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**ONE**

**Report** 2020



# CROWN SEAL



## Core Value



## Vision

“Aspire to step into broader packaging products besides our leading quality cap and closures to provide competitively innovative products with total solutions in environmentally friendly and safe practices to satisfy ASEAN and target countries’ demand.”

## Mission

1. Provide high quality and innovative products with total solutions.
2. Be highly cost competitive provider.
3. Achieve profit margin.
4. Enter new market segment other than food and beverage market and offer other packaging products aligning with cap and closures.
5. Enhance our people to be excellent, competent, and disciplined with safety mind, quality awareness and customer centric as well as opening to challenges.
6. Be safe and happy workplace.
7. Comply to good corporate governance and be responsible for society and environment.





# Content

Page

Message form the Chairman	4-5
Board of Directors and Management	6-18
Organization Chart	19
Part 1 Business Operations and Performance	
1. Structure and Operation of the Company Group	
1.1 Policy and Company's Overview	21
1.2 Nature of Business	21-31
1.3 Shareholders Structure of the Company Group	31
1.4 Registered Capital and Paid - up Capital	31-33
1.5 Other securities	33
1.6 Dividend payout policy	33
2. Risk Management	34-41
3. Sustainability Management Process	
3.1 Sustainable Management Policy	41-46
3.2 The impact on Stakeholders in the value chain of the Business	46-47
3.3 Sustainability Management in Environmental Dimensions	47-48
3.4 Sustainability Management in the Social Dimension	48-51
Report on the Board of Director' Responsibility for the Company's Financial Statements	52
4. Management Discussion and Analysis (MD&A)	
4.1 Analysis of Financial Position, Performance and Significant Changes	53-57
4.2 Factors or Events that could affect the Financial Condition or Operations Significantly	58
4.3 Financial Statements and Financial Ratios	58-59
5. General Information and Other Important Information	60
Part 2 Good Corporate Governance	
6. Corporate Governance Policy	
6.1 Policy and Good Corporate Governance	62-74
6.2 Code of Conduce	74
6.3 Significant Change and Development	74



7. Governance Structure and Important information about the Sub - committees, Executives, Employees and other.	
7.1 Corporate Governance Structure	75
7.2 Information on the Board of Directors	75-79
7.3 Information about the Sub-committees	79-83
7.4 Information about Management	83-87
7.5 Information about Employees	87-91
7.6 Other Important Information	91
8. Corporate Governance Report	
8.1 Summary of the Board's Performance in the Past Year	92-93
8.2 Report on the Performance of the Audit Committee for the past year	93
8.3 Summary of the Performance of the Sub-Committees	93
9. Internal Control and Related Party Transactions	94-102
Part 3 Financial Statements	103-161
Attachments	
Attachment 1 Details of Directors, Executive, Authorized Person and Company Secretary	163
Attachment 2 Details of the Subsidiary's Directors	163
Attachment 3 Details of the Internal Audit Officer Manager and supervisors Company Performance	163-164
Attachment 4 Property used in business and details of the property appraisal report	164
Attachment 5 Policy and Guidelines on Corporate Governance and Business Ethics in detail	164-165
Attachment 6 Audit Committee Report	166-167
Significant Change	168-169
Our Products	170-171



# MESSAGE FROM THE BOARD OF DIRECTOR

**Crown Seal Public Company Limited**, “as a leader in the productions of quality seal caps, has focused on the manufactures of a wide variety of packaging to meet customer needs. Our company has the products with readiness for innovation and competition as well as being environmentally friendly and offering safety and comprehensive services to customers in ASEAN and targeted markets”.



In order to continue our past success and enable the Company to sustainably move forward, we have conducted a study on the new packaging market for future expansion where the clearer result of which is expected to be expressly obvious from 2021 onwards, even though in 2020, we were hit with a critical event, i.e., COVID-19 pandemic consequently causing a severe impact on the global economy and it is not yet clear that the pandemic will stop and when will there be an effective vaccine to stop the spread of the COVID-19. As a result, Thailand’s economy in the overall picture in 2020, was way much lower than what the government had estimated. Our company was also affected by the government’s curfew, the blocking of the admissions of tourists into the country including the closures of entertainment venues and requests for co-operations to people to adapt themselves to the new normal way of social distancing eventually causing the changes in food and beverage consumption habits and resulting in them to spend their times more at homes, stop their social gatherings, turn to online purchase order system consequently making the overall beverage consumption rates declined. Even though the consumptions of some types of health-related beverages have increased, the Company’s sales are somewhat lower than last year. Yet, the profitability-to-gross sales ratio has still remained close in similarity. We have made the adjustment to prevent COVID-19 from spreading which may happen to our employees and the Company by implementing important measures: such as; working from home, screening people at risk and applying measures in accordance with the Center of COVID-19 Situation Administration (CCSA), as well as requesting co-operations from employees to strictly comply with. Such action measure has still remained in force and been adjusted to suit the changing circumstances in order to enable the Company to continue to conduct business operations as usual and make the Company’s business partners confident that they would receive good and quality products in accordance with their requirements.



## MESSAGE FROM THE BOARD OF DIRECTOR

In 2020, Crown Seal Public Company Limited has completed the 50<sup>th</sup> year anniversary of its business operations. To celebrate this significant occasion, we had organized important activities for giving back to society our gratitude: such as; donating money to Rajavithi 2 Hospital (Rangsit) and Rajavithi Hospital Foundation in the total amount of 5 Million Baht, employee volunteers for joint participation in the development of Wat Wang Thip Phantharam School, Khao Phra Sub-district, Muang District of Nakhon Nayok Province, and co-hosting the Kathin (yellow robes) presentation at Wat Chantarasuk, Prachathipat Sub-district, Thanyaburi District of Pathum Thani Province and during the crisis of COVID-19 outbreak, the Company and employees had donated survival bags to affected people at Wat Sai Suwapan, Khlong Si Sub-district, Khlong Luang District of Pathum Thani Province. Pathum Thani and Wat Khian Khet, Bueng Yitho Sub-district, Thanyaburi District also of Pathum Thani Province.

In addition, we have placed the importance on the sustainable business development both on the aspects of the economy, society and environment. We have executed actions and monitored controls over various values properly in accordance with the Regulations of Department of Industrial Works and Pollution Control Department. Our waste treatments and disposals have been handled properly in accordance with the Environmental Law and Regulations to prevent any impact on the community and the environment which is the Company's important goal as well as submitting the application for renewal of the Private Sector Anti-Corruption Coalition Membership Certificate which was received on 30 September 2020, and would be valid for 3 years from the date on which the approval resolution is rendered.

Board of Directors would like to express our appreciation to shareholders, investors, partners, customers, business allies and relevant government agencies for their confidence and good supports to the Company's business operations which we have always received. My thanks also go to all employees who have exerted their utter efforts for hard working to lead Crown Seal Public Company Limited to go forward with stability and strength with the readiness to develop and change things for the better. This is in the best interest of participants and stakeholders who have always laid their trust and reliability upon the Company.



Mr. Dhep Vongvanich

Chairman of the Board of Director



## Board of Directors



Mr. Dhep Vongvanich

Age 74 years

- Independent Director
- Chairman of the Board of Directors
- Chairman of the Executive Committee

**Nationality** Thai

**Position** Independent Director : Appointment as of 24 Jun. 2008  
Chairman of the Board of Directors : Appointment as of 15 Dec. 2016  
Chairman of the Executive Committee :  
Appointment as of 19 Feb. 2018

**Ratio of Shareholding (%)**\* -None-

**Education / Director Training Courses with IOD**

- Bachelor of Civil Engineering, Chulalongkorn University

**Past experience of 5 years retroactively**

**Present** - Independent Director, Chairman of the Board of Directors and  
Chairman of the Executive Committee/  
Crown Seal Public Company Limited.  
- Chairman/ TPC Vina Plastic and Chemical Corp., Limited.  
- Advisor of the President Siam Cement Public Company Limited.  
- SCG County Executive Director Vietnam.  
- Director/ Bangkok Industrial Gas Company Limited.  
2014-2019 - Board of Commissioner/ PT. Indonesia Caps and Closures  
1996-2018 - Member of the Board of Directors/  
Thai Plastic and Chemicals Public Company Limited.



Mr. Pornwut Sarasin

Age 61 years

- Vice - Chairman
- Authorized Director

**Nationality** Thai

**Position** Director : Appointment as of 24 Jun. 2015  
Vice - Chairman : Appointment as of 15 Dec. 2016

**Ratio of Shareholding (%)**\* 0.0415

**Education / Director Training Courses with IOD**

- MBA. Pepperdine University, USA  
- Director Accreditation Program (DAP 45)

**Past experience of 5 years retroactively**

**Present** - Vice-Chairman/ Crown Seal Public Company Limited.  
- Chairman/ ThaiNamthip Company Limited.  
- Chairman/ BG Container Glass Public Company Limited.  
- Director and Chairman of the Audit Committee/  
Charoong Thai Wire & Cable Public Company Limited.  
- Director/ Home Product Center Public Company Limited.  
- Director/ AP (Thailand) Public Company Limited.  
- Director/ Denso (Thailand) Company Limited.  
- Director/ Honda Automobile (Thailand) Company Limited.  
- Director/ Isuzu Motors (Thailand) Company Limited.  
- Director/ Thai Asia Pacific Brewery Company Limited.  
- Director/ Thai Bridgestone Company Limited.  
- Director/ Thai-MC Company Limited.  
- Director/ Tri Petch Isuzu Sales Company Limited.  
- Director/ Tri Petch Isuzu Leasing Company Limited.







Mr. Sirote Sawasphanich

Age 72 years

- Independent Director
- Chairman of the Audit Committee

**Nationality** Thai

**Position** Independent Director: Appointment as of 6 Aug. 2020  
Chairman of the Audit Committee: Appointment as of 5 Nov. 2020

**Ratio of Shareholding (%)**\* -None-

**Education / Director Training Courses with IOD**

- Master of Business Administration in Finance Missouri University (Columbia), USA
- Bachelor of Science B.Ed. (Honors) in Finance Chulalongkorn University
- Certified in Finance IMF, Washington, USA
- Certificate in Administration, Sasin, Chulalongkorn University
- Director Certification Program (DCP 9/2001)

**Past experience of 5 years retroactively**

- Present**
- Independent Director and Chairman of the Audit Committee/ Crown Seal Public Company Limited.
  - Chairman of the Audit Committee/ Vibhavadi Hospital PCL.
  - Independent Director/ SNC Former PLC.
  - Member of the Audit Committee/ Rajamangala University of Technology Lanna
  - Qualified Director/ Walailak University
  - Chairman of the Board / Business Promotion Walailak University
  - Board of Trustees/ Fiscal Policy Research Institute Foundation
  - Director and Assistant Treasurer/ Chumpat-Pantip Foundation
  - Director and Manager/ the Foundation Professor Dr. kaw Sawasphanich for reading

\*\*\*\*\*



Mr. Satit Chanjavanakul

Age 72 years

- Independent Director
- Member of the Audit Committee
- Chairman of the Nomination and Remuneration Committee

**Nationality** Thai

**Position** Independent Director: Appointment as of 29 Jun. 2009  
Member of the Audit Committee: Appointment as of 20 Feb. 2010  
Chairman of the Nomination and Remuneration Committee: Appointment as of 19 Feb. 2018

**Ratio of Shareholding (%)**\* -None-

**Education/ Director Training Courses with IOD**

- M.A. (Business Administration), Thammasat University
- M.Sc. (Textile Technology), University of Leeds, U.K.
- Director Accreditation Program (DAP 39/2005)
- Director Certification Program (DCP 83/2007)
- Corporate Governance for Capital Market Intermediaries (CGI 7/2015)
- Board Nomination & Compensation Program (BNCP 5/2018)

**Past experience of 5 years retroactively**

- Present**
- Independent Director, Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee/ Crown Seal Public Company Limited.



- Chairman/ SNC Former Public Company Limited.
- Independent Director and the Audit Committee/  
Lalin Property Public Company Limited.
- Independent Director and the Audit Committee/  
Thai Agro Energy Public Company Limited.
- Director/ SPC Home Ideas Company Limited.
- 2004 – 2020 - Independent Director and the Audit Committee/  
Asia Plus Group Holdings Public Company Limited.
- 2015 – 2020 - Director/ Asia Plus Securities Company Limited.
- 2013 – 2019 - Director/ Withcorp Products Company Limited.



Mr. Hisashi Nakajima  
Age 64 years  
● Director  
● Authorized Director

**Nationality** Japanese  
**Position** Director : Appointment as of 4 Nov. 2015  
**Ratio of Shareholding (%)**\* -None-  
**Education / Director Training Courses with IOD**  
 - Bachelor of Mechanical Engineering,  
Hokkaido University, Japan  
**Past experience of 5 years retroactively**  
 Present - Director/ Crown Seal Public Company Limited.  
 - President and Representative Board Director/  
Nippon Closures Company Limited.  
 2013 - Aug.2015 - Board Director and Executive Operating Officer,  
Head of Technical Development Headquarters/  
Nippon Closures Company Limited.  
 2010 – 2013 - Operating Officer and Plant Manager, Ishioka/  
Nippon Closures Company Limited.



Mr. Ichio Otsuka  
Age 61 years  
● Director

**Nationality** Japanese  
**Position** Director : Appointment as of 8 Aug. 2017  
**Ratio of Shareholding (%)**\* -None-  
**Education/ Director Training Courses with IOD**  
 - Bachelor of Mechanical Engineering, Keio University, Japan  
**Past experience of 5 years retroactively**  
 Present - Director/ Crown Seal Public Company Limited.  
 - President/ Toyo Seikan Group Holdings Company Limited.  
 - President/ Toyo Seikan Company Limited.  
 Apr. 2016 - Director and Senior Executive Officer/  
Toyo Seikan Company Limited.  
 2015 - Executive Officer/ Toyo Seikan Company Limited.  
 2014 - Operating Officer/  
Toyo Seikan Group Holdings Company Limited.  
 2013 - Operating Officer/ Toyo Seikan Company Limited.



Mr. Pongpanu Svetarundra

Age 61 years

- Independent Director
- Member of the Audit Committee
- Member of the Nomination and Remuneration Committee

**Nationality** Thai  
**Position** Independent Director: Appointment as of 8 Dec. 2011  
 Member of the Audit Committee: Appointment as of 8 Dec. 2011  
 Member of the Nomination and Remuneration Committee: Appointment as of 19 Feb. 2018

**Ratio of Shareholding (%)**\* -None-

**Education/ Director Training Courses with IOD**

- M.A. (Economics), Northwestern University, USA.
- Financial Statements for Directors (FSD 2/2008)
- Role of the Chairman Program (RCP 21/2009)

**Past experience of 5 years retroactively**

- Present
- Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee/ Crown Seal Public Company Limited.
  - Independent Director and Member of the Nomination and Remuneration Committee/ Asset World Corp Public Company Limited.
  - Chairman of the Board of Director, Independent Director and Member of the Audit Committee/ Megachem (Thailand) Public Company Limited.
- 2016 - 2018 - Permanent Secretary/ Ministry of Tourism and Sports.  
 2012 - 2017 - Director/ TMB Bank Public Company Limited.  
 2009 - 2016 - Director/ Thaisri Insurance Public Company Limited.  
 2013 - 2015 - Director/ Thai Airways International Public Company Limited.  
 2011 - 2015 - Deputy Permanent Secretary/ Ministry of Finance.



Prof. Dr. Suwimon Keeratipibul

Age 66 years

- Independent Director
- Member of the Executive Committee
- Member of the Nomination and Remuneration Committee

**Nationality** Thai  
**Position** Independent Director : Appointment as of 26 Apr. 2010  
 Member of the Executive Committee : Appointment as of 19 Feb. 2018  
 Member of the Nomination and Remuneration Committee : Appointment as of 19 Feb. 2018

**Ratio of Shareholding (%)**\* -None-

**Education/ Director Training Courses with IOD**

- Doctor and Master of Engineering (Fermentation Technology), Hiroshima University, Japan
- Director Accreditation Program (DAP 97/2012)

**Past experience of 5 years retroactively**

- Present
- Independent Director, Member of the Executive Committee and Member of the Nomination and Remuneration Committee/ Crown Seal Public Company Limited
  - Lecturer at the Faculty of Science, Chulalongkorn University
  - Independent Director of President Bakery Public Company Limited.
- 1997 - 2011 - Representative of the Food Industry Group/ The Federation of Thai Industries in Codex Committee on Food Hygiene of Codex Alimentarius Commission, Organized by Food and Agriculture Organization (FAO) and World Health Organization (WHO) of UN.





Mr. Dhitivute Bulsook

Age 52 years

● Director

**Nationality** Thai

**Position** Director : Appointment as of 20 Feb. 2010

**Ratio of Shareholding (%)\*** 0.0120

**Education/ Director Training Courses with IOD**

- MBA, Babson College, USA
- BS in Engineering, Chulalongkon University
- Director Certification Program (DCP 78/2006)(English Program)

**Past experience of 5 years retroactively**

**Present**

- Director/ Crown Seal Public Company Limited.
- Director/ Sermsuk Public Company Limited.
- Director/ Petform (Thailand) Company Limited.
- Director/ Sermsuk Holding Company Limited.
- Director/ Sermsuk Beverage Company Limited.
- Director/ Wrangyer Beverage (2008) Company Limited.
- Director/ ThaiDrinks Company Limited.

2012 - 2020 - Director/ Sermsuk Training Company Limited.

2012 - 2020 - Director/ Great Brands Limited.

2011 - Sep.2015 - President/ Sermsuk Public Company Limited.

\*\*\*\*\*



Mr. Yoshiki Miyatani

Age 62 years

● Director

**Nationality** Japanese

**Position** Director : Appointment as of 28 Apr. 2016

**Ratio of Shareholding (%)\*** -None-

**Education/ Director Training Courses with IOD**

- Bachelor of Business Administration, Meiji University, Japan

**Past experience of 5 years retroactively**

**Present**

- Director/ Crown Seal Public Company Limited.
- President/ Next Can Innovation Company Limited.
- Director/ Bangkok Can Manufacturing Company Limited.
- Director/ Toyo Seikan (Thailand) Company Limited.
- Director/ Kanagata (Thailand) Company Limited.
- Director/ Global Eco-can Stock (Thailand) Company Limited.
- Operating Officer/ Toyo Seikan Company Limited.

2016 - May 2019 - President/ Bangkok Can Manufacturing Company Limited.

2013 - Operating Officer/  
Toyo Seikan Group Holdings Company Limited.





Mr. Hiroshi Takahashi

Age 61 years

- Director
- Member of the Executive Committee
- Authorized Director

**Nationality** Japanese

**Position** Director : Appointment as of 22 Apr. 2019  
Member of the Executive Committee : Appointment as of 22 Apr. 2019

**Ratio of Shareholding (%)**\* -None-

**Education/ Director Training Courses with IOD**

- Applied Chemistry, master's course of Iwate University, Japan

**Past experience of 5 years retroactively**

- Present - Director and Member of the Executive Committee/  
Crown Seal Public Company Limited.
- Executive Operating Officer/ Nippon Closures Company Limited.
- Director/ Bangkok Can Manufacturing Company Limited.
- 2018 - Operating officer, Quality Assurance & Engineering Dept/  
Nippon Closures Company Limited.
- 2016 - Operating officer, Quality Assurance Dept/  
Nippon Closures Company Limited.
- 2015 - Operating officer, Production Engineering Dept/  
Nippon Closures Company Limited.

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Mr. Hisatoshi Itsubo

Age 58 years

- Director
- Member of the Nomination and Remuneration Committee

**Nationality** Japanese

**Position** Director : Appointment as of 7 Nov. 2017  
Member of the Nomination and Remuneration Committee :  
Appointment as of 19 Feb. 2018

**Ratio of Shareholding (%)**\* -None-

**Education/ Director Training Courses with IOD**

- Bachelor Degree of Sociology, Kansai University, Japan

**Past experience of 5 years retroactively**

- Present - Director and Member of the Nomination and Remuneration  
Committee/ Crown Seal Public Company Limited.
- Operating Office Corporate Planning/ Nippon Closures  
Company Limited.
- Apr. 2018 - Operating Office Global Business Planning/ Nippon Closures  
Company Limited.
- Apr. 2016 - General Manager Operational Headquarter/  
Nippon Closures Company Limited.
- Jun. 2015 - Head of Procurement Center/  
Toyo Seikan Group Holdings Company Limited.
- Apr. 2012 - General Manager - procurement/  
Toyo Seikan kaisha Company Limited.





Mr. Akihiko Kato

Age 55 years

- Director
- Member of the Executive Committee
- Authorized Director

**Nationality** Japanese

**Position** Director : Appointment as of 19 Feb. 2018  
Member of the Executive Committee :  
Appointment as of 19 Feb. 2018

**Ratio of Shareholding (%)**\* -None-

**Education/ Director Training Courses with IOD**

- Bachelor's Degree of Mechanical Engineering, Chubu University, Japan

**Past experience of 5 years retroactively**

- Present - Director and Member of the Executive Committee/ Crown Seal Public Company Limited.
- Manager of Production Promotion Dep./ Nippon Closures Company Limited.
- Apr. - May 2017 - Manager of Corporate Planning Sec, Operational HQ/ Nippon Closures Company Limited.
- Sep. 2014 - President/ Riguan Closure(Changshu) Company Limited. (RCC)
- Apr. 2014 - Manager of Quality Control Dep. Of Okayama factory./ Nippon Closures Company Limited.



Mr. Panthep Supachaiyakit

Age 66 years

- Director
- Member of the Executive Committee
- Authorized Director

**Nationality** Thai

**Position** Director : Appointment as of 25 Apr. 2018  
Member of the Executive Committee :  
Appointment as of 19 Feb. 2018

**Ratio of Shareholding (%)**\* -None-

**Education/ Director Training Courses with IOD**

- MBA. Marketing, GSB (Booth School), University of Chicago
- Bachelor of Engineering (mechanical), College of Engineering, Chulalongkorn University
- Director Accreditation Program (DAP 102/2013)
- Director Certification Program (DCP 230/2016)
- Board Nomination & Compensation Program (BNCP 7/2019)

**Past experience of 5 years retroactively**

- Present - Director and Member of the Executive Committee/ Crown Seal Public Company Limited.
- Independent Director, Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee/ Quality Construction Products Public Company limited.
- 2012 - 2020 - Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee/ TBSP Public Company Limited.
- 1 Jan. 2015 - Senior Advisor SCG Paper
- 1 May 2014 - Managing Director-Phoenix Pulp and Paper/ Thai paper/ Thai Union Paper, SCG Paper





Ms. Retree Chanthum

Age 38 years

- Company Secretary
- Secretary to the Board of Director
- Secretary to the Executive Committee

**Nationality** Thai

**Position** Company Secretary : Appointment as of 1 May 2018  
 Secretary to the Board of Directors :  
 Appointment as of 1 May 2018  
 Secretary to the Executive Committee :  
 Appointment as of 1 May 2018

**Ratio of Shareholding (%)**\* -None-

**Education/ Director Training Courses with IOD**

- Master of Business Administration (International Business Management), Sripatum University
- Company Secretary Program (CSP) 74/2016
- Anti-Corruption: The Practical Guide (ACPG) 33/2016
- Effective Minutes Taking (EMT) 39/2017
- Fundamentals Practice for Corporate Secretaries 1/2016
- Advances for Corporate Secretaries 1/2016

**Past experience of 5 years retroactively**

- Present - Company Secretary Office Manager, Company Secretary, Secretary to the Board of Director and Secretary to the Executive Committee/ Crown Seal Public Company Limited.
- 2016 - Apr.2018 - Company Secretary/ TBSP Public Company Limited.

- \*\*\*\*\*
- Remarks 1. All above 14 Directors have not family relations.
- 2.\* Ration of shareholding includes shares of spouse and minor children.



## Management



Mr. Panthep Supachaiyakit

Age 66 years

- President

Nationality Thai

Position President : Appointment as of 1 Oct. 2017

Ratio of Shareholding (%)\* -None-

Education/ Director Training Courses with IOD

- MBA. Marketing, GSB (Booth School), University of Chicago
- Bachelor of Engineering (mechanical), College of Engineering, Chulalongkorn University
- Director Accreditation Program (DAP 102/2013)
- Director Certification Program (DCP 230/2016)
- Board Nomination & Compensation Program (BNCP 7/2019)

Past experience of 5 years retroactively

Present

- President/ Crown Seal Public Company Limited.
- Independent Director, Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee/ Quality Construction Products Public Company limited.

2012 - 2020

- Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee/ TBSP Public Company Limited.

1 Jan. 2015

- Senior Advisor SCG Paper

1 May 2014

- Managing Director-Phoenix Pulp and Paper/ Thai paper/ Thai Union Paper, SCG Paper

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Mr. Hiroshi Takahashi

● Age 61 years

- Senior Vice President - Technical

Nationality Japanese

Position Senior Vice President – Technical : Appointment as of 22 Apr. 2019

Ratio of Shareholding (%)\* -None-

Education/ Director Training Courses with IOD

- Applied Chemistry, master's course of Iwate University, Japan

Past experience of 5 years retroactively

Present

- Senior Vice President - Technical/ Crown Seal Public Company Limited.
- Executive Operating Officer/ Nippon Closures Company Limited.
- Director/ Bangkok Can Manufacturing Company Limited.

2018

- Operating officer, Quality Assurance & Engineering Dept/ Nippon Closures Company Limited.

2016

- Operating officer, Quality Assurance Dept/ Nippon Closures Company Limited.

2015

- Operating officer, Production Engineering Dept/ Nippon Closures Company Limited.







Mr. Akihiko Kato

Age 55 years

● Vice President - Plant

**Nationality** Japanese

**Position** Vice President - Plant : Appointment as of 1 Jan. 2020

**Ratio of Shareholding (%)**\* -None-

**Education/ Director Training Courses with IOD**

- Bachelor's Degree of Mechanical Engineering, Chubu University, Japan

**Past experience of 5 years retroactively**

Present - Vice President - Plant/ Crown Seal Public Company Limited.  
- Manager of Production Promotion Dep./ Nippon Closures Company Limited.

2018 - 2019 - Vice President – Technical/ Crown Seal Public Company Limited.

Apr. - May 2017 - Manager of Corporate Planning Sec, Operational HQ/ Nippon Closures Company Limited.

Sep. 2014 - President/ Riguan Closure (Changshu) Company Limited. (RCC)

Apr. 2014 - Manager of Quality Control Dep. Of Okayama factory./ Nippon Closures Company Limited.

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Mr. Ruj Tantsetthi

Age 56 years

● Vice President - Technical

**Nationality** Thai

**Position** Vice President - Technical : Appointment as of 1 Jan. 2020

**Ratio of Shareholding (%)**\* 0.0019

**Education/ Director Training Courses with IOD**

- Master of Business Administration (Major Organization Management), Dhurakij Pundit University

**Past experience of 5 years retroactively**

Present - Vice President - Technical/ Crown Seal Public Company Limited.

2012 - 2019 - Vice President - Plant/ Crown Seal Public Company Limited.

2005 - 2012 - Production 1 Manager/ Crown Seal Public Company Limited.



Mr. Preecha Suthivechakun

Age 54 years

- Vice President-  
Quality Assurance

**Nationality** Thai

**Position** Vice President-Quality Assurance :  
Appointment as of 1 Jul. 2018

**Ratio of Shareholding (%)**\* -None-

**Education/ Director Training Courses with IOD**  
- Master of Business Administration (Management), Kasetsart University

**Past experience of 5 years retroactively**

Present - Vice President-Quality Assurance/  
Crown Seal Public Company Limited.

2016 - Jun. 2018 - Deputy Vice President-Quality Assurance/  
Crown Seal Public Company Limited.

2014 - 2015 - Plastic Cap Production Manager/  
Crown Seal Public Company Limited.



Ms. Naruporn Arunpraphan

Age 43 years

- Vice President - Sale

**Nationality** Thai

**Position** Vice President - Sale : Appointment as of 4 May. 2020

**Ratio of Shareholding (%)**\* -None-

**Education/ Director Training Courses with IOD**  
- Master of Business Administration Sasin Graduate Institute Of Business Administration

**Past experience of 5 years retroactively**

Present - Vice President - Sale/ Crown Seal Public Company Limited.

2007 - 2018 - Sale and Marketing Director/  
Mit Mongkol Industry Company Limited.  
Marketing Director/ MMK Intertrade Company Limited.

2006 - 2007 - Category Manager/  
Central Retail Corporation Public Company Limited.

2004 - 2005 - Marketing Executive/  
Factory talk Company Limited.





Mr. Peerasage Sopakanit

Age 40 years

- Deputy Vice President- Finance and Accounting

**Nationality** Thai

**Position** Deputy Vice President – Finance and Accounting :  
Appointment as of 1 May 2018

**Ratio of Shareholding (%)**\* -None-

**Education/ Director Training Courses with IOD**

- Master of Accountancy Degree, Chulalongkorn University
- National Institute of Development Administration (NIDA)/ Executive Mini MBA (2019)
- Strategic CFO in Capital Market program#9/ the Stock Exchange of Thailand. (2019)

**Past experience of 5 years retroactively**

Present - Deputy Vice President – Finance and Accounting/  
Crown Seal Public Company Limited.

2016 - Mar. 2018 - Senior Manager Financial and Accounting/  
Mary Anne Dairy Product Company Limited.

2015 - 2016 - Financial and Accounting Manager/  
Inter hides Public Company Limited.

2010 - 2015 - Accounting Manager and Board of Audit Committee  
Secretary/ Saha Thai Steel Pipe Public Company Limited.

\*\*\*\*\*

Remarks 1. All above 7 Directors have not family relations

2.\* Ration of shareholding includes shares of spouse and minor children.



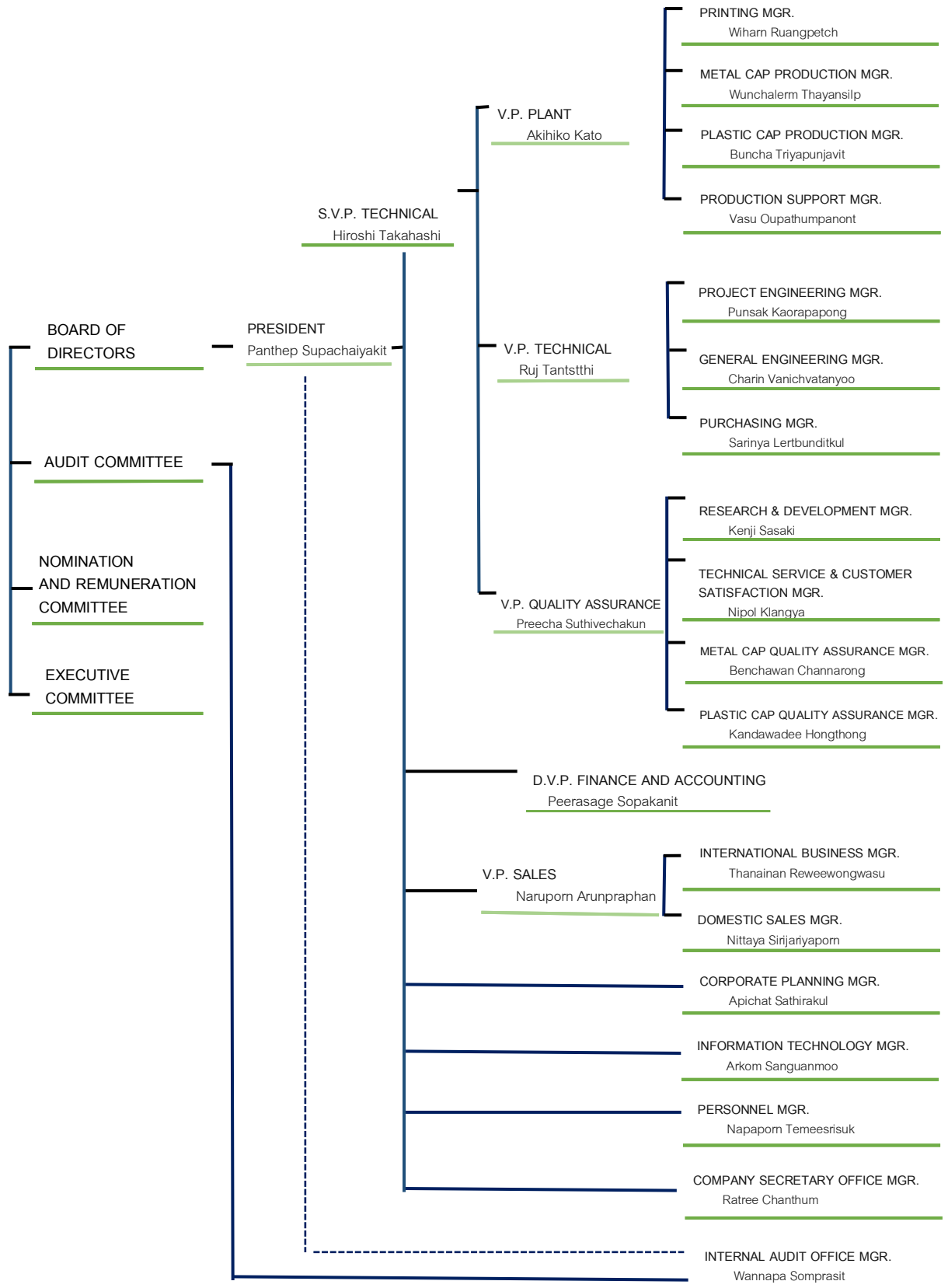
## Report on changes in securities holding by company directors and management members as of December 31, 2020

Name	No. of shares									Shareholding ratio in year 2020	
	As of December 31, 2019			As of December 31, 2020			Increase (Decrease)				
	Direct	Indirect*	Total	Direct	Indirect*	Total	Direct	Indirect*	Total		
1. Mr. Dhep Vongvanich	-	-	-	-	-	-	-	-	-	-	-
2. Mr. Pornwut Sarasin	21,926	-	21,926	21,926	-	21,926	-	-	-	-	0.0415
3. Mr. Sirote Sawasphanich	-	-	-	-	-	-	-	-	-	-	-
4. Mr. Satit Chanjavanakul	-	-	-	-	-	-	-	-	-	-	-
5. Mr. Hisashi Nakajima	-	-	-	-	-	-	-	-	-	-	-
6. Mr. Ichio Otsuka	-	-	-	-	-	-	-	-	-	-	-
7. Mr. Pongpanu Svetarundra	-	-	-	-	-	-	-	-	-	-	-
8. Prof.Dr. Suwimon Keeratipibul	-	-	-	-	-	-	-	-	-	-	-
9. Mr. Dhitivute Bulsook	6,320	-	6,320	6,320	-	6,320	-	-	-	-	0.0120
10. Mr. Yoshiki Miyatani	-	-	-	-	-	-	-	-	-	-	-
11. Mr. Hiroshi Takahashi	-	-	-	-	-	-	-	-	-	-	-
12. Mr. Hisatoshi Itsubo	-	-	-	-	-	-	-	-	-	-	-
13. Mr. Akihiko Kato	-	-	-	-	-	-	-	-	-	-	-
14. Mr. Panthep Supachaiyakit	-	-	-	-	-	-	-	-	-	-	-
15. Mr. Ruj Tantsetthi	1,000	-	1,000	1,000	-	1,000	-	-	-	-	0.0019
16. Mr. Preecha Suthivechakun	-	-	-	-	-	-	-	-	-	-	-
17. Ms. Naruporn Arunpraphan	-	-	-	-	-	-	-	-	-	-	-
18. Mr. Peerasage Sopakanit	-	-	-	-	-	-	-	-	-	-	-
19. Ms. Ratee Chanthum	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>29,246</b>	<b>-</b>	<b>29,246</b>	<b>29,246</b>	<b>-</b>	<b>29,246</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0554</b>

Remark : \* Shareholding by spouse and minor children including any person holding share in the replacement of director, management or controlling person.



