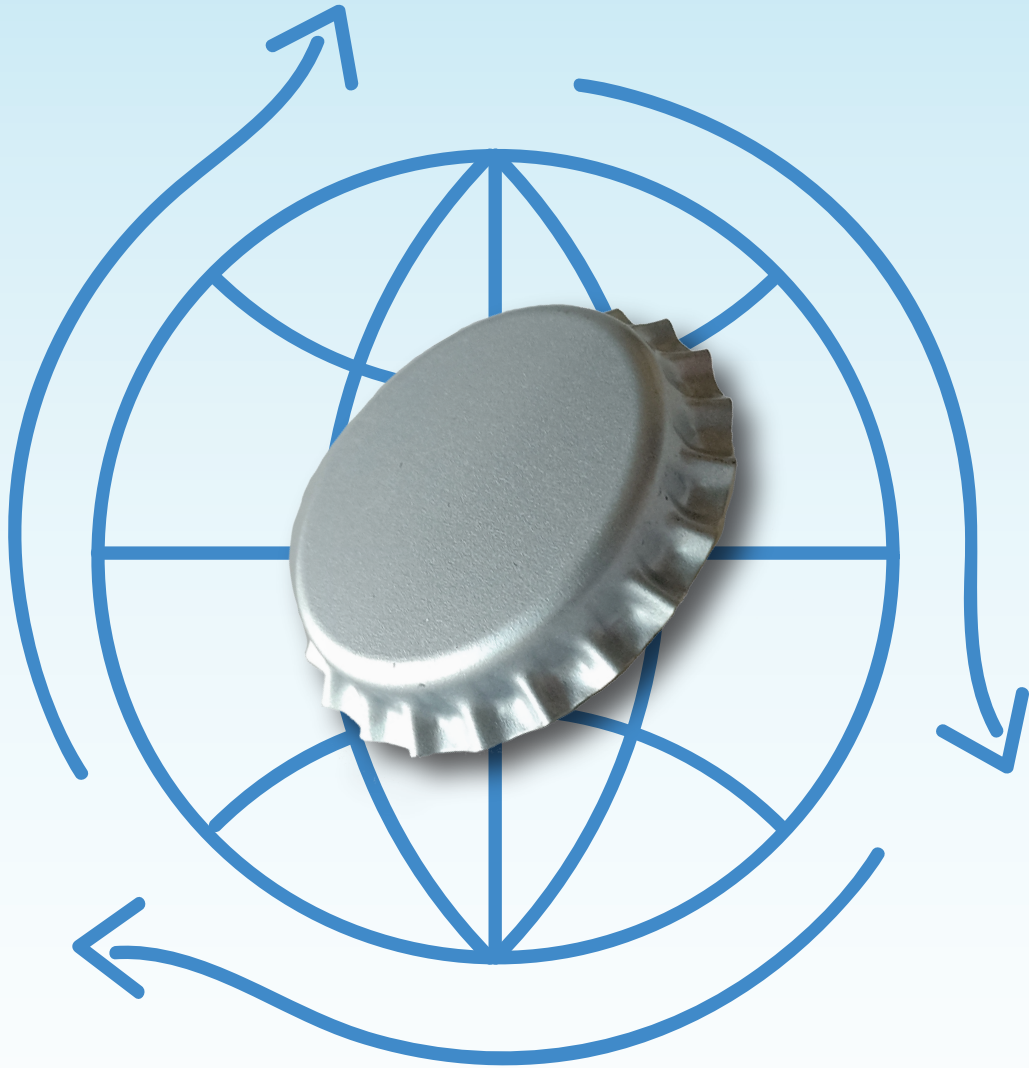


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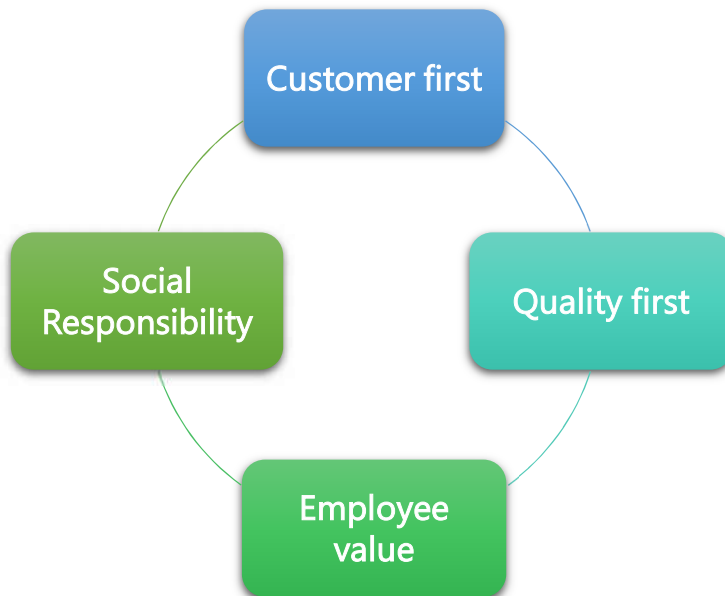
ก้าวสู่ปีที่ 50
Moving Towards 50th Years





*The best cap for
simple life*

Core Value



Vision

“Aim to be highly competitive, innovative and quality comprehensive cap provider with total solutions to satisfy ASEAN and target countries demand”

Mission

1. Be highly cost competitive provider
2. Provide high quality and innovative cap closures with total solutions
3. Focus on selective markets to maintain profit margin
4. Enter new market segmentations other than food and beverage markets
5. Enhance our people to be excellent knowledge with quality mind and consumer centric as well as disciplined employee
6. Be safe and happy workplace for our employee
7. Comply to good corporate governance and be responsible for social and environment



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Message from the Board of Director



Throughout the past, Crown Seal Public Company Limited has engaged in business of production of quality sealed packaging product that has been accepted by both domestic and foreign operators. The company provides both pre-sale service and after sale service. In addition, the company has continuously developed products and quality joining with business partners for all the time throughout. The company has been certified for its quality management system in accordance with international standard and focused the importance of the environment and transparent business operation, based on good governance principles and joins as a member of the Thai Private Sector Collective Action Coalition against Corruption (CAC), which shows the company's commitment. To be a part of creating a good Thai society.

In the year 2019, sales performance has grown continuously over the past year, from the company commitment to develop products to meet the needs of customers and the development of management capabilities of the company to be more systematic. Although the overall economy this year, the growth rate of the Gross Domestic Product is only 2.5% which is much lower than expected but the company has sales and performance is much better than last year. Partly due to raw material costs reduced as a result of a higher market share and the company is still committed to find ways to reduce production costs and expenses in order that have good and stable performance by changing machines and increasing machine efficiency to use at full capacity. The domestic Thai beverage industry has changed the use of more diverse packaging, to increase product differentiation. Therefore, the company has projects to develop the company's products to be able to use with a wider variety of beverages.

Furthermore, the company also focuses importance of participants and stakeholders and employees of the company and business partners, including communities and the environment. The company has treated and controlled several values so that values are correct, according to the regulations of the Department of Industrial Works and Pollution Control Department. There is proper treatment and disposal in accordance with environmental law requirements, so that it will not affect the community and the environment. This is the important goal of the company.

The Board of Directors would like to thank to shareholders, investors, partners, customers and business partners, relevant government agencies giving confidence and supporting the operations of the company well constantly. The company would like to thank to all employees for their dedication and inspiration in bringing Crown Seal Public Company Limited to move forward steadily and securely, prepare to be ready for development and change things to be better, for the maximum benefit of the participants and stakeholders who always trust and rely on the company well for all the time throughout.

