

รายงานประจำปี 2563

**Annual Report 2020**

(Form 56-1 One Report)



บริษัท อุตสาหกรรมถังโลหะไทย จำกัด (มหาชน)

**THAI METAL DRUM MANUFACTURING  
PUBLIC COMPANY LIMITED**

รายงานฉบับนี้จัดทำตามข้อกำหนดของ  
แบบแสดงรายการข้อมูลประจำปี / รายงานประจำปี (แบบ 56-1 One Report)  
สิ้นสุดวันที่ 31 ธันวาคม 2563

*This report is made in accordance with the requirements of  
Annual Registration Statement / Annual Report (Form 56-1 One Report)  
as of 31 December 2020*

## Table of Contents

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	<b>Page</b>
<b>Section 1 Business Operations and Operating Performance</b>	<b>2</b>
1. Operating Structure of the Group Companies	2
2. Risk Management	16
3. Driving Sustainability in Business	18
4. Management Discussion and Analysis	28
5. General Information and Other Material Facts	36
 <b>Section 2 Corporate Governance</b>	 <b>39</b>
6. Corporate Governance Policy	39
7. Corporate Governance Structure and Importation Information on the Board of Directors, Sub-Committees, Executives, Employees and Others	 60
8. Important Corporate Governance Performance Report	70
9. Internal Control and Related Transactions	83
 <b>Section 3 Financial Statements</b>	 <b>85</b>
 <b>Section 4 Confirmation of Information Accuracy for Form 56-1 of Listed Company</b>	 <b>164</b>
 <b>Enclosures</b>	
Enclosure No. 1 Information on the Board of Directors, Executives and Company Secretary	166
Enclosure No. 2 Information on the Directors of the Company Subsidiaries	173
Enclosure No. 3 Information on Internal Audit Head and Compliance Head	174
Enclosure No. 4 Assets Used in Business Operation and Property Appraisal	176
Enclosure No. 5 Corporate Governance Policy and Guidelines and Code of Conduct	177
Enclosure No. 6 Report of the Audit Committee	178

## Section 1

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### Business Operations and Operating Performance

#### 1. OPERATING STRUCTURE OF THE GROUP COMPANIES

##### 1.1 Policy and Business Overview

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

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

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

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

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

- 1987 Established Songkhla Metal Drum Co., Ltd. with Baht 20 Million registered capital of which the plant has been located in Hadyai, Songkhla, to produce and distribute 200-liter metal drums for rubber latex. The Company has held 80% stake in Songkhla Metal Drum Co., Ltd.
- 1989 Increased the registered capital to Baht 50 million and listed in Securities Exchange of Thailand
- 1992 Increased the registered capital to Baht 150 million for expanding its business into real estate development with the purchase of office space in Lake Rajada Office Complex for sale and rent, along with holding shares in Lake Rajada Co., Ltd.

- 1994 Became a public company and established The Pet Co., Ltd. with Baht 50 million registered capital of which the plant has been located at Lad Lum Kaow, Pratumthani, to manufacture and distribute plastic containers e.g., Preform tubes and PET bottles. The Company has held 65% stake in The Pet Co., Ltd.
- 1997 Expanded the business of The Pet Co., Ltd. in plastic products by increasing production line and distributing plastic and corrugated sheets (POLYBOARD) which are used for packing in industrial application including for producing advertisement sign boards and product displays.
- 2000 Acquired additional shares in The Pet Co., Ltd. from existing shareholders, resulting in increased shareholding from 65% to 75% of the registered capital. As for property business, the Company has additionally purchased 2.208 square meter of office space in Lake Rajada Office Complex for renting out.
- 2001 Obtained ISO 9001 version 2000 certificate from Bureau Veritas Quality International (BVQI)
- 2002 Songkhla Metal Drum Co., Ltd. obtained ISO 9001 Version 2000 certificate from SGS Yardley International Certificate Services (SGS)
- 2003 The Pet Co., Ltd. obtained ISO 9001 version 2000 certificate from Bureau Veritas Quality International (BVQI)
- The Pet Co., Ltd. established Eastplast Co., Ltd. with Baht 7 million registered capital to produce and distribute PET bottles and plastic bottle cap where the plant is located in Nikompattna, Rayong. The PET has held 99% of registered shares in Eastplast while the PET has increased its shares in The Pet Co., Ltd. from 75% to 79.99% by acquiring common shares from the existing shareholders.
- 2006 The Company had purchased new production line of 200-liter steel drum and was obtained a privilege from the Board of Investment (BOI). The Company had relocated the factory to the Wellgrow Industrial Estate and discontinued the production at the Chongnonsee factory.
- 2008 Obtained ISO14001:2004 environment management system from United Registrar of Systems (Thailand) Ltd. (URS)
- 2009 The PET Co., Ltd. Obtained Food Safety Certification (GMP) from Bureau Veritas Quality International (BVQI)
- 2011 The PET Co., Ltd. had branched another factory for manufacturing PET bottle in Amphur Muang, Suratthani.
- 2013 The Company had increased its production capacity of 200-liter steel drum by purchasing the new production line (2<sup>nd</sup> line) that was obtained a privilege from the Board of Investment (BOI). The Company had changed par value of ordinary share originally from 10.00 Baht per share of total paid registered capital of Baht 150 million to 1.00 Baht per share, resulting in an increase of number of ordinary shares to 150 million shares. The Company had registered the change of par value to the Ministry of Commerce.
- 2014 Eastplast Co., Ltd. which the PET Co., Ltd. holds share of 99.99% increased its capital registered to Baht 12 million to cater for expansion of new machinery located at the new branch in Suratthani and was promoted by the Board of Investment (BOI).

- 2015 Eastplast Co., Ltd. has increased its capital registered to Baht 20 million and the new branch in Chiangmai had opened.
- 2017 Eastplast Co., Ltd. obtained a privilege from the Board of Investment (BOI) in manufacturing 200-liter plastic drums
- 2019 Eastplast Co., Ltd. increased its capital registered to Baht 50 million to expand its production

## OVERVIEW OF BUSINESS NATURE OF THE COMPANY GROUP

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

### 1. Packaging Industry

#### 1.1 Metal Drum

#### 1.2 Plastic Product which can be classified into 4 types:

- 1.2.1 Plastic Produce – from PET (raw material), for example PET Bottle
- 1.2.2 Plastic Produce – from PP (raw material), for example Poly Board
- 1.2.3 Plastic product, for example plastic plugs
- 1.2.4 Product made of HMW HDPE  
(High Molecular Weight High Density Polyethylene)  
for example 200-liter plastic drum

### 2. Office for rent at Lake Rajada Office Complex

## COMPANY INFORMATION

<b>Company's Name</b>	: Thai Metal Drum Manufacturing Public Co., Ltd.
<b>Office Location</b>	: 35 <sup>th</sup> Floor, Lake Rajada Office Complex, 193/142 Rachadapisek Road, Klongtoey, Bangkok 10110 Tel. 02 264 0817-9 Fax. 02 264 0820 www.thaimetaldrum.com
<b>Factory Location</b>	: 179 Moo 9 Bangwua, Bangpakong, Chachoengsao 24180 Tel. 038 571 980-2 Fax. 038 571 983
<b>Type of Business</b>	: Manufacturer and distributor of 200-liter metal drum and office building for rent
<b>Registered Number</b>	: 0107537000645
<b>Type and number of shares issued</b>	: 150,000,000 Common stocks of Baht 1.00 each, fully paid.

## 1.2 Shareholder Structure of The Company

### 1.2.1 STRUCTURE OF REVENUE

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

Unit : Million Baht

Type of Product	2020		2019		2018	
	Income	%	Income	%	Income	%
Metal Drum	1,075.82	60.40	1,174.89	55.57	1,211.05	57.95
Plastic Product	638.81	35.87	869.00	41.10	808.27	38.67
Rent and Service	66.39	3.73	70.31	3.33	70.66	3.38
<b>Total</b>	<b>1,781.02</b>	<b>100.00</b>	<b>2,114.20</b>	<b>100.00</b>	<b>2,089.98</b>	<b>100.00</b>
Less Related Transaction	72.17	-	82.85	-	69.71	-
<b>Total Value add</b>	<b>1,708.85</b>	<b>-</b>	<b>2,031.35</b>	<b>-</b>	<b>2,020.27</b>	<b>-</b>

### 1.2.2 DESCRIPTION OF PRODUCT OR SERVICE

#### Product Characteristics

#### (1) PACKAGING INDUSTRY

##### **Metal Drum**

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

##### **Plastic Products**

**can be divided into 4 types as follows**

#### 1) Plastic Produce – From PET (raw material)

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

2) Plastic Produce – From PP (raw material)

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

3) Product made of Plastic

The subsidiary company is the manufacturer of plastic plugs used for sealing PET bottles as well as supply plugs for steel and plastic drums and other plastic products.

4) Product made of HMW HDPE

(High Molecular Weight High Density Polyethylene)

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

**(2) OFFICE BUILDING FOR RENT**

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

**PRODUCT RESEARCH AND DEVELOPMENT**

The company sees the value in the product research and development which is deemed as a key to enhance the competitiveness and business growth. The company is, therefore, committed and dedicated to improving the efficiency of the production process continuously through research and development of products to enable the company to maintain its leadership in the production of 200-liter metal drums and plastic products. Therefore, the company has set up a policy of research and development of products as a framework for management and operate in accordance with the mission and vision of the organization. The details are as follows:

- Allocate appropriate budget for product research and development
- Annual review of work plans related to product research and development
- Establish principles and processes for product research and development that are standardized, and it must cover intellectual property
- Support and promote research projects and exchange knowledge with personnel of product research and development

The research and development of the company's products are crucially based on anticipating to the needs of the customers by applying knowledge of technology and innovation in every aspect of the production process to supply customers with quality products and the best value, for example,



applying production technique of drum with W Hoop with having additional corrugation like “W” as an option of metal drum for customer to choose. This type of drum will help save space and reduce cost of transportation but still maintain the best quality and hardness standard of metal drum because the technique of having a small corrugation will increase strength and vacuum resistant than the normal metal drum. For plastic products, the company has selected standardized plastic pellets through research and development from reliable manufacturers, in order to obtain raw materials suitable for use in the production of products along with using state-of-the-art machinery and technology to maximize efficiency and quality of products including reducing the use of resources and being environmentally friendly, etc.

## **INDUSTRY ENVIRONMENT AND COMPETITION**

### **(1) Marketing Strategy**

#### **Metal Drum**

The Company's key competitive strategy is to build confidence and create highest satisfaction toward the Company's product by focusing on the product quality enhancement to anticipate the needs of each customer. As most of products are custom made to order and different according to customer's need, the company as a result must have good production plan and distribution system in place in order that products are delivered completely and timely and meet with the quality required by the customer. Besides, the Company remains focusing not only the production enhancement but also controls every step of the production process closely. The company also gives an important on the personnel enhancement to increase production effectiveness, reducing loss during production resulting in a decrease in production cost, including getting the best quality of product. Moreover, the Company gives priority on the after sales service by following up regularly with customer if there is any problem found after delivery and to improve and enhance quality of product.

#### **Plastic Product**

The Company's strategy for this product is to sell directly to an end user or customer because it is a unique product for each customer. The company focus to export the product to Asian Countries by offering quantity-based discounts. For strategy to maintain existing customers and to expand the market for PET bottle, PET manufacturing line would be installed at the customer's factory to lower the packaging cost and transportation cost including the manufacturing of other related plastic product such as part for plastic crate. In addition, expanding production capacity and competitive prices and services are also one of our strategies.

**Strength:** The Company has an expertise in manufacturing product together with using the state-of-the-art machinery, enabling to manufacture product with high quality and meet with the standard. As a result, the company has earned customer trust in a long term.

**Weakness:** Most customers determine details and requirement of product, such as, different shape of bottle resulting in high investment cost for different mold.

### **Lake Rajada Office Complex**

The highlight of Lake Rajada Office is its location in the business areas, on Ratchadapisek Road (Sukhumvit – Rama IV). Getting there is convenient as it takes only a few minutes' walk from Sukhumvit MRT station or Asok BTS Station, surrounded by important landmarks such as Queen Sirikit Convention Center and overlooking Benjakitti Park.

Building Management Policy is to keep up the good condition as grade A office building for both domestic and international business by providing convenient facilities, a strict security system for tenants, and to hire the professional building management company to be the building manager.

## **(2) Sale and Distribution channel**

### **Metal Drum**

The product of the company is sold only in the country because the product is bulky resulting in high transportation cost and is unable to compete with foreign countries. For domestic sales, the company will sell directly to customers who are the manufacturer of various products and need steel drum for containing their own products. The company has well-trained marketing & sales team who specializes in providing production information as well as responding to the needs of both current and future customers.

### **Plastic Product**

For PET bottles and 200-liter plastic drum, the company is the distributor direct to the customers. For poly board and plastic closure, the company partly sell through wholesale customers for a cheap price as the company focuses on selling in large quantities and use pricing and service policy to maintain and expand the market.

### **Lake Rajada Office Complex**

To find a prospect tenant at Lake Rajada Office Complete is normally done by the real estate consulting firm / agent which they will receive a commission at the rate of 1 month of rental income.

### **(3) Customer Characteristics**

#### **Metal Drum**

Most of company's customers are regular customers with fixed quantity of order each month. The top 12 biggest customers accounted for 60% of the total sales of the company. No single customer places an order more than 30% in each year. The company's customer can be categorized in 3 groups which are lubricant oil group, chemical group and agriculture group, having the order quantity accounted for 29%, 57% and 14% respectively. Only agriculture group that the sales will be varied seasonally especially during March – May because the orders from rubber latex customer will be low comparing to other period of the year. For the customers in lubricant oil and chemical group, order remains consistent throughout the year.

#### **Plastic Product**

The major customers of PET bottles are the manufacturer and packing of carbonate drink, water, and vegetable oil. Top Ten customers of trading volume in the past three year represented 75% to 85% of the total sales of the company.

The customers of poly board are the end users both domestic and international customers such as billboards business or end user converting material into other products, wholesaler of stationery, office suppliers and stores.

The customer of 200-liter plastic drum (HMW HDPE) are the local end users who use plastic drum to contain chemical product and others

#### **Lake Rajada Office Complex**

Most tenants are international customers who need to create a good image and trustworthiness for the company. Selecting an office location, it takes into account the image of the office building as a Grade A office building and its convenient location in the business area as well as having professional building management and good security system for the tenants and visitors. Moreover, it is well equipped with comfortable facilities within the building.

### **(4) Industry Environment, Competition, and Changes Over the Past Year**

#### **Metal Drum**

In 2020, cold rolled steel price as the major raw material for metal drum production fluctuated significantly. Steel price dropped in the 3<sup>rd</sup> quarter. Because of the COVID-19 pandemic, it contributed to an imbalance between steel demand and global steel supply. The major foreign steel manufacturers closed several production plants due to the considerable decline in demand in the 3<sup>rd</sup> quarter. The shrinking demand was derived from a decline in demand of products and the excessive stock of steel of most entrepreneurs. Steel price in the 4<sup>th</sup> quarter has risen sharply because the steel demand has increased considerably while the supply in the market diminished.

In term of the customer's demand for steel drum in 2020, the overall demand dropped by 11%. However, the Company and its subsidiary were able to increase total sales by 0.24% as a result of an increase in the market share. Most rubber latex customers remained shifting to use the packaging size of 20 tons (Flexi bag) instead of 200-liter metal drums continuously. As a result, sales of steel drum for rubber latex group dropped by 23% comparing to the past year.

The company and its subsidiary focus not only on maximizing raw material cost effectively but also pay close attention on steel price, enabling to manage stock of the raw material as appropriated especially the cold rolled steel which is the major raw material and the main cost of production so as to have adequate stock to cater for the needs of customer's demand. From the ongoing fierce competition in the marketing, the company and its subsidiary had to lower the selling price in order to maintain the market share. However, due to the ability to manage the main cost of product efficiently, this contributed to a decrease in sales cost of the company and its subsidiary by 4.98% comparing to the past year. As a result, the company and its subsidiary gained an increasing profit by 11.02%.

### **Plastic Product**

The demand of PET bottles to contain drinking water of the Company's major customer has changed from purchasing from outsource suppliers to allow the PET bottles manufacturer to install their production facilities of PET bottles at the factory of the customers to reduce the transportation cost, wages, and the packaging cost. As a result of this change, it enabled the company to drive more sales volume continuously especially at the factory in Surat Thani and the factory of customers where the company added more molds for new shape of packaging to cater for rising demand of PET bottles in the Southern, Eastern and Northern region. The sales volume of PET bottles to contain carbonate drink of this year decreased comparing to the previous year due to the COVID-19 pandemic. The overall sales volume decreased, and the raw material cost also reduced. Thus, the Company gained a slightly decline in net profit comparing to the previous year.

Price competition in Polyboard has continued to persist, especially among major customers as their product quality has not been uniquely different from one another. Therefore, manufacturers and distributors must maintain their customers as many as possible. The Company, therefore, pays a great deal of attention to achieve the highest standard of product quality and services through constantly re-engineering the production process and modernizing machinery continuously including giving an important on reducing cost of production in term of energy consumption saving. For the overseas customers which the transaction is in US dollar, the profit per unit in the past year dropped by 20% due to baht appreciation and a significant increase in shipping and freight cost.

### **Lake Rajada Office Complex**

COVID-19 pandemic since the beginning of 2020 has created disruptions in the office market especially on how we work in the offices. Remote working and work from home became the new workplace strategy. As a result, many tenants decided to reduce their office spaces. Besides, one of the key concerns for the future of office market is the amount of the future supply in pipeline which is expected to be completed in 2021. This would have a downward impact on the rental growth. Rents for new property will be lower than forecasted while the rent of the existing buildings will be flat. Most of landlords keep the same rate to retain and help the existing tenants including offering special discounts for a short period in Q2-Q4 to those industries which have been directly affected by the COVID-19 pandemic.

The Company and its subsidiaries had gained revenues from rent and services with the amount of Baht 66.40 million, reducing Baht 3.91 million or 5.57% comparing to the previous year. A decrease in rent and service was from an expiration of the lease agreement of 2 units where the tenants did not renew the lease agreements. In addition, the Company had helped tenants who were affected directly by the COVID-19 pandemic by means of reducing rental fee by 10-20% with the amount of Baht 2.00 million. Currently the company and its subsidiaries had total tenants, representing 98.25% of the total leased spaces.

### **PRODUCT SOURCING**

#### **(1) Number of Factories and Production Capacity**

##### **Metal Drum**

The Company and its subsidiaries have 2 factories for making 200-liter metal drum. The 1st factory is located in Wellgrow Industry Estate, Bangpakong, Chachoengsao and the other factory is in Hadyai, Songkhla. The company has the total production capacity of 3 million drums per annual. Production plan is based on the forecast of the next year sales by management team.

##### **Plastic Product**

The Company's subsidiary has 3 factories. The 1st one is located in Lad Lum Kaew, Patumthani, having the annual production capacity of PET Bottle, Preform tube and Poly board at 13,000 tons, 10,000 tons and 4,500 tons respectively. The 2nd factory is located in Nikompattana, Rayong and has production capacity of PET bottles at 1,500 tons per year. The 3rd factory is in Amphur Muang, Suratthani and has annual production capacity of PET bottle and Preform tube at 1,200 tons and 4,000 tons respectively. The Company's subsidiary had invested in production line of PET bottles and installed the production line at 4 customers' sites, 2 lines in Suratthani and 1 line in Surin and the other one in Samutsakorn. Production plan is based on the forecast of the next year sales by management team.

## (2) Raw Material and Supplies

The Company and its subsidiaries have a policy to procure raw materials from various suppliers to prevent risk that may arise from the procurement of single source of raw materials.

### Metal Drum

Major raw materials are cold rolled steel, flanges & plugs which the company sources raw material both locally or overseas, such as from Korea, India, Singapore. In 2020, the ratio of sourcing raw material locally and overseas was 87:13.

Raw material cost that is accounted for more than 50% of the Company's total production cost is the cold rolled steel which the historical price of the past 5 years was illustrated below:

	Year 2020	Year 2019	Year 2018	Year 2017	Year 2016
Price (THB/Kg)	20.0	21.7	22.8	21.5	16.8

### Plastic Products

Major raw materials are PET Resin and PP Plastic Resin which can be sourced locally while HMW HDPE Pellet must import overseas. There are many distributors of this type of material which raw material price of local supply is lower than world market price (included import tax).

## ASSETS USED IN BUSINESS OPERATION

### Tangible Assets

Asset Type / Property	Ownership	Book value (million Baht)
1. Land 22 parcels, total area of land 126-2-11.60 Rai	Owner	343.59
2. Investment properties	Owner	72.73
3. 5 Factories	Owner	120.19
4. Machines & Equipment	Owner	305.90

Land with building and machinery of the company's subsidiary is used as collateral loan with financial institutions.

### 1.3 Structure of Shareholder of the Company's Group

Juristic person's shares of which the company holds more than 10%

#### AFFILIATE COMPANIES

1. **Company Name** : **Songkhla Metal Drum Co., Ltd.**  
**Location** : 35<sup>th</sup> Floor, Lake Rajada Office Complex,  
193/142 Rachadapisek Road, Klongtoey, Bangkok 10110  
**Type of Business** : Manufacturer and distributor of metal drums  
**Type and number of shares issued** : 200,000 ordinary shares of Baht 100 each  
**Type and number of shares held** : 160,000 fully paid ordinary shares  
**Percentage Equity stage** : 80%
2. **Company Name** : **The Pet Co., Ltd.**  
**Location** : 23/4 Moo 2 Patumthani-Lad Lum Kaew Road,  
Banchang, Muang, Patumthani 12000  
**Type of Business** : Manufacturer and distributor of Plastic Products  
**Type and number of shares issued** : 700,000 ordinary shares of Baht 100 each  
**Type and number of shares held** : 559,993 fully paid ordinary shares  
**Percentage Equity stage** : 79.99%
- 2.1 **Company Name** : **Eastplast Co., Ltd.**  
**Location** : 23/4 Moo 2 Patumthani-Lad Lum Kaow Road,  
Banchang, Muang, Patumthani 12000  
**Type of Business** : Manufacturer and Distributor of Plastic Products  
**Type and number of shares issued** : 500,000 ordinary shares of Baht 100 each  
**Type and number of shares held by The Pet Co., Ltd.** : 499,993 fully paid  
ordinary shares  
**Percentage Equity stage by The Pet Co., Ltd.** : 99.999%
3. **Company Name** : **Surat Metal Drum Co., Ltd.**  
**Location** : 35<sup>th</sup> Floor, Lake Rajada Office Complex,  
193/142 Rachadapisek Road, Klongtoey, Bangkok 10110  
**Type of Business** : Buyer and Distributor raw material to produce container.  
**Type and number of shares issued** : 200,000 ordinary shares of Baht 100 each  
**Type and number of shares held** : 199,994 fully paid ordinary shares  
**Percentage Equity stage** : 99.997%

**3.1 Company Name :** Lake Rajada Co., Ltd.

**Location :** 35<sup>th</sup> Floor, Lake Rajada Office Complex,  
193/142 Rachadapisek Road, Klongtoey, Bangkok 10110

**Type of Business :** Distributor Machine and raw material for produce container,  
and advisor service.

**Type and number of shares issued :** 400,000 ordinary shares of Baht 100 each

**Type and number of shares held by Surat Metal Drum Co., Ltd. :** 399,994 fully paid  
ordinary shares

**Percentage Equity stage by Surat Metal Drum Co., Ltd. :** 99.9985%

## **SHAREHOLDERS**

### LIST OF 10<sup>TH</sup> MAJOR SHAREHOLDERS

<b>Name of Shareholders</b>	<b>Number of Share</b>	<b>% of Shareholding</b>
1. Mr. Nate Charanvas	48,952,910	32.635
2. Mr. Nibhond Charanvas	14,632,260	9.755
3. Mr. Yongyut Charanvas	13,499,987	9.000
4. The Navakij Insurance Public Co., Ltd.	11,536,600	7.691
5. Rangsit Ruampattana Co., Ltd.	6,435,000	4.290
6. Miss Savitree Charanvas	4,556,000	3.037
7. Mr. Nop Charanvas	3,493,000	2.329
8. Thai NVDR Co., Ltd.	3,280,600	2.187
9. Miss Koeka Takeuchi	2,900,000	1.933
10. Bank of Singapore Limited	2,716,200	1.811

Remark : Percentage of shareholding was shown as of the last closing of registration book which was on 17<sup>th</sup> June, 2020. Shareholders ranking no. 1, 2, 6 and 7 are in the same group of shareholders.

## **1.4 Total Registered Capital and Issued & Paid Capital**

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

## **1.5 Issuance of Other Securities**

None



## 1.6 Dividend Payment Policy

The Company and its subsidiaries have policies to pay out dividend no less than 40 % of net profit of the Company's separate financial statement excluding extraordinary items on the condition that there is no accumulated loss brought forward. In 2020, the Company approved the dividend payment at Baht 1.40 or equivalent to Baht 210,000,000.00 totally or 76.90% of the net profit of the Company's Separate Financial Statement of year 2019.

### Historical Dividend Payment Information

<b>Fiscal Year / Year of Dividend Paid</b>	<b>2019/2020</b>	<b>2018/2019</b>	<b>2017/2018</b>	<b>2016/2017</b>	<b>2015/2016</b>
<b>Net Profit per Share (Baht)</b>	1.82	2.17	1.80	1.92	1.53
<b>Dividend per Share (Baht)</b>	1.40	1.40	1.20	1.20	1.10
<b>Dividend Payment Ratio to Net Profit (%)</b>	76.90	64.50	66.55	62.54	71.85

## **2. RISK MANAGEMENT**

### **2.1 Risk Management Policy & Plan**

Concerning to the Risk Management in 2020, the Board of Risk Management Committee had considered and reviewed the risk factors with high impact high possibility, high impact medium possibility and less impact less possibility with a guideline on risk management and submit to the Board of the Director and to the Executive of the Company for their information to operate the business more effectively.

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

The Company had made a policy of risk management in detail and was disclosed in the company's website at [www.thaimetaldrum.com/sustainability](http://www.thaimetaldrum.com/sustainability)

### **2.2 Risk Factors toward the Company's Business Operation**

#### *FLUCTUATION OF RAW MATERIAL PRICE*

Fluctuation in cold rolled steel price is still considered the key risk factor toward the metal drum business because the cold rolled steel is the major raw material for drum manufacturing and accounted for 7.5 % of the total production cost. To cushion with this risk, the Company has conducted price comparison every time when purchasing raw material to select the source with the best price and condition and meet with the quality required. In addition, the Company has placed an important on the regular surveillance of steel price movement as this is the useful information on the management of stock inventory to have enough raw materials with the suitable quantities at the right time.

#### *CHANGES IN PURCHASING POLICY OF THE CUSTOMERS*

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

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

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

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

### **3. DRIVING SUSTAINABILITY IN BUSINESS**

Thai Metal Drum Mfg. Public Co., Ltd. is the 1<sup>st</sup> first manufacturer of 200-liter metal drum in Thailand, founded in 1958. Throughout the years, the Company never stops creating and developing business to meet the needs and expectations of all stakeholders of the Company. By being a pioneer and dominating the market of 200-liter metal drum for more than 60 years coupled with the business performance that has always grown steadily, this has evidently shown the long lasting and sustainable success of the Company.

#### **3.1 The Policy and Objectives of Sustainability**

The Company places the utmost value and importance on sustainable development through our commitment to operate the business covering every aspect of the economic, social, and environmental performance and good corporate governance. To striving to our forthcoming business success and growth, we ensure our readiness by integrating responsible business, market, environment, and good governance into our sustainable efforts to minimize and control adverse impacts and risks along our entire value chain as well as to create the synergized values among every stakeholder. Therefore, the Company establishes a sustainability policy as described below:

- We are committed to developing a business process by adhering to the principle of good corporate governance and managing all risks effectively. We strive to operate our business in a responsible and accountable manner with equality, fairness, transparency, and traceability in every aspect.
- We are committed to provide an environment free of discrimination where all stakeholders at every level are treated with respect and dignity without violation of human rights principles directly and indirectly.
- We cultivate the ethical consciousness and awareness of our management team including directors, executives and employees at every level and encourage them to perform duties with integrity and with the moral and ethical manner that will foster the responsible and accountable mindset as the corporate culture.
- We promote the wellness and good life quality to our employee by maintaining the secured and safe environment for both life and property of our employees that will lead to happiness in lives and effectiveness at work of our employees.
- Through our awareness of potential impacts on society and the environment caused by Company's business operations, we encourage our employees to recognize their environmental responsibilities and give them a support to implement sound environmental practices of core business.

- We uphold the principle of sustainable development as a corporate guideline for our business operations concerning our economic, social, and environmental responsibility.
- We encourage and support stakeholders in every sector to engage and implement sound social and environmental practices through responsible and accountable manners whilst performing all duties and operating a business process.

### 3.2 Managing Impacts on Every Stakeholder Across the Entire Business Value Chain

The Company realizes that all stakeholders in all sectors are important to company business operation which is regarded as a major factor for company's sustainable business growth and success. The Company continually strive to develop valued products to meet the requirements and expectations of both internal and external stakeholders by identifying the impacts of our value chain on different stakeholders concerning their business operation. We define appropriate response to their business expectations according to the following procedures.