# Organization Chart





# PART 1



## Business Operations and Performance



## Part 1 Business Operations and Performance

### 1. Structure and Operation of the Company Group

#### 1.1 Policy and Company's Overview

Crown Seal Public Company Limited is a manufacturer and distributor of Crown Caps, Pilfer-Proof Caps, Maxi Caps, Plastic Caps and Composite Cap used as bottling and container seals for products namely carbonated drinks, milk, beer, liquor, soda, drinking water and medical supplies including the hand-held capping machine and Maxi-Cap Sealing machine. Furthermore, the Company also earns the revenue from the printed sheets service.

Crown Seal Public Company Limited was established in 1968 by receiving technological supports from Nippon Closures Co., Ltd., a company in Toyo Seikan Group Holdings Co., Ltd. of Japan. With the high quality products and sufficient production capacity, the Company has distributed the products to leading customers both in country and overseas with the sales revenue of over 2,770 Million Baht per year at the present. Major shareholders are in the packaging industrial and beverage group: such as; Nippon Closures Co., Ltd., Toyo Seikan Co., Ltd., Boon Rawd Brewery Co., Ltd., ThaiNamthip Co., Ltd., Serm Suk Public Co., Ltd. and Green Spot Co., Ltd.

Throughout the operational period of being engaged in the business of caps and closures packaging, the Company has developed and built up long standing relations with the customers by firmly adhering to the productions of quality products and create satisfactions to the customers which, in this respect, leading technology from Toyo Seikan Group Holdings Co., Ltd., is used in the productions. In addition, the Company has still devoted its utmost effort and firmly determined at all out endeavor possible to step forward in becoming the leader in packaging in the future.

#### 1.2 Nature of Business

##### Our Products

**Crown Cap** used to seal glass bottle and made of extruded tinplate coated with sealing materials inside to prevent leakage. When it is tightly sealed, the quality of the drink or product in the bottle will be well preserved. Therefore it is suitable for sealing bottles of soft drink, beer, soda, tea, soy milk and juice.

**Pilfer-proof cap** used to seal glass bottle and made of extruded aluminum sheet in a cylinder form. There is a perforated line between the cap and the its rim while the layer under the cap surface is filled with anti-rust proof and lining compound to prevent leakage. It is suitable for the products filled with gas or sterilization with heat. The pilfer-proof cap is convenient for various products such as soft drink, healthy beverage, energy drink, sport drink, alcoholic, drug and soy milk.

**Plastic cap** used to seal glass and plastic bottles. The external thread cap is provided perforated line between the cap and its rim. It is suitable for various products such as soft drink, green tea drink, juice, drinking water, soy milk, health beverage and others.



**Maxi crown cap** used to seal glass bottle and made from extruded tinplate with internal thread and the layer under the surface of the cap is filled with leak resistance lining compound. It is convenient for non-refrigerated products such as alcoholic.

**Maxi Cap** used to seal glass bottle and made of extruded aluminum sheet and thread while the layer under the surface of the cap is filled with leak resistance lining compound. It is suitable to products filled with gas or sterilization with heat. It is suitable for refrigerated products with anti-rust cap such as drinking water, beer, alcoholic and juice.

**Maxi-PG cap** used to seal glass bottle and made of extruded aluminum sheet and threaded while the layer under the surface of the cap is filled with leak resistance lining compound. It is suitable for the products filled with gas or having been through pasteurization process. The plastic pulling ring is convenient for the refrigerated products with anti-rust cap such as drinking water, beer, alcoholic, juice and healthy drink.

**Composite cap** is made from plastic through the blow molding process and is coupled with metal sheet and attached with anti-leak lining compound. The ribbed cap is arranged to prevent slippery and perforated between the cap and its rim. It is suitable for the products like essence of chicken, bird's nest drink, concentrated juice and healthy drink.

**Crimping machine** is specially designed to tightly seal the cap with the glass bottle to prevent leakage of the product inside. The machine is lightweight and conveniently portable.

**Maxi cap sealing machine** is a semi-automatic pneumatic crimping machine with single head which could seal Maxi cap, Maxi crown cap and Maxi PG cap with glass bottle efficiently to keep the quality of the product long lasting.

**Printing Service** is provided for coating, printing on steel plate and aluminum sheets before forming shaped. The service is also cover to design, pattern from the high technology printing system.

#### Revenue structure of the Company for the past 3 years

Revenue Type	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Net Income</b>						
1. Manufacture and Sales of caps	2,664.38	92.17	2,948.02	88.38	2,686.40	84.18
2. Printing Service and Sales of Printed Sheets	105.78	3.66	188.95	5.67	154.18	4.83
3. Others Income*	120.72	4.17	198.56	5.95	350.71	10.99
<b>Total Revenues of consolidated financial statements</b>	<b>2,890.88</b>	<b>100.00</b>	<b>3,335.53</b>	<b>100.00</b>	<b>3,191.29</b>	<b>100.00</b>

Remark : \* Indicating in accordance to consolidated financial statements which include other revenues such as income from sales of scrap metal, administration, and others.





## Marketing and competition

Marketing strategies of the Company in 2020 are as follows:-

### 1. Product quality

The Company has clear policy for conducting business under the international quality system certification by developing and maintaining the quality system in production of goods of the Company to meet with the requirements of the quality certification systems continuously, to ensure that customers will receive products that have quality to meet with the requirements, goods have safety and are suitable for use, including:

- Quality management system of ISO 9001: 2015
- Environmental management system of ISO 14001: 2015
- Food Safety System - FSSC 22000
- Occupational Health and Safety Management System (BS OHSAS 18001: 2007, TISI 18001-2011)
- Good Manufacturing Practice (GMP)
- Hazard Analysis and Critical Control Point - HACCP

For the year 2020, the Company has a plan to apply for the certification of the Occupational Health and Safety Management System - ISO 45001: 2018, which is adjustment from the OHSAS 18001: 2007 Standard and Food Safety Management System changed from FSSC 22000. Version 4.1 to be FSSC 22000 Version 5.

In addition, the Company has target to reduce customer complaints. The Company still continuously works on Small Group Activity that has target to be in line with the Company's main action plan - energy conservation, along with doing 6S (5S + Safety) and Kaizen as the foundation. This is for employees to be aware and participate in continuous development and improvement and to build trust with customers, to use the Company's products, for delivering the quality products of the customers to forward to consumers further.

This year, the Company has made the investment to upgrade the efficiency of the ERP system from ECC6 to SAP HANA and started to use the new system since October 2020, to increase the business efficiency.

### 2. Price

The Company has fair, reasonable price policy regarding products, taking into account the cost of production factors which there are changing, especially the main raw materials, such as steel sheets, aluminum sheets and plastic beads. If there is any price movement from the manufacturers, the Company is ready to review the selling price to customers appropriately to comply with market conditions and competition. The important thing is to keep valued customers who have good patronage to the Company. In addition, the Company has system for assessment and analysis for management and analysis of the cost for general customers and customers who use the bidding system, which has a tendency to increase both domestic and foreign customers.



### 3. Service

The Company focuses and emphasizes importance to product presentation to customers since the step of presentation for selling and requesting for detailed usage, in order to present products to customers correctly and suitably for use and on time according to the time schedule. The Company has sales team and technical service team, to provide service before sales, during sales and after sales, by giving fast, accurate and consistent service, in order to provide maximum satisfaction to customers. The Company has sales team that meets customers constantly and technical service team that has knowledge and expertise in the Company products and has experience in checking the condition of packaging closure. In addition, the Company has team of resource persons with expertise, ready to train and to impart knowledge about the Company products to customers' personnel continuously, in order to provide service to customers with total solution. The Company also has a Marketing Department to conduct a study on market trends, megatrends, consumer behaviors, and new product trends for offering to customers in order that those trends can be used as guidelines for the development of new products. It is considered yet another one of the services that we provide to our customers.

### 4. Product development

In 2020, the Company invested in a machine to manufacture aluminum screw caps used with whiskey products and made an additional investment in plastic cap machinery to meet the increasing customer demands. The Company has a team to work together in developing new products or improving the quality of the products to respond to the needs of customers

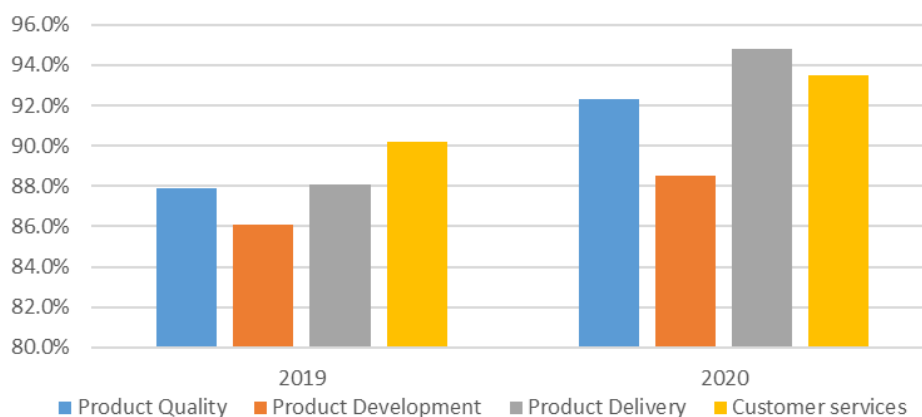
In the year 2020, the Company still has plans to study about the market and develop products, for new groups of markets, in food, milk, medicine, healthcare and other consumer products continuously.

### 5. Customers' Satisfactions

We initiated actions to conduct the customer satisfaction surveys to acquire information on the Company's current performance result and to get to understand the customers' needs in leading us to the implementation of the product development and services in compatibility with the customers' requirements in order to create their satisfactions with the Company's products and services. We started to conduct the customer satisfaction surveys in 2019, by having the customers to make their satisfaction assessments in 4 main areas: namely; the product quality, the product development, goods delivery of goods and service. Deriving from the 2020 assessment result, customers were more satisfied with the product quality, the product development, goods delivery and services. We used the data derived from the customers' assessments to carry on the analysis to improve our works, product quality, product development and better services for customers.



### The comparison of customer satisfaction survey 2019 VS 2020

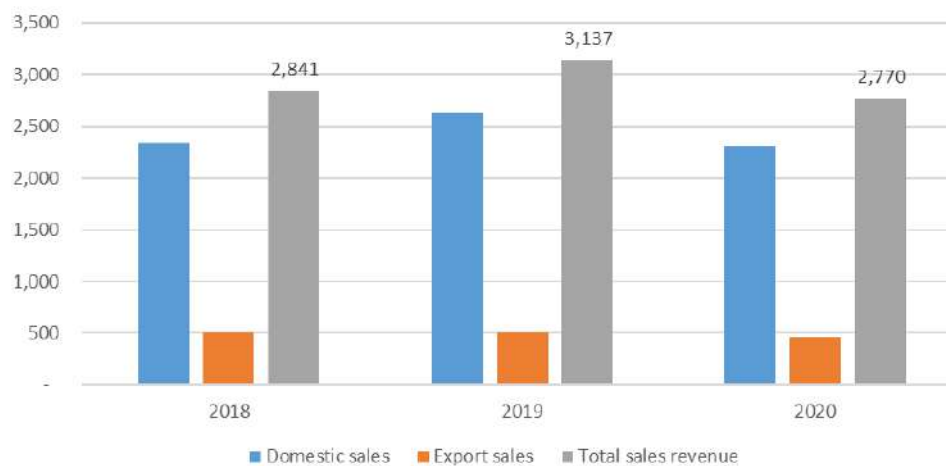


### Ratio of Domestic and Export Sales

#### 1. Company's Sales

The Company's sales in 2020 accounted for the total amount to 2,770 million Baht divided into the domestic sales amounting to 2,304 million Baht or 83.18% and the international sales amounting to 466 million Baht or 16.82% of the Company's total sales.

### Sales revenue of Domestic sales and Export Sales



Unit: Million Baht

Year	Domestic Sales	Export Sales	Total Sales
2018	2,335	506	2,841
(%)	82.19	17.81	100
2019	2,633	504	3,137
(%)	83.92	16.08	100
2020	2,304	466	2,770
(%)	83.18	16.82	100



The Company accounted for sales to domestic customers in the proportion of 83.13% of the Company's total sales while the sales volume of the domestic markets in 2020 saw a decrease by 5.3% from 2019, where the value of the sales accounted for a decrease by 10.1%, mainly due to the COVID-19 pandemic that affected the distribution channels. In addition, the implementation of the New Normal lifestyle had made consumers spent less time outside their homes and, thus, reducing their spending consequently resulting in the beverage markets to be in deficit in the first half of the year, especially, the alcohol markets. However, in the second half of the year, after the government began to relax the curfew policy, the overall beverage markets began to pick up and were eventually improved.

The Company accounted for sales to overseas customers in the proportion of 16.82% of the Company's total sales while the sales volume of overseas markets for 2020 had declined by 11.7% from 2019. The main reason causing the sales volume to decline in overseas markets was due to the impact from the COVID-19 pandemic consequently resulting in the governments abroad to implement a lock down measure, as well. The major overseas markets are Indonesia, Laos, Myanmar, Vietnam, Australia, New Zealand, Taiwan, the Philippines, Malaysia and Cambodia, etc. And in 2020, we had expanded our customers base to the Middle East and China, but, in terms of the sales value, the Company accounted for a decrease of 7.7%. The reason for the sales value to be lowered and lesser than the quantity was due to the sales of the product mix that differed from 2019.

## 2. Growth Rate

The sales in 2020 was in deficit of 11.70% from the previous year because of being affected by the COVID-19 crisis consequently prompting the government to announce a curfew to close the country, limit tourists entering the country and mandatorily impose a lock-down measure, causing commercial shops, places of entertainment to shut down, the restaurants to be unable to open for customers to eat as usual, thus, making the overall growth of the beverage markets, the Company's main customers, to be in deficit.

## 3. Sales and Sales Percentage of Major Customers

Details of the past 3 years of sales to top ten major customers and sales percentage when compared to total sales are given as follows:

Unit: Million Baht

Year	Total Sales	Sales to top ten customers	% of total sales
2018	2,841	2,013	70.8
2019	3,137	2,245	71.6
2020	2,770	1,929	69.63

Among the top ten customers, three were shareholders of the Company, namely:

- 1) Group of Boon Rawd Brewery Company Limited
- 2) Green Spot Company Limited
- 3) Serm Suk Public Company Limited

In the past three years, The Company did not sell to any customer in excess of 30% of its total sales.



#### 4. The top 10 customers are:

1. Boon Rawd Brewery Company Limited
2. Thai Beverage Public Company Limited
3. Carabao Tawandang Company Limited
4. Scotch Industrial (Thailand) Company Limited
5. Green Spot Company Limited
6. Serm Suk Public Company Limited
7. Lao Brewery Company Limited
8. T.C. Pharmaceutical Industries Company Limited
9. Osotspa Public Company Limited
10. Global Connecting System

### Industrial Overview and Competition

#### 1. Domestic business trends

Overall, the beverage market in 2020 was affected by the COVID-19 outbreak. Causing the market to shrink. This is due to the shrinkage of beverages sold at restaurants, clubs, bars or tourist attractions. Overall, the beverage market was affected by the COVID-19 epidemic. Affecting sales channels which is limited during the lockdown section and consumer purchasing power will weaken according to economic conditions. However, the COVID-19 epidemic and health trends make the product in the group. The multivitamin drinking water group and the functional drinking water group saw an increase in sales. As a result, new products in both groups have been released. Many brands have been adjusted by the sugar reduction formula. To respond to consumer behavior and about the sugar tax section.

For 2021, many sectors are forecasting that the country's economy will slow and grow at a lower rate than expected in 2020 due to the second-round COVID-19 outbreak that has infected COVID-19. More in Thailand as a result, the tourism sector, restaurants, clubs, bars, beverage producers have to adjust in terms of sales channels. And the development of new products to meet the needs of consumers.

#### 2. Market size and growth rate

As for the domestic markets in 2020, metal and plastic cap packaging products accounted for a dwindling growth compared to last year. The product group that accounted for a critical dwindling growth was in the product group used with the energy drinks, mineral drinks, soft drinks, ready-to-drink teas, soybean milks and glass bottled water. Nevertheless, the Company had still continued to maintain its leadership in the metal cap packaging markets with a strategy of quality product image, a variety of cap types that could respond to the needs of customers in all segments of the beverage industry, thus, enabling the Company to maintain market shares in key customers and continuously expand into new customer groups.



Regarding the overseas markets, metal cap products used for alcoholic beverage were most affected by the COVID-19 pandemic because the main markets for these products were in Laos, Myanmar and the Philippines which were somewhat largely affected by COVID catastrophe. From the COVID situation, customers had to postpone the development of new products and line expansions consequently resulting in the roadmap for developing new products and increasing sales to be affected, the water cap markets to be impacted by higher price competitions while the product group with higher growth from 2019 was the screw cap and maxi cap group which were used for products in the functional drinks and the market expansion to new markets.

### 3. Easiness and difficulty of persons entering to be new competitors

In the year 2020, there are more packaging product manufacturers from European countries, India and China offering for sales of packaging product to domestic beverage manufacturers, including countries of customers of the Company in ASEAN but they are not yet very successful, due to limitation in product delivery, keeping of stock products and after sales service. However, the entry of new competitors is something that the Company focuses importance and follows closely.

Large operators with parent companies abroad still use the bidding method, by collecting the demand of the market in several countries to be basis for quotation and have definite sales contract period. The format of future trade will focus on finding of trade partners having potential, in order to build a strong supply chain based on good cooperation. Therefore, the Company that has good relationship with customers and can offer fair price and respond quickly to demand of customers will cause difficulty to new competitors who will enter into this industry.

The Company has obtained technical support from Nippon Closures Company Limited (which is an affiliated company of Toyo Seikan Group Holdings Limited, a leader in packaging product production in Japan) continuously. Experts are delivered to study and provide suggestions on improvement regularly, to strengthen the production team and quality assurance section, by delivering employees of the Company to study about work in Japan, in order to improve the work process and enhance knowledge and capability to meet with modern production technology and innovation in the future.

#### Right and Restrictive on Business practice

The Company entered into technical licenses agreement with Nippon Closures Co., Ltd., whereby the Company receives technical support services for the manufacture of caps. Currently, compensation is payable at a percentage of net sales of Maxi cap series, Plastic caps and Composite caps only.

#### Production and Capacity and Quantity

Product	Year 2020		Year 2019		Year 2018	
	Total Quantity (Million pcs.)	Capacity Utilization Rate (%)	Total Quantity (Million pcs.)	Capacity Utilization Rate (%)	Total Quantity (Million pcs.)	Capacity Utilization Rate (%)
Caps	20,500	47	20,500	56	18,200	57



### Raw materials and raw materials suppliers

The policy of the Company is to promote and support domestic industries so if the raw materials have the suitable quality, standard and cost not more than that of the imports, the Company will make a purchase domestically. The purchasing policy is to procure raw materials from more than one supplier to ensure quality of the products in accordance with the standard at the suitable price and timely delivery.

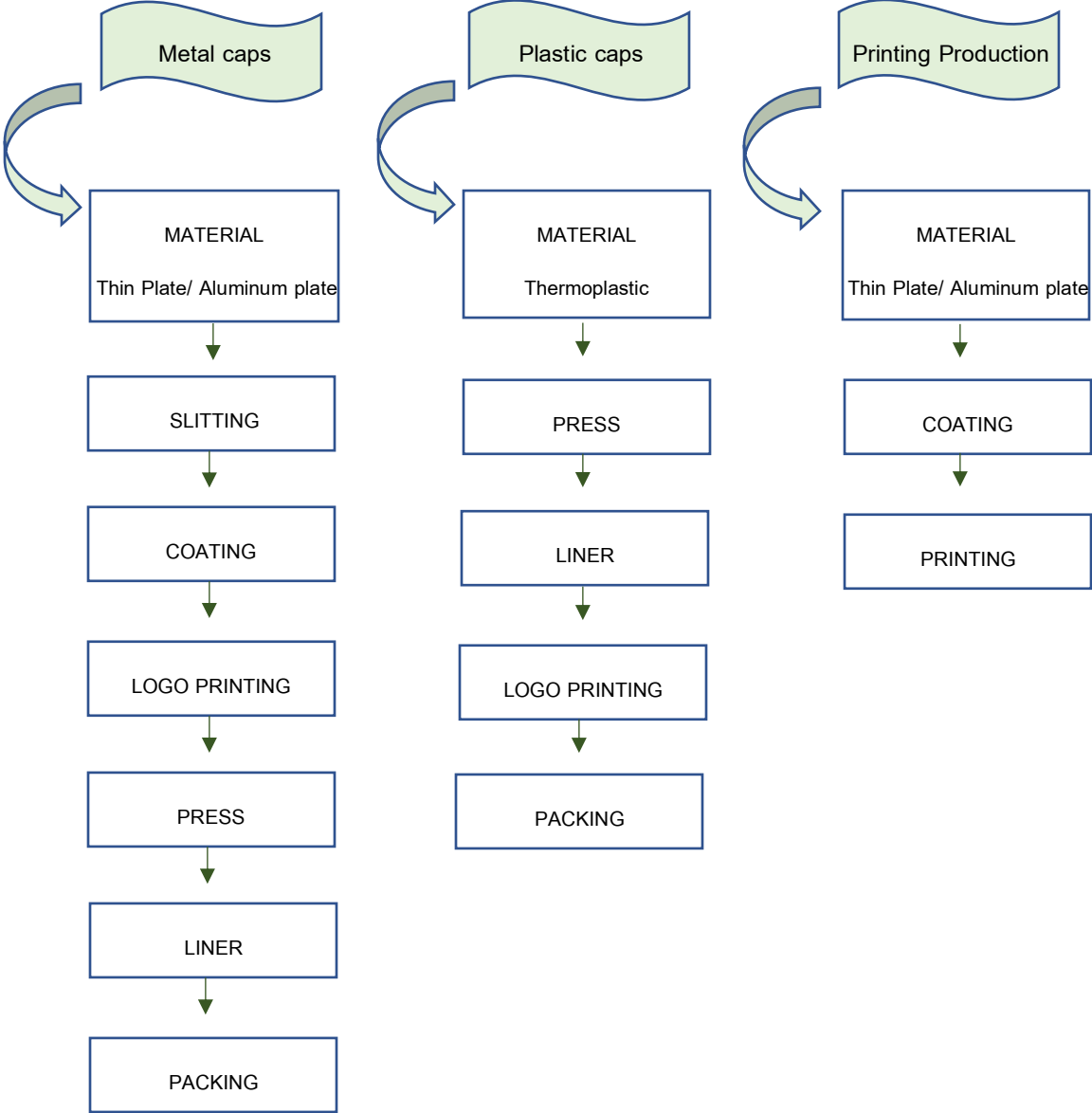
To select the raw material suppliers, the priority is given to quality of the raw materials employed in the production first with clear inspection criteria and consistent examination on the raw material suppliers of the Company to ensure that the raw materials employed would not affect the quality of the products. New raw material suppliers will be searched systematically each year through separation of raw material suppliers by type of raw materials, test of raw materials by the quality assurance division in accordance with the international assessment standards such as ISO, GMP, HACCP, OHSAS and FSSC 22000 to prevent shortage of raw materials for the production of the Company.

Product	Major Raw Materials	% to domestic procure
Metal caps	Thin plate / Aluminum plate	Thin plate 85/ Aluminum plate 80
Plastic caps	Polypropylene	95

The Company did not have any supplier held more than 30% of the total raw material purchase amount.



Production Process





## Property used in Business

The Company has assets for the manufacture of products for sale, consisting of land, machinery and equipment, factories, buildings and structures. Including decorations and important office equipment as of December 31, 2020 as follows:

List	Proprietary	Book value (Million Baht)
1. Land	Owner	142.80
2. Buildings and Structures	Owner	117.32
3. Factory Machinery and Equipment	Owner	1,113.56
4. Furniture and office equipment	Owner	24.45
5. Vehicle	Owner	0.11
6. Assets under installation	Owner	95.15
<b>Total</b>		<b>1,493.39</b>

In addition, the Company has investment properties consisting of land for rent at Khlong 2, totaling 31 rai, accounting value of 240.10 Million Baht, vacant land, allocated land and buildings of 164 rai at Khlong 8, Lam Phak Kut Subdistrict, Thanyaburi District, Pathum Thani Province. All assets of the Company, there is no obligation to any bank or creditors, book value of 426.20 Million Baht.

### 1.3 Shareholders Structure of the Company Group

Company's Name	Type of Business	Type of Share	Registered Capital	% Share Holding
Bangkok Can Manufacturing Co., Ltd.	Easy open end, 2&3 pieces can	Common	1,800 Million Baht	1.60

### 1.4 Registered Capital and Paid - up Capital

#### Securities and Shareholders

#### 1. The Company's Securities

- Registered Capital and Paid - up Capital

As of 31 December 2020, the Company accounted for the registered capital of 528,000,000 Baht which had been paid up in the amount of 528,000,000 Baht, divided into 52,000,742 ordinary shares and 799,258 preferred shares with par value of 10 Baht each.

The Company sold 800,000 preferred shares to the existing shareholders with a par value of Baht 10 each. The selling price was Baht 76 per share, according to the resolution of the 2007 Annual General Meeting of Shareholders held on April 23, 2007. Then they had converted into 12 ordinary shares in 2009 and 730 ordinary shares in 2019. The preferred shares have the same rights and benefits as the ordinary shares. The preferential rights of the preferred shares are as follows:



1. Each preferred share is entitled to dividends at the same rate as each ordinary share is, plus Baht 1.50 for each preferred share. Dividends on the preferred shares are non-cumulative.
2. Each preferred share has one vote.
3. Each preferred share is convertible into an ordinary share at the ratio of 1:1. A holder may exercise the right to convert the preferred shares to ordinary shares on the last business day of each month. If that day is a non-business day, the exercise must be postponed to the next business day.

● **Shareholders' Agreement between major shareholders with possible impact on the issuance and offering of securities or on the management of the Company, co-signed by the Company**

- None -

## 2. Shareholders

Details of top ten shareholders as listed in the share registered as of December 31, 2020 are as follows:

Name of Shareholders **	Nationality	Share Amount				Type of business
		Ordinary share	Preferred share	Total	% to Total	
1. Nippon Closures Co., Ltd. <sup>1</sup>	Japanese	19,071,292	772,046	19,843,338	37.582	Packaging
2. Toyo Seikan Co., Ltd. <sup>2</sup>	Japanese	5,280,000	-	5,280,000	10.000	Packaging
3. Boon Rawd Brewery Co., Ltd. <sup>3</sup>	Thai	3,934,488	-	3,934,488	7.452	Beverages
4. ThaiNamthip Co., Ltd. <sup>4</sup>	Thai	3,768,316	-	3,768,316	7.137	Beverages
5. Thai NVDR Co., Ltd.	Thai	1,098,201	46	1,098,247	2.080	Promote investment
6. Sermasuk Plc. <sup>5</sup>	Thai	1,057,742	-	1,057,742	2.003	Beverages
7. Green Spot Co., Ltd. <sup>6</sup>	Thai	1,000,000	11,230	1,011,230	1.915	Beverages
8. The Thailand Securities Depository Co., Ltd.	Thai	883,800	-	883,800	1.674	Promote investment
9. Bangkok Insurance Plc. <sup>7</sup>	Thai	882,828	-	882,828	1.672	Insurance
10. C.S. Capital Co., Ltd. <sup>8</sup>	Thai	735,000	-	735,000	1.392	Investment in another company

**Remarks :**

1. The major shareholder of Nippon Closures Co., Ltd. is Toyo Seikan Group Holdings Co., Ltd. (100%)
2. The major shareholder of Toyo Seikan Co., Ltd. is Toyo Seikan Group Holdings Co., Ltd. (100%)
3. The major shareholders of Boon Rawd Brewery Co., Ltd. are Mr.Piya Bhirombhakdi ( 13.15% ), Mr. Naiyanop Bhirombhakdi (12.63%) and Mr.Santi Bhirombhakdi (12.27%)
4. The major shareholders of ThaiNamthip Co., Ltd. are Coco-Cola Export Corporation Co., Ltd. (40.8%) and Jootee Tin Dredging Co., Ltd. (10.2%)
5. The major shareholders of Sermasuk Plc. are So Water Co., Ltd. (64.66%) and SS National Logistics Co., Ltd. (21.13%)



6. The major shareholder of Green Spot Co., Ltd. is Wattana Sophonpanich Co., Ltd. (56.58%)
7. The major shareholder of Bangkok Insurance Plc. is Bangkok Bank Plc. (9.97%)
8. The major shareholder of C.S.Capital Co.,Ltd. is Smart Investment Holdings Co., Ltd. (48.96%) and Watana Chote Co.,Ltd. (31.17%)

\*\* Excluding shareholders in Thai NVDR Co., Ltd. a subsidiary of the Stock Exchange of Thailand with the objective of promoting investor investment, particularly international investors, in order to invest in common stock of listed companies without being restricted by foreign shareholding limit which does not have the right to vote at meetings of listed companies.

## 1.5 Other securities

- None -

## 1.6 Dividend Payout Policy

The dividend policy of the Company is to pay not more than 70 percent of annual net profit after deducting all types of reserves as required by law and the Company. Each preferred share is entitled to dividend at the same rate as each ordinary share is, plus Baht 1.50 for each preferred share. However, the dividend payment will be subject to net profit, cash flow and the Company investment responsibility including the legal obligation and other necessities. The past dividend payments of the Company are as follows:

	Operation results				
	2016	2017	2018	2019	2020*
Net Profit (Million Baht)	381.01	240.47	330.19	348.98	258.43
<b>Dividend payment rate</b>					
Dividend for ordinary share (Baht)	2.50	1.50	1.50	3.90	2.45
Dividend for preferred share (Baht)	4.00	3.00	3.00	5.40	3.95
● Interim Dividends					
- Common share (Baht/Share)	-	-	-	3.25	-
- Preferred share (Baht/Share)	-	-	-	4.75	-
● Final Dividends					
- Common share (Baht/Share)	2.50	1.50	1.50	0.65	2.45
- Preferred share (Baht/Share)	4.00	3.00	3.00	0.65	3.95
<b>Percent of net profit (%)</b>	<b>34.96</b>	<b>33.44</b>	<b>24.35</b>	<b>59.35</b>	<b>50.52</b>

Notes: \* Dividend rate for operation results of 2020 will be considered approving by the shareholders at the 2021 Annual General Meeting of Shareholders.



## 2. Risk Management

The Company has appointed a Risk Management Committee consisting of the Executives at the Assistant Director level up as a Subcommittee and the President as the Chairman with the Policy Planning Department Manager as a Member and Secretary. The Risk Management Committee serves in the formulation of policies, objectives, risk management operating framework, assessment of risks that may arise from internal and external factors which, in 2020, the following reviews and improvements were made on:

- the Risk Management Handbook for use as clearly practical guidelines and setting the appropriate risk assessment criteria for each level by taking into consideration the chance of occurrence and impact, both monetary and non-monetary;
- the organizational risk management model by adopting the Enterprise Risk Management - Integrated Framework (ERM 2017) to ensure that the Company has a systematic risk management plan and that the systematic risk management plan is in line with the strategic plan;
- the organization of training course on risk management according to the ERM 2017 for the Executives to use as a conceptual framework for organizational risk management in 2021.

In addition, all Management Section personnel have been assigned to be the Risk Owner having the responsibility for risk management after the risk assessment. The Management Section is responsible for mapping out the Mitigation Plan to manage and reduce each type of risk to an acceptable level and then submit it to the Subcommittee of the Risk Management Committee by line of work for consideration and approval on the Plan and supporting measures both on a short and medium term in order to manage risks of implicit significance.