Financial Highlights

	Financial Statements in Which Equity Method is Applied			Separate Financial Statements		
	2019	2018	2017	2019	2018	2017
Operating Results (Million Baht)						
Total Revenue	-	-	2,822	3,351	3,191	2,816
EBITDA	-	-	472	592	580	463
Share of Loss from Investment in Associated Company	-	-	(6)	-	-	-
Net Profit	-	-	250	349	330	240
Financial Status (Million Baht)						
Total Assets	-	-	-	4,367	4,159	3,684
Total liabilities	-	-	-	726	787	596
Total Shareholders' Equity	-	-	-	3,641	3,372	3,088
Financial Ratios (%)						
Net Profit Margin	-	-	8.85	10.41	10.35	8.54
Return On Assets	-	-	-	8.19	8.42	6.61
Return On Equity	-	-	-	9.95	10.22	7.91
Basic Earnings Per Share (Baht)	-	-	4.80	6.71	6.35	4.62
Diluted Earnings Per Share (Baht)	-	-	4.73	6.61	6.25	4.55
Book Value Per Share (Baht)	-	-	-	70.02	63.88	58.48

Board of Directors



Mr. Dhep Vongvanich

Age 73 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 60 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.
1999-2013 - Vice - President/ ThaiNamthip Company Limited.



Mrs. Pilai Piemphongsarn

Age 83 years

- Independent Director
- Chairman of the Audit Committee

Nationality Thai

Position Independent Director : Appointment as of 12 Oct. 1999
Chairman of the Audit Committee: Appointment as of 8 Dec. 2011

Ratio of Shareholding (%)* -None-

Education / Director Training Courses with IOD

- Bachelor of Accountancy, Chulalongkorn University
- Certified Public Accountant (Thailand) (CPA.NO.2336)
- Honorary Certified Internal Auditor from The Institute of Internal Auditors (CIA.NO.30861)
- 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.
- President/ Audit and Management Consultant Company Limited.
- Independent Director and Audit Committee/ Thaivivat Insurance Public Company Limited.



Mr. Hisashi Nakajima

Age 63 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 60 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.

Apr. 2016 - Director and Senior Executive Officer/
Toyo Seikan Company Limited.

Jun. 2016 - President/ 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. Satit Chanjavanakul

Age 71 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)
- 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/
Asia Plus Group Holdings 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/ Asia Plus Securities Company Limited.
- Director/ SPC Home Ideas Company Limited.



Mr. Pongpanu Svetarundra

Age 60 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 65 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 51 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/ Sermsuk Training Company Limited.
- Director/ Great Brands Limited.
- Director/ Wrangyer Beverage (2008) Company Limited.
- Director/ ThaiDrinks Company Limited.

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



Mr. Yoshiki Miyatani

Age 61 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 60 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.



Mr. Hisatoshi Itsubo

Age 57 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.

ก้าวสู่ปีที่ 50
Moving Towards 50th Years



Mr. Akihiko Kato

Age 54 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 65 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 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



Mr. Retree Chunthum

Age 37 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 65 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 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



Mr. Hiroshi Takahashi

- Age 60 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 54 years

● Vice President - Technical

Nationality Japanese

Position Vice President - Technical : Appointment as of 1 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 - Vice President - Technical/
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. Ruj Tantsetthi

Age 55 years

● Vice President – Plant

Nationality Thai

Position Vice President - Plant : Appointment as of 1 Jun. 2012

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 - Plant/ Crown Seal Public Company Limited.

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



Mr. Preecha Suthivechakun

Age 53 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.



Mr. Peerasage Sopakanit

Age 39 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

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 6 Directors have not family relations

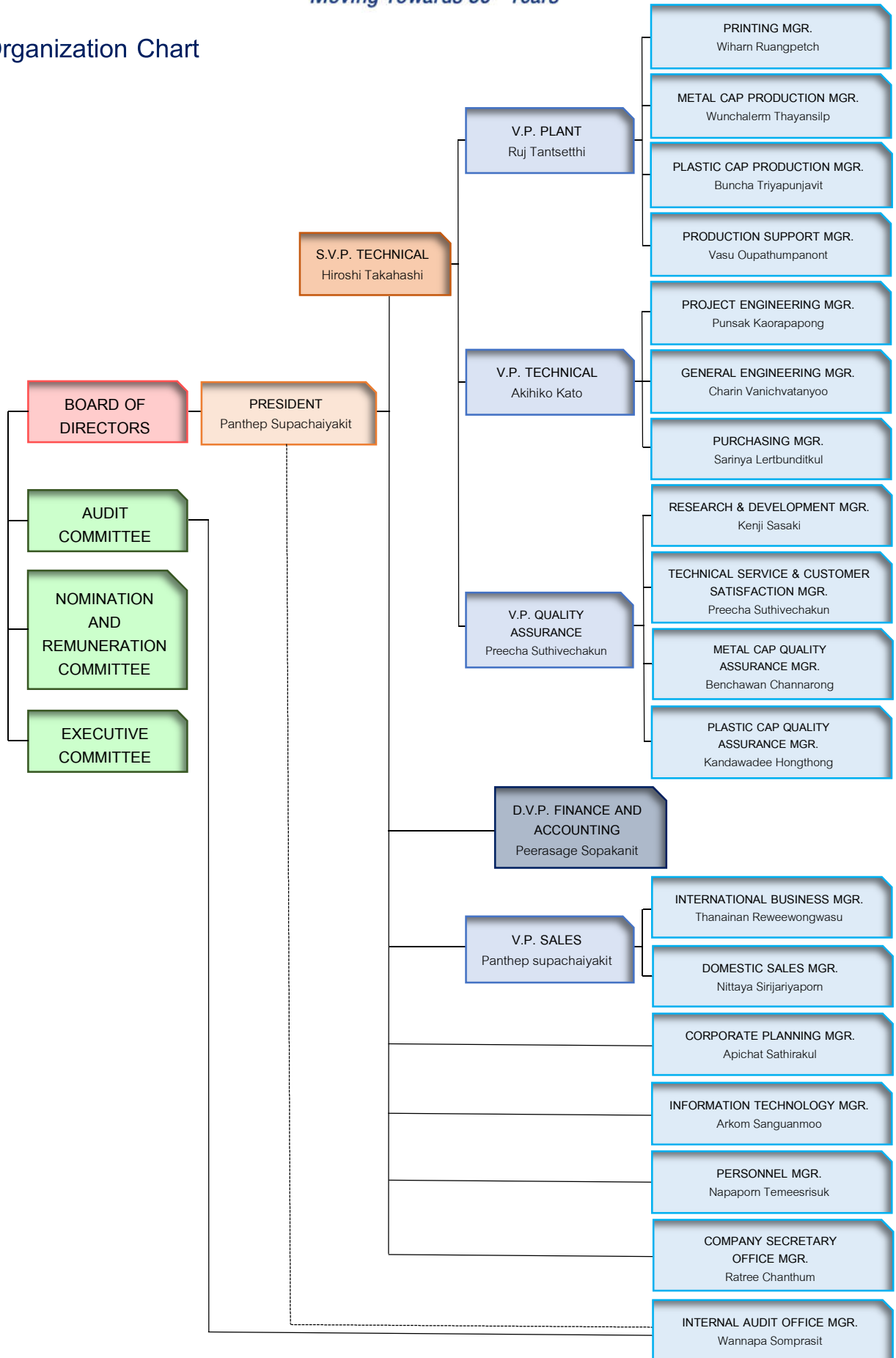
2.* Ration of shareholding includes shares of spouse and minor children.

