment requires the business to provide additional information to investors regarding the relation of hedging directly impacted from any uncertainties.

The management of the Company and its subsidiaries are in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

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2.5 Thai Financial Reporting Standard No.16 “Leases”

The Federation of Accounting Professions has revised TFRS 16 lease agreements and published in the Government Gazette on January 27, 2021 with the following revisions.

1. The Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

2. Added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted.

The management of the Company and its subsidiaries are in the process to assess the impact of these TFRSs to the financial statements in the year when they are adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of revenues and expenses

Revenues from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Service income is recognized when services have been rendered to the customers.

Rental service income is recognized in accordance with a term the contract, at the rate stipulated in contract.

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

Other income and expenses are recognized on the accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits at financial institutions, excluded time deposit at bank and cash at banks which are used for guarantee.

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3.3 Trade receivables

Applicable from January 1, 2020

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade and other receivables are stated at the amount expected to be collectible, The Company applies the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognized in profit or loss within administrative expenses.

Applicable prior to January 1, 2020

The Company and its subsidiaries provide allowance for doubtful account equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience and a review of the current status of the existing receivables.

3.4 Inventories

Inventories are stated at the lower of cost or net realizable value.

The Company and its subsidiaries determine the cost by the calculation from standard cost which is adjusted approximately to the actual cost based on moving average cost method.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and goods in progress, cost includes and appropriate share of overheads based on normal production capacity.

The net realizable value of inventory is estimated from selling price in the ordinary course of business, less the estimated costs to complete the sale.

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3.5 Financial instruments

Applicable from January 1, 2020

At initial recognition, the Company and its subsidiaries measure a financial assets and financial liabilities at its fair value. Financial assets and financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets and financial liabilities. Financial assets and financial liabilities at fair value through profit or loss, transaction costs are expensed in profit or loss.

Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company and its subsidiaries classify its financial asset as to be subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

Subsequent measurement of debt instruments depends on the Company and its subsidiaries's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company and its subsidiaries classify its debt instruments:

- Amortized cost: A financial assets will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss.

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- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss.

Dividends from such investments continue to be recognized in profit or loss when the Company and its subsidiaries's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Classification and measurement of financial liabilities

Financial liabilities measured subsequently at amortized cost. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

Recognition and derecognition

The Company and its subsidiaries shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Company and its subsidiaries become party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company and its subsidiaries commit to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company and its subsidiaries have transferred substantially all the risks and rewards of ownership of the financial assets.

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Impairment of financial assets

The Company and its subsidiaries recognized an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

Applicable prior to January 1, 2020

Investments in marketable equity securities

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the statements of income.

Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in other components of shareholder's equity, and will be recorded as gains or losses in the statement of income when the securities are sold.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

3.6 Investments in associates

Associates are all entities over which the Company has significant influence but not control generally accompanying a shareholding of between 20% to 50% of the voting rights. In the consolidated financial statement, investments in associates are initially recognized at cost and are accounted for using the equity method.

Investments in associates are stated at cost net from allowance on impairment in the separate financial statements (if any).

Investments in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment in the separate financial statements (if any).

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3.7 Investment property

Investment property is property which is held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administration purposes.

Investment property are stated at cost after deducted accumulated depreciation and allowance on impairment (if any).

Depreciation is calculated by straight-line method over the estimated useful lives of 20 years.

3.8 Property, plant and equipment

Land are stated at cost and less allowance on impairment (if any).

Plant and equipment are stated at cost after deducted accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Depreciation is calculated by cost less residual value on the straight-line method over the estimated useful lives of the assets, as following :-

Type of assets	The estimated useful lives
Building and building for lease	5, 20 years
Machinery equipment	5 - 10 years
Lab equipment	5 - 10 years
Electric equipment	3 - 6 years
Office equipment	3 - 6 years
Office decoration	3 - 6 years
Vehicle	6 - 8 years

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

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Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of income.

3.9 Intangible assets

Technical license is stated at cost less accumulated amortization and allowance on impairment (if any). Amortization is calculated by the straight-line method over the period for which the assets are expected to generate economic benefit 5 - 10 years.

Computer software is stated at cost less accumulated amortization and allowance on impairment (if any). Amortization is calculated by the straight-line method over the period for which the assets are expected to generate benefit 10 years.

3.10 Impairment of non-financial assets

The carrying amounts of the Company and its subsidiaries, other than inventories are reviewed at the reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows which mostly independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. All reversals of impairment losses are recognized in the statement of income.

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3.11 Leases

Applicable from January 1, 2020

At inception of a contract, the Company and its subsidiaries assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets-as a lessee

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any) and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and leases of low-value assets

Leased that have a lease term of 12 months or less from the commencement date and not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

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Applicable before January 1, 2020

Leasehold right

Leasehold right is stated at cost less accumulated amortization. Amortization is calculated by the straight-line method over the lease period.

Hire purchase

The Company and its subsidiaries record vehicles under hire purchase contracts at their fair value as at the inception of the lease, and records future rental payment obligations under the contracts (minus the interest portion) as liabilities.

The Company and its subsidiaries amortized deferred interest on hire purchase contracts by effective rate of interest over the period of contracts.

Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

3.12 Foreign currency conversions

Foreign currency assets and liabilities are converted into Thai Baht at rates of exchange ruling at the end of reporting period. Transactions during the year are translated at rates prevailing on the transaction date. Gains or losses on exchange are credited or charged to current operations.

3.13 Employee benefits

Short-term employment benefits

The Company and its subsidiaries recognize salary, overtime, bonus and social securities as expenses when incurred.

Post-employment benefits (defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

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Post-employment benefits (defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate. Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income.

Other long-term employment benefits (defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments that pay to the employees work for a long time. The obligation under of other long-term employment benefits is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method, in order to determine present value of the obligation at the end of reporting period. Actuarial gains and losses arising from other long-term employment benefits are recognized immediately in the profit or loss.

3.14 Related parties

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

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

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3.15 Income tax expense

Income tax comprises current income tax and deferred tax.

Current tax

The Company and its subsidiaries record income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Overseas subsidiary calculated corporate income tax in accordance with tax rates mandated under the tax law of that country.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company and its subsidiaries will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company and its subsidiaries will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

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3.16 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Expected credit losses

In determining an allowance for expected credit losses for accounts receivable, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Determining the lease term of contracts with renewal and termination options

The Company and its subsidiaries determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company and its subsidiaries reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Property, plant and equipment and right-of-use assets /Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and right-of-use assets and to review the estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

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Estimating the incremental borrowing rate - as a lessee

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Impairment of investments

In determining reviews the impairment of investments which requires management to prepare projections of the cash flows expected to be generated by the investment in the future, and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits and other long-term employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.3 to the financial statements, during the current year, the Company and its subsidiaries have adopted TFRS 9 and TFRS 16 using the modified retrospective method of adoption. The cumulative effect of the changes in accounting policies such financial reporting standards is recognized. Therefore, the comparative information was not restated.

The changes in accounting policies due to the adoption of above financial reporting standards, are summarized below.

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	Baht			
	Consolidated financial statements			
	As at December 31, 2019	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Current assets				
Current investments	9,880,100.85	(9,880,100.85)	-	-
Trade and other current receivables	152,691,680.14	-	(309,390.26)	152,382,289.88
Non-current assets				
Other non-current financial assets	-	110,927,652.32	-	110,927,652.32
Other long-term investments	101,047,551.47	(101,047,551.47)	-	-
Right-of-use assets	-	-	59,132,815.64	59,132,815.64
Leasehold right	11,805,514.66	-	(11,805,514.66)	-
Total assets	275,424,847.12	-	47,017,910.72	322,442,757.84
Current liabilities				
Current portion of lease liabilities	1,123,729.88	-	-	1,123,729.88
Non-current liabilities				
Lease liabilities	743,357.23	-	45,468,135.56	46,211,492.79
Total liabilities	1,867,087.11	-	45,468,135.56	47,335,222.67
Retained earnings - unappropriated	339,176,621.16	21,108.17	960,860.60	340,158,589.93
Other components of shareholders' equity	(61,649,578.48)	(21,108.17)	-	(61,670,686.65)
Total shareholders' equity of the parent	277,527,042.68	-	960,860.60	278,487,903.28
Non-controlling interests	25,146,953.73	-	588,914.56	25,735,868.29
Total shareholders' equity	302,673,996.41	-	1,549,775.16	304,223,771.57

	Baht			
	Separate financial statements			
	As at December 31, 2019	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Current assets				
Current investments	9,880,100.85	(9,880,100.85)	-	-
Trade and other current receivables	151,951,213.21	(2,832,713.54)	-	149,118,499.67
Non-current assets				
Other non-current financial assets	-	110,927,652.32	-	110,927,652.32
Other long-term investments	101,047,551.47	(101,047,551.47)	-	-
Right-of-use assets	-	-	45,468,135.56	45,468,135.56
Total assets	262,878,865.53	(2,832,713.54)	45,468,135.56	305,514,287.55

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

	Baht			
	Separate financial statements			
	As at December 31, 2019	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	As at January 1, 2020
Statement of financial position				
Current liabilities				
Current portion of lease liabilities	969,377.90	-	-	969,377.90
Non-current liabilities				
Lease liabilities	663,530.61	-	45,468,135.56	46,131,666.17
Total liabilities	1,632,908.51	-	45,468,135.56	47,101,044.07
Retained earnings - unappropriated	356,682,316.32	(2,811,605.37)	-	353,870,710.95
Other components of shareholders' equity	(12,749,881.27)	(21,108.17)	-	(12,770,989.44)
Total shareholders' equity	343,932,435.05	(2,832,713.54)	-	341,099,721.51