The Risk Management Committee performs duty in monitoring the implementation of the risk management plan on a monthly basis including assessing the level of risk remaining after the management for submission to the Audit Committee for consideration and opinions before reporting to the Board of Directors for consideration and acknowledgement on a quarterly basis regularly.

### Risk factors

In the business operating of the Company, there may be uncertain events occurring, affecting in negative aspect towards achieving of the Company' goals. Uncertain events may have chance to occur from both internal and external factor. The Risks Management Committee consist of executives and assistant directors or higher, to be the Risk Management Committee. The President is the Committee Chairman and Corporate Planning Manager is a committee member and secretary currently perform the duty of supervision and support the risk management, including determining meetings in order to consider the reports of the operation to reduce risks of several departments and following up the status and progress of risk management in year 2020 monthly, including holding meetings of the Risk Management Committee at least one per quarter to summarize the risks of the Company, including trends or events that may occur and cause obstruction to business operations that effect the Company to submit the report to the Audit Committee one time per quarter with the Internal Audit Office will join in the meeting as reviewer for assessing the efficiency of risk management. In year 2020, the Company has communicated with



chiefs of staff and employees to know about risk management of the Company, through the meeting of the chiefs of the department and staff periodically, in order to reduce risk in the same direction. The risks and measures of their management in detail were as follows.

#### 1. Safety, Health and Environmental Risk

In 2020, there was an important health-related event occurring and affecting the people worldwide including the Company; that was the COVID-19 outbreak, a risk which posed a serious threat to health and livelihoods of the world's population. Many enterprises had been forced to cease the operations or shut down business because they cannot handle this risk. Many businesses had to change their operating patterns in order to enable them to conform and cope with the New Normal lifestyle of the changing world population so that they could still carry on their business operations. This health risk had resulted in the Company to compulsorily to adapt itself and come up with immediate measures to keep its business from being interrupted, its employees and stakeholders from being seriously affected, but, its employees to be fully looked after and communicated about the COVID-19 pandemic both the Company's internal information and necessarily outsourced information. The Company's actions to reduce the risk from the spread of the COVID-19 were:

1. The appointment of a Working Group in monitoring surveillance, prevention and control over communicable diseases or epidemics having the duties to be responsible for mapping out a support plan and an action plan for surveillance, prevention and control over the communicable diseases that would spread into the Company, implementing practical guidelines for employees and third parties who would come to contact or work in the Company to comply with, communicating with and educating employees on proper performances, allocating resources for the executions in compliance with the work plan and necessary measures, sufficiently and promptly, coordinating with government sector agencies and relevant external agencies to exchange information and plans in preparation to cope with the epidemics.
2. Defining measures on the prevention and cares of employees which were the setting-up of temperature measurement points before entering the Company; making available the alcohol at public contact points; increasing cleaning frequency; requesting for co-operations from employees to wear sanitary facemasks; reducing crowd in the meetings by using online meeting system; prohibiting travels to risk areas including overseas travels; refraining from sending employees for training out of the Company premises; assigning employees to be able to Work From Home; recording activities for verifications in the event of a risky incident involving employees; implementing a 14-day quarantine measure for symptom observation in the case where a close person or a family member had been sick of COVID-19.
3. Public Relations Communications: The Company set up a communication channel with all employees through line application which they could receive various information that would be communicated, in a timely manner. The Company launched a campaign on "Keep Your Guard Up" continuously through various media that the Company had: such as; line official, internal TV monitors, public relations boards, various sub-meetings, every time. In addition, a hypothetically rehearsal scenario was conducted in case that a Company's employee was found to be infected by corona virus. Various steps of the relevant actions were



also rehearsed to ensure that they could materially be performed as prescribed including the post-rehearsal assessment, as well.

4. Practical Procedures on Outsiders: The Company clearly defined the practical procedures on outsiders to enter the Company premises as to how it should handle, i. e. screening people being at risk to prohibit them from entering into the Company's area; making inquiries on their travels including coordinating with and providing co-operations to both local and central government agencies in various actions requested by the government to prevent the COVID-19 pandemic.
5. On the aspect of treatments provided to stakeholders: such as; customers and suppliers, the Company established a close communication with one another on the changing needs; the customers' requirements were followed and *vice-versa* the suppliers were asked to closely comply with the Company's requirements.
6. On the aspect of communications to the Company's Directors including shareholders, the Company closely informed them on the situation regarding various regulations and scheduled a shareholder meeting with emphasis on social distancing seating.

As a result of the implemented measures, no COVID-19 pandemic was detected in the Company. Nevertheless, such risk is a catastrophic event, the Company will still continue to strictly maintain the measures.

On the product production safety, the Company has used machineries and equipments in the production process, loading and unloading raw materials and products all the time. Therefore, working safety is important to both the employees and the Company. A job-related accident may lead to physical loss of employees and Company property. In order to prevent and reduce the risk of such loss, the Company had, in 2020, maintained a system on conducting the Job Safety Analysis, Near Miss Reporting and Monthly Site Survey every month by the Management to carry on the surveys the surrounding areas of the Company that could pose a risk to working safety in order to determine measures to prevent hazards that may potentially occur including launching campaign to instill consciousness in the employees about the safety by organizing Safety Day activity to educate them on working safety as well as making regular inspections on machineries, tools, equipments and environmental conditions in the working areas. The Company also launched campaigns on wearing safety helmets for employees driving motorcycles. As a result of the implementations of the aforementioned actions, the severity of accidents and the number of days to be stopped due to accidents in 2020 had significantly decreased compared to 2019, although the number of accidents occurring was equal to that in 2019, i.e. 10 times. Yet, the Company has still been committed to continuing to perform and campaign to raise the safety awareness in the employees. While on the matter for fire hazard prevention, the Company has a fire Prevention Plan as well as holding an annual fire prevention and evacuation drill regularly every year.

Where on the matter of the environment, the Company has properly implemented and monitored controls over the various values in accordance with the Regulations of the Department of Industrial Works and Pollution Control Department and the disposals properly in accordance with the method and requirements set out under the Environment Law to prevent the communities and environment from being affected any which is an important goal of the Company.



## 2. Business Environmental Risk.

The country's economic situation in 2020 accounted for the rate very much lower than projected. The country's exports were negative and tourism derived-revenues, the important source in driving the country, had tremendously dropped consequently as a result of the downfall in the number of tourists due to the COVID-19 pandemic. In 2019, there were approximately 39 million foreign tourists entering Thailand, but, abruptly dropped to approximately 6.7 million people in 2020 or 83% eventually causing tremendous impact on entrepreneurs and workers in the tourism sector. In addition to the lower revenues, it also resulted in the other related businesses to be sluggish, thus, prompting the government to mandatorily issue measures to stimulate the economy and spending. However, the consequence was just good for a short period of time. Coupled with the fact that, COVID-19 was found to be spread in Thailand essentially requiring the government to impose a curfew measure, block the admission of tourists into the country including the closures of entertainment venues and requests people to adapt themselves to the New Normal lifestyle and social distancing, thus, causing their food and beverage consumption habits to change, forcing them to spend more time at home, stop their social gathering consequently resulting in the overall beverage consumption rate to decrease, the people to be more cautious in their spending due to their affordably limited purchasing power and the still highly existing level of household debt. The decrease in the beverage consumption rate has resulted in the sales of the Company's products not to be on target, so were the Company's product exports which were affected by COVID-19 pandemic within the customers' country, as well. Nowadays, the commercial competitions are more intense from both domestic and foreign competitors. Many manufacturers of beverages distributed in many countries have still adopted the method by way of bidding on raw materials from their parent company and send them to manufacturing factories in various locations where raw material consumptions are abundant, thus, resulting in the price competition to be even more intense. In 2020, the Company's risk was derived from the following issues:

### Changes in Customers' Use of Products:

Since 2019 up to the present, customers have been in need for the use of sealed cap packaging that can add value to their products, especially, in the liquor industry. Therefore, in order to reduce such risk, we have initiated a project to conduct a study on new products including finding partners for trading of new products in case where the demand is not high before deciding to invest in the production lines by the Company itself. We have made the news follow-ups on the movement of beverage manufacturers both at home and abroad and conducted a feasibility study on the investment to improve the existing products of the Company to have new designs that meet the needs of both domestic and foreign customers, especially, on the matter of the environment. Such action has continuously been undertaken until nowadays. In 2020, we made changes in the production line machines for the caps in the liquor industry where the result of which is expected to be seen in 2021 for the Company to be able to respond to the needs of customers.



### Change in Manufacturing Technology:

The high production cost is indeed the Company's risk. Therefore, the change in the production technology that can help reduce the production cost, shorten the production process and get more productivity is an important thing that we are interested in. We must exert our effort to manage the cost to be able to compete in order to reduce such risks. In this connection, we had invested in the modification of the production line in 2020 to make our Company become more automation and started to run the production line of plastic caps for soup extract drinks with lower cap height by modern technology machines consequently resulting in the cap production to be more competitive in the cost. We had improved the product quality and closely monitored control over the production process; increased the productivity, exerted our efforts to accelerate the testing of the Company's products with the customers' products to be in accordance with the plan in order to start the sales. As a result of such actions, the Company's risk could be reduced. Even some of the tests were delayed not to correspond to the plan, however, the actions to mitigate such risk had made the Company still able to retain customers.

### **3. Financial Risk:**

In 2020, the strong Baht appreciation had affected the Company both in terms of importing raw materials, machineries and equipments from abroad and the Company's revenues from exporting products to foreign countries. The Company's expenditures and revenues were in foreign currencies where the risk reduction on which could be done through the matching of the expenditures in the same currency as the revenues and entering into foreign exchange forward contracts including monitoring close tap on the exchange rate which eventually allowed the Company to be able to effectively mitigate the risk of the exchange rate fluctuations, thus, resulting in the Company to generate a profit from the exchange rates in the overall picture in 2020.

On the aspect of the credit risk, the conditions on the debt repayment to the Company by the customers or counterparties were not met as agreed upon. We conducted the analysis on the aging of the debtors for credit management and completed a report on the outstanding credit every month including accelerating and running the follow-ups immediately upon a potential opportunity for the debt payment was found possibly not to be in accordance with the conditions. The product conditions were adjusted for some customers whose business operations had been affected consequently as a result of the COVID-19 during the period of pandemic. Deriving from such actions, the Company could reduce the credit risk in 2020.

Whereon the risk of various budget spending that did not meet the deadline, since 2019 when the developed reporting system to better control and monitor the budget use had begun to be applied, the budget spending in 2020 was made somewhat closer to the prescribed schedule than in 2019.

### **4. Operational Risks**

The risks arose from the factory operation process including from the internal systems operations. In year 2020 the risks included:





### Product quality control

Production of products of the Company, the Company has quality control in very step. The Company will inspect materials from the step of receiving of raw material, production process, goods packing and goods delivering. However, there is finding that the Company has risk from complaints on quality from customers. In year 2019, the Company prepares measures to reduce risk, by preparing acceptable quality level provisions between the Company and each customer, installation of equipment and improvement of cap quality inspection system by using high quality camera, in the production line for more precision. The Company arranges training of using to employees in production line, training of imparting knowledge in production of products and concept to improve the quality through the SGA (small group activity). In addition, in testing of products of the Company with the production line of customers, there is determining of testing size mutually to be more clear, so that summarized result from testing will confirm this, in the same way as when goods of the Company are brought to use in actual production process. A Quality Management System (QMS) Unit was set up to improve the quality management system. The Statistical Process Control (SPC) system for recording production quality data from the production line automatically into the database instead of manual recording had been adopted for use, thus, allowing the production quality data being able to be analyzed in a timely manner. In this connection, the Company has begun to install the system in the plastic cap production line and will expand to complete all such production lines by 2021. As a result of such action, the number of quality complaints from customers in 2020 had decreased from 2019, yet, our goal as set was not met. We therefore still need to continuously work on the plans that have not yet been completed and commit to encouraging the Quality Management System Unit to strive to carry on actions to attain fruitful expectations as planned in order to further reduce this risk with the ultimate goal not to have complaints about the product quality from customers.

### Production plan control

The making of production plan of the Company will affect the preparation of raw materials and expenses that may arise from production, such as overtime work expenses, quantity of raw materials and quantity of finished products in the warehouse, including determining of the delivery of product to meet the needs of customers, in order to reduce the risk for the production plan to be consistent with the product delivery time schedule. The Company started using software system “Production to plan” which can help the production plan to be more efficient which is good for controlling expenses both of the raw materials management to fit to production, overtime work planning, the production section could prepare for supports in advance. In year 2020, with the mentioned system the Company’s production and overtime work plans were clear with their efficiencies more measurable. Despite performances of some operations still did not meet target the production control risks abatement was achieved.

### Stock control

The Company’s production included to both the sufficient products stock for immediate customers supply and the supplies in order. However, the Company’s stock was found it was for over 1 year eventually a risk of oversupply



as well as being out of date in case of the probable product brands change in year 2020. To prevent as well as abate the risk of loss, the Company's measure each section would have its officer responsible to take care the Company's stock to be at appropriate level particularly the over 1 year stock imposed. The stock levels, long time stock clearance and sale and disposal of the stocks clear to be unsellable and follow ups to prevent over 1 year stock were reported. With the said measures risks abatement was achieved but a continual stock control was still required. Moreover, in order to prevent the occurrence of the insufficiency of the warehouse space from the inventory storage estimation, we have rented a warehouse space outside the Company for sparing in keeping the inventory stocks storage which greatly help reduce the risk of a non-storage area insufficiency for the inventory.

#### **Customers' satisfactions**

Survey on the customer's satisfactions to the Company's products quality, delivery and services had been conducted yearly by the Company with questionnaire. In year 2020, the customers' satisfaction percent was found better than the year 2018 with the Company's products quality, delivery and services satisfactions met the targets. However, the products development satisfaction failed. The complaints on the product quality have still been in persistence. Nevertheless, the Company has plans to continuously improve quality control in order to reduce the product quality complaints and increase the customers' satisfactions.

#### **5. Risks from compliance with rules, regulations and requirements**

The Company has assessed the risk of compliance with rule, regulations and requirement which the Company has business code of conduct as the principle of the operation. The Company has clear regulations to know what conduct should not be performed. The company respects the right to traders and customers of the Company, helping to reduce the risk in this matter. The Company provided the commercial ethics education and training to employees together with enforced the respective measures for the employees' compliance with ethics. In year 2020 even there was an incident that some employees had violated the Code of Business Ethic, but, the number of violations were reduced somewhat greater than in 2019. As a result of the measure carried on by the Company, the risk could be well reduced. In addition, in 2020, the Company had submitted the application for the renewal of the Coalition Against Corruption of the Private Sector of Thailand Membership Certificate and was confirmed on 30 September 2021 which would be valid for 3 years from the date of the approval resolution.

#### **6. Risks from severe events**

The Company has assessed risks from natural disaster, such as flood situation. The Company has plans to support such events. In year 2020, the Company did not have risk from natural disaster events.

#### **7. Reputation and intellectual property risks**

The Company focuses the importance of the Company and customer information safety as well. The Company has a system to prevent leakage of important information to outside, including the prevention of access to the Company information system from outside, including the provision of backup of important information storage. The



Company can proceed continuously if the mail data source is damaged. In year 2020, the Company's Information policy was imposed for the information use control together with all the hard copy records were banned to ensure no information leakages. In year 2020, the Company was with virtually no reputation and intellectual property risks, had conducted the personal information protection act and was determined to comply with laws.

#### **8. Risk from production cost**

The main raw materials of the Company uses for production are steel sheets, aluminum sheets and plastic pellets of which the price has changed due to global price fluctuation in accordance with the market demand at the time. Such factor is not controllable by the Company. To reduce the price fluctuation risk and shortage of raw materials in the future, the Company has closely monitored movement of the price of raw materials in oversea and domestic market, including coordinated with the suppliers for the productions and deliveries in time. The Company also shall conduct the products sale quantity estimation in advance more precisely to purchase the raw materials in time, shall manage stocks to be at appropriate levels to avoid delivery delays and shall develop good relationships with all partners. For more, the Company had established the practice guideline to the second and third suppliers determination and development plan for the main raw materials supply together with shall search for the substitution raw materials at lower prices for the raw materials risk abatement.

#### **9. Risk derived from Human Rights and Good Corporate Governance.**

We have been well aware of the respect to human rights which is one of the important principles under the good corporate governance and extremely important to the Company's business operations. We place a great deal of importance on human rights and good treatments to both our employees and business partners by taking into account the human rights and equality, non-discrimination against any person. In 2020, we made a preparation to carry out various actions on personal information on the part belonging to the shareholders, employees and individuals related to the Company according to the Personal Data Protection Act, B. E. 2562 (2019), which will take effect for use with the private sector on 27 May 2021. Furthermore, the employees' personal liberties are protected from being violated by way of using or disclosing such to unrelated person which is the Company's Code of Ethics. In terms of the good corporate governance, we have followed the practical guidelines of the Stock Exchange of Thailand with transparent actions that can be checked and verified, thus, ensuring that the Company has no such risk.

### **3. Sustainability Management Process**

#### **3.1 Sustainable Management Policy**

The Board of Directors complies with the principles of engaging in business according to ethical framework and the good corporate governance policy of the Company, having focus on fair treatment, honesty, transparency and realizing about stakeholders in every party, to achieve the goal of being an organization which operates business with social responsibility and develops the company to sustainability. The Company has operated work in accordance with sustainability report covering the areas of economy, society and environment under the Principles of Good Corporate Governance as follows;



- **Engaging in business with fairness**

The Company treats towards business partners in fair and honest trade competition framework, by complying with the contract and commercial conditions, including giving equality and justice to all business partners. The Company respects the intellectual property of other people.

**Fair competition:** The Company has equal and fair treatment, according to the trade terms and conditions with customers and sellers strictly, as well as has fair trade competition, realizing trade ethics. The Company will not distort the information, will not deceive or use any other methods which are incorrect.

**Respect of property right:** The Company encourages employees to follow property right and respect intellectual property, patents and copyright strictly.

**Promote social responsibility in partners:** The Company promotes and cooperates in the operation of social responsibility of customers, sellers, as well as inspects action of contractors in compliance with the labor laws for contractors who are business partners of the Company.

The Company has never been prosecuted for violating the law and any regulations throughout the past operating period.

- **Anti-corruption**

The Board of Directors realizes the importance and focus on the business operation of the Company to act correctly, straightforwardly. The Company must not call for or receive property and any benefits from persons related with business and the Company will not support bribery strictly.

On 3 March 2016, the Company participated in the announcement of intent to be alliance of the Thai Private Sector in anti-corruption (Collective Action Coalition: CAC) In the first. On 10 November 2017, the Company received a certificate of membership in the Private Sector Collective Action Coalition of Anti-ruption (CAC) from the Thai Private Sector Collective Action Coalition of Anti-corruption, certifying that the Company passed through the self-assessment process that there were policies and guidelines including measures to prevent corruption within the organization completely in accordance with the criteria determined by CAC by Mr. Panthep Suphachaikit, the President, as the representative of the Company to receive the task in Thailand's 8<sup>th</sup> National Conference on Collective Action Against Corruption on 21 November 2017 with a membership age of 3 years.





According to the Company is due to become a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) on 10<sup>th</sup> November 2020. The Company has reviewed and filled out the Self-Evaluation Tool for countering bribery to certificate renewal from the Thai Private Sector Collective Action Coalition Against Corruption. The Thai Private Sector Collective Action Coalition Against Corruption Committee meeting held on 30<sup>th</sup> September 2020 had resolution approved to provide the certificate renewal of the Company as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC). This certification is valid for 3 years from the date of approval. From September 30, 2020 and expire of certification for 3 years on September 30, 2023.

The Company appointed the CAC Project Committee, the Sub-Committee on Procedure Screening and Anti-Corruption Measures and the Sub-committee to formulate the procedures and measures of anti-corruption and determine the anti-corruption policy; the detail can be downloaded at [www.crownseal.co.th](http://www.crownseal.co.th) in the page of Investor Relations; topic: Good corporate governance; by allowing every working unit to express opinions including determining the guidelines and measures of anti-corruption to be used as guidelines in practice within the Company.

The Company determined to have channels to file complaints or report clues of illegal actions, actions against ethics, anti-corruption policy, behavior that may indicate fraud or corruption of individuals in the organization, including employees, executives and stakeholders, through the system for receiving complaints and whistleblower in addition to written notification via e-mail, letter or opinion box to listen to comments. If there is finding of violating of the rules, or regulations prescribed by law, committing of offence against good governance, corruption, or action against ethics and the company policy of anti-corruption.

For this, the Company would like to create confidence to employees and stakeholders who report or provide information, or provide clues that will not cause the complainant or informant to have trouble or damage, the Company therefore determines mechanism for protection and relief of trouble or damage to those who report or provide information about unfair action. The Company focuses importance of keeping information and complaints as confidential information, to create confidence for the complainant and determine clear operation procedures

when the Company receives complaints, from the step of collection of facts by making as confidential information, setting of the Fact Investigation Working Group, setting up of Investigation Committee, considering and approval of sanctions, including reporting about result of complaints.

Throughout the year 2020, the Company has communicated, disseminated, educated and made understanding with all employees throughout the organization. There are trainings to clarify the Anti-corruption continuously, so that employees understand and act correctly and in the same way. The Company can regularly review the appropriateness of the systems and measures to be consistent with changes in business, rules, regulations and provisions of law consistently. Employees who commit corruption or commit offenses against anti-corruption policy, including unethical practices, will be considered to receive disciplinary action, according to the regulations determined by the Company and punished according to the law if the action is unlawful.



In addition, the Internal Audit Office will evaluate, follow good governance, compliance with ethics and anti-corruption policy and report to the Audit Committee.

- **Respect for human right**

The Company respects human rights and individuals, by recognizing the right of being human beings and equality, not discriminating against any person. In addition, personal freedom shall be protected from being harassed by use or disclosure to unrelated persons. The Company determines that for all employees to be informed about the company continuously and constantly, the Company regularly holds meetings for employees to meet executives at least 2 times a year. In addition to the fact that employees know operational results, executives also know comments and needs of employees to improve and develop the Company for better result.





In 2020, the Company did not receive complaints regarding incorrect or unfair practices.

- **Fair treatment of labor**

The Company focuses importance of employees of the Company at all levels, without discrimination of race, religion and sex. All employees will be treated equally and fairly. The Company complies with laws, rules and regulations strictly. There is arrangement of safe and hygienic workplace. There are continuous training plans and personnel development along with business development, as well as providing appropriate compensation to employees. The Company realizes that the success of the organization depends on the potential of the personnel as the important thing. In any organization, if there are human resources that are highly capable, moral and ethical, such organization can create a competitive advantage and lead the organization to success according to the required goals sustainably.

In addition, the Company has an understanding of the rights and freedoms of employees in grouping and establishing as labor unions, having objectives to help taking care about the conditions of employment, welfare for work and benefits by providing opportunities for trade unions which are the representative of the employees filing a claim to request the Company to consider changing benefit arrangements and working environment as both parties have mutual agreement.

- **Responsibility to consumers**

The Company is committed to create satisfaction for customers by improving quality of products and services, to meet the needs of customers continuously, as well as produce products that are safe and responsible for customers and consumers.

The Company realizes the importance and considers health and safety of consumers, therefore the Company used the Safety of Food Packaging System (FSSC22000) to be used in the production process since 2014 and has

been continuously practiced. In the year 2019, the results of the inspecting of such standard system of the Company is consistent with the provisions, showing the overall social responsibility, not only employees, but also to consumers in general.

### 3.2 The impact on Stakeholders in the value chain of the Business

The Company recognizes with due care to the rights of stakeholders as well as other concerned parties including shareholders, customers, trading partners, competitors, creditors, employees and therefore communities and environment where the Company operates and the society at large. The Company shall set a clear policy on fair treatment for each and every stakeholder. The rights of stakeholders that are established by laws or through mutual agreements are to be respected.

**Shareholders** : The Company is committed to present itself as a high professional representative to maximize benefit and satisfaction for our shareholders. Conducting business efficiently with transparency is able to create trust and confidence amongst its shareholders by considering the Company's long term growth and appropriate levels of sustained returns.

**Customers** : The Company is committed to maximize satisfaction to our customers with right to-order, high quality products at reasonable price and on-time delivery service. The Company shall be a proactive agent who is willing to give consultation, solve problems and complaint, keep strictly our customer's confidential and business contract.

**Trading Partners** : The Company shall treat our trading partners equally and honestly in accordance with the frame of rules and regulations as well as trade law. The commitment to disclose all necessary information, be transparency and fair, in all aspects of business transactions including purchasing procedure.

**Competitors** : The Company has commitment to play fair game of business competition in accordance with the frame of rules and regulations as well as trade law. The Company encourages fair and free-trading policies, not monopoly. The Company will not use the illegal information and defame competitors.

**Creditors** : The Company has commitment to follow the financial contracts we have with our creditors.

**Employees** : The Company realizes the importance of the Company's employees. All employees shall be treated equally and fairly without discrimination on race, religious or gender, in accordance with Labor Law, rules and regulations, receive appropriated compensation as well as the safety work place and sanitary. In addition, Human Resources Development plan has been invested for them continuously along with the Company's business development.





**Community & Environment** : The Company realizes the importance of natural resources and environment, thus the policies on environmental control management, has been strictly conducted to ensure reasonable usage of all resources and comply with relevant laws, rules and regulations. Pollution prevention is also the important issue which the Company concerned in every step of works, in order to prevent the effect on all staff and communities. Also, in order to support the mentioned policy, the Company has preceded the Corporate Social Responsibility activity, CSR DAY, to promote the employee of the organization about CSR.

**Contract Channels for Stakeholders** : The Company has also provided channels which employees and external stakeholders can contact, offer opinions, lodge complaints, and report violation cases, e- mail, letter or opinion box and the Whistleblower system on the Company' s website [www.crownseal.co.th](http://www.crownseal.co.th).

### 3.3 Sustainability Management in Environmental Dimensions

The Company is well aware that environmental protection is an important work for common interest. Therefore, the Company will try to put environmental policy together with the Company policy in every aspect and has commitment to create a safe, hygienic and always active workplace Employees and related persons have duty to follow the guidelines in several matters as specified.

#### Operation in the year 2020

To show responsibility for the production process of the Company which may affect the environment and surrounding communities as follows:

- 1) Control quality of wastewater to comply with the law; the Company has wastewater treatment system. Before the Company releases wastewater to outside, in order not to affect the community. There are regular water quality checks every 2 months by private operational laboratories that are certified by the Department of Industrial Works.
- 2) All types of waste of the Company are divided and delivered, disposed or treated by the Company That has been approved by the Department of Industrial Works. The operations are authorized by the Department of Industrial Works. There is regular control and inspecting the practice in compliance with authorization by both internal and external agencies.
- 3) Arrange noise reduction equipment for employees to wear sound protection equipment while working and preventing and reducing of effect of noise original source by producing a cover to reduce noise from the machine to outside.
- 4) Measure noise, light, heat, dust, chemicals and vapors in the work area and storage location according to the notice of the Ministry of Labor and the Ministry of Industry, Re: work safety regarding the environment, helping employees to be in a safe and pollution-free working environment while at the same time providing



an annual health check-up program, to confirm the appropriateness of measures of taking care and prevent the effect of work.

5) Provide for the neighboring communities. To measure and monitor feedback from the community on a monthly basis

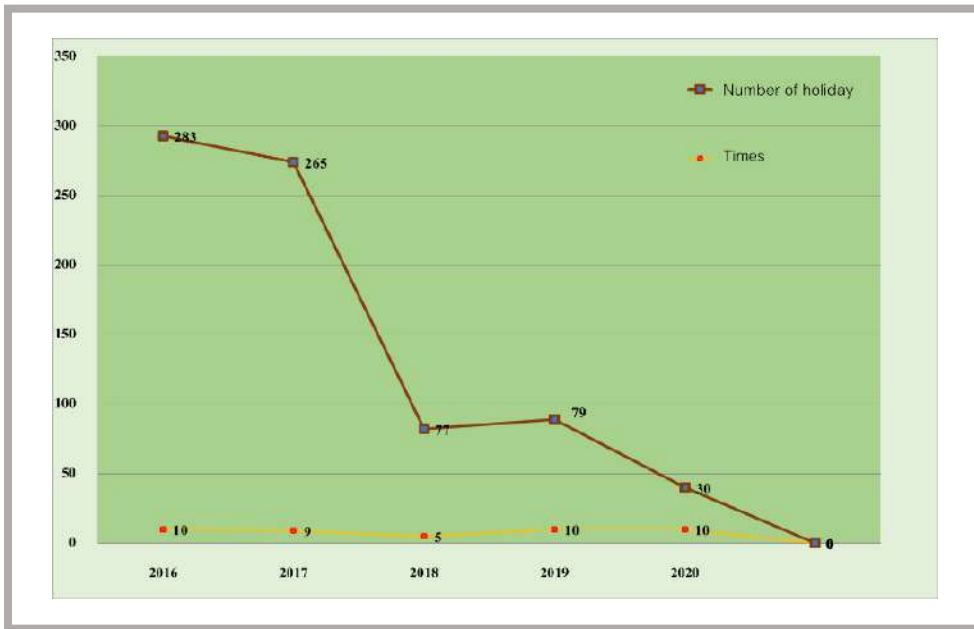
6) Participate in arranging activities to promote environmental protection with government agencies and Rangsit City Municipality every year.

**Checking for contaminants emitted from furnace chimney:**

Deriving from the checks on quantity of contaminants in the air emitted from the chimney (outputs): such as; dust, nitrogen oxides in the form of nitrogen dioxide, carbon monoxide gas and volatile organic compounds by a private laboratory certified by the Department of Industrial Works, it was found that the quantity of said dust and gases still had the effect value under the standard according to the Ministry of Industry Announcement and as specified by the government agency.

**Accident statistics 2014 - 2019**

Accident statistics from the graph in the past 5 years can be seen that the trend is improving. The number of holidays for recovery has decreased significantly. And the number of times may increase but if analyzed, will find that Accidents will be minor injuries, loss of organs / disability, as in all years.



**3.4 Sustainability Management in the Social Dimension**

**Community and social development**

The Company will engage in business with responsibility and aware of the potential impact on the community and society as a whole. As well as providing support for public activities that help strengthen communities and society, the Company regularly participates in activities with the community surrounding the Company.



Operation in the year 2020

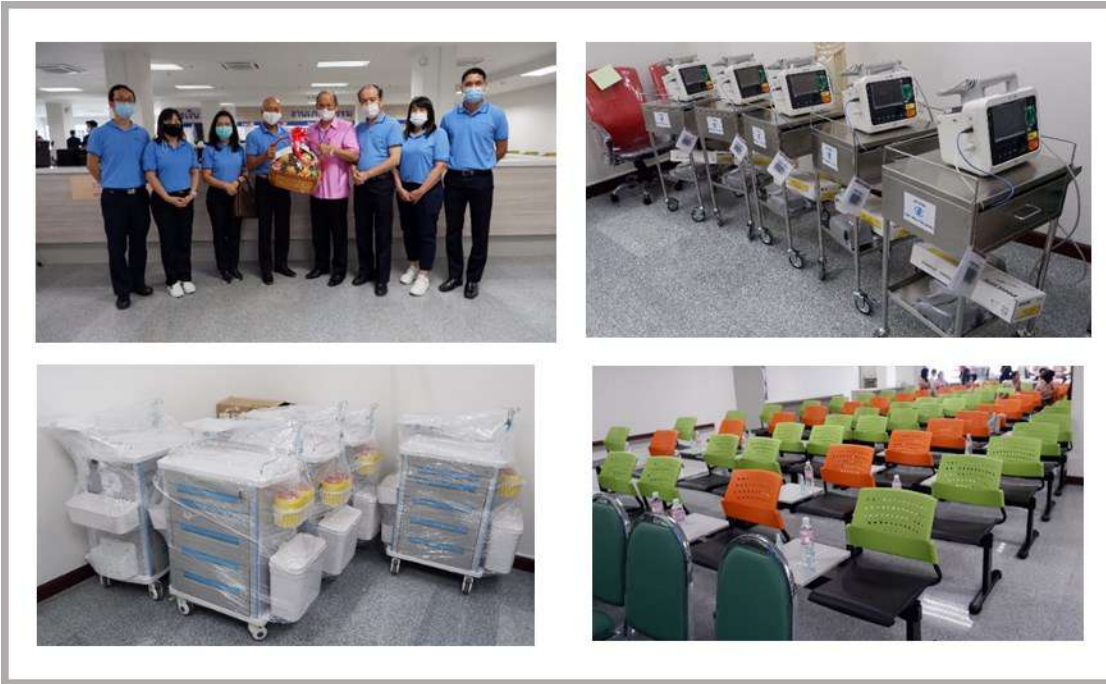
1. Collaborating with Pathum Thani Provincial Labor Protection and Welfare Office under the Project, “*Raeng Ngaan Huangyai Ruamjai Pansook, Poorub Deejai Poojai Jai Boegbaan*” (Literally: Workers are concerned, thus, altogether giving a sharing of happiness; Recipients are pleased while Givers are exuberant), to donate foods and drinking water for putting in the *Pansook Cabinet* (a Sharing of Happiness Cabinet) during the period of the COVID-19 outbreak.



2. Collaborating with Wat Khian (Royal Temple) in Pathum Thani Province, to make merit by offering foods and requisites to Buddhist monks and creating survival bags for giving to the surrounding communities and people in trouble during the COVID-19 epidemic situation.



3. Participating in making a donation of medical devices and convenience items for public interest to Rajavithi Hospital 2 (Rangsit).



4. Participating in offering the Buddhist Lent Candle at Wat Pa Jit Phawana on Buddhism Promotion Week, Asarnha Bucha Day Festival and Buddhism Lent Day for presenting as a Lord Buddha Worshipping to inherit Buddhism to remain everlastingly.