Report on changes in securities holding by company directors and
management members as of December 31, 2019

Name	No. of shares									Shareholding ratio in year 2019	
	As of December 31, 2018			As of December 31, 2019			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. Mrs. Pilai Piemphongsarn	-	-	-	-	-	-	-	-	-	-	-
4. Mr. Hisashi Nakajima	-	-	-	-	-	-	-	-	-	-	-
5. Mr. Ichio Otsuka	-	-	-	-	-	-	-	-	-	-	-
6. Mr. Satit Chanjavanakul	-	-	-	-	-	-	-	-	-	-	-
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. Mr. Peerasage Sopakanit	-	-	-	-	-	-	-	-	-	-	-
18. Ms. Ratree Chanthum	-	-	-	-	-	-	-	-	-	-	-
Total	29,246	-	29,246	29,246	-	29,246	-	-	-	-	0.0554

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

Organization Chart



General 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	www.crownseal.co.th	
Company Secretary	Ms. Ratee Chanthum Tel: (662) 533-0450-9 # 638 E-mail: ratee@crownsel.co.th	
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 rd 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 th Floor, Ratchadapisek Rd., Samsennok, Huay Kwang, Bangkok 10310 Tel : (662) 541-4214-6 Fax : (662) 541-4200	

Company's Overview

1. Company Business 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 3,300 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.

2. Significant Change and Development

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 8th 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.

3. Ownership Structure of the Company in affiliated companies

Company's Name	Type of Business	Type of Share	Registered Capital	% Share Holding
Affiliated Companies				
PT. Indonesia Caps and Closures*	Plastic Packing	Common	11.90 Million USD	0.00
Bangkok Can Manufacturing Co., Ltd.	Easy open end, 2&3 pieces can	Common	1,800 Million Baht	1.60

* The Board of Directors' Meeting no. 5/2019 held on November 5, 2019. Approved for the sale of PT. Indonesia Caps and Closures (ICC) total shares. Therefore, the proportion of shareholding in the company is equal to zero.

4. Relation between the major shareholders business

The Company receives technology supports from Toyo Seikan Co., Ltd. and Nippon Closures Co., Ltd. of Japan. As a result, the Company paid the royalty fee by percentage of net sales amount of each product along with other expenses if necessary for technician coming from Japan.

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	2019		2018		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Net Income						
1. Manufacture and Sales of caps	2,948.02	87.97	2,686.40	84.18	2,486.05	88.29
2. Printing Service and Sales of Printed Sheets	188.95	5.64	154.18	4.83	179.87	6.39
3. Others Income*	213.94	6.39	350.71	10.99	149.89	5.32
Total Revenues of consolidated financial statements	3,350.91	100.00	3,191.29	100.00	2,815.81	100.00

*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 2019 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.

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.

4. Product development

In the year 2019, the company started to produce and distribute 28IR aluminum screw caps which are used for hot filling products at the temperature of 121-124 degrees (Retort) and added the machinery in the group of 28shl screw cap and 28std screw cap to expand the production capacity and increased sales in the screw cap group continuously. In addition, the company invests in a new line of cap production with modern technology and has high production rate, in order to increase efficiency and liquidity in development of products, which has

limitation from the original production line, including administration and management, in order to bring the inspection system and conveyor belt system, to be used instead of human labor.

The company develops plastic lid products for sealing on light weight gas drink. Plastic lids are light weight lids and reduce the use of raw material. Plastic lids will be produced and sold fully in the year 2020. In addition, the company invests for mold of plastic lids for drinking water additionally, to meet the needs of customers more, as there is growth of drinking water market and expanding of the base to target customers increasingly. The drinking water market is still growing continuously, both for the domestic market and international market.

In the year 2019, 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.

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
2017	2,666	1,948	73.1
2018	2,841	2,013	70.8
2019	3,137	2,245	71.6

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.

Ratio of Domestic and Export Sales

Unit: Million Baht

Year	Domestic Sales	Export Sales	Total Sales
2017	2,196	470	2,666
(%)	82.37	17.63	100
2018	2,335	506	2,841
(%)	82.19	17.81	100
2019	2,633	504	3,137
(%)	83.92	16.08	100

Important foreign market customers are Indonesia, Laos, Myanmar, Vietnam, Australia, New Zealand, Taiwan, the Philippines, Malaysia and Cambodia etc. In the year 2019, the high competition was obstacle to the company's export sales, but the company still maintained most original customer base, except for some customers in Myanmar and Laos that still have to compete with competitors from China and India.

In the year 2019, foreign sales had sales volume to increase by 12%, but the sales value was similar to the year 2018, due to the impact of the Baht value which was strengthened from the year 2018 about 5-6% and the increased competition from foreign competitors.

Industrial Overview and Competition

1. Domestic business trends

Overall, the beverage market in the year 2019 expanded at a slightly increased rate from the year 2018. In the beginning period of the year, there was election in March, consumers and several business sectors had confidence in spending, resulting in the economic condition to be recovered in the short term, as well as changing weather, drought and hot weather, caused soft drinks, drinking water, mineral drinks and green tea to have grown a lot, including the government has issued economic stimulus measures and promote domestic tourism continuously. Therefore, it was a positive factor that helped increase consumption, resulting in the beverage market to recover in the first half year, comparing with the same period of last year. In the second half year, there were negative factors that caused the beverage market to have slow growth, because there was enforcement of the Sweet Tax, Phase 2 on 1 October 2019, onwards, causing some kinds of beverages to have increasing sales prices and several measures of the government were still unable to stimulate the economy as expected.

For the year 2020, several sectors predict that the country's economy will slow and the growth will be at a rate which is lower than the year 2019. The factors come from limiting of cultivation from drought and the government budget that has been allocated cannot cover all areas and the most importantly, the occurrence of epidemic of Coronavirus (Covid 19) that occurred since January 2020, which has spread to several countries, as a result, tourism and export sectors are immediately affected. For the beverage industry in the first half year, the important factors, there may be support driven by the weather that there will be hot weather increasingly and continuously, and there will be organizing of marketing promotion activities of beverage producers. Beverage producers also have adapted to various measures to reduce the consumption of beverages that have negative effect on health for a certain period. Consumers begin to be aware and accept it. If the spread of Coronavirus (Covid 19) continues for a long time, it will make the overview of the beverage industry in the whole year of 2020 to be affected and the growth will be declining.

2. Market size and growth rate

In the year 2019, the overview of packaging industry for metal lids for sealing glass bottles to have growth rate of approximately 5 percent comparing with the past year, especially beverage in type of soft drink, tonic drink,

mineral drink, spirits and soy milk, which had great growth in the first half year of 2019. In the year 2019, the company still keeps the leadership of the packaging product market in type of metal lid, by using strategy of quality product image, variety of lid types, which can respond to customers in all beverage industry groups, making the company to keep market share among the main customers and expanding more in new customer group continuously.

The market of plastic cap packaging product in the year 2019 has growth rate of approximately 5 percent comparing to the past year. Supporting factors continue to come from the growth of non-alcoholic beverage export to CLMV country group (Cambodia, Laos, Myanmar and Vietnam) and Indonesia which are the main trading partners of Thailand, as follows: tonic drink, mineral drink, coffee / tea instant drink, etc. and the growth of health beverage, such as bottled PET bottles, herbal drink, organic drink and functional drink, etc. In addition, the green tea beverage market returns to grow for the first time in several years, from the growth of premium green tea that responds to the trend of health love with less sugar drink, and it also helps expand the base to high-end consumers who have purchasing power and high-end consumers are also a group that is rarely affected by the economic slowdown.