Stakeholders	Participation	Expectation	Response
<b>Employees</b>	<ul style="list-style-type: none"> <li>- Performance appraisal</li> <li>- Listening to complaints and opinions of employees</li> <li>- Exchange and sharing knowledge and work experiences.</li> <li>- Updated information about safety and occupational health</li> <li>- Training, and seminars for skill enhancement</li> <li>- Developing and improving work safety and proper work environment</li> </ul>	<ul style="list-style-type: none"> <li>- Appropriate and fair compensation and benefits</li> <li>- Opportunities for personal development, developing potentials, skills, and knowledge at work</li> <li>- Safety, hygiene, occupational health, and good working environment</li> <li>- Career security and advancement</li> <li>- Equality, Equity, and Fairness</li> </ul>	<ul style="list-style-type: none"> <li>- Adjusting annual bonus and compensation to be in line with the performance of the employees and company's business operation result</li> <li>- Fair performance evaluation</li> <li>- Provide training regularly</li> <li>- Provident fund</li> <li>- Interest-free emergency loan</li> <li>- Environmental management with the international standard ISO14001</li> <li>- Human rights and fair labor practice, equal treatment</li> </ul>

<b>Stakeholders</b>	<b>Participation</b>	<b>Expectation</b>	<b>Response</b>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>- Annual General Meeting of Shareholders</li> <li>- Quarterly business operation performance report</li> <li>- Disclosure of information through various company's official channels</li> </ul>	<ul style="list-style-type: none"> <li>- Attractive share value and return</li> <li>- Sustainable growth of company's business</li> <li>- Good corporate governance</li> <li>- Equitable treatment of Shareholders</li> <li>- Transparency, accuracy, completeness, and timeliness of information</li> <li>- Having effective and proper measures for monitoring control system</li> <li>- Having risk management system</li> </ul>	<ul style="list-style-type: none"> <li>- Good corporate governance with transparency, fairness, and accountability</li> <li>- Appropriate dividend payment</li> <li>- Disclosure of information with transparency and timeliness</li> <li>- Handle risk management with cautious</li> <li>- Have in place an Investor Relations Team for giving accuracy of information</li> </ul>
<b>Company Board of Directors</b>	<ul style="list-style-type: none"> <li>- Board of Director Meeting</li> <li>- Board of Audit Committee Meeting</li> <li>- Board of Remuneration and Nomination Meeting</li> <li>- Board of Risk Management Committee Meeting</li> </ul>	<ul style="list-style-type: none"> <li>- Act in compliance with laws, regulations, and ethical practices</li> <li>- Act with transparency and traceability</li> <li>- Success of the Company's business</li> </ul>	<ul style="list-style-type: none"> <li>- Good corporate governance in compliance with policy and regulation strictly</li> <li>- Report of business operation result</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>- Customer visit</li> <li>- Satisfaction survey</li> <li>- Technical knowledge support</li> <li>- Provide opportunity for a visit to see the production process.</li> <li>- Having recreation activities</li> <li>- Have a meeting in an exchange for product information and development/ improvement</li> </ul>	<ul style="list-style-type: none"> <li>- Supply high-quality products and services with complete quantity ordered punctually</li> <li>- Accurate technical information about the product</li> <li>- Fair-trade compliance</li> <li>- Product warranty</li> <li>- Maintaining confidentiality of customer information</li> <li>- Maintaining a good relationship</li> </ul>	<ul style="list-style-type: none"> <li>- Efficient production control to meet customer's requirement and satisfaction in term of punctual delivery and quantity required.</li> <li>- Using state-of-the art machinery and technology and high-quality of raw material.</li> <li>- Product and service liability</li> <li>- Quality management with the international system ISO9001</li> </ul>

<b>Stakeholders</b>	<b>Participation</b>	<b>Expectation</b>	<b>Response</b>
<b>Customers</b>			<ul style="list-style-type: none"> <li>- Corporate governance with transparency, fairness, and accountability</li> <li>- Strengthen trust and relationship through plant touring and visit.</li> </ul>
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>- Plant visits to see the production process and an inspection of product quality</li> <li>- Meetings to exchange information and guidelines for improvement</li> <li>- Annual business partner evaluation</li> </ul>	<ul style="list-style-type: none"> <li>- Act as compliance with commercial term</li> <li>- Act according to agreement fairly</li> <li>- Fair Trade Competition with transparency</li> <li>- Building good relationships</li> </ul>	<ul style="list-style-type: none"> <li>- Punctual payment of goods</li> <li>- Act according to the policy of procurement without discrimination</li> <li>- Act according to the Anti-Corruption Policy</li> </ul>
<b>Waste Contractor</b>	<ul style="list-style-type: none"> <li>- Exchange knowledge about legal compliance and best practices</li> </ul>	<ul style="list-style-type: none"> <li>- Act according to the mutual agreement strictly</li> <li>- Being compliance with related laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>- Tracking and verifying waste disposal process of Waste Contractor</li> <li>- Assess the performance of waste contractor</li> </ul>
<b>Overdue Debtor</b>	<ul style="list-style-type: none"> <li>- Face-to-Face Meeting</li> </ul>	<ul style="list-style-type: none"> <li>- Compromise amortization of debt</li> </ul>	<ul style="list-style-type: none"> <li>- Negotiation</li> <li>- Take legal action</li> </ul>
<b>Government Agencies</b>	<ul style="list-style-type: none"> <li>- A visit for clarification</li> <li>- Business Visit</li> <li>- Legal Compliances and conditions</li> </ul>	<ul style="list-style-type: none"> <li>- Act according to related regulations and laws</li> <li>- Provide cooperation in providing information for improvement</li> <li>- Supporting in government projects that are beneficial to all parties</li> </ul>	<ul style="list-style-type: none"> <li>- Act in compliance with regulations and laws in every respect</li> <li>- Pay relevant tax completely, accurately and on time</li> <li>- Disclosure of accurate and transparent information</li> <li>- Report information required by law</li> </ul>

<b>Stakeholders</b>	<b>Participation</b>	<b>Expectation</b>	<b>Response</b>
<b>Community and Society</b>	<ul style="list-style-type: none"> <li>- Participation in social and environmental programs arranged by the government and private corporation</li> <li>- Survey on opinions and taking complaints</li> </ul>	<ul style="list-style-type: none"> <li>- Support activities and program beneficiary to social and community</li> <li>- Operate business without having impact on community and society</li> <li>- Provide aids and participation in solving social and community issues.</li> <li>- Transparency and good governance in operating business</li> <li>- Participation in the anti-corruption campaign</li> </ul>	<ul style="list-style-type: none"> <li>- Supportive in activities for social and community interest</li> <li>- Budget allocation to support social and community development</li> <li>- Being compliance with anti-corruption policy</li> <li>- Strictly abide with Human rights Policy</li> <li>- Create a career for community</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>- Organize activity within company regarding energy conservation and environmental protection</li> <li>- Information and data disclosure for energy conservation and environmental protection.</li> <li>- Meeting with responsible governmental units for energy conservation and environmental protection</li> <li>- Partnership with government and private sector concerning energy conservation and environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>- Taking part in corrective measures for energy conservation and environmental protection.</li> <li>- Not engaging in having any impact on environment direct and indirectly way</li> </ul>	<ul style="list-style-type: none"> <li>- Cultivate awareness of responsibility in reducing the use of energy and natural resources</li> <li>- Setting target and goals to control utility cost including fuel, oil, Chemical substance used in production</li> <li>- Develop and improve the process of production and transportation and others to be environmentally friendly process</li> <li>- Comply with the international environmental management standard ISO14001</li> </ul>



### **3.3 Sustainability in Environmental Management**

#### **3.3.1 Environmental Policy and Practice**

The company recognizes the importance of environmental protection. We therefore continue to strengthen the conservation of natural resources and promote responsible consumption. The company has set policies and guidelines for the environment as follows.

- Consider using alternative natural resources that minimize the impact on society, environment, and quality of human life.
- Continually implement activities contributing to safety and environmental protection.
- Continually cultivate the awareness of environmental protection among employees at every level and provide complete training and workshops on environmental protection.
- Giving priority to the business partners who uphold the same visions and values concerning environmental protection.
- Strengthen cooperation or ensure regulatory compliance with laws and regulations issued by relevant authorities.

#### **3.3.2 Environmental Performance**

The Company conducts ongoing research to formulate greenhouse gas emission policy and practices to meet international requirements. However, the Company always manage every step of the production process carefully and efficiently to prevent and minimize any potential impacts on the environment. The Company have continued to strengthen our environmental policy by searching for the integration of the technology and measures contributing to the reduction in energy, and natural resources consumption as well as the reduction in waste and greenhouse gases emissions through the uses of sound transportation and machinery with the replacement of the old ones to avoid the pollution and excessive consumption of energy and fuel, etc.

The Company and its subsidiaries do not have any manufacturing process that affect environment in term of waste from raw material such as metal scrap, wastepaper, and plastic scrap. Waste and scrap will be sold or brought for recycle process. Additionally, we strengthen our efforts to provide monthly statistics on the consumption of electricity, water resources, fuels, chemicals as well as other consumables from factories and offices to set corporate goals of reduction in energy and resources consumption. Such contributions will enable every employee to deliver environmental goals in operating responsible production and energy consumption and resources at the optimal benefits. We encourage our employee engagement through incentive initiatives for every employee who champions responsible consumption. The example is awarding the drivers who drive responsibly for both fuel consumption and cost reduction.

The company aims to protect local and surrounding communities from environmental damage, and nuisance odors resulting from its activities by constructing an Activated Carbon treatment system. We continue to maintain the system and monitor the impacts on the environment, air, and pollution. We have worked with the specialist organization, Thai Environment Co., Ltd, to measure the air quality at the factory and surrounding areas. According to the evaluation, there were no issues on air quality and the environment violating to safety standard

The Company was accredited the 2015 edition of the environmental management system standard ISO 14001 by UNITED REGISTRAR OF SYSTEMS (THAILAND) LTD. (URS) and the green industry level 3 certificate from the Ministry of Industry. We continue to implement systematic environmental management through monitoring, evaluating, and reviewing for continuous development. Additionally, the Company provides channel for employees and community to report their complaints. In the past year, there were no complaints about the environment from our communities and other stakeholders.

### **3.4 Sustainability Management for Society**

#### **3.4.1 Social Policy and Practice**

The Company endorses equality, fairness, and morality and honesty as our corporate culture. We maintain benefits with trade partners and creditors by strictly abiding by the laws and regulations established together. We strictly follow a code of conduct against corruption in all its forms including extortion and bribery and remain transparent in trade with partners according to corporate governance policy. The company focuses on developing product quality and personnel development to meet customer satisfaction in our product and service quality. We follow the corporate social responsibility principle from the Securities Exchange of Thailand as our sustainability strategy to achieve the business goals.

#### ***HUMAN RIGHT RESPECT***

The company continues to implement fair practices and equal treatment to every stakeholder including employees, community, business associates and society. We reinforce the standard principles of responsibilities to people by upholding their rights and treating them with respect and dignity. We ensure to provide fair employment opportunities to people of all ages, races, and religions equally. Additionally, we undertake initiatives to encourage every stakeholder to report misconducts and complaints on unethical and unfair practices from employees and every stakeholder. We have implemented a policy to ensure that information about complaints and incidents shall remain confidential to protect employees, and complainants according to human rights principles and company announcement issued No. 4/2557 regarding the policy on reporting complaints and disciplinary actions on offenders.

### *FAIR BUSINESS OPERATION*

To ensure the fair business operation, the Company is committed to operate the business to comply with our integrity and ethical framework contributing to fair business competition under the laws, rules and regulations concerning the business code of conduct and ethics. The Company continues to adhere to the principles of free trade competition, respect the property rights without infringement of intellectual property and avoid activities that may create conflicts of interest as well as implement fair business practices with our stakeholders by setting competitive product price and ensuring reasonable trade term of payment or acquisition of the property according to our established policy and Corporate Governance Manual with the updated version of the Code of Conduct on December 21, 2020.

### *FAIR LABOR PRACTICES*

The Company recognizes the importance of employees as valuable assets contributing to the success of the business operation. Therefore, the Company takes responsibility for improving the lives and working condition of our people with the implementations of initiatives and programs responding to employee needs such as fair compensation and benefits by establishing the corporate work regulations, and fair remuneration to ensure the proper life condition of employees. The Company not only provides fringe benefits for employees to reduce the burden and worries about the cost of living but also promote the wellness of employees and their families by always managing a safe working environment and life security of employee. We ensure to take proper measures for job promotion or relocation including the reward and the punishment with equality and fairness. The Company provides opportunities to employee to develop their fullest capability. The Company has set clear procedures and methods for receiving complaints from employees and to ensure timely action to solve problems and treated employees with courtesy and respect for their right and dignity.

### *SAFETY, OCCUPATIONAL HEALTH, SECURITY AND WORKING ENVIRONMENT*

The company realizes the importance of occupational health, safety, and security as a fundamental working environment for employees. Safety at work is the first duty and responsibility in the performance of every employee. The Company encourages employees to be aware of safe working conditions by providing support and various appropriate resources necessary for operation. We supervise employees to follow safety procedures and ensure that every visitor strictly follows the safety regulation and occupational health measures to create a sustainable workplace safety culture. The Company has developed a management system for occupational safety, health, and working environment following the law and international standards and to meet other requirements benchmarked to ensure adequate safety equipment. We establish preventive measures to monitor and evaluate the performance in accordance with the Corporate Governance Manual with the updated version of the Code of Conduct dated December 21, 2020.

## *RESPONSIBLE PRODUCTION AND SERVICE TO CUSTOMERS*

The company is committed to being the leading manufacturer of high-quality 200-liter metal drums in the market and to ensure to meet customer satisfaction and trust by delivering high-quality products and punctual services. We aim to build trusted relationships and transparent business for our customers including disclose news, providing complete and accurate information about product and reliable services. We ensure to provide warranties for products and services under reasonable return conditions and periods and established a system for customers and all relevant parties to make complaints about products and services. We show our sincerity to handle complaints in a fair, respectful, and timely manner and offer competitive prices and punctual service for customers. In addition, the Company aims to handle customer information discretely and confidentially and avoid abusive uses of information for personal gain.

## *COMMUNITY AND SOCIAL DEVELOPMENT*

The company has considered the needs of the community and provide support to the community and promote social development. The Company annually allocate budgets to provide our assistance to local stakeholders and encourage employees to engage with social responsibilities by participating in public activities to support the community.

### **3.4.2 Social Performance**

For the past year, there was no complaint regarding human rights violations and unfair treatment to workers, customers, society, and communities. Additionally, we are moving toward becoming a responsible organization against unfair treatment and unethical practices for every stakeholder. Such manners are considered conflicting with our corporate governance policy and business ethics that we have valued.

The Company conducted a survey on satisfaction on the product quality and services rated by the 21 customers who placed orders in 2020. The survey result had showed that in term of quality of product, the most satisfaction was the overall quality of product accounted for 93.33 percent, followed by the quality of internal drum, with 91.43 percent and the least satisfaction was the quality of external paint and silk screen, with 87.62 percent. In term of services, the customer satisfied the most with the cooperation of sales team, representing 94.29 percent, followed by order taking with 93.33 percent and the least satisfaction was the documentations with 88.57 percent. Besides, the customers had satisfied with the overall product quality and services of the company, representing 91.29 percent, increasing by 3.16 percent comparing to 2019 which the company aimed at 85 percent. The result of the total score on each topic received exceeded all the goals set.

As of 31 December 2020, the Company had 160 employees in total and the compensation for the employees in 2020 amounted Baht 67.13 million. It consisted of salary, wage, position allowance, working allowance, annual bonus, welfare fund such as subsidy in case of health problems of employee and their family, disability or death, emergency loan, uniform, shuttle bus service, social security and provident funds and others in relating with labor and law practices and the policy of treating employees that company had determined.

The company has a policy to support personnel development at all level by encouraging every employee to upgrade their skills and knowledge including enhancing their potentials and capabilities through attending both in-house and outside training regularly. The topics for training and seminars in 2020 include the practical techniques of cleaning oil for rust-proof, transportation management, responsible driving safely and economically, software used for Human Resources Management, reduction in greenhouse gas emission, and provision for impairment of financial instruments (TFRS9) as examples.

The company recognizes the importance of occupational health, safety, and good hygiene as the fundamental working condition for every employee. Besides the setting of policy and guideline concerning occupational health, safety and good hygiene for the employees, the Company continually strengthen the processes by regulating intensive security on duty, developing preventive action and contingency plan for an accident, establishing protocols of Storage and Handling of Hazardous Chemicals and Sewage, and organizing an annual evacuation training for the factory on November 28, 2020, and for the office on November 12-13, 2020. Additionally, we have arranged annual statistics of occupational accidents and aim to raise the safety standard by targeting having “zero” occupational accidents in the workplace.

Number and Rate of Work-related Accidents of Employee in 2020

<b>Description</b>	<b>Head Office</b>	<b>Factory</b>
<b>Number of accidents</b>	0 Time	2 Times
<b>Total Recordable Injuries</b>	0 person	2 persons
<b>Lost time injuries</b>	0 person	2 persons

Since 2012, the company has partnered with Sathorn Thani Co., Ltd. to organize key education initiatives for children under the project named “Sharing dreams for Children” being arranged every year with the purpose to support students who lack of educational opportunities. However, due to the COVID-19 pandemic, we realized the possible dangers and risks and found it necessary to postpone this year’s activities.

To relieve the impacts on business resulting from the pandemic of COVID-19, the Company has assisted its small business partners in the tourism sector, restaurants, barbershops, and spa by reducing rental rates by 10-20 % with a total amount of 2,000,000 Baht and provide funding aid to all employees in May 2020 with the amount of baht 5,000 per person.

In 2020, the company donated a total amount of baht 100,000 to provide the funding for medical care projects for COVID-19 covering medication for COVID-19 patients, medical equipment to various hospitals and health providers including Chulalongkorn Hospital, Thai Red Cross Institute, and Rajvithi Hospital under Fight Against COVID-19 Campaign.

The company has been on the list in the ESG100 Securities Group for the year 2020. This is the fifth consecutive year that Thaipat Institute’s ESG Rating has awarded our outstanding performance in the Environmental, Social, and Governance areas.

## **4. MANAGEMENT DISCUSSION AND ANALYSIS**

### **4.1 Business Performance Over the Past Period**

Year 2020 was the year that the Company and its subsidiaries could make the good profit continuously although the profit of the Company and its subsidiaries reduced by 3.97 percent from the previous year because the Company and its subsidiaries had to pay increasing corporate income tax because of the expiry of the privileges from the Board of Investment ended in March 2019. The Company and its subsidiaries pay an important not only on cost control to be in a suitable level for the company's business but also paying an important to quality of product and services while maintaining the market share. Thus, this enabled the Company and subsidiaries to gain good profit constantly

The Company and its subsidiaries had gained the net profit from the business operation with the amount of Baht 316.48 million, reducing Baht 13.08 million or accounted for 3.97%. The Company had gained a net profit per share at Baht 2.11, reducing 0.09 Baht per share comparing to year 2019.

Due to COVID-19 pandemic throughout 2020, the Company and its subsidiaries gained decreasing revenue from sales and services which can be described by product line as below:

The revenue from sales of metal drum was Baht 1,075.82 million, decreasing Baht 99.07 million or 8.43% which the company and its subsidiary gained an increase in sales volume slightly, increasing by 0.24% while the selling price per unit reduced by 12% comparing to the year 2019. The cold rolled steel price which is the major raw material and the main cost of steel drum business fluctuated significantly. Price went up and down every quarter. The Company had to monitor and manage the stock closely and appropriately to have the stock of steel at the lower cost than the market price. As the market competition remained fierce, this resulted in a decline in selling price to maintain market share. However, as the Company was able to manage stock properly, resulting in a decrease in sale cost of the Company and its subsidiaries by 4.98% comparing to the previous year. The Company and its subsidiaries had a total profit of amount Baht 256.19 million, increasing Baht 25.43 million or 11.02%.

The revenue from plastic products was Baht 638.81 million, decreasing Baht 230.19 million or 26.49%. Both sales volume and selling price of the Company's subsidiary dropped following to the decreasing raw material price. Cost of sales of the company was close to the previous year. As a result of the significant decline in sales, the Company's subsidiary gained a profit from plastic products with the total amount of Baht 46.01 million, comparing to the previous year having a profit of Baht 63.35 million, a decline of Baht 17.34 million or 27.37%.

The Company and its subsidiaries had gained revenues from rent and services with the amount of Baht 66.40 million, reducing Baht 3.91 million or 5.57% comparing to the previous year. A decrease in rent and service was from an expiration of the lease agreement of 2 units where the tenants did not renew the lease agreements. In addition, the Company had measured to help tenants who were affected by the COVID-19 pandemic by means of reducing rental fee by 10-20% with the roughly amount of Baht 2.00 million. Currently the company and its subsidiaries had total tenants, representing 98.25% of the total leased spaces.

Sales cost against sales income of steel drum product decreased from 73.02% in year 2019 to 68.04% in year 2020. In 2020, from the ability to manage inventory of major raw material (cold roll steel) appropriately, sales cost of the company and its subsidiaries dropped by 4.98%. Sales cost against sales income of plastic product slightly reduced from 85.88% in 2019 to 85.51% in 2020, or dropping by 0.37%

Expenses incurred from sales and administrations decreased Baht 11.83 million or reducing 7.91%. Payment for interest was Baht 0.19 million, decreasing from the previous year by 20.77%. Corporate income tax increased with the amount of Baht 58.84 million in 2019 to be Baht 69.08 million in 2020, an increase with the amount of Baht 10.23 million or increasing by 17.39%. This caused by the expiration of the privilege to exempt the corporate income tax of the Company, ending in the 1<sup>st</sup> quarter of 2019.

The Company and its subsidiaries were not affected from the risk of currency exchange because the business transaction with overseas was low. The Company's subsidiary gained sales revenue from export with the amount of Baht 29.27 million accounted for 1.78% of the total revenue from sales. (Please refer to note 26.3 the financial statement, section of sales export)

The Company and its subsidiaries have earned the total income of Baht 1,758.92 million, decreasing from the year 2019 with the amount of Baht 336.93 million or reducing by 16.08%. The Company and its subsidiaries had earned the revenues from sales of the packaging products representing 93.39% of total revenue while the rest revenue came from rental and service income and other incomes, representing 3.77% and 2.84% respectively.

Gross margin of the Company and its subsidiaries increased from 24.26% in year 2019 to 28.64% in year 2020. Profit from operation increased from 16.90% to 20.58%. Return on earning increased from 15.72% to 17.99%. The higher ratio of gross profit and profit from operation increased because the cost of sales the Company and its subsidiaries reduced although sales of goods decreased. Thus, this resulted in a similar profit of the Company and its subsidiaries as the previous year while the income from sales and service reduced.

Return on equity decreased from 11.50% to 10.57%. In year 2020, the Company through the Board of Directors resolved to pay the dividend for the year 2020, with the period of 1 January 2020 to 31 December 2020 at Baht 1.40 per share, totaling Baht 210.00 million or equivalent to 74.39% of the net profit of the separate financial statement of the Company. In 2019, dividend paid was Baht 210.00 million equivalents to 76.90% of the net profit of year 2019. The policy of dividend payment of the Company is not less than 40% of the total net profit of the separate financial statements of the Company. This resolution will be brought into the 2021 Annual Shareholder's meeting for approval held on 26<sup>th</sup> April 2021.

<b>Efficiency Ratio on Profit Gained</b>	<b>Year 2020 (%)</b>	<b>Year 2019 (%)</b>
<b>Gross profit</b>	28.64	24.26
<b>Profit from operation</b>	20.58	16.90
<b>Return on earning</b>	17.99	15.72
<b>Return on equity</b>	10.57	11.50

## **4.2 Financial Status**

### **ASSET**

#### **1) Asset Mix**

Current Assets increased with the amount of Baht 117.87 million or 8.65%. Cash and cash equivalent increased Baht 289.50 million. Net account receivable decreased with the amount of Baht 70.21 million. Inventory decreased with the amount of Baht 29.40 million. Other current financial assets and other current assets increased Baht 11.20 million and Baht 2.18 million, respectively. The change in current assets of the Company and subsidiaries slightly increased from previous year, an increase in cash and cash equivalent but a decline in trade and other receivable and inventories.

Total value of Non-Current Assets increased by Baht 78.61 million or 4.37%. Other current financial assets increased Baht 114.46 million. Property, plant, and equipment reduced by Baht 37.09 million. Investment property decreased Baht 5.83 million, mainly from the annual depreciation and from the purchase of machines to replace some certain old machines by the Company's subsidiary.

#### **2) Quality of Asset**

The Company and its subsidiaries viewed that the account reflects fair value of assets and there is no indication of impairment or collection loss. In that case, the Company and its subsidiaries have already set aside the reserve or the provisions for impairment of assets according to note 4.2 to note 4.10 and note no. 6 to 15. From the below table of Efficiency Ratio, it showed that in 2020, the Company and its subsidiaries had a decline in ratio of the return on Asset comparing to the previous year. This was from a decline in net profit of the Company and its Subsidiaries. While the fixed Asset of the Company and its subsidiaries increased owing to an accumulative increase in net profit every year.



However, the above-mentioned efficiency ratio of the Company is still better than the ratio of other companies in the same industry. The Company and its subsidiaries tried to maintain the better ratio of the return on Assets to increase the profit to the Company in the future.

<b>Efficiency Ratio</b>	<b>2020</b>	<b>2019</b>
<b>Return on Asset</b>	9.71%	10.48%
<b>Return on Fixed-Asset</b>	22.54%	24.77%
<b>Asset Turnover</b>	0.54 Times	0.67 Times

Net accounts receivable decreased from Baht 348.46 million to Baht 278.25 million, a decline of Baht 70.21 million or decreasing by 20.15%. Average collection period was 67 days; increasing from the previous year by 12.19% which the policy of credits offered to customers is between 30 – 90 days. The company and its subsidiaries had the receivable overdue over 90 days with Baht 0.22 million or accounted for 0.08% of the total net accounts receivable. (see note 7 on financial statements).

## **LIQUILITY**

### **1) Cash Flow**

Amount and proportion of cash flows from operating activities

<b>Details of Cash Flow</b>	<b>2020 (Million Baht)</b>	<b>2019 (Million Baht)</b>
<b>Operating Profit before Changes in Assets and Liabilities</b>	466.35	464.71
<b>From Operating Activities</b>	461.16	406.01
<b>From Investment Activities</b>	(142.90)	(88.35)
<b>From Financing Activities</b>	(91.60)	(345.24)
<b>Cash and Cash-equivalence Increase (Decrease)</b>	226.50	(27.58)
<b>Cash and Cash-equivalence as of 31 December</b>	296.46	69.96

In 2020, the Company and its subsidiaries gained an increase in operating profit from Baht 406.01 million in to be Baht 461.16 million, an increase of Baht 55.15 million, because of a decline in trade receivables, inventories, and trade payable while corporate income tax increased. Monetary profit is still higher than net profit of the financial statement which can imply that an increase in net profit comes from the efficient operation of the company and its subsidiary.

Cash flows from investment activities were increased with the amount of Baht 142.90 million, deriving from an increase in both of long-term investment and the investment in machinery & equipment. (Please see note no. 9 and no. 14 of the financial statements).

Concerning cash flows from financing activities, the Company and its subsidiaries had paid dividend to the shareholders with the total amount of Baht 90.60 million. As a result, the cash and cash equivalent as of 31 December 2020 for the Company and its subsidiaries remained with the amount of Baht 296.46 million, increasing from 2019 with the amount of Baht 226.50 million.

## 2) Liquidity Ratio

Details of Liquidity	2020	2019
<b>Current Ratio</b>	11.62 times	8.81 times
<b>Quick Ratio</b>	9.27 times	7.23 times
<b>Account Receivable Turnover</b>	5.33 times	5.98 times
<b>Average Collection Period</b>	67.54 days	60.20 days
<b>Inventory Turnover ratio</b>	59.25 times	58.40 times
<b>Average Day's Inventory</b>	6.08 days	6.16 days
<b>Account Payable Turnover</b>	12.64 times	11.88 times
<b>Average Payment Period</b>	28.48 days	30.30 days
<b>Cash Cycle</b>	45.14 days	36.06 days

The above table showing liquidity ratio reflects the similar performance of liquidity of the Company and its subsidiaries when comparing to the year 2019. The average collection period increased from 60 days in 2019 to 67 days in 2020. Average payment period reduced from 30 days in 2019 to 28 days in 2020 which the ratio was close to the past years. Thus, the Company and its subsidiaries had better and adequate liquidity to operate the business efficiently.

## **CAPITAL STRUCTURE**

The capital structure of the Company and subsidiaries has been at the satisfactory level over the past years. The debts to equity ratio were 0.08, reducing from 2019 by 0.10 times, which was the lower equity ratio when comparing to those of the other companies in the similar business. The Company and its subsidiaries did not have policy to increase debt more than what is necessary. The shareholders' equity of the Company and subsidiaries increased from Baht 2,880.89 million to Baht 3,107.77 million, an increase of Baht 226.88 million or 7.88%, as a result from increasing accumulated profits which have not yet been allocated from Baht 1,914.09 million to Baht 2,145.98 million, an increase Baht 231.89 million or increasing by 12.11% due to the profit from the business operation result of the Company and its subsidiaries.

Liabilities of the Company & subsidiaries had decreased from Baht 280.40 million to Baht 250.00 million, a decline of Baht 30.40 million or equivalent to 10.84%. Trade and other payable reduced with the amount of Baht 25.63 million. Accrue income tax reduced Baht 2.09 million. Deferred tax liability reduced Baht 4.47 million. Employee benefit obligations increased Baht 1.54 million. The Company's subsidiary had long term loan to the Company and to related party with the amount of Baht 24 and 6 million, respectively. (Please refer to note no. 5.3 and no. 16 of the financial statement), having normal interest rates, collateral, and regular debt term conditions. The Company and subsidiaries did not have loan in foreign currency, except the L/C obligation for purchasing raw material from abroad according to the note to financial statement no. 28.