5. On the occasion of the 50<sup>th</sup> anniversary of Crown Seal Public Company Limited and moving forward to the 51<sup>st</sup> year; President together with a company management and employees joined Thot Kathin. The objective is co-construct a restroom for the Dharma practice center at Wat Chantarasuk Moo.5 South Klong Song, Prachathipat Subdistrict, Thanyaburi District.



#### Research and development from socially responsible activities

The Company is determined to develop to be a leading packaging product manufacturer in Southeast Asia, producing products that are safe, high quality and variety. Products can meet all the needs of customers, emphasizing invention, development of products of the company always, to comply with need of market, using less raw materials or energy, so that using of resources is cost-effective, having suitable cost and the products can be competitive continuously, and taking care of environment, so that there is no pollution in every production process and every operation.

The Company disclosed the information in the website of Crown Seal Public Co., Ltd. In [www.crownseal.co.th](http://www.crownseal.co.th), in page of environment and society, in the topic: Social Responsibility.

## Report on the Board of Director' Responsibility for the Company's Financial Statement

The Board of Directors is responsible for the Company's financial statements which have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B. E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B. E. 2543. The Board considered the accounting policies pursued to be appropriate, and they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. EY Officer Limited, the Company's external auditor, has audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board establishes and maintains the risk management and internal control system to obtain reasonable assurance that accounting records are accurate, completely and enough to maintain the Company's assets and be aware of weak point in order to prevent fraud or significant operational irregularities. The Board has appointed the Audit Committee consisting of 3 independent directors to provide appropriate and effective oversight of the financial statements, internal control system and internal audit. The opinion of the Audit Committee has already been disclosed in its report in the Company's One Report (56-1).

The Board is of opinion that the Company's internal control system and internal audit that was sufficient to obtain reasonable assurance in the Company's financial statements as of December 31, 2020, which present fairly, in all material respects, in accordance with Thai Financial Reporting Standards.



(Mr.Dhep Vongvanich)

Chairman



(Mr.Panthep Supachaiyakit)

Director and President



## 4. Management Discussion and Analysis (MD&A)

### 4.1 Analysis of Financial Position, Performance and Significant Changes

The Explanation and Analysis of operating results for the year 2020 compared to 2019

Operating result for one year ended on December 31, 2020

In the year 2020, the Company had net profit for the amount of 258 million Baht or equivalent to the earnings per share of 4.97 Baht. The net profit ratio was 8.9% and the return on equity was 7.1%. The company had comprehensive income for the amount of 254 million Baht.

The Company had the total revenues of 2,891 million Baht of which came from sales and service income for the amount of 2,770 million Baht or equivalent to 95.83%. Other incomes were from sales of scrap metal, administrative income, rental income and interest income the total amount of 121 million Baht or equivalent to 4.17% of total revenues.

For the cost of sales and services, the Company had total cost of sales and services for the amount 2,302 million Baht or equivalent to 83.1% of sales. The Company had gross profit for the amount of 468 million Baht or equivalent to 16.9% of sales.

The Company had the expenses of selling and administrative for the amount of 283 million Baht or equivalent to 9.8% of total revenues. They were selling expenses for the amount of 64 million Baht or equivalent to 2.2% of total revenues and the administrative expenses for the amount of 219 million Baht or equivalent to 7.6% of total revenues.

The Company had the corporate income tax for the amount of 57 million Baht, consisting of current income tax for the amount 54 million Baht and deferred tax expenses for the amount 3 million Baht.

The details of significant changes are as follow:

- Revenues

The Company had total revenues decreased from the previous year for the amount of 445 million Baht or equivalent to 13.3%. It came from the decrease of sales and service income for the amount of 367 million Baht or equivalent to 11.7%. It was due to the economic slowdown from the COVID-19 pandemic. And the decrease of other income for the amount of 78 million Baht or equivalent to 39.2% due to the decreased of sale of scraps from the less production amount.

Unit: Million Baht

Descriptions	Year 2020		Year 2019		Different	
	Amount	%	Amount	%	Amount	%
<b>Revenues</b>						
Sales	2,664	92.1	2,948	88.4	(284)	(9.6)
Service income	106	3.7	189	5.6	(83)	(43.9)
Total sales and service income	2,770	95.8	3,137	94.0	(367)	(11.7)
Other income	121	4.2	199	6.0	(78)	(39.2)
<b>Total revenues</b>	<b>2,891</b>	<b>100.0</b>	<b>3,336</b>	<b>100.0</b>	<b>(445)</b>	<b>(13.3)</b>



- **Cost of Sales and Gross Profit**

In 2020 cost of sales and services were 2,302 million Baht or equivalent to 83.1% of sales. And the gross profit was 468 million Baht or equivalent to 16.9% of sales improved from last year 15.9%, which had decreased from the year 2019 for the amount of 31 million Baht or equivalent to 6.2%. Mainly, it was due to the decrease of sales.

Unit : Million Baht

Descriptions	Year 2020		Year 2019		Different	
	Amount	%	Amount	%	Amount	%
Sales and Service income	2,770	100.0	3,137	100.0	(367)	(11.7)
Cost of sales and Service	2,302	83.1	2,638	84.1	(336)	(12.7)
<b>Gross profit</b>	<b>468</b>	<b>16.9</b>	<b>499</b>	<b>15.9</b>	<b>(31)</b>	<b>(6.2)</b>

- **Selling & Administrative Expenses**

In 2020, the Company had the expenses from selling and administrative for the amount of 283 million Baht or equivalent to 9.8% of total revenues. which decreased from last year 2.7% and decreased both in selling and administrative expenses. The selling expenses were 64 million Baht or equivalent to 2.2% and the administrative expenses was 219 million Baht or equivalent to 7.6% of total revenue.

The Company had decreased the administrative expenses for the amount of 6 million Baht or equivalent to 2.7%. The main reasons were the Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change was considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 33.7 million as a result. The Company reflects the effect of the change by recognizing past service costs as administrative expenses in the income statement of the year 2019.

Unit : Million Baht

Descriptions	Year 2020		Year 2019		Different	
	Amount	% of total revenues	Amount	% of total revenues	Amount	%
<b>Selling &amp; administrative expenses</b>						
Selling expenses	64	2.2	66	2.0	(2)	(3.0)
Administrative expenses	219	7.6	225	6.7	(6)	(2.7)
<b>Total expenses</b>	<b>283</b>	<b>9.8</b>	<b>291</b>	<b>8.7</b>	<b>(8)</b>	<b>(2.7)</b>





- **Corporate Income Tax**

The corporate income tax was 54 million Baht and decreased to 15 million Baht or equivalent to 21.7%. It was due to the earning before tax decreased of 71 million Baht or equivalent to 25.3% meanwhile the Company had benefited from the corporate income tax exemption for 6 million Baht from the investment of machinery and equipment under Royal Decree #604 and #642 regarding the corporate income tax exemption.

Unit : Million Baht

Descriptions	Year 2020	Year 2018	Different	
			Amount	%
<b>Income Tax</b>				
Current income tax	54	69	(15)	(21.7)
Deferred tax expenses	3	3	-	-
<b>Total</b>	<b>57</b>	<b>72</b>	<b>(15)</b>	<b>(21.7)</b>

- **Capital Expenditures**

In the year 2020, the Company had the capital expenditures of 253 million Baht. The main portion of the investment was the machinery for new product and efficiency improvement that aligned with to the demand of markets.

#### Financial Status

- **Assets**

The total assets of the Company at the year-end of 2020 were 4,514 million Baht, which had increased from 2019 for the amount of 147 million Baht or equivalent to 3.4%. They were current assets, long-term investment, investment properties, property plants & equipment and other non-current assets in the ratio of 50.6%, 0.2%, 14.8%, 33.1% and 1.3% respectively that shown in details below:

Unit : Million Baht

Descriptions	31 December 2020		31 December 2019		Different	
	Amount	%	Amount	%	Amount	%
Current assets	2,286	50.6	2,213	50.7	73	3.3
Non-Current assets :						
Long-term investment	10	0.2	10	0.2	-	-
Investment properties	666	14.8	666	15.2	-	-
Property Plants and Equipments	1,493	33.1	1,470	33.7	23	1.6
Other non-current assets	59	1.3	8	0.2	51	637.5
<b>Total Assets</b>	<b>4,514</b>	<b>100.0</b>	<b>4,367</b>	<b>100.0</b>	<b>147</b>	<b>3.4</b>



Total current asset was 2,286 million Baht had increased from 2019 for the amount of 73 million Baht or equivalent to 3.3%. It consisted of

- Cash and cash equivalent were 228 million Baht, which increased of 83 million Baht or equivalent to 57.2%. It came from continuous profit performance and better working capital management.
- Trade and other receivable were 486 million Baht, average collection period was 63 days and account receivable turnover was 5.7 times. Trade and other receivable had been decreased for the amount of 19 million Baht or equivalent to 3.8%. That was the less sales and service income compared to previous year.
- Inventory were 508 million Baht, holding period was 30 days and inventory turnover was 11.9 times. Inventory decreased 63 million Baht or equivalent to 11.1%. It was due to aligned management of the quantity of raw materials in the inventory and lower the production plan and sale plan resulted from the COVID-19 pandemic.

Property, plant and equipments were 1,493 million Baht, return on fixed asset was 30.3%, which had increased net depreciation from 2019 for 23 million Baht or equivalent to 1.6%. The main reason was the Company had increased the investment in new machinery for both capacity expansion and new product for the amount of 220 million Baht. The calculation of the depreciation of total assets was 193 million Baht and written off the asset for the amount of 10 million Baht.

● **Liabilities**

The total liabilities of the Company at the year-end of 2020 were 822 million Baht, which had increased from year 2019 for the amount of 96 million Baht or equivalent to 13.2%. It consisted of current liabilities, deferred tax liabilities, and non-current liabilities, for the ratio of 62.5%, 8.9% and 28.6% respectively that categorized in detail as below;

Unit : Million Baht

Descriptions	31 December 2020		31 December 2019		Different	
	Amount	%	Amount	%	Amount	%
Current Liabilities	514	62.5	439	60.5	75	17.1
Deferred Tax Liabilities	73	8.9	71	9.8	2	2.8
Non-Current Liabilities	235	28.6	216	29.7	19	8.8
<b>Total Liabilities</b>	<b>822</b>	<b>100.0</b>	<b>726</b>	<b>100.0</b>	<b>96</b>	<b>13.2</b>

Current liabilities amounted of 514 million Baht, which had increased for the amount of 75 million Baht or equivalent to 17.1%. It consisted of



- Trade and other payable were 461 million Baht, payment period was 67 days and Payable turnover was 5.37 times. Trade and other payable had been increased from previous year for the amount of 64 million Baht or equivalent to 16.2% due to the new payment term done with certain supplier.
- Deferred Tax Liabilities was 73 million Baht, and increased 2 million Baht or equivalent to 2.8% from previous year as destroyed inventory amount increased from previous year.

- **Shareholders' Equity**

As of December 31,2020 the shareholders' equity was 3,692 million Baht, which increased from the previous year of 51 million Baht or equivalent to 1.4%. The Company retained earnings as of December 31,2020 was 2,663 million Baht, which increased from previous year for the amount of 51 million Baht or equivalent to 1.4%. In 2020, the Company had paid the dividends for 2019 for the amount of 204 million Baht. Other components of shareholders' equity had the was 61 million Baht.

#### **Liquidity and Source of funds & Used of funds**

Liquidity in 2020, the Company had cash and cash equivalent of 228 million Baht, which increased from the year 2019 of 83 million Baht. Mainly, the Company had continuous profits performance and better working capital management.

As of December 31, 2020 the Company current ratio was 4.45 times which had decreased from the previous year of 5.04 times. The debt to equity ratio was 0.22 times a bit higher than the previous year of 0.20 times.

- Source of funds & Used of funds for 2020 consisted of
  1. Cash flows from operating activities was 613 million Baht, which came from operating income before changes in operating assets and liabilities of 556 million Baht The change of operating assets decreased for the amount of 50 million Baht, mainly from account receivable. The change of operating liabilities had increased for the amount of 61 million Baht, mainly from trade and other payable. In 2020, the Company paid the corporate income tax 53 million Baht.
  2. Cash used in investing activities was 315 million Baht. It was mainly from the investment of new machinery 248 million Baht and the increased of current investment in fixed deposit 72 million Baht. Mainly, the Company had allocated cash for current investments in short-term deposits at financial institutions with low risk and special interest rate, which is higher than the market rate and received interest income for the amount of 11 million Baht.
  3. Cash flows used for financial activities was 216 million Baht, mainly from the annual dividend payment to common shares and preferred shares of 204 million Baht and payments for lease liabilities the amount of 12 million Baht.



## 4.2 Factors or Events that could affect the Financial Condition or Operations Significantly

The Company operates business with consideration for profit growth along with Environmental, Social and Governance (ESG) development. In 2020, there are no impact on environmental, social and governance that affect the Company's operations and investment decisions significantly.

## 4.3 Financial Highlights and Financial Ratios

### Financial Highlights

	Separate Financial Statements		
	2020	2019	2018
<b>Operating Results (Million Baht)</b>			
Total Revenue	2,891	3,336	3,191
EBITDA	508	592	580
Net Profit	258	349	330
<b>Financial Status (Million Baht)</b>			
Total Assets	4,514	4,367	4,159
Total liabilities	822	726	787
Total Shareholders' Equity	3,692	3,641	3,372
<b>Financial Ratios (%)</b>			
Net Profit Margin	8.91	10.41	10.35
Return On Assets	5.82	8.19	8.42
Return On Equity	7.05	9.95	10.22
Basic Earnings Per Share (Baht)	4.97	6.71	6.35
Diluted Earnings Per Share (Baht)	4.89	6.61	6.25
Book Value Per Share (Baht)	69.93	68.96	63.88



## Financial Ratios

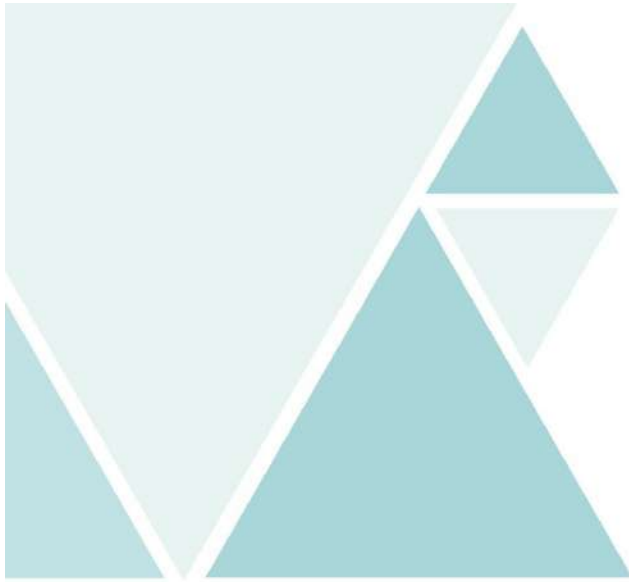
<u>LIQUIDITY RATIO</u>		2020	2019	2018	
Current Ratio	=	4.45	5.04	3.91	Time
Quick Ratio	=	3.46	3.72	2.80	Time
Cash Ratio	=	1.29	0.91	0.57	Time
Account Receivable Turnover	=	5.70	6.59	6.78	Time
Average Collection Period	=	63	55	53	Days
Inventory Turnover	=	11.85	15.23	16.45	Time
Holding Period	=	30	24	22	Days
Payable Turnover	=	5.37	5.84	5.71	Time
Collection Period	=	67	62	63	Days
Cash Cycle	=	26	17	25	Days
<u>PROFITABILITY RATIO</u>					
Gross Profit Margin	=	16.90	15.89	13.37	%
Operating Cash Index	=	194.36	105.32	63.25	%
Net Profit Margin	=	8.94	10.41	10.35	%
Return On Equity	=	7.05	9.95	10.22	%
<u>EFFICIENCY RATIO</u>					
Return On Assets	=	5.82	8.19	8.42	%
Net Fixed Asset Turnover	=	30.43	36.19	38.17	%
Total Asset Turnover Ratio	=	0.65	0.79	0.81	Time
<u>FINANCIAL POLICY RATIO</u>					
Debt to Equity Ratio	=	0.22	0.20	0.23	Time
Interest Coverage Ratio	=	-	-	-	Time
Cash Basis	=	1.59	0.91	1.33	Time
Dividend Payout	=	58.36	24.35	33.44	%



## 5. General Information and Other Important Information

Name	Crown Seal Public Company Limited (CSC)	
Type of Business	Manufacturing and Sale of Crown Caps, Pilfer-Proof Caps, Maxi Series Plastic Caps and Composite Caps	
Registration No.	0107537000416 (Bor Mor Jor 288)	
Authorized Capital	528,000,000 Baht	
Paid-up Capital	528,000,000 Baht	
Par Value	10 Baht	
By dividing into	Ordinary share	52,000,742 Shares
	Preferred share	799,258 Shares
Address	5 Soi Rangsit-Nakornnayok 46, Prachatipat, Tanyaburi, Pathumthani 12130	
Telephone	(662) 533-0450-9	
Fax	(662) 974-1118	
Website	<a href="http://www.crownseal.co.th">www.crownseal.co.th</a>	
Company Secretary	Ms. Ratee Chanthum Tel: (662) 533-0450-9 # 638 E-mail: <a href="mailto:ratree@crownsel.co.th">ratree@crownsel.co.th</a>	
Company Registrar	Thailand Securities Depository (Thailand) Company Limited. 93 Rachadapisek Rd., Dindaeng, Dindaeng, Bangkok 10400 Tel : (662) 009-9000 Fax : (662) 009-9991	
Independent Auditor	Mr. Chayapol Suppasedtanon and/or Ms. Orawan Techawatanasirikul and/or Ms. Sumana Punpongsanon EY Office Limited (Previous Ernst & Young Office Limited) 33 <sup>rd</sup> Floor, Lake Rajada Office Complex 193/ 136- 137 Rajadapisek Rd. , Klongtoey, Bangkok 10110 Tel : (662) 264-0777 Fax : (662) 264-0789-90	
Legal Consultant	KNSAT Legal & Tax Co., Ltd. 444, Olympia Thai Tower, 4 <sup>th</sup> Floor, Ratchadapisek Rd. , Samsennok, Huay Kwang, Bangkok 10310 Tel : (662) 541-4214-6 Fax : (662) 541-4200	
Legal Disputes	In 2020, the Company has no legal disputes.	
Secondary market	-None-	
Contact financial	-None-	





# PART 2



## Good Corporate Governance



## Past 2 Good Corporate Governance

### 6. Corporate Governance Policy

#### 6.1 Policy and Good Corporate Governance

The Board of Directors is committed to operate the business in accordance with the principles of good corporate governance and guidelines of the Stock Exchange of Thailand. The Board of Directors believes that corporate governance is an important factor that will bring not only success to its business, in terms of effectiveness, disclosure and transparency, but also maximum benefit to its shareholders and fairness to all stakeholders operations, and to nurture a sustainable growth to the firm. The Board of Directors has established the corporate governance policy being the guideline of business operation for directors, executives and employees of the Company. It has been disclosed on the Company's website [www.crowseal.co.th](http://www.crowseal.co.th), at Investor Relation section.

In 2012, The Corporate Governance of Listed Companies Survey Committee has developed the criteria of the survey to comply with ASEAN CG Scorecard and best practice of international standards. Thus, the Company is committed to the revised principles of good corporate governance by The Stock Exchange of Thailand, to attain the highest international standards of good corporate governance.

In 2017, the Office of the Securities and Exchange Commission (SEC) issued the Corporate Governance Code (CG Code) as the practice of the Board of Directors for applying to their business for good performance and profits in long-term that will be reliable for shareholders and surrounding people as well as for building sustainable value for business. The major content of this code is based on the Principles on Corporate Governance for the listed Companies 2012 of the Stock Exchange of Thailand (SET) but its order of presentations is adjusted to meet with the context of the director's duties. The Board of Directors had already reviewed and considered to apply this CG Code based on the business context of the Company to be consistent with the Principle on 2017 Corporate Governance of SEC. The practicing guidelines according to the Corporate Governance principle as follow:

#### 1. Rights of Shareholders

The Board of Directors recognizes shareholder's rights by encouraging them to exercise their rights and avoid violating those rights.; basic rights of shareholders, right to obtain relevant and adequate information on the Company in a timely manner and on a regular basis, right to participate and vote in the shareholder meetings on any transactions that affect the Company. The Board of Directors shall operate not only in accordance with the principles of corporate governance for listed companies of the Stock Exchange of Thailand, but also realize to other rights of shareholders, which are more than specified in laws, listed in the Company's website [www.crowseal.co.th](http://www.crowseal.co.th) in the Investor Relations section.





## 1.1 Basic Rights of Shareholder

The Board of Directors recognizes the basic rights of shareholders. We believe that our best effort to exercise all policies and practices of the rights of shareholders mentioned herein are strictly complied with fairness to all stakeholders, and also relevant rules, regulations, shall ensure our shareholders to rely on and be confident to invest with the Company.

The Company shall encourage and facilitates all shareholders to exercise their rights as follows:

- Rights to buy or sell shares
- Rights to receive adequate information in a timely manner and in an appropriate form for making decisions
- Rights to receive share certificates and rights to transfer shares
- Rights to participate and vote in the shareholders meetings, and make decisions on any changes in importance policy of the Company or any issues that needed to be approved by shareholders' meetings such as amendments to the articles of association or memorandum of association of the Company, capital increases or decreases, and the approval of extraordinary transactions, etc.
- Rights to elect or remove members of the Board, appoint the external auditor
- Rights to express their opinions and ask questions related to the Company's operation.
- Rights to vote by proxy
- In case the Company's operation result has profits and carries no accumulated loss, the shareholders have rights to share in profits of the Company.

## 1.2 Shareholders Meeting

In 2020, the Board of Directors has not only operated in accordance with the basic rights of shareholders, but also supported the additional acts for shareholders as follows:

- **Schedule for shareholders' meeting**

The Board of Directors has a duty to call an Annual general meeting once a year within 4 months from the end of fiscal year of the Company and it may call an Extraordinary meeting to discuss any other important matters, which affects on the benefit of the shareholders. In 2020, the Company had called the Annual General Meeting on June 11, 2020 at Chadra 3, The Siam Kempinski Hotel Bangkok, 991/9, Rama I Road, Pathumwan Sub District/ District, Bangkok 10330

In this regard, the selection for the meeting place apart considered on basis of convenience transportation. The Company is also aware of health and safety of shareholders is important. Under the epidemic situation of the COVID-19 virus, the Company has arranged the meeting room is suitable size, social distancing and able to accommodate the meeting attendees sufficiently to comply with policy and measures to prevent the spread of the COVID-19 virus strictly.



- **The Invitation notice to the meeting**

The Board of Directors recognizes the rights of shareholders to receive adequate information in a timely basis and in a form appropriate for making decisions. The invitation notice to the meeting which contains adequate information, such as, agenda which will be clearly defined whether which agenda is for the information or for the consideration purpose. The supporting documents for each agenda will include the opinions of the Board to facilitate the decision making as well. In 2020, an invitation of the meeting was sent at least 14 days prior to the meeting. The invitation notice and supporting documents were posted on the Company's website, announced via the Stock Exchange of Thailand's website to inform the shareholders in advance for 30 days before the meeting, and also announced in the daily newspapers consecutively for 3 days, not less than 3 days prior to the meetings. The Company's telephone number was also provided for any enquiry may need.

- **Proxy to attend and vote in shareholders meeting**

When shareholders could not attend a meeting in person, the Company shall encourage the exercising of attending and voting rights by shareholders, at least by appointing their proxy or the Company's Independent Directors to vote on their behalf. The details of 5 Independent Directors of the Company are entirely attached to the Notice of Annual General Meeting for their considerations. The shareholders can direct their vote guideline by fill in the proxy "form KOR" which has been sent to the shareholders as an attached document with the invitation notice, or the shareholders can download it from the Company's website.

- **Preparation for shareholders meeting and Registration**

The Company provides one hour registration prior to convening the meeting, a computerized registration and vote forms shall be facilitated properly, as well as the revenue stamp shall also be free serviced

- **Attending shareholders meeting by the Board of Directors**

The Board of Directors recognizes the importance of the shareholder meetings, all directors shall attend every shareholder meeting. The shareholders shall be given an opportunity to make comments and inquires by the Chairman. The minutes of shareholder meetings shall be prepared where all enquiry and important comments shall be recorded. In 2020, 9 directors from the total of 14 directors, all executives, legal representatives and external auditors attended the annual general meeting of shareholders in order to receive shareholders' opinion and answer their questions.

### **1.3 An Extraordinary Meeting**

Apart from the Annual General Meeting, the Board of Directors may convene an interim meeting called "an extraordinary meeting" to discuss any other matter proposed for approval by the shareholders. In addition, shareholders may request in writing to the Board of Directors to call for an extraordinary meeting by specifying the matters to be considered. The Board of Directors shall call the extraordinary meeting as requested by shareholders within 1 month after receiving the notice of shareholders.



## 2. Equitable Treatment of Shareholders

The Company recognizes the equitable treatment of shareholders in order to encourage the confidence of shareholders to invest in the Company.

The Company has encouraged equitable treatment of shareholders as follows:

2.1 The right of the votes in the meeting, given by the Company depends on the number of Company's shares - one share one vote.

2.2 The Company's website has been used for facilitating shareholders to reach the Company's information thoroughly, adequately and timely. The minor shareholders shall also have an opportunity to propose an agenda for shareholders meeting and nominate any person to be elected as the Director of the Board in advance, the criteria and process of which has been publicized on the Company's website. Telephone service with Company Secretary Officer shall also be provided for shareholders or interested person to call for more information.

2.3 The matters discussed at the shareholder meetings shall be in the sequence as given in the invitation notice, any matter which is not noticed prior to shareholders, shall not be discussed in the meeting.

2.4 The shareholders have the right to give all of the votes they have to an individual, or a group for an election of the Company's Directors. The votes of each shareholder could not allocate more or less to nominees. The score voted shall be put in order from the highest score down to the latest ones, the individuals who get higher score shall be appointed as directors as per the number of Director(s) to be elected in that time.

2.5 The Company encourages voting by use of a polling card for each matter in the agenda. A polling card especially used when shareholders wish to vote 'No', or do not wish to make their votes. This practice also brings more transparency and be inspected for inspection.

2.6 The Company has a preventive measure of unfair using insider information by related persons. The Directors and executives include their spouse and minor children who have the change in the Company's shares owner they have to immediately inform to the Company Secretary Officer before the information shall be reported further to The Office of the Securities and Exchange Commission within 3 working days from the date of transaction, sell-purchase or transfer. In addition, the Directors and Executives or insider department, who are closed to the Company's internal data, are supposed not to make advantage for themselves or their relatives and not to disclose any information to outsider or unrelated persons before the important information is publicized.

## 3. Disclosure and Transparency

The Board of Directors ensures that all important information relevant to the Company, both financial and non-financial: corporate governance policy and environmental policy are normally publicized via The Stock Exchange of Thailand and Company's website, One Report (form 56-1). Furthermore, The Company has designated various media and activities, the shareholders, analyst and investors can asked for the Company's visit or having a meeting with Executives/ Senior Executive Officers timely, to disseminate corporate information to outsiders such as



shareholders and investors. In addition, shareholders are able to reach to information needed through calling to shareholder-administrated unit concerned in order to help them understand the Company and its business.

The Company recognizes that all information, is disclosed accurately, completely, transparently on a timely basis that are trustworthy and adequately for shareholders to make decision, so the Company has appointed the Company Secretary Office Manager, Company Secretary Office, to be responsible for and perform 'Investor relations function' with care to communicate with outsiders such as shareholders, investors, analysts.

The Company's news and information has been communicated via the following channels:

- The Stock Exchange of Thailand's website is [www.set.or.th](http://www.set.or.th)
- Office of the Securities and Exchange Commission's website is [www.sec.or.th](http://www.sec.or.th)
- The Crown Seal Plc.'s website is [www.crownseal.co.th](http://www.crownseal.co.th)
- Company and Executives Visit Activity.
- Contact directly via e-mail and telephone.

The shareholders and persons who need more information can contact directly to:

The Contact Person : Company Secretary Office Manager  
Address : Crown Seal Public Company Limited  
5 Soi Rangsit-Nakornnayok 46, Tumbol Prachatipat  
Umphur Tanyaburi, Pathumthani, 12130  
Tel. : +66(0) 2533-0450 ext. 638  
Fax. : +66(0) 2974-1118  
E-mail : [ratree@crownsel.co.th](mailto:ratree@crownsel.co.th)

#### Inside Information Control

The Company shall determinate for executives and staff especially staff who are data users, not to disclose or publicize internal information or data for the sake of one's own benefit, buy or sell shares, transfer data for buying or selling shares. Internal data control has to be strictly managed to maximize disclosure and transparency, including fairness of corporate.

#### Internal Control

The Board of Directors shall ensure an effective and sufficient internal control system that covers every aspect of its operation; financial operations, corporate performance. The Internal Audit Office is established to ensure that all operation units of the Company are in compliance with operating procedures, in addition, Internal Audit also assess the effectiveness and adequateness of the internal control system, since its works independently, it can provide adequate control, transparent and can be the balanced mechanisms against improper acts that could give negative impact to the shareholders investments in the Company and its assets. The Internal Audit directly report to the Audit Committee.



## 4. Responsibilities of The Board of Directors

### Sub-Committees

#### 1. The Structure of The Board of Directors

##### 1.1 The Board of Directors

The Board of Directors consists of at least 7 directors and not more than 15 Directors with excellent qualification and experience relevant to the Company's business. The qualifications of the Board of Directors must comply with the Act of Public Company Limited, the Regulation of the Security Exchange Commission and Stock Exchange of Thailand. The Board of Directors of the Company consists of at least 5 Independent Directors as of December 31, 2020, the Board of Directors of the Company consists of 14 Directors:

- (1) 3 Executive Directors
- (2) 11 Non-Executive Directors

The Chairman of The Board of Directors is not the President.

The name list of The Board of Directors and its responsibilities are referred in Management Structure section.

##### 1.2 Sub - Committees

The sub - committees consists of

###### 1.2.1 Audit Committee

The Audit Committee shall consist of 3 Independent Committee members with at least one member who is knowledgeable in finance and accounting, an Internal Audit Office manager being a secretary. The qualifications of the Audit Committee shall reflect The Capital Market Supervisory Board's requirement on qualifications of independence announcement. As of December 31, 2020, the Audit Committee consists of 3 Independent Directors who possess high professional and ethical standards with experience and expertise in internal audit. They are able to be responsible for monitoring and assessing the adequacy of the internal control, then expressing their opinions with regard to the benefits of the Company to the Board of Directors. The names of the Audit Committee and its responsibility are listed and referred in the issue of Governance Structure and Important information about the Committee, Executives and other Employees.

###### 1.2.2 The Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises four of the Company's directors, all of whom are non-executive director. In addition, three members of the Committee are independent members, one of whom is the Chairman of the Nomination and Remuneration Committee, Personal manager being a secretary. The Nomination and Remuneration Committee in charge of the nomination of persons qualified to become directors and top executives. The committee is also responsible for considering the remuneration of the Board of Directors and the Sub-Committees to be further proposed to the Board's approval. The Nomination and Remuneration Committee will arrange a meeting at least 2 times a year. The names of the Nomination and Remuneration



Committee and its responsibility are listed and referred in the issue of Governance Structure and Important information about the Committee, Executives and other Employees.

### 1.2.3 The Executive Committee

The Executive Committee must be appointed by the Board of Directors. The Executive Committee Comprises five of the Company's directors and executives, Company Secretary being a secretary. The Executive Committee performs duties as assigned by the Board of Directors to be effectiveness and maximum benefits to the Company. The names of the Executive Committee and its responsibility are listed and referred in the issue of Governance Structure and Important information about the Committee, Executives and other Employees.

### 1.2.4 Risk Management Committee

The Risk Management Committee is a sub-committee of the Management comprised of Deputy Vice-President Level up as a member and the President served as the Chairman and the Corporate Planning Manager as a member and secretary. The roles and responsibilities of the Risk Management Committee are listed and referred in the issue of Governance Structure and Important information about the Committee, Executives and other Employees.

## 2. Meeting of the Board of Directors

The meeting of the Board of Directors must be held at least 6 times a year and be scheduled through the year in advance to ensure that all directors shall manage their time to attend the meetings. In case of needed, a meeting shall be convened. The agenda and attached documents for Board Meetings must be prepared and determined clearly whether for information or consideration, and shall be submitted to the Board of Directors not less than 7 days before the meetings to ensure smooth meeting procedure with clear decisions and resolutions. In addition, related Executives should attend the board meeting to present information and express opinions which benefit to the meeting.

All directors shall be allocated appropriate time for free discussion and to express their opinions, with regard to the benefit and fairness of the Company's shareholders and related persons. In case there are any benefits or significances related in such agenda for interested directors or executives, they shall not participate in such agenda unless the meeting goes on to next agenda. The Secretary of the Board of Directors shall take the minutes and must prepare a draft meeting report within 14 days after a meeting, then presents to the Board of Directors for consideration before submitting to the Board of Directors in the next Board Meeting for its approval and acknowledgement. The Chairman of the Board or the Chairman of a meeting and the Secretary of the Board of Directors must sign for acknowledgement on the minute, then keep filing for further review and inspection when needed.

In 2020, The Board Meetings was convened 7 times. The meeting-attendance report of the Board of Directors is shown in the issue of Governance Structure and Important information about the Committee, Executives and other Employees.