4.1 Financial instruments

The total impact on the retained earnings as at January 1, 2020 is as follows:

	Baht	
	Consolidated financial statements	Separate financial statements
Retained earnings - unappropriated as at December 31, 2019	339,176,621.16	356,682,316.32
Debt instruments - Fair value through profit or loss	21,108.17	21,108.17
Increase in loss allowance for trade and other current receivables	-	(2,832,713.54)
Unappropriated retained earnings as at January 1, 2020 - TFRS 9 before restatement for TFRS 16	339,197,729.33	353,870,710.95

Classification and measurement

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS9 as at January 1, 2020 (the date of initial application), and with the carrying amounts under the former basis, are as follows:-

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	Baht			
	Consolidated financial statements			
	FVPL	FVOCI	Amortized cost	Total
Financial assets as at January 1, 2020				
Cash and cash equivalents	-	-	135,714,729.57	135,714,729.57
Trade and other current receivables	-	-	152,691,680.14	152,691,680.14
Other non-current financial assets	761,100.85	110,166,551.47	-	110,927,652.32
Total financial assets	<u>761,100.85</u>	<u>110,166,551.47</u>	<u>288,406,409.71</u>	<u>399,334,062.03</u>
Financial liabilities as at January 1, 2020				
Trade and other current payables	-	-	68,249,298.21	68,249,298.21
Lease liabilities	-	-	1,867,087.11	1,867,087.11
Total financial liabilities	<u>-</u>	<u>-</u>	<u>70,116,385.32</u>	<u>70,116,385.32</u>

	Baht			
	Separate financial statements			
	FVPL	FVOCI	Amortized cost	Total
Financial assets as at January 1, 2020				
Cash and cash equivalents	-	-	92,983,044.54	92,983,044.54
Trade and other current receivables	-	-	151,951,213.21	151,951,213.21
Other non-current financial assets	761,100.85	110,166,551.47	-	110,927,652.32
Long-term loans to subsidiary	-	-	92,160,614.97	92,160,614.97
Total financial assets	<u>761,100.85</u>	<u>110,166,551.47</u>	<u>337,094,872.72</u>	<u>448,022,525.04</u>
Financial liabilities as at January 1, 2020				
Trade and other current payables	-	-	65,442,581.67	65,442,581.67
Lease liabilities	-	-	1,632,908.51	1,632,908.51
Total financial liabilities	<u>-</u>	<u>-</u>	<u>67,075,490.18</u>	<u>67,075,490.18</u>

The Company and its subsidiaries classified debt investments that do not qualify for measurement at either amortized cost or FVOCI at fair value through profit or loss (FVPL).

Financial assets mandatorily measured at FVPL include the following:

	Thousand Baht
	Consolidated/Separate financial statements
<u>Other non-current financial assets</u>	
Mutual funds	<u>761,100.83</u>
Total Other non-current financial assets	<u>761,100.83</u>

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Impairment of financial assets

The Company and its subsidiaries have trade receivables that are subject to the expected credit loss model. The Company and its subsidiaries have trade and other current receivables to related parties that are subject to the expected credit loss model.

4.2 Leases

These liabilities were measured at the present value of the remaining lease payments, discounted using the Company and its subsidiaries's incremental borrowing rates. The Company and its subsidiaries incremental borrowing rates applied to the lease liabilities as at January 1, 2020 was ranged between 4.52%, 4.58% and 4.80 %.

Upon initial application of TFRS 16 the Company and its subsidiaries recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Company and its subsidiaries recognized the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments disclosed as at December 31, 2019	7,836,249.06	7,836,249.06
<u>Less:</u> Low value leases recognised on a straight-line basis as expenses	(1,276,167.60)	(1,276,167.60)
<u>Add:</u> Purchase or extension options reasonably certain to be exercised	51,016,925.16	51,016,925.16
<u>Less:</u> Contracts reassessed as service agreements	(1,939,161.46)	(1,939,161.46)
	55,637,845.16	55,637,845.16
<u>Less:</u> Deferred interest expenses	(10,169,709.60)	(10,169,709.60)
Additional lease liabilities from TFRS 16 adoption	45,468,135.56	45,468,135.56
Finance lease liabilities as at December 31, 2019	1,867,087.11	1,632,908.51
Lease liabilities recognised as at January 1, 2020	<u>47,335,222.67</u>	<u>47,101,044.07</u>
Of which are:		
Current lease liabilities	5,134,840.46	4,980,488.48
Non-current lease liabilities	42,200,382.21	42,120,555.59
	<u>47,335,222.67</u>	<u>47,101,044.07</u>

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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The recognized right-of-use assets relate to the following types of assets:

	Baht	
	Consolidated financial statements	Separate financial statements
Land	18,963,990.65	5,608,700.83
Building	40,168,824.99	39,859,434.73
Total right-of-use	59,132,815.64	45,468,135.56

5. TRANSACTIONS WITH RELATED COMPANIES

	Relationship
<u>Subsidiary companies</u>	
Eason Urai Paint Co., Ltd.	62% of holding, Co-Director/Shareholder
P.T. Eason Indonesia	93.73% of holding, Co-Director/Shareholder
Eason Far East Sdn. Bhd.	60% of holding, Co-Director/Shareholder
<u>Associated company</u>	
Origin Eason Paint Co., Ltd.	40% of holding
Advance Power Conversion Co., Ltd.	20.95% of holding
Green Fuel Management Co. Ltd.	30.00% of holding
<u>Related companies</u>	
Eksang holdings Co., Ltd.	33.06% of holding in the Company
Urai Panich Co., Ltd.	30% of holding in subsidiary company
Miki (Thailand) Co., Ltd.	15% of holding in associated company
Bright Blue Water Corp. Ltd.	5% of holding

<u>Pricing policy</u>	
Sale	- Cost - plus pricing to comply with the trading agreement with the owner's chemical formula of production, the Company has to sell the product, which is produced from such formula, to a subsidiary. The subsidiary is the only one selling agent of the product in Thailand. As a result, the Company could not find the market price to compare with the Company's selling price. However, the Company has certain right to determine the mark up rate by themselves based on both of the pricing policy and the market situation at that moment.
Rental and service income	- Warehouse and office rental depending on actual space are approximately Baht 7,056 - 449,946 per month in accordance with agreements.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

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<u>Pricing policy</u>	
Interest income	At the rate of 3.50% and 3.90% per annum
Purchasing	- Market value except licensed raw materials are agreed upon pricing method.
Rental charge	- Office and warehouse rental are charged at Baht 73,370 - 307,840 per month in accordance with agreements.
Other expenses	- Raw materials for research and development are charged at market value.
Purchase of asset for lease	- Book value and at agreed upon pricing method.

The Company has significant transactions with subsidiary companies, associated companies and related companies are as following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Transactions in the statement of income</u>				
<u>Subsidiary companies</u>				
Sales				
Eason Far East Sdn. Bhd.	-	-	2,421,326.89	9,424,720.58
Other income				
Eason Urai Paint Co., Ltd.	-	-	1,512,976.00	1,269,586.40
P.T. Eason Indonesia	-	-	3,438,829.89	3,297,880.57
Eason Far East Sdn. Bhd.	-	-	-	153,732.55
	-	-	4,951,805.89	4,721,199.52
<u>Associated companies</u>				
Sales				
Origin Eason Paint Co., Ltd.	574,798.00	482,592.00	574,798.00	482,592.00
Rental and service income				
Origin Eason Paint Co., Ltd.	14,735,313.05	15,398,703.16	14,735,313.05	15,398,703.16
Interest income				
Advance Power Conversion Co., Ltd.	1,720,273.94	-	1,720,273.94	-
Other income				
Origin Eason Paint Co., Ltd.	-	235,000.00	-	235,000.00
Other expenses				
Origin Eason Paint Co., Ltd.	13,600.00	27,800.00	13,600.00	27,800.00
<u>Related companies</u>				
Rental and service income				
Miki (Thailand) Co., Ltd.	479,195.34	527,357.50	479,195.34	527,357.50
Bright Blue Water Corp. Ltd.	1,698,078.62	3,224,368.84	1,698,078.62	3,224,368.84
Other income				
Eksang holdings Co., Ltd.	360,000.00	-	360,000.00	-
ALL S Holding Co., Ltd.	724,353.61	-	724,353.61	-
Other expenses				
Eksang holdings Co., Ltd.	-	5,913,720.00	-	5,913,720.00
Bright Blue Water Corp. Ltd.	174,542.04	242,874.79	174,542.04	242,874.79

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The Company has outstanding with subsidiary companies, associated companies and related companies are as following :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Outstanding balances at the statements of financial position</u>				
<u>Subsidiary companies</u>				
Trade and other current receivables				
Eason Urai Paint Co., Ltd.	-	-	50,000.00	50,000.00
P.T. Eason Indonesia	-	-	1,749,052.06	913,045.34
Eason Far East Sdn. Bhd.	-	-	6,098,890.73	11,752,416.76
Less allowance for doubtful account	-	-	(6,098,890.73)	-
	-	-	-	11,752,416.76
	-	-	1,799,052.06	12,715,462.10
Short-term loans to				
P.T. Eason Indonesia	-	-	87,108,240.91	92,160,614.96
Trade and other current payables				
P.T. Eason Indonesia	-	-	455,639.37	-
Eason Far East Sdn. Bhd.	-	-	890,153.31	-
	-	-	1,345,792.68	-
<u>Associated companies</u>				
Trade and other current receivables				
Origin Eason Paint Co., Ltd.	1,603,392.10	1,939,848.12	1,603,392.10	1,939,848.12
Advance Power Conversion Co., Ltd.	96,164.38	-	96,164.38	-
	1,699,556.48	1,939,848.12	1,699,556.48	1,939,848.12
Short-term loan to				
Advance Power Conversion Co., Ltd.	30,000,000.00	-	30,000,000.00	-
Trade and other current payables				
Origin Eason Paint Co., Ltd.	-	8,988.00	-	8,988.00
<u>Related companies</u>				
Trade and other current receivables				
Miki (Thailand) Limited	41,571.09	42,622.38	41,571.09	42,622.38
Bright Blue Water Corp. Ltd.	160,704.94	269,170.48	160,704.94	269,170.48
ALL S Holding Co., Ltd.	179,788.10	-	179,788.10	-
	382,064.13	311,792.86	382,064.13	311,792.86

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2020

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term loan to				
ALL S Holding Co., Ltd.	15,937,500.00	-	15,937,500.00	-
Right-use-assets				
Eksang Holdings Co., Ltd.	40,199,750.79	-	40,199,750.79	-
Lease liabilities				
Eksang Holdings Co., Ltd.	41,443,589.57	-	41,443,589.57	-

Management benefit expenses

Management benefit expenses represents the benefits paid to the Company and its subsidiaries' management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company and its subsidiaries' management is the persons who are defined under the Securities and Exchange Act.