## **IMPACT FROM COVID-19 PANDEMIC**

COVID-19 pandemic that had occurred in 2020 had impacted on the demand of the company's products both steel drums and plastic product resulting in a decline in sales lower than the target. However, owing to the close monitor of the situation coupled with careful management, such factors affected the overall company's business operation slightly. In respect of any planned changes in capital expenditures, the company and its subsidiary were affected on the purchase of new machinery from overseas that were brought to increase efficiency and effectiveness of the production. There was a delay in delivering and installing machine by foreign technician. However, the delay did not affect toward the delivery of products of the company and its subsidiary as the existing machines are still working well for the time being.

Thus, COVID-19 pandemic did not significantly affect to the business operation, finance, financial conditions, contractual obligations nor the risk to the survival of the company.

## **FINANCIAL RATIO**

		<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
<b>Liquidity ratio</b>		<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Liquidity ratio	(time)	11.62	8.81	8.57	14.64	10.31	21.98
Current ratio	(time)	9.27	7.23	7.16	11.78	11.82	12.87
Cash flow liquidity ratio	(time)	3.27	2.52	2.56	4.22	4.68	4.44
Accounts receivable Turnover ratio	(time)	5.33	5.98	6.17	5.55	6.29	6.56
Average collection period	(day)	67.54	60.20	58.35	64.86	57.23	54.88
Inventory turnover ratio	(time)	59.25	58.40	51.04	76.24	77.65	72.16
Average product sales period	(day)	6.08	6.16	7.05	4.72	4.64	4.99
Payable turnover ratio	(time)	12.64	11.88	10.24	20.84	20.87	15.16
Repayment period	(day)	28.48	30.30	35.16	17.27	17.25	23.75
Cash cycle	(day)	45.14	36.06	30.24	52.31	44.64	36.12

		<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
<b>Profitability ratio</b>		<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Gross margin	(%)	28.64	24.26	23.03	35.01	30.39	31.46
Net profit margin	(%)	17.99	15.72	16.26	26.11	23.82	28.40
Return on equity	(%)	10.57	11.50	12.22	16.22	16.23	19.95
Operating profit margin	(%)	20.58	16.90	15.66	27.32	23.46	24.44
Other margin	(%)	2.85	3.08	2.21	6.00	5.79	6.38
Cash-to-profit ratio	(%)	131.15	118.29	134.49	102.46	105.40	96.28

		<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
<b>Operating efficiency ratio</b>		<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Return on assets	(%)	9.71	10.48	11.11	15.19	15.25	18.75
Return on fixed assets	(%)	22.54	24.77	26.77	30.53	31.40	38.83
Asset turnover	(time)	0.54	0.67	0.68	0.58	0.64	0.66

		Consolidated financial statements			Separate financial statements		
Financial policy ratio		2020	2019	2018	2020	2019	2018
Debt to equity ratio	(time)	0.08	0.10	0.10	0.06	0.08	0.05
Interest coverage ratio	(time)	2,828.55	1,831.30	1,810.65	-	-	-
Dividend payout rate	(%)	66.36	63.72	62.50	74.39	76.90	64.50

		Consolidated financial statements			Separate financial statements		
Information per share		2020	2019	2018	2020	2019	2018
Book value per share	(baht)	20.72	19.21	19.01	12.17	11.03	11.40
Earnings per share	(baht)	2.11	2.20	2.24	1.88	1.82	2.17
Dividend per share	(baht)	1.40	1.40	1.40	1.40	1.40	1.40

		Consolidated financial statements			Separate financial statements		
Growth rate		2020	2019	2018	2020	2019	2018
Total assets	(%)	6.22	1.13	6.99	8.29	(0.65)	7.11
Total Liabilities	(%)	(10.84)	1.87	1.23	(17.78)	49.14	(29.22)
Revenue from sales and services	(%)	(15.88)	0.55	1.11	(3.12)	0.65	(3.90)
Operating cost	(%)	(19.60)	(0.93)	(1.66)	(10.65)	1.95	(9.91)
Net profit	(%)	(3.97)	(1.91)	18.39	3.37	(16.12)	20.37

## 5. GENERAL INFORMATION AND OTHER MATERIAL FACTS

### 5.1 General Information

<b>Share Registrar</b>	: Thailand Securities Depository Co., Ltd. 93 Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok 10400 Thailand Tel. 02 009 9000 Fax. 02 009 9991
<b>Auditor Accountant</b>	: Mr. Pornchai Kitipanya-ngam Certified Public Accountant License No. 2778 or Mrs. Suwanee Kitipanya-ngam Certified Public Accountant License No. 2899 or Mr. Thanakorn Fakfaipol Certified Public Accountant License No.4879 : Bunchikij Co., Ltd. 9th Floor, Modern Town Building, 87 Ekamai Soi 3, Sukhumvit 63 Rd., North Klongton, Wattana, Bangkok 10110 Tel. 02 382 0414 : Accounting Period January 1 to December 31
<b>Internal Auditors</b>	: AMC International Consulting Co., Ltd. 408/162 Phaholyothin Place Building, 39th Floor Phaholyothin Road, Samsen-nai, Phayathai, Bangkok 10400 Thailand Tel. 02 619 0221-5 : Audit Period 1 January 2018 – 31 December 2020
<b>Legal Councillor</b>	: None
<b>Financial Advisor</b>	: None
<b>Others</b>	: Listed on the Stock Exchange of Thailand on 4 <sup>th</sup> October 1989 and changed to the Public Company Limited on 22 <sup>nd</sup> February 1994

## **5.2 Other Important Information**

### **CONTACT CHANNEL TO THE COMPANY**

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

**Mrs. Wanida Chansikarin**

Audit Committee Chairman

Tel: 02 689 2632

Email: stms\_adv@truemail.co.th

**Mr. Nate Charanvas**

Managing Director

Tel: 02 264 0460

Email: tmdplc@loxinfo.co.th

**M.L. Chintat Jombunud**

Director, Company's Secretary and Secretary to Audit Committee

Tel: 02 264 0826

Email: chintatj@thaimetaldrum.com

**Chief of Human Resources Department**

Tel: 038 571 980-2 extension 15

Email: hr@thaimetaldrum.com

**Mailing Address**

Thai Metal Drum Manufacturing Public Co., Ltd.

35<sup>th</sup> Floor, Lake Rajada Office Complex,

193/142 Rachadapisek Road, Klongtoey, Bangkok 10110

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

### **5.3     LEGAL DISPUTE**

None

### **5.4     SECONDARY MARKET**

None



## **Section 2**

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### **Corporate Governance**

#### **6. CORPORATE GOVERNANCE POLICY**

##### **6.1 Overview of the Policies and Practices of Corporate Governance and Business Ethics**

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

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

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

## **6.2 Business Ethics**

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

The Company operates its business under Code of Conduct and Code of Business Ethics to create fairness in running business, not seeking benefit for oneself, promoting fair condition of competition, guard the right of intellectual property, avoiding conflict of interest and make the appropriate payment of purchase with fairness and has set the policy and guideline as below:

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

## *CODE OF ETHICS FOR THE BOARD OF DIRECTORS AND EXECUTIVE OFFICERS*

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

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

### **6.3 Major Changes and Developments in Policies, Practices and Governance Systems over the Past Year**

The Board of Directors of the Company is aware of the importance of corporate governance. Thus, the Board of Director determined the policy to follow which is compliance with the Corporate Governance Code for Listed Company in year 2017 of Securities and Exchange Commission (Corporate Governance Code: CG Code). The Company created Corporate Governance Policy and Practices covering the following 8 classifications to demonstrate that the company put in place the management system efficiently including information disclosure with transparency and accountability. Corporate governance under good management will bring about the confidences for shareholders, investors, stakeholders, and all parties concerned. In addition, the Board of Director of the Company believes that the corporate governance will create long-term value for shareholders in a long term as well as enhancing its competitiveness for sustainable growth.

Every year, the Board of Directors duly reviews its Corporate Governance Policy and adopts to suit prevailing company's business circumstances such as having in place the policy and regulation to allow directors to be in a position as a Director in the other registered companies not more than 5 companies and the Managing Director must ask for the permission as well as get the approval from the Board of the Company if he/she has to hold the position as a Director in the other company, etc. If it seems that certain good corporate governance code does not imply with the circumstances of the company's business, the Company will introduce the alternative measure and inform to all shareholders as well as stakeholders for acknowledgement.

The conduct under good corporate governance policy illustrates the company's business ethics including, the ethics of its Board of Directors and Sub-committee to ensure that the Board of Director of the Company perform their duties thoroughly and completely. Details of good corporate governance practices and policies that the Company's Board of Director, the management, and employees including those of subsidiaries comply with shown as below:

### **1. Right of Shareholders**

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

### *1.1 SHAREHOLDERS' ORDINARY MEETING*

In 2020, the Company arranged a shareholders' Ordinary Meeting of year 2020 on 9 July 2020 at 14:00 pm at Glowfish Conference Hall, Sathorn Thani II Building, Bangrak, Bangkok. The Company conducted the Shareholders' Ordinary Meeting according to law and good corporate governance as detail below:

The Company assigned Thailand Securities Depository Company Limited who is the Company's share registrar, is responsible for forwarding an invitation to attend the AGM meeting in advance. The document was sent on 30 June 2020, 10 days prior to the meeting date. The Company informed date, time, venue of the meeting and the agenda of the meeting with clarification and opinion of the Board of Director in each agenda clearly both in Thai and English. In addition, the Company also posted the same information in the Company's website at [www.thaimetaldrum.com](http://www.thaimetaldrum.com) on 2 June 2020, 37 days prior to the meeting.

The Company had the policy to facilitate shareholders to use their rights to cast their vote and to attend the meeting as well as to encourage every shareholder, shareholders who are institution investors to attend the Shareholders' meeting of the Company while ensuring that the policies are observed to conduct the meeting in compliance with the laws and guidelines for shareholders' meeting. In organizing the meeting, the Company shall consider the convenience of the venue of the meeting and all facilities ready for the meeting. In addition, the Company will determine date and times for the meeting that is convenient and appropriate that is during 9.00-17.00 hours and not organizes the meeting on traditional holidays or holiday of commercial bank. The Company arranged the sufficient officers to welcome and provide the sufficient information on document checking and registration and to provide stamp duty to the shareholders who appoint the proxy to attend the meeting, as well as prepare lunch, coffee break and souvenirs for the shareholders attending the meeting.

The Company invited shareholders to propose matters to be included as meeting agenda items, qualified candidates for directorship, and questions in advance of the shareholders' meeting based on the criteria announced on the Company's website.

The Company had sent the 2 types of proxy letters to shareholders to select in case that they will assign a proxy to attend the meeting. 2 types proxy letters are Proxy Form A by which the Company nominated at least 1 Independent Director of the Company to be the proxy while the Proxy Form B is for shareholders to determine to cast their vote on each agenda.

### *1.2 ON-SITE MEETING PROCEDURE*

In the 2020 shareholder's meeting, there were 9 Directors of the Company attended which were accounted for 100% of the total numbers of Directors. The Directors who attended were comprised of Chairman, Audit Committee Chairman, all members of Audit Committee, Managing Director, and other Directors. Besides, the Company auditor from Bunchikij Co., Ltd. and the representative from Thai Investors Association attended the meeting.

To preserve voting transparency, the Company made available ballots to facilitate exercise of voting right by shareholders with clearly explanation of vote-casting and vote-counting procedures for each agenda in case those shareholders expressed their disapproval or abstention of any agenda being considered. The Company will deduct the vote of disapproval or vote for abstention from the total numbers of votes. Shareholders who casted their vote with disapproval or abstention would raise their hand and the office of the Company would collect the ballots and recorded the result. The Chairman of the Meeting will clearly announce the vote result onsite to make known to all attending shareholders immediately following the end of voting procedure in each agenda. In case that there were several items in the agenda to be voted, such as, the vote for each director candidate, the Company also provided ballots and vote on an individual basis for this agenda.

In the 2020 shareholder's meeting, Mr. Suchin Wanglee, the Chairman of the Board was presided over the meeting. There were 38 shareholders and by proxies attend the meeting in person holding 96,111,579 shares or 64.07% of total units of shares, constituted as a quorum according to the company's regulation and Public Act which required number of attendees in person or by proxy not less than 25 persons and having total shares more than one third of the total shares.

The Company would also give an opportunity to shareholders to raise questions or to give opinions with reasonable time for discussion of the matters of the Company and its subsidiaries which the company representative recorded questions and answers during the meeting until there were no more questions. The Chairman would end the meeting.

### *1.3 PREPARATION OF MEETING MINUTES AND DISCLOSURE OF THE SHAREHOLDERS' MEETING RESOLUTIONS*

The Company's secretary would document and take minutes of the meeting in detail such as list of Directors of the Company attending the meeting, Director who was absent as well as the procedure of voting and resolution. All questions raised by shareholders and answered given during the meeting session and the complete resolutions of the meeting were recorded completely and correctly.

After the meeting, the Company publicized the resolutions of all agenda considered in the Annual General Meeting of Shareholders both in Thai and English on the Company's website and through the Stock Exchange of Thailand communication systems on the date of meeting. The Company submitted the complete resolutions of the meeting to the Stock Exchange of Thailand communication systems and forwarded to corporate website within 14 days after the meeting date so that the shareholders would know the resolution completely and rapidly.

## **2. Equitable Treatment of Shareholders**

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

### ***2.1 THE USE OF INTERNAL INFORMATION***

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

Every director and executive including their spouse and children below lawful age must report any change made to the securities ownership of their own to the Company's secretary in order to submit to such report to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) within the period set by law and regulation.

The Board or management members or employees with access to, or acknowledgement of, internal information are not allowed to leak the information to the outsiders or other unauthorized persons which can affect the trading of the Company's share. The Directors, Executive and employees shall not use inside information of the Company or business trading partners of the Company, that they know from performing duties, to purchase or sell or offer to purchase or sell or persuade others to purchase or sell or offer to purchase or sell securities of the Company or those of the Company's trading partners for personal gains or for the gains of others.

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

### ***2.2 PROTECTION OF MINOR SHAREHOLDERS***

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

The Company provides a proxy form on which shareholders can dictate the direction of their voting through proxies if shareholders are unable to attend the meeting in person. At least one independent director will be nominated in a notice of meeting as an alternative proxy for shareholders.

A notice of meeting will specify the documents or evidence, including instructions and process for appointing a proxy, to ensure correct preparation by shareholders and to avoid problems in the attendance of meeting by proxies. The rules, procedures, and conditions for the appointment of proxies

will be prescribed according to the legal requirements. The Company will not intentionally include any other requirement to make it complicated for shareholders to appoint proxies.

The Company shall ensure that no shareholder who is an executive can add any agenda items without advance notice, through the same process applicable to general shareholders.

The Company gives its shareholders equal voting right, one share one vote for ordinary share.

A policy regarding transactions which may cause conflicts of interest shall be established to provide explicit guidelines and prescribe a careful, reasonable, and independent consideration process for the execution of such transactions within the scope of the code of ethics and for the interests of the Company and shareholders.

The Company shall explicitly disclose shareholders information on related party transactions, which include the names and relationships of the related persons, pricing policies, and transaction values, as well as the Board's opinions relating to such transactions.

### **3. Roles of Stakeholders**

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

#### **3.1 SHAREHOLDERS**

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

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



### 3.2 CUSTOMERS

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

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

From the result of 2020 customer satisfaction survey toward the company's quality of products and services, it showed that the customers were satisfied with the quality and services by 91.29 percent while the company aimed at 85.00 percent. The score of year 2020 was higher than that in 2019 which gained 88.13 percent. Details is shown in the summary of 2020 customer satisfaction survey report below:

## 2020 Customer Satisfaction Survey Report

Survey Topic	Satisfaction rating from 10 (Max) to 1 (Min)										Total	Score of each topic	
	10	9	8	7	6	5	4	3	2	1		Score	%
Quality of Product													
Quality of External Coating & Silkscreen	6	9	2	3	1						21	184	87.62
Quality of Internal Coating	10	7	2	1	1						21	192	91.43
Quality of Body Seam / Drum Edge	9	6	4	2							21	190	90.48
Overall Quality of Product	10	8	3								21	196	93.33
Quality of Service													
Order Taking	11	7	2	1							21	196	93.33
Cooperation	12	7	1	1							21	198	94.29
Fast Response	9	7	1	1							21	192	91.43
Correctness of Documentation	8	6	5	1		1					21	186	88.57
Punctuality of Delivery	8	7	4	1	1						21	188	89.52
Delivery Practice Under Rule of Customer	9	9	3								21	195	92.86
Percentage / Score from customer	92	73	30	11	3	1	-	-	-	-	210	1,917	91.29
	54	43	18	6	2	1	-	-	-	-	100%		

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

### 3.3 BUSINESS PARTNERS, COMPETITORS AND CREDITORS

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

#### Relationship with Business Partner

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

#### Relationship with Competitor

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

#### **Relationship with Creditor**

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

#### **3.4 EMPLOYEE**

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

- To provide fair compensation to the employees in forms of salary, phone expenses, gasoline, allowances and/or annual bonus. Reviewing the compensation and welfare allocation of employees is made regularly to ensure that it can motivate employees to outperform competitively in the same industry.
- Provide special welfare to employees to reduce burden and concern about cost of living such as uniform cost, provident fund, emergency loans (0% interest) and determine financial support in case of employee deaths, shuttle bus service arrangement for employees who work at the factory, cafeteria welfare by providing free rice and water and provide hygienic food at a reasonable price including annual health examination, group health and accident insurance and others.
- Promote the well-being of employees covering the family of the employee such as medical expenses for child and spouse and funeral allowance for parent, spouse, and child.
- To look after and maintain safety working environment to the employees' lives and belongings regularly by implementing Safety and Health Policy. The company to disclose accident statistics, leave ratio, sickness ratio causing from work, posted on the board at the entrance of factory and including submitting reports to all relevant government units.
- Designation and transfer as well as rewarding and punishment to the employees must be treated equally, honestly and base on knowledge, capabilities and appropriateness including actions or behaviors of those employees.
- To emphasize on development, knowledge transfer and capabilities of the employees by providing them opportunity thoroughly and regularly with training plan and budget reserve regularly on yearly basis.
- To listen to comment and recommendation from the employees at all levels equally.
- Strictly follow the employment's laws and regulations.
- To manage by avoiding any unfair actions that shall impact job security of the employees.

- To treat employees with politeness and giving respect to individuals and human rights.
- To provide channels for the employees to be able to notify or raise any concerns which are in compliance with the rules or laws according to Whistle Blowing or Appeal Policy.

### **3.5 SOCIETY AND ENVIRONMENT**

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

- The company shall consider alternatives to utilize the natural resources which will have the least impact to the society, environment and quality of people's lives.
- To conduct activities that will establish society and environment regularly.
- To create awareness on social responsibility and environment among the employees at all levels continuously. Providing a training relating to the topics on social responsibility and environment for example, ISO14001:2015 and ISO14001:2015 Internal Audit, Energy Conservation and Delve into Government funds, Energy Conservation by law and How to drive a truck safely and properly.
- To focus on dealing with business partners having the same aim on social responsibility and environment.
- To do and collaborate or control of having strict practice in compliance with the laws and regulations issued by involved organization units.

## **4. Information Disclosure and Transparency**

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

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

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

The Company had disclosed the annual financial statement which was audited by the Certified Public Accountant within 60 days after the end of accounting period of the Company. Besides, the Company's auditor must be qualified and appointed by the Audit Committee to ensure that they do not have any relationship nor conflict of interest with the Company, Subsidiary of the Company, managements, and major shareholders. The Audit Committee also considered to approve the annual auditing fee and the scope of audit as appropriated and will be brought this to the Board of Director's meeting and the shareholder's meeting to appoint the auditors and approval of auditing fee. Detail of auditing fee will be illustrated in 7.6 of the annual report under section "auditing fee of the auditor"

The Company also disclosed important information to all parties concerned for their acknowledgment under section of corporate governance structure which contained information on name, personal profile, duties, and company's shareholding as well as the training program attended by directors, audit committee, remuneration & nomination committee, numbers of meeting attended and the remuneration for director and executives.

For the operation of the Sub-committee, it was included in the Audit Committee Report as per the Enclosure No. 6 including the report of the Board of Director on the financial statement in Section 3 - Financial Statement.

The Company has revealed the shareholder structures clearly in the company's website at [www.thaimetaldrum.com](http://www.thaimetaldrum.com) by indicating names of 10<sup>th</sup> major shareholders of the company with the percentage of shares holding including the relationship of the group of shareholders. In addition, the Company had done a report of shares holding of its directors and executive management with explanation & analysis from the management disclosed to shareholders, investors, and other interested person to better understand the operating result of the company's business.

The company has implemented Whistle Blowing and Appeal Policy on any act regarded as illegal and non-compliance with ethics, corruption of the personnel of the organization including employees, all stakeholders as well as having a mechanism to protect the Whistle blowers and keep confidential of the information to make the confidences to the Whistle Blowers as per detail disclosed in the company's website as detailed below:

## **Whistle Blowing Policy**

### **1. Purpose**

- 1.1. To encourage Company's Executives and employees to operate their business with accuracy, transparency, fairness and being verifiable in accordance with the principles of good corporate governance and the Company Code of Ethics. The company expects everyone to report in good faith any misconduct or suspected to be in violation of the principles to the Company. The Company shall improve or modify operations to be applicable, suitable, transparent, fair, and consistent with the law of the Securities and Exchange of Thailand on protecting information providers in good faith to regulators as well, which is the principle that the company has adopted
- 1.2. To ensure that the supervisors and the Human Resources Department of the Company are responsible for well taking care, providing advices, and monitoring the employee to be in compliance with the policy. The informer of suspicious or corrupted acts shall be protected if they act in good faith.

### **2. Scope of whistleblowing**

- 2.1 Doubtful actions which may violate the principles of good corporate governance practices in the following matters:
  - Violation of compliance with the principles and practices of the good corporate governance policy
  - Violation of company' rules and regulations
  - Experience of unfair treatment at work
  - Corruption
- 2.2 Suspicious acts resulting in a negative image to the Company

### **3. Channels in Notifying Suspicious or Complaints**

- 3.1 Chief of Human Resource Department  
Tel: 038 571 980 to 2 extension 15  
Email: hr@thaimetaldrum.com
- 3.2 M.L. Chintat Jombunud  
Director, Company's Secretary and Secretary of the Audit Committee  
Tel: 02 264 0826  
Email: chintatj@thaimetaldrum.com
- 3.3 Mr. Nate Charanvas  
Managing Director  
Tel: 02 264 0460  
Email: tmdplc@loxinfo.co.th
- 3.4 Mrs. Wanida Charnsikarin  
Audit Committee Chairman  
Tel: 02 689 2632  
Email: stms\_adv@truemail.co.th

#### **4. Conditions and Consideration of Clues or Complaints.**

- 4.1 Details of clues or complaints must be truthful, clear, or sufficient to investigate and taking further action.
- 4.2 Whistleblowers or complainants can choose to remain anonymous or not reveal their address and contact phone numbers, if the disclosure is considered to be unsafe or cause any damage. However, with self-disclosure, it would help running investigation faster and enable to enquire further useful information in case of need or mitigate damage faster and handily.
- 4.3 Information received will be kept confidential and the names of the whistleblowers or complainants were not disclosed without consent.
- 4.4 Whistleblowers or complaints will be protected by rights, whether they are employees or third parties.
- 4.5 Complaint processing time depends on the complexity of the matter, the sufficiency of documentary evidence received from the complainant, including documents and evidence of the respondent.
- 4.6 Complaint recipient and those involved in the investigation process must keep relevant information confidential and disclose it, as necessary. Considering the safety and damage of the complainant or the person who cooperates in the investigation, source of information, or related persons.

#### **5. Group of People Involved**

- 5.1 Informer/ whistleblower means a person who gives information or makes a complaint.
- 5.2 Complaint coordinator refers to the person responsible for receiving and collecting preliminary information and keep a summary of the operation, namely the Human Resources Department and the Secretary of the Audit Committee.
- 5.3 Complaint administrator refers to the direct supervisor of the person being complained, or the superior supervisor of the business unit being complained.
- 5.4 Supervisor of discipline means the Human Resources Department.
- 5.5 Managing Director
- 5.6 Audit committee

#### **6. Procedures**

##### **6.1 Registration and submission**

- 6.1.1 Complaint coordinator receives complaints and set the date for reporting the progress of the complaint to the complainant as follows.
  - Cases that impact seriously to the reputation of the company must be taken urgently.
  - In other cases, proceed as soon as possible.
- 6.1.2 Complaint coordinator will record information from the complainant as follows.
  - Name of the complainant, unless the name is not specified
  - Date of complaint
  - Name of person or complaint incident
  - Other relevant information

6.1.3 When registering for a complaint, then classify the secrecy according to the issue of complaint and proceed as follows.

- Assign the complaint administrator to investigate facts and give orders according to their authority.
- Send a copy of the issue of the complaint to the Human Resources Department to prepare for advices on disciplinary action or otherwise.
- Send a copy of the issue of the complaint to the Secretary of the Audit Committee, Managing Director, and the Audit Committee for their acknowledgement.

## **6.2 Collection of facts and action taken**

6.2.1 The complaint administrator conducts fact-finding and gives advice to those involved to act as appropriate or in a proper manner. If disciplinary action is required, the punishment will be enforced in consultation with the Human Resources Department to ensure the punishment is in accordance with rule set. And if the complaint administrator has no power to enforce the punishment, it must be brought to next level of authority, depending on the case and to submit the results of the fact-finding, proceedings, and punishments, to the Managing Director.

6.2.2 In the case of an anonymous complaint with insufficient information, the complaint administrator sends a report on the investigation results, and comments of the complaint to the Managing Director, through the commander step by step to ask for guideline for an appropriate action. If the Managing Director is unable to process the investigation of such complaint, the complaint will be closed, and the complaint administrator will send a copy to the complaint coordinator to report to the audit committee.

6.2.3 If the complaint administrator has examined the facts and found that the person being charged is not guilty or it is a matter of a misunderstanding or gave advice to the respondent and those involved in the complaint to act or perform as appropriate. Then considering that the matter should be closed without any punishment. The complaint administrator brings this matter to the above supervisor for approval to close the case and send a copy of the matter to the complaint coordinator to inform the complainant and report to the Managing Director and to the audit committee.

## **6.3 Investigation of facts**

6.3.1 In the case that the complaint administrator and the HR department deems that disciplinary action must be taken, the HR department bring this issue to the Managing Director for further investigation.

6.3.2 When the decision is made by the Managing Director, the result will be notified to the complaint administrator to proceed with the next step.



#### **6.4 Conclusion to the complainant and improvements**

- 6.4.1 Complaint administrator carries out the action as ordered by the Managing Director to provide recommendations for appropriate practice and inform the results to the complaint coordinator for acknowledgement.
- 6.4.2 Complaint coordinator reports the operation results to the complainant and record the performance of complaints, as well as submitting it quarterly to the audit committee for acknowledgement.
- 6.4.3 Complaint coordinator follows up on improvement (if any) and report to the Managing Director and to the audit committee.

#### **7. Complaint in Bad Faith or wrong way**

For Company's employee, if notification of suspicions or complaints proves to be made in bad faith or doing the wrong way, disciplinary action shall be imposed. For outside parties, whose acts or causes damage the Company, legal proceedings shall be taken against that person.

#### **8. The responsibility of the above supervisor**

In the case that the complaint administrator ignores or fails to comply with this policy, the above supervisor must also be considered for disciplinary action.

#### **9. Measures to protect whistleblowers or complainants.**

- 9.1 The company will collect information and identity of the whistleblower or complainant and respondent confidentially.
- 9.2 The company will disclose information as necessary, taking into account the safety and damage of the reporter, the source of the information, or related persons.
- 9.3 Damaged persons will be mitigated through appropriate and fair procedures.
- 9.4 If the complainant or those who cooperate in the investigation consider that they might have been harm or may have suffered damage, complainant or person who cooperates in the investigation can request the company to set appropriate protection measures or the company may prescribe protection measures by the complainant or those who cooperate in the investigation without request if it is seen that it is a matter that is likely to damage or insecurity.
- 9.5 The company will not act unfair to the whistleblower or complainant, either by changing the job position, job description, place of work, ordering a suspension, threatening, interfering with work performance, dismissal, or any other act that is unfair to the whistleblower or complainant or those who cooperate in the investigation.

In addition, the Board of Director assigned the Company's secretary to oversee investor relations whom the investors can contact at 02 264 0826 or email: [chintatj@thaimetaldrum.com](mailto:chintatj@thaimetaldrum.com). The Company also notifies the channel to contact the Company's secretary in the Company's website.

## **5. Board of Directors' Responsibilities**

### **5.1 BOARD COMPOSITION**

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

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

Currently the Board of the Company is comprised of 9 members, namely; 7 non-executive (3 of them are served as Independent director and Audit Committee member), 2 executive directors are the Managing Director and Accounting & Finance Director. The number of Independent Director of the Company is in lined with the requirement of the Stock Exchange of Thailand and the Securities Exchange Commission. The independent directors must be at least one-third of the total number of directors.

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

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

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

#### **Scope of Duties of the Chairman of the Board**

1. To be responsible as the chairman of the Board in overseeing, following up the administration of the executive committee and other committees to achieve objectives and goals according to the plan set.
2. To Support the operation of the management team but do not participate in the normal day-to-day management of the company.