## Directors and Top Management Nomination and Appointment

### (1) Independent directors

As required by the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), the Company has defined the Board of Directors' independence as follows:

1. Holding shares not more than 1 percent of the total shares with voting rights of the Company, major shareholder, or controlling person including related persons.
2. Not being or having previously been a director who takes part in the management, an employee, a staff or an advisor of the Company unless the termination of being in such position had occurred at least  $\geq 2$  years before an appointment.
3. Not being a person related by blood or registration under laws such as parents, spouse sibling and child of its executives, its major shareholder, its controlling persons, or such other person who will be nominated to take up the position of executives or controlling persons of the Company or its subsidiary.
4. Not holding business relationship with the Company, major shareholders, or persons holding controlling power of the Company, which may hinder the exertion of his/her independent discretion, and not being or having ever been a shareowner with significant implication, or person holding controlling power of the person holding business relationship with the Company, major shareholder, or person holding controlling power of the Company unless having vacated from said tenure for not less than two years before appointment which value  $\leq 50$  MB /  $\leq 3\%$  of the Net Tangible Asset (NTA) up to the greater number.
5. Not being or having previously been an auditor of the Company or the major shareholders, or the controlling persons and not being a shareowner with significant implication, or the controlling persons, or a managing partner of the audit office which being the auditor of the Company unless the termination of being in such position had occurred at least 2 years before an appointment.
6. Not being or having previously been any professional service provider including legal advisor and financial advisor who receives more than Baht 2 million annually from the Company, major shareholders, or controlling person and also being a shareowner with significant implication, or the controlling persons, or a managing partner of such professional service provider unless the termination of being in such position had occurred at least 2 years before an appointment.
7. Not being a director appointed as a representative of the Company's directors, a major shareholder or a shareholder who is related to the Company's major shareholders.
8. Not undertaking a business with similar nature or significant competition with the Company, or not being a major partner of a partnership, or a director who take part in management, an employee, a staff, an advisor with regular payroll, or owning shares more than 1 percent of all shares with voting right of other companies with similar business or significant competition with the Company.



9. Not having any other characteristics that prevent the exertion of independent opinion and not having prohibited characteristics as required by the Securities and Exchange Commission's regulations.

## (2) Directors and Top Management Nomination

### The Selection of Directors

A part of the Board of Directors consists of representatives from major shareholders; Nippon Closures Company Limited and Toyo Seikan Company Limited who nominate Japanese directors to be appointed at the Annual General Meeting of Shareholders which passed the resolution of the Nomination and Remuneration Committee and the Board of Directors. Another part includes the qualified persons nominated by the group of beverage industry who have regular business with the Company and qualified persons in other fields. All of the Directors are qualified, knowledgeable, and experienced in various fields which have been useful to the Company.

In the nomination and appointment of the Directors, each person must qualify the Public Company Act, the Securities Exchange Commission and the Stock Exchange of Thailand including the Company's policies and the principles of the Good Corporate Governance.

1. Having the knowledge, abilities and experience to be beneficial on the Company's businesses
2. Having a honesty, an ethic and responsibilities, decision making on principle and reasonably
3. Having leadership, vision and independence in making decision.
4. Able to devote sufficient time to monitor the Company's operation
5. Having the correct qualifications and having no forbidden characteristics according to the law, Limited Public Company Act, Securities and Exchange Act, and the Principle of Good Corporate Governance of the Company such as;
  - (1) be sui juries;
  - (2) Not a bankrupt, incapable or incompetent person
  - (3) Not having been imprisoned by the judgment of a court which is final for an offence related to property committed with dishonest intent;
  - (4) Have never been dismissed or removed from government service or a government organization or a government agency in punishment for dishonesty in performing their duties
  - (5) There shall be no restrictions to prevent a person to become a director regarding the rules and regulations of The Stock Exchange of Thailand.

In event of a vacancy of the Director other than the retirement by rotation, the Board of Directors will select a qualified person with no forbidden characteristics as per stated in the announcement of the Securities Exchange Commission, the Stock Exchange of Thailand, and the legal specification of the Public Company to fill the position of the Directors for the next Board of Directors' meeting. The Director appointed to fill a vacant position will only serve the remaining term of that vacant position.





## The Minor Shareholders' Right in the Appointment of Directors

In order to provide the opportunity to the minor shareholders to propose the Shareholders meeting agendas and nominate a person to be the Director in advance. Therefore, the Company had announced the criteria and process of which through via the Company's website and informed to The Stock Exchange of Thailand to ensure that the shareholders have been informed. However, the Company gives an opportunity to the shareholders in inquiry and suggestion prior to the date of the meeting by calling or sending questions to the Company Secretary Officer at all time.

In 2020, the Company had provided the opportunity to shareholders for proposing the shareholders meeting agendas and nominated persons to be elected as the Company's directors during October 1, 2020 to December 30, 2020 but no any proposal.

**Appointment, Removal, or termination of Directorial positions is summarized as follows:**

1. In nomination of Directors to replace Directors who complete their terms, the Board of Directors is responsible to, recruit a qualified candidate who possesses no prohibited characteristics as stated in the Announcement of the Securities and Exchange Commission concerning, the Stock Exchange of Thailand, as well as the Law of Public Company, and propose to the Shareholders' Meeting. The Company gives right and opportunity to all shareholders to nominate and appoint any person to be a director at the meeting via through the Company's website, this right has not been exercised.
2. The Shareholders' Meeting elects Directors by way of a majority vote, according to the following rules:
  - (1) Each shareholder has one vote for each share held
  - (2) Each shareholder has a total number of votes equivalent to the total number of shares held, wherein one share carries one vote
  - (3) Each shareholder is required to exercise all his votes in voting for one or several persons as Directors
  - (4) Candidates receiving the most votes in successively descending order will be appointed as Directors according to, but not exceeding, the number of Directors to be appointed on that particular occasion
  - (5) In the event that two candidates secure an equal number of votes for the final position of Director, the Chairman of the Meeting will cast the deciding vote
3. Directors may also leave their posts due to fatality; resign prior to the completion of term (Effective as of the date the Company has received the Director's resignation letters) ; the Court or the Shareholders' Meeting passes a resolution to remove a Director according to Section 76 of the Public Company Act B.E. 2535; or a Director lacks the qualifications as specified in the Section 68 of the Public Company Act B.E. 2535.
4. In case the Director was vacated other than vacating their office by rotation, the remaining Directors will select a qualified candidate who does not possess any prohibited characteristics as a replacement at the following Board of Directors' Meeting with a vote of not less than three quarters of the remaining



Directors except the said Directorial position has a period of less than 2 months to completion of term.

The replaced Director may serve only the period of time remaining to completion of such term.

### The Development of Directors and Management

The Company promotes and facilitates training and the continuing education for related persons with the Corporate Governance system such as, Directors, Management and Corporate Secretary, This enables continuous improvement to work performance. In addition, in case there is the new director(s), the Company will arrange the orientation and plant visit to educate them on the Company business regarding the Company's operation overview, the development of business and organization, the good corporate governance policy and code of conduct.

Furthermore, the related laws and regulations including the other useful information are prepared as the manual handbook for the new director to well perform the duty.

In addition, so as to ensure that the capabilities and experience of the Board of Directors can be contributed maximum benefit for the Company, there is no limitation to the number of times a Director may be re-elected, nor any limitations in terms of a retirement age.

### Director's Attendance at Training Session Conducted by the Thai Institute of Directors Association (IOD)

Training Courses		Director Accreditation Program (DAP)	Director Certification Program (DCP)	Role of the Chairman Program (RCP)	Financial Statements for Directors (FSD)	Board Nomination & Compensation Program (BNCP)
1.	Mr. Dhep Vongvanich	-	-	-	-	-
2.	Mr. Pornwut Sarasin	DAP 45	-	-	-	-
3.	Mr. Sirote Sawasphanich	-	DCP 9/2001	-	-	-
4.	Mr. Satit Chanjavankul	DAP 39/2005	DCP 83/2007	-	-	BNCP 5/2018
5.	Mr. Hisashi Nakajima	-	-	-	-	-
6.	Mr. Ichio Otsuka	-	-	-	-	-
7.	Mr. Pongpanu Svetarundra	-	-	RCP 21/2009	FSD 2/2008	-
8.	Prof.Dr.Suwimon Keeratipibul	DAP 97/2012	-	-	-	-
9.	Mr. Dhitivute Bulsook	-	DCP 78/2006	-	-	-
10.	Mr. Yoshiki Miyatani	-	-	-	-	-
11.	Mr. Hiroshi Takahashi	-	-	-	-	-
12.	Mr. Hisatoshi Itsubo	-	-	-	-	-
13.	Mr. Akihiko Kato	-	-	-	-	-
14.	Mr. Panthep Supachaiyakit	DAP 102/2013	DCP 230/2016	-	-	BNCP 7/2019



## Governance of associated companies

At present, the Company has not subsidiaries or affiliates.

## Internal information Control

The Board of Directors has a preventive measure of unfair using inside information by related persons. The Directors, management and also employees who are closed to the Company's internal data, are supposed not to make advantage for themselves or their relatives and not to disclose any information to outsider or unrelated persons before the important information is publicized.

Moreover, the Directors and management include their spouses and minor children who have changed in the Company's shares owner have to inform the Securities and Exchange Commission within three working days from the date of buying, purchasing, transferring and receiving the Company's shares and inform the Company soonest. In the case whereby there's any transaction with the Company during the year, the Directors and management have to inform to the Company whether such transaction may lead to conflict of interests or not. These measures are to ensure the transparency and fairness of the Company. Additionally, the Directors and management also realize the seriousness of penalty for insider trading.

## Shareholding by the directors and the management

The Company annually disclosed shareholding and changes in the Company shares of the Directors and the management both directly and indirectly in the One Report (56-1). Details are under the heading "Personal information of the Company directors and management members" on report on changes in securities holding by the Company directors and management members at December 31, 2020.

## The policy to report possible conflict of interests by the directors

The Board of Directors set up the policy requiring the Company directors and management, which abide by the notification of the Capital Market Supervisory Board no. TorJor.2/2552 in order to provide the information for the Company to follow the connected transaction regulations which have possible conflict of interests and lead to the Company's benefit transfers, and benefit for overseeing the Directors and management to do fiduciary duty. The Directors and management have to proceed as follows:

1. Directors, management, and related persons shall fill with the Company a report on interest according to the form set by the Company's Board of Directors and submit to the Company Secretary.
2. The new appointed directors and management shall report on his interest and submit to the Company Secretary within 30 days after an appointment.
3. Directors and management shall fill with the Company a report on his interest and related persons' interest at the end December every year sending to the Company Secretary until the Company's directors and management resignation.

During 2020, the Company director and management members strictly followed the said policy, by not taking part in such meeting agenda having possible conflict of interests. Moreover, the Company facilitated information



disclosure pertaining to any conflict of interests by the Company director or management members, via the letter informing the meeting's resolution to the news system of The Stock Exchange of Thailand.

## 6.2 Code of Conduce

The Board of Directors adheres to the Principle of Virtues in carrying out its business operations and is responsible for all stakeholders by placing the emphasis on fair, honest, transparent executions in accordance with the principle of good corporate governance in order to lead the Company to being a good corporate governance organization recognized by shareholders, customers and stakeholders.

The Company has prepared the “Crown Seal Public Company Limited Code of Conduct” Manual as practical guidelines in the duty performances of all employees with the Company’s Directors behaving themselves to exemplify as a good model, in soliciting employees to intensely commit themselves to adopting it for the executions of their duty performances in order to develop and maintain the Code of Conduct of Crown Seal Public Company Limited to perpetually remain all along with the Company and continue to be the working culture of all employees. The main topics of the Code of Conduct are as follows:

1. A person who has a duty to abide by the Code of Conduct
2. Recommendations on the Code of Conduct
3. Reporting violations or failing to comply with the Code of Conduct
4. Process of action when receiving complaints
5. Protection measures and mitigate the damage to the reporter, complainant, or those who cooperate in reporting violations or non-compliance with the Code of Conduct
6. Actions that are unethical

## 6.3 Significant Change and Development

The Board of Directors has an intention of firm commitment in carrying out the business operations under the Principle of Good Corporate Governance in accordance with the guidelines of the Stock Exchange of Thailand which has been foreseen to be an important factor in enhancing the organization to have an efficient, transparent and verifiable management system, that will eventually help to build confidence in and assurance for shareholders, investors, stakeholders and all related parties as well as increasing the competitiveness of the Company which will consequently lead it to sustainable business growth.

In 2020, the Company appointed a working group on “The Project for Developing Prototype Company Towards Sustainability in Collaboration with the Stock Exchange of Thailand” to support the potential development of listed companies to grow in line with the sustainable development guidelines and improve the Company’s business operations for maximum efficiency which was consistent with the strategy and business plan of the Company and that in 2021, the Company has still continued to monitor and development the Project results.



## 7. Governance Structure and Important information about Sub-committees, Executives, Employees and other

### 7.1 Corporate Governance Structure

1. The Board of Directors comprises independent directors, non-executive directors and executive directors and Sub committees as follows:

- 1.1 The Audit Committee
- 1.2 The Nomination and Remuneration Committee
- 1.3 The Executive Committee
- 1.4 The Risk Management Committee

2. The Management

#### Separation of the Roles of the Board of the Directors and the Management

The Company defines clear roles and responsibilities regarding the Board of Directors and the management. The Board shall be responsible for establishing the policies and overseeing the management's implementation of those policies. The management, on other hands, shall be responsible for implementing the policies formulated by the Board, and ensuring that these are carried out as planned. Therefore, the Chairman and President of the Company shall not be the same person, and each must be nominated and elected by the Board in order ensure their appropriateness.

The Chairman shall not be a member of the management and shall not participate in the management of the Company's business; nor shall the Chairman be authorized to sign binding agreements on behalf of the Company. This is to clearly define separate role between supervision of the Company's overall policy, and management of the business.

The Company's Management is assigned and authorized to perform many operation under the Company's policies defined for taking responsibilities on overall performance, controlling expenses and budget under the scope approved by the Board of Directors in the Annual Policy, complying with HR Policy, solving problems or conflicts affecting to the Company, and maintaining efficient communication with related person.

### 7.2 Information on the Board of Directors

- The Structure of Board of Directors

The Board of Directors stated in the Company's Articles of Association consists of at least 7 directors and not more than 15 directors. Not less than half of the total number of directors must have residence in the Kingdom. The Directors must hold qualifications in accordance with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and not have any characteristics prohibited by the SEC and Public Company Act.



As of December 31, 2020, the Board of Directors comprised of 14 members and Ms. Ratre Chanthum, the Company Secretary Manager, was the secretary to the Board, detail as follows:

1.	Mr. Hirofumi	Miki	Honorary Chairman
2.	Mr. Pong	Sarasin	Honorary Chairman
3.	Mr. Dhep	Vongvanich	Independent Director, Chairman of the Board of Directors and Chairman of the Executive Committee
4.	Mr. Pornwut	Sarasin	Vice-Chairman
5.	Mr. Sirote	Sawasphanich	Independent Director and Chairman of the Audit Committee
6.	Mr. Satit	Chanjavanakul	Independent Director, Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee
7.	Mr. Hisashi	Nakajima	Director
8.	Mr. Ichio	Otsuka	Director
9.	Mr. Pongpanu	Svetarundra	Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee
10.	Prof.Dr.Suwimon	Keeratipibul	Independent Director, Member of the Executive Committee and Member of the Nomination and Remuneration Committee
11.	Mr. Dhitivute	Bulsook	Director
12.	Mr. Yoshiki	Miyatani	Director
13.	Mr. Hiroshi	Takahashi	Director and Member of the Executive Committee
14.	Mr. Hisatoshi	Itsubo	Director and Member of the Nomination and Remuneration Committee
15.	Mr. Akihiko	Kato	Director and Member of the Executive Committee
16.	Mr. Panthep	Supachaiyakit	Director, Member of the Executive Committee and President

#### Directors with Signatory Rights on behalf of the Company

Directors with signatory rights on behalf of the Company are Mr. Pornwut Sarasin, Mr. Hiroshi Takahashi, Mr. Hisashi Nakajima, Mr. Akihiko Kato and Mr. Panthep Supachaiyakit. The any two of these five authorized directors must sign jointly with the Company's seal affixed.

#### Scope of Authority and Duties of the Board of Directors

1. Supervises and manages company operations in accordance with the Company objectives, Articles of Association, and the resolutions of Shareholders' Meeting.
2. Establishes or considers and approves vision, missions, strategies, goals and business policies of the Company. The Board is also responsible for monitoring implementation by management in accordance with the approved policies, plans and budgets with efficiency and effectiveness.



3. May appoint other persons to operate the Company's business under the supervision of the Board. The Board may also appoint such persons with the authority and timeframe as deemed appropriate by the Board. The Board of Directors reserves the right to cancel, revoke, change or amend such authority.
4. Considers and approves the responsibilities of any Committee and any significant changes made to its operations as deemed appropriate for the benefit of the Company.
5. Thoroughly considers any conflict of interests. The consideration of the transactions with conflict of interest are conducted for the best interest of the Company and shareholders. The person who has interest in the transaction are not be able to participate in decision making process and/or approval of any transactions.
6. Establishes or approves a written corporate governance policy for the Company.
7. Establishes the policy and to supervise the system to efficiently support the anti-corruption work.
8. Ensures that the Company has effective internal control and internal audit systems.
9. Considers remuneration for the Board within the limit approved by shareholders.

#### The Sub-Committees

Directors			The Audit Committee	The Nomination Committee and Remuneration Committee	The Executive Committee
1.*	Mr. Dhep	Vongvanich	-	-	Chairman
2.	Mr. Pornwut	Sarasin	-	-	-
3.	Mr. Sirote	Sawasphanich	Chairman	-	-
4.	Mr. Satit	Chanjavanakul	Member	Chairman	-
5.	Mr. Pongpanu	Svetarundra	Member	Member	-
6.	Prof.Dr. Suwimon	Keeratipibul	-	Member	Member
7.	Mr. Dhitivute	Bulsook	-	-	-
8.	Mr. Hisashi	Nakajima	-	-	-
9.	Mr. Ichio	Otsuka	-	-	-
10.	Mr. Yoshiki	Miyatani	-	-	-
11.	Mr. Hisatoshi	Itsubo	-	Member	-
12.	Mr. Hiroshi	Takahashi	-	-	Member
13.	Mr. Akihiko	Kato	-	-	Member
14.**	Mr. Panthep	Supachaiyakit	-	-	Member

*Remarks:* \* Chairman of the Board of Directors

\*\* President

○ Independent Directors



The Attendance of Director for the year 2020

(1 January 2020 - 31 December 2020)

Name - Surname		The Board of Directors (14 members) Total 7 times/ year***	The Audit Committee (3 members) Total 4 times/ year**	The Nomination and Remuneration Committee (4 members) Total 2 times/year	The Executive Committee (5 members) Total 10 times/ year	The 2019 Annual General Meeting of shareholders (14 members) Total 1 time/ year
1.	Mr. Dhep Vongvanich	7/7	-	-	10/10	1/1
2.	Mr. Pornwut Sarasin	6/7	-	-	-	1/1
3.	Mrs. Pilai Piemphongsarn*	1/5	1/2	-	-	0/1
4.	Mr. Sirote Sawashanich*	2/2	1/1	-	-	0/0
5.	Mr. Satit Chanjavankul	7/7	4/4	2/2	-	1/1
6.	Mr. Hisashi Nakajima	0/7	-	-	-	0/1
7.	Mr. Ichio Otsuka	0/7	-	-	-	0/1
8.	Mr. Pongpanu Svetarundra*	7/7	4/4	2/2	-	1/1
9.	Prof.Dr. Suwimon Keeratipibul*	7/7	1/1	2/2	10/10	1/1
10.	Mr. Dhitivute Bulsook	6/7	-	-	-	0/1
11.	Mr. Yoshiki Miyatani	5/7	-	-	-	1/1
12.	Mr. Hisatoshi Itsubo	7/7	-	2/2	-	0/1
13.	Mr. Akihiko Kato	7/7	-	-	9/10	1/1
14.	Mr. Hiroshi Takahashi	7/7	-	-	10/10	1/1
15.	Mr. Panthep Supachaiyakit	7/7	-	-	10/10	1/1

**Remark:** \* 1. The Board of Directors Meeting No.4/2020, held on July 24, 2020 resolved to appoint Mr. Pongpanu Svetarundra as the Chairman of the Audit Committee and Prof.Dr. Suwimon Keeratipibul as Member of the Audit Committee in replacement of Mrs. Pilai Piemphongsarn.

2. The Board of Directors Meeting No.5/2020, held on August 6, 2020 resolved to appoint Mr. Sirote Sawasphanich as the Independent Director and Member of the Audit Committee in replacement of Prof.Dr. Suwimon Keeratipibul and the Board of Directors Meeting No.6/2020, held on November 5, 2020 resolved to appoint Mr. Sirote Sawasphanich as the Chairman of the Audit Committee in replacement of Mr. Pongpanu Svetarundra.

\*\* The Audit Committee has their term for three years, started from November 5, 2020-2023.

\*\*\* The Board meeting attendance/ the total meetings was presented either in amount of times each member attended the meetings in 2020 or since the members have been in the position of the Board during the year as the case maybe comparing to the total of meetings that was held in 2019.

The current number and position of the Company's Directors reflects the suitability and equity of each shareholder groups' investment stake. The majority of the Directors are not executives, in order to preserve a balance of power and encourage management credibility.





## Directors Representing from Major Shareholders Listed as Follows:

### Nippon Closures Company Limited

1. Mr. Hisashi Nakajima
2. Mr. Hiroshi Takahashi
3. Mr. Hisatoshi Itsubo
4. Mr. Akihiko Kato

### Toyo Seikan Company Limited

1. Mr. Ichio Otsuka
2. Mr. Yoshiki Miyatani

## 7.3 Information about the sub-committees

### 7.3.1 The Audit Committee

As of December 31, 2020, the Company's Audit Committee comprised of 3 independent directors, namely, Mr. Sirote Sawasphanich Mr. Satit Chanjavanakul Mr. Pongpanu Svetarundra and the Internal Audit Office Manager as the secretary. In 2020, a total of 4 Audit Committee's meetings were convened.

### Scope of Authority and Duties of the Audit Committee

The Board of Directors has approved and scoped the authority and duties of the Audit Committee as follows:

1. To review the Company's financial reporting process to ensure that it is accurate and disclosed sufficiently in accordance with Thai Account Standard of financial reporting.
2. To review the compliance of Company's Internal Control System and the appropriateness and the effectiveness of the Company's Internal Audit. Also, review "The Assessment Form of the Adequacy of the Internal Control System" to ensure that the Company has sufficient internal control system and propose to Board of Directors for consideration.
3. To determine the internal audit unit's independence, as well as to approve the appointment, transfer, dismissal, develop and performance appraisal of internal audit manager.
4. To consider the Internal Audit Charter that it is covering objective, duties and responsibilities of the internal audit office before propose to the Board of Directors for approval.
5. To approve the audit plan and review the audit performance in accordance with international standard, including the consideration of budget and manpower is in the internal audit office
6. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations and the laws relating to the Company's businesses.
7. To review the Company's code of conduct and the effective process for monitoring compliance with and enforcement of this code.



8. To review the Company's Anti-corruption procedures to ensure the effective compliance with the guidelines of governance bodies. The efforts start from promoting and raising awareness, assessing the risk and internal controls incorporating the proactive preventive system.
9. To review the Company's whistle-blowing process and arrangements by which employees and any other stakeholders may, in confidence, raise concerns about possible impropriated transactions in financial statement or other matters to ensure that the investigation is independent and appropriate monitoring.
10. To consider, select and nominate an independent person to be the Company's auditor, and to propose the remuneration of Company's auditor to the Board of Directors, to attend a non-management meeting with an auditor at least once a year in order to get auditor's opinion in other matter.
11. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable, accurate, complete, transparent and for the highest benefit of the Company
12. To review the risk management policy, compliance and the mitigation plan for the Company's significant risk and oversight risk management to ensure it is appropriate and effective.
13. To prepare a report of Audit Committee's Corporate Governance, and to report in the Company's annual report.
14. To report the performance of the Audit Committee proposed to the Board of Directors of the Company on a quarterly basis.
15. To review and evaluate the Sufficiency Evaluation of Audit Committee charter and propose to the Board of Directors for changing approval.
16. To perform any other duties in accordance to laws or assigned by the Board of Directors of the Company with approval from the Audit Committee thereto.

#### **The report of Suspicious Circumstance and Significance**

Apart from the mentioned Authority and Duties, the Audit Committee also reports the suspicious circumstance which has significance as follows:

1. Inspect the matter informed by the Company's auditor in case of the auditor found the suspicious circumstance that director, management or any person responsible for the Company's operation commits an offence under the rules of Securities and Exchange (No.4) B.E.2551 and report the result of preliminary inspection to Securities and Exchange Commission Office and the auditor within thirty days after received by the auditor.
2. During undertaking the duties, if the Audit Committee find the suspicious act or transaction which has significant effect on the Company's financial position and operation result, the Audit Committee shall report to the Company's Board of Directors to remedy the matter under the period of time accepted by the Audit Committee as follows:



1. A conflict of interest transaction.
2. A corruption or an important unusual matter or a fault in the internal audit system.
3. An infringement of laws and regulations of Securities and Exchange Commission concerning, the Stock Exchange of Thailand and the Public Company Act.

In case that the Board of Directors or the management fails to remedy aforesaid matters, any audit committee member shall report to the Securities and Exchange Commission Thailand or the Stock Exchange of Thailand.

#### **The responsibility of the Audit Committee**

The Audit Committee is responsible to the Board of Directors in carrying duties and responsibilities assigned by the Board of Directors while the whole Board of Directors is responsible to all of activities participating outsiders.

#### **7.3.2 The Nomination and Remuneration Committee**

As of December 31, 2020, the Company's Nomination and Remuneration Committee comprised of 4 members, namely, Mr. Satit Chanjavanakul Mr. Pongpanu Svetarundra Prof.Dr. Suwimon Keeratipibul Mr. Hisatoshi Itsubo and the Personnel Manager as the secretary. In 2020, a total of 2 Nomination and Remuneration Committee's meetings were convened.

#### **Scope of Authority and Duties of the Nomination and Remuneration Committee**

The Board of Directors has approved and scoped the authority and duties of the Nomination and Remuneration Committee as follows:

1. To formulate policies for submission to the Board of Directors as follows.
  - 1.1 Policy, criteria and method for nomination of the directors and president.
  - 1.2 Policy, criteria and method for payment of remunerations and other benefits to the Board of Directors, sub-committee and president.
2. To select and nominate the persons with suitable qualifications to the Board of Directors
  - 2.1 Directors
  - 2.2 Sub-Committee members of various sub-committees assigned with authority, duty and responsibility directly from the Board of Directors of the Company.
  - 2.3 President
3. To supervise the Board of Directors of the Company to ensure that its size and components are suitable to the organization, including adjustment in response to the changing environment
4. To consider and propose the remuneration and benefits of Directors and President to align with the assigned duties and responsibilities.
5. To set the performance evaluation guidelines of President and evaluate the performance to be propose adjusting the compensation and annual bonus to the Board of Directors.
6. To follow up the succession planning of the President and propose to the Board of Directors to consider at least once a year.
7. Report on the performance of the NRC to the Board of Directors of the at least once a year.



8. To perform any acts designated by the Board of Directors.

To work in the scope of authority, the Nomination and Remuneration Committee has the power to call for the management, section head or the staff of the Company concerned to provide opinion, attend the meeting or send the required documents. In addition to the performance of duties under the authority of this Regulation the Nomination and Remuneration Committee may seek advice from independent external consultants or other professionals if deemed necessary and appropriate. The Company will be responsible for all expenses.

### 7.3.3 The Executive Committee

As of December 31, 2020, the Company's Executive Committee comprised of 5 members, namely, Mr. Dhep Vongvanich Prof.Dr. Suwimon Keeratipibul Mr. Hiroshi Takahashi Mr. Akihiko Kato Mr. Panthep Supachaiyakit and the Company Secretary as the secretary. In 2020, a total of 10 Executive Committee's meetings were convened.

#### Scope of Authority and Duties of the Executive Committee

The Executive has approved and scoped the authority and duties of the Executive Committee as follows:

1. Screening.
  - 1.1 Policy, direction, strategies, management structure and business operation.
  - 1.2 Business plan and annual budget.
  - 1.3 Investment
2. Approval authority.
  - 2.1 The recruitment / selection of a new executive in the Vice President level according to the rules designed by the Nomination and Remuneration Committee.
  - 2.2 To set the performance evaluation guidelines of executive level down from the President (Vice President) and evaluate the performance to adjusting the compensation and annual bonus.
  - 2.3 Investment project in the capital not exceed 30 MB/project totaling not exceed 90 MB/ year.
  - 2.4 Increase budget for the project (before execution) approved by the BOD more than 5 MB but not exceed 30 MB or 10% of previous budget whichever is higher.
  - 2.5 Increase budget for the project (on progress) when spending over approved budget not exceed 10 MB or 20% of previous budget was approved.
  - 2.6 New minor asset (urgent) is not included in budget not exceed 5 MB/time totaling not exceed 20 MB/year.
3. Follow and supervisory the operations.
  - 3.1 Strategy, plan and project including in annual business plan which have to approved by the Board of Directors.
  - 3.2 Financial performance of the Company.
4. Report to Board of Directors.
  - 4.1 The investment project and Vice President level appointed by the Executive Committee.
5. To perform any acts designated by the Board of Directors.

Regarding the scopes of authority, the Executive Committee is authorized to call for and order management, heads of offices, or employees concerned to present opinions, attend meetings or submit necessary documents.



In addition to the performance of duties under the authority of this Regulation the Executive Committee may seek advice from independent external consultants or other professionals if deemed necessary and appropriate. The Company will be responsible for all expenses.

### 7.3.4 Risk Management Committee

The Company has established the Risk Management Committee comprised of Deputy Vice-president Level up as a member and the President served as the Chairman and the Corporate Planning Manager as a member and secretary, in order to ensure that the Company has managed efficiently and shall achieves the objectives as well as to prepare for the incident which may occur in the future and affect to the Company's operation.

#### Scope of Duties of the Risk Management Committee

1. To determine and review the risk management policy, objectives, and framework of risk management operation, covering important risk, to propose to the Board of Directors.
2. To supervise and support the organization risk management operation to be in line with the strategies and business target, as well as circumstance which has been changed.
3. To determine the meetings for screening the reports of operation, according to the risk management measures, following of risk status and progress of risk management.
4. To give recommendation in the operation of improvement, revision, following and evaluation of the sufficiency of risk management measures and efficiency in risk management.
5. To consider the reports of organization risk management result and opinion regarding risk that may occur, as well as guidelines to determine Mitigation Plan/Action Plan and development of risk management system to have continuous efficiency.
6. To report about organization risk management result, to summarize risk status to propose to the Board of Directors, for acknowledgement at least one time per quarter. In case there is important event, affecting the organization significantly, report to the Board of Directors for acknowledgement quickly.

### 7.4 Information about Management

The Executive of the Company as of December 31, 2020 comprises of 7 members presented as follows:

NAME - SURNAME		POSITION
1. Mr. Panthep	Supachaiyakit	President
2. Mr. Hiroshi	Takahashi	Senior Vice President - Technical
3. Mr. Ruj	Tantsetthi	Vice President - Technical
4. Mr. Akihiko	Kato	Vice President - Pant
5. Mr. Preecha	Suthivechakun	Vice President - Quality Assurance
6. Ms. Naruporn	Arunraphan	Vice President - Sale
7. Mr. Peerasage	Sopakanit	Deputy Vice President - Finance and Accounting



## The Duties of the Management

1. Manages the operations according to the vision, mission, strategies, policies, plans and goals approved by the Board of Directors, the Articles of Association of the Company, and resolutions passed by the Board of Directors' Meeting and Shareholders' Meeting.
2. Manages the operations according to the Corporate Governance Policy approved by the Board of Directors.
3. Prepares annual plan and budget for approval from the Board of Directors and strictly controls the operations and budget expenditure according to the approved plans and report progresses and operating results of the Company to the Board of Directors' Meeting regularly.

The Board of Directors and the management has no illegal records in the past 10 years before submitting Form 56-1 One Report concerning information disclosure.

## The Company Secretary and The Secretary to the Board of Directors

The Company has established the Company Secretary Office comprising of qualified staff with appropriate experience to give information, legal suggestions and related regulations to the Board of Directors to perform its duty, and also coordinate all departments to conform with the resolution passed by the Board in order to comply with Good Corporate Governance principle. The Board of Directors Meeting No.2/2018 as of April 25, 2018 passed the resolution to appoint Ms. Ratee Chanthum, the Company Secretary Office Manager as the Company Secretary, Secretary to the Board of Directors and Secretary to Executive Committee on effective since May 1<sup>st</sup>, 2018 onwards.

## The Duties of the Company Secretary and the Secretary to the Board of the Directors are as follows:

1. To coordinate the schedule for the Board of Directors' meeting all year round and the date for Annual General Meeting of shareholders as well as inform the Board in advance.
2. To prepare the Meeting agenda, documents and deliver to the Board of Directors together with the meeting notice.
3. To prepare the Shareholders' meeting, agenda, documents and to deliver to the shareholders together with the meeting notice. In addition, manage the meeting smoothly and to comply with laws.
4. To attend the meeting and prepare minutes of the Board of Directors' and the shareholders' meeting, taking important matter, questions and useful suggestions during the meeting.
5. To follow up the operation to conform with the resolutions of the Board of Directors' and the Shareholders' meeting and report to the Board periodically.
6. To give information or suggestions to the Board of the Directors and the management to perform their duties in compliance with the laws and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand including the best practice of the Listed Company concerning the good governance.
7. To prepare Form 56-1 concerning the information disclosure and the annual report with the correct and complete information complying with the regulations of the Securities and Exchange Commission and the



- Stock Exchange of Thailand as well as to deliver to all related organizations and shareholders (The annual report only).
8. To prepare the Directors' profile and registration which have been corrected and updated.
  9. To submit a copy of the report concerning the interest related the Board of the Directors, the Executives, and other related persons to the Chairman and the Chairman of the Audit Committee within 7 days since the report has been received.
  10. To keep the documents as follow in complete, systematic, and simple- to-examine manner
    - Meeting notices and minutes of the Board of Directors' meeting and the Shareholders' meeting including all meeting documents
    - Annual report
    - Director registration
    - Report of Information concerning the interest related to the Board of Directors, the Executives, and other related person.
  11. To give the Company's information to shareholders, investors, and analysts. To coordinate or set up the meeting for all related parties periodically.
  12. To perform any other acts as specified in the notification of the Capital Market Supervisory Board.