Management benefit expenses for the years ended December 31, 2020 and 2019 as follows :-

	Baht	
	Consolidated/Separate financial statements	
	2020	2019
Short - term employee benefits	18,467,060.00	18,198,130.00
Post - employment benefits	384,785.00	350,075.00
Other long - term benefits	5,288.00	4,730.00
Total	18,857,133.00	18,552,935.00

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash on hand	141,588.52	100,463.68	60,882.00	55,525.50
Cheque on hand	269,244.10	451,348.80	269,244.10	451,348.80
Cash at banks - current account	66,794,419.26	72,706,277.99	66,794,419.26	42,711,703.01
Cash at banks - savings account	133,744,406.70	62,456,639.10	91,739,441.05	49,764,467.23
Total	200,949,658.58	135,714,729.57	158,863,986.41	92,983,044.54

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7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other receivables consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade note receivable				
Not yet due	1,182,544.74	1,729,067.57	1,182,544.74	1,729,067.57
Trade receivable are classified by aging				
Not yet due	113,882,053.97	118,564,108.50	106,102,262.50	112,396,239.29
Overdue 0 day to 90 days	31,277,149.71	23,574,806.92	31,259,018.79	25,920,908.06
Overdue 91 days to 180 days	36,551.20	-	2,366,111.39	1,568,272.98
Overdue 181 days to 360 days	-	-	3,769,330.54	2,501,927.13
Total trade receivable	146,378,299.62	143,867,982.99	144,679,267.96	144,116,415.03
Less allowance for doubtful account	-	-	(6,098,890.73)	-
Trade receivable, net	146,378,299.62	143,867,982.99	138,580,377.23	144,116,415.03
Other receivables				
Accrued other income	5,735,760.85	3,633,752.86	5,735,760.85	3,633,752.86
Accrued interest income	1,103,030.80	-	1,971,707.47	859,527.92
Prepaid expenses	3,241,869.03	3,832,208.34	2,161,604.69	2,063,233.47
Other receivables	405,073.72	1,357,735.95	288,664.43	1,278,283.93
Total	10,485,734.40	8,823,697.15	10,157,737.44	7,834,798.18
Total trade and other receivables	156,864,034.02	152,691,680.14	148,738,114.67	151,951,213.21

The Company and its subsidiary give its general a credit term ranging 30 - 90 days.

8. SHORT-TERM LOANS TO RELATED COMPANIES

As at December 31, 2020, short- term loans to related companies in the form of promissory note total amount of Baht 45.94 million, with interest at the rate of 6.50% and 6.75% per annum and maturity to pay on February 16, 2021, February 28, 2021, March 31, 2021 and May 13, 2021.

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9. INVENTORIES

Inventories consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Finished goods	22,718,412.47	25,758,234.01	22,601,079.18	21,060,160.78
Work in process	457,606.04	408,867.47	-	145,517.83
Raw materials	66,124,053.21	45,712,354.14	65,700,176.18	45,373,200.32
Supplies	2,051,296.65	2,146,701.29	2,023,688.10	1,767,416.80
Package	491,158.27	568,760.19	491,158.27	568,760.19
Goods in transit	2,380,282.16	11,059,477.47	2,380,282.16	11,059,477.47
Total	94,222,808.80	85,654,394.57	93,196,383.89	79,974,533.39
<u>Less provision for declining in value</u>				
of inventories	(413,204.36)	(1,387,848.43)	(413,204.36)	(1,387,848.43)
Net	<u>93,809,604.44</u>	<u>84,266,546.14</u>	<u>92,783,179.53</u>	<u>78,586,684.96</u>

Movement of provision for declining in value of inventories for the years ended December 31, 2020 and 2019 are as follow :-

	Baht	
	Consolidated/Separate financial statements	
	2020	2019
Beginning balance	1,387,848.43	488,868.71
Increase during the year	8,344.46	1,387,848.43
Decrease during the year	(982,988.53)	(488,868.71)
Ending balance	<u>413,204.36</u>	<u>1,387,848.43</u>
Cost of inventories recognized as cost of goods sold for the year	445,982.85	2,204,373.51

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10. OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets consisted of :-

	Baht	
	Consolidated/Separate financial statements	
	As at December 31, 2020	
	At cost	Fair Value
Financial assets at fair value through profit or loss		
Unit trust	50,741,598.77	50,795,854.85
Financial assets at fair value through other comprehensive income		
Investment in marketable equity	25,075,853.67	6,831,000.00
Other long-term investments		
- All S Holding Co., Ltd.	25,000,000.00	25,000,000.00
- Bright Blue Water Corp. Ltd.	76,047,551.47	54,450,000.00
- C.A.S. Green Energy Co., Ltd.	2,500,000.00	2,500,000.00
	103,547,551.47	81,950,000.00
Total	179,365,003.91	139,576,854.85

Investment in C.A.S. Green Energy Co., Ltd.

At the Board of Director's meeting No.4/2020 dated on June 19, 2020, passed the resolution of the investment in another company by establishment of the company name C.A.S. Green Energy Co., Ltd. ("CAS"), which aim to invest in the business engaging in power plant. CAS has registration capital in the amount of Baht 100 million divided into 1,000,000 ordinary shares at the par value of Baht 100, the Company will hold 100,000 ordinary shares of CAS, or 10% of its registered capital, total amount of Baht 10 million. On June 22, 2020, the Company had paid for the initial shares at 25% total of Baht 2.50 million.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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11. INVESTMENTS IN ASSOCIATED COMPANIES

Investments in associated companies consisted of:-

Associated Company	Percentage of holding		Baht			
			Consolidated financial statements		Separate financial statements	
			At equity		At cost	
	2020	2019	2020	2019	2020	2019
Origin Eason Paint Co., Ltd.	40.00	40.00	82,439,019.65	96,790,002.85	35,784,300.00	35,784,300.00
Advance Power Conversion Co., Ltd.	20.95	20.95	337,569,883.10	365,924,706.37	459,999,900.00	459,999,900.00
Green Fuel Management Co., Ltd.	30.00	-	13,562,902.63	-	13,500,000.00	-
Total			433,571,805.38	462,714,709.22	509,284,200.00	495,784,200.00
<u>Less impairment of investments</u>						
- Advance Power Conversion Co., Ltd.			(263,319,989.40)	-	(263,319,989.40)	-
Net			170,251,815.98	462,714,709.22	245,964,210.60	495,784,200.00

Share of profit (loss) of associated companies and dividend income for the years ended December 31, 2020 and 2019 are as follow: -

	Baht			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) of associated companies		Dividend income	
	2020	2019	2020	2019
Origin Eason Paint Co., Ltd.	22,446,804.32	35,122,722.08	36,000,000.00	36,000,000.00
Advance Power Conversion Co., Ltd.	(28,354,823.27)	(81,353,424.22)	-	-
Green Fuel Management Co., Ltd.	62,902.63	-	-	-
Total	(5,845,116.32)	(46,230,702.14)	36,000,000.00	36,000,000.00

Investment in Green Fuel Management Co., Ltd.

At the Board of Director's meeting No.5/2020 dated on August 14, 2020, passed the resolution of the investment in Green Fuel Management Co., Ltd. ("GFM") GFM's business type is to biomass fuel trading for power plant. The Company will purchase 750,000 ordinary shares with purchase price 10 Baht per share, total amount of Baht 7.50 million from Mr. Jarukit Jullakharin, or 30% of its registered capital. On September 9, 2020, the Company had paid for the shares at first in the amount of Baht 3.75 million, or 50% of investment. The Company has fully paid for the remaining in the amounted to Baht 3.75 million on October 1, 2020.