3. To supervise the performance of the Board of Director to be efficient and independent from the management.
4. To set the agenda for the meeting in accordance with the duties and responsibilities of the board of directors together with the Managing Director and ensure that important matters are included in the agenda.
5. To effectively act as chairman of the Board of Director's Meeting and Shareholder's Meeting by encouraging Directors to exercise prudent discretion and give opinions freely.
6. To encourage all Directors to participate in the meeting.
7. Encourage and ensure that the directors perform his duty with responsibility, due care and shall comply with all laws, good corporate governance practices and business ethics as well as being responsible for shareholders and stakeholders concerned.

In comply with the good corporate governance for the Public Company; Directors of the company must conduct self-evaluation once per year to enable the Board of Director to evaluate and improve their performance. The performance evaluation is done as a whole group as well as by individual. This would help to evaluate the performance of the Director both by individual and as a whole group as appropriated. The Company's Secretary will summarize and submit the evaluation result to the Board of Directors for consideration and for seeking the guidelines to improvement business operation more effectively. The meaning of rating is as below:

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

Self-evaluation of the Company' Directors is shown below:

<b>Topic Evaluation</b>	<b>Total</b>	<b>Average</b>
Average Score of the 1 <sup>st</sup> Topic: Structure and Qualification of Director	35.54	3.95
Average Score of the 2 <sup>nd</sup> Topic: Role, Duty, and Responsibility of Director	35.65	3.96
Average Score of the 3 <sup>rd</sup> Topic: Board of Director's Meeting	36.00	4.00
Average Score of the 4 <sup>th</sup> Topic: Performing Under the Role of Director	36.00	4.00
Average Score of the 5 <sup>th</sup> Topic: Relationship with Management	36.00	4.00
Average Score of the 6 <sup>th</sup> Topic: Self-Development of Director and Executive	35.33	3.93
<b>Total Average Score of the 6 Topics</b>	<b>35.72</b>	<b>3.97</b>

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

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

The Company has put in place a Charter of the Board of Directors and disclose on the company's website at [www.thaimetaldrum.com](http://www.thaimetaldrum.com) under the section of Sustainability.

## **5.2 SUB-COMMITTEE**

Details are shown in the section 7.3 Sub-Committee.

## **5.3 BOARD OF DIRECTOR'S MEETING**

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

In the meeting, the Chairman of the Company and the Managing Director will set agenda of each meeting for consideration and provide opportunity to each director to propose and include any matter into the agenda of the meeting. The Chairman of the Company will preside over the meeting and allow the Directors to express their opinion freely. For voting rule in the Board of Director's Meeting, the Company will use the majority vote's principle by which one director has one vote. The director who will have a conflict of interest may not attend the meeting or not cast his/her vote on that matter. In case of

equal vote, the Chairman of the meeting will cast his vote to make the decision. Besides, each director has a right to verify the meeting document and other important document. If the independent director or audit director has a doubt on any matter, other directors or executive of the company have to response to any doubt immediately and completely as much as possible. In case that the directors do not agree with the resolution of the meeting, directors can ask the Company's secretary to record the objection in the minutes and is able to submit the objection to the Chairman.

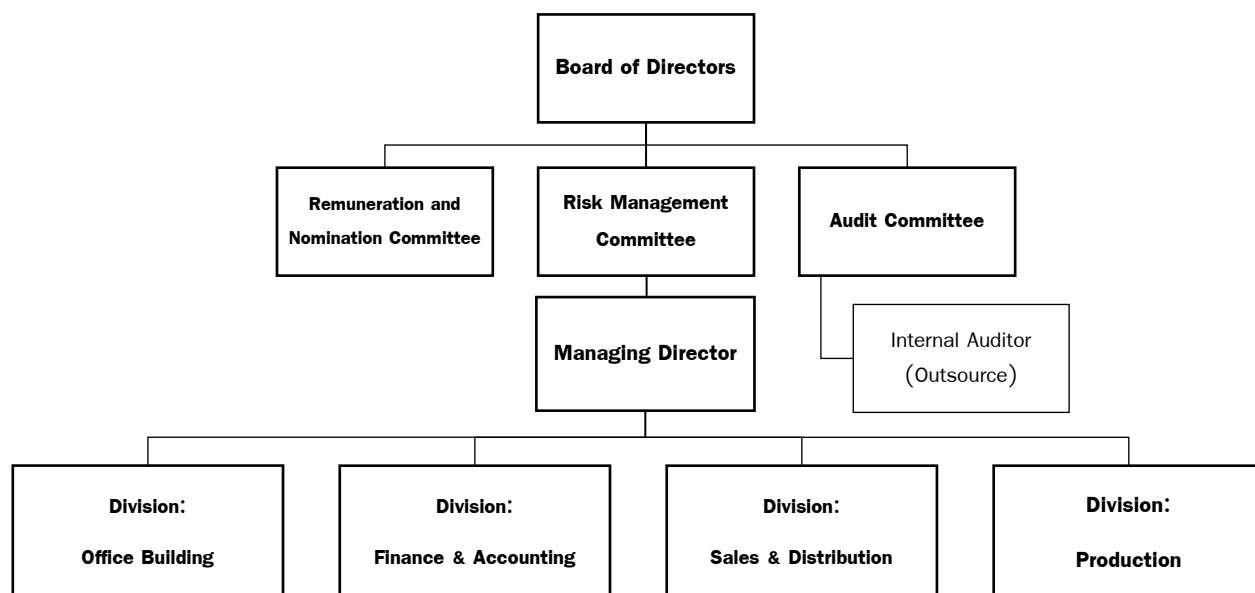
In each Board of Director's meeting, the Company's secretary would not only attend, take minutes, and submitted to the Chairman to sign for acknowledgement that will be brought forward into the next meeting for being certified but also file documents of the meeting for being easy retrieved. The member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

At the AGM assessment project for year 2020, the Company held the annual general meeting of shareholders on 9 July 2020 at the 2<sup>nd</sup> floor of Glowfish Conference Hall, Sathorn Thani 2 Building, Bangrak, Bangkok and the company got 100 full marks from the Thai Investors Association which clearly showed that the Board of Director and the Company's executives would do their best effort to hold the shareholder's meeting.

## 7. CORPORATE GOVERNANCE STRUCTURE AND IMPORTANT INFORMATION ON THE BOARD OF DIRECTORS, SUB-COMMITTEES, EXECUTIVES, EMPLOYEES AND OTHERS

### 7.1 Corporate Governance Structure

#### ORGANIZATION CHART



### 7.2 Information about Board of Directors

BOARD OF DIRECTORS consist of 9 persons as follows:

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

*DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS are as follows:*

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

*DETERMINATION OF THE TERM AND AGE OF DIRECTORS*

In order not to lose the opportunity to appoint talented and experienced directors, the company therefore does not limit the term of the director's position except for the position of the independent director where the company has set a policy for a term of holding position not over 9 years unless there is justification for an exception.

## *SUCCESSOR PLAN*

The Board of Directors recognizes the importance of a succession plan for the key management positions including the Managing Director, Top Executive Management and Senior management as part of the corporate strategy for human resource management. The succession strategy aims to develop personnel with high potential and review the successor plan annually to continue managerial responsibility and duty in case that the executive manager could not perform their duty or retired. This will help the continuity of the corporate business operations.

## *DIRECTORSHIP IN OTHER COMPANIES OF DIRECTOR AND MANAGING DIRECTOR*

To devote time to the Corporate Governance of the Company fully and efficiently, the directors therefore may hold director positions in not more than 5 listed companies, unless there is justification. In addition, the Managing Director is required to obtain permission and approval from the Board of Directors at the meeting if he wants to serve as a director at other companies.

### **7.3 Information about Sub-committee**

*Sub-committee of the company* is comprised of **3** sets as follow:

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

## *AUDIT COMMITTEE*

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

### List of Audit Committee

- |                              |                             |
|------------------------------|-----------------------------|
| 1. Mrs. Wanida Chansikarin   | Audit Committee Chairman    |
| 2. Mr. Pitiphong Bisalputra  | Audit Committee Director    |
| 3. Mr. Anin Wanglee          | Audit Committee Director    |
| Accounting & Finance Manager | Audit Committee's Secretary |

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

1. Review the Company's financial reporting process to ensure that it is accurate and adequate.
2. Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to review the independence of the outsource auditor as well as to approve the appointment of outsource internal auditor in charge of the Company's internal audit.



3. Review the Company's operations in compliance with the laws on Securities and Exchanges, the regulations of the Stock Exchange of Thailand, the other laws relating to the Company's business.
4. Propose, select, nominate, and terminate the contract of an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
5. Propose, select, nominate, and terminate the contract of an independent person to be a company's internal auditor and propose the remuneration for the above-mentioned person.
6. Review the connected transactions, or the transactions that may lead to conflicts of interests and to ensure that they are in compliance with the laws and the Stock Exchange's regulations and are reasonable and for the utmost benefit of the Company.
7. Report the performance of the Audit Committee to the Board of Director of the Company at least 4 times per year.
8. Prepare the audit committee's report, and to disclose it in the Company's annual report which must be signed by the audit committee's chairman and consist of at least the following information:
  - an opinion on the accuracy, completeness and creditability of the Company's financial report;
  - an opinion on the adequacy of the Company's internal control system;
  - an opinion on the compliance with the laws on Securities and Exchange, the regulations of the Stock Exchanges of Thailand, or the other laws relating to the Company's business;
  - an opinion on the suitability of an auditor;
  - an opinion on the transactions that may lead to conflicts of interests;
  - the number of the audit committee meetings, and the attendance of such meetings by each committee member;
  - an opinion or overview comment received by the audit committee from its performance of duties in accordance with charter, and
  - other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subjected to the scope of duties and responsibilities assigned by the Company's Board of Directors.
9. to perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee.

10. Reporting the findings or suspicious transactions or any of the following acts which may materially affect the Company's financial condition and operating results, to the Board of Directors for rectification within the period that the Audit Committee thinks fit:
- a transaction which causes a conflict of interest;
  - any fraud, irregularity, or material defect in an internal control system; or
  - an infringement of the law on securities and exchange, the Stock Exchange of Thailand's regulations, or any law relating to the Company's business.
11. If the external auditor discovers any suspicious circumstance that the director, manager, or any other person responsible for the operation of the Company commits an offense as defined by laws and the auditor informed the fact relating to such circumstance to the Committee to continue the inspection without delay. The Committee shall inspect the circumstance and report the result of preliminary inspection to SEC and the external auditor within 30 days from the date received the external auditor noticed. The suspicious circumstance to be reported and the process to uncover facts of such circumstance shall be as specified by the Capital Market Supervisory Board.

#### *REMUNERATION AND NOMINATION COMMITTEE*

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

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

#### *Duties and Responsibilities*

1. Duties and responsibilities in term of Remuneration Process
- Proposed to the Board or shareholder's meetings (as it may be) to consider approval of structure and procedures of remunerations for the Board, the committees, and senior executives.
  - Consider and fix bonus for directors propose to the Board and shareholders' meetings for approval.
  - Consider and fix bonus for senior executives propose to the Board for approval.
  - Consider and review authority and duties of the remunerating to appropriate and comply with legal, regulations and regulatory agencies such as SET and SEC etc.

## 2. Duties and responsibilities in term of Nomination Process

- Determine criteria and procedures for selection of nominees to serve as the Company's director, member of the committees and senior executive propose to the Board for approval.
- Recruit and nominate a qualified person to serve as the Company's director, the committees and senior executive when retiring by rotation or the position is vacant, propose to the Board or shareholder's meetings for approval.
- Review structure and composition of the Board appropriate to the organization and accountability to the shareholders.
- Consider and review authority and duties of the nominating to appropriate and comply with legal, regulations or regulatory agencies such as SET and SEC etc.

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

### *RISK MANAGEMENT COMMITTEE*

The Risk Management Committee was established by the resolution of the Board of Director's Meeting held on 17 December 2018. The Risk Management Committee will have the office term of three years and is comprised of 3 Directors as below:

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

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

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

6. The Risk Management Committee has to hold a meeting when seen as appropriate or at least 1 time a year.
7. Executing other activities that pertain to risks management as assigned by the Board of Directors.

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

#### **7.4 Information about Management Team**

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

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

#### ***THE SCOPE OF DUTIES OF THE MANAGING DIRECTOR***

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

In addition, the Managing Director will perform other tasks as assigned by the resolution of the Board of Directors' meeting and/or the resolution of the shareholders' meeting. However, it must comply with the company's objectives, regulations and relevant laws.

## *REMUNERATION PACKAGE FOR EXECUTIVE MANAGEMENT*

The remuneration of the Executive Management, the Board of Directors has nominated Remuneration and Nomination Committee, comprising 3 persons to consider, and set the appropriate remuneration package for the Executive Management every year by taking into consideration the company's business operation result and bring it to the Board of Director for final approval.

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

### **(a) Monetary Compensation**

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

The total remuneration package for the Executive Management received from the Company is the form of monthly salary and annual bonus, for 5 persons in total of Baht 17,722,590.00 increasing from year 2019 with the amount of Baht 573,890.00 or 3.35%.

### **(b) Other Remuneration**

In the year 2020, the social security fund together with the provident fund contribution for the Management, as the Company's employees, has amounted to Baht 783,888.00 and other welfare benefit such as medical expense and company's car.

## **7.5 Information about Personnel**

As of 31 December 2020, The Company has employed 160 persons in total and has the employee's expenses with the total amount of Baht 67.13 million, comprising of salary, annual bonus, other fringe benefits such as financial support on medical expense, disability, personal loan, uniform, shuttle service, meal for lunch and beverage that aligns with guideline in labor market and as required by law including provident fund.

The Company has a policy to provide both in-house and outside training to the employees at every level to improve their effectiveness constantly.

## **7.6 Other Important Information**

### *THE RESPONSIBLE PERSON IN FINANCE AND ACCOUNTING*

M.L. Chintat Jombunud, the Accounting & Finance Manager is the person being responsible for a company's accounting activities and is assigned to control and supervise the bookkeeping and financial reporting of the organization.

Details and qualification of the Director and Management team is shown in Enclosure No. 1

### *COMPANY SECRETARY*

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

Details and qualifications of the Company's secretary is shown in Enclosure No. 1

### *INTERNAL AUDITOR*

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

Presently, the Company hires AMC International Consulting Company Limited by Khun Salin Nivatpumin, Chief Executive Officer of AMC International Consulting Company Limited as signatory to propose the audit report to the Company's Board of the Audit Committee.

Detailed information of internal auditor is shown in Enclosure No. 3

#### *INVESTOR RELATIONS*

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

#### *REMUNERATION OF EXTERNAL AUDITOR*

Remuneration of company audit and internal audit are as below:

(a) Remuneration of company audit

The Company and subsidiaries hired the same external auditor and paid remuneration for external auditor office for the past year, in amount of Baht 2,630,000.00 increasing Baht 62,000 comparing to the previous year or an increase by 2.41%

(b) Other Remuneration

The Company and subsidiaries paid remuneration for internal control system auditor office for the past year accounting period in amount of Baht 450,000, an increase of Baht 30,000 or increasing by 7.14%.

## **8. IMPORTANT CORPORATE GOVERNANCE PERFORMANCE REPORT**

### **8.1 Summary of the Board of Directors' Performance in the past year**

The Board of Director recognizes the importance of roles, duties, and responsibilities in providing the direction for business operation, monitoring, and supervising the work of every department in the company to follow the corporate policy and strategies and independent from the Executive Management.

The disclosure of numbers of meetings and attendances of all sub-committees has been made including Audit Committee, Risk Management Committee, Remuneration and Nomination Committee as detailed in the point 8.1.2 – 8.2 accordingly. The Chairman of the meeting provided opportunities for every Director to share ideas and discuss the issues freely and allocated times appropriately and effectively. In addition, the Directors were supported to regularly attend the training and seminars relating to their tasks organized by the Securities and Exchange Commission, The Securities Exchange of Thailand, or other independent organizations to enhance knowledge and improve performance enable them to outperform their work more efficiently. The board also conduct self-assessment and performance evaluation of both the committee team and the individual annually as a guideline for monitoring and reviewing issues related to the business operations as well as reviewing committee's performance from the past year to improve for efficiency and effectiveness of the business operation in accordance with the scope of responsibilities under the charter of each sub-committee.

In the past year, every sub-committee has performed its works with full knowledge and capabilities in accordance with the scope of authorization and responsibilities assigned under the charter and complied with the best practices of regulators. The company's secretary summarized and presented the assessment results of every sub-committee to the Executive Management at the Board of Directors Meeting No. 1/2021 on February 25, 2021.

#### **8.1.1 Nomination, Development and Performance's Evaluation of the Board of Directors**

##### *INDEPENDENT DIRECTORS*

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



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

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

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

5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, affiliate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to taking the independent dictatorship.

6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million Baht per year from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to taking the independent dictatorship.
7. Not being a director appointed as representative of Directors of the Company, major shareholder or shareholder who is related to major shareholder.
8. Not conducting any business in the same nature and in competition to the business of the Company or subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which conducts business in the same nature and in competition to the business of the Company or its subsidiary company.
9. Not having any other characteristics which cause the inability to express independent opinions relating to the Company's business operations.
10. The Independent Director must be appointed by the Board of Directors of the Company or the Board of Remuneration and Nomination

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

#### *NOMINATION AND APPOINTMENT OF DIRECTOR AND EXECUTIVE MANAGEMENT*

The appointment of company director requires resolution from the shareholders meeting, which the Remuneration and Nomination Committee will nominate candidates from the director database or from the consulting company according to circumstances. The Remuneration and Nomination Committee will consider from the candidate's qualification, skill, capability, and experiences that is necessary and lacking in the Boarding of Director and the strategy for the Company. After that, the Remuneration and Nomination Committee will propose the selected candidates to the Shareholder at the shareholders meeting. In the voting, the persons with the largest numbers of votes and subsequent orders will be selected, on the basis that each shareholder has one vote for one share being held. Director election should utilize a process in which shareholders are able to vote on individual nominee. The details and background of the Director nominated will be sent and enclosed with the invitation letter of the Annual General Meeting of Shareholders 2020. The company also allowed shareholders to nominate a candidate who is qualified and ready to devote himself/herself to fully perform duty and has capability as required by related law regardless of gender, religion, and race for the director election. The Company announced the criteria and procedures for minor shareholders to propose nominee or candidates as a Director through the Company's website under the investor's relation section from November until 31 December of each year.

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

In the past year, the company did not recruit new directors and executives, but the directors who have completed their terms and were proposed to the shareholders to elect to re-enter.

#### **8.1.2 Meeting Attendance and Remuneration for Individual Directors**

On the day of the 2020 Annual General Meeting of Shareholders held on July 9<sup>th</sup>, 2020 at 14:00 p.m. at Glowfish Conference Hall, Sathorn Thani II Building, Bangrak, Bangkok. 9 members of the Board of Directors attended the meeting, representing 100% of the entire Board of Directors. Directors attending the meeting consisted of Chairman of the Board Chairman of the Audit Committee Audit Committee Director And other directors.

In 2020, the Board of Directors had set up 6 times of ordinary meetings. In order to comply with good corporate governance policy, the Company has set at least 6 times per year of the ordinary meetings for the Board of Directors and another 2 ad hoc meetings due to COVID-19 pandemic, totally 8 meeting in 2020. The Audit Committee meeting must be held at least 4 times per year. The Nomination and Remuneration Committee meeting is set at least 2 times a year and the Risk Management Committee meeting at least once a year. The Board of Directors has set a schedule in advance for meetings throughout the year, which the Company's secretary will inform the Board of Directors for consideration and acknowledgment in December of every year.

To ensure that the Board of Directors is able to efficiently monitor the company's operations and able to comment freely on various problems which relate to overall management, the Board of Directors has scheduled 1 of the 8 meetings without the presence of the Executive Officer. In the year 2020, there was a meeting of non-executive directors on the 21<sup>st</sup> December 2020.

Besides, an extraordinary meeting can be held as necessary or needed. In every meeting, the Company's secretary will send a meeting invitation with the detail of agenda to the Board of Director at least 7 days before the meeting date. Normally, each meeting will last 2 to 3 hours. The meeting attendance of company directors in 2020 can be summarized as below:

Name of Director	Meeting Attendance / Total Number of Meeting (Times)	
	Meeting with the Presence of All Members	Meeting with the Absence of Executive Director
1. Mr. Suchin Wanglee	7 / 7	1 / 1
2. Mr. Vivat Charanvas	7 / 7	1 / 1
3. Mr. Anurat Tiya-phorn	7 / 7	1 / 1
4. Mrs. Wanida Chansikarin	7 / 7	1 / 1
5. Mr. Pitiphong Bisalputra	7 / 7	1 / 1
6. Mr. Anin Wanglee	7 / 7	1 / 1
7. Mr. Somchai Jongsirilerd	7 / 7	1 / 1
8. Mr. Nate Charanvas	7 / 7	-
9. M.L. Chintat Jombunud	7 / 7	-

The Company determined the policy about the minimum number of quorums is two-third whenever they need to vote in the Board of Director's Meeting. Minutes to the meeting have been prepared in writing and minutes approved by Board are documented and readily accessible for audit by the Board of Director and related parties.

#### REMUNERATION PACKAGE FOR DIRECTORS

The Company has set the policy of remuneration package for Directors clearly and transparently which will take the following into account: responsibility, appropriateness, performance, and operation result of the company comparing to other companies in the same business including taking the survey of the Director Compensation Best Practice from Thai Institute Directors and the Stock Exchange of Thailand into consideration. The policy had already been approved and passed the resolution from the shareholder's meeting.

The total remuneration package for the Board of Directors, the Audit Committee, the Remuneration and Nomination Committee and the Risk Management Committee, received from the Company is in the form of meeting allowance and gratuity, for 9 directors in total of Baht 11,960,000.00 same as the previous year which details has shown below:

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

<b>Committee/Board</b>	<b>Remuneration in 2020 (Baht)</b>	<b>Remuneration in 2019 (Baht)</b>
<b>Board of Director</b>	11,500,000.00	11,500.00
<b>Sub-Committee</b>		
– <b>Audit Committee</b>	320,000.00	320,000.00
– <b>Remuneration &amp; Nomination Committee</b>	70,000.00	70,000.00
– <b>Risk management Committee</b>	70,000.00	70,000.00
<b>TOTAL</b>	<b>11,960,000.00</b>	<b>11,960,000.00</b>

### Total Remuneration Package Detail in 2020

No.	Directors' Names	Position	Meeting Allowance (THB)	Gratuity Fee (THB)	Other Benefit
1	Mr. Suchin Wanglee	- Chairman	200,000	2,100,000	none
2	Mr. Vivat Charanvas	- Director - Risk Management Chairman - Remuneration & Nomination Chairman	160,000	1,050,000	none
3	Mr. Anurat Tiyaphorn	- Director - Remuneration & Nomination Director	120,000	1,050,000	none
4	Mrs. Wanida Chansikarin	- Independent Director - Audit Committee Chairman	220,000	1,050,000	none
5	Mr. Pitiphong Bisalputra	- Independent Director - Audit Committee Director Remuneration & Nomination Director	220,000	1,050,000	none
6	Mr. Anin Wanglee	- Independent Director - Audit Committee Director	200,000	1,050,000	none
7	Mr. Somchai Jongsirilerd	- Director - Risk Management Director	120,000	1,050,000	none
8	Mr. Nate Charanvas	- Managing Director - Risk Management Director	120,000	1,050,000	none
9	M.L. Chintat Jombunud	- Director and - Accounting & Finance Manager	100,000	1,050,000	none
<b>TOTAL</b>			<b>1,460,000</b>	<b>10,500,000</b>	

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

### 8.1.3 Supervision of Company' Subsidiaries and Holding Companies

The Company has 5 subsidiaries which the company holds shares from 79.999% to 99.997% which the ration of the investment in company's subsidiaries accounted for 4.87 % of the total assets of the Company and there is no plan for further investment. The Company and its subsidiaries have the same Board of Management who determine the policy of business operation for each subsidiary (please see more detail on Enclosure No. 1 and Enclosure No. 2). The nature of business of each subsidiary is related to packaging products which help supporting each other. The holding company will receive the investment returns in form of dividend. The shareholding structure of the company is as follows:

<b>Company's Subsidiaries</b>	<b>Nature of Business</b>	<b>Registered Capital (Million Baht)</b>	<b>Shareholding (%)</b>
<b>Songkhla Metal Drum</b>	Manufacturer and distributor of metal drums	20	80.00
<b>The Pet Co., Ltd</b>	Manufacturer and distributor of Plastic Products	70	79.99
<b>Surat Metal Drum Co., Ltd.</b>	Trading	20	99.99
<b>Lake Rajada Co., Ltd.</b>	Trading	40	99.99
<b>Eastplast Co., Ltd.</b>	Manufacturer and Distributor of Plastic Products	50	79.99

### 8.1.4 Following up on Compliance with Corporate Governance Policies and practices

#### *PREVENTION OF CONFLICTS OF INTEREST*

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

#### *USE OF INSIDE INFORMATION*

For use of inside information, the Board of Directors as well as the company's management shall report to the Board of Director 1 day ahead in case of company's stock trading and report the changes of securities holding to the Securities Exchange Commission every time there is a transaction. The Company's secretary will bring up to at the next Company's Board of Meeting a change in securities holding by the Director and the Management and will summarize securities holding of the

Directors and the Management to the Board of Directors every year. In addition, as per the policy, the change on the holding of Securities less than 45 days before the submission date of the financial statement to the Securities Exchange Commission (SEC) is also prohibited for the Board of Directors and the Management. The Management or business line possession of inside information are also prohibited to disclose the inside information to any outside persons or unrelated persons by duties, except for the designated persons.

**A Table Showing Shareholding of Director and Executives**

No.	Name-Surname	Position	Shareholding as at 31 DEC 2020	Shareholding as at 31 DEC 2020	Increase/Decrease During Financial Year	% of Shareholders
1	<b>Mr. Suchin Wanglee</b>	Chairman	1,331,600	1,331,600	-	0.888
	Spouse and Minor Children		-	-	-	-
2	<b>Mr. Vivat Charanvas</b>	Director	235,333	235,333	-	0.157
	Spouse and Minor Children		350,000	350,000	-	0.233
3	<b>Mr. Anurat Tiyaophorn</b>	Director	6,600	6,600	-	0.004
	Spouse and Minor Children		-	-	-	-
4	<b>Mrs. Wanida Charnsrikarin</b>	Director	10,000	10,000	-	0.007
	Spouse and Minor Children		-	-	-	-
5	<b>Mr. Pitiphong Bisalputra</b>	Director	49,720	49,720	-	0.033
	Spouse and Minor Children		-	-	-	-
6	<b>Mr. Anin Wanglee</b>	Director	7,000	7,000	-	0.005
	Spouse and Minor Children		-	-	-	-
7	<b>Mr. Somchai Jongsirilerd</b>	Director	-	-	-	-
	Spouse and Minor Children		46,000	46,000	-	0.031
8	<b>Mr. Nate Charanvas</b>	Managing Director	48,952,910	48,952,910	-	32.635
	Spouse and Minor Children		-	-	-	-
9	<b>M.L. Chintat Jombunud</b>	Director	-	-	-	-
	Spouse and Minor Children		-	-	-	-
10	<b>Mrs. Suwaporn Nansurakit</b>	Office Manager	-	-	-	-
	Spouse and Minor Children		-	-	-	-



No.	Name-Surname	Position	Shareholding as at 31 DEC 2020	Shareholding as at 31 DEC 2020	Increase/Decrease During Financial Year	% of Shareholders
11	Mr. Wiboon Wattanaputtiwong	Plant Manager	-	-	-	-
	Spouse and Minor Children		-	-	-	-
12	Mr. Panya Pattarayutawat	Sales & Logistic Manager	-	-	-	-
	Spouse and Minor Children		-	-	-	-

#### *ANTI-CORRUPTION*

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

#### *WHISTLEBLOWING*

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

In the past year, the company has not received any complaints. No fraud, infringement or actions were found and contrary to the corporate governance policies and practices.

## 8.2 Audit Committee Performance Report

In 2020, Audit Committee had held 4 meetings.

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

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

The Audit Committee held 4 meetings as per the minutes of meeting which all Audit Committee member attended all 4 meeting and submitted the result report to the Board of the Audit Committee to propose in the 4 Board of Director Meetings. To review the financial statements of the Company quarterly and at the year end, there were 2 meetings with the auditors of the Company which one out of the said 2 meetings were held without the presence of the company's executive.

In 2020, the independent auditor has examined the payroll process of both Salary and Wages and Human Resource procedures of The Pet Company Limited, a company subsidiary, to improve the efficiency and effectiveness of payment processes. This is to promote transparency and traceability across the operational process and to prevent the corruption. Concerning the regulations and laws outlined by the Securities and Exchange Commission, the Company's Executives have acted in compliance with the SET's regulations. Relating to connected transaction, the company and its subsidiaries do not have any transaction that may lead to conflicts of interest of the person concerned of the Company and its subsidiary. As part of the selection process for company's auditors in 2021, the Audit Committee has proposed the appointment of independent auditors to perform their duties freely to the Board of Directors for approval at the shareholders' meeting according to the details in Enclosure No. 6 of the Audit Committee Report.