The overall packaging product market has average growth of about 2% which is slightly lower than the year 2018.

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

In the year 2019, 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 2019		Year 2018		Year 2017	
	Total Quantity (Million pcs.)	Capacity Utilization Rate (%)	Total Quantity (Million pcs.)	Capacity Utilization Rate (%)	Total Quantity (Million pcs.)	Capacity Utilization Rate (%)
Caps	20,500	56	18,200	57	17,550	58

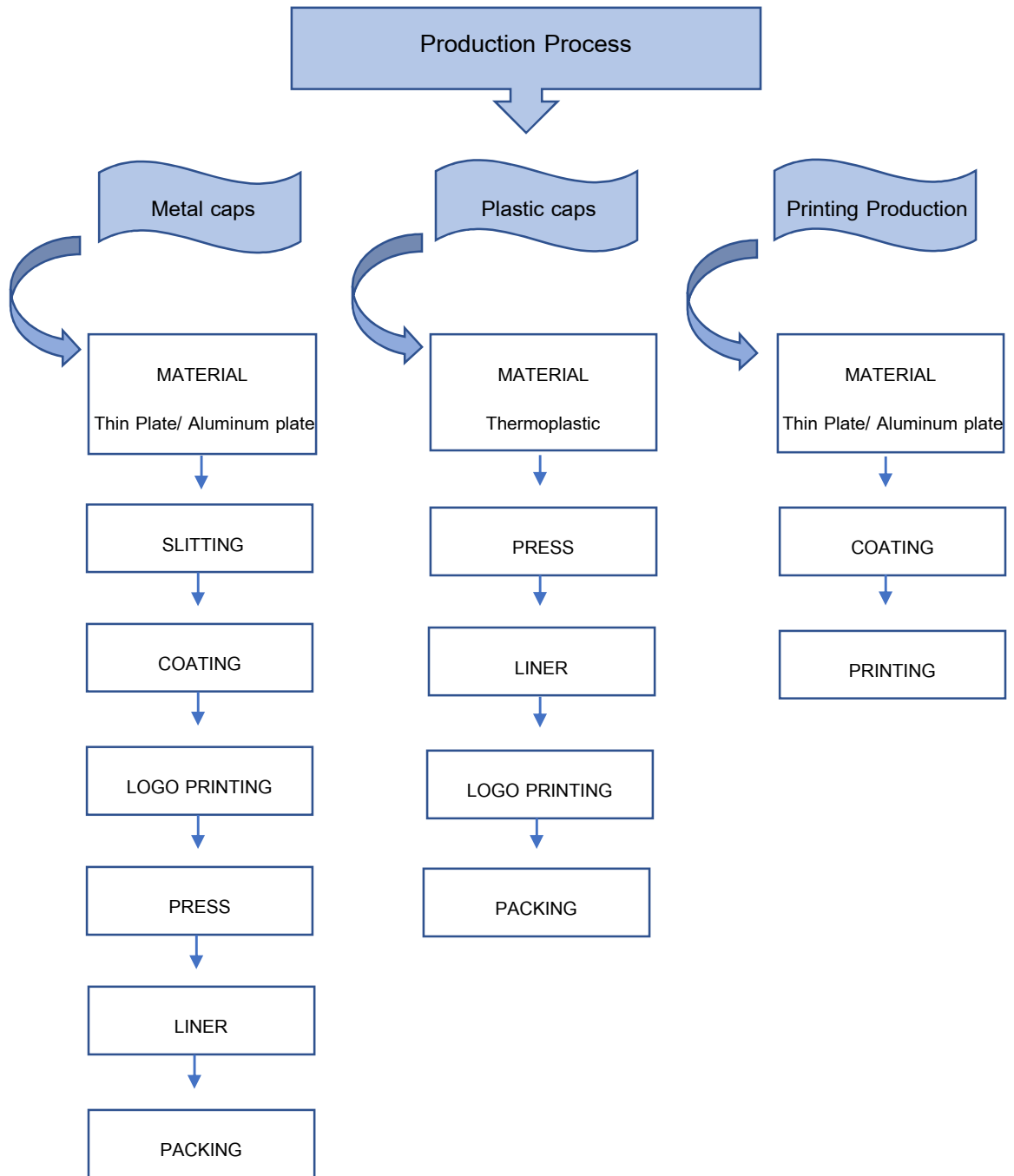
Raw materials and raw materials suppliers

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 purchase²⁷ 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.



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 2019 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 2019, 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. Risks from the business environment

Thailand's economic situation in Year 2019, the economic growth was less than 3% with a negative export growth rate. Thai people were more careful on spending resulted from limited buying power and the high household debts. Caused by limited consumption rates the company's sale was at risk to fail to meet the target as well as at present trade competition was more furious by both local and foreign rivals. The beverage producers exporting to several countries still purchased raw materials from wholesale mother suppliers to distribute to branch factories. Large raw materials consumption by the situation then led to higher price competition. Some competitors launched different styles of seal capped packaging the company was unable to develop in the year. The risks from business environment at the time arose from the following issues:

Change of the customers' products use

In Year 2019, the customers' demand for value-added seal capped-packaging was high particularly the liquor industry. In consequence for risk abatement the Company implemented a new products study project including attempted to find trade partners for new products sale and purchase in case demands were not high prior to decide to invest for production. The Company pursued the news and movements of both local and oversea beverage manufacturers together with conducted the investment to improve the existing product styles to fulfill local and oversea customer demands particularly the environment feasibility study. As the effort was continual risks of the customers' products use change would be abated.

Change of the production technology

High production cost was a risk to the Company in consequence a production technology change which would reduce production cost and stages and achieve higher productivity was an importance interested by the company. The Company had to manage the costs to be competitive for risks abatement. In Year 2019, sealed caps production process with more advanced technology was started enabling a more competitive sealed caps production cost. Product quality improvement and close production process control, production efficiency increase, the Company's and customers' products tests expedition to correspond with sale start plan were conducted and risks abatement was enabled despite some tests were delayed from plan. With risks abatement the Year 2019's sale turn over was higher than Year 2018 and with a satisfactory profit despite a little less than target.

2. Financial risks

The strong Thai currency in year 2019 delivered impacts to the Company on both the raw materials and machinery and equipment import and income from export to oversea. The Company's income and expense on raw materials purchase were in foreign currencies to which risks abatement could be achieved by making expense and income to be in the same currency, making the currency exchange contract in advance and closely pursuing the currency exchange rates enabling a well risks abatement on currency exchange rate fluctuation. As result in year 2019 the Company profited from currency exchange rate fluctuation whilst the export even though increased from year 2018 in quantity but a little decreased in value.

The risk on credits with customers or contractors was not as agreed with them. The Company's credit period analysis was conducted to manage the credits with the unpaid credits reported monthly together with debt follow up accelerations immediately when the chance of duly payment would not comply with condition. With the measure in year 2019 a remarkable credit risk abatement was achieved.

Regarding risk from using of several budgets which are not right to the time schedule. In year 2019 use of the report system developed for better budgets use control and follow up was stated enabling the year's budgets use to be closer to schedule compared with the year 2018. However, stricter follow up would be required to continue the risk abatement.

3. Operational risks

The risks arose from the factory operation process including from the internal systems operations. In year 2019 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. With the action in year 2019, the number of complaints decreased from year 2018 but still did not meet target. The Company still has action plan continuously, to reduce this risk, having highest target to stop complaints on 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 2019, 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 2019. 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.