The consideration of impairment of investment in an associated company

The management of the Company performed impairment of investment in Advance Power Conversion Co., Ltd. determined future cash flows based on its business plan. And the assumptions from assessing of past and current operating results of the group of such company. Based on the impairment test, the recoverable value was lower than book value. The management of the Company had considered to record impairment of investment in associated company for the year ended December 31, 2020 amounted to Baht 263.32 million for the separate financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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12. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as shown in separate financial statements are as follows: -

Subsidiary companies	Number of share		Percentage of holding		Baht		Baht	
					At cost		Dividend received	
	2020	2019	2020	2019	2020	2019	2020	2019
Eason Urai Paint Co., Ltd.	2,790	2,790	62.00	62.00	90,323,809.80	90,323,809.80	2,375,478.93	-
P.T. Eason Indonesia	3,749,000	3,749,000	93.73	93.73	117,704,840.00	117,704,840.00	-	-
Eason Far East Sdn. Bhd.	600,000	600,000	60.00	60.00	5,541,172.83	5,541,172.83	-	-
Total					213,569,822.63	213,569,822.63	2,375,478.93	-
<u>Less allowance for impairment of investment</u>								
- P.T. Eason Indonesia					(117,704,840.00)	(117,704,840.00)		
- Eason Far East Sdn. Bhd.					(5,541,172.83)	(5,541,172.83)		
Investments in subsidiaries, net					90,323,809.80	90,323,809.80		

As at December 31, 2020, P.T. Eason Indonesia has ceased its operation in the manufacturing of paint. Eason Far East Sdn. Bhd. is processing of dissolving its business. The Company considered to record the allowance for impairment of such company fully amount.

The subsidiaries that have material non-controlling interests

The consolidated financial statements has consolidated subsidiary companies that have material non-controlling interest:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Baht			
				Total comprehensive income (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2020	2019	2020	2019	2020	2019
Eason Urai Paint Co., Ltd.	Vietnam	38.00	38.00	1,857,573.11	(1,910,026.15)	32,230,489.45	31,492,505.71
P.T. Eason Indonesia	Indonesia	6.27	6.27	(452,318.75)	(1,274,601.82)	(6,587,894.31)	(6,100,720.96)
Other				(1,543,213.72)	(380,321.82)	(1,951,520.17)	(244,831.02)
Total				(137,959.36)	(3,564,949.79)	23,691,074.97	25,146,953.73

Summarized financial information in respect of subsidiaries represents amounts before intragroup eliminations.

Eason Urai Paint Co., Ltd.

	Baht	
	2020	2019
Current assets	49,793,135.50	43,594,418.50
Non-current assets	47,625,931.22	52,010,421.92
Current liabilities	(2,649,803.78)	(2,894,432.25)
Non-current liabilities	(137,516.00)	(137,516.00)

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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	Baht	
	2020	2019
Revenue	35,230,987.65	37,052,699.99
Profit for the year	4,888,350.28	2,614,171.56
Total comprehensive income for the year	4,888,350.28	2,614,171.56

P.T. Eason Indonesia

	Baht	
	2020	2019
Current assets	9,670,753.93	15,703,925.87
Non-current assets	61,615,075.68	69,680,726.83
Current liabilities	(883,300.03)	(1,039,134.85)
Non-current liabilities	(87,543,266.64)	(94,505,463.94)
Revenue	911,355.05	7,231,216.53
Loss for the year	(7,239,675.31)	(21,601,977.77)
Total comprehensive loss for the year	(7,239,675.31)	(21,347,692.45)

13. OTHER LONG-TERM INVESTMENTS

Other long-term investments consisted of:

	Consolidated/Separate financial statements		
	Number of share	Percentage of holding	At cost Baht
<u>Other investments</u>			
All S Holding Co., Ltd.	250,000	6.25	25,000,000.00
<u>Related party</u>			
Bright Blue Water Corp. Ltd.	15,000,000	5.00	76,047,551.47
Total other long-term investments			<u>101,047,551.47</u>

Investment in All S Holding Co., Ltd.

According to the Board of Directors meeting No.2/2019 held on March 28, 2019, it has resolved to approved to invest in All S Holding Co., Ltd. that increase capital from Baht 100 million to Baht 300 million (divided into 3,000,000 shares at par value of Baht 100) for 125,000 shares of Baht 100 each amount of Baht 12.50 million.

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On April 25, 2019, All S Holding Co., Ltd. has called the second time at 50% shares payment of an increase registered capital amount of Baht 6.25 million and on August 26, 2019 has called at 50% of the remaining amount of Baht 6.25 million. The Company paid for shares capital total of Baht 12.50 million.

And at the board of Director's meeting No. 6/2019 held on December 18, 2019, unanimously resolved to invest in All S Holding Co., Ltd. that increase capital from Baht 300 million to Baht 580 million (divided into 2,800,000 shares at par value of Baht 100) for 175,000 shares of Baht 100 each total amount of Baht 17.50 million.

On December 3, 2019, All S Holding Co., Ltd. has called for an increase share capital amount of Baht 6.25 million. The Company paid for share capital on December 20, 2019. The increase of such investment does not change the proportion of shareholding.

14. LONG-TERM LOANS TO SUBSIDIARY

Movement of long-term loans to subsidiary for the years ended December 31, 2020 and 2019 are as follow :-

	Baht	
	Separate financial statements	
	2020	2019
Long-term loans, beginning balance	92,915,871.54	82,915,871.54
<u>Add</u> increase during the year	-	10,000,000.00
<u>Less</u> decrease during the year	(5,000,000.00)	-
	87,915,871.54	92,915,871.54
Unrealized loss on exchange rate	(807,630.63)	(755,256.57)
Long-term loans, ending balance	87,108,240.91	92,160,614.97

As at December 31, 2020 and 2019, long-term loans to an overseas subsidiary in the form of promissory note with interest at the rate of 3.50% and 3.90% per annum and payment interest by quarterly.

The consideration of impairment of loan to subsidiary

Due to the accumulated operating losses of P.T. Eason Indonesia, causing an indicate that the Company may not receive back loan to subsidiary. The management has considered of the book value of assets or asset unit that generates cash whether higher than the recovery amount or not. The recoverable value assessed from the market value of assets or asset unit of the subsidiary in Indonesia. Based on the impairment test, the recoverable value was higher than the book value of loan to subsidiary. Therefore, the Company did not record impairment of such loan.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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15. INVESTMENT PROPERTY

Investment property consisted of :-

	Baht			
	Consolidated/Separate financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2019			Dec. 31, 2020
<u>At cost</u>				
Building for lease	22,849,347.04	-	-	22,849,347.04
Condominium	27,824,695.35	1,405,645.64	-	29,230,340.99
Total	50,674,042.39	1,405,645.64	-	52,079,688.03
<u>Less accumulated depreciation</u>				
Building for lease	16,101,783.89	1,287,413.28	-	17,389,197.17
Condominium	2,952,164.48	1,695,326.39	-	4,647,490.87
Total	19,053,948.37	2,982,739.67	-	22,036,688.04
Investment property, net	31,620,094.02			30,042,999.99

	Baht			
	Consolidated/Separate financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2018			Dec. 31, 2019
<u>At cost</u>				
Building for lease	20,911,875.57	1,937,471.47	-	22,849,347.04
Condominium	27,814,100.00	10,595.35	-	27,824,695.35
Total	48,725,975.57	1,948,066.82	-	50,674,042.39
<u>Less accumulated depreciation</u>				
Building for lease	15,017,387.92	1,084,395.97	-	16,101,783.89
Condominium	1,562,161.68	1,390,002.80	-	2,952,164.48
Total	16,579,549.60	2,474,398.77	-	19,053,948.37
Investment property, net	32,146,425.97			31,620,094.02

As at December 31, 2020 and 2019, the Company has rented out the building, warehouse space and a condominium for use as office to related companies. The Fair value of condominium is Baht 34.80 million, obtained from the latest appraisal by an independent appraiser. Which is evaluated by market approach.

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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16. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of:-

	Baht			
	Consolidated financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2019			Dec. 31, 2020
<u>At cost</u>				
Land	116,326,129.98	-	-	116,326,129.98
Building and building improvement	257,276,846.16	1,910,745.97	(617,585.90)	258,570,006.23
Machinery and equipment	144,133,738.17	13,244,756.42	(754,355.00)	156,624,139.59
Factory equipment	24,236,264.23	-	(23,476,987.11)	759,277.12
Lab equipment	31,084,231.47	967,650.75	(2,545,397.79)	29,506,484.43
Electric equipment	10,484,771.88	53,451.25	(71,245.00)	10,466,978.13
Office equipment	30,311,420.18	817,455.24	(1,298,219.48)	29,830,655.94
Office decoration	18,367,597.61	211,377.56	(297,374.27)	18,281,600.90
Vehicle	53,219,093.80	-	(3,671,539.17)	49,547,554.63
Machinery and equipment installation	4,777,598.46	3,205,877.38	(4,777,598.46)	3,205,877.38
Total	690,217,691.94	20,411,314.57	(37,510,302.18)	673,118,704.33
<u>Less accumulated depreciation</u>				
Building and building improvement	135,075,340.57	11,380,006.96	(620,905.09)	145,834,442.44
Machinery and equipment	123,977,685.12	6,335,648.34	(744,458.09)	129,568,875.37
Factory equipment	18,757,198.37	1,479,567.07	(19,512,657.62)	724,107.82
Lab equipment	27,101,070.71	1,364,445.91	(2,502,672.30)	25,962,844.32
Electric equipment	10,008,554.06	109,434.22	(5,153.38)	10,112,834.90
Office equipment	26,297,147.42	1,409,398.47	(921,512.46)	26,785,033.43
Office decoration	17,510,598.28	284,690.48	(212,767.60)	17,582,521.16
Vehicle	31,034,085.77	2,922,927.65	(2,632,497.57)	31,324,515.85
Total	389,761,680.30	25,286,119.10	(27,152,624.11)	387,895,175.29
Currency translation changes of				
financial statements of foreign entity	(48,047,449.15)			(46,572,771.93)
Property, plant and equipment, net	252,408,562.49			238,650,757.11