## 8.3 Summary of Other Sub-Committees' Performance

### *REMUNERATION AND NOMINATION COMMITTEE*

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

<b>Name</b>	<b>Meeting Attendance/Total Number of Meeting (Times)</b>
1. Mr. Vivat Charanvas	2/2
2. Mr. Anurat Tiyaophorn	2/2
3. Mr. Pitiphong Bisalputra	2/2

The remuneration and nomination committee held 2 meetings as per the minutes of the meeting. Which the committee attended the meeting on February 18, 2020 and December 21, 2020, respectively. The remuneration and nomination committee have performed all assigned duties with prudence, transparency, fairness, and independence in accordance with good corporate governance principles, under the policy and charter of the directors which was reviewed and approved by the Board of Directors. In 2020, the Company has done the remuneration and nomination process and brought into the Board of Director for approval which can be described as follow:

- Consider the nomination of the qualified persons as a Company's Director, to replace the directors who retire by rotation and present to the Board of Directors before proposing at the 2020 Annual General Meeting of Shareholders for consideration and approval.
- Consider and propose the names of qualified directors as members of the sub-committee to the Board of Directors for consideration and appointment as appropriate.
- Consider and propose the remuneration package for the directors of year 2020 according to the criteria set by the company and as appropriate according to their duties, responsibilities, and the past performance to present to the Board of Directors for consideration before proposing at the Annual General Meeting of Shareholders.
- Review the monetary compensation structure as cash equivalent and other benefits for the Board of Directors, sub-committees, and Managing Director to suit the duties and responsibilities and in consistent with the economic conditions and the business operation of the Company.

The Remuneration and Nomination Committee is assigned to evaluate the performance of the executive management of the organizational structure (Managing Director) annually as a guideline in determining the executive management's remuneration and presenting the evaluation results to the Board of Directors for acknowledgment and approval. In 2020, the Remuneration and Nomination Committee has assessed the 2020 performance of the Managing Director (Mr. Nate Charanvas) and reported the result to the Board of Directors at the Board of Director's meeting no. 8/2020 dated December 21, 2020, showing that the overall performance of the Managing Director was "very good".

#### *RISK MANAGEMENT COMMITTEE*

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

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

The Risk Management Committee held a total of 1 meeting as detailed in the minutes of meeting. The entire Risk Management Committee attended the meeting on February 25, 2020 to consider the current risk factors and potential risk which were categorized into 3 levels: factors with high impact are the severe outbreak of the COVID-19 virus, the fluctuation of steel prices, the determination of selling price by customer using the formula based on the company's steel cost, the change on bidding process of the key customers and price competition. The moderate risk factors are the recession due to COVID-19, drought, exports, tourism, and domestic politics, nearby office for rent that is about to open, labor market with quality skills at the head of a department, Thai baht depreciation resulting in high price of imported raw materials. Low risk factors include maintaining the satisfaction of customers, debt collection period, technologies for steel drum manufacturing, drought, reserve funds, property taxes. The Risk Management Committee discussed to find the practical guideline to cope with the afore-mentioned risks that are appropriate with the company business strategies and goals, including the close follow up of situations, news, and related information continuously so the company was able to cope with circumstances or changes timely and effectively.

## **9. INTERNAL CONTROL AND RELATED TRANSACTIONS**

### **9.1 Internal Control**

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

Concerning the revision of the effectiveness of the Company's internal audit. This year, the Company assigned the independent internal auditor to conduct an audit of payroll system and human resource management of the PET Co., Ltd. (the company's subsidiary). The audit covered the areas of policy, rule, and regulation of the Company pertinent to payroll and wage payment system, hiring and employment of permanent employee and day laborers, pay-out process and employee fringe benefits. The other area also included the information system and data storage, documents, forms, information system and software relating to payroll & wage payment system with the purpose of improving the efficiency and effectiveness of payroll system that could be checked and validated at each step and to prevent anti-corruption.

The audit findings showed that the overall working operations were done at the appropriate level and did not find any significant impact. The independent auditor also suggested to improve the weak point of certain working process to strengthen the internal control process of the PET Co., Ltd. more efficiently.

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

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

Concerning to the Risk Management in 2020, the Board of Risk Management Committee had considered and reviewed the risk factors with high impact high possibility, high impact medium possibility and less impact less possibility with a guideline on risk management and submit to the Board of the Director and to the Executive of the Company for their information to operate the business more effectively

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

## **9.2 Related Transactions**

The Company and its subsidiaries had a connected transaction with the person and the related business through intercompany shareholding or the same group of shareholders, directors, or management team. Besides, the related transaction would be considered when one of parties has an ability to control the other party or can exercise significant influence over the other party in making financial and operating decision. Some part of the Company's assets, liabilities, revenue, and expenses arose from transaction with the related parties. The effects of these transactions are reflected in the accompanying financial statements on the basis determined by the normal business as mentioned on the notes to the financial statements no. 5. However, the necessity and rational of the connected transaction is fallen as a normal transaction of business, the Executive Management could propose it to the Board of Directors for approval which was done at the Board of Meeting in 2008 and the Company still followed to the said resolution.

In 2020, the Company and its subsidiaries did not have any new connected transaction which need an approval from the Board of Director as well as to disclose to the Stock Exchange of Thailand.

## Section 3

### Financial Statements

#### FINANCIAL HIGHLIGHT

Unit : Thousand Baht

Financial Status at Year End	2020	2019	2018	2017	2016
Total Assets	3,357,768	3,161,291	3,126,026	2,921,760	2,797,679
Total Liabilities	250,000	280,403	275,252	271,913	257,545
Shareholders' Equity	3,107,768	2,880,888	2,850,774	2,649,847	2,540,134
Sales	1,642,606	1,962,512	1,955,124	1,935,971	1,882,752
Total Revenues	1,758,920	2,095,853	2,065,828	2,040,298	1,973,899
Gross Profit	489,333	492,789	465,236	413,644	471,867
Net Profit	316,478	329,560	335,992	283,811	312,880

Financial Ratio	2020	2018	2017	2016	2015
Return on Earning (%)	17.99	15.72	16.26	13.91	15.85
Return on Equity (%)	10.57	11.50	12.22	10.94	12.71
Return on Assets (%)	9.71	10.48	11.11	9.92	11.48
Earning per Share (Baht)	2.11	2.20	2.24	1.89	2.09
Dividend Per Share (Baht)	1.40 <sup>(1)</sup>	1.40	1.40	1.20	1.20
Book Value Per Share (Baht)	20.72	19.21	19.01	17.67	16.95

<sup>(1)</sup> The proposed dividend per share will be brought into the annual shareholder meeting for approval which is held on 26 April 2021.

## **REPORT OF THE BOARD OF DIRECTORS**

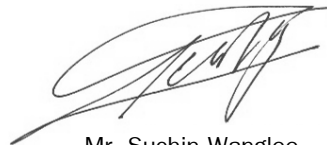
### **The Responsibility on the Company's Financial Statements**

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

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

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

In the opinion of the Board of Directors, the current internal control systems of the Company are presented at the satisfactory level which could generate confidences and reliabilities on the consolidated and financial statement of Thai Metal Drum Manufacturing Public Co., Ltd. and its subsidiaries ending on 31 December 2020 which is practiced in accordance with generally accepted auditing standard and with other applicable laws.



Mr. Suchin Wanglee

Chairman



## **INDEPENDENT AUDITOR’S REPORT**

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

### **Opinion**

I have audited the consolidated financial statements of Thai Metal Drum Manufacturing Public Company Limited and its subsidiaries (the Group) and the separate financial statements of Thai Metal Drum Manufacturing Public Company Limited (the Company), which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the related consolidated and separate statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of Thai Metal Drum Manufacturing Public Company Limited and its subsidiaries and the separate financial position of Thai Metal Drum Manufacturing Public Company Limited as at December 31, 2020, and the related consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

## Key Audit Matters

Key Audit Matter	How the Matter Was Addressed
<p>Recognition of revenues from sales of goods</p> <p>Revenues from sales of goods for the year ended December 31, 2020 were Baht 1,642.61 million in the consolidated financial statements of the Group and were Baht 954.28 million in the separate financial statements of the Company.</p> <p>Major products of the Group are metal drum, and other plastic products. The Group has offered its self-designed products to customers or to produce products in accordance with the customer's specification.</p> <p>Revenues from sales of goods were material to the 2020 financial statements and directly affected the results of operations of the Group and The Company. The rationality of the recognition of revenues from sales of goods is the key matter that I focus.</p>	<p>My audit of revenues from sales of goods including, but not limited to, the following procedures:</p> <ul style="list-style-type: none"> <li>- Gain understandings and test internal control on sale procedures</li> <li>- Gain understandings of the businesses run by the Group's customers and analyze the type of goods and the quantity of goods required by those customers.</li> <li>- Analyze the consistency of goods ordered by each customer monthly and annually by comparing to the related information in previous years to ensure the rationality of the level of sale volume.</li> <li>- Take the results from accounts receivable balance confirmation and jointly analyzed with aging analysis and the monthly sales to each relevant customer to ensure the rationality of sales volume by each customer.</li> <li>- Verify the correctness and completeness of sales transactions with sales documents, goods withdrawal documents, goods delivery documents, customer's goods receipt documents, and sales conditions to ensure that those transactions are valid and in accordance with the sales agreements.</li> <li>- Verify the sales records with evidence of goods withdrawal, goods delivery, and customer's goods receipt to ensure that sales are accounted for in the correct accounting period.</li> <li>- Perform an audit after year end to the audit report date to ensure there is no unusual goods return and at the material volume.</li> <li>- Perform an analysis on the relationship between sales and cost of sales together with the movements of inventories</li> </ul>

## **Other Information**

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

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

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

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

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision, and performance of the Group audit. I remain solely responsible for my audit opinion.

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

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

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

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



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

Bangkok  
February 25, 2021

## Statements of Financial Position

As at December 31, 2020

Unit : Baht

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	4.1 and 6	296,458,099.29	69,961,230.18	46,888,484.52	23,786,124.37
Current investments	4.4 and 9	-	744,799,639.91	-	473,208,174.82
Trade and other receivables	4.2 and 7	278,247,716.79	348,455,975.88	171,105,580.43	177,318,790.42
Inventories	4.3 and 8	159,690,778.61	189,091,033.76	69,712,763.25	101,809,845.99
Other current financial assets	4.5 and 9	733,603,204.75	-	576,274,683.31	-
Other current assets		13,129,854.39	10,952,800.77	4,271,873.86	1,834,928.83
Total current assets		1,481,129,653.83	1,363,260,680.50	868,253,385.37	777,957,864.43
Non-current assets					
Available-for-sale investments	4.4 and 10	-	346,706,122.80	-	166,046,399.20
Other non-current financial assets	4.5 and 10	959,419,137.90	-	570,305,776.20	-
Investments in subsidiary companies	4.4 and 11	-	-	94,070,966.70	94,070,966.70
Long-term investments	4.4 and 10	-	498,250,160.00	-	315,000,000.00
Long-term loans to related party	5.3	-	-	24,000,000.00	24,000,000.00
Investment properties	4.6 and 12	72,733,367.14	78,564,298.80	69,595,429.10	75,471,972.35
Property, plant and equipment	4.7 and 13	833,213,338.32	870,308,350.37	303,759,578.04	329,486,818.56
Intangible assets	4.9 and 14	52,368.72	76,695.63	52,368.72	76,107.48
Non-current financial assets use as collateral	4.4 and 15	7,212,797.83	-	-	-
Other non-current assets		4,006,949.15	4,124,756.85	2,526,949.78	2,544,934.78
Total non-current assets		1,876,637,959.06	1,798,030,384.45	1,064,311,068.54	1,006,697,199.07
Total assets		3,357,767,612.89	3,161,291,064.95	1,932,564,453.91	1,784,655,063.50

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

## Statements of Financial Position

As at December 31, 2020

Unit : Baht

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	16	82,589,259.42	108,217,647.60	21,792,898.75	40,488,542.69
Accrued income tax		35,832,003.25	37,920,323.91	31,767,850.51	30,376,044.59
Other current liabilities		9,079,470.80	8,602,338.91	5,735,429.94	4,588,798.09
Total current liabilities		127,500,733.47	154,740,310.42	59,296,179.20	75,453,385.37
Non-current liabilities					
Long-term loans from related parties	5.3	6,000,000.00	6,000,000.00	-	-
Deferred tax liabilities	22	65,830,274.96	70,302,085.36	13,277,122.39	21,168,417.86
Employee benefit obligations	17	31,250,142.34	29,712,593.14	16,602,442.41	15,491,053.65
Guarantee deposits received		19,418,677.82	19,647,926.32	17,280,379.88	17,359,828.38
Total non-current liabilities		122,499,095.12	125,662,604.82	47,159,944.68	54,019,299.89
Total liabilities		249,999,828.59	280,402,915.24	106,456,123.88	129,472,685.26
Shareholders' equity					
Share capital					
Authorized share capital					
150,000,000 Ordinary shares at Baht 1 each,		150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00
Issued and fully paid-up share capital					
150,000,000 Ordinary shares at Baht 1 each,		150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00
Premium on ordinary shares		340,000,000.00	340,000,000.00	340,000,000.00	340,000,000.00
Retained earnings					
Appropriated for legal reserve	18.2	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00
Unappropriated		2,145,982,743.27	1,914,093,039.94	1,287,156,754.15	1,088,636,114.34
Other components of equity		226,008,759.36	238,661,944.90	33,951,575.88	61,546,263.90
Total equity of the Company's shareholders		2,876,991,502.63	2,657,754,984.84	1,826,108,330.03	1,655,182,378.24
Non-controlling interests		230,776,281.67	223,133,164.87	-	-
Total shareholders' equity		3,107,767,784.30	2,880,888,149.71	1,826,108,330.03	1,655,182,378.24
Total liabilities and shareholders' equity		3,357,767,612.89	3,161,291,064.95	1,932,564,453.91	1,784,655,063.50

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

## Statements of Comprehensive Income

As at December 31, 2020

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Revenues from sales and services					
Revenues from sales of goods and rendering of services	26	1,642,606,031.22	1,962,512,499.53	954,275,642.73	1,015,174,401.23
Rental and service income		66,243,419.59	68,833,166.89	62,167,320.66	65,005,358.09
Total revenues from sales and services		1,708,849,450.81	2,031,345,666.42	1,016,442,963.39	1,080,179,759.32
Costs of sales and services					
Costs of goods sold and rendering of services		(1,205,961,762.22)	(1,518,003,944.25)	(649,050,080.31)	(734,316,979.89)
Costs of rental and services		(13,554,792.11)	(20,552,660.83)	(11,575,773.19)	(17,559,294.59)
Total costs of sales and services		(1,219,516,554.33)	(1,538,556,605.08)	(660,625,853.50)	(751,876,274.48)
Gross profit		489,332,896.48	492,789,061.34	355,817,109.89	328,303,484.84
Other income	19	50,070,172.96	64,506,978.18	64,922,353.69	66,327,714.53
Profit before expenses		539,403,069.44	557,296,039.52	420,739,463.58	394,631,199.37
Selling expenses		(51,270,767.35)	(58,750,484.81)	(31,236,897.28)	(31,396,719.06)
Administrative expenses		(86,445,225.34)	(90,796,029.91)	(46,860,024.11)	(43,486,825.83)
Profit before finance costs and income tax		401,687,076.75	407,749,524.80	342,642,542.19	319,747,654.48
Finance costs		(189,087.11)	(238,668.50)	-	-
Profit before income tax		401,497,989.64	407,510,856.30	342,642,542.19	319,747,654.48
Income tax expenses	22	(69,075,099.48)	(58,841,872.47)	(60,341,902.38)	(46,652,446.25)
Profit for the years		332,422,890.16	348,668,983.83	282,300,639.81	273,095,208.23
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Gain on remeasurement of available-for-sale investments, net of income tax		-	28,416,410.80	-	10,587,111.20
Items that will not be reclassified subsequently to profit or loss					
Actuarial loss, net of income tax		-	(2,071,656.11)	-	(458,253.06)
Loss from remeasurement of equity investments, net of income tax		(70,987,345.22)	-	(27,594,688.02)	-
Other comprehensive income for the years, net of income tax	22	(70,987,345.22)	26,344,754.69	(27,594,688.02)	10,128,858.14
Total comprehensive income for the years		261,435,544.94	375,013,738.52	254,705,951.79	283,224,066.37
Profit attributable to					
Equity of the Company's shareholders		316,477,670.06	329,559,796.42	282,300,639.81	273,095,208.23
Non-controlling interests		15,945,220.10	19,109,187.41	-	-
		332,422,890.16	348,668,983.83	282,300,639.81	273,095,208.23
Total comprehensive income attributable to					
Equity of the Company's shareholders		245,490,324.84	355,904,551.11	254,705,951.79	283,224,066.37
Non-controlling interests		15,945,220.10	19,109,187.41	-	-
		261,435,544.94	375,013,738.52	254,705,951.79	283,224,066.37
Basic earnings per share					
Profit attributable to equity of the Company's shareholders	4.16 and 23	2.11	2.20	1.88	1.82

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



# Consolidated Statement of Changes in Shareholders' Equity

For the Year Ended December 31, 2020

Unit : Baht

Equity of the Company's shareholders										
<div>Other components of equity</div>										
<div>Other comprehensive income</div>										
Note	Issued and	Premium on	Appropriated		Revaluation	Gain (loss) on	Total	Total equity	Non-controlling	Total
	fully paid – up	ordinary shares	Legal reserve	Unappropriated	surplus of land	remeasurement of	other components	of the Company's	Interests	shareholders' equity
	share capital					Investments	of equity	shareholders		
Balance as at January 1, 2019 – as previously reported	150,000,000.00	340,000,000.00	15,000,000.00	1,924,104,899.63	172,009,580.46	43,860,098.83	215,869,679.29	2,644,974,578.92	205,799,902.27	2,850,774,481.19
Adjustments on non-controlling interests	-	-	-	-	(5,624,145.19)	-	(5,624,145.19)	(5,624,145.19)	5,624,145.19	-
Balance as at January 1, 2019 – after adjustment	150,000,000.00	340,000,000.00	15,000,000.00	1,924,104,899.63	166,385,435.27	43,860,098.83	210,245,534.10	2,639,350,433.73	211,424,047.46	2,850,774,481.19
Subsidiaries paid dividend to non-controlling interests	-	-	-	-	-	-	-	-	(7,400,070.00)	(7,400,070.00)
Dividend paid	18.1.1	-	-	(337,500,000.00)	-	-	-	(337,500,000.00)	-	(337,500,000.00)
Total comprehensive income for the year 2019										
Profit for the year	-	-	-	329,559,796.42	-	-	-	329,559,796.42	19,109,187.41	348,668,983.83
Other comprehensive income	-	-	-	(2,071,656.11)	-	28,416,410.80	28,416,410.80	26,344,754.69	-	26,344,754.69
Balance as at December 31, 2019	150,000,000.00	340,000,000.00	15,000,000.00	1,914,093,039.94	166,385,435.27	72,276,509.63	238,661,944.90	2,657,754,984.84	223,133,164.87	2,880,888,149.71
Balance as at January 1, 2020 – as previously reported	150,000,000.00	340,000,000.00	15,000,000.00	1,914,093,039.94	166,385,435.27	72,276,509.63	238,661,944.90	2,657,754,984.84	223,133,164.87	2,880,888,149.71
Effect of changes in accounting policies	3	-	-	(2,087,966.73)	-	58,334,159.68	58,334,159.68	56,246,192.95	(201,998.30)	56,044,194.65
Balance as at January 1, 2020 – after adjustment	150,000,000.00	340,000,000.00	15,000,000.00	1,912,005,073.21	166,385,435.27	130,610,669.31	296,996,104.58	2,714,001,177.79	222,931,166.57	2,936,932,344.36
Subsidiaries paid dividend to non-controlling interests	-	-	-	-	-	-	-	-	(8,100,105.00)	(8,100,105.00)
Dividend paid	18.1.2	-	-	(82,500,000.00)	-	-	-	(82,500,000.00)	-	(82,500,000.00)
Total comprehensive income for the year 2020										
Profit for the year	-	-	-	316,477,670.06	-	-	-	316,477,670.06	15,945,220.10	332,422,890.16
Other comprehensive income	-	-	-	-	-	(70,987,345.22)	(70,987,345.22)	(70,987,345.22)	-	(70,987,345.22)
Balance as at December 31, 2020	150,000,000.00	340,000,000.00	15,000,000.00	2,145,982,743.27	166,385,435.27	59,623,324.09	226,008,759.36	2,876,991,502.63	230,776,281.67	3,107,767,784.30

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

## Separate Statement of Changes in Shareholders' Equity

For the Year Ended December 31, 2020

Unit : Baht

	Note					Other components of equity		Total other components of equity	Total shareholders' equity
		Issued and fully paid – up share capital	Premium on ordinary shares	Retained earnings		Other comprehensive income			
				Appropriated Legal reserve	Unappropriated	Revaluation surplus of land	Gain (loss) on		
							remeasurement of investments		
Balance as at January 1, 2019		150,000,000.00	340,000,000.00	15,000,000.00	1,153,499,159.17	49,920,000.00	1,039,152.70	50,959,152.70	1,709,458,311.87
Dividend paid	18.1.1	-	-	-	(337,500,000.00)	-	-	-	(337,500,000.00)
Total comprehensive income for the year 2019									
Profit for the year		-	-	-	273,095,208.23	-	-	-	273,095,208.23
Other comprehensive income		-	-	-	(458,253.06)	-	10,587,111.20	10,587,111.20	10,128,858.14
Balance as at December 31, 2019		150,000,000.00	340,000,000.00	15,000,000.00	1,088,636,114.34	49,920,000.00	11,626,263.90	61,546,263.90	1,655,182,378.24
Balance as at January 1, 2020 – as previously reported		150,000,000.00	340,000,000.00	15,000,000.00	1,088,636,114.34	49,920,000.00	11,626,263.90	61,546,263.90	1,655,182,378.24
Effect of changes in accounting policies	3	-	-	-	(1,280,000.00)	-	-	-	(1,280,000.00)
Balance as at January 1, 2020 – after adjustment		150,000,000.00	340,000,000.00	15,000,000.00	1,087,356,114.34	49,920,000.00	11,626,263.90	61,546,263.90	1,653,902,378.24
Dividend paid	18.1.2	-	-	-	(82,500,000.00)	-	-	-	(82,500,000.00)
Total comprehensive income for the year 2020									
Profit for the year		-	-	-	282,300,639.81	-	-	-	282,300,639.81
Other comprehensive income		-	-	-	-	-	(27,594,688.02)	(27,594,688.02)	(27,594,688.02)
Balance as at December 31, 2020		150,000,000.00	340,000,000.00	15,000,000.00	1,287,156,754.15	49,920,000.00	(15,968,424.12)	33,951,575.88	1,826,108,330.03

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

## Statements of Cash Flows

As at December 31, 2020

Unit : Baht

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Cash flows from operating activities					
Profit before income tax		401,497,989.64	407,510,856.30	342,642,542.19	319,747,654.48
Adjustments to reconcile profit before income tax to net cash provided by operating activities					
Depreciation and amortization	24	97,665,554.15	102,958,034.25	33,793,346.05	33,577,271.91
Bad debt expense	7	-	2,863,664.76	-	-
Doubtful accounts (reversal)	7	-	(2,863,664.76)	-	-
Unrealized (gain) loss on currency exchange rate		10,197.93	(5,018.59)	-	(5,183.72)
Loss on inventories devaluation	8	-	515,064.42	-	-
Loss on inventories devaluation reversal	8	(515,064.42)	(168,093.80)	-	-
Loss from deteriorated and obsolete inventories reversal	8	(1,736,968.00)	3,302,166.23	-	-
Inventories - written off	8	52,473.12	-	-	-
(Gain) Loss on sales of securities		3,884,492.65	(13,014,250.06)	3,012,360.03	(9,551,602.32)
Unrealized (gain) loss on changes in value of investments	9	3,616,532.82	(421,739.08)	2,710,406.62	(103,180.75)
(Gain) Loss on sale of fixed assets		(2,572.47)	(3,271,827.95)	66,335.69	(732,826.23)
Loss on obsolete fixed assets		27,999.05	116,658.64	22,895.83	97,688.13
Transferred assets to expenses		89,901.50	87,117.69	-	67,997.19
Withholding tax - written off		105,405.49	-	-	-
Employee benefit expenses	17	2,679,284.52	9,706,077.10	1,116,388.76	4,425,671.35
Guarantee deposits received - written off		-	(613,399.77)	-	-
Dividend income		(16,530,127.60)	(20,874,336.99)	(41,963,401.64)	(38,430,583.40)
Interest income		(24,714,117.87)	(21,357,979.36)	(18,374,494.87)	(16,624,664.31)
Interest expenses		189,087.11	238,668.50	-	-
		466,320,067.62	464,707,997.53	323,026,378.66	292,468,242.33
Changes in operating assets and liabilities					
(Increase) decrease in assets					
Trade and other receivables		69,478,721.44	(31,071,549.33)	6,201,247.65	(26,876,477.86)
Inventories		31,599,814.45	45,552,129.86	32,097,082.74	13,438,200.66
Other current assets		(4,921,426.57)	(13,340.84)	293,055.90	(320,515.03)
Other non-current assets		17,985.00	(126,086.79)	17,985.00	5,160.00
Increase (decrease) in liabilities					
Trade and other payables		(26,758,156.42)	(39,995,138.10)	(18,519,136.80)	10,535,145.51
Other current liabilities		477,131.89	1,528,151.92	1,140,486.85	(221,331.54)
Guarantee deposits received		(229,248.50)	555,999.94	(79,448.50)	387,102.00
Employee benefit obligations	17	(1,141,735.32)	(4,063,768.09)	(5,000.00)	(334,470.00)
Cash generated from operations		534,843,153.59	437,074,396.10	344,172,651.50	289,081,056.07
Interest paid		(189,087.11)	(238,668.50)	-	-
Income tax paid		(73,493,967.62)	(30,827,343.57)	(59,622,719.93)	(21,974,292.31)
Net cash provided by operating activities		461,160,098.86	406,008,384.03	284,549,931.57	267,106,763.76

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

## Statements of Cash Flows

As at December 31, 2020

Unit : Baht

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Cash flows from investing activities</b>					
Decrease in current investments		-	141,297,199.00	-	133,790,596.22
Increase in other current financial assets		177,590,415.62	-	5,105,730.79	-
Increase in available-for-sale investments		-	(24,966,609.30)	-	(18,179,710.20)
Increase in long-term investments		-	(185,000,000.00)	-	(95,000,000.00)
Increase in other non-current financial assets		(376,999,837.02)	-	(307,961,337.02)	-
Decrease in other non-current financial assets		72,000,000.00	-	70,000,000.00	-
Cash received from redemption of invesments	10	720,500.00	545,600.00	208,600.00	347,200.00
Purchases of investment properties		(580,000.00)	-	-	-
Purchases of fixed assets		(49,736,350.62)	(93,357,190.02)	(2,919,372.49)	(22,288,060.20)
Increase in deposits for purchase of fixed assets		(3,544,669.60)	(7,993,537.13)	(2,791,260.00)	(61,350.00)
Sales of fixed assets		5,659,042.76	39,629,031.62	726,966.45	1,470,597.68
Increase in non-current financial assets use as collateral		(7,276,857.00)	-	-	-
Dividend received		16,530,127.60	20,874,336.99	41,963,401.64	38,430,583.40
Interest received		22,736,681.38	20,625,648.22	16,891,451.28	16,300,250.98
<b>Net cash provided by (used in) investing activities</b>		<b>(142,900,946.88)</b>	<b>(88,345,520.62)</b>	<b>(178,775,819.35)</b>	<b>54,810,107.88</b>
<b>Cash flows from financing activities</b>					
Payments for asset payables		(1,162,177.87)	(344,193.41)	(177,897.07)	(89,041.52)
Dividend paid		(90,600,105.00)	(344,900,070.00)	(82,493,855.00)	(337,500,000.00)
<b>Net cash used in financing activities</b>		<b>(91,762,282.87)</b>	<b>(345,244,263.41)</b>	<b>(82,671,752.07)</b>	<b>(337,589,041.52)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>226,496,869.11</b>	<b>(27,581,400.00)</b>	<b>23,102,360.15</b>	<b>(15,672,169.88)</b>
<b>Cash and cash equivalents as at January 1,</b>		<b>69,961,230.18</b>	<b>97,542,630.18</b>	<b>23,786,124.37</b>	<b>39,458,294.25</b>
<b>Cash and cash equivalents as at December 31,</b>	4.1 and 6	<b>296,458,099.29</b>	<b>69,961,230.18</b>	<b>46,888,484.52</b>	<b>23,786,124.37</b>
<b>Supplemental disclosures of cash flow information</b>					
Non-cash items					
Loss from remeasurement of equity investments		(88,734,181.53)	-	(34,493,360.02)	-
Gains on changes in value of available-for-sale investments		-	35,520,513.50	-	13,233,889.00
Asset payables		2,293,929.34	607,790.60	1,389.93	177,897.07

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

## **Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

### **1. GENERAL INFORMATION**

- 1.1 Thai Metal Drum Manufacturing Public Company Limited (“the Company”) was incorporated in Thailand in the year 1958 and has been listed in the Stock Exchange of Thailand since 1989. The address of head office is 193/142 Rachadapisek Road, Klongtoey, 35th Floor Lake Rajada Office Complex, Bangkok 10110 and its factory is located at 179 Moo 9 Bangwua, Bangpakong, Chachoengsao, in Wellgrow Industrial Estate Zone.
- 1.2 The Company’s operations are manufacturer and distributor of 200 liters metal drum, and to provide office buildings for rent.
- 1.3 The Company’s major shareholders is Charanvas family.
- 1.4 Coronavirus disease 2019 pandemic  
The Coronavirus disease 2019 pandemic is impacting most businesses and industries, resulting in an economic slowdown. This situation may bring uncertainties and has an impact on the environment of the Group’s operation. The Group’s management continuously monitored the ongoing development and assessed the financial impact in respect of the valuation of assets, provisions, and contingent liabilities.