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 2019, 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. As consequence the Company had developed a plan in year 2020 the products development and its publicizing to customers shall be monitored from time to time. Despite

the products quality satisfaction met target the complaints still were made to which the QC improvement plan shall be continued for customers' higher satisfaction.

4. 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 2019 incompliance with commercial ethics by some employees occurred, the cases continued from year 2018. In overall the ethics offence was much less than year 2018 possibly due to the measures with a notable risk abatement achieved.

5. Risks from health, hygiene and environmental

To manufacture the finished products, the Company has machines and equipment in the production process and loading and unloading of raw materials and merchandises at all times; therefore, work safety is critical to both employees and the Company. An accident incurred during the working process may result in physical loss of the employees and loss of properties of the Company. To prevent and reduce such loss.

In year 2019 a program to identify hazards and assess risks in production process was introduced, Job safety analysis, near miss report and site surveys by executives were conducted monthly to survey the company's site places probably with job unsafety risks to impose the respective safety measures including 'A campaign for the employees' recognition of safety was conducted by organizing 'The Safety Day' activity for job safety. Machinery, equipment, tools and workplace environment had been regularly checked to ensure safety. A helmet wearing campaign to the Company's employees who drove motorcycle was also conducted. As result from the measures and campaigns in year 2019 severity of accidents and absenteeism from accident remarkably decreased from year 2018 despite increase of the number of accidents. In year 2020, the Company still shall implement and campaign for the employees' continued recognition of safety. For fire protection the fire accident prevention plan had been adopted with the fire control and evacuation rehearsal activity conducted yearly.

For the printed sheet collapse accident at the end of the year 2018. In year 2019, the Company has process planned to installation the prevent printed sheet collapse system and implemented to year 2019. Also the insurance against property and business interruption had been made.

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 2019, 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 2019, 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 2019, 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, aluminium 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.

Securities and Shareholders

1. The Company's Securities

- Registered Capital and Paid - up Capital

As of 31 December 2019, 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:

- 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.
- Each preferred share has one vote.
- 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 share on the last business day of each month. If that day in a non-business day, the exercise must be postponed to the next business day.

2. Shareholders

Details of top ten shareholders as listed in the share registered as of December 31, 2019 are as follows:

Name of Shareholders **	Nationality	Share Amount				Type of business
		Ordinary share	Preferred share	Total	% to Total	
1. Nippon Closures Co., Ltd. ¹	Japanese	19,071,292	772,046	19,843,338	37.582	Packaging
2. Toyo Seikan Co., Ltd. ²	Japanese	5,280,000	-	5,280,000	10.000	Packaging
3. Boon Rawd Brewery Co., Ltd. ³	Thai	3,934,488	-	3,934,488	7.452	Beverages
4. ThaiNamthip Co., Ltd. ⁴	Thai	3,768,316	-	3,768,316	7.137	Beverages
5. Sermsuk Plc. ⁵	Thai	1,057,742	-	1,057,742	2.003	Beverages
6. Green Spot Co., Ltd. ⁶	Thai	1,000,000	11,230	1,011,230	1.915	Beverages
7. The Thailand Securities Depository Co., Ltd.	Thai	883,800	-	883,800	1.674	Promote investment
8. Bangkok Insurance Plc. ⁷	Thai	882,828	-	882,828	1.672	Insurance
9. C.S. Capital Co., Ltd. ⁸	Thai	735,000	-	735,000	1.392	Investment in another company
10. Thai NVDR Co., Ltd.	Thai	649,900	46	649,946	1.231	Promote investment

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 Sermsuk 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.

3. 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 -

4. Other securities

- None -

Dividend Payout Policy

The dividend policy of the Company is to pay not more than 50 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				
	2015	2016	2017	2018	2019*
Net Profit (Million Baht)	325.86	381.01	240.47	330.19	348.98
Dividend for ordinary share (Baht)	1.75	2.50	1.50	1.50	3.90
Dividend for preferred share (Baht)	3.25	4.00	3.00	3.00	5.40
Percent of net profit (%)	28.72	34.96	33.44	24.35	59.35

Notes: * The Board of Directors Meeting no. 1/2020 held on February 26, 2020 had resolution approved to the Company's dividend payment policy is not more than 70 percent of annual profit.

* Dividend rate for operation results of 2019 will be considered approving by the shareholders at the Annual General Meeting of 2020.

Management Structure

The Company's structure of management comprises of

1. The Board of Directors comprises independent directors, non-executive directors and executive directors.

There are 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

1. 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, 2019, the Board of Directors comprised of 14 members and Ms. Ratee 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. | Mrs. Pilai Piemphongsam | Independent Director and Chairman of the Audit Committee |
| 6. | Mr. Hisashi Nakajima | Director |
| 7. | Mr. Ichio Otsuka | Director |
| 8. | Mr. Satit Chanjavanakul | Independent Director, Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee |
| 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.	Mrs. Pilai	Piemphongsarn	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 2019

(1 January 2019 - 31 December 2019)

Name - Surname		The Board of Directors (14 members) Total 5 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	5/5	-	-	10/10	1/1
2.	Mr. Pornwut Sarasin	4/5	-	-	-	1/1
3.	Mrs. Pilai Piemphongsarn**	4/5	4/4	-	-	1/1
4.	Mr. Hisashi Nakajima	1/5	-	-	-	1/1
5.	Mr. Ichio Otsuka	1/5	-	-	-	1/1
6.	Mr. Satit Chanjavankul**	4/5	4/4	2/2	-	1/1
7.	Mr. Pongpanu Svetarundra**	5/5	4/4	2/2	-	1/1
8.	Prof.Dr. Suwimon Keeratipibul	5/5	-	2/2	9/10	1/1

Name - Surname	The Board of Directors (14 members) Total 5 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 2018 Annual General Meeting of shareholders (14 members) Total 1 time/year
9. Mr. Dhitivute Bulsook	5/5	-	-	-	1/1
10. Mr. Yoshiki Miyatani	4/5	-	-	-	1/1
11. Mr. Hisatoshi Itsubo	5/5	-	2/2	-	1/1
12. Mr. Akihiko Kato	5/5	-	-	9/10	1/1
13. Mr. Hiroshi Takahashi*	4/4	-	-	7/8	1/1
14. Mr. Takayuki Sasou*	1/1	-	-	2/2	-
15. Mr. Panthep Supachaiyakit	5/5	-	-	10/10	1/1

Remark: * The Board of Directors Meeting no.1/2019 held on February 21, 2019 had resolved to appoint Mr. Hiroshi Takahashi as the Company's director in replacement of Mr. Takayuki Sasou who resigned.

** The Audit Committee has their term for three years, started from November 8, 2017-2020.

*** The Board meeting attendance/ the total meetings was presented either in amount of times each member attended the meetings in 2019 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

1.1 The Audit Committee

As of December 31, 2019, the Company's Audit Committee comprised of 3 independent directors, namely, Ms. Pilai Piemphongsam Mr. Satit Chanjavanakul Mr. Pongpanu Svetarundra and the Internal Audit Office Manager as the secretary. In 2019, 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.

1.2 The Nomination and Remuneration Committee

As of December 31, 2019, 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 2019, 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.

1.3 The Executive Committee

As of December 31, 2019, 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 2019, 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.

1.4 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.

2. The Management

The Executive of the Company as of December 31, 2019 comprises of 6 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 - Plant
4. Mr. Akihiko	Kato	Vice President - Technical
5. Mr. Preecha	Suthivechakun	Vice President - Quality Assurance
6. 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 concerning information disclosure.

3. 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 1st, 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.