## Directors and Management Remuneration

### Monetary Remuneration

In 2020, the Annual General Meeting of Shareholders held on June 11, 2020 has approved the remuneration of the total 14 directors in amount of Baht 5,390,000 for the retainer fee and meeting attendance fee of the Board, meeting attendance fee the Audit Committee, meeting attendance fee the Nomination and Remuneration Committee and retainer fee of the Executive Committee described as follows:

Item	Position	Retainer fee (Baht/ Person)	Attendance fee (Baht/ Person/ Time)
The Board of Directors	Chairman	45,000	35,000
	Director	30,000	25,000
The Audit Committee	Chairman	-	30,000
	Director	-	25,000
The Nomination and Remuneration Committee	Chairman	-	30,000
	Director	-	25,000
The Executive Committee	Chairman	30,000	-
	Director	25,000	-

*Remark* : - The meeting allowance for Directors will be paid to Thai's Director who are not the Company's executives.  
 - The monthly remuneration for Directors will be paid to Thai's Directors.



## Remuneration of the Board of Directors and Sub-Committees for the year 2020 per person

For the fiscal year ended December 31, 2020, the annual remuneration paid to the Board of Directors as of follows. Retainer fee of the Board of Directors of 3,030,000 Baht Attendance fee of the Board of Director of 1,145,000 Baht, Retainer fee of the Executive Committee of 660,000 Baht along with the sub-committees' remuneration of 450,000 Baht, making the total remuneration of 5,285,000 Baht.

Unit: Baht

Directors		The Board of Directors		The Audit Committee	The Nomination and Remuneration Committee	The Executive Committee	Total per person
		Retainer Fee*	Attendance fee*	Attendance fee	Attendance fee	Retainer fee *	Total
1.	Mr. Dhep Vongvanich	540,000	245,000	-	-	360,000	1,145,000
2.	Mr. Pornwut Sarasin	360,000	150,000	-	-	-	510,000
3.	Mrs. Pilai Piemphongsam	180,000	25,000	30,000	-	-	235,000
4.	Mr. Sirote Sawasphanich	150,000	50,000	25,000	-	-	225,000
4.	Mr. Hisashi Nakajima	Not received	Not received	-	-	-	-
5.	Mr. Ichio Otsuka	Not received	Not received	-	-	-	-
6.	Mr. Satit Chanjavankul	360,000	175,000	100,000	60,000	-	695,000
7.	Mr. Pongpanu Svetarundra	360,000	175,000	110,000	50,000	-	695,000
8.	Prof.Dr.Suwimon Keeratipibul	360,000	175,000	25,000	50,000	300,000	910,000
9.	Mr. Dhitivute Bulsook	360,000	150,000	-	-	-	510,000
10.	Mr. Yoshiki Miyatani	Not received	Not received	-	-	-	-
11.	Mr. Hiroshi Takahashi	-	-	-	-	-	-
12.	Mr. Hisatoshi Itsubo	Not received	Not received	-	Not received	-	-
13.	Mr. Akihiko Kato	-	-	-	-	-	-
14.	Mr. Panthep Supachaiyakit	360,000	-	-	-	-	360,000

Remark: \* The Directors who also reserve the Company's management are not allowed to receive the attendance fee of the Board and retainer fee of the Executive Committee.

## The Management's Remuneration

In 2020, the Management's remuneration which included 4 executives relatively under the President and any persons equally assigned to the same rank of those executives, for a total of 7 executives amounted of Baht 25,547,503.14 the details as follows:





Remuneration	Year 2019		Year 2018		Year 2017	
	Number of Executives (Person)	Amount (Baht)	Number of Executives (Person)	Amount (Baht)	Number of Executives (Person)	Amount (Baht)
Salary, Annual Bonus, and Retirement Compensation	7	24,820,475.14	6	21,941,472	6	17,920,450
Provident Fund	4	727,028	3	593,088	3	544,940
<b>Total</b>		<b>25,547,503.14</b>		<b>22,534,560</b>		<b>18,465,390</b>

However, the Company considered the executives as permanent employees and are obliged to be responsible in their own function and line.

### Other Remuneration

- None –

### Remuneration Policy

The Nomination and Remuneration Committee is responsible for determining the remuneration of the Board of Directors and the Sub-committees to be further proposed to the Board's consider. By considering the responsibilities and the operating results of the Company as well as comparable to those of listed companies in The Stock Exchange of Thailand which have the similar size of business and being in the same industrial sector. The Company had joined the Compensation of Listed Company Survey with the Institute of Thai Directors every 2 years so as that the directors can use the information for determining directors' remuneration appropriately which will be proposed for approval by an Annual Shareholders Meeting every year. Also consider the duties and responsibilities of the directors concerned and the Company's performance.

The executives' remunerations shall be considered and approved with regard of the policies set by the Board of Directors. The levels of executives' remunerations shall be comparable to those of companies in the same industry taking into consideration of the duties and responsibilities, individual performance, the Company's performance, with fairness, to motivate the high professional and standard ones to work with us longer.

## 7.5 Information about Employees

### Employees

As of 31 December 2020, the Company had 917 employees.

In 2020, the Company paid the compensation to employees totaling 482,826,969.67 Baht in the form of salary, bonus, attendance reward, overtime, and other welfares. The Company had contributed to the Provident Fund for the year 2020 in the amount of 21,803,276.28 Baht.

## Provident Fund of the Company

The Company had founded the provident fund comply with ministerial regulations no.162 B.E.2526 aim to promote employee's long term savings. This fund will help the employee to gather their own savings for use when retire or resign from the Company, subsequently the Company had registered the fund to be under Provident Fund Act. B.E.2530. For the employee's cumulative gathering which will deduct from employee's salary, employee has a right to choose from ratio percentage to salary depends on year of service. In addition, employee can choose themselves the proper investment plan while the Company shall contribute to the fund by these details: -

Year of service	Contribution ratio (percentage to salary)
Less than 7 years	5
7 years to less than 10 years	7.5
10 years over	10

In case that the employee registers to the fund before 1 January 2003, the Company shall contribute when complete 7 and 10 years of services.

As of December 31, 2020, the Company's Provident Fund has a total contribution equal to 434,507,545.38 Baht which comprised of:

1. Crown Seal Public Company Limited registered fund, having 447 members included management, totaling 233,532,794.03 Baht.
2. The registered K-Master Pooled fund, Crown Seal Public Company Limited only, having 91 members included management, totaling 31,532,279.71 Baht.
3. The registered K-Master Pooled fund – share mixed not over 25%, Crown Seal Public Company Limited only, having 321 members included management, totaling 169,442,471.64 Baht.

## Employee Dispute in the Past 3 Years

- None -

## Personnel Development Policy

Human resources are deemed to be the key factors in carrying on the Company's operations. The Company realizes that human resources development is the worthiest and most sustainable investment compared with other categories of the investments. This is because of the reason that the organizational success relies on the personnel potentials as the significant matter. Any organization having human resources of high caliber of competency, righteousness and ethics would certainly be able to create the advantage on the competitiveness and lead the organization to success in accordance with the required and sustainable goal. The Company has by far set a wish and given importance on human resources development in order to make the Company's personnel both good and smart men and women at all times.



The Company has a policy on the development of all levels of employees in order to enable them to gain knowledge and skills in systematic and continuous performances by implementing the Annual Training Seminars Plan and send employees participated specialized training/seminars outside the Company and/or there are small of employees and unable to In-house training. As well as providing self – learning (online) consisting of consisting of the basic training such as skills on the executions of a specific work and general knowledge necessary for use in performing duties: In the year 2020 the Company provided 145 training courses, total employees participated in the training of 2,783 persons using the budget of 1,888,407 Baht categorized into

- In-house Training 85 courses, 2,448 employees participated.
- Public Training 54 courses, 210 employees participated.
- Self – Learning 6 courses, 125 employees participated.

The course outlines for the training conducted in 2020 are

1. **Managerial Skills, Supervisory Skill and Human Resources Management** Total 39 courses, 917 employees participated, such as Act 50 probing questions. Personal Data Protection in 2562, Risk Management Plan, Digital Business Solution Summit 2020, Developing Soft Skills for Personnel in the S-Curve Industry Sector, Procurement and management of MRO & Office Supplies effectively, COSO ERM 2017, Risk Management (Advance), Beyond Treasury Management #2, Communication Psychology with hear, Power of Mindset and Team Synergy, Proactive Supervisor for the best work, Modern corporate communication, Job Description on Competency and KPIs, Individual Development Plan and Coaching, Techniques for managing HRD by Training Road Map, The statistics and reports for analysis and human resource management, Management accounting concepts for art organization leaders, negotiating for WIN WIN results and financial planning for retirement, These courses provided teaching skills for supervisors, How to prepare Transfer Pricing Disclosure Form report for juristic persons with relationship between receiving-side and paying side, financial planning for retirement, Knowledge of tax invoices Knowledge of Social Security Fund benefits These courses provided teaching skills for supervisors, major roles and duties of supervisor knowledge, overseeing subordinates for performance achievement which enable the employees to get learning and effectively perform abide by the Company's policy.

2. **Essential Knowledge and Skills** Total 25 courses, 320 employees participated, such as The art of writing reports for examining strategies for managing costs and inventories in accordance with accounting principles and tax principles, Optimizing the internal audit process, Electronic withholding tax system, Signs of fraud and corruption regarding procurement and sales, Knowledge of crown caps, Knowledge of Company's Product and Quality Awareness, Knowledge of steel sheets, Introduction to maxi caps and the Company's Code of Conduct and Anti-Corruption Action, Function Preventive Maintenance SAP PM, The preventive maintenance etc. These courses provided the proper understanding of the Company products, good communication skill and teamwork, the Company regulation to employees which enable them to perform correctly and abide by the Company's policy.



**3. Technical Knowledge and Professional Knowledge** Total 26 courses, 228 employees participated, such as Machinery Working System like Solid Works Essentials, Food packaging design techniques Applications of electrochemical techniques For studying the corrosion behaviour of tin coated cans at present. 2.5D Milling (SolidCAM 2.5D Milling), Engineering services and management to reduce the cost of printing, Basic knowledge about additives for plastics industry, Servo-Moter Soild CAM User Conference Software Studio 50000 Function Preventive Maintenance: SAP for PM, Money Boost Up, Visual Inspection Device (VID) Program, Pneumatic System Transmission System Hydraulic System Bolt & Nut Connection Electrical System Lubrication System Program PLC Knowledge, Preventive maintenance and Driving a safe forklift etc. These courses provided technical knowledge and international standardization tools and equipment usage which the employees can apply for working effectively.

**4. Productivity Improvement & Quality Management System** Total 6 courses, 211 employees participated, such as Calibration of standard scales and weights Food Standards for Pathogenic Microorganisms (2013 edition) Statistical Process Control (SPC), Basic Knowledge of Defect, Hold and CCF, FSSC22000 Version 4.1 etc. which showed that the Company gives precedence to the clean and tidy working environment for ease of operation, and provided systematic working improvement and effectiveness knowledge which can enhance employees' knowledge for their self-potential improvement.

**5. Energy Environment and Safety in Workplace** Total 43 courses, 982 employees participated, such as workers who use natural gas, The management of hazardous and non-hazardous waste in accordance with the law, Energy management techniques in plastic plants, The role of the Committee on Safety (KorPorAor.), Safety in the use of cranes, Review working with cranes, Creating a safety culture at the level of supervisor, Food is medicine, Primary fire fighting, Building culture Employee safety, First aid, CPR and basic AED, knowledge review for Fireman, occupational safety General Workplace and Work Environment, Fire Drills and Fire Evacuation Drills, 6S for Safety, Energy Conservation, Safety in Working with Chemicals, Safety Promotion and Awareness Project In the workplace, Safety in the use of driving ambulance, safety in working with electricity, Office Syndrome, Project to raise awareness about work safety and Safety in the use of natural gas ets. which showed that the Company gives precedence mainly to the employees' health and safety.

**6. E-learning (Intranet), Online learning: Virtual Forum, Platform, Webinar, Zoom, Facebook Group** Close 6 course, there are 125 employees Developing personnel to have the knowledge, capability and skills necessary to perform in the New Normal era that comes with the New to Challenge, which affects the business, the organization and the employees. Adaptation in various fields so that the organization can be adapted to the new environment Including taking into account learning the past Looking ahead with an open mindset Open to new experiences and open mind to learn and apply Agile concepts into practice in the organization to be ready on the capabilities and skills of the employees Ready to drive the organization such as Online English self – study project, Bridging the New Normal: Agile People, Performance and Platform Effective Communication, Logistics Strategy Management,



Thailand HR Forum 2020, Employment Evaluation and Job Evaluation for the Organization of Modern HR Management with Y Generation ets.

In addition, the Company also sends some employees to attend the overseas training programs all of short term and long term. In 2020, the Company has started sending employees for internship for a long period of 2 years at Nippon Closures Company Limited, Japan. To arrange the exchange of experiences and study trips with successful organizations at industrial international academic conference. In order to be informed of the movement and information which is beneficial to the management of the Company in the future.

In addition, the Company has established channel for direct communications with the employees by holding the Management-Meets-Employees meeting, at least, 2 times a year in order to give the employees the explanations on the operation results including the ways on the Company's management as well as the opportunity in exchanging ideas and opinions between the Management and employees in order to lead to the improvements, developments and creations of good relations between the Management and all employees within the Organization.

In 2020, the Company organized the trainings to give explanations on the Company's Code of Conduct continuously in order to enable the employees to have correct understanding on and properly observe such Code of Conduct and Anti-Corruption in the same direction, in this respect, which emphasis was placed on the observations in compliance with the Company's Code of Ethics in 8 points including the channel in lodging complaints and actions in responding to the complaints when received in the case where a performance in violation of the Code of Conduct of the Company has been discovered.

## 7.6 Other Important Information

### Auditor Remuneration

#### 1.) Audit fee

Audit fee payable to Office of auditor shown as details below:

- Fiscal year 2017	equal to	890,000 Baht
- Fiscal year 2018	equal to	1,050,000 Baht
- Fiscal year 2019	equal to	1,200,000 Baht

#### 2.) Non audit fee

Service fee for observe and certify the destruction of registered products which under quality standard payable to Office of auditor shown as details below:

- Fiscal year 2017	equal to	60,000 Baht
- Fiscal year 2018	equal to	60,000 Baht
- Fiscal year 2019	equal to	100,000 Baht



## 8. Corporate Governance Report

### 8.1 Summary of the Board's Performance in the Past Year

#### Performance Assessment on the Board of Directors

The Board of Directors has arranged the performance assessment on the Board of Directors once a year to allow each director to jointly make an assessment on overall performance of the Board of Directors and make a self-assessment on individual performance to review the performance, problems and difficulties during the year for more efficiency.

In 2020, the Secretary of the Board of Directors sent the overall and individual performance assessment on the Board of Directors forms to every director and each director is independent to complete such assessment forms. When the assessment forms are completed, they will be returned to the secretary of the Board for collection and conclusion and preparation of report to the Board of Directors for acknowledgement in the meeting of the Board of Directors.

- **Performance assessment on the Board of Directors as a whole**

Performance assessment on the Board of Directors as a whole is made on the criterion divided into 6 following aspects:

1. Structure and Qualification of the Board of Directors
2. Roles, duties and responsibilities of the Board of Directors
3. Meeting of the Board of Directors
4. Duties performed by the Board of Directors
5. Relationship with the management
6. Self-improvement of the Directors and development of the executives

Overall performance assessment results 81%

- **Performance assessment on individual Director**

Performance assessment on individual Director is made on the criterion divided into 4 following aspects:

1. Roles, duties and responsibilities undertaken as the Director
2. Duties performed as the Director
3. Relationship with the management
4. Self-improvement as the Director

Overall performance assessment results 80%

- **Performance Evaluation of the President**

The Board and the Nomination and Remuneration Committee assess the performance of the President based on the Company's operating results, implementation of the Board's policies, and the overall socio-economic circumstances. The Nomination and Remuneration Committee will then consider the appropriate remuneration in



short term and long term for the President and propose such amount to the Board for approval, taking into account the following information regarding the current and previous years by the criterion divided into 2 following aspects:

Section I : Status of Achievements

Section II : Performance Measures divided into 10 following aspects:

1. Leadership
2. Strategic planning
3. Actions in accordance with the strategy
4. Financial planning and performance
5. Relationship with the Board of Directors
6. Relationship with third party
7. Personnel management and relationship
8. Succession plan
9. Product and service understanding
10. Personal qualification

## 8.2 Report on the Performance of the Audit Committee for the past year

According to Crown Seal Public Company Limited Regulation on the Audit Committee Charter B. E. 2562 (2019), Re: "The Assessment", it tends to give confidence to stakeholders in the duty performances of the Audit Committee in accordance with the responsibility framework, fully and efficiently, as well as to provide an opportunity for reviewing and exchanging opinions among the Audit Committee members in order to lead to the improvements of the environmental conditions to facilitate their duty performances and seek ways on the developments and the improvements.

In 2020, the Audit Committee made their duty performance assessments personally which can be summarized as follows:

Part 1. Appropriateness of the Audit Committee Structure and Composition: Result of the assessment was 100%.

Part 2. Completeness of Duty Performances in Full according to the Scope of Responsibility: Result of the assessment was 99%.

## 8.3 Summary of the Performance of the Sub-Committees

Apart from the performance assessment on the Board of Directors as a whole and as individual. The Board of Directors also arranged the performance assessment on the Audit Committee including the performance evaluation of the President. The Board of Directors will arrange the performance assessment on the Nomination and Remuneration Committee which is the sub-committee to further completely.



## 9. Internal Control and Related Party Transactions

### Internal control

The Board of Directors has put its emphasis on the internal control system continuously and has assigned the Audit Committee consisting of independent director to review whether the Company has the suitable and effective internal control system while the internal audit office which is independent from the management is required to directly report to the Audit Committee, to assess the sufficiency of the internal control system of

- The Company to ensure that the Company has the accuracy and credible information system and financial report.
- Compliance with rules, regulations, policies, procedures and laws related to the business operation.
- Safeguarding of the Company's assets.
- The operation of the Company is undertaken efficiently with resources utilized economically.
- Conducted in accordance with the plan aligning with the objectives and targets of the Company.

The Internal Audit Office is assigned to evaluate sufficiency of the internal control system of the Company in accordance with the Assessment For of the Office of the Securities Exchange Commission (SEC) within the internal control framework of COSO 2013 (The Committee of Sponsoring Organizations of the Treadway Commission) consisting of 5 major components and 17 minor principles and to submit the report to the Audit Committee for approval.

All audit committee and independent committee and the chief executive officers had attended the meeting of the board of directors No.1/2020 on 18 February 2021 and the board of directors examined every topic of the assessment with inquiries for additional information from the executives and the audit committee and approved that the internal control system of the Company is appropriate, sufficient and effective as follows.

#### 1) Control Environment

- The Company specify the term of the visions, mission, strategy, and plans. In order to reach the success of Company's goal.
- The Company clearly set up the organization chart according to the proper responsibility. This include job description, scope of works and qualification in each position.
- The Board of Directors adopt the policy in accordance with the principles of Good Corporate Governance and corporate ethic. And Anti-Corruption policy.
- Policy and Practical Procedures on Recruiting were expressly clear; Personnel Development Policy was reviewed regularly every year.
- Making Individual Development Plan (IDP) in line with the Key Succession Plan;





## 2) Risk Management

- The Company established the risk management committee by having the President as the Chairman and the management as the committee, which have clearly role in operation.
- Having the manual in risk management to clearly set the guidance on practice and the criterion for risk assessment in each level are established properly through the consideration of the opportunity to incur (Likelihood) and the impact of the loss in both financial and no financial.
- Reviewing Enterprise Risk Management by adopting the Integrated Framework (ERM2017) for use in building up confidence that the Company had a systematic risk management plan in line with the strategic plan.
- Organizing training to enhance knowledge and skills in identifying risks, assessing and responding to risk with implicit significance.
- Causing to have a risk monitoring process regularly and efficient risk status reporting.

## 3) Control Activities

- The Company has guidelines policy for operation in all departments. There are the action plan, key performance indicators, and the annual budget to ensure the effectiveness of operation in reaching the goals.
- The Company is given written procedure and authority manual of each management levels and regularly review them to be in line with the changing situation. These include authorization, approval verification, reconciliation and segregation of duties which assure that the operation is transparent, appropriate and adequacy internal control.
- Having a policy for controlling information and disseminating it in the Company's intranet system and made an information system controlling policy document for employees to sign for acknowledgments and compliance in practical executions.
- In case if a connected transaction with the Company's related person whom may lead to conflict of interests. That connected transaction must comply with law and related regulation through the Company's policies and procedures as same as any outside parties' transaction.

## 4) Information and Communication

- The Company set up various channels for communications both internal and external. All concerning parties can access to accurate, updated and adequate information for their operation and decision-making.
- The Board of Director's meetings and the management meetings are regularly meet in order to deploy the policy, working guidelines and share necessary information to involved officers.



- The Company has introduced SAP system to record data and analyze the operating result. Also prepare for a financial report which facilitates more accurate work for the officers. To support the faster and more efficient decision-making for the management.
- The Company held all-level employee meetings twice a year to get information on the operating results and Supervisor-level meetings every 2 months to listen to the Company's work plans and policies. In addition, news was disseminated via Intranet system and application line.
- Third parties could receive the Company's information including having channels for whistle-blowing or complaints through website: [www.crownseal.co.th](http://www.crownseal.co.th) where the consideration on which was made by responsible agency for accuracy.

#### 5) Monitoring Activities

- The management team meets monthly in order to monitor the performance of employees in all levels by their key performance indicator. To ensure the operation is following the plan and reaching the goal, by regularly reporting to the Board of Directors. When the results appear differently from the goal, the committee will have some questions, suggestions and assign the management to resolve the problem. Then report for the up- coming meeting.
- Established the internal audit office to support the Audit Committee performing duty on supervision of the internal control
- Defining objectives, powers, duties and responsibilities of the Internal Audit Office in the Internal Audit Charter which was approved by the Audit Committee Chairman and the President in order to enable the duty performances on the audits to be carried on in accordance with the standard of the internationally professional practice.
- The Internal Audit Office defined clear internal audit policy and steps of audit work implementations and reported the progress on the material improvements of the defects to the Executives and the Audit Committee regularly on a quarterly basis.
- Establishing the Internal Audit Office to provide supports the Audit Committee in supervising the internal control system.

#### Internal audit

The Auditing Committee oversees the performance of the Internal Auditing Office in independent integrity and expertise according to the international Standard for the Professional Practice of Internal Auditing, having the internal auditing charter determining task, operational scope, power, duties and responsibilities, as well as guidelines for auditing operation clearly. In order that the Internal Auditing Office has performed independence checking and balancing, the Office has reported about auditing performance directly to the Auditing Committee and reported regarding management to the President. The Office has duty to consulting service, auditing, evaluation



of the efficiency of internal control system and risk management, as well as recommendation improvement, coordinating with other business functions to improve efficiencies of the work system and achieve the objectives targets.

In making annual auditing plan, the Company considers risk based approach. The approach emphasized the importance of internal control, important risk management, performance under the relevant laws and regulations, in order to use the information for consideration and to give recommendation. The Auditing Committee considers and approves the annual auditing plan and follows the auditing result and work operation result of Internal Auditing Office on quarter basis.

The Company developed professionalism and business intelligence of auditors in line with International Standard for the Professional Practice Framework, by supporting continuous development and training of knowledge continuously inside and outside relating with skills and necessary auditing method in work operation auditing, financial auditing, auditing regarding complying with law, auditing about information system, so that there will be knowledge and ability, expertise in internal auditing profession and increase other necessary skills to the Company to work in the duty effectively.

The Auditing Committee of the Company has considered and approved for appointment of Miss Wannapa Somprasith to be the Manager of Internal Audit Office since 2007 as well as increase experience, skill, professional expertise in internal auditing by the way give consultancy, exchange of opinion, participating in training appropriately and sufficiently for effective work and duty. The detail of education qualifications, professional qualifications, relevant training and work experience.



## Related Party Transactions

1. As of 31 December 2020, the Company's transactions with related companies are as follows:

Item	Parties Involved	Relationship of Contract	Term	Value (MB)		Basis of Consideration Value Determination
				2020	2019	
<b>1. Normal business transaction</b>						
1.1 Sales of Crown Caps, Pilfer -Proof Caps, Maxi-Series and Plastic Caps	Group of Boon Rawd Brewery Co., Ltd. <sup>1</sup> ThaiNamthip Ltd. <sup>2</sup>  Serm Suk Plc. <sup>3</sup>  Green Sport Co., Ltd. <sup>4</sup> Toyo Seikan (Thailand) Co., Ltd. <sup>5</sup>  Nippon Closures Co., Ltd. (NCC) <sup>6</sup>	Shareholder Shareholder and the same partial group of directors Shareholder and the same partial group of directors Shareholder The same major shareholder and partial group of directors Major shareholder and the same partial group of directors	-	881.60	1,002.78	Monthly payment / with reference to market price which are the same rate as others
1.2 Sales of equipments and spare parts	Group of Boon Rawd Brewery Co., Ltd. Serm Suk Plc.  Nippon Closures Co., Ltd. (NCC)	Shareholder Shareholder and the same partial group of directors Major shareholder and the same partial group of directors	-	2.19	5.23	Monthly payment / with reference to market price which are the same rate as others
<b>2. Supporting normal business transaction</b>						
2.1 Printing and related - Printing and coating metal sheet services - Printing artworks - Printing of sample printed sheet	Bangkok Can Manufacturing Co., Ltd. <sup>7</sup> Next Can Innovation Co., Ltd. <sup>8</sup>	The same major shareholder and partial group of directors	-	102.52	184.86	Monthly payment / with reference to market price which are the same rate as others
2.2 License agreement	Nippon Closures Co., Ltd. (NCC)	Major shareholder and the same partial group of directors	5 yeras	12.01	15.79	Half - yearly payment / royalty fee is set as a percentage rate of sales volume of caps. And rate charged by NCC is not higher than others.

Item	Parties Involved	Relationship of Contract	Term	Value (MB)		Basis of Consideration Value Determination
				2020	2019	
2.3 Purchase of spare part, and raw materials	Nippon Closures Co., Ltd. (NCC)  Kanagata (Thailand) Co., Ltd. <sup>9</sup>	Major shareholder and the same partial group of directors  The same major shareholder and partial group of directors	-	19.02	88.36	Monthly payment / with reference to market price which are the same rate as others.
<b>3. Property rental or lease which no more than 3 years transaction</b>						
3.1 Land lease (3,626 Sqm.) (The Excise office and Car park)	Bangkok Can Manufacturing Co., Ltd.	The same major shareholder and partial group of directors	1 year (1 Sep.19 - 31 Aug.20)	0.41	0.41	Yearly payment and lease rate is set by Fair Value appraised by independent appraiser.
<b>4. Asset and service transaction</b>						
4.1 Administrative Service for Computer Software and Hardware, SAP and Personnel systems	Bangkok Can Manufacturing Co., Ltd.  Toyo Seikan (Thailand) Co., Ltd.  Toyo Filling International Co., Ltd. <sup>10</sup>  Next Can Innovation Co., Ltd.	The same major shareholder and partial group of directors  The same major shareholder and partial group of directors  The same major shareholder  The same major shareholder and partial group of directors	1 year (1 Jan.20-31 Dec.20)  1 ปี (1 Jan.20-31 Dec.20)  1 ปี (1 Jan.20-31 Dec.20)  1 ปี (1 Jan.20-31 Dec.20)	3.89  4.56  1.28  1.47	3.11  4.15  1.17  1.34	Monthly payment / service fee is set by proportion of workload plus margin 5%  Monthly payment / service fee is set by proportion of workload plus margin 5%  Monthly payment / service fee is set by proportion of workload plus margin 5%  Monthly payment / service fee is set by proportion of workload plus margin 5%

Item	Parties Involved	Relationship of Contract	Term	Value (MB)		Basis of Consideration Value Determination
				2020	2019	
4.2 IT infrastructure Services	Bangkok Can Manufacturing Co., Ltd.	The same major shareholder and partial group of directors	1 year (1 Jan.20 - 31 Dec.20)	2.76	0.92	Paying on due date / with reference to market price as service provider charged.
	Next Can Innovation Co., Ltd.	The same major shareholder and partial group of directors	1 year (1 Jan.20 - 31 Dec.20)	1.69	0.52	Paying on due date / with reference to market price as service provider charged.
	Toyo Seikan (Thailand) Co., Ltd.	The same major shareholder and partial group of directors	1 year (1 Jan.20 - 31 Dec.20)	5.28	-	Paying on due date / with reference to market price as service provider charged.
	Toyo Filling International Co., Ltd.	The same major shareholder	1 year (1 Jan.20 - 31 Dec.20)	1.18	-	Paying on due date / with reference to market price as service provider charged
4.3 Server Rental	Bangkok Can Manufacturing Co., Ltd.	The same major shareholder and partial group of directors	4 years (15 May 20 - 15 May 24)	0.30	0.26	Yearly payment / rental service fee is set by proportion of number of users plus margin 5%
	Toyo Seikan (Thailand) Co., Ltd.	The same major shareholder and partial group of directors	4 years (15 May 20 - 15 May 24)	0.35	0.35	Yearly payment / rental service fee is set by proportion of number of users plus margin 5%
	Toyo Filling International Co., Ltd.	The same major shareholder	4 years (15 May 20 - 15 May 24)	0.10	0.10	Yearly payment / rental service fee is set by proportion of number of users plus margin 5%
	Next Can Innovation Co., Ltd.	The same major shareholder and partial group of directors	4 years (15 May 20 - 15 May 24)	0.11	0.11	Yearly payment / rental service fee is set by proportion of number of users plus margin 5%
4.4 Land lease 20-1-87 rai (Office and 2-piece can plant)	Bangkok Can Manufacturing Co., Ltd.	The same major shareholder and partial group of directors	30 years (2 Jul. 01 - 1 Jul. 31)	0.50	0.50	Onetime payment totally THB 15 million on contract date. Price of land is equal to base price that company bought from BCM. Rental rate is 1.5% per year of land price at present value and discount by 8%.

Item	Parties Involved	Relationship of Contract	Term	Value (MB)		Basis of Consideration Value Determination
				2020	2019	
4.5 Land lease 8-3-80 rai (Building no. 3,4 scrap baler and loading area)	Bangkok Can Manufacturing Co., Ltd.	The same major shareholder and partial group of directors	30 years (2 Jul. 01 - 1 Jul. 31)	0.49	0.49	Onetime payment totally THB 14.78 million on contract date/ Fair Value of land is appraised by independent appraiser. Rental rate is 1.5 % per year of land price at present value and discount by 8%

- Note :**
1. Group of Boon Rawd Brewery Co., Ltd; Manufacturer and distributor of beverages.
  2. ThaiNamthip Co., Ltd.; Manufacturer and distributor of beverages.
  3. Serm Suk Plc.; Manufacturer and distributor of beverages.
  4. Green Sport Co., Ltd.; Manufacturer and distributor of beverages.
  5. Toyo Seikan (Thailand) Co., Ltd. ; Manufacturer and distributor of plastic bottles.
  6. Nippon Closures Co., Ltd. ; Manufacturer and distributor of packaging.
  7. Bangkok Can Manufacturing Co., Ltd.; Manufacturer and distributor of Easy Open end, 2-Piece Cans, 3-Piece Cans.
  8. Next Can Innovation Co., Ltd ; Manufacture and distributor 2-Piece Cans
  9. Kanagata (Thailand) Co., Ltd.; Manufacturer of Injection Moldings and Plastic Moldings.
  10. Toyo Filling International Co., Ltd; Containing and distributor of aerosol cans for body and hair products.



## 2. Necessities and Reasons for Entering into the Transactions

In 2020, the Company had transactions with related persons which can be categorized to 4 types (as disclosed in article 1) as follows:

1. A normal business transaction
2. A supporting normal business transaction
3. A property rent or lease with no more than 3 years transaction
4. An asset or service transaction

The entering into above transactions, the Company had considered its reasons and necessities, conditions and the fair price to gain the highest benefit for the Company. In case that ordinary business and supporting ordinary business transactions, the company proceeded with normal commercial terms of the ordinary and usual course of business which is the same criteria as an external person. For the property rent and lease transactions with no more than 3 years and the transaction related to the assets or services, the company determined the rent and service fee according to the fair value from the independent appraiser and using sharing cost basis according to the proportion of workload plus the profit comparing with the market price.

The agreement in any transactions/contracts with any other persons who have conflicts of interest with the Company, the necessities and reasons will be considered including all criteria and fair value to prevent the conflicts of interest and gain the highest benefit for the Company.