### **2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS**

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards which are issued under the Accounting Professions Act B.E.2547, and have been presented under the Accounting Act. B.E.2543, and applicable rules and regulations of the Securities and Exchange Commission under the Securities and Exchange Act.
- 2.2 Historical cost is used as measurement basis in preparing these financial statements except for some items as indicated in the accounting policy.
- 2.3 The financial statements of the Group are prepared and presented from the statutory financial statement that are in Thai language and Thai currency. The English version has been prepared from Thai financial statement.

## 2.4 Basis of preparation of the consolidated financial statements

The consolidated financial statements include the financial statements of the Company and its subsidiaries, collectively called the Group. The Company holds shares at the percentages as follows:

	Shareholdings (%)	
	2020	2019
Surat Metal Drum Co., Ltd. *	99.9970	99.9970
Songkhla Metal Drum Co., Ltd.	80.0000	80.0000
The Pet Co., Ltd.	79.9990	79.9990
Lake Rajada Co., Ltd.* (Indirect subsidiary)	99.9970	99.9970
Eastplast Co., Ltd. (Indirect subsidiary)	79.9990	79.9990

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

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

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

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

The financial information of the subsidiaries for the consolidate financial statement have been prepared by applying the same significant accounting policies as the Company.

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

## 2.5 New and Revised Thai Financial Reporting Standards

### 2.5.1 The Financial Reporting Standards that have been effective in the current accounting period.

The Group has adopted the new and revised Thai Financial Reporting Standards, Thai Accounting Standards, Thai Financial Reporting Standard Interpretations, Thai Accounting Standard Interpretations, and Guidelines promulgated by the Federation of Accounting Professions that have been effective for accounting periods beginning on or after January 1, 2020. The new standards which involve changes to key principles are summarized as follows:

#### **Thai Financial reporting standards and Interpretations relating to financial instruments comprise:**

##### Thai Financial Reporting Standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

##### Thai Accounting Standards

TAS 32	Financial Instruments: Presentation
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##### Thai Financial Reporting Standard Interpretations

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

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

The adoption of these TFRSs have the effect on the Group's as disclosed in Note 3 to the financial statements.

#### **Thai Financial Reporting Standards No 16: Leases**

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

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

The adoption of this TFRS does not have any material effect on the Group's financial statements.

## 2.5 New and Revised Thai Financial Reporting Standards

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

The Group have selected to apply this temporary relief measures on accounting alternatives based on the below TFRSs as follows:

#### *Thai Financial Reporting Standards No 9: Financial Instrument*

- Not to take into forward-looking information using in measurement of expected credit loss for a simplified approach.
- To measure the fair value of investments in non-marketable equity securities using the fair value as at January 1, 2020.

#### *Thai Financial Reporting Standards No 13: Fair Value Measurement*

- Take into the COVID-19 situation as less weight of input used in the valuation techniques for measuring Level 2 and Level 3 fair values of financial assets that are debt instruments, defined in TAS 32: Financial Instruments: Presentation.
- Not to consider the COVID-19 situation as likely impact to future financial forecast used in the valuation techniques for measuring fair value of non-financial assets such as property, plant and equipment, investment property, etc.

### 2.5.3 The Financial Reporting Standards that have not yet been effective in the current accounting period.

The Federation of Accounting Professions has promulgated several new and revised Thai Financial Reporting Standards, Thai Accounting Standards, Thai Financial Reporting Standard Interpretations, which will be effective for accounting periods beginning on or after January 1, 2021, which the Group have not adopted the above standards before the effective date.

The management of the Group is in the process of assessing the impact on the financial statements in the year that the above standards are applied.



## 2.6 Use of judgements and estimates

In the preparation of financial statements in conformity with Thai Financial Reporting Standards, management applied make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions will be reviewed on an ongoing basis. Changes in accounting estimates are accounted for prospectively.

Information about the keys judgements, estimates and assumption made in applying accounting policies that have the most significant effects on the value recognized in the financial statements is as follows:

### Consolidation

- Whether the Group has de facto control over an investee.

### Allowance for expected credit losses of trade receivables

- In determining an allowance for expected credit losses of trade receivables the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic.
- The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will default in the future.

### Provision for diminution in the value of inventory

- The allowance for diminution in net value of inventories is estimated from the expected ordinary selling price deducted the selling expenses.
- The allowance for obsolete slow-moving and deteriorating inventories is estimated from the age of inventories, current competitiveness in the market and economic and industry situation.

### Leases

- Whether an arrangement contains a lease
- Whether the Group is reasonably certain to exercise extension options
- Whether the Group exercise termination options
- Whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.

### Employee benefits

- Measurement of defined employee benefit obligations which related to actuarial assumptions.

### Income tax

- Recognition of deferred tax assets, availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized.

### Financial instruments

- Determining the fair value of financial instruments on the basis of significant unobservable inputs.

### 3. EFFECT OF CHANGES IN ACCOUNTING POLICIES FROM THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

For the accounting period ended December 31, 2020, the Group has adopted the TFRSs related to financial instruments, which the cumulative effect of initially applying is recognized as an adjustment to the retained earnings and other component of equity as at January 1, 2020, and the comparative information was not restated.

The changes in accounting policies has impacted to the financial statements as follows:

Unit: Baht

	Consolidated financial statements		
	Financial reporting standards related to		
	Dec. 31, 2019	financial instruments	Jan. 1, 2020
<b>Statement of financial position</b>			
<b>Assets</b>			
Current investments	744,799,639.91	(744,799,639.91)	-
Trade and other receivables	348,455,975.88	(2,862,456.29)	345,593,519.59
Other current financial assets	-	744,799,639.91	744,799,639.91
Available-for-sale investments	346,706,122.80	(346,706,122.80)	-
Long-term investments	498,250,160.00	(498,250,160.00)	-
Other non-current financial assets	-	917,873,982.40	917,873,982.40
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Deferred tax liabilities	70,302,085.36	14,061,548.24	84,363,633.60
<b>Shareholders' equity</b>			
Retained earnings – unappropriated	1,914,093,039.94	(2,087,966.73)	1,912,005,073.21
Other components of equity	238,661,944.90	58,334,159.68	296,996,104.58
Non-controlling interests	223,133,164.87	(201,998.30)	222,931,166.57

### 3. EFFECT OF CHANGES IN ACCOUNTING POLICIES FROM THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

The changes in accounting policies has impacted to the financial statements as follows:

Unit: Baht

	Separate financial statements		
	Financial reporting standards related to		
	Dec. 31, 2019	financial instruments	Jan. 1, 2020
<b>Statement of financial position</b>			
<b>Assets</b>			
Current investments	473,208,174.82	(473,208,174.82)	-
Trade and other receivables	177,318,790.42	(1,600,000.00)	175,718,790.42
Other current financial assets	-	473,208,174.82	473,208,174.82
Available-for-sale investments	166,046,399.20	(166,046,399.20)	-
Long-term investments	315,000,000.00	(315,000,000.00)	-
Other non-current financial assets	-	481,046,399.20	481,046,399.20
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Deferred tax liabilities	21,168,417.86	(320,000.00)	20,848,417.86
<b>Shareholders' equity</b>			
Retained earnings-unappropriated	1,088,636,114.34	(1,280,000.00)	1,087,356,114.34

### 3. EFFECT OF CHANGES IN ACCOUNTING POLICIES FROM THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

The details of effect on retained earnings and other components of equity as at January 1, 2020 are as follows:

Unit: Baht

	Consolidated financial statements	
	Retained Earnings	Other components of equity
<b>As at December 31, 2019 – as previously reported</b>	1,914,093,039.94	238,661,944.90
Effect from adopting the financial instruments standards		
Gain on remeasurement of non-marketable equity securities	-	72,917,699.60
Impairment losses on trade receivables	(2,609,958.41)	-
Related tax	521,991.68	(14,583,539.92)
<b>As at January 1, 2020 – after adjustments</b>	<u>1,912,005,073.21</u>	<u>296,996,104.58</u>

Unit: Baht

	Separate financial statements	
	Retained Earnings	Other components of equity
<b>As at December 31, 2019 – as previously reported</b>	1,088,636,114.34	61,546,263.90
Effect from adopting the financial instruments standards		
Impairment losses on trade receivables	(1,600,000.00)	-
Related tax	320,000.00	-
<b>As at January 1, 2020 – after adjustments</b>	<u>1,087,356,114.34</u>	<u>61,546,263.90</u>

### 3. EFFECT OF CHANGES IN ACCOUNTING POLICIES FROM THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

The classifications, measurement basis and carrying values of financial assets and financial liabilities in accordance with TFRS 9 as at January 1, 2020, and the carrying amounts under the previous standards, are as follows:

Unit: Baht

Consolidated financial statements					
Classification and measurement under TFRS 9					
Jan. 1, 2020					
	Carrying amount Dec. 31, 2019	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total
<b>Financial assets</b>					
Cash and cash equivalents	69,961,230.18	-	-	69,961,230.18	69,961,230.18
Current investments	744,799,639.91	646,694,645.84	-	98,104,994.07	744,799,639.91
Trade and other receivables	348,455,975.88	-	-	348,455,975.88	348,455,975.88
Available-for-sale securities	346,706,122.80	-	346,706,122.80	-	346,706,122.80
Long-term investments	498,250,160.00	-	51,250,160.00	447,000,000.00	498,250,160.00
<b>Total financial assets</b>	<u>2,008,173,128.77</u>	<u>646,694,645.84</u>	<u>397,956,282.80</u>	<u>963,522,200.13</u>	<u>2,008,173,128.77</u>
<b>Financial liabilities</b>					
Trade and other payables	108,217,647.60	-	-	108,217,647.60	108,217,647.60
Long-term loans from related parties	6,000,000.00	-	-	6,000,000.00	6,000,000.00
<b>Total financial liabilities</b>	<u>114,217,647.60</u>	<u>-</u>	<u>-</u>	<u>114,217,647.60</u>	<u>114,217,647.60</u>

### 3. EFFECT OF CHANGES IN ACCOUNTING POLICIES FROM THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

The classifications, measurement basis and carrying values of financial assets and financial liabilities in accordance with TFRS 9 as of January 1, 2020, and the carrying amounts under the previous standards, are as follows:

Unit: Baht

Separate financial statements					
Classification and measurement under TFRS 9					
Jan. 1, 2020					
	Carrying amount Dec. 31, 2019	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total
<b>Financial assets</b>					
Cash and cash equivalents	23,786,124.37	-	-	23,786,124.37	23,786,124.37
Current investments	473,208,174.82	418,103,180.75	-	55,104,994.07	473,208,174.82
Trade and other receivables	177,318,790.42	-	-	177,318,790.42	177,318,790.42
Available-for-sale securities	166,046,399.20	-	166,046,399.20	-	166,046,399.20
Long-term investments	315,000,000.00	-	-	315,000,000.00	315,000,000.00
Long-term loans to related party	24,000,000.00	-	-	24,000,000.00	24,000,000.00
<b>Total financial assets</b>	<u>1,179,359,488.81</u>	<u>418,103,180.75</u>	<u>166,046,399.20</u>	<u>595,209,908.96</u>	<u>1,179,359,488.81</u>
<b>Financial liabilities</b>					
Trade and other payables	40,488,542.69	-	-	40,488,542.69	40,488,542.69
<b>Total financial liabilities</b>	<u>40,488,542.69</u>	<u>-</u>	<u>-</u>	<u>40,488,542.69</u>	<u>40,488,542.69</u>

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Cash and cash equivalents

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

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

##### 4.2 Trade receivables

###### ***Accounting policies adopted before January 1, 2020***

Trade receivables are stated at net realizable value which is the amount of invoices net of allowance for doubtful accounts. The Group has provided the allowance for doubtful accounts for each account receivables based on the estimated uncollectible amounts by considering from the financial status and the management estimates.

###### ***Accounting policies adopted as from January 1, 2020***

Trade receivables are presented at amount to be received from customers for sales and services.

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.

The Group measure expected credit losses by using a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

##### 4.3 Inventories

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

The costs of purchased inventories comprise the purchase price and other costs directly attributed to the acquisition of goods. Costs of finished goods and work in process comprise costs of raw materials, labor and manufacturing overhead. The costs of inventories are calculated as follows:

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 4.4 Investments

Investments in subsidiaries in the separate financial statements are accounted for by the cost method less allowance for loss impairment of investment (if any).

##### ***Accounting policies adopted before January 1, 2020***

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

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

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

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

Cost of investments sold, and the balance of the investments are computed by using the weighted average method.



## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 4.5 Financial assets and financial liabilities

#### ***Accounting policies adopted as from January 1, 2020***

##### **Classification and measurement**

The Group classifies the financial asset depended on the characteristics of the contractual cash flows and the entity's business model, as follows:

##### *Financial assets – Debt instruments*

- Amortized cost: A financial assets will be measured at amortized cost when the financial asset is held in order to collect contractual cash flows and 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. Financial assets at amortized cost are subsequently measured by using the effective interest rate (“EIR”) method and are subjected to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.
- Fair value through other comprehensive income (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. Movement in the carrying amount are taken through other comprehensive income.
- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. The changes in fair value are recognized in profit or loss.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 4.5 Financial assets and financial liabilities

#### **Classification and measurement**

##### *Equity instrument*

- Investment in equity instruments that not held for trading as the financial asset measured at fair value through other comprehensive income. Gains and losses arising from changes in fair value is recognized in other comprehensive income and not subsequently transferred to profit or loss when disposal, but to retained earnings. Dividends on these investments are recognized in profit or loss.
- Investment in equity instruments that held for trading as the financial asset measured at fair value through profit or loss which are carried in the statement of financial position at fair value. The changes in fair value are recognized in profit or loss. Dividends on these investments are recognized in profit or loss.

The Group classifies and measures the financial liabilities at amortized cost.

#### **Derecognition**

Financial assets are derecognized when the rights to receive cash flows from the financial assets have been expired or have been transferred substantially all the risks and rewards of ownership of the financial assets. The Group derecognized financial liabilities when the obligation under the liabilities is discharged or expires.

#### **Impairment**

The Group accounts for the expected credit losses on its financial assets carried at amortizes cost and FVOCI without the circumstance that might cause a credit loss. The Group applies the general approach to measurement expected credit losses, except trade receivables applies the simplified approach to measure expected credit losses.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **4.6 Investment Properties**

Land is stated at the cost.

Investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

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

##### **4.7 Property, plant and equipment**

Land is stated at the revalued amount.

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

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

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **4.7 Property, plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

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

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

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

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

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

Depreciation is recognized as expense for each accounting period.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **4.8 Leases**

###### ***Accounting policies adopted before January 1, 2020***

###### **Finance Leases**

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

###### **Operating Leases**

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

###### ***Accounting policies adopted as from January 1, 2020***

At inception of contract, the Group assesses whether a 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.

###### **The Group as a lessee**

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

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 4.8 Leases

At the commencement date of the lease, the Group recognizes lease liabilities 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 Group's 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*

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognized as expenses on a straight-line basis over the lease term.

#### **The Group as a lessor**

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognized as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognized over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognized as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognized as an expense over the lease term on the same basis as the lease income.

### 4.9 Intangible assets

Computer softwares are stated at cost less accumulated amortization and allowance for loss on impairment of assets (if any). Amortization is charged by the straight-line method over the period of economic benefit will flow to the Group for 5 years.

Amortization is recognized as expense for each accounting period.

## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **4.10 Impairment of assets**

The Group assesses the impairment of assets i.e. Investment properties, plant and equipment and intangible assets whenever there is indication that an asset may be impaired, the impairment will be assessed by estimating the recoverable amount of asset, if it is below the carrying amount of asset, it signs an asset is impairment. The Group will recognize the impairment loss in profit or loss.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### **4.11 Provisions**

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

### **4.12 Revenue recognition**

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

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

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

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

Interest income is recognized using the effective the interest method.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **4.13 Employee Benefits**

###### **Short-term employee benefits**

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

###### **Provident fund**

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

###### **Post-employment benefits**

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

The Group recognize the actuarial gains and losses on remeasurements of defined benefit plan arising from the above provision in other comprehensive income while all expenses related to post-employment benefits plans are recognized in profit or loss.

##### **4.14 Translation of foreign currency**

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



#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **4.15 Income tax**

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

Current income tax and deferred tax are recognized in profit or loss except for the related items which recognized directly in equity or in other comprehensive income.

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

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

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

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

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

##### **4.16 Basic earnings per share**

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

## 5. RELATED PARTY TRANSACTIONS

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

5.1 Relationships with related parties are detailed as follows:

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

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

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

## 5. RELATED PARTY TRANSACTIONS

5.3 Outstanding balances with related parties as at December 31, 2020 and 2019 are as follows:

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Trade and other receivables</b>					
Trade receivables					
Songkhal Metal Drum Co., Ltd.		-	-	76,321.60	-
Sermsuk Public Co., Ltd.		29,485,298.17	57,071,076.75	-	-
Other receivables					
Songkhal Metal Drum Co., Ltd.		-	-	1,123.50	1,605.00
The Pet Co., Ltd.		-	-	481.50	481.50
Lake Rajada Co., Ltd.		-	-	321.00	481.50
<b>Total</b>		<b>29,485,298.17</b>	<b>57,071,076.75</b>	<b>78,247.60</b>	<b>2,568.00</b>

### Investments in subsidiary companies

Unit: Baht

		Consolidated financial statements			
	Nature of relationship	Paid-up	Share	Equity Method	
		Share capital	Holding	2020	2019
Surat Metal Drum Co., Ltd.	Distributor of raw materials for the production of containers.	20,000,000.00	99.9970	224,677,736.66	194,048,028.88
Songkhla Metal Drum Co., Ltd.	Manufacturer and distributor of metal drums.	20,000,000.00	80.0000	358,437,762.41	369,125,013.00
The Pet Co., Ltd.	Manufacturer and distributor of plastic products.	70,000,000.00	79.9990	562,395,927.83	531,450,616.21
				1,145,511,426.90	1,094,623,658.09
Eliminated intra-group transactions				(1,145,511,426.90)	(1,094,623,658.09)
<b>Net</b>				<b>-</b>	<b>-</b>

## 5. RELATED PARTY TRANSACTIONS

5.3 Outstanding balances with related parties as of December 31, 2020 and 2019 are as follows:

	Unit: Baht	
	Separate financial statements	
	2020	2019
<b>Long-term loans to related party</b>		
Balance at beginning of years	24,000,000.00	24,000,000.00
Increase during the years	-	-
Decrease during the years	-	-
Balance at end of years	24,000,000.00	24,000,000.00

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Trade and other payables</b>				
Trade payables				
Eastplast Co., Ltd.	-	-	149,084.45	65,591.00
The Pet Co., Ltd.	-	-	48,150.00	80,250.00
Other payables				
Sermasuk Public Co., Ltd.	548,414.99	354,549.20	-	-
<b>Total</b>	548,414.99	354,549.20	197,234.45	145,841.00

## 5. RELATED PARTY TRANSACTIONS

5.3 Outstanding balances with related parties as at December 31, 2020 and 2019 are as follows:

### Long-term loans from related parties

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

5.4 Related party transactions for the years ended December 31, 2020 and 2019 are as follows:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Purchases of raw materials	-	-	487,980.00	642,255.00
Purchases of goods	-	-	4,111,326.75	1,820,176.25
Sales of raw materials	-	-	11,630,280.80	12,208,906.36
Sales of goods	236,316,406.02	430,572,888.69	-	-
Interest income	-	-	756,348.48	954,673.97
Rental and service income	240,000.00	240,000.00	999,300.00	407,700.00
Dividend income from subsidiaries	-	-	32,399,895.00	29,599,930.00
Interest paid	94,543.55	119,334.26	-	-
Dividend paid	1,050,000.00	700,000.00	-	-
Compensation for damage	14,861.55	79,252.48	-	-

5.5 Management remuneration for the years ended December 31, 2020 and 2019 are as follows:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Management remuneration	33,527,015.50	33,530,208.00	30,466,478.00	30,017,580.00

## 6. CASH AND CASH EQUIVALENTS

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash on hand	574,620.62	349,810.50	140,000.00	160,000.00
Cheques on hand	8,254,160.56	2,784,160.22	656,068.15	2,784,160.22
Demand deposits				
Savings accounts	272,068,508.21	54,670,403.60	37,281,023.24	14,949,664.92
Current accounts	15,560,809.90	12,156,855.86	8,811,393.13	5,892,299.23
<b>Total</b>	<b>296,458,099.29</b>	<b>69,961,230.18</b>	<b>46,888,484.52</b>	<b>23,786,124.37</b>

## 7. TRADE AND OTHER RECEIVABLES

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables				
Related parties (Note 5.3)	29,485,298.17	57,071,076.75	76,321.60	-
Other companies				
Domestic	242,462,924.71	282,326,416.04	168,744,820.75	174,843,852.34
Foreign	2,727,682.13	1,959,428.19	-	-
	<u>274,675,905.01</u>	<u>341,356,920.98</u>	<u>168,821,142.35</u>	<u>174,843,852.34</u>
<b>Less</b> Allowance for expected credit losses (2019: Allowance for doubtful accounts)	<u>2,862,456.29</u>	<u>-</u>	<u>1,600,000.00</u>	<u>-</u>
	<u>271,813,448.72</u>	<u>341,356,920.98</u>	<u>167,221,142.35</u>	<u>174,843,852.34</u>
Other receivables				
Related parties (Note 5.3)	-	-	1,926.00	2,568.00
Other companies	6,434,268.07	7,099,054.90	3,882,512.08	2,472,370.08
	<u>6,434,268.07</u>	<u>7,099,054.90</u>	<u>3,884,438.08</u>	<u>2,474,938.08</u>
<b>Total</b>	<b><u>278,247,716.79</u></b>	<b><u>348,455,975.88</u></b>	<b><u>171,105,580.43</u></b>	<b><u>177,318,790.42</u></b>

## 7. TRADE AND OTHER RECEIVABLES

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Aging analyses of trade accounts receivable are detailed as follows:				
Not yet due	211,833,595.72	246,700,374.71	130,455,173.35	137,377,760.85
Overdue:				
Not over 3 months	62,626,597.29	94,656,546.27	38,150,257.00	37,466,091.49
Over 3 months to 6 months	-	-	-	-
Over 6 months to 9 months	134,820.00	-	134,820.00	-
Over 9 months to 12 months	80,892.00	-	80,892.00	-
	274,675,905.01	341,356,920.98	168,821,142.35	174,843,852.34
<b>Less</b> Allowance for expected credit losses (2019: Allowance for doubtful accounts)	2,862,456.29	-	1,600,000.00	-
<b>Net</b>	271,813,448.72	341,356,920.98	167,221,142.35	174,843,852.34
Bad debt expense	-	2,863,664.76	-	-
Doubtful accounts (reversal)	-	(2,863,664.76)	-	-

## 8. INVENTORIES

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Finished goods	18,271,881.33	22,433,044.25	8,501,209.79	8,525,050.63
Work in process	12,583,058.88	14,506,123.80	12,247,324.80	13,661,737.74
Raw materials	120,280,613.23	146,788,823.52	48,119,294.03	78,813,422.01
Factory supplies	3,557,845.18	4,165,744.61	844,934.63	809,635.61
Spare parts	10,509,176.94	8,961,126.95	-	-
<b>Total</b>	<b>165,202,575.56</b>	<b>196,854,863.13</b>	<b>69,712,763.25</b>	<b>101,809,845.99</b>
<b>Less</b> Allowance for decline in value	-	515,064.42	-	-
Allowance for deteriorated and obsolete inventories	5,511,796.95	7,248,764.95	-	-
<b>Net</b>	<b>159,690,778.61</b>	<b>189,091,033.76</b>	<b>69,712,763.25</b>	<b>101,809,845.99</b>
Loss on inventories devaluation	-	515,064.42	-	-
Loss on inventories devaluation (reversal)	(515,064.42)	(168,093.80)	-	-
Loss from deteriorated and obsolete Inventories (reversal)	(1,736,968.00)	3,302,166.23	-	-
Inventories - written off	52,473.12	-	-	-



## 9. OTHER CURRENT FINANCIAL ASSETS/CURRENT INVESTMENTS

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Other current financial assets</b>				
Long-term fixed deposits due within one year (Note 10)	64,000,000.00	-	34,000,000.00	-
Investments in debt instruments				
Debt instruments	559,603,204.75	-	462,274,683.31	-
Debt instruments due within one year (Note 10)	110,000,000.00	-	80,000,000.00	-
<b>Total</b>	<b>733,603,204.75</b>	<b>-</b>	<b>576,274,683.31</b>	<b>-</b>
<b>Current investments</b>				
Long-term fixed deposits due within 1 year (Note 10)	-	43,000,000.00	-	20,000,000.00
Debt securities due within 1 year (Note 10)	-	55,104,994.07	-	35,104,994.07
Trading securities				
Unit trusts - at cost	-	646,272,906.76	-	418,000,000.00
Changes in fair value	-	421,739.08	-	103,180.75
<b>Total</b>	<b>-</b>	<b>744,799,639.91</b>	<b>-</b>	<b>473,208,174.82</b>

## 9. OTHER CURRENT FINANCIAL ASSETS/CURRENT INVESTMENTS

Movements of investments in debt instruments (2019: trading securities) are as follows:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Book value at beginning of years</b>	646,694,645.84	692,555,855.70	418,103,180.75	490,238,993.90
Acquisitions	1,421,988,000.00	1,816,510,000.00	972,000,000.00	857,000,000.00
Disposal	(1,505,462,908.27)	(1,862,792,948.94)	(925,118,090.82)	(929,238,993.90)
Changes in fair value	(3,616,532.82)	421,739.08	(2,710,406.62)	103,180.75
<b>Book value at end of years</b>	<u>559,603,204.75</u>	<u>646,694,645.84</u>	<u>462,274,683.31</u>	<u>418,103,180.75</u>

## 10. OTHER NON-CURRENT FINANCIAL ASSETS/AVAILABLE-FOR-SALE AND LONG-TERM INVESTMENTS

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Other non-current financial assets</b>				
Long term deposits at banks-Fixed a/c				
Long-term fixed deposits	64,000,000.00	-	34,000,000.00	-
Long-term fixed deposits due within one year	(64,000,000.00)	-	(34,000,000.00)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investments in equity instruments				
Marketable equity instruments	262,251,278.30	-	136,305,776.20	-
Non-marketable equity instruments	124,167,859.60	-	-	-
	<u>386,419,137.90</u>	<u>-</u>	<u>136,305,776.20</u>	<u>-</u>
Investments in debt instruments				
Held-to-maturity debt instruments	683,000,000.00	-	514,000,000.00	-
Held-to-maturity debt instruments due within one year	(110,000,000.00)	-	(80,000,000.00)	-
	<u>573,000,000.00</u>	<u>-</u>	<u>434,000,000.00</u>	<u>-</u>
<b>Total</b>	<u>959,419,137.90</u>	<u>-</u>	<u>570,305,776.20</u>	<u>-</u>

**10. OTHER NON-CURRENT FINANCIAL ASSETS/ AVAILABLE-FOR-SALE AND LONG-TERM INVESTMENTS**

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Available-for-sale investments</b>				
Listed securities-at cost	-	256,360,485.75	-	151,513,569.32
Changes in fair value	-	90,345,637.05	-	14,532,829.88
<b>Total</b>	-	346,706,122.80	-	166,046,399.20
<b>Long-term investments</b>				
Long-term deposits at banks-Fixed a/c				
Long-term fixed deposits	-	109,000,000.00	-	54,000,000.00
Long-term fixed deposits due within one year	-	(43,000,000.00)	-	(20,000,000.00)
	-	66,000,000.00	-	34,000,000.00
Long-term investments-related party (Non-marketable equity instruments)	-	51,250,160.00	-	-
Investments in debt securities				
Held-to-maturity debt securities	-	436,104,994.07	-	316,104,994.07
Held-to-maturity debt securities due within one year	-	(55,104,994.07)	-	(35,104,994.07)
	-	381,000,000.00	-	281,000,000.00
<b>Total</b>	-	498,250,160.00	-	315,000,000.00

Movements of investments marketable equity instruments (2019: available-for-sale investments) are as follows:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Book value at beginning of years</b>	346,706,122.80	286,764,600.00	166,046,399.20	134,980,000.00
Acquisitions	4,999,837.02	24,966,609.30	4,961,337.02	18,179,710.20
Cash received from redemption	(720,500.00)	(545,600.00)	(208,600.00)	(347,200.00)
Changes in fair value	(88,734,181.52)	35,520,513.50	(34,493,360.02)	13,233,889.00
<b>Book value at end of years</b>	262,251,278.30	346,706,122.80	136,305,776.20	166,046,399.20

# **10. OTHER NON-CURRENT FINANCIAL ASSETS/ AVAILABLE-FOR-SALE AND LONG-TERM INVESTMENTS**

Non-marketable equity instruments are investments in Rangsit Plaza Co., Ltd. (Shareholding 5%)

Movements of investments for year ended December 31, 2020 are as follows:

Unit: Baht

	Consolidated financial statements
<b>Balance at beginning of the year</b>	51,250,160.00
Cumulative effect of initially adopting new accounting standard	72,917,699.60
Balance at beginning of period – after adjustment	124,167,859.60
Increase (decrease) in investments	-
<b>Balance at end of the year</b>	<b>124,167,859.60</b>

# **11. INVESTMENTS IN SUBSIDIARY COMPANIES**

Unit: Baht

	Paid-up	Share	Separate financial statements			
			2020		2019	
	Share capital	Holding (%)	Cost Method	Dividend	Cost Method	Dividend
Surat Metal Drum Co., Ltd.	20,000,000.00	99.9970	18,221,666.70	-	18,221,666.70	-
Songkhla Metal Drum Co., Ltd.	20,000,000.00	80.0000	16,000,000.00	24,000,000.00	16,000,000.00	24,000,000.00
The Pet Co., Ltd.	70,000,000.00	79.9990	59,849,300.00	8,399,895.00	59,849,300.00	5,599,930.00
<b>Total</b>			<b>94,070,966.70</b>	<b>32,399,895.00</b>	<b>94,070,966.70</b>	<b>29,599,930.00</b>

## 12. INVESTMENT PROPERTIES

Unit: Baht

	Consolidated financial statements			
	Increase (Decrease) in the period			2020
	2019	Additions	Disposal	
<b>Cost of assets</b>				
Land	14,099,903.19	-	-	14,099,903.19
Buildings and improvement	18,989,699.31	-	-	18,989,699.31
Office condominium	385,412,417.01	580,000.00	-	385,992,417.01
Condominium decoration and equipment	13,940,800.19	-	-	13,940,800.19
	<u>432,442,819.70</u>	<u>580,000.00</u>	<u>-</u>	<u>433,022,819.70</u>
<b>Accumulated depreciation</b>				
Buildings and improvement	18,027,142.66	195,542.82	-	18,222,685.48
Office condominium	321,914,507.13	6,214,133.46	-	328,128,640.59
Condominium decoration and equipment	13,936,871.11	1,255.38	-	13,938,126.49
	<u>353,878,520.90</u>	<u>6,410,931.66</u>	<u>-</u>	<u>360,289,452.56</u>
<b>Net</b>	<u>78,564,298.80</u>			<u>72,733,367.14</u>

Unit: Baht

	Separate financial statements			
	Increase (Decrease) in the period			2020
	2019	Additions	Disposal	
<b>Cost of assets</b>				
Land	14,099,903.19	-	-	14,099,903.19
Buildings and improvement	18,989,699.31	-	-	18,989,699.31
Office condominium	380,004,322.13	-	-	380,004,322.13
Condominium decoration and equipment	13,895,506.35	-	-	13,895,506.35
	<u>426,989,430.98</u>	<u>-</u>	<u>-</u>	<u>426,989,430.98</u>
<b>Accumulated depreciation</b>				
Buildings and improvement	18,027,142.66	195,542.82	-	18,222,685.48
Office condominium	319,594,840.62	5,681,000.43	-	325,275,841.05
Condominium decoration and equipment	13,895,475.35	-	-	13,895,475.35
	<u>351,517,458.63</u>	<u>5,876,543.25</u>	<u>-</u>	<u>357,394,001.88</u>
<b>Net</b>	<u>75,471,972.35</u>			<u>69,595,429.10</u>

## 12. INVESTMENT PROPERTIES

The fair value of land and condominiums of the Company and a subsidiary company are amounted to Baht 1,727.04 million (2019: Baht 1,727.04 million), which comprises the fair value of the land amounting to Baht 734.86 million and office condominiums amounting to Baht 992.18 million. Land and condominiums have been assessed by an independent appraiser. The fair value is at level 2 by using the market approach.