4. Directors and Management Remuneration

Monetary Remuneration

In 2019, the Annual General Meeting of Shareholders held on April 19, 2019 has approved the remuneration of the total 14 directors in amount of Baht 4,200,000 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	Attendance fee (Baht/ Person/ Time)
The Board of Directors	Chairman	30,000	30,000
	Director	20,000	20,000
The Audit Committee	Chairman	-	25,000
	Director	-	20,000
The Nomination and Remuneration Committee	Chairman	-	25,000
	Director	-	20,000
The Executive Committee	Chairman	25,000	-
	Director	20,000	-

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 2019 per person

For the fiscal year ended December 31, 2019, the annual remuneration paid to the Board of Directors as of follows. Retainer fee of the Board of Directors of 2,040,000 Baht Attendance fee of the Board of Director of 690,000 Baht, Retainer fee of the Executive Committee of 540,000 Baht along with the sub-committees' remuneration of 390,000 Baht, making the total remuneration of 3,660,000 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	360,000	150,000	-	-	300,000	810,000
2. Mr. Pornwut Sarasin	240,000	80,000	-	-	-	320,000
3. Mrs. Pilai Piemphongsarn	240,000	80,000	100,000	-	-	420,000
4. Mr. Hisashi Nakajima	Not received	Not received	-	-	-	-
5. Mr. Ichio Otsuka	Not received	Not received	-	-	-	-
6. Mr. Satit Chanjavankul	240,000	80,000	80,000	50,000	-	450,000
7. Mr. Pongpanu Svetarundra	240,000	100,000	80,000	40,000	-	460,000
8. Prof.Dr.Suwimon Keeratipibul	240,000	100,000	-	40,000	240,000	620,000
9. Mr. Dhitivute Bulsook	240,000	100,000	-	-	-	340,000
10. Mr. Yoshiki Miyatani	Not received	Not received	-	-	-	-
11. Mr. Hiroshi Takahashi	-	-	-	-	-	-
12. Mr. Hisatoshi Itsubo	Not received	Not received	-	-	-	-
13. Mr. Akihiko Kato	-	-	-	-	-	-
14. Mr. Panthep Supachaiyakit	240,000	-	-	-	-	240,000

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 2019, 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 6 executives amounted of Baht 22,534,560.10 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	6	21,941,472	6	17,920,450	7	17,794,970
Provident Fund	3	593,088	3	544,940	3	489,149
Total		22,534,560		18,465,390		18,284,119

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

Other Remuneration

- None -

Employees

As of 31 December 2019, the Company had 932 employees.

In 2019, the Company paid the compensation to employees totaling 464,010,403.25 Baht in the form of salary, bonus, attendance reward, overtime, and other welfares. The Company had contributed to the Provident Fund for the year 2019 in the amount of 20,713,795.84 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, 2019, the Company's Provident Fund has a total contribution equal to 406,376,579.06 Baht which comprised of:

1. Crown Seal Public Company Limited registered fund, having 410 members included management, totaling 174,850,646.87 Baht.
2. The registered K-Master Pooled fund, Crown Seal Public Company Limited only, having 48 members included management, totaling 16,645,997.28 Baht.
3. The registered K-Master Pooled fund – share mixed not over 25%, Crown Seal Public Company Limited only, having 404 members included management, totaling 214,879,934.91 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 2019 the Company provided 198 training courses, total employees participated in the training of 2,716 persons using the budget of 2,923,521 Baht categorized into

- In-house Training 91 courses, 2,402 employees participated.
- Public Training 106 courses, 192 employees participated.
- Self – Learning 1 course, 122 employees participated.

The course outlines for the training conducted in 2019 are

1. **Managerial Skills, Supervisory Skill and Human Resources Management** Total 9 courses, 629 employees participated, Power of Mindset and Team Synergy, Proactive Supervisor for the best work, Modern corporate communication, Job Description on competency, KPIs, Individual Development Plan and Coaching, Management accounting concepts for art organization leaders, negotiating for WIN WIN results and financial planning for retirement. 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 13 courses, 316 employees participated, such as 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 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 24 courses, 341 employees participated, such as Machinery Working System like 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 3 courses, 282 employees participated, such as 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 42 courses, 834 employees participated, such as 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, Knowledge of social security fund benefit, Project to raise awareness about work safety, Principles for assessing energy management within the organization, Safety in the use of natural gas etc. which showed that the Company gives precedence mainly to the employees' health and safety.

6. **Online English self – study project** 1 course, there are 122 employees to participated to develop English language skills in daily communication and work. To educate employees understanding of language culture, increase using English skills and seek knowledge by using technology and appropriate management.

In addition, the Company also sends some employees to attend the oversea training programs all of short term and long term. In 2019, 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 2019, 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.

Good Corporate Governance

Corporate Governance Policy

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, 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.crownseal.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 2019, 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 2019, the Company had called the Annual General Meeting on April 19, 2019 at Ballroom I, The Sukhothai Hotel, 13/3 South Sathorn Road, Tungmahamek Sub District, Sathorn District, Bangkok 10120.

The meeting place is considered on basis of the most convenient for transportation, and the size of meeting room is also suitable for the numbers of shareholders.

- **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 2019, 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 2019, 14 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. Role of Stakeholders

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.

Anti-Corruption Action : In 2017, the Company received a membership certificate of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) from the CAC Council in "Thailand's 8th National Conference on Collective Action Against Corruption", held on November 21, 2017.

4. 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, annual statements (form 56-1) and annual reports. 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
- Office of the Securities and Exchange Commission's website is www.sec.or.th
- The Crown Seal Plc.'s website is 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

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.

5. 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 last 7 director 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, 2019, 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, 2019, 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 Management Structure section.

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 Management Structure section.

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 Management Structure section.

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 Management Structure section.

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 2019, The Board Meetings was convened 5 times. The meeting-attendance report of the Board of Directors is shown in the issue of Management Structure section.

3. Performance Assessment

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 2019, 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

- **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

- **Performance Evaluation of the President**

The Board of Directors has evaluated the performance of the President every year ended by the criterion divided into 2 sections :

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

4. Remuneration

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.

The remunerations for directors and executives in 2019 are referred in the issue of Management Structure section.

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 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 ≤ 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 2019, 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, 2019 to December 30, 2019 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.	Mrs. Pilai Piemphongsarn	-	DCP 9/2001	-	-	-
4.	Mr. Hisashi Nakajima	-	-	-	-	-
5.	Mr. Ichio Otsuka	-	-	-	-	-
6.	Mr. Satit Chanjavankul	DAP 39/2005	DCP 83/2007	-	-	BNCP 5/2018
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

Remark: In 2019, Mr. Panthep Supachaiyakit in the Board Nomination & Compensation Program (BNCP) 7/2019 organized by IOD.

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 annual report. 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, 2019.

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 2019, 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.

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	1,050,000 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	80,000 Baht

Social Responsibility

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 further. The company has operated work in accordance with sustainability report covering 8 clauses of principles as follows:

1. 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.

2. 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) and in order that the operation to participate in the Thai Private Sector Collective Action Coalition in anti-corruption will be done effectively and the company can achieve the goals according to the action plan, 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 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.

On 10 November 2017, the company received a certificate of membership in the Private Sector Collective Action Coalition of Anti-orrupction (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 8th National Conference on Collective Action Against Corruption on 21 November 2017.



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 2019, 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.

In 2020, the Company is on the process of submitting to re-certificate membership of the Thai Private Sector Collective Action Against corruption (CAC) from CAC committee.

3. 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 2019, the company did not receive complaints regarding incorrect or unfair practices.

4. 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.

5. 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.

6. Environmental care

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.