# PART 3

## Financial Statements



## Independent Auditor's Report

To the Shareholders of Crown Seal Public Company Limited

### Opinion

I have audited the accompanying financial statements of Crown Seal Public Company Limited (“the Company”), which comprise the statement of financial position as at 31 December 2020, and the related income statement, the statement of comprehensive income, changes in shareholders’ equity, and cash flows for the year then ended, and notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crown Seal Public Company Limited as at 31 December 2020, its 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 Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants* as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

### Revenue recognition

As revenue from sales is the significant figure in the income statement and are the key performance indicator to which users of the financial statements pay attention. Export sales have term of delivery which should be considered when record. In addition, the economic has directly resulted in more intense competition in the industry. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Company by:

- Assessing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- On a sampling basis, examining supporting documents for sales transactions occurring during the year and near the end of the accounting period to verify whether revenue recognition was consistent with the conditions, and whether it was in compliance with the Company's policy.
- Reviewing of credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period.



## **Allowance for diminution in value of inventories**

Estimating the net realisable value of inventories, as disclosed in Note 10 to the financial statements, is an area of significant management judgment, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventories. This requires detailed analysis of the product life cycle and the economic circumstances. There is a risk with respect to the amount of allowance set aside for diminution in the value of inventories.

I assessed and tested the internal controls of the Company relevant to the determination of allowance for diminution in the value of inventories by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I also assessed the method and the assumptions applied by management in determining such allowance. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the allowance for diminution in value of inventories and reviewing the consistency of the application of that basis, and the rationale for the recording of specific allowance.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.

## **Other Information**

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

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

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



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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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.

I am responsible for the audit resulting in this independent auditor's report.



Chayapol Suppasdtanon  
Certified Public Accountant (Thailand) No. 3972

EY Office Limited  
Bangkok: 18 February 2021



**Crown Seal Public Company Limited****Statement of financial position****As at 31 December 2020**

		(Unit: Baht)	
	Note	2020	2019
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	228,215,749	145,176,146
Current investments	11	-	981,993,710
Trade and other receivables	7, 9	486,161,645	505,454,604
Inventories	10	507,850,112	571,196,996
Derivative assets	33.1	802,973	-
Other current financial assets	11	1,053,998,118	-
Other current assets		8,968,883	9,068,741
<b>Total current assets</b>		<b>2,285,997,480</b>	<b>2,212,890,197</b>
<b>Non-current assets</b>			
Other non-current financial assets	12	10,407,738	-
Other long-term investments	12	-	10,296,738
Investment properties	13	666,300,000	666,300,000
Property, plant and equipment	14	1,493,392,835	1,469,796,952
Right-of-use assets	15	19,868,093	-
Intangible assets	16	6,941,461	3,676,433
Other non-current assets		31,192,315	3,947,846
<b>Total non-current assets</b>		<b>2,228,102,442</b>	<b>2,154,017,969</b>
<b>Total assets</b>		<b>4,514,099,922</b>	<b>4,366,908,166</b>

The accompanying notes are in integral part of the financial statements.





**Crown Seal Public Company Limited**  
**Statement of financial position (continued)**  
**As at 31 December 2020**

	Note	2020	2019
(Unit: Baht)			
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	7, 18	461,068,153	396,751,103
Rental received in advance to be recognised			
within one year	7	992,608	992,608
Current portion of lease liabilities	15	10,323,250	-
Corporate income tax payable		27,344,320	25,584,690
Derivative liabilities	33.1	411,248	-
Other current liabilities		13,630,289	15,747,803
<b>Total current liabilities</b>		<b>513,769,868</b>	<b>439,076,204</b>
<b>Non-current liabilities</b>			
Rental received in advance - net of			
current portion	7	9,429,776	10,422,384
Long-term lease liabilities, net of current portion	15	9,646,824	-
Deferred tax liabilities	25	72,738,838	71,093,129
Provision for long-term employee benefits	19	216,546,080	205,057,424
<b>Total non-current liabilities</b>		<b>308,361,518</b>	<b>286,572,937</b>
<b>Total liabilities</b>		<b>822,131,386</b>	<b>725,649,141</b>

The accompanying notes are in integral part of the financial statements.



**Crown Seal Public Company Limited**  
**Statement of financial position (continued)**  
**As at 31 December 2020**

		(Unit: Baht)	
	Note	2020	2019
<b>Shareholders' equity</b>			
Share capital			
Registered			
799,258 non-cumulative preferred shares of			
Baht 10 each	20	7,992,580	7,992,580
52,000,742 ordinary shares of Baht 10 each			
		520,007,420	520,007,420
		<u>528,000,000</u>	<u>528,000,000</u>
Issued and paid-up			
799,258 non-cumulative preferred shares of			
Baht 10 each		7,992,580	7,992,580
52,000,742 ordinary shares of Baht 10 each			
		520,007,420	520,007,420
Additional paid-in capital			
Premium on preferred shares		49,164,799	49,164,799
Premium on ordinary shares		337,643,244	337,643,244
Retained earnings			
Appropriated - statutory reserve	21	52,800,000	52,800,000
Unappropriated		2,663,086,230	2,612,376,719
Other components of shareholders' equity			
		61,274,263	61,274,263
<b>Total shareholders' equity</b>		<u>3,691,968,536</u>	<u>3,641,259,025</u>
<b>Total liabilities and shareholders' equity</b>		<u>4,514,099,922</u>	<u>4,366,908,166</u>

The accompanying notes are in integral part of the financial statements.



**Crown Seal Public Company Limited**

**Income statement**

**For the year ended 31 December 2020**

		(Unit: Baht)	
	Note	2020	2019
<b>Revenues</b>			
Sales	7	2,664,378,078	2,948,020,634
Service income	7	105,776,637	188,954,042
Other income	23	120,729,127	198,562,449
<b>Total revenues</b>		<b>2,890,883,842</b>	<b>3,335,537,125</b>
<b>Expenses</b>			
Cost of sales		2,221,523,771	2,487,909,117
Cost of service		80,546,988	150,535,297
Selling and distribution expenses		63,929,509	66,212,190
Administrative expenses		218,574,893	225,169,511
<b>Total expenses</b>		<b>2,584,575,161</b>	<b>2,929,826,115</b>
<b>Profit from operating activities</b>		<b>306,308,681</b>	<b>405,711,010</b>
Finance income		9,646,013	15,372,457
Finance cost		(306,314)	-
<b>Profit before income tax expense</b>		<b>315,648,380</b>	<b>421,083,467</b>
Income tax expense	25	(57,213,870)	(72,103,283)
<b>Profit for the year</b>		<b>258,434,510</b>	<b>348,980,184</b>
<b>Earnings per share</b>			
	26		
Basic earnings per share			
Profit for the year		4.97	6.71
Diluted earnings per share			
Profit for the year		4.89	6.61

The accompanying notes are in integral part of the financial statements.



**Crown Seal Public Company Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2020**

		(Unit: Baht)	
	Note	2020	2019
<b>Profit for the year</b>		258,434,510	348,980,184
<b>Other comprehensive income:</b>			
<i>Other comprehensive income to be reclassified</i>			
<i>to profit or loss in subsequent periods</i>		-	-
<i>Other comprehensive income not to be reclassified</i>			
<i>to profit or loss in subsequent periods</i>			
Actuarial loss - net of income tax	25	(4,055,272)	-
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods		(4,055,272)	-
<b>Other comprehensive income for the year</b>		(4,055,272)	-
<b>Total comprehensive income for the year</b>		254,379,238	348,980,184

The accompanying notes are in integral part of the financial statements.



**Crown Seal Public Company Limited**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 December 2020**

(Unit: Baht)

Note	Issued and paid-up share capital		Premium on shares		Retained earnings		Other components of shareholders' equity	Total shareholders' equity
	Preferred shares	Ordinary shares	Preferred shares	Ordinary shares	Appropriated- statutory reserve	Unappropriated	Other comprehensive	
							income	
							Surplus on revaluation of assets	
<b>Balance as at 1 January 2019</b>	7,992,580	520,007,420	49,164,799	337,643,244	52,800,000	2,343,795,422	61,274,263	3,372,677,728
Profit for the year	-	-	-	-	-	348,980,184	-	348,980,184
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	348,980,184	-	348,980,184
Dividends paid	30	-	-	-	-	(80,398,887)	-	(80,398,887)
<b>Balance as at 31 December 2019</b>	<u>7,992,580</u>	<u>520,007,420</u>	<u>49,164,799</u>	<u>337,643,244</u>	<u>52,800,000</u>	<u>2,612,376,719</u>	<u>61,274,263</u>	<u>3,641,259,025</u>
<b>Balance as at 1 January 2020</b>	7,992,580	520,007,420	49,164,799	337,643,244	52,800,000	2,612,376,719	61,274,263	3,641,259,025
Profit for the year	-	-	-	-	-	258,434,510	-	258,434,510
Other comprehensive income for the year	-	-	-	-	-	(4,055,272)	-	(4,055,272)
Total comprehensive income for the year	-	-	-	-	-	254,379,238	-	254,379,238
Dividends paid	30	-	-	-	-	(203,669,727)	-	(203,669,727)
<b>Balance as at 31 December 2020</b>	<u>7,992,580</u>	<u>520,007,420</u>	<u>49,164,799</u>	<u>337,643,244</u>	<u>52,800,000</u>	<u>2,663,086,230</u>	<u>61,274,263</u>	<u>3,691,968,536</u>

The accompanying notes are in integral part of the financial statements.

**Crown Seal Public Company Limited****Statement of cash flows****For the year ended 31 December 2020**

	(Unit: Baht)	
	2020	2019
<b>Cash flows from operating activities</b>		
Profit before tax	315,648,380	421,083,467
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Loss on diminution in value of inventories and write off of inventories and spare parts	29,305,834	34,778,456
Depreciation and amortisation	192,658,536	170,764,114
Gain on sales of other long-term investments	-	(18,944,390)
Loss on write off of equipment	7,628,928	9,088,503
Loss on sales of equipment	2,536,598	1,493,486
Long-term employee benefits expense	16,167,361	44,427,790
Increase in fair value of derivatives	(391,725)	-
Increase in fair value of investment in equity instruments	(111,000)	-
Interest expense of lease liabilities	306,314	-
Interest income	(9,646,013)	(15,372,457)
Unrealised loss on exchange	1,572,916	1,454,495
Profit from operating activities before changes in operating assets and liabilities	555,676,129	648,773,464
Decrease (increase) in operating assets		
Trade and other receivables	16,513,130	(25,106,921)
Inventories	34,041,050	(26,062,880)
Other current assets	(678,019)	(1,255,030)
Other non-current assets	80,158	(65,887)
Increase (decrease) in operating liabilities		
Trade and other payables	72,705,950	(85,557,938)
Other current liabilities	(2,328,463)	5,399,921
Rental received in advance	(992,608)	(992,608)
Cash paid for long-term employee benefits	(8,733,977)	(16,333,772)
Cash flows from operating activities	666,283,350	498,798,349
Cash paid for corporate income tax	(52,794,712)	(55,310,741)
<b>Net cash flows from operating activities</b>	<b>613,488,638</b>	<b>443,487,608</b>

The accompanying notes are in integral part of the financial statements.



**Crown Seal Public Company Limited**  
**Statement of cash flows (continued)**  
**For the year ended 31 December 2020**

	(Unit: Baht)	
	2020	2019
<b>Cash flows from investing activities</b>		
Increase in other current financial assets / current investments	(72,004,408)	(271,352,977)
Cash received on sales of other long-term investments	-	26,693,523
Acquisitions of equipment	(222,843,605)	(319,825,120)
Proceeds from sales of equipment	2,705,984	39,641,766
Increase in intangible assets	(5,533,351)	(2,354,000)
Increase in advance for purchases of equipment	(27,377,415)	-
Interest income	10,551,291	15,040,123
<b>Net cash flows used in investing activities</b>	<b>(314,501,504)</b>	<b>(512,156,685)</b>
<b>Cash flows from financing activities</b>		
Payments for lease liabilities	(12,212,355)	-
Dividends paid	(203,669,727)	(80,398,887)
<b>Net cash flows used in financing activities</b>	<b>(215,882,082)</b>	<b>(80,398,887)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>83,105,052</b>	<b>(149,067,964)</b>
Effect of exchange rate on cash and cash equivalents	(65,449)	(263,113)
Cash and cash equivalents at beginning of year	145,176,146	294,507,223
<b>Cash and cash equivalents at end of year (Note 8)</b>	<b>228,215,749</b>	<b>145,176,146</b>
	-	-
<b>Supplemental cash flows information</b>		
Non-cash transactions: -		
Payables for purchases of machinery	16,595,071	24,641,878
Increase in right-of-use assets	18,411,437	-

The accompanying notes are in integral part of the financial statements.



## **Crown Seal Public Company Limited**

### **Notes to financial statements**

**For the year ended 31 December 2020**

#### **1. General information**

Crown Seal Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Nippon Closures Co., Ltd., which was incorporated in Japan and in a group of Toyo Seikan Group Holdings, Ltd.. The Company is principally engaged in the manufacture and sale of caps for bottles and the hire of printing sheets for can. The registered office of the Company is at 5 Soi Rangsit - Nakhon Nayok 46, Tambon Prachatipat, Amphur Thanyaburi, Pathum Thani.

#### **2. Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

#### **3. New financial reporting standards**

##### **a) Financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

##### **Financial reporting standards related to financial instruments**

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





Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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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 make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Company's financial statements is as follows.

- Classification and measurement of investments in equity instruments of non-listed companies - The Company measures and classifies the investments at fair value, through other comprehensive income.
- Classification and measurement of investments in listed equity instruments - The Company measures and classifies the investments as financial assets at fair value through profit or loss.
- Recognition of derivatives - The Company initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The cumulative effect of the changes are described in Note 4.

### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.



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

The cumulative effect of the change is described in Note 4.

### **Accounting Treatment Guidance on “Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic”**

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

During the period from the first quarter to the third quarter of 2020, the Company elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, fair value measurement of investments in unquoted equity instruments, property, plant and equipment, and investment property.

In the fourth quarter of 2020, the Company has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Company has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Company’s financial statements.

### **b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.



#### 4. Changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Company has adopted financial reporting standards related to financial instruments and TFRS 16 with no effect to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	31 December 2019	The impacts of		
		Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investments	981,994	(981,994)	-	-
Other current financial assets	-	981,994	-	981,994
<b>Non-current assets</b>				
Other long-term investments	10,297	(10,297)	-	-
Other non-current financial assets	-	10,297	-	10,297
Right-of-use assets	-	-	13,870	13,870
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	-	-	8,029	8,029
<b>Non-current liabilities</b>				
Lease liabilities, net of current portion	-	-	5,841	5,841
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	2,612,377	-	-	2,612,377



#### 4.1 Financial instruments

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

(Unit: Thousand Baht)

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	145,176	-	-	145,176	145,176
Current investments	981,994	-	-	-	-
Other current financial assets	-	-	-	981,994	981,994
Trade and other receivables	505,455	-	-	505,455	505,455
Other long-term investments	10,297	-	-	-	-
Other non-current financial assets	-	273	10,024	-	10,297
<b>Total financial assets</b>	<b>1,642,922</b>	<b>273</b>	<b>10,024</b>	<b>1,632,625</b>	<b>1,642,922</b>

As at 1 January 2020, the Company has not designated any financial liabilities at fair value through profit or loss except derivative liabilities of which fair value was immaterial.

#### 4.1 Financial instruments

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

(Unit: Thousand Baht)

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	145,176	-	-	145,176	145,176
Current investments	981,994	-	-	-	-
Other current financial assets	-	-	-	981,994	981,994
Trade and other receivables	505,455	-	-	505,455	505,455
Other long-term investments	10,297	-	-	-	-
Other non-current financial assets	-	273	10,024	-	10,297
<b>Total financial assets</b>	<b>1,642,922</b>	<b>273</b>	<b>10,024</b>	<b>1,632,625</b>	<b>1,642,922</b>

As at 1 January 2020, the Company has not designated any financial liabilities at fair value through profit or loss except derivative liabilities of which fair value was immaterial.

## 4.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020.

(Unit: Thousand Baht)

Operating lease commitments as at 31 December 2019	13,870
Less: Deferred interest expenses	(386)
Lease liabilities as at 1 January 2020	<u>13,484</u>
Weighted average incremental borrowing rates (% p.a.)	0.13 - 2.65 %
Comprise of:	
Current lease liabilities	8,444
Non-current lease liabilities	<u>5,040</u>
	<u>13,484</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

(Unit: Thousand Baht)

Buildings	3,921
Motor vehicles	7,001
Office equipment	<u>2,562</u>
Total right-of-use assets	<u>13,484</u>

## 5. Significant accounting policies

### 5.1 Revenue and expense recognition

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyers. Sales are the invoiced value, excluding value added tax of goods supplied after deducting discounts and allowances.

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Rental income is recognised as income using the straight-line basis over the term of the lease agreement.

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends are recognised when the right to receive the dividends is established.

Finance cost is interest expense from financial liabilities at amortised cost calculated using the effective interest method and recognised on an accrual basis.

## **5.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **5.3 Inventories**

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

## **5.4 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in the income statement when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period when the asset is derecognised.

## **5.5 Property, plant and equipment/Depreciation**

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

Land are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus on assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.



- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in the income statement. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in the "Revaluation surplus on assets" in respect of the same assets.

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives.

Buildings and building improvements	3 - 20 years
Machinery and equipment	3 - 15 years
Furniture, fixtures, office equipment and motor vehicles	3 - 5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the income statement when the asset is derecognised.

## 5.6 Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Computer software	3 and 5 years





## 5.7 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, and key management personnel, and directors and officers with authority in the planning and direction of the Company's operations.

## 5.8 Leases

At inception of contract, the Company 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.

### 5.8.1 The Company as a lessee

The Company applied a single recognition and measurement approach for all leases. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

#### Right-of-use assets

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

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

Buildings	1 - 2 years
Motor vehicles	1 - 5 years
Equipment	3 - 4 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

## **Lease liabilities**

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company'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 change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

## **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 recognised as expenses on a straight-line basis over the lease term.

### Accounting policies adopted before 1 January 2020

Leases of plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

## **5.8.2 The Company as a lessor**

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 recognised 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 recognised as an expense over the lease term on the same basis as the lease income.



## 5.9 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

## 5.10 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use asset, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However, in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

## 5.11 Employee benefits

### Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

### Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred. In addition, the Company has contributions for provident fund made before the Provident Fund Act B.E. 2530 was effective. The Company manages this fund itself and will pay it to the employees upon their terminations.

### Post-employment benefits (Defined benefit plans) and other long-term employee benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits (Defined benefit plans) are recognised immediately in other comprehensive income and for other long-term benefits are recognised immediately in the income statement.

## **5.12 Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## **5.13 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.



## 5.14 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### **Financial assets at amortised cost**

The Company measures financial assets at amortised cost if 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 amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

### **Financial assets designated at FVOCI (equity instruments)**

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

### **Financial assets at FVTPL**

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

These financial assets include derivatives and equity investments which the Company has not irrevocably elected to classify at FVOCI.

Dividends on listed equity investments are recognised as other income in the income statement.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

### **Impairment of financial assets**

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### Accounting policies adopted before 1 January 2020

#### *Trade and other receivables*

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables.

The allowance is generally based on collection experiences and analysis of debt aging.

## *Investments*

Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

The weighted average method is used for computation of the cost of investments.

### **5.15 Derivatives**

The Company uses derivatives, such as forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### **5.16 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

- Level 1 - Use of quoted market prices in an observable 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 Company 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.

## **6. Significant accounting judgments and estimates**

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

### **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 condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

### **Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### **Allowance for diminution in value of inventories**

Allowances for diminution in the value of inventories accounts are intended to adjust the value of inventories for probable losses. The management uses judgment to estimate losses, based on an analysis of inventory aging, taking into account the current situation with respect to sales of inventory items, on a specific basis.

### **Investment properties**

The Company presents investment properties at the fair value estimated by an independent appraiser, and recognises changes in the fair value in the income statement. The independent appraiser values the investment properties using the sales comparison approach and the depreciated replacement cost approach. The key assumptions used in estimating the fair value are described in the related note.



## **Property, plant and equipment/Depreciation**

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

The Company measures land at revalued amount. Such amount is determined by the independent valuer using sales comparison approach, and such valuation involves certain assumptions and estimates as described in the related note.

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

## **Deferred tax assets**

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

## **Leases- The Company as a lessee**

### Determining the lease term with extension and termination options

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

### Estimating the incremental borrowing rate

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



## Lease - The Company as lessor

### Lease classification

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

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

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

## 7. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	2020	2019	Pricing policy
<u>Transactions with related companies</u>			
Sales of caps	881,602	1,002,779	Cost plus margin
Service income from printing sheets	102,519	184,862	Cost plus margin
Rental income	2,239	2,229	Contract price
Sale of other long-term investments	-	16,016	Carrying value
Sales of equipment, spare parts and raw materials	2,188	5,229	Price charged to other customers in the normal course of business
Sale of machine used for generating the electricity	1,919	40,322	At cost
Administrative income	22,297	11,499	Contract price
Purchases of raw materials, finished goods and spare parts	15,462	64,889	Cost plus margin
Purchases of equipments and machinery	3,561	23,475	Cost plus margin
Royalty fee expense	12,007	15,788	A percentage of net sales of each product
Claim payment for damaged goods	2,399	1,299	At cost
Dividends paid	137,266	51,984	As declared

### Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	2020	2019
Short-term employee benefits	30,105	25,569
Post-employment benefits	335	330
Total	30,440	25,899

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related parties are as follows.

	(Unit: Thousand Baht)	
	2020	2019
Trade accounts receivable - related parties (Note 9)	114,621	132,581
Other receivables - related parties (Note 9)	3,245	8,234
Trade accounts payable - related parties (Note 18)	838	16,124
Other payables - related parties (Note 18)	9,927	12,038
Rental received in advance - related parties		
Rental received in advance to be recognised within one year	993	993
Rental received in advance - net of current portion	9,430	10,422

Additional information concerning the transactions with the related parties is as follows.

a) The relationships between the Company and related parties are summarised below.

Company	Type of business	Relationship
Boonrawd Brewery Group	Manufacture and sale of beverages	Shareholder
Green Spot Co., Ltd.	Manufacture and sale of beverages	Shareholder
Thai Namthip Co., Ltd.	Manufacture and sale of beverages	Shareholder and common directors
Serm Suk Public Co., Ltd.	Manufacture and sale of beverages	Shareholder and common directors
Toyo Seikan Group Holdings, Ltd.	Manufacture and sale of packaging	Shareholder and common directors
Nippon Closures Co., Ltd.	Manufacture and sale of packaging	Shareholder and common directors
Bangkok Can Manufacturing Co., Ltd.	Manufacture and sale of 2 & 3 - piece cans	Common shareholders and directors
Toyo Seikan (Thailand) Co., Ltd.	Manufacture and sale of plastic packaging	Common shareholders and directors
Next Can Innovation Co., Ltd.	Manufacture and sale of 2-piece cans	Common shareholders and directors
PT Indonesia Caps and Closures	Produce and distribute packaging caps for beverage	Common shareholders
Toyo Filling International Co., Ltd.	Containing service and sale of aerosol can	Common shareholders
Kanagata (Thailand) Co., Ltd.	Plastic injection mould and blow mould manufacturing	Common shareholders

- b) The transactions with trade accounts receivable - related parties are conducted in the normal course of business of the Company and in accordance with its established objectives, which are the manufacture and distribution of products to customers who are shareholders of the Company and are in competition with each other, and the provision of printing services.
- c) Other receivables - related parties comprise the outstanding balances from rental, sales of equipment and spare parts, administrative assistance and the provision of IT infrastructure services to related companies.
- d) Other payables - related parties comprise the outstanding balances from purchases of raw materials, spare parts and machinery, accrued royalty fee and accrued claims payments for damaged goods.
- e) The stipulated conditions of the provision of printing services to Bangkok Can Manufacturing Co., Ltd. are that payment is to be made on a monthly basis and the period of service is indefinite.
- f) Rental received in advance represents rental received under the agreement to rent out certain plots of land to Bangkok Can Manufacturing Co., Ltd. for a period of 30 years, ending 1 July 2031.

Moreover, the Company entered into agreements to rent out additional land and building to Bangkok Can Manufacturing Co., Ltd. The rental for this land, determined based on the appraisal value, and for the building, calculated on the basis of depreciated cost, is payable in annual amounts. Compensation for the years ended in August 2020 and 2019 totaled Baht 0.4 million each. As at 31 December 2020, the compensation for extending of this agreement is in decision process.

- g) The Company entered into agreements to provide the rentals of server and storage machine to the related companies in the group of Toyo Seikan Group Holdings Ltd. Agreements cover for a period of 4 years, ended in May 2020, with compensation totalling Baht 4 million and payable on a yearly basis.

The Company extended the agreements to provide the above rentals of server and storage machine for a period of 4 years ending in May 2024, with compensation of Baht 4 million.



- h) The Company entered into agreements to install and provide administrative services for computer software and hardware and personnel systems to related companies in the group of Toyo Seikan Group Holdings Ltd. Compensation under these agreements for the years 2020 and 2019 totaled Baht 11 million and Baht 10 million, respectively, payable on a monthly basis.

The Company extended the agreements to provide the above services for a period of one year, ending in December 2021, with compensation of Baht 11 million.

- i) The Company entered into sales of assets and service of generating the electricity with Bangkok Can Manufacturing Co., Ltd. The compensation payment is fix rate per month and the period of services is not specified. Compensation for service of generating the electricity for the years 2020 and 2019 was Baht 2 million each.
- j) The Company entered into technical license agreement with Nippon Closures Co., Ltd., whereby the Company receives technical support services for the manufacture of caps. The agreements run for 2 years and 5 years ended in December 2021 and 2022, respectively. Compensation is payable at a percentage of net sales of products stipulated in the agreement, on a semi-annual basis.

## 8. Cash and cash equivalents

(Unit: Thousand Baht)

	2020	2019
Cash	180	164
Bank deposits	228,036	145,012
Total	228,216	145,176

As at 31 December 2020, bank deposits in savings accounts and fixed deposits carried interests between 0.01% and 0.20% per annum (2019: between 0.10% and 0.70% per annum).



## 9. Trade and other receivables

(Unit: Thousand Baht)

	2020	2019
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Not yet due	95,272	92,357
Past due		
Up to 3 months	19,349	40,224
Total trade accounts receivable - related parties	114,621	132,581
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	227,745	253,049
Past due		
Up to 3 months	119,031	100,591
3 - 6 months	17,810	5,874
6 - 12 months	-	217
Over 12 months	11	-
Total trade accounts receivable - unrelated parties	364,597	359,731
<u>Other receivables - related parties</u>		
Accrued income	3,245	8,234
Total other receivables - related parties	3,245	8,234
<u>Other receivables - unrelated parties</u>		
Advances	1,420	1,467
Compensation received from suppliers	975	250
Receivable from scrap sales	256	1,202
Others	1,048	1,990
Total other receivables - unrelated parties	3,699	4,909
Total trade and other receivables	486,162	505,455



## 10. Inventories

(Unit: Thousand Baht)

	2020			2019		
	Cost	Reduce cost to net realisable value	Inventories- net	Cost	Reduce cost to net realisable value	Inventories- net
Finished goods	198,202	(18,942)	179,260	190,319	(18,844)	171,475
Work in process	146,834	(59)	146,775	179,956	(1,483)	178,473
Raw materials	149,937	(2,325)	147,612	184,666	(2,702)	181,964
Spare parts	23,120	(162)	22,958	23,216	(4,044)	19,172
Goods in transit	11,245	-	11,245	20,113	-	20,113
<b>Total</b>	<b>529,338</b>	<b>(21,488)</b>	<b>507,850</b>	<b>598,270</b>	<b>(27,073)</b>	<b>571,197</b>

During the current year, the Company reduced cost of inventories by Baht 29.31 million (2019: Baht 34.78 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 34.89 million (2019: Baht 36.27 million) resulting from inventories destructions.

## 11. Other current financial assets / Current investments

(Unit: Thousand Baht)

	2020	2019
<u>Debt instruments at amortised cost</u>		
Bank deposits with maturity over 3 months	1,053,998	981,994
<b>Total</b>	<b>1,053,998</b>	<b>981,994</b>

As at 31 December 2020, short-term deposits with financial institutions carried interest between 0.15% to 0.75% per annum (2019: 0.60% to 1.62% per annum).



## 12. Other non-current financial assets / Other long-term investments

As at 31 December 2020, other non-current financial assets were summarised as follow:

(Unit: Thousand Baht)

### Equity instruments designated at FVOCI

#### Non-listed equity instruments

- Bangkok Can Manufacturing Co., Ltd.	9,494
- Others	530

Total equity instruments designated at FVOCI	10,024
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### Equity instruments designated at FVTPL

Listed equity instruments	384
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Total equity instruments designated at FVTPL	384
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Total other non-current financial assets	10,408
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As at 31 December 2019, other long-term investments were summarised as follow:

(Unit: Thousand Baht)

#### Non-marketable equity securities

Investment in related company	9,494
Investments in other companies	530

Total non-marketable equity securities	10,024
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#### Equity securities - Available-for-sales

Investment in other company	273
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Total equity securities - Available-for-sales	273
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Total other long-term investments	10,297
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## 13. Investment properties

(Unit: Thousand Baht)

	2020			
	Land for rent	Allocated land and construction thereon	Vacant land	Total
Book value at beginning of year	240,100	160,100	266,100	666,300
Book value at end of year	240,100	160,100	266,100	666,300
Rental income for the year	1,403	-	-	1,403
Expense				99



(Unit: Thousand Baht)

	2019			
	Land for rent	Allocated land and construction thereon	Vacant land	Total
Book value at beginning of year	240,100	160,100	266,100	666,300
Book value at end of year	240,100	160,100	266,100	666,300
Rental income for the year	1,403	-	-	1,403
Expense				99

In 2018, the Company hired an independent appraiser to appraise the fair value of investment properties. The appraiser determined the value of land using market price comparison approach, while the depreciated replacement cost approach was used to value construction in development projects. In 2020 and 2019, the fair value of investment properties was unchanged from that of 2018.

#### 14. Property, plant and equipment

(Unit: Thousand Baht)

	Revaluation basis		Cost basis				Total
	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures, office equipment and motor vehicles	Motor vehicles	Asset under installation	
<b>Cost / Revalued amount</b>							
1 January 2019	142,800	455,715	2,758,606	101,145	7,950	209,214	3,675,430
Additions	-	-	16,660	3,220	-	275,238	295,118
Disposals	-	(8,763)	(120,963)	(3,832)	-	(5,397)	(138,955)
Transfers in (out)	-	8,616	280,943	3,739	-	(293,298)	-
31 December 2019	142,800	455,568	2,935,246	104,272	7,950	185,757	3,831,593
Additions	-	-	10,367	3,515	-	200,914	214,796
Disposals	-	(4,984)	(134,095)	(7,116)	(13)	(2,385)	(148,593)
Transfers in (out)	-	11,891	264,999	12,249	-	(289,139)	-
31 December 2020	142,800	462,475	3,076,517	112,920	7,937	95,147	3,897,796

(Unit: Thousand Baht)

	Revaluation basis		Cost basis				Total
	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures, office equipment and motor vehicles	Motor vehicles	Asset under installation	
<b>Accumulated depreciation</b>							
1 January 2019	-	331,016	1,860,906	81,252	7,681	-	2,280,855
Depreciation for the year	-	13,323	145,057	9,784	115	-	168,279
Depreciation on disposals	-	(8,134)	(75,405)	(3,798)	-	-	(87,337)
31 December 2019	-	336,205	1,930,558	87,238	7,796	-	2,361,797
Depreciation for the year	-	12,805	157,322	8,160	42	-	178,329
Depreciation on disposals	-	(3,852)	(124,928)	(6,929)	(13)	-	(135,722)
31 December 2020	-	345,158	1,962,952	88,469	7,825	-	2,404,404
<b>Net book value</b>							
31 December 2019	142,800	119,363	1,004,688	17,034	154	185,757	1,469,796
31 December 2020	142,800	117,317	1,113,565	24,451	112	95,147	1,493,392
<b>Depreciation for the year</b>							
2019 (Baht 164 million included in manufacturing cost, and the balance in administrative expenses)							168,279
2020 (Baht 174 million included in manufacturing cost, and the balance in administrative expenses)							178,329

The Company had its land revalued in 2018 by an independent appraiser using sales comparison approach to determine the fair value.

The historical cost of land was Baht 63.3 million.

As at 31 December 2020, certain items of buildings and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 1,660 million (2019: Baht 1,647 million).

The Company shares the ownership of some building and machinery with Bangkok Can Manufacturing Co., Ltd. and records the building and machinery in proportion to its ownership. The carrying amount of its portion as at 31 December 2020 was Baht 45 million (2019: Baht 48 million).

## 15. Leases

### 15.1 The Company as a lessee

The Company has lease contracts for various items of plant, motor vehicles and equipment used in its operations. Leases generally have lease terms between 1 - 5 years.

#### a) Right-of-use assets

Movements of right-of-use assets for the year ended 31 December 2020 were summarised below:

(Unit: Thousand Baht)

	Buildings	Motor vehicles	Equipment	Total
<b>Cost</b>				
1 January 2020	3,921	7,001	2,562	13,484
Additions	12,579	3,532	2,300	18,411
Write off	(4,481)	-	(28)	(4,509)
31 December 2020	<u>12,019</u>	<u>10,533</u>	<u>4,834</u>	<u>27,386</u>
<b>Accumulated depreciation</b>				
1 January 2020	-	-	-	-
Depreciation for the year	7,174	3,383	1,451	12,008
Depreciation for write off	(4,462)	-	(28)	(4,490)
31 December 2020	<u>2,712</u>	<u>3,383</u>	<u>1,423</u>	<u>7,518</u>
<b>Right-of-use assets</b>				
1 January 2020	<u>3,921</u>	<u>7,001</u>	<u>2,562</u>	<u>13,484</u>
31 December 2020	<u>9,307</u>	<u>7,150</u>	<u>3,411</u>	<u>19,868</u>

#### b) Lease liabilities

(Unit: Thousand Baht)

	31 December 2020	31 December 2019
Lease payments	20,465	-
Less: Deferred interest expenses	(495)	-
Lease liabilities	19,970	-
Less: Portion due within one year	(10,323)	-
Lease liabilities - net of current portion	<u>9,647</u>	<u>-</u>

### c) Expenses relating to leases that are recognised in the income statement

	(Unit: Thousand Baht)
	For the year ended
	31 December 2020
Depreciation expense of right-of-use assets	12,008
Interest expense on lease liabilities	306

### d) Others

The Company had total cash outflows for leases for the year ended 31 December 2020 of Baht 12 million, including the cash outflow related to short-term lease and leases of low-value assets. During the year 2020, the Company has recorded non-cash additions to right-of-use assets and lease liabilities of 18 million and 19 million, respectively.