## 13. PROPERTY, PLANT AND EQUIPMENT

Unit: Baht

	Consolidated financial statements				
	Increase (Decrease) in the year				
	2019	Additions	Disposal	Transfer	2020
<b>Cost/revaluation</b>					
Land – original price	99,212,000.00	-	-	-	99,212,000.00
Land – revaluation increase	244,378,350.00	-	-	-	244,378,350.00
	343,590,350.00				343,590,350.00
Land improvement	6,490,949.00	-	-	-	6,490,949.00
Buildings and improvement	281,540,500.23	725,411.12	861,671.84	-	281,404,239.51
Machinery and equipment	1,388,098,399.43	30,806,415.60	10,714,422.74	940,040.00	1,409,130,432.29
Furniture and equipment	24,606,768.30	1,011,625.64	308,937.66	-	25,309,456.28
Vehicles	89,579,486.38	3,887,696.48	1,865,841.12	1,213,894.00	92,815,235.74
	2,133,906,453.34	36,431,148.84	13,750,873.36	2,153,934.00	2,158,740,662.82
<b>Accumulated depreciation</b>					
Land improvement	2,085,947.00	-	-	-	2,085,947.00
Buildings and improvement	152,380,457.80	9,694,989.42	860,703.99	-	161,214,743.23
Machinery and equipment	1,038,712,681.11	73,484,384.85	8,967,877.57	-	1,103,229,188.39
Furniture and equipment	21,277,982.17	1,313,894.25	308,576.33	-	22,283,300.09
Vehicles	51,154,167.49	6,737,027.06	1,080,979.44	-	56,810,215.11
	1,265,611,235.57	91,230,295.58	11,218,137.33	-	1,345,623,393.82
<b>Net</b>	868,295,217.77				813,117,269.00
Assets under installation	2,013,132.60	23,356,604.03	3,119,733.31	(2,153,934.00)	20,096,069.32
<b>Total</b>	870,308,350.37				833,213,338.32

### 13. PROPERTY, PLANT AND EQUIPMENT

Unit: Baht

	Separate financial statements				
		Increase (Decrease) in the year			
	2019	Additions	Disposal	Transfer	2020
<b>Cost/revaluation</b>					
Land – original price	48,000,000.00	-	-	-	48,000,000.00
Land – revaluation increase	62,400,000.00	-	-	-	62,400,000.00
	110,400,000.00				110,400,000.00
Land improvement	4,405,000.00	-	-	-	4,405,000.00
Buildings and improvement	151,040,824.64	716,870.00	-	-	151,757,694.64
Machinery and equipment	325,436,987.24	636,443.89	247,518.34	-	325,825,912.79
Furniture and equipment	14,148,163.83	637,011.12	47,220.57	-	14,737,954.38
Vehicles	53,484,159.48	991,696.48	1,865,841.12	1,213,894.00	53,823,908.84
	658,915,135.19	2,982,021.49	2,160,580.03	1,213,894.00	660,950,470.65
<b>Accumulated depreciation</b>					
Buildings and improvement	60,147,257.34	5,530,589.79	-	-	65,677,847.13
Machinery and equipment	238,370,711.73	16,145,187.53	216,462.38	-	254,299,436.88
Furniture and equipment	11,553,789.26	937,862.79	46,940.24	-	12,444,711.81
Vehicles	20,570,452.30	5,279,423.93	1,080,979.44	-	24,768,896.79
	330,642,210.63	27,893,064.04	1,344,382.06	-	357,190,892.61
<b>Net</b>	328,272,924.56				303,759,578.04
Assets under installation	1,213,894.00	-	-	(1,213,894.00)	-
<b>Total</b>	329,486,818.56				303,759,578.04

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

13.2 In October 2018, the Group had reviewed the valuation of all pieces of land through an independent appraiser. The fair value of these land have been evaluated by using the market approach. Additional revaluation surplus of land have been recorded in equity through other comprehensive income.

13.3 As at December 31, 2020, the costs of plant and equipment which were fully depreciated included in the consolidated financial statements in the total amount of Baht 723.54 million (2019: Baht 710.59 million) and in the separate financial statements in the total amount of Baht 184.76 million. (2019: Baht 173.67 million)

## 14. INTANGIBLE ASSETS

Unit : Baht

	Consolidated financial statements			
	2019	Increase	Decrease	2020
<b>Cost</b>				
Computer softwares	1,326,540.00	-	73,000.00	1,253,540.00
<b>Accumulated amortization</b>				
Computer softwares	1,249,844.37	24,326.91	73,000.00	1,201,171.28
<b>Net</b>	<u>76,695.63</u>			<u>52,368.72</u>

Unit : Baht

	Separate financial statements			
	2019	Increase	Decrease	2020
<b>Cost</b>				
Computer softwares	941,600.00	-	-	941,600.00
<b>Accumulated amortization</b>				
Computer softwares	865,492.52	23,738.76	-	889,231.28
<b>Net</b>	<u>76,107.48</u>			<u>52,368.72</u>

## 15. NON-CURRENT FINANCIAL ASSETS USE AS COLLATERAL

Investment in held-to-maturity debt instrument (Government bonds), interest rate is at 2% p.a. and received twice a year. The debt instrument is used as collateral for electricity use of the subsidiary company.



## 16. TRADE AND OTHER PAYABLES

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables				
Related parties (Note 5.3)	-	-	197,234.45	145,841.00
Other companies				
Domestic	66,923,184.93	89,351,035.07	19,081,621.84	35,796,219.90
Foreign	368,077.16	2,660,361.12	-	2,230,199.83
	<u>67,291,262.09</u>	<u>92,011,396.19</u>	<u>19,278,856.29</u>	<u>38,172,260.73</u>
Other payables				
Related parties (Note 5.3)	548,414.99	354,549.20	-	-
Accrued expenses	12,348,478.00	14,694,285.94	2,416,711.46	2,303,899.96
Others	2,401,104.34	1,157,416.27	97,331.00	12,382.00
	<u>15,297,997.33</u>	<u>16,206,251.41</u>	<u>2,514,042.46</u>	<u>2,316,281.96</u>
<b>Total</b>	<u><u>82,589,259.42</u></u>	<u><u>108,217,647.60</u></u>	<u><u>21,792,898.75</u></u>	<u><u>40,488,542.69</u></u>

## 17. EMPLOYEE BENEFIT OBLIGATIONS

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Balances at beginning of years</b>	29,712,593.14	21,480,714.01	15,491,053.65	10,827,035.98
Current service costs	1,894,088.94	1,946,549.37	791,185.32	809,700.17
Past service costs	-	6,994,559.91	-	3,295,705.24
Interest costs	785,195.58	764,967.82	325,203.44	320,265.94
Benefits paid	(1,141,735.32)	(4,063,768.09)	(5,000.00)	(334,470.00)
Actuarial loss	-	2,589,570.12	-	572,816.32
<b>Balances at end of years</b>	<u><u>31,250,142.34</u></u>	<u><u>29,712,593.14</u></u>	<u><u>16,602,442.41</u></u>	<u><u>15,491,053.65</u></u>

## 17. EMPLOYEE BENEFIT OBLIGATIONS

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

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Recognized in profit or loss</b>				
Current service costs	1,894,088.94	1,946,549.37	791,185.32	809,700.17
Past service costs	-	6,994,559.91	-	3,295,705.24
Interest costs	785,195.58	764,967.82	325,203.44	320,265.94
	<u>2,679,284.52</u>	<u>9,706,077.10</u>	<u>1,116,388.76</u>	<u>4,425,671.35</u>
<b>Recognized in comprehensive income</b>				
Actuarial loss	-	2,589,570.12	-	572,816.32
<b>Total</b>	<u><u>2,679,284.52</u></u>	<u><u>12,295,647.22</u></u>	<u><u>1,116,388.76</u></u>	<u><u>4,998,487.67</u></u>

Actuarial loss recognized in the other comprehensive income derived from:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Population assumption	-	3,347,057.49	-	832,889.85
Financial assumption	-	(1,753,081.71)	-	(565,801.70)
Experience adjustment	-	995,594.34	-	305,728.17
<b>Total</b>	<u><u>-</u></u>	<u><u>2,589,570.12</u></u>	<u><u>-</u></u>	<u><u>572,816.32</u></u>

## 17. EMPLOYEE BENEFIT OBLIGATIONS

Principal actuarial assumptions as at December 31, 2020 and 2019 are as follows:

		% per annum
	Consolidated financial statements	Separate financial statements
Discount rate	2.50-3.19	2.50
Salary increase rate	5.00	5.00
Staff turnover rate (Scale related to Age ranging)	2.39-45.84	3.82-45.84
According to Thailand Mortality Ordinary Life table 2017		

Effects of changes on the assumptions to the present value of long-term employee benefit obligations as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

	2020			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (Change 0.50%)	(1.14)	1.23	(0.39)	0.41
Salary increase rate (Change 1%)	3.08	(2.73)	1.10	(1.00)
Staff turnover rate (Change 20%-40%)	(2.55)	2.95	(1.03)	1.20

Unit: Million Baht

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

## **17. EMPLOYEE BENEFIT OBLIGATIONS**

On April 5, 2019, the amendment to the Labor Protection Act (No.7) B.E. 2562 was announced in the Royal Thai Government Gazette. This stipulates that employee who is terminated for an uninterrupted service period of 20 years or more is entitled to receive severance payment for not less than 400 days of the wage at the most recent date of employment. This Act is effective from May 5, 2019.

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

## **18. EQUITY**

### **18.1 Dividend payment**

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

The Board of director' meeting of the Company No. 3/2562 held on June 19, 2019 passed a solution to pay the interim dividend from retained earnings and profit from operating income of January 1, to March 31, 2019, at Baht 0.85 per share, amounting to Baht 127.50 million, and was paid on July 18, 2019.

18.1.2 The Board of directors' meeting of the Company No. 1/2563 held on February 25, 2020 passed a resolution to pay the dividend from operating income of 2019, at Baht 1.40 per share, amounting to Bath 210 million. The interim dividend was paid on July 18, 2019 at Bath 0.85 per share, amounting to Baht 127.50 million, and the remaining dividend will pay at Baht 0.55 per share, amounting to Bath 82.50 million. The payment date of the interim dividend is April 24, 2020. The dividend payments had been approved to the ordinary shareholders' meeting of the Company on July 9, 2020.

## 18. EQUITY

### 18.2 Legal reserve

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

### 18.3 Managing capital

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

At the end of the year, the consolidated financial statements' debt to equity ratio is 0.09:1.00 (2019: 0.11:1.00) and the separate financial statements' debt to equity ratio is 0.06:1.00 (2019: 0.08:1.00)

## 19. OTHER INCOME

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Dividend income	16,530,127.60	20,874,336.99	41,963,401.64	38,430,583.40
Interest income	24,714,117.87	21,357,979.36	18,374,494.87	16,624,664.31
Others	8,825,927.49	22,274,661.83	4,584,457.18	11,272,466.82
<b>Total</b>	<b>50,070,172.96</b>	<b>64,506,978.18</b>	<b>64,922,353.69</b>	<b>66,327,714.53</b>

## 20. PROVIDENT FUND

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

During the year 2020, the Group contributed to the fund amounting to Baht 2.98 million (2019: Baht 2.98 million), while the contributions made by the Company in the amounting to Baht 1.51 million (2019: Baht 1.41 million).

## 21. CLASSIFICATION OF EXPENSES BY NATURE

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Changes in finished goods and work in process	6,084,227.84	9,226,070.38	1,438,253.78	4,130,552.56
Raw materials and supplies used	833,291,195.92	1,087,804,213.50	545,609,789.19	623,878,364.79
Management benefit expenses*	33,527,015.50	33,530,208.00	30,466,478.00	30,017,580.00
Employee expenses	144,002,819.48	159,542,239.33	48,590,776.03	50,104,679.73
Depreciation and amortization	97,665,554.15	102,958,034.25	33,793,346.05	33,577,271.91
Finance costs	189,087.11	238,668.50	-	-
Others	242,661,734.13	295,042,354.34	78,824,131.84	85,051,370.38
<b>Total</b>	<b>1,357,421,634.13</b>	<b>1,688,341,788.30</b>	<b>738,722,774.89</b>	<b>826,759,819.37</b>

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Management benefit expenses*				
Cost of sales	4,148,045.00	3,947,380.00	3,712,240.00	3,521,800.00
Administrative expenses	29,378,970.50	29,582,828.00	26,754,238.00	26,495,780.00
<b>Total</b>	<b>33,527,015.50</b>	<b>33,530,208.00</b>	<b>30,466,478.00</b>	<b>30,017,580.00</b>

## 22. INCOME TAX

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

Income tax expenses for the years ended December 31, 2020 and 2019 are as follows:

Unit: Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<b>Current income tax</b>				
Income tax	69,901,130.43	62,163,168.29	61,014,525.85	48,381,529.00
<b>Deferred tax</b>				
Temporary differences and reversal of temporary differences	(826,030.95)	(3,321,295.82)	(672,623.47)	(1,729,082.75)
<b>Income tax expenses</b>	<b>69,075,099.48</b>	<b>58,841,872.47</b>	<b>60,341,902.38</b>	<b>46,652,446.25</b>

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2020 and 2019, are as follows:

Unit: Baht

	Consolidated Financial Statements			
	Rate (%)	2020	Rate (%)	2019
Accounting profit before income tax		401,497,989.64		407,510,856.30
Income tax at applicable tax rate	20	80,299,597.93	20	81,502,171.26
Tax losses (profit) of subsidiaries, not recognized as deferred income tax		(1,408,634.74)		(2,474,426.85)
Tax effect:				
Disallowed expenses for tax calculation		4,149,928.95		8,879,511.50
Exemption of income/Additional expenses allowed		(13,009,144.32)		(13,467,269.42)
Promotional privileges		(6,585,736.53)		(18,171,944.34)
Effect of elimination entry on the consolidated financial statement		6,455,119.14		5,895,126.14
Current income tax		69,901,130.43		62,163,168.29
Deferred tax:				
Temporary differences and reversal of temporary differences		(826,030.95)		(3,321,295.82)
<b>Income tax expenses</b>	<b>17</b>	<b>69,075,099.48</b>	<b>14</b>	<b>58,841,872.47</b>

## 22. INCOME TAX

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2020 and 2019 are as follows:

Unit: Baht

	Separate Financial Statements			
	Rate (%)	2020	Rate (%)	2019
Accounting profit before income tax		342,642,542.19		319,747,654.48
Income tax at applicable tax rate	20	68,528,508.44	20	63,949,530.90
Tax effect:				
Disallowed expenses for tax calculation		2,377,111.23		4,105,505.64
Exemption of income/Additional expenses allowed		(9,891,093.82)		(9,795,964.67)
Promotional privileges		-		(9,877,542.87)
Current income tax		61,014,525.85		48,381,529.00
Deferred tax:				
Temporary differences and reversal of temporary differences		(672,623.47)		(1,729,082.75)
<b>Income tax expenses</b>	18	<u>60,341,902.38</u>	15	<u>46,652,446.25</u>



## 22. INCOME TAX

The amounts of income tax relating to each component of other comprehensive income for the years ended December 31, 2020 and 2019 are as follows:

Unit: Baht

	Consolidated Financial Statements					
	2020			2019		
	Tax			Tax		
	Amount Before tax	(expenses) benefit	Net of tax	Amount before tax	(expenses) benefit	Net of tax
Actuarial loss	-	-	-	(2,589,570.12)	517,914.01	(2,071,656.11)
Gain on changes in value of equity instrument (2019: available-for-sale investments)	(88,734,181.52)	17,746,836.30	(70,987,345.22)	35,520,513.50	(7,104,102.70)	28,416,410.80
<b>Total</b>	<u>(88,734,181.52)</u>	<u>17,746,836.30</u>	<u>(70,987,345.22)</u>	<u>32,930,943.38</u>	<u>(6,586,188.69)</u>	<u>26,344,754.69</u>

Unit: Baht

	Separate Financial Statements					
	2020			2019		
	Tax			Tax		
	Amount Before tax	(expenses) benefit	Net of tax	Amount before tax	(expenses) benefit	Net of tax
Actuarial loss	-	-	-	(572,816.32)	114,563.26	(458,253.06)
Gain (loss) on changes in value of equity instrument (2019: Available-for-sale investments)	(34,493,360.02)	6,898,672.00	(27,594,688.02)	13,233,889.00	(2,646,777.80)	10,587,111.20
<b>Total</b>	<u>(34,493,360.02)</u>	<u>6,898,672.00</u>	<u>(27,594,688.02)</u>	<u>12,661,072.68</u>	<u>(2,532,214.54)</u>	<u>10,128,858.14</u>

## 22. INCOME TAX

The components of deferred tax assets and deferred tax liabilities as at December 31, 2020 and 2019 are detailed as follows:

Unit: Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<b>Deferred tax assets</b>				
Allowance for inventories devaluation	1,102,359.39	1,552,765.87	-	-
Deposits	2,137,159.53	2,125,510.35	2,023,585.53	2,011,936.35
Allowance for expected credit losses (2019: Allowance for doubtful accounts)	572,491.26	-	320,000.00	-
Investments in equity instruments (2019: Available-for-sale investments)	-	-	3,992,106.02	-
Provision for employee benefits	6,250,028.47	5,942,518.63	3,320,488.48	3,098,210.73
	<u>10,062,038.65</u>	<u>9,620,794.85</u>	<u>9,656,180.03</u>	<u>5,110,147.08</u>
<b>Deferred tax liabilities</b>				
Depreciation of assets	12,110,812.57	12,978,082.79	10,453,302.42	10,891,998.96
Revaluation surplus of land	48,875,670.00	48,875,670.00	12,480,000.00	12,480,000.00
Investments in equity instruments (2019: Available-for-sale and long-term investments)	14,905,831.04	18,069,127.42	-	2,906,565.98
	<u>75,892,313.61</u>	<u>79,922,880.21</u>	<u>22,933,302.42</u>	<u>26,278,564.94</u>
	<u>65,830,274.96</u>	<u>70,302,085.36</u>	<u>13,277,122.39</u>	<u>21,168,417.86</u>
<b>Deferred tax liabilities, net</b>				

## 23. EARNINGS PER SHARE

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

		Consolidated Financial Statements		Separate Financial Statements	
		2020	2019	2020	2019
Profit attributable to equity of the Company's shareholders	(Baht)	316,477,670.06	329,559,796.42	282,300,639.81	273,095,208.23
Weighted average number of ordinary shares	(shares)	150,000,000	150,000,000	150,000,000	150,000,000
Basic earnings per share	(Baht)	2.11	2.20	1.88	1.82

## 24. DEPRECIATION AND AMORTIZATION

Depreciation and amortization for the years ended December 31, 2020 and 2019 are as follows:

		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Unit: Baht					
Depreciation					
Investment Properties					
Cost of services rendered		6,215,388.84	6,159,531.79	5,681,000.43	5,665,476.89
Selling and administrative expenses		195,542.82	195,541.45	195,542.82	195,541.45
Property, plant and equipment					
Cost of productions		81,520,808.28	86,617,629.17	21,885,052.91	22,438,448.80
Selling and administrative expenses		9,709,487.30	9,959,792.79	6,008,011.13	5,254,065.17
Amortization		24,326.91	25,539.05	23,738.76	23,739.60
<b>Total</b>		<b>97,665,554.15</b>	<b>102,958,034.25</b>	<b>33,793,346.05</b>	<b>33,577,271.91</b>

## 25. INFORMATION ON OPERATING SEGMENTS

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

Information on operating segment for the years ended December 31, 2020 and 2019 are as follows:

Unit: Thousand Baht

Consolidated Financial Statements						
2020						
	Productions and Sales of Metal drums	Productions and Sales of Plastic Products	Rental and service income	Others	Amount of Elimination	Total
Revenues from sale and services	1,075,819	638,809	66,395	-	(72,173)	1,708,850
Costs of sales and services	731,960	546,245	13,555	-	(72,243)	1,219,517
Gross profit	343,859	92,564	52,840	-	70	489,333
Other income	-	-	-	53,601	(3,531)	50,070
Profit before expenses	343,859	92,564	52,840	53,601	(3,461)	539,403
Selling expenses	38,109	13,162	-	-	-	51,271
Administrative expenses	49,556	33,392	4,201	331	(1,035)	86,445
Profit before finance costs and income tax	256,194	46,010	48,639	53,270	(2,426)	401,687
Finance costs	-	-	-	2,739	(2,550)	189
Profit before income tax	256,194	46,010	48,639	50,531	124	401,498
Income tax expenses						69,075
Profit for the year						332,423
Total assets for the operations						905,947

## 25. INFORMATION ON OPERATING SEGMENTS

Information on operating segment for the years ended December 31, 2020 and 2019 are as follows:

Unit: Thousand Baht

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

## 25. INFORMATION ON OPERATING SEGMENTS

Information on operating segment for the years ended December 31, 2020 and 2019 are as follows:

Unit: Thousand Baht

	Separate Financial Statements			
	2020			
	Productions and Sales of Metal drums	Rental and service income	Others	Total
Revenues from sale and services	954,276	62,167	-	1,016,443
Costs of sales and service	649,050	11,575	-	660,625
Gross profit	305,226	50,592	-	355,818
Dividend income	-	-	41,963	41,963
Other income	-	-	22,959	22,959
Profit before expenses	305,226	50,592	64,922	420,740
Selling expenses	31,237	-	-	31,237
Administrative expenses	42,672	4,188	-	46,860
Profit before income tax	231,317	46,404	64,922	342,643
Income tax expenses				60,342
Profit for the year				282,301
Total assets for the operations				373,355

## 25. INFORMATION ON OPERATING SEGMENTS

Information on operating segment for the years ended December 31, 2020 and 2019 are as follows:

Unit: Thousand Baht

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

## 26. INVESTMENT PROMOTION

### Investment Promotion Privileges

26.1 Thai Metal Drum Manufacturing Public Company Limited has obtained the privileges under the Investment Promotion Certificate No. 1172(2)/2555 dated February 14, 2012 for the production of metal packaging, and is eligible to get exemption from corporate income tax for a period of 7 years from the date income is first derived. The Company started the operation on November 4, 2013, and the exemption from corporate income tax was expired in March 2019.

26.2 The Pet Co., Ltd. (subsidiary company) has obtained the privileges under the Investment Promotion Certificate No. 1287(5)/2554 dated January 17, 2011 for the production of plastic bottle PET, and is eligible to get exemption from corporate income tax for a period of 8 years from the date income is first derived. The Head office at Pathumthani started the operation on February 19 and 22, 2011 for the plastic bottle PET and polyboard respectively, and the branch (Suratthani) started the operation on September 17, 2012 for the plastic bottle PET, and the exemptions from corporate income tax was expired on January 16, 2019.

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

26.3 Eastplast Co., Ltd. (Indirect subsidiary) (Eastplast)

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

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

On January 9, 2015 Eastplast obtained the privileges under the Investment Promotion Act for the production of plastic bottle PET, and was eligible to get exemption from corporate income tax for a period of 3 years from the date income was first derived and started the operation on January 16, 2018. The promotional privileges were cancelled on February 6, 2020.

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



## 26. INVESTMENT PROMOTION

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

Unit: Thousand Baht

Consolidated financial statements						
	Promoted Business		Non-Promoted Business		Total	
	2020	2019	2020	2019	2020	2019
Sales – domestic	112,853	444,145	1,500,483	1,488,123	1,613,336	1,932,268
Sales – export	-	-	29,270	30,244	29,270	30,244
<b>Total</b>	<b>112,853</b>	<b>444,145</b>	<b>1,529,753</b>	<b>1,518,367</b>	<b>1,642,606</b>	<b>1,962,512</b>

Unit: Thousand Baht

Separate financial statements						
	Promoted Business		Non-Promoted Business		Total	
	2020	2019	2020	2019	2020	2019
Sales – domestic	-	244,356	954,276	770,818	954,276	1,015,174
<b>Total</b>	<b>-</b>	<b>244,356</b>	<b>954,276</b>	<b>770,818</b>	<b>954,276</b>	<b>1,015,174</b>

Allocation of transactions between promoted and non-promoted businesses

The Group has allocated their profit and loss for promoted and non-promoted businesses by separating the transactions that can be identified. The transactions which cannot be clearly identified are allocated based on the proportion of revenues earned by promoted and non-promoted businesses.

## **27. FINANCIAL INSTRUMENTS**

### **27.1 Financial risk management policies**

The Group's board of directors manages the financial risks for the establishment and oversight of the risk management. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The risk reports identifies risk factors based on their level and potential impact. These risks include market risk (Foreign exchange risk, interest rate risk and price risk), liquidity risk and credit risk.

The Risk Management Committee will report regularly to the board of directors on its activities.

#### **Credit risk**

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

#### **Interest rate risk**

Interest rate risk arises from the potential change in market interest rates to having affected the value of the financial assets and liabilities of the Group. Financial assets and liabilities interest rates are mainly adjust in accordance to market rate or are fixed which is close to current market rate.

## 27. FINANCIAL INSTRUMENTS

### 27.1 Financial risk management policies

The Group has significant financial assets and liabilities are classified by type of interest rate, while the fixed interest rates are classified based on the maturity date or the date of new interest rate is applied, whichever is earlier.