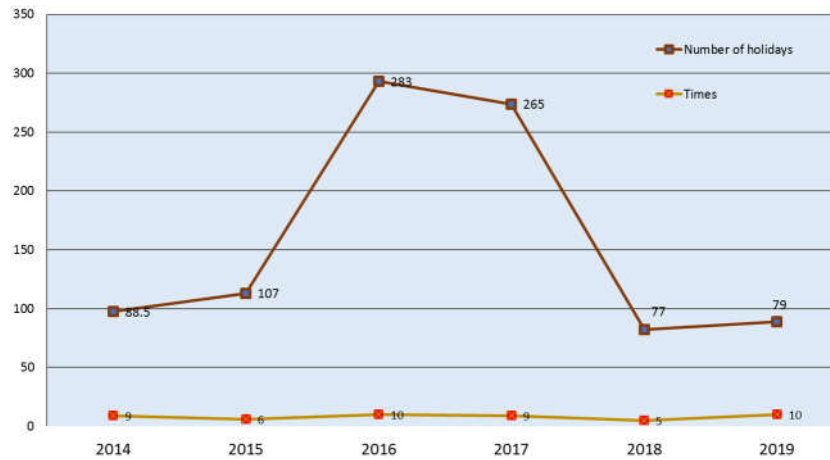
Operation in the year 2019

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

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.



7. 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 2019

- Together with the HRH Princess Sirindhorn Medical Center in receiving blood donation.
- Together with the Association of the Blind in Thailand for the blind band to enter into the company to receive donations and selling lottery tickets.
- Together with Rangsit City Municipality in organizing the World Environment Day event.
- Join Asanha Bucha Day activity and Khao Phansa Day to offer to be a Buddhist worship, inherit Buddhism permanently
- Join the tree planting project to be a royal charity on the eve of H.M. Queen Sirikit the Queen Mother's Birthday.
- Together with cooperatives in bringing consumer goods to sell in the company to employees.





8. 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, in page of environment and society, in the topic: Social Responsibility.

Internal control, Internal Audit and Risk management

1. 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 26 February 2020 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.
- The Company consistency provide the opportunity to develop knowledge and skill for all employees.

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.
- All the Company's management and employees are responsible for identifying and assessing the risks in their business areas, and formulating appropriate mitigation plan and revise plans to cope with the change of risk factors both internal and external that occurred.

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.
- 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 set up security system of internet usage securely and sufficiently. Having contingency plan to reduce the effect of system shut down that may cause damage to the whole system. We also go over and practice the contingency plan yearly.
- The employees can access data for information via internet, while outsider can receive information from the Company's website www.crownseal.co.th which has been proved by the responsible department manager or assigned officers.

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

2. 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.

3. Risk management

The Board of Directors has put priority on risk management through formation of the risk management committee to determine the policy, objective, risk management framework, to assess possible risk incurred from internal and external factors and to determine measure to manage the risk to be at acceptable level while the management of each department is responsible for risk assessment and management to ensure that the operation of the Company is undertaken and achieved as the target.

The risk management committee is assigned to monitor the performance in accordance with the risk management plan periodically and monitor the assessment result of residual risk level management and then make a report to the Audit Committee for comments before submission of a report to the Board of Directors for consideration and acknowledgement.

Related Party Transactions

1. As of 31 December 2019, the Company's transactions with related companies are as follows:

Item	Parties Involved	Relationship of Contract	Term	Value (MB)		Basis of Consideration Value Determination
				2019	2018	
1. Normal business transaction						
1.1 Sales of Crown Caps, Pilfer -Proof Caps, Maxi-Series and Plastic Caps	Group of Boon Rawd Brewery Co., Ltd. ¹ ThaiNamthip Ltd. ² Serm Suk Plc. ³ Green Sport Co., Ltd. ⁴ Toyo Seikan (Thailand) Co., Ltd. ⁵ Nippon Closures Co., Ltd. (NCC) ⁶	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	-	1,002.78	830.64	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	-	5.23	1.33	Monthly payment / with reference to market price which are the same rate as others
2. Supporting normal business transaction						
2.1 Printing and related - Printing and coating metal sheet services - Printing artworks - Printing of sample printed sheet	Bangkok Can Manufacturing Co., Ltd. ⁷ Next Can Innovation Co., Ltd. ⁸	The same major shareholder and partial group of directors	-	184.86	151.31	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	15.79	15.02	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
				2019	2018	
2.3 Purchase of spare part, and raw materials	Nippon Closures Co., Ltd. (NCC) Kanagata (Thailand) Co., Ltd. ⁹	Major shareholder and the same partial group of directors The same major shareholder and partial group of directors	-	88.36	38.59	Monthly payment / with reference to market price which are the same rate as others.
3. Property rental or lease which no more than 3 years transaction						
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.18 - 31 Aug.19)	0.41	0.41	Yearly payment and lease rate is set by Fair Value appraised by independent appraiser.
4. Asset and service transaction						
4.1 Administrative Service for Computer Software and Hardware, SAP and Personnel systems	Bangkok Can Manufacturing Co., Ltd.	The same major shareholder and partial group of directors	1 year (1 Jan.19-31 Dec.19)	3.11	2.99	Monthly payment / service fee is set by proportion of workload plus margin 4%
	Toyo Seikan (Thailand) Co., Ltd.	The same major shareholder and partial group of directors	1 ปี (1 Jan.19-31 Dec.19)	4.15	3.97	Monthly payment / service fee is set by proportion of workload plus margin 4%
	Toyo Filling International Co., Ltd. ¹⁰	The same major shareholder	1 ปี (1 Jan.19-31 Dec.19)	1.17	1.12	Monthly payment / service fee is set by proportion of workload plus margin 4%
	Next Can Innovation Co., Ltd.	The same major shareholder and partial group of directors	1 ปี (1 Jan.19-31 Dec.19)	1.34	1.28	Monthly payment / service fee is set by proportion of workload plus margin 4%

Item	Parties Involved	Relationship of Contract	Term	Value (MB)		Basis of Consideration Value Determination
				2019	2018	
4.2 IT infrastructure Services	Bangkok Can Manufacturing Co., Ltd.	The same major shareholder and partial group of directors	1 year (1 Jan.19 - 31 Dec.19)	0.92	0.97	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.19 - 31 Dec.19)	0.52	0.52	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 19 - 15 May 20)	0.26	0.27	Yearly payment / rental service fee is set by proportion of number of users plus margin 4%
	Toyo Seikan (Thailand) Co., Ltd.	The same major shareholder and partial group of directors	4 years (15 May16 - 15 May 20)	0.35	0.36	Yearly payment / rental service fee is set by proportion of number of users plus margin 4%
	Toyo Filling International Co., Ltd.	The same major shareholder	4 years (15 May 16 - 15 May 20)	0.10	0.10	Yearly payment / rental service fee is set by proportion of number of users plus margin 4%
	Next Can Innovation Co., Ltd.	The same major shareholder and partial group of directors	4 years (15 May 16 - 15 May 20)	0.11	0.12	Yearly payment / rental service fee is set by proportion of number of users plus margin 4%
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
				2019	2018	
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 2019, 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.

Report on the Board of Directors' Responsibility for the Company's Financial Statements

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 annual report.

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, 2019, which present fairly, in all material respects, in accordance with Thai Financial Reporting Standards.