## 15.2 The Company as a lessor

The Company has entered into operating leases for its investment properties portfolio (land for rent in Note 13) of the lease terms are 30 years.

The Company has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2020 and 2019 as follows:

	(Unit: Thousand Baht)	
	2020	2019
Within 1 year	993	993
Over 1 and up to 5 years	3,972	3,972
Over 5 years	5,458	6,450
Total	10,423	11,415



## 16. Intangible assets

(Unit: Thousand Baht)

	2020	2019
<u>Computer software</u>		
Cost - at beginning of year	54,810	52,856
Acquisition	256	2,354
Transfer in	5,277	-
Write-off	(516)	(400)
Cost - at end of year	59,827	54,810
Accumulated amortisation - at beginning of year	51,134	49,216
Amortisation for the year	2,268	2,318
Amortisation for write-off	(516)	(400)
Accumulated amortisation - at end of year	52,886	51,134
Intangible assets - net	6,941	3,676

## 17. Bank overdrafts and short-term loans from financial institutions

Credit facilities in term of bank overdrafts and short-term loan of the Company as at 31 December 2020 and 2019 totaled Baht 1,705 million, which have not been drawn down. Such loan facilities are unsecured.

## 18. Trade and other payables

(Unit: Thousand Baht)

	2020	2019
Trade accounts payables - related parties	838	16,124
Trade accounts payables - unrelated parties	378,418	290,247
Other payables - related parties	9,927	12,038
Other payables - unrelated parties	36,984	45,113
Accrued expenses	34,901	33,229
Total trade and other payables	461,068	396,751

## 19. Provision for long-term employee benefits

(Unit: Thousand Baht)

	2020	2019
Post-employment benefits (Defined contribution plans)	38,275	41,994
Post-employment benefits (Defined benefit plans)	153,028	144,018
Other long-term employee benefits	25,243	19,045
Total	216,546	205,057



Provision for post-employment benefits (Defined benefit plans), which represents compensation payables to employees after they are retired from the Company, was as follows.

	(Unit: Thousand Baht)	
	2020	2019
Provision for long-term employee benefits at beginning of year	144,018	108,080
Included in the income statement:		
Current service cost	6,605	5,982
Interest cost	3,299	3,020
Past service cost	-	33,732
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	381	-
Financial assumptions changes	9,105	-
Experience adjustments	(4,417)	-
Benefits paid during the year	(5,963)	(6,796)
Provision for long-term employee benefits at end of year	153,028	144,018

The Company expects to pay Baht 0.2 million of post-employment benefits (Defined benefit plans) during the next year (2019: Baht 8.1 million).

As at 31 December 2020, the weighted average duration of the liabilities for post-employment benefits (Defined benefit plans) is 8 years (2019: 6 years).

Significant actuarial assumptions are summarised below.

	2020	2019
	(% per annum)	(% per annum)
Discount rate	1.50	2.75
Salary increase rate	4.50	5.00
Employee turnover rate	7.00	9.00



The result of sensitivity analysis for significant assumptions that affect the present value of the post-employment benefits (Defined benefit plans) are summarised below:

	31 December 2020			
	Increase	Effect to	Decrease	Effect to
	(%)	obligation (Thousand Baht)	(%)	obligation (Thousand Baht)
Discount rate	0.5	(6,587)	0.5	7,055
Salary increase rate	1.0	15,476	1.0	(13,731)

	31 December 2019			
	Increase	Effect to	Decrease	Effect to
	(%)	obligation (Thousand Baht)	(%)	obligation (Thousand Baht)
Discount rate	0.5	(3,515)	0.5	3,711
Salary increase rate	1.0	11,237	1.0	(10,155)

## 20. Preferred shares

The preferred shares of the Company are registered shares granting dividend entitlements at the rate of the ordinary shares plus Baht 1.50 per share. Dividends on the preferred shares are non-cumulative. Each preferred share has the same voting rights as the ordinary shares and is convertible to ordinary shares in a ratio of 1:1 on the last day of every month.

As at 31 December 2020 and 2019, 799,258 preferred shares remained unexercised.

## 21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

## 22. Revaluation surplus on assets

This represents surplus arising from revaluation of land. The revaluation surplus can neither be offset against deficit nor used for dividend payment.

## 23. Other income

	(Unit: Thousand Baht)	
	2020	2019
Income from sales of scrap metal and spareparts	75,380	98,761
Administrative income	22,297	11,499
Rental income	2,239	2,229
Net gain on exchange	681	4,458
Indemnity	6,235	42,322
Gain on sale of other long-term investments	-	18,944
Gain from equity instrument measured at FVTPL	111	-
Others	13,786	20,350
Total	120,729	198,563

During the year 2019, the Company received indemnity of Baht 42 million for inventories damaged by accident in factory in the year 2018, and had a gain on sales of all shares of PT. Indonesia Caps and Closures amounted to Baht 19 million.

## 24. Expenses by nature

Significant expenses by nature are as follows.

	(Unit: Thousand Baht)	
	2020	2019
Raw materials and consumables used	1,428,783	1,688,756
Salary, wages and other employee benefits	528,623	573,276
Depreciation and amortisation	192,659	170,790
Repair and maintenance expenses	107,263	106,384
Loss on diminution in value of inventories	29,306	34,778
Freight-out expense	34,488	33,960
Royalty fee	12,007	15,788
Changes in inventories of finished goods and work in process	(25,239)	(20,629)





## 25. Income tax expense / Deferred tax liabilities

Income tax expense for the years ended 31 December 2020 and 2019 was made up as follows:

	(Unit: Thousand Baht)	
	2020	2019
<b>Current income tax:</b>		
Current income tax charge	54,420	68,601
Adjustment in respect of income tax of previous year	134	52
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	2,660	3,450
<b>Income tax expense reported in the income statement</b>	<b>57,214</b>	<b>72,103</b>

Tax reconciliation between accounting profit and income tax expense was shown below.

	(Unit: Thousand Baht)	
	2020	2019
Accounting profit before tax	315,648	421,083
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	63,130	84,217
Adjustment in respect of income tax of previous year	134	52
Effects of:		
Promotional privileges (Note 28)	(1,250)	-
Non-deductible expenses	8,050	9,239
Additional expense deductions allowed	(15,510)	(24,855)
Others	2,660	3,450
Total	(6,050)	(12,166)
Income tax expense reported in the income statement	57,214	72,103

Income tax recognised in other comprehensive income for the years was as follow:

	2020	2019
Actuarial loss	5,069	-
Less: Tax expense	(1,014)	-
Net of income tax	4,055	-

The components of deferred tax assets and deferred tax liabilities were as follows:

	(Unit: Thousand Baht)	
	2020	2019
Allowance for diminution in value of inventories	4,298	5,415
Provision for long-term employee benefits	35,654	32,613
Rental received in advance	1,886	2,084
Others	3,192	2,785
Total deferred tax assets	45,030	42,897
Depreciation and amortisation	(38,146)	(34,519)
Unrealised fair value gain on investment properties	(64,152)	(64,152)
Revaluation surplus on land	(15,319)	(15,319)
Others	(152)	-
Total deferred tax liabilities	(117,769)	(113,990)
Deferred tax liabilities - net	(72,739)	(71,093)

## 26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.



The following table sets forth the computation of basic and diluted earnings per share.

	For the year ended 31 December					
	Profit for		Weighted average		Earnings	
	the year		number of		per share	
2020	2019	2020	2019	2020	2019	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit for the year	258,434	348,980	52,001	52,001	4.97	6.71
<b>Effect of dilutive potential ordinary shares</b>						
Convertible preferred shares	-	-	799	799		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion to ordinary shares	258,434	348,980	52,800	52,800	4.89	6.61

## 27. Segment information

Operating segment information is reported in a manner consistent with the internal reporting the chief operating decision maker has received and regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance. The chief operating decision maker has been identified as the Company's authorised director.

For management purposes, the Company are organised into business units based on its products and services and have two reportable segments as follows:

1. manufacture and sale of caps
2. hire of printing sheets for can

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company' financing activities which give rise to finance costs and finance income, administrative activities, and income tax are managed on a group basis. Therefore these income and expenses are not allocated to operating segments.

The following table presented revenue and profit information regarding the Company's operating segments for the years ended 31 December 2020 and 2019.

(Unit: Thousand Baht)

	Manufacture and sale of caps		Hire of printing sheets for can		Total	
	2020	2019	2020	2019	2020	2019
Sales and service income	2,664,378	2,948,021	105,777	188,954	2,770,155	3,136,975
<b>Operating results</b>						
Segment profit	456,691	493,959	22,844	37,119	479,535	531,078
Unallocated income and expenses						
Financial income					9,646	15,372
Other income					45,348	99,802
Administrating expenses					(218,575)	(225,169)
Finance cost					(306)	-
Profit before income tax expense					315,648	421,083
Income tax expense					(57,214)	(72,103)
Profit for the year					258,434	348,980

The Company operated in Thailand, with sales derived from both local and foreign markets. No segment assets have been presented since the major items of them have been common used by the operating segments.

For the year 2020, the Company has revenue from three major customers in amount of Baht 1,121 million (2019: Baht 1,241 million), arising from sales of caps segment.

## 28. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of pilfer caps, pursuant to the investment promotion certificate No. 62-0723-1-05-1-0, issued on 4 July 2019. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax on income derived from the promoted operations, at 50% of investment in improving efficiency and automation or robot systems for a period of 3 years from the date the promoted operations begin generating revenues.



The Company's operating revenues for the year 2020 was below shown divided according to promoted and non-promoted operations (2019: Nil).

(Unit: Thousand Baht)

	2020		Total
	Promoted operations	Non-promoted operations	
Sales and service income			
Domestic	138,483	2,165,695	2,304,178
Export	18,559	447,418	465,977
<b>Total</b>	<b>157,042</b>	<b>2,613,113</b>	<b>2,770,155</b>

## 29. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contribute to the fund monthly at the rate of 5% of their salaries, and the Company contributes at rates of 5%-10% of the employees' salaries. For employees who joined the fund before 1 January 2003, the Company has to pay extra contributions when their length of service reaches 7 years and 10 years. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to the employees upon termination in accordance with the fund rules. The contribution for the year 2020 amounted to Baht 21.8 million (2019: Baht 20.7 million).

## 30. Dividends paid

Approved by	Total dividends	Dividend per preferred share	Dividend per ordinary share
	(Thousand Baht)	(Baht)	(Baht)
Final dividends for 2018 Annual General Meeting of shareholders on 19 April 2019	80,400	3.00	1.50
<b>Total dividends for 2019</b>	<b>80,400</b>	<b>3.00</b>	<b>1.50</b>
Final dividends for 2019 Board of Director Meeting No. 2/2563 on 10 April 2020	172,800	4.75	3.25
Annual General Meeting of shareholders on 11 June 2020	34,320	0.65	0.65
<b>Total dividends for 2020</b>	<b>207,120</b>	<b>5.40</b>	<b>3.90</b>

The actual dividend for the year 2020 amounted to Baht 203.67 million since dividend of Baht 3.45 million related to the securities holders that did not comply with the regulations of the securities depository.

### 31. Commitments and contingent liabilities

As at 31 December 2020 and 2019, the Company has the following outstanding commitments and contingent liabilities.

- a) The Company has commitments, which mature within one year, to local and overseas suppliers under purchase orders for capital expenditures, as follows:

(Unit: Million)

Currencies	2020	2019
Baht	13.93	35.34
Japanese yen	-	13.59
Euro	1.93	0.97

- b) The Company has bank guarantees of Baht 10.4 million (2019: Baht 10.2 million) issued by a bank on behalf of the Company. Letters of guarantees are to guarantee electricity usage of Baht 10.2 million (2019: Baht 9.9 million) and the purchase-sell agreements with a state agency of Baht 0.2 million (2019: Baht 0.3 million).

### 32. Fair value hierarchy

The Company had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	31 December 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL -				
Equity instruments	1	-	-	1
Financial assets measured at FVOCI -				
Equity instruments	-	-	10	10
Derivatives - Foreign currency forward contracts	-	1	-	1
Investment properties	-	653	13	666
Land	-	143	-	143
<b>Liabilities measured at fair value</b>				
Derivatives - Foreign currency forward contracts	-	1	-	1



(Unit: Million Baht)

	31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Other long-term investments	-	-	10	10
Investment properties	-	653	13	666
Land	-	143	-	143

### 33. Financial instruments

#### 33.1 Derivatives

(Unit: Thousand Baht)

	2020	2019
Derivative not designated as hedging instruments		
Foreign exchange forward contracts		
Derivative assets	803	-
Derivative liabilities	411	-

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally not over one year.

#### 33.2 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade and other receivables and investments. The financial risks associated with these financial instruments and how they are managed is described below.

##### a) Credit risk

The Company is exposed to credit risk primarily with respect to trade receivables and deposits with banks. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Company's maximum exposure relating to derivatives is noted in the liquidity risk topic.



### *Trade receivables*

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Company does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

### *Bank deposits*

The Company manages the credit risk from balances with banks by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's management on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

## **b) Market risk**

The Company has price risk related to core materials. The Company closely monitors changes in price of raw materials to support purchasing plan.

## **c) Foreign currency risk**

The Company's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.





The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Currency	31 December 2020		
	Financial assets	Financial liabilities	Average exchange rate
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	3.69	1.86	30.42 and 30.79
Japanese yen	-	8.53	0.30
Euro	-	0.19	36.95

Currency	31 December 2019		
	Financial assets	Financial liabilities	Average exchange rate
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	3.80	1.85	30.20 and 30.42
Japanese yen	-	78.53	0.28
Euro	-	0.21	34.25

#### *Foreign currency sensitivity*

The following tables demonstrate the sensitivity of the Company's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2020. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase	Effect on profit		Effect on profit
		before tax	Decrease	
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	5.0	1,415	5.0	(1,415)

#### d) Interest rate risk

Interest rate risk relates primarily to its cash at banks. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

##### *Interest rate sensitivity*

The Company does not expect to be affected a significant change in interest rates in current circumstances.

#### e) Liquidity risk

As at 31 December 2020, approximately 98% of the Company's debts will mature in less than one year (2019: 100%) base on the carrying value of borrowings reflected in the financial statements. The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)			
	On demand	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>				
Trade and other payables	461,068	-	-	461,068
Lease liabilities	-	10,323	9,647	19,970
<b>Total non-derivatives</b>	<u>461,068</u>	<u>10,323</u>	<u>9,647</u>	<u>481,038</u>
<b>Derivatives</b>				
Derivative liabilities: gross settled				
Cash inflows	37,921	-	-	37,921
Cash outflows	38,332	-	-	38,332
<b>Total</b>	<u>411</u>	<u>-</u>	<u>-</u>	<u>411</u>

### 33.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

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

- a) For financial assets and liabilities which have short-term maturities, including bank deposits, accounts receivable and accounts payable, the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- c) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Company considers to counterparty credit risk when determining the fair value of derivatives

During the current year, there were no transfers within the fair value hierarchy.

### 33.4 Reconciliation of recurring fair value measurements, of assets and liabilities, categorised within Level 3 of the fair value hierarchy.

(Unit: Thousand Baht)

	Equity instruments	Investment properties	Total
Balance as of 1 January 2020	10,024	12,900	22,924
Balance as of 31 December 2020	10,024	12,900	22,924

Key assumptions used in the valuation of investment in equity instruments are discounted future cash flows using WACC at 9.35%. Sensitivity of the input to fair value was summarised below.

Significant unobservable inputs	Increase	Effect on fair value	Decrease	Effect on fair value
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
WACC	1.0	(744)	1.0	907

### 34. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Company's debt-to-equity ratio was 0.2:1 (2019: 0.2:1).

### 35. Event after the reporting period

On 18 February 2021, the meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2021 to adopt a resolution to pay a dividend of Baht 2.45 per share for ordinary shareholders and Baht 3.95 per share for preferred shareholders, or a total of Baht 130.56 million, to the shareholders in respect of the 2020 profit. Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

### 36. Reclassifications

The reclassifications resulting from an adoption of financial reporting standards related to financial instruments with no effect to previously reported net profit or shareholders' equity, are as follows:

	(Unit: Thousand Baht)	
	For the year ended 31 December 2019	
	As reclassified	As previously reported
Other income	198,562	213,935
Finance income	15,373	-

### 37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 18 February 2021.





## Attachments



## Attachments

### Attachment 1 Details of Directors, Executive, Authorized Person and Company Secretary

Disclosed on pages 4-15 of the book series 56-1 One Report.

### Attachment 2 Details of the Subsidiary's Directors

The Company has no subsidiaries.

### Attachment 3 Details of the Internal Audit Officer Manager and supervisors Company Performance

To enable Crown Seal Public Company Limited to carry on its operations under the Principle of Good Corporate Governance and in line with the Requirements of the Stock Exchange of Thailand on Guidelines for Good Practices of the Audit Committee that the duties and responsibilities of the Audit Committee shall clearly be defined in writing and adjusted as appropriate on a regular basis with the Internal Audit Office Manager serving as the Secretary of the Audit Committee;

The Audit Committee of Crown Seal Public Company Limited has appointed Ms. Wannapa Somprasit as the Internal Audit Manager since 2007. Her educational and professional qualifications and training courses are as follows:

Education : Master of Business Administration (Planning and Control), Kasetsart University  
Bachelor of Accountancy, Kasetsart University

Professional qualifications: Certified Public Accountant (Thailand) (CPA. No.8036)

Training Courses : - Monitoring the internal audit function (MIA 4/2008)  
- Monitoring the system of internal control and risk management (MIR 4/2008)  
- Audit committee program (ACP 24/2008)  
- Fraud prevention in organization.  
- COSO 2013 the internal control framework.  
- Anti Corruption: the practical guide (ACPG 30/2016)  
- Cyber Security

Overall duties and responsibilities;

1. Mapping out working policies and procedures for internal audit activities including providing relevant supervisions to be in accordance with the standard of professional practice in internal auditing.
2. Making an Annual Audit Plan by focusing on monitoring the effectiveness of duty performances, the assessments of the internal control system and the risk management of the Company's business operations for submission to the Audit Committee for consideration and approval.



3. Performing duty on internal control audits and assessments according to the Audit Plan approved by the Company's Audit Committee by preparing an implicitly significant audit report and recommendations including monitoring follow-ups on the result of the corrective actions as mutually consented.
4. Making follow-ups on the result of the assessments, risk analysis and the execution in accordance with the risk management plan in activities important to the Company's business operations.
5. Making follow-ups on the result of the assessment on the actions in compliance with the anti-corruption measures in high-risk activities including the follow-ups to ensure that there has been an implementation on the risk assessment, analysis and a setting up of a suitable support plan.
6. Performing other tasks related to the internal audit as assigned by the Management and the Audit Committee which, in this respect, the independence and impartiality of the Internal Auditor in carrying out such tasks must not be prejudiced.

Nevertheless, the Company has made the Internal Audit Office structure an independent agency by reporting the responsibility in relation to the duty performances on the audits directly to the Audit Committee and reporting matters in relation to work management to achieve the Company's objectives and strategies, directly to the President.

#### **Attachment 4 Property used in business and details of the property appraisal report**

Disclosed on Part 1 Business Operations and Performance under the heading "Property used in business" on 56-1 One Report.

##### **Details about the property appraisal list**

- No significant changes

#### **Attachment 5 Policy and Guidelines on Corporate Governance and Business Ethics in detail**

Disclosed on 56-1 One Report Part 2 of Article 6 of the Corporate Governance Policy Corporate Governance Policies and Practices bullets governance.

##### **Code of Conduct**

Code of Conduct for Crown Seal Public Company Limited

1. A person who has a duty to abide by the Code of Conduct
2. Recommendations on the Code of Conduct
3. Reporting violations or failing to comply with the Code of Conduct
4. Process of action when receiving complaints
5. Protection measures and mitigate the damage to the reporter, complainant, or those who cooperate in reporting violations or non-compliance with the Code of Conduct
6. Actions that are unethical



## Code of Practice

1. Respect for human right
2. Environmental, Health and Safety
3. Sustainable relationships with customers, consumers, partners, governments, communities and society
4. Maintenance and use of the Company's information
5. Conflict of interest
6. Responsibility to the Company and the Company's assets
7. Accepting or giving any other property or benefit
8. Competition

The Company has published such information in detail to the public through the Company's website.

[www.crownseal.co.th](http://www.crownseal.co.th) under the heading of "Investor Relations"





## Attachment 6 Audit Committee Report

### Report of the Audit Committee for the year 2020

Dear Shareholders

The Audit Committee of Crown Seal Public Company Limited consists of 3 independent Directors who are qualified and experienced in economics, business administration and finance suitably in accordance with the Rules of the Office of the Securities and Exchange Commission with Mr.Sirote Sawasphanich, as the Committee Chairman, Mr. Satit Chanjavanakul and Mr. Pongpanu Svetarundra as the Committee Members being re-elected for another term for a period of 3 years and Ms. Wannapa Somprasit, Internal Audit Manager performing duty as the Committee Secretary.

In 2020, the Audit Committee independently performed their duties as assigned by the Board of Directors which were specified in the Audit Committee Charter by using their knowledge, skills, experiences as well as exchanging opinions, providing advices and suggestions being beneficial to the Company's Management in accordance with the Principle of Good Corporate Governance by meeting with the Auditor, Senior Management and Internal Auditor in total number of 4 times and reporting their performances to the Board of Directors on a quarterly basis regularly which can be summarized as follows:

1. Reviewing the quarterly and annual financial report of 2020 including key audit matters in the Auditor's Report together with listening to the explanations of the Audit Committee with regard to their comments whether the Company's financial report was correct and complete as it should have materially been, reliable; prepared in accordance with the financial reporting standard including adequate on the disclosure of information being beneficial to users of financial statements provided, however, that the Auditor had expressed her opinion unconditionally in the audited financial statements.

In addition, the Audit Committee had a meeting with the Auditor for discussions, in particular, without the Management taking part in. It was reported that the Committee was independent in performing the audits and received good co-operations from all Departments.

1. Reviewing the effectiveness of the Company's internal control system by making the consideration based on the Performance Report of the Internal Audit Office and the Report on the Sufficiency Assessment of the Company's Internal Control System which were assessed by the Management and the Internal Audit Office in accordance with the Assessment Form of the Securities and Exchange Commission based on the COSO Internal Control Framework. The Audit Committee was of the opinion that the Company had deployed an adequate and appropriate internal control system and that its administration was carried out in accordance with the Principle of Good Corporate Governance.
2. Reviewing report on the risk management result that was implicitly significant to the business operations including the formulation of measures to manage the risks of the Company and acknowledging report on the operational damage event with implicit significance; assessing the cause and the suitability of the preventive guidelines in order to prevent the event from repeatedly occurring in the future which the Audit Committee was of the opinion that they were reasonably appropriate, and requested the Management Faction to continuously monitor follow-ups on the operational result according to the Risk Management Plan in order to assess and adjust the Plan to be efficient which would eventually help reduce the risk to be in the acceptable level.



3. Reviewing compliance with the Law on Securities and Exchange, Requirements of the Stock Exchange of Thailand and other related Laws and the Committee was of the opinion that the Company had well complied with the related Laws, Regulations and Requirements continuously.
4. Making consideration on the reasonableness of entering into the connected transactions or the transactions that may have conflicts of interest which, in this connection, the Management done correctly for the best interest of the Company and in compatibility with the Requirements of the Stock Exchange of Thailand by making the consideration on the reasons and necessities. The Audit Committee was of the opinion that such transactions were reasonable and impartial and that the information was completely and sufficiently disclosed.
5. Making consideration and proposal on the appointment of the Auditor for 2021 which, in this connection, the Audit Committee had considered the selection of the Auditor from the independence, performance result, experiences and reasonable audit fees in line with the Securities and Exchange Commission Notification with a resolution for further submitting onto the Board of Directors for consideration and resolving to propose for approval from the Annual General Meeting of Shareholders for the year 2021, to appoint Mr. Chayaphol Suppasatnanon, Certified Public Accountant Registration No. 3972 or Ms. Orawan Techawatanasirikul, Certified Public Accountant Registration No. 4807 or Ms. Sumana Punpongsanon, Certified Public Accountant Registration No. 5872 of EY Office Limited to be the Company's Auditor.
6. Making a consideration and review as well as assessing the sufficiency of the Audit Committee Charter where the Committee was of the opinion that it was appropriate enough for the performance of duties as assigned; therefore, it was deemed appropriate that the Charter be continued for practical executions.
7. Making consideration to approve the Internal Audit Plan for the year 2021, which was defined to be consistent with the nature of the Company's business operations by focusing on the effectiveness of the operational process, work system internal control, risk management and practical executions in compliance with the anti-corruption policy as well as giving recommendations for the improvement of the systems and working procedures to be more concise.
9. The Company had a policy to carry on business with transparency, adherence to honesty, properness, impartiality and ethics as the principle of the operations. In this respect, the Company had prepared a Handbook on the Code of Conduct and Policy, Manual and Measures on Anti-corruption for use in the proper supervision and adherence under the same standard with continuous follow-ups to ensure that such measures were perpetually complied with. In addition, the Company had been certified as a member of the Private Sector Collective Action Coalition against Corruption in Thailand in 2017 and that the renewal thereof was extended for 3 years following the resolution of the Private Sector Collective Action Coalition against Corruption Committee meeting on 30 September 2020.

On behalf of the Audit Committee

*Sirote Swasdipanich*

(Mr. Sirote Sawasphanich)

Chairman of the Audit Committee

February 18, 2020



## Significant Change

Crown Seal Public Company Limited was registered for incorporation as a juristic person under the category of a limited company on 26 April 1968 with the initial registered capital of 100,000,000 Baht divided into 10,000,000 ordinary shares with par value of 10 Baht each. The Company was established through a joint venture of a domestic beverage production companies with Berli Jucker Co., Ltd. and Toyo Seikan Kaisha Co., Ltd., where providing academic and technical assistances on the productions of Crown Caps, Pilfer-Proof Caps and Maxi Caps.

The Company was granted to be a listed company in the Stock Exchange of Thailand on 30 December 1977.

On 2 February 1994, the Company made a registration converting its status to a Public Company Limited in accordance with Public Company Limited Act, B. E. 2535, under the Registration No. Bor. Mor. Jor. 288 (PLC. 288). The Registration Number is currently changed to 0107537000416.

### The Year 2013:

- Toyo Seikan Kaisha Co., Ltd., who is the Group's parent company, changed its structure and renamed it to Toyo Seikan Group Holdings Co., Ltd. and transferred all 5,280,000 shares of Crown Seal Public Company Limited or 10% of the total number of the shares to Toyo Seikan Co., Ltd., which is a subsidiary company that its total shares were held by Toyo Seikan Group Holdings Co., Ltd., since 1 April 2013.
- Japan Crown Cork Co., Ltd., the major shareholder of the Company in the totaling number of 19,843,338 shares or 37.58% of the total number of shares changed its name to Nippon Closures Co., Ltd., since 1 April 2013.
- The Company sold its 120,000 shares in Petpak Co., Ltd. at the price of 483.48 Baht per share to Toyo Seikan Group Holdings Co., Ltd., so that the Company's shares in Petpak Co., Ltd., remaining at 140,000 or 10.0% of the registered capital.

### The Year 2014:

- The Company had jointed with Nippon Closures Co., Ltd., and Davlyn Steel Corporation (Hong Kong) Co.,Ltd. to establish a new company called "PT. Indonesia Caps and Closures" to manufacture and distribute caps and closures in the Republic of Indonesia. It registered capital were 5,750,000 US Dollar, the number of shareholding at 14,375 shares or 25.0% of the registered capital.

### The Year 2015:

- There was no significant change.

### The Year 2016:

- The Company has joined the declaration of intent in view of establishing Thailand's Private Sector Collective Action Coalition Against Corruption.
- The Company had written off the investment in Heritage Stoneware Co., Ltd. amounting 10 Million Baht which had been reserved the full allowance for loss on diminution in value since 1998. The Company had gone bankrupt and the Central Bankruptcy Court ordered closing the case in the year 2016.



#### The Year 2017:

- The Company sold its 140,000 shares in Petpak Co., Ltd., at the price of 303 Baht per share to Bangkok Glass Plc. The Company is not a shareholder in Petpak Co., Ltd.
- The Company had waived the rights to purchase 15,375 increased capital ordinary shares of PT. Indonesia Caps and Closures or 25% of the increased capital ordinary shares of 9,225 shares to Nippon Closures Co., Ltd. or 15% and to Davlon Steel Corporation (Hong Kong) Co., Ltd. of 6,150 shares or 10% of the number of CSC's waived capital-increasing shares, after capital increased of ICC the Company shareholding in ICC of 14,375 shares or 12.08% of the registered capital of ICC.
- Crown Seal Public Company Limited received a membership certificate of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) from the CAC Council in "Thailand's 8<sup>th</sup> National Conference on Collective Action Against Corruption", held on November 21, 2017.

#### The Year 2018:

- There was no significant change.

#### The Year 2019:

- The Company sold its 14,375 shares in PT. Indonesia Caps and Closures (ICC) at the price of 1,837.36 Baht per share by CSC of 8,625 shares to Nippon Closures Co., Ltd. (NCC) or 7.25% and to Davlyn Steel Corporation (Hong Kong) Co., Ltd. (UCC) of 5,750 shares or 4.83% of the number of shares.

#### The Year 2020:

- The Company has reviewed and filled out the Self-Evaluation Tool for countering bribery to certificate renewal from the Thai Private Sector Collective Action Coalition Against Corruption. On 30<sup>th</sup> September 2020 had resolution approved to provide the certificate renewal of the Company as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC). This certification is valid for 3 years from the date of approval. From September 30, 2020 and expire of certification for 3 years on September 30, 2023.



## Our Products

### 1. Crown Cap

Crown cap is a bottle closure made from pressed steel sheet (tin free steel, tin plated steel) lined with liner to prevent leakage. Once closed, crown cap preserves the original content quality with an excellent sealing performance. Crown cap is used for carbonated drinks, beer, soda, soy milk and fruit juices.

### 2. Pilfer - Proof (PP Cap)

PP cap is a screw cap developed to protect against pilferage. It is made by pressing aluminum sheet into cylindrical shape, perforated (between the body and flare) and lined. PP cap is rust - proof, easy to open, can be recapped if the content is not wholly consumed. PP cap is suitable for carbonated drinks, health drinks, energy drinks, electrolyte, spirit and medicine.

### 3. Maxi Crown

Maxi crown is a bottle closure made from pressed and scored coated tin free steel shell. The score is developed for easy opening by simply pulling the attached ring. This closure gives a perfect anti - pilferage feature. Maxi crown is suitable for non-refrigerated products.

### 4. Maxi Cap

Maxi cap is a bottle closure made from coated aluminum sheet pressed into one piece, scored and lined. Apart from the same general characteristic as Maxi crown, Maxi cap is made of aluminum, rust-proof and more suitable for products kept in high humidity. Maxi cap is used for drinking water, beer, spirit and fruit juices.

### 5. Maxi - P

Maxi - P is a bottle closure made from pressed and scored coated aluminum shell. The general characteristic is as same as Maxi Crown except the pulling ring is made of plastic. Maxi-P is used for drinking water, beer, spirit and fruit juices.

### 6. Plastic Cap

Plastic cap is a screw cap made from plastic resin which is melted and molded into shape. The inside is designed either with or without liner material to prevent leakage. The cap has knurls around the side for easy opening, it can recap after used. Now plastic cap is used in many products upon customer's requirement such as carbonated drinks, non - carbonated drinks, products which using high temperature filling process and products which using aseptic filling process.

### 7. Composite Cap

Composite cap is made from plastic resin which is melted and injected into shape. On the top of cap is combined with tin free steel sheet that pressed into shape and having liner to prevent leakage. The cap has knurls around the side for easy opening. A tamper evidence band is provided for anti - pilferage purpose.



## 8. Hand - Crowner

Hand - Crowner is specially designed to crimp crown caps tightly, It is efficient in protecting the product inside. The hand crowner is easy to use and hand - carry.

## 9. Maxi Crimping Machine

A single - head, pneumatic Maxi crimping machine can be used to crimp all Maxi series. It is designed with high technology to achieve utmost sealing performance.

For sales please contact: Tel.(662) 533-0450-9

Domestic sales ext.550 or Export sales ext.557, Fax.(662) 974-111





ฝาจับ (Crown Cap)



ฝาเกลียวกันปลอม (Pilfer-Proof Cap)



ฝาวงแหวนแมกซ์แคป (Maxi Cap)



ฝาวงแหวนแมกซ์พี (Maxi-P)



ฝาวงแหวนแมกซ์คราวน์ (Maxi Crown)



ฝาคอมโพสิต (Composite Cap)



ฝาพลาสติก (Plastic Cap)



เครื่องฉีกฝาจับแบบคันทันโยก (Hand-Crowner)



เครื่องฉีกฝาแมกซ์ (Maxi Crimping Machine)



 **บริษัท ฝาฉีบ จำกัด (มหาชน)**  
Crown Seal Public Company Limited

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