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2020

	Baht			
	Consolidated financial statements			
	Balance per book Dec. 31, 2018	Additions	Deductions	Balance per book Dec. 31, 2019
<u>At cost</u>				
Land	100,599,379.98	15,726,750.00	-	116,326,129.98
Building and building improvement	255,324,194.20	2,097,485.29	(144,833.33)	257,276,846.16
Machinery and equipment	140,391,336.71	4,708,654.73	(966,253.27)	144,133,738.17
Factory equipment	24,643,852.34	421,304.00	(828,892.11)	24,236,264.23
Lab equipment	30,596,866.39	514,646.15	(27,281.07)	31,084,231.47
Electric equipment	10,483,687.88	17,810.50	(16,726.50)	10,484,771.88
Office equipment	30,085,848.73	764,103.45	(538,532.00)	30,311,420.18
Office decoration	18,453,968.57	153,800.00	(240,170.96)	18,367,597.61
Vehicle	53,453,944.49	1,789,008.49	(2,023,859.18)	53,219,093.80
Machinery and equipment installation	5,477,903.73	3,932,575.95	(4,632,881.22)	4,777,598.46
Total	669,510,983.02	30,126,138.56	(9,419,429.64)	690,217,691.94
<u>Less accumulated depreciation</u>				
Building and building improvement	123,900,719.64	11,319,453.26	(144,832.33)	135,075,340.57
Machinery and equipment	119,173,484.49	5,770,157.22	(965,956.59)	123,977,685.12
Factory equipment	15,350,177.06	4,139,209.34	(732,188.03)	18,757,198.37
Lab equipment	25,371,878.15	1,756,464.63	(27,272.07)	27,101,070.71
Electric equipment	9,715,854.62	309,421.94	(16,722.50)	10,008,554.06
Office equipment	25,026,176.05	1,762,522.46	(491,551.09)	26,297,147.42
Office decoration	17,428,688.45	322,040.79	(240,130.96)	17,510,598.28
Vehicle	28,602,606.71	3,743,012.13	(1,311,533.07)	31,034,085.77
Total	364,569,585.17	29,122,281.77	(3,930,186.64)	389,761,680.30
Currency translation changes of financial statements of foreign entity	(43,166,428.52)			(48,047,449.15)
Property, plant and equipment, net	261,774,969.33			252,408,562.49

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

	Baht			
	Separate financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2019			Dec. 31, 2020
<u>At cost</u>				
Land	62,146,577.10	-	-	62,146,577.10
Building and building improvement	153,456,922.55	1,910,745.97	-	155,367,668.52
Machinery and equipment	108,407,333.76	12,914,215.32	(175,697.34)	121,145,851.74
Lab equipment	23,228,677.88	1,229,009.71	(257,218.07)	24,200,469.52
Electric equipment	10,418,125.88	53,451.25	(4,599.00)	10,466,978.13
Office equipment	25,956,021.72	778,911.14	(543,698.33)	26,191,234.53
Office decoration	17,977,036.87	211,377.56	(110,002.26)	18,078,412.17
Vehicle	45,425,982.28	-	(1,798,890.00)	43,627,092.28
Machinery and equipment installation	1,873,447.14	2,757,131.93	(1,873,447.14)	2,757,131.93
Total	448,890,125.18	19,854,842.88	(4,763,552.14)	463,981,415.92
<u>Less accumulated depreciation</u>				
Building and building improvement	107,732,512.04	7,232,728.14	(257,990.14)	114,707,250.04
Machinery and equipment	102,004,710.74	2,870,885.22	(172,187.07)	104,703,408.89
Lab equipment	21,238,005.97	856,426.24	(257,215.07)	21,837,217.14
Electric equipment	10,007,998.68	109,434.22	(4,598.00)	10,112,834.90
Office equipment	22,973,233.53	1,011,180.91	(538,979.15)	23,445,435.29
Office decoration	17,227,182.12	270,215.21	(109,433.99)	17,387,963.34
Vehicle	23,907,602.49	2,765,337.02	(1,268,886.00)	25,404,053.51
Total	305,091,245.57	15,116,206.96	(2,609,289.42)	317,598,163.11
Property, plant and equipment, net	143,798,879.61			146,383,252.81

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	Baht			
	Separate financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2018			Dec. 31, 2019
<u>At cost</u>				
Land	46,419,827.10	15,726,750.00	-	62,146,577.10
Building and building improvement	153,219,595.86	382,160.02	(144,833.33)	153,456,922.55
Machinery and equipment	106,187,583.89	3,186,003.14	(966,253.27)	108,407,333.76
Lab equipment	22,760,467.18	495,491.77	(27,281.07)	23,228,677.88
Electric equipment	10,417,041.88	17,810.50	(16,726.50)	10,418,125.88
Office equipment	25,768,911.26	725,642.46	(538,532.00)	25,956,021.72
Office decoration	18,063,407.83	153,800.00	(240,170.96)	17,977,036.87
Vehicle	45,660,832.97	1,789,008.49	(2,023,859.18)	45,425,982.28
Machinery and equipment installation	5,477,903.73	1,028,424.63	(4,632,881.22)	1,873,447.14
Total	433,975,571.70	23,505,091.01	(8,590,537.53)	448,890,125.18
<u>Less accumulated depreciation</u>				
Building and building improvement	100,698,402.80	7,178,941.57	(144,832.33)	107,732,512.04
Machinery and equipment	100,616,842.82	2,353,824.51	(965,956.59)	102,004,710.74
Lab equipment	20,391,744.17	873,533.87	(27,272.07)	21,238,005.97
Electric equipment	9,715,299.24	309,421.94	(16,722.50)	10,007,998.68
Office equipment	22,300,549.35	1,164,235.27	(491,551.09)	22,973,233.53
Office decoration	17,191,643.33	275,669.75	(240,130.96)	17,227,182.12
Vehicle	21,753,537.39	3,465,598.17	(1,311,533.07)	23,907,602.49
Total	292,668,019.10	15,621,225.08	(3,197,998.61)	305,091,245.57
Property, plant and equipment, net	141,307,552.60			143,798,879.61

As at December 31, 2020 and 2019, the Company and its subsidiary have vehicles purchased under hire-purchase agreement total book value of Baht 1.57 million and Baht 6.67 million, respectively for the consolidated financial statement and total book value of Baht 1.57 million and Baht 6.40 million, respectively for the separate financial statement.

As at December 31, 2020 and 2019, the fully depreciated plant and equipment that still in use were at cost of Baht 208.08 million and Baht 209.27 million, respectively for the consolidated financial statement and Baht 202.88 million and Baht 188.25 million, respectively for the separate financial statement.

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17. RIGHT-OF-USE ASSETS

The net book value of right-of-use assets related to land, building and leasehold right and the movement for the year ended December 31, 2020 are presented below.

	Baht	
	Consolidated	Separate
	financial statements	financial statements
Cost		
As at December 31, 2019	-	-
Effects of the adoption of TFRS16 as at January 1, 2020	59,132,815.64	45,468,135.56
As at January 1, 2020	59,132,815.64	45,468,135.56
As at December 31, 2020	59,132,815.64	45,468,135.56
Accumulated depreciation		
Depreciation for the year	(6,112,474.69)	(5,268,384.77)
As at December 31, 2019	(6,112,474.69)	(5,268,384.77)
Current translation changes of financial statement of foreign entity		
As at January 1, 2020	-	-
As at December 31, 2020	(30,836.14)	-
Net book value		
As at December 31, 2019	-	-
As at January 1, 2020	59,132,815.64	45,468,135.56
As at December 31, 2020	52,989,504.81	40,199,750.79

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18. INTANGIBLE ASSETS

Intangible assets consisted of :-

	Baht			
	Consolidated financial statements			
	Balance per book Dec. 31, 2019	Additions	Deductions	Balance per book Dec. 31, 2020
<u>At cost</u>				
Technical license	8,810,162.83	-	-	8,810,162.83
Computer software	14,929,856.72	291,524.00	(1,999.99)	15,219,380.73
Total	23,740,019.55	291,524.00	(1,999.99)	24,029,543.56
<u>Less accumulated amortization</u>				
Technical license	8,810,161.83	-	-	8,810,161.83
Computer software	13,051,505.36	543,435.82	(1,999.99)	13,592,941.19
Total	21,861,667.19	543,435.82	(1,999.99)	22,403,103.02
Currency translation changes of financial statements of foreign entity	(25,647.10)			(20,451.55)
Intangible assets, net	<u>1,852,705.26</u>			<u>1,605,988.99</u>

	Baht			
	Consolidated financial statements			
	Balance per book Dec. 31, 2018	Additions	Deductions	Balance per book Dec. 31, 2019
<u>At cost</u>				
Technical license	8,810,162.83	-	-	8,810,162.83
Computer software	14,053,362.20	936,500.00	(60,005.48)	14,929,856.72
Total	22,863,525.03	936,500.00	(60,005.48)	23,740,019.55
<u>Less accumulated amortization</u>				
Technical license	8,810,161.83	-	-	8,810,161.83
Computer software	12,297,017.38	759,326.25	(4,838.27)	13,051,505.36
Total	21,107,179.21	759,326.25	(4,838.27)	21,861,667.19
Currency translation changes of financial statements of foreign entity	(21,149.12)			(25,647.10)
Intangible assets, net	<u>1,735,196.70</u>			<u>1,852,705.26</u>

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY : EASON PAINT PUBLIC COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2020