Unit: Million Baht

Consolidated financial statements							
2020							
	Fixed interest rate			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	within 1 year	over 1-5 years	over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	272.07	24.39	296.46	0.05-0.55
Trade and other receivables	-	-	-	-	278.25	278.25	-
Other current financial assets	174.00	-	-	-	559.60	733.60	2.00-4.85
Other non-current financial assets	-	413.00	160.00	-	386.42	959.42	3.00-5.50
Non-current financial assets use as collateral	-	7.21	-	-	-	7.21	-
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	82.59	82.59	-
Long-term loans from related parties	-	-	-	6.00	-	6.00	2.75-3.70

## 27. FINANCIAL INSTRUMENTS

### 27.1 Financial risk management policies

#### Interest rate risk

Unit: Million Baht

	Consolidated financial statements						
	2019						
	Fixed interest rate			Floating	Non-	Total	Interest rate (% p.a.)
	within 1 year	over 1-5 years	over 5 years	interest rate	interest Bearing		
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	54.67	15.29	69.96	0.12-0.75
Current investments	-	-	-	-	646.69	646.69	-
Long-term investments due in one year	98.10	-	-	-	-	98.10	1.65-5.10
Trade and other receivables	-	-	-	-	348.45	348.45	-
Available-for-sale investments	-	-	-	-	346.71	346.71	-
Long-term investments	-	327.00	120.00	-	51.25	498.25	1.65-5.10
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	108.22	108.22	-
Long-term loans from related parties	-	-	-	6.00	-	6.00	3.85-4.05

## 27. FINANCIAL INSTRUMENTS

### 27.1 Financial risk management policies

#### Interest rate risk

Unit: Million Baht

	Separate financial statements						
	2020						
	Fixed interest rate			Floating interest rate	Non- interest Bearing	Total	Interest rate (% p.a.)
	within 1 year	over 1-5 years	over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	37.28	9.61	46.89	0.25-0.55
Trade and other receivables	-	-	-	-	171.11	171.11	-
Other current financial assets	114.00	-	-	-	462.27	576.27	2.00-4.85
Other non-current financial assets	-	284.00	150.00	-	136.31	570.31	3.00-5.50
Long-term loans to related party	-	-	-	24.00	-	24.00	MMR
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	21.79	21.79	-

## 27. FINANCIAL INSTRUMENTS

### 27.1 Financial risk management policies

#### Interest rate risk

Unit: Million Baht

	Separate financial statements						
	2019						
	Fixed interest rate			Floating	Non-	Total	Interest rate (% p.a.)
	within 1 year	over 1-5 years	over 5 years	interest rate	interest Bearing		
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	14.95	8.84	23.79	0.50-.75
Current investments	-	-	-	-	418.10	418.10	-
Long-term investments due in one year	55.10	-	-	-	-	55.10	1.90-5.10
Trade and other receivables	-	-	-	-	177.32	177.32	-
Available-for-sale investments	-	-	-	-	166.05	166.05	-
Long-term investments	-	195.00	120.00	-	-	315.00	3.00-5.50
Long-term loans to related party	-	-	-	24.00	-	24.00	MMR
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	40.49	40.49	-

## 27. FINANCIAL INSTRUMENTS

### 27.1 Financial risk management policies

#### Foreign currency risk

The Group's exposure to foreign currency risks relating to purchase and sell which are denominated in foreign currency. The Group's management believes that foreign exchange rate risk will have no material effect to their operational results.

The Pet Co., Ltd. (subsidiary company) had obtained financial assets and liabilities denominated in foreign currency, which hadn't been hedged against currency risks as follows:

	Foreign currency	Consolidated financial statements		Exchange rate (Baht per Unit of foreign currency)	
		2020	2019	2020	2019
Financial assets	USD	91,326.40	65,365.04	29.8674	29.8855
Financial liabilities	USD	1,368.00	-	30.2068	-
	EURO	8,770.09	12,620.40	37.2578	34.0846

#### Liquidity risk

The Group manages liquidity risk by maintaining a level of cash and cash equivalents through monitoring and planning of their cash flows which deemed adequate to the Group's operations.

### 27.2 Fair value measurement

#### Fair value

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

Financial assets and financial liabilities with short-term maturities, are stated in the statement of financial position approximating their fair value.

## 27. FINANCIAL INSTRUMENTS

### 27.2 Fair value measurement

The carrying amounts and fair value of financial assets and financial liabilities by category as at December 31, 2020 are as follows:

Unit: Million Baht

Consolidated Financial Statements					
2020					
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total	Fair Value
<b>Financial assets</b>					
Cash and cash equivalents	-	-	296.46	296.46	296.46
Trade and other receivables	-	-	278.25	278.25	278.25
Other current financial assets					
Long-term fixed deposits	-	-	64.00	64.00	64.00
Debt instruments	559.60	-	-	559.60	559.60
Held-to-maturity debt instruments due within one year	-	-	110.00	110.00	110.00
Other non-current financial assets					
Marketable equity instruments	-	262.25	-	262.25	262.25
Non-marketable equity instruments	-	124.17	-	124.17	124.17
Held-to-maturity debt instruments	-	-	573.00	573.00	573.00
Non-current financial assets used as collateral	-	-	7.21	7.21	7.21
<b>Financial liabilities</b>					
Trade and other payables	-	-	82.59	82.59	82.59
Long-term loans from related parties	-	-	6.00	6.00	6.00
Guarantee deposits received	-	-	19.42	19.42	19.42



## 27. FINANCIAL INSTRUMENTS

### 27.2 Fair value measurement

#### Fair value

The carrying amounts and fair value of financial assets and financial liabilities by category as at December 31, 2020 are as follows:

Unit: Million Baht

	Separate Financial Statements				
	2020				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total	Fair Value
<b>Financial assets</b>					
Cash and cash equivalents	-	-	46.89	46.89	46.89
Trade and other receivables	-	-	171.11	171.11	171.11
Other current financial assets					
Long-term fixed deposits	-	-	34.00	34.00	34.00
Debt instruments	462.27	-	-	462.27	462.27
Held-to-maturity debt instruments due within one year	-	-	80.00	80.00	80.97
Long-term loans to related party	-	-	24.00	24.00	24.00
Other non-current financial assets					
Marketable equity instruments	-	136.31	-	136.31	136.31
Held-to-maturity debt instruments	-	-	434.00	434.00	434.00
<b>Financial liabilities</b>					
Trade and other payables	-	-	21.79	21.79	21.79
Guarantee deposits received	-	-	17.28	17.28	17.28

## 27. FINANCIAL INSTRUMENTS

### 27.2 Fair value measurement

#### Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1      Use of quoted market prices in an active market for such assets or liabilities
- Level 2      Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3      Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

The financial assets measured at fair value at each level as at December 31, 2020 and 2019 are as follows:

Unit: Million Baht

Consolidated Financial Statements				
2020				
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments in debt instruments	-	559.60	-	559.60
Investments in equity instruments				
Marketable equity instruments	262.25	-	-	262.25
Non-marketable equity instruments	-	-	124.17	124.17
<b>Total financial assets</b>	<b>262.25</b>	<b>559.60</b>	<b>124.17</b>	<b>946.02</b>

## 27. FINANCIAL INSTRUMENTS

### 27.2 Fair value measurement

#### Fair value hierarchy

Unit: Million Baht

Consolidated Financial Statements				
2019				
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Current investments				
Unit trusts	-	646.69	-	646.69
Available-for-sale securities				
Listed securities	346.71	-	-	346.71
<b>Total Assets</b>	<b>346.71</b>	<b>646.69</b>	<b>-</b>	<b>993.40</b>

Unit: Million Baht

Separate Financial Statements				
2020				
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments in debt instruments	-	462.27	-	462.27
Investments in marketable equity instruments	136.31	-	-	136.31
<b>Total financial assets</b>	<b>136.31</b>	<b>462.27</b>	<b>-</b>	<b>598.58</b>

## 27. FINANCIAL INSTRUMENTS

### 27.2 Fair value measurement

#### Fair value hierarchy

Unit: Million Baht

	Separate Financial Statements			
	2019			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Current investments				
Unit trusts	-	418.10	-	418.10
Available-for-sale securities				
Listed securities	166.05	-	-	166.05
<b>Total Assets</b>	<b>166.05</b>	<b>418.10</b>	<b>-</b>	<b>584.15</b>

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

#### Valuation Method for Measurement of Fair Value

Level 1	Fair value of marketable equity instruments are based on the closing price by reference to the Stock Exchange of Thailand.
Level 2	Fair value of investments in debt instrument is determined by using the net asset value as announced by Assets Management Companies.
Level 3	Fair value of non-marketable equity instruments are based on adjusted the asset method whereby the information is reasonably available.

## 28. COMMITMENTS AND CONTINGENT LIABILITIES

### 28.1 Commitments under letters of credit and letters of guarantee

		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Outstanding unused letters of credit	(USD)	109,693.00	31,300.00	67,773.00	-
Letters of guarantee	(Million Baht)	19.36	22.88	9.71	13.07

### 28.2 Commitments under the credit agreements

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

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

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

### 28.3 Commitment under contract for purchase of assets

As at December 31, 2020 The Pet Co., Ltd. (subsidiary company) had commitment under contract for purchase of assets in the amount of USD 42,230. (2019: USD 131,056)

## 29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors on February 25, 2021.

## Section 4

### Confirmation of Information Accuracy for Form 56-1 of Listed Company

The Board of Directors and the Company Executives whose name appear below were assigned to certify the accuracy of the annual information disclosure report/ annual report.

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

	Name		Position	Signature
<b>Attorney</b>	Mr. Nate	Charanvas	Managing Director	.....

The persons listed above have supervised on behalf of the company to review the information in the annual information disclosure report/annual report with cautious. The company certifies that such information is correct, true, and complete. Besides, the company certifies that

- (1) The financial statement and financial information summarized in the Annual Information Disclosure Report accurately and completely present material information concerning the financial position, performance and cash flow of the Company and its subsidiaries accordingly
- (2) The Company had put in place a sound information disclosure system, so as to ensure that the Company have accurately and completely disclosed material information of the Company and its subsidiaries including the supervising the implement of the said system accordingly.
- (3) It is our responsibility to arrange a sound internal control system and supervise system compliance accordingly. The Company have reported the internal control assessment as of 31 December 2020 to the company's auditor and the Board of the Audit Committee. The report covers deficiencies and significant changes in the internal control system, as well as any misconduct that may affect the financial reporting of the Company and its subsidiaries.

## Information on the Board of Directors, Executives and Company Secretary

No.	Name – Surname Position Date of Directorship	Age (years)	Education Background	Number of Share Holding (%)	Family Relationship among Directors and Executives	Working Experience Director Training
1	Mr. Suchin Wanglee - Chairman  4 October 1989	84	Bachelor's Degree in Electrical Engineering from Northrop Institute of Technology, U.S.A.	0.888		<ul style="list-style-type: none"> <li>- Audit Committee/ Independent Director/ Remuneration &amp; Nomination Committee of BTS Group Holding PLC</li> <li>- Chairman of the Remuneration and Nomination Committee/ Vice Chairman/ Independent Director/ Audit Committee, Serm Suk PLC</li> <li>- Chairman, Navakij Insurance PLC (permanent)</li> <li>- Chairman, Thaire Life Assurance PLC</li> <li>- Advisor, Falcon Insurance PLC</li> <li>- Director, Rajadamri Hotel PLC</li> <li>- Chairman, Rangsit Plaza Co., Ltd.</li> <li>- Chairman, Sathorn Thani Co., Ltd.</li> <li>- Director, Aqua Infinite Co., Ltd.</li> <li>- Director, Wanglee Pattana Co., Ltd.</li> <li>- Director, Wanglee Co., Ltd.</li> <li>- Chairman, T.I.I Co., Ltd.</li> <li>- Director Pipatanasilp Co., Ltd.</li> <li>- Director, Poon Phol Co., Ltd.</li> <li>- Chairman/ Director, C.E.S Co., Ltd.</li> <li>- Attending Director Accreditation Program (DAP 105/2013)</li> <li>- Attending the Role of Chairman (RCM4/2001)</li> </ul>



## Information on the Board of Directors, Executives and Company Secretary

No.	Name – Surname Position Date of Directorship	Age (years)	Education Background	Number of Share Holding (%)	Family Relationship among Directors and Executives	Working Experience Director Training
2	Mr. Vivat Charanvas - Director - Risk Management Committee Chairman - Remuneration & Nomination Committee Chairman  4 October 1989	72	Bachelor's Degree in Business Administration from California State University, U.S.A.	0.390	Cousin of Mr. Nate	<ul style="list-style-type: none"> <li>- Chairman, Songkhla Metal Drum Co., Ltd.</li> <li>- Director, The Pet Co., Ltd.</li> <li>- Director, Montien Riverside Hotel</li> <li>- President, Siam Food Products PLC (1998-2006)</li> <li>- Director, Eastern Seaboard Industrial Estate (ESIER) Co., Ltd. (1998-2006)</li> <li>- Director, Charan Insurance PLC (1981-2008)</li> <li>- Chairman, Progress Watch Co., Ltd. (2005-2019)</li> <li>- Director &amp; Secretary General, Thai Food Processors' Association (1975-1980)</li> <li>- Head of Trade Delegations of Ministry of Commerce to New Zealand (1978)</li> <li>- Head of Trade Delegations of Ministry of Commerce to Middle East Countries (1982)</li> <li>- Minimum Wage Committee, Ministry of Interior (1986-1991)</li> <li>- Associated Judge, Central Labor Court, Ministry of Justice (1989-1991)</li> <li>- Director, Thai Listed Companies Association (1989-2006)</li> <li>- Attending Chairman 2000 Program, Year 2002</li> <li>- Attending Director Certification Program (DCP) Year 2002</li> <li>- Attending Effective Audit Committee, Year 2002</li> <li>- Attending Board and CEO Assessment, Year 2002</li> </ul>

## Information on the Board of Directors, Executives and Company Secretary

No.	Name – Surname Position Date of Directorship	Age (years)	Education Background	Number of Share Holding (%)	Family Relationship among Directors and Executives	Working Experience Director Training
3	Mr. Anurat Tiayaphorn - Director - Remuneration and Nomination Committee Director  4 October 1989	68	Master's Degree Specialize in Corporate and Commercial Law from New York University, U.S.A.	0.004	-	- Director, Baker & McKenzie Co., Ltd. - Director, United Standard Terminal PLC - Executive Director, Pimalai Resort & Spa Co., Ltd. - Director, Malaiwadee Co., Ltd - Director, NCAT Co., Ltd.
4	Mrs. Wanida Chansikarin - Audit Committee Chairman - Independent Director  4 October 1989	59	Bachelor's Degree of Science in Accounting from Rajamangala University of Technology	0.007	-	- Vice President Accounting Department of Sathorn Thani Co., Ltd. (permanent) - Attending Audit Committee Program (ACP) Year 2006 - Attending Director Accreditation Program (DAP) Year 2004
5	Mr. Pitiphong Bisalputra - Audit committee Director - Remuneration and Nomination Committee Director - Independent Director  1 January 2018	56	Master's Degree in M.B.A. from University of Hartford, U.S.A.	0.033	Nephew of Mr. Suchin	- CEO and President, The Navakij Insurance PLC (permanent) - Director, Thai General Insurance Association - Director, Thanapisal Co., Ltd. - Director, Praphai and Sons Co., Ltd. - Director, Rangsit Ruampatana Co., Ltd. - Director, Thanasarn Sombat Co., Ltd. - Attending Successful Formulation & Execution of Strategy Year 2009 - Attending Director Certification Program (DCP) Year 2003

## Information on the Board of Directors, Executives and Company Secretary

No.	Name – Surname Position Date of Directorship	Age (years)	Education Background	Number of Share Holding (%)	Family Relationship among Directors and Executives	Working Experience Director Training
6	Mr.Anin Wanglee – Audit committee Director – Independent Director  22 June 2015	41	Master’s Degree in M.B.A. from Sasin Graduate Institute of Business Administration, Chulalongkorn University	0.005	Nephew Of Mr. Suchin	– Senior Vice President at Navakij Insurance PLC (permanent) – Attending Director Accreditation Program (DAP) Year 2015
7	Mr.Somchai Jongsirilerd – Director – Risk Management Director  29 April 1996	62	Master’s Degree in M.B.A. from University of Detroit, U.S.A.	0.031	–	– Director, The PET Co., Ltd. (permanent) – Director, Songkhla Metal Drum Co., Ltd. – Independent Director, Audit Committee Director, Remuneration Director of Qualitec PLC – Attending Director Accreditation Program (DAP) Year 2004 – Attending Anti-corruption, the Practical Guide (ACPG) 37/2017 – Attending Ethical Leadership Program (ELP) 7/2017 – Attending Advance Audit Committee Program (AACP) 33/2019

## Information on the Board of Directors, Executives and Company Secretary

No.	Name – Surname Position Date of Directorship	Age (years)	Education Background	Number of Share Holding (%)	Family Relationship among Directors and Executives	Working Experience Director Training
8	Mr. Nate Charanvas – Managing Director – Risk Management Director  4 October 1989	58	Master’s Degree in M.B.A. from University of New Haven	32.635	–	– Director, Songkhla Metal Drum Co., Ltd. – Director, The PET Co., Ltd. – Attending Director Accreditation Program (DAP) Year 2003
9	M.L. Chintat Jombunud – Director – Accounting & Finance Manager – Company’s Secretary  26 April 2004	61	Bachelor’s Degree in Accounting & Finance from the University of the Thai Chamber of Commerce	–	–	– Director, The PET Co., Ltd. – Director, Songkhla Metal Drum Co., Ltd. – Assistant Accounting Division Manager, TMB Bank PLC (1993–1995) – Attending Director Accreditation Program (DAP) Year 2004
10	Mrs. Suwaporn Nansurakit – Office Manager  29 January 2006	48	Master’s Degree in Inter Business and Management from Westminster University, England	–	–	– Asst. Marketing Director, British American Tobacco Thailand Co., Ltd. (2005)

## Information on the Board of Directors, Executives and Company Secretary

No.	Name – Surname Position Date of Directorship	Age (years)	Education Background	Number of Share Holding (%)	Family Relationship among Directors and Executives	Working Experience Director Training
11	Mr. Wiboon Wattanaputtipruet - Plant Manager  17 January 2007	49	Master's Degree in Engineering Management from Griffith University. Australia.	-	-	- Production Manager, Smartrac Technology Co., Ltd. (2006) - Production Manager, Cobra International Co., Ltd. (2005-2006) - Factory Manager, PPC Asian Insulator Co., Ltd. (2004-2005)
12	Mr. Panya Pattarayutawat - Sales and Logistic Manager  1 January 2003	48	Master's Degree in M.B.A. from Ramkhamheang University	-	-	- Asst. Sales Manager (2001-2002)

- Note:**
1. Director ranking number 1-9 are the directors who are the authorized person to sign their names in performance of the acts that bind the company as stipulated in Company Affidavit
  2. Director and Executive Management ranking number 1-12 (all members) have no record of punishment from being guilty in violating the Securities and Exchange Act B.E.2535 and / or Derivatives Act B.E.2546 in the past 5 years (year 2015-2020)

**Table Showing the Position of Board of Directors  
in the Company, Subsidiaries, Associated Companies and Other Companies**

No.	Thai Metal Drum Mfg. Public Co., Ltd.	Company	Company Subsidiaries					Others
	Name		Songkhla Metal Drum	Surat Metal Drum	Lake Rajada	The PET	Eastplast	Rangsit Plaza
1	Mr. Suchin Wanglee	X	-	-	/	/	-	X
2	Mr. Vivat Charanvas	/	X	/	-	/	-	-
3	Mr. Anurat Tiyaophorn	/	-	-	-	-	-	-
4	Mrs. Wanida Chansikarin	C,I	-	-	-	-	-	-
5	Mr. Pitiphong Bisalputra	A,I	-	-	-	-	-	-
6	Mr. Anin Wanglee	A,I	-	-	-	-	-	-
7	Mr. Nate Charanvas	/	/	X	X	/	X	-
8	Mr. Somchai Jongsirilerd	/	/	/	/	/	/	-
9	M.L. Chintat Jombunud	/	/	/	/	/	/	-

**Note:** X = Chairman

/ = Director

I = Independent Director

C = Audit Committee Chairman

A = Audit Committee

Information on the Directors of the Company Subsidiaries

No.	Name	Company Subsidiaries				
		Songkhla Metal Drum	Surat Metal Drum	The PET	Eastplast	Lake Rajada
1	Mr. Nibhond Charanvas	-	-	/	-	-
2	Mr. Sukit Wanglee	-	-	X	-	/
3	Mr. Suchin Wanglee	-	-	/	-	/
4	Mr. Vivat Charanvas	X	/	/	-	-
5	Mr.Somchai Jongsirilerd	/	/	/	/	/
6	Mr. Nate Charanvas	/	X	/	X	X
7	Mr. Sakda Silakong	/	-	-	-	-
8	Mrs. Pongsri Chaipapra	/	-	-	-	-
9	Mrs. Penpit Phattharawit	/	-	-	-	-
10	M.L. Chintat Jombunud	/	/	/	/	/

**Note:** X = Chairman

/ = Director

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**Information on the Internal Audit Head and the Compliance Head**

<b>Title</b>	<b>Head of the Team who Govern the Operation</b>
<b>Name – Last Name of the assigned person</b>	Mrs. Salin Nivatpumin
<b>Title</b>	CEO
<b>Company</b>	AMC International Consulting Co., Ltd.
<b>Education</b>	<ul style="list-style-type: none"> <li>- M.B.A. Majoring in Finance and Marketing, Sasin, Chulalongkorn University with a semester at JL Kellogg, Northwest University, USA</li> <li>- B.A. in Communications, University of Ottawa, Canada</li> </ul>
<b>Work Experience</b>	<p>2004 – present    CEO of the company involve with the consulting, internal auditing, risk assessment and external audit</p> <p>2017 – present    Member of the Audit and Assessment Committee of the Taksin University</p> <p>2010 – present    Part-time Professor, teaching of organizational risk assessment and internal audit for Commerce &amp; Accountancy Faculty, Thammasat University</p> <p>2013 – 2016       Member of the Risk Management Oversight Committee of the Valailuck University</p> <p>2009 – 2011       Expert appointed to the Audit and Assessment Committee of the Valailuck University</p> <p>2004 – 2008       CEO of Sam Ngan Ngan AMC Co., Ltd. providing external audit to listed companies</p> <p>2011 – 2004       Vice President – Large corporate BNP PARIBAS, Bangkok</p> <p>1997 – 2011       Relationship Manager – Large customer and telecom desk, HSBC Bangkok</p> <p>1993 – 1996       Assistant Manager, Investment Banking – Equity Market (Debt and Derivatives) Nithipat Capital Financial &amp; Securities Plc.</p>
<b>Related Training</b>	Training in management, risk analysis, internal audit, accounting, finance, and banking
<b>Duty and Responsibility</b>	Control and governing the internal audit operation including planning, meeting, analyzing, points gathering as well as review of the report and the recommendations



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**Information on the Internal Audit Head and the Compliance Head**


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<b>Title</b>	<b>Head of Internal Audit Team</b>
<b>Name – Last Name of the assigned person</b>	Mr. Teerachai Thamviriyaporn
<b>Title</b>	Senior Consultant
<b>Company</b>	AMC International Consulting Co., Ltd.
<b>Education</b>	BA in Laws, Bangkok University
<b>Work Experience</b>	2008 – Present      Senior Consultant with experience in organizational risk assessment, internal control and internal audit of financial institutions, insurances, property development, construction, funds, foundations, and manufacturing etc.
<b>Related Training</b>	Trainings in the area of risk assessment, internal control, and internal audit
<b>Duty and Responsibility</b>	Involve with the planning of the internal audit as well as supervising the operation of the audit team. Including the analyze, assessment as well as the preparation of the report

<b>Title</b>	<b>Internal Auditor</b>
<b>Name – Last Name of the assigned person</b>	Mrs. Satjana Na Ranong
<b>Title</b>	Consultant Manager Finance, Accounting and HR
<b>Company</b>	AMC International Consulting Co., Ltd.
<b>Education</b>	BA in Managerial Accounting Majoring in Finance and Banking, Siam University
<b>Work Experience</b>	2004 – Present      Finance, accounting, tax & HR taking care of foreign customers and Internal audit of various businesses i.e. manufacturing, textile, leasing, fund, and foundations  1997 – 2004      Human Resource and Payroll Manager Sam Nag Ngan AMC Co., Ltd.  1995 – 1997      Accounting and Finance Officer – budgeting and AP/AR Siam City Syndicate Finance and Securities Co., Ltd.
<b>Related Training</b>	Trainings on accounting, finance and business management
<b>Duty and Responsibility</b>	Involve with the planning of the internal audit, performing the audit, involve with the summarizing and suggesting recommendation and preparation of the report

## Assets Used in Business Operation and Property Appraisal

## 1. Tangible Assets

Asset Type / Property	Ownership	Book value (million Baht)
1. Land 22 parcels, total area of land 126-2-11.60 Rai	Owner	343.59
2. Investment properties	Owner	72.73
3. 5 Factories	Owner	120.19
4. Machines & Equipment	Owner	305.90

Land with building and machinery is used as collateral loan with financial institutions.

## 2. Investments in Subsidiaries

The Company has a policy to invest in businesses that are related to the company's core business which is packaging. Presently, the Company has 5 subsidiaries which the Company had held 79.999 to 99.997 percent of the registered shares in these subsidiaries. The proportion of investments in all subsidiaries represented 4.87% of the total assets of the company. The Company has no further project to invest in.

## 3. Property Appraisal

The Company and its subsidiaries have re-appraised the value of land and condominium of the Company and its subsidiaries according to accounting standard required to know the current market value for accounting record. The appraisal was conducted on 18 October 2018 by Bangkok Property Appraisal Co., Ltd that is on the Valuer approved by the Office of the SEC which Mr. Damrus Chaolert (Wor No. 297), was the main assessor and Mr. Paisal Sangkate was the (Wor Sor No. 1791) surveyor and assessor as detail below:

(Million Baht)

Description	New Appraisal	Current Appraisal
<b>1. Investment Properties</b>		
<b>The Company</b>		
Land	734.86	529.81
Condominium	<u>951.27</u>	<u>872.72</u>
<b>Total</b>	<u>1,686.13</u>	<u>1,402.53</u>
<b>Subsidiaries</b>		
Condominium	<u>40.92</u>	<u>37.54</u>
<b>Total</b>	<u>40.92</u>	<u>37.54</u>
<b>2. Land for business</b>		
<b>The Company</b>	110.40	98.40
<b>Subsidiaries</b>	<u>233.19</u>	<u>203.04</u>
<b>Total</b>	<u>343.59</u>	<u>301.44</u>

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**Corporate Governance Policy and Guidelines and Code of Conduct**

For detailed information, please go to [www.thaimetaldrum.com](http://www.thaimetaldrum.com), under the heading of Sustainability – Governance – Significant Policies of TMD.

**Report of the Audit Committee**

Dear Shareholders of the Company,

The Audit Committee of Thai Metal Drum Mfg. Public Co., Ltd, consists of 3 Independent Directors whose names are Mrs. Wanida Chanikarin as the Audit Committee Chairman, Mr. Pitiphong Bisalputra and Mr. Anin Wanglee as the Audit Committee Directors. As assigned by the Board of Directors, the Audit Committee has performed its duties and responsibilities according to the Charter of Audit Committee to review the Company's financial report, to oversee the effectiveness and appropriateness of the internal control system and to ensure that the Company conducts business in compliance with rules and laws of the Securities and Stock Exchange including other applicable laws related to the Company's businesses. The duties of Audit Committee include the selection and nomination of the Company's auditor, the revision of annual audit fee and the reflection on the independence of internal auditor as well as the revision of connected transaction that may lead to conflict of interest. The Board of Audit Committee therefore, summarized the key performance of their duties in 2020 as follow:

The Audit Committee held 4 meetings which all Audit Committee Member attended these 4 meetings and reported the results of the 4 meetings to the Board of Directors. In term of financial statements, the Audit Committee held 2 meetings with the company's auditor to review the financial statements quarterly and annually to review the findings of the report. One of the said meetings was held without the presence of Company's Executive. The Company's auditor has expressed their opinion on the consolidated financial statements and the company's financial statements that were presented fairly in all material respects and being unconditionally in conformity with Thai Financial Reporting Standards. From report of the meeting with the company's auditor, the Board of Directors also has the same opinion as company's auditor that the report of the financial statements of the Company and its subsidiaries were prepared completely and accurately according to the current reporting standards.

In terms of reviewing the efficiency of the internal control system, this year the Company continues to enhance the efficiency of payroll process by upgrading the software used for payroll calculations for both permanent employees and daily workers, develop more efficient and effective operation including internal audit control system in compliance with the existing information technology system that enables the more reliable traceability process before releasing the payment.

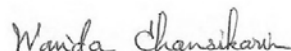
This year, the Company assigned the independent internal auditor to conduct an audit of payroll process and recruitment procedure of the PET Company Limited, a subsidiary company. The audit covered the Company's policies, rules, and regulations pertinent to payroll and recruitment system of both employees and daily workers, pay-out process and employee fringe benefits. The other area also included the information system and data retention process, documentations, forms, information system and software relating to payroll system with the purpose of enhancing the efficiency and effectiveness of payroll system that is traceable at each step and to prevent anti-corruption. The independent auditor reported that the audit findings showed the overall working operations were done at the appropriate level and the Company has improved its internal control systematically. The independent auditor also suggested further to improve certain working process to strengthen the internal control process more efficiently. The Company has improved certain working processes as suggested. The Board of Audit Committee had an opinion that the internal control system of the Company and its subsidiary is appropriated, and the auditor is the third-party company which performed their task independently.

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**Report of the Audit Committee**

In term of regulations and laws of the Stock Exchange of Thailand, Directors and Executives of the Company had acted in compliance with the regulations and laws required by the Stock Exchange of Thailand. Relating to the connected transactions of the Company and its subsidiary, there is no new connected transaction which may lead to conflict of interest with the related parties of the Company and its subsidiary. Concerning the selection of the Company's auditor, the Audit Committee had an opinion that the auditor of the Company and its subsidiary performed their duties independently and comply with the regulation of the Securities and Exchange Commission. The Audit Committee thus proposed to the Board of Directors to appoint Mr. Pornchai Kitipanya-ngam, Certified Public Accountant Registration no. 2778 or Mrs. Suwannee Kitipanya-ngam, Certified Public Accountant Registration no. 2899 or Mr. Thanakorn Fakfaipol, Certified Public Accountant Registration no. 4879 from Bunchikij Company Limited to be the Company's auditor for the fiscal year 2021.

On behalf of Audit Committee,



(Mrs. Wanida Chansikarin)

Audit Committee Chairman

25 February 2021



THAI METAL DRUM MANUFACTURING PUBLIC COMPANY LIMITED

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