	Baht			
	Separate financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2019			Dec. 31, 2020
<u>At cost</u>				
Technical license	8,810,162.83	-	-	8,810,162.83
Computer software	14,697,936.72	291,524.00	(1,999.99)	14,987,460.73
Total	23,508,099.55	291,524.00	(1,999.99)	23,797,623.56
<u>Less accumulated amortization</u>				
Technical license	8,810,161.83	-	-	8,810,161.83
Computer software	12,957,287.86	514,445.82	(1,999.99)	13,469,733.69
Total	21,767,449.69	514,445.82	(1,999.99)	22,279,895.52
Intangible assets, net	1,740,649.86			1,517,728.04

	Baht			
	Separate financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2018			Dec. 31, 2019
<u>At cost</u>				
Technical license	8,810,162.83	-	-	8,810,162.83
Computer software	13,821,442.20	936,500.00	(60,005.48)	14,697,936.72
Total	22,631,605.03	936,500.00	(60,005.48)	23,508,099.55
<u>Less accumulated amortization</u>				
Technical license	8,810,161.83	-	-	8,810,161.83
Computer software	12,231,789.88	730,336.25	(4,838.27)	12,957,287.86
Total	21,041,951.71	730,336.25	(4,838.27)	21,767,449.69
Intangible assets, net	1,589,653.32			1,740,649.86

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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19. LEASEHOLD RIGHT

The net book value of leasehold right for the year ended December 31, 2019 consisted of :-

	Baht
	Consolidated financial statements
Cost	
As at December 31, 2018	28,308,522.42
Addition (deductions) for the year	(12,277.49)
As at December 31, 2019	28,296,244.93
Accumulated depreciation	
As at December 31, 2018	(8,804,469.92)
Depreciation for the year	(788,460.00)
As at December 31, 2019	(9,592,929.92)
Current translation changes of financial statement of foreign entity	
As at December 31, 2018	(6,295,095.15)
As at December 31, 2019	(6,897,800.35)
Net book value	
As at December 31, 2018	13,208,957.35
As at December 31, 2019	11,805,514.66

An overseas subsidiary company has signed a land lease contract for a period of 35 years 6 months, expiring in April 2044. And the subsidiary paid advance rental totaling USD 840,500, the leasehold right is amortized as expense by the straight-line method for the period of contract.

20. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets	69,933,871.73	8,842,544.20	79,730,228.61	12,108,456.71
Deferred tax liabilities	-	-	(9,796,356.88)	(3,265,912.51)
	69,933,871.73	8,842,544.20	69,933,871.73	8,842,544.20

EASON & CO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Changing for the years ended December 31, 2020 and 2019 are summarized as follows:

	Baht		
	Consolidated financial statements		
	Balance as at	Revenue (expenses) during the year	Balance as at
	Dec. 31, 2019	In profit or loss	In other comprehensive income
Deferred tax assets:			
Inventories	244,438.79	(260,560.11)	-
Remeasuring other non-current financial assets	3,187,470.32	-	4,781,010.70
Loss on impairment of investments	-	52,663,997.88	-
Leases liabilities	-	248,767.75	-
Provisions for employee benefits	8,676,547.60	523,282.40	-
Total	12,108,456.71	53,175,487.92	4,781,010.70
Deferred tax liabilities:			
Property, plant and equipment	(3,265,912.51)	3,134,828.91	-
Total	(3,265,912.51)	3,134,828.91	-

	Baht		
	Consolidated financial statements		
	Balance as at	Revenue (expenses) during the year	Balance as at
	Dec. 31, 2018	In profit or loss	In other comprehensive income
Deferred tax assets:			
Remeasuring available-for-sale investments	3,034,561.00	-	152,909.32
Inventories	137,355.74	107,083.05	-
Employee benefits obligations	5,233,228.86	1,936,170.14	1,507,148.60
Accumulated forwards tax losses	3,756,152.43	(3,756,152.43)	-
Total	12,161,298.03	(1,712,899.24)	1,660,057.92
Deferred tax liabilities:			
Property, plant and equipment	(3,686,320.48)	420,407.97	-
Total	(3,686,320.48)	420,407.97	-

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	Baht		
	Separate financial statements		
	Balance as at	Revenue (expenses) during the year	Balance as at
	Dec. 31, 2019	In profit or loss	In other comprehensive income
Deferred tax assets:			
Inventories	244,438.79	(260,560.11)	-
Remeasuring other non-current financial assets	3,187,470.32	-	4,781,010.70
Loss on impairment of investments	-	52,663,997.88	-
Leases liabilities	-	248,767.75	-
Provisions for employee benefits	8,676,547.60	523,282.40	-
Total	12,108,456.71	53,175,487.92	4,781,010.70
Deferred tax liabilities:			
Property, plant and equipment	(3,265,912.51)	3,134,828.91	-
Total	(3,265,912.51)	3,134,828.91	-

	Baht		
	Separate financial statements		
	Balance as at	Revenue (expenses) during the year	Balance as at
	Dec. 31, 2018	In profit or loss	In other comprehensive income
Deferred tax assets:			
Remeasuring available-for-sale investments	3,034,561.00	-	152,909.32
Inventories	137,355.74	107,083.05	-
Employee benefits obligations	4,890,934.19	2,278,464.81	1,507,148.60
Total	8,062,850.93	2,385,547.86	1,660,057.92
Deferred tax liabilities:			
Property, plant and equipment	(3,292,196.84)	26,284.33	-
Total	(3,292,196.84)	26,284.33	-

21. BANK OVERDRAFT AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdraft and short-term loans from financial institutions consisted of :-

	Baht	
	Consolidated/Separate financial statements	
	2020	2019
Promissory notes	89,000,000.00	-
Total	89,000,000.00	-

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As at December 31, 2020, the Company has total credit facilities Baht 329 million with four local commercial banks consisting of bank overdrafts of Baht 30 million with interest at MOR per annum, promissory notes for credit lines of Baht 134 million with interest at MLR and MMR per annum, Letter of Guarantee Baht 5 million, Letter of Credit and Trust Receipt of Baht 155 million and Forward Contract Baht 5 million and USD 1.50 million, which these loans are unsecured.

And short-term loan from commercial bank inform of promissory notes amount of Baht 89 million, with interest rate at MMR per annum and maturity on February 5, 2021, February 26, 2021 and March 2, 2021.

As at December 31, 2019, the Company has total credit facilities Baht 374 million with four local commercial banks consisting of bank overdrafts of Baht 30 million with interest at MOR per annum, promissory notes for credit lines of Baht 134 million with interest at MLR and MMR per annum, Letter of Guarantee Baht 5 million, Letter of Credit and Trust Receipt of Baht 155 million and Forward Contract Baht 50 million and USD 1.51 million, which these loans are unsecured.

22. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consisted of :-

	Baht			
	Consolidated financial statements		Separate financial statement	
	2020	2019	2020	2019
Trade payables	56,789,909.66	60,872,379.05	57,976,346.15	60,552,726.71
Other current payables				
Accrued expenses	6,210,920.04	6,566,650.11	4,664,261.91	4,520,482.73
Other	1,119,309.60	810,269.05	1,016,094.00	369,372.23
Total trade and other payables	<u>64,120,139.30</u>	<u>68,249,298.21</u>	<u>63,656,702.06</u>	<u>65,442,581.67</u>

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23. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movement for the year ended December 31, 2020 are presented below.

	Baht	
	Consolidated	Separate
	financial statements	financial statements
Balance as at December 31, 2019	1,867,087.11	1,632,908.51
Adjustments of the adoption of TFRS16	45,468,135.56	45,468,135.56
Balance as at January 1, 2020	47,335,222.67	47,101,044.07
Payments during the year	(5,234,314.99)	(5,000,136.39)
Balance as at December 31, 2020	42,100,907.68	42,100,907.68
<u>Less: current portion</u>	(4,654,095.99)	(4,654,095.99)
Lease liabilities - net	37,446,811.69	37,446,811.69

As at December 31, 2020, the Company and its subsidiaries have lease liabilities to be paid as follows :

	Baht		
	Consolidated / Separate financial statements		
	Payment due within	Payment due over	Total
	one year	1 year to 5 years	
Lease liabilities	6,514,194.00	43,737,549.15	50,251,743.15
<u>Less deferred interest</u>	(1,860,098.01)	(6,290,737.46)	(8,150,835.47)
Lease liabilities, net	4,654,095.99	37,446,811.69	42,100,907.68

The following are the amounts recognized in profit or loss:

	Baht	
	Consolidated	Separate
	financial statements	financial statements
Depreciation of right-of-use assets	6,056,844.77	5,268,384.77
Interest expense on lease liabilities	2,094,286.56	2,086,905.61
Expense relating to short-term lease	5,122,726.20	5,122,726.20
Total	13,273,857.53	12,478,016.58

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24. EMPLOYEE BENEFIT OBLIGATIONS

Movements of the employee benefit obligations account for the years ended December 31, 2020 and 2019 are as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Defined benefit obligations as at January 1,	44,525,075.02	26,158,497.59	43,382,738.00	24,454,670.96
Actuarial (gains) losses	-	8,056,067.68	-	8,310,353.00
Benefits paid by the plan	(2,385,703.30)	(340,000.00)	(921,547.00)	(340,000.00)
Past service costs and interest-plan amendment	-	7,055,149.23	-	7,733,341.00
Current service costs and interest	4,002,653.22	3,639,904.51	3,537,959.02	3,224,373.04
Currency translation changes of financial statement of foreign entity	(5,358.92)	(44,543.99)	-	-
Defined benefit obligations as at December 31,	<u>46,136,666.02</u>	<u>44,525,075.02</u>	<u>45,999,150.02</u>	<u>43,382,738.00</u>

Expense recognized in the statements of income for the years ended December 31, 2020 and 2019

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Past service costs and interest	-	7,055,149.23	-	7,733,341.00
Current service costs				
Cost of sales and service	891,032.08	696,664.20	891,032.08	696,664.20
Administrative expenses	2,014,883.14	1,582,214.00	1,550,188.94	1,243,863.96
Management benefit expenses	390,073.00	354,805.00	390,073.00	354,805.00
	<u>3,295,988.22</u>	<u>2,633,683.20</u>	<u>2,831,294.02</u>	<u>2,295,333.16</u>
Interest on obligation	<u>706,665.00</u>	<u>1,006,221.31</u>	<u>706,665.00</u>	<u>929,039.88</u>
Total	<u>4,002,653.22</u>	<u>3,639,904.51</u>	<u>3,537,959.02</u>	<u>3,224,373.04</u>

Actuarial (gains) losses recognized in :-

For the years ended December 31, 2020 and 2019.

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit or loss	-	(529,237.00)	-	(529,237.00)
Other comprehensive income	(997,234.40)	(1,911,986.60)	-	(2,168,657.00)

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Assumptions in the estimates based on the actuarial principal

	Percentage	
	Consolidated financial statements	
	2020	2019
Discount rate	1.19 - 2.51, 8.25	1.19 - 2.51, 8.25
Salary increase rate	4.00 - 6.00, 10.00	4.00 - 6.00, 10.00
Employee turnover rate	0.00 - 15.00, 0.00 - 5.00	0.00 - 15.00, 0.00 - 5.00
Mortality rate	100% of TMO2017 table	100% of TMO2017 table
	Improving with the rate 3% p.a., TMO of Indonesia	Improving with the rate 3% p.a., TMO of Indonesia

	Percentage	
	Separate financial statements	
	2020	2019
Discount rate	1.19 - 2.51	1.19 - 2.51
Salary increase rate	4.00 - 6.00	4.00 - 6.00
Employee turnover rate	0.00 - 15.00	0.00 - 15.00
Mortality rate	100% of TMO2017 table	100% of TMO2017 table
	Improving with the rate 3% p.a.	Improving with the rate 3% p.a.

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2020 and 2019 are summarized below:

	Baht			
	Consolidated financial statements			
	2020		2019	
	increase	decrease	increase	decrease
Discount rate (1%)	(4,483,609.00)	5,344,483.00	(5,272,623.38)	6,454,175.33
Salary increases rate (1%)	6,038,297.00	(5,127,018.00)	6,667,113.74	(5,533,525.52)
Turnover rate (20%)	(3,161,476.00)	3,631,484.00	(2,848,468.00)	3,264,930.00
Mortality rate (1%)	167,283.00	(190,316.00)	151,107.00	(171,585.00)

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	Baht			
	Separate financial statements			
	2020		2019	
	increase	decrease	increase	decrease
Discount rate (1%)	(4,483,609.00)	5,344,483.00	(4,410,492.00)	5,274,063.00
Salary increases rate (1%)	6,038,297.00	(5,127,018.00)	5,488,373.00	(4,672,941.00)
Turnover rate (20%)	(3,161,476.00)	3,631,484.00	(2,848,468.00)	3,264,930.00
Mortality rate (1%)	167,283.00	(190,316.00)	151,107.00	(171,585.00)

25. OTHER INCOME

Other income consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Rental and service income	19,924,017.86	22,324,180.64	19,924,017.86	22,324,180.64
Interest income	143,930.71	370,796.88	62,487.12	285,920.61
Share deposit income	-	3,825,000.00	-	3,825,000.00
Other	1,344,558.79	3,191,974.27	1,251,460.67	2,021,037.26
Total	21,412,507.36	29,711,951.79	21,237,965.65	28,456,138.51

26. (INCOME) TAX EXPENSES

26.1 Major components of income tax expenses for the years ended December 31, 2020 and 2019 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
(Income) tax expenses shown in profit or loss :				
Current tax expenses:				
Income tax expenses for the year	15,733,028.81	13,178,745.30	15,398,957.62	12,855,005.11
Deferred tax expenses				
Changes in temporary differences relating to				
the original recognition and reversal	(56,310,316.83)	1,225,350.13	(56,310,316.83)	(2,411,832.19)
Total	(40,577,288.02)	14,404,095.43	(40,911,359.21)	10,443,172.92
Income tax relating to components of other comprehensive income				
Deferred tax expense relating to:				
Remeasuring investments in securities	4,781,010.70	152,909.32	4,781,010.70	152,909.32
Actuarial losses	-	1,507,148.60	-	1,507,148.60
Total	4,781,010.70	1,660,057.92	4,781,010.70	1,660,057.92

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26.2 A numerical reconciliation between (income) tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2020 and 2019 which are summarized as follows:

	Baht			
	Cconsolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting loss for the year	(202,075,351.83)	(11,555,217.38)	(152,989,572.90)	(272,174.54)
The applicable tax rate (%)	1.15, 20, 24	1, 15, 20, 24	20	20
Income tax expenses at the applicable tax rate	(32,367,878.28)	8,300,697.12	(30,597,914.58)	-
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	1,229,020.13	675,294.93	1,219,955.94	657,535.47
- Loss on impairment of investment in subsidiary	-	-	-	17,449,202.57
Tax effect (loss) of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	(7,774,695.79)	(7,365,400.00)	(7,774,695.79)	(7,365,400.00)
- Expense in determining tax	(590,744.98)	(343,542.45)	(590,744.98)	(343,542.45)
Share of profit (loss) of associated company	1,169,023.26	9,246,140.43	-	-
Unrecognized tax losses on deferred tax assets	925,947.44	3,896,417.64	-	-
Others	(3,167,959.80)	(5,512.24)	(3,167,959.80)	45,377.33
Total reconciliation items	(8,209,409.74)	6,103,398.31	(10,313,444.63)	10,443,172.92
Total (income) tax expenses	(40,577,288.02)	14,404,095.43	(40,911,359.21)	10,443,172.92

26.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2020 and 2019 are summarized as follows:

	Consolidated financial statements			
	2020		2019	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting loss before tax expenses for the year	(202,075,351.83)		(11,555,217.38)	
Tax expenses at the applicable tax rate	(32,367,878.28)	1.5, 20, 24	8,300,697.12	1, 15, 20, 24
Reconciliation items	(8,209,409.74)	4.06	6,103,398.31	52.82
(Income) tax expense at the average effective tax rate	(40,577,288.02)	20.08	14,404,095.43	124.65

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	Separate financial statements			
	2020		2019	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting loss before tax expenses for the year	(152,989,572.90)		(272,174.54)	
Tax expenses at the applicable tax rate	(30,597,914.58)	20.00	-	-
Reconciliation items	(10,313,444.63)	20.00	10,443,172.92	20.00
(Income) tax expense at the average effective tax rate	(40,911,359.21)	20.00	10,443,172.92	20.00

27. LOSS PER SHARE

Basic loss per share is calculated by dividing loss for the year (excluding other comprehensive income) by weighted average number of ordinary shares that are issued and paid during the year.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Loss for the year (Baht)				
- Loss attributable to equity holders of the parent	(161,360,104.45)	(25,097,492.51)	(112,078,213.69)	(10,715,347.46)
Weighted average number of ordinary shares (shares)	566,764,945	566,764,945	566,764,945	566,764,945
Basic loss per share (Baht per share)				
- Loss attributable to equity holders of the parent	(0.2847)	(0.0443)	(0.1978)	(0.0189)

28. PROVIDENT FUND

The Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E. 2530 by joining into a pool of provident fund named TISCO Master Pooled Registered Provident Fund.

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries based on the length of employment. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company.

The Company's contributions for the years ended December 31, 2020 and 2019 amounted to Baht 3.07 million and Baht 3.04 million, respectively.

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29. EXPENSES BY NATURE

Expenses by nature has significant transactions for the years ended December 31, 2020 and 2019 are as following :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Raw material and consumable used	225,053,425.68	229,114,457.07	219,159,353.64	213,168,793.35
Change in inventories of finished goods and work in process	(6,049,685.80)	2,980,929.08	(1,395,400.57)	2,834,915.23
Employee benefit cost	123,490,568.86	138,031,194.94	113,161,431.68	122,045,124.13
Depreciation and amortization	34,611,149.23	33,156,744.28	23,623,787.09	18,825,960.10
Management benefit expenses	18,857,133.00	18,552,935.00	18,857,133.00	18,552,935.00

30. FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and its subsidiaries' business operations involve 2 principal segments : (1) automotive paints (2) other industrial paints and (3) other. The business operations are mainly carried on in the same geographic area in Thailand.

Group company mainly geographical area of their operations is Thailand.

Business activities are classified by product segments for the years ended December 31, 2020 and 2019 are as follows: -

	Thousand Baht							
	Consolidated financial statements							
	Automotive		Other industrial paints		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Sales and services	121,130	134,768	366,260	361,137	2,488	5,288	489,878	501,193
Cost of sales and expenses	(207,344)	(141,652)	(489,839)	(336,989)	(11,187)	(16,981)	(708,370)	(495,622)
Profit (loss) from operating	(86,214)	(6,884)	(123,579)	24,148	(8,699)	(11,693)	(218,492)	5,571
Other income							23,463	30,539
Finance income							2,445	-
Finance costs							(3,646)	(1,434)
Share of loss of an associated companies							(5,845)	(46,231)
Income tax (expenses)							40,577	(14,404)
Loss for the year							(161,498)	(25,959)

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	Thousand Baht							
	Consolidated financial statements							
	Automotive		Other industrial paints		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
<u>As at December 31,</u>								
Property, plant and equipment	97,856	111,421	10,426	5,597	-	-	108,282	117,018
Common property, plant and equipment							106,412	167,010
Right-of-use asset							52,990	-
Intangible assets							1,606	1,853
Leasehold right							-	11,806

Major customer

In 2020 and 2019, the Company has sales from a major customer which is automotive segment with revenue more of 10 percent an entity's revenues.

31. LEGAL RESERVE

Under the provision of the Public Limited Companies Act B.E. 2535, the Company is required to set aside as statutory reserve at least 5% of its annual net income until the reserve reaches 10% of the authorized capital. The reserve is not available for dividend distribution.

32. DIVIDEND PAYMENT

Year 2019

At the ordinary shareholders' meeting of the Company for the year 2019 dated April 26, 2019, the shareholders unanimously approved to pay dividend for the record date for the rights of shareholders to receive the dividend is on May 9, 2019, in the amount of Baht 39.67 million, appropriated by 566,764,845 shares of Baht 0.07 each and paid on May 24, 2019.

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33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2020 and 2019 are as follows:

	Baht			
	Consolidated financial statements			
	Balance as at	Cash flows	Non-cash transaction	Balance as at
	Jan. 1, 2020	Increase (decrease)*	Increase Currency transaction changes of financial statements of foreign entity	Dec. 31, 2020
Bank overdraft and short-term loans from financial institutions	-	89,000,000.00	-	89,000,000.00
Lease liabilities	1,867,087.11	(5,234,314.99)	45,468,135.56	42,100,907.68
Total	1,867,087.11	83,765,685.01	45,468,135.56	131,100,907.68

	Baht			
	Consolidated financial statements			
	Balance as at	Cash flows	Non-cash transaction	Balance as at
	Jan. 1, 2019	Increase (decrease)*	Increase Currency transaction changes of financial statements of foreign entity	Dec. 31, 2019
Bank overdraft and short-term loans from financial institutions	69,000,000.00	(69,000,000.00)	-	-
Lease liabilities	2,412,435.01	(1,576,104.26)	1,052,400.00	1,867,087.11
Total	71,412,435.01	(70,576,104.26)	1,052,400.00	1,867,087.11

	Baht			
	Separated financial statements			
	Balance as at	Cash flows	Non-cash transaction	Balance as at
	Jan. 1, 2020	Increase (decrease)*	Increase	Dec. 31, 2020
Bank overdraft and short-term loans from financial institutions	-	89,000,000.00	-	89,000,000.00
Lease liabilities	1,632,908.51	(5,000,136.39)	45,468,135.56	42,100,907.68
Total	1,632,908.51	83,999,863.61	45,468,135.56	131,100,907.68

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	Baht			
	Separated financial statements			
	Balance as at	Cash flows	Non-cash transaction	Balance as at
	Jan. 1, 2019	Increase (decrease)*	Increase	Dec. 31, 2019
Bank overdraft and short-term loans from financial institutions	69,000,000.00	(69,000,000.00)	-	-
Lease liabilities	2,006,590.64	(1,426,082.13)	1,052,400.00	1,632,908.51
Total	71,006,590.64	(70,426,082.13)	1,052,400.00	1,632,908.51

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

34. FINANCIAL INSTRUMENTS

34.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in Note 3.

34.2 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures, so the Company and its subsidiaries do not anticipate material losses from debt collection over than the amount that has been provided allowance for doubtful debt.

34.3 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, current investments long-term loans to related company and long-term loans from financial institutions. However, since most of financial assets and liabilities of the Company and its subsidiaries bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

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As at December 31, 2020, the significant financial assets and financial liabilities classified by type of interest rates were as follows:

	Baht				
	Consolidated financial statement				
	Floating interest rate	Fixed interest rate	Interest - free	Total	Interest rate %
Financial assets					
Cash and cash equivalents	133,744,406.70	-	67,205,251.88	200,949,658.58	0.05 - 0.10
Trade and other current receivables	-	-	156,864,034.02	156,864,034.02	-
Short-term loans to associated company and related companies	-	45,937,500.00	-	45,937,500.00	6.50, 6.75
Other non-current assets	-	-	139,576,854.65	139,576,854.65	-
Financial liabilities					
Bank overdraft and short-term loans from financial institution	-	89,000,000.00	-	89,000,000.00	MMR
Trade and other payables	-	-	64,120,139.30	64,120,139.30	-
Lease Liabilities	-	42,100,907.68	-	42,100,907.68	3.80, 4.58

	Baht				
	Separate financial statements				
	Floating interest rate	Fixed interest rate	Interest - free	Total	Interest rate %
Financial assets					
Cash and cash equivalents	91,739,441.05	-	67,124,545.36	158,863,986.41	0.05 - 0.10
Trade and other current receivables	-	-	148,738,114.67	148,738,114.67	-
Investments in associated companies	-	45,937,500.00	-	45,937,500.00	6.50, 6.75
Other non-current financial assets	-	-	139,576,854.85	139,576,854.85	-
Long-term loan to subsidiary	-	87,108,240.91	-	87,108,240.91	3.50, 3.90
Financial liabilities					
Bank overdraft and short-term loans from financial institution	-	89,000,000.00	-	89,000,000.00	MMR
Trade and other current payables	-	-	63,656,702.06	63,656,702.06	-
Lease Liabilities	-	42,100,907.68	-	42,100,907.68	3.80, 4.58

34.4 Foreign currency risk

The Company and its subsidiaries are exposed to foreign currency risk on their investments in overseas subsidiary, the Company are currently not hedged by derivative financial instruments.

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34.5 Liquidity risk

The Company and its subsidiaries manage its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

34.6 Fair value of financial instruments

Since the majority of the Company and its subsidiary financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position as at December 31, 2020 as follow:

	Baht		
	Consolidated financial statements		
	FVPL	Amortized cost	Total
Financial assets as at December 31, 2020			
Cash and cash equivalents	-	200,949,658.58	200,949,658.58
Trade and other current receivables	-	156,864,034.02	156,864,034.02
Investments in associated companies	-	45,937,500.00	45,937,500.00
Other non-current financial assets	50,795,854.85	88,781,000.00	139,576,854.85
Total financial assets	<u>50,795,854.85</u>	<u>492,532,192.60</u>	<u>543,328,047.45</u>
Financial liabilities as at December 31, 2020			
Bank overdraft and short-term loans from			
financial institution	-	89,000,000.00	89,000,000.00
Trade and other payables	-	64,120,139.30	64,120,139.30
Lease Liabilities	-	42,100,907.68	42,100,907.68
Total financial liabilities	<u>-</u>	<u>195,221,046.98</u>	<u>195,221,046.98</u>

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	Baht		
	Separate financial statements		
	FVPL	Amortized cost	Total
Financial assets as at December 31, 2020			
Cash and cash equivalents	-	158,863,986.41	158,863,986.41
Trade and other current receivables	-	148,738,114.67	148,738,114.67
Investments in associated companies	-	45,937,500.00	45,937,500.00
Long-term loans to subsidiary	-	87,108,240.91	87,108,240.91
Other non-current financial assets	50,795,854.85	88,781,000.00	139,576,854.85
Total financial assets	50,795,854.85	529,428,841.99	580,224,696.84
Financial liabilities as at December 31, 2020			
Bank overdraft and short-term loans from financial institution	-	89,000,000.00	89,000,000.00
Trade and other payables	-	63,656,702.06	63,656,702.06
Lease Liabilities	-	42,100,907.68	42,100,907.68
Total financial liabilities	-	194,757,609.74	194,757,609.74

34.7 Fair value hierarchy

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

- Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Use of inputs other quoted prices included within Level 1 that are observable the assets or liabilities, either directly (e.g. prices) or indirectly (e.g. derived from prices)
- Level 3 - Use of unobservable inputs such as estimates of future cash flows.

As at December 31, 2020, the Company and its subsidiaries had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

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	Baht			
	Consolidated / Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investment in;				
- Unit trust	-	50,795,854.85	-	50,795,854.85
- Marketable securities	6,831,000.00	-	-	6,831,000.00
- Other long-term investments	-	-	81,950,000.00	81,950,000.00
Total	6,831,000.00	50,795,854.85	81,950,000.00	139,576,854.85

During the current year, there were no transfers within the fair value hierarchy.

Valuation techniques and inputs for Level 2 valuations

The fair value of investments in investment units which are not listed on the Stock Exchange of Thailand, is determined by using the net assets value per unit as announced by the fund managers.

35. CAPITAL MANAGEMENT

The primary objective of capital management of the Company and its subsidiaries is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statements of financial position as at December 31, 2020 and 2019 debt-to-equity ratio were follows :-

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Debt-to-equity ratio	0.26 : 1	0.11 : 1	0.24 : 1	0.04 : 1

36. COMMITMENTS AND CONTINGENT LIABILITIES

36.1 Commitments of long-term rental and services agreements

As at December 31, 2020, the Company and its subsidiary have commitments to pay for rental and services under the rental and service agreements, for a term of 1 - 4 years.

The rental and service fee will be pay for the future are as follows:

	Million Baht
Payable within :	
1 year	6.20
2 - 4 years	4.97

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36.2 Commitments under the technical assistance agreements

As at December 31, 2020, the Company has an agreement to buy 2 secret formulas with another company. The Company will have an unending right to manufacture and sell the products as from the contract date and it has to pay a royalty fee by the rate as stipulated in the agreement.

36.3 Guarantees

As at December 31, 2020, the Company has letters of guarantees in total of Baht 0.79 million, which were issued by bank for the usage of electricity by the company.

37. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operation of the Company and its subsidiaries, recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on March 1, 2021.