(Mr. Dhep Vongvanich)

Chairman



(Mr. Panthep Supachaiyakit)

Director and President

Report of the Audit Committee for the year 2019

Dear Shareholders

The Audit Committee of Crown Seal Co., Ltd. (Public) consisting of three independent committee who are the appropriate and qualified persons with experience in economics, business administration, accounting and auditing in accordance with the criteria of the Office of Securities and Exchange Commission is chaired by Mrs. Pilai Piempongsarn, the chair person, and Mr. Satit Chanjavanakul and Mr. Pongpanu Svetarundra, the Audit Committee members, with term in office of 3 years and Miss Wannapa Somprasit, Manager of the Internal Audit Office, the secretary of the Audit Committee.

In 2019, the Audit Committee has performed its duties independently as assigned by the Board of Directors of the Company and accordance with its charter by utilizing experience and expertise while interchange opinion to provide creative comments and advice to support the Company's good corporate governance. The Audit Committee has jointly attended the meeting with the auditor, the chief executive and the internal auditor for 4 times. The performance report and recommendations have been submitted to the Board of Directors regularly every quarter and could be summarized as follows:

1. Review of the quarterly and annual financial reports through inquiries to the auditor on accuracy, completeness and reliability of the financial reports, significant issues during the audit and sufficiency of disclosure. The Audit Committee has viewed that the financial reports of the Company are fairly accurate and complete and reliable and are prepared in accordance with the financial reporting standards, including sufficient disclosure beneficial to the financial statement users. The external auditors audited financial statement and provided unqualified opinions.

The Audit Committee has a private meeting with the external auditor without the managements and is informed of the independence in performance with proper cooperation.

2. Review of effectiveness on the internal control system of the Company through the report of internal audit office and the internal control system sufficiency assessment form of the Office of Securities and Exchange Commission in accordance with COSO internal control framework as evaluated by the management and internal auditor, it is viewed that the internal control system of the Company is sufficient and suitable with management system handled in accordance with good governance principle.
3. Review of risk management report, including measures arranged for management of significant risk incurred to the business undertaken by the Company. Acknowledged reports on material operational loss events and assessed the causes of such events and the appropriateness of pre-emptive measures to prevent future recurrences. The Audit Committee was satisfied and suggested the management to follow up the actions in accordance with the risk management plan, including assessment of risk level after that.

4. Review of compliance with laws on securities and stock exchange, requirements of the Stock Exchange of Thailand and other related laws, it is viewed that the Company has complied with related laws, regulations and requirements consistently.
5. Review of reasonableness on the connected transactions or the transactions with possible conflict of interest to ensure correctness and maximum benefit of the Company and compliance with the requirements of the Stock Exchange of Thailand based on the reasons and necessity, the Audit Committee viewed that such report is justified and fair with complete and adequate disclosure of information.
6. For appointment of the auditor for the year 2020, in selecting the external auditor, the Audit Committee considered independency, performance, experience, appropriateness of audit fees and compliance with the Office of Securities and Exchange Commission's announcements. It is proposed the external auditor to the Board of Director for further recommendation to Shareholders in the general meeting for the year 2020 for approval and appointment of Mr. Chayapol Suppasedtanon C.P.A. Registration No. 3972 or Ms. Orawan Techawatanasirikul C.P.A. Registration No. 4807 or Ms. Sumana Punpongsanon C.P.A. Registration No. 5872, of EY Office Limited as the Company's auditor.
7. Approval on the internal audit plan for the year 2020 which is in compliance with the nature of the business undertaken by the Company with focus on effectiveness of performance, internal control system, risk management together with recommendations for improvements of the system and working methods.
8. The policy of the Company is to undertake the business transparently, faithfully, correctly and fairly with code of conducts as a guidance of the work. The Company has arranged anti-corruption manuals, measures and procedures for supervision and compliance with the same standard to ensure suitability with the environment. By following up to follow the said measures continuously.

The Company has been provided with certificate of membership of the Private Sector Collective Action Coalition Against Corruption Council in 2017 and there is a plan to proceed with the renewal of this certificate by 2020.

On behalf of the Audit Committee

(Mrs. Pilai Piemphongsarn)

Chairperson of the Audit Committee

February 28, 2020

The Explanation and Analysis of operating results for the year 2019 compared to 2018

Operating result for one year ended on December 31, 2019

The Company had net profit for the amount of 349 million Baht or equivalent to the earnings per share of 6.7 Baht. The net profit ratio was 10.4% and the return on equity was 9.9%. The company had comprehensive income for the amount of 349 million Baht for the year 2019

In year 2019, the Company had the total revenues of 3,351 million Baht of which came from sales and service income for the amount of 3,137 million Baht or equivalent to 93.62%. Other incomes were income from sales of scrap metal, administrative income, rental income, interest income, Indemnity income and gain on sale of long-term investment as for the total of 214 million Baht or equivalent to 6.38% of total revenues.

For the cost of sales and services, the Company had total cost of sales and services for the amount 2,638 million Baht or equivalent to 84.1% of sales. The Company had gross profit for the amount of 499 million Baht or equivalent to 15.9% of sales.

The Company had the expenses of selling and administrative for the amount of 291 million Baht or equivalent to 8.7% of total revenues. It was consisted of selling expenses for the amount of 66 million Baht or equivalent to 2.0% of total revenues and the administrative expenses for the amount of 225 million Baht or equivalent to 6.7% of total revenues.

The Company had the corporate income tax for the amount of 72 million Baht, consisting of current income tax for the amount 69 million Baht and deferred tax expenses for the amount 3 million Baht.

The details of significant changes are as follow:

- **Revenues**

The Company had the total revenues increased from the previous year for the amount of 160 million Baht or equivalent to 5.0%. It came from the increase of sales and service income for the amount of 296 million Baht or equivalent to 10.4% and the increase of other income for the amount of 56 million Baht or equivalent to 35.7%. It was due to the increased of sale of scraps in relation to the market price of metal including the income from compensation of raw material from supplier and Indemnity income from insurers amount of Baht 42 million were damaged by accident in factory during the year 2018 and gain on sale of long-term investment amount of Baht 19 million. In addition, for this year the Company had not gain on fair value adjustment of investment properties when compared previous year.

Unit: Million Baht

	Year 2019		Year 2018		Different	
	Amount	%	Amount	%	Amount	%
Revenues						
Sales	2,948	88.0	2,686	84.2	262	9.7
Service income	189	5.6	154	4.8	35	22.6
Total sales and service income	3,137	93.6	2,841	89.0	296	10.4
Gain on fair value adjustment of investment properties	0	0	193	6.0	(193)	(100.0)
Other income	214	6.4	158	4.9	56	35.7
Total revenues	3,351	100.0	3,191	100.0	160	5.0

- Sales, Cost of Sales and Gross Profit**

In 2019 the Company had sales and printing services incomes for the amount of 3,137 million Baht, which was higher than previous year for the amount of 296 million Baht or equivalent to 10.4%. The cost of sales and services were 2,638 million Baht or equivalent to 84.1% of sales. The Company had gross profit for the amount of 499 million Baht or equivalent to 15.9% of sales, which had decreased from the year 2018 for the amount of 119 million Baht or equivalent to 31.3%. Mainly, it was due to the decrease in proportion of sale quantity and high proportion of high profit products. In addition, the Company had decreased the cost of sale from the lower raw material price, which had been adjusted according to global situation.

Unit : Million Baht

	Year 2019		Year 2018		Different	
	Amount	%	Amount	%	Amount	%
Sales and Service income	3,137	100.0	2,841	100.0	296	10.4
Cost of sales and Service	2,638	84.1	2,461	86.6	177	7.2
Gross profit	499	15.9	380	13.4	119	31.3

- Selling & Administrative Expenses**

In 2019, the Company had the expenses of total revenue from selling and administrative for the amount of 291 million Baht or equivalent to 8.7%. The selling expenses were 66 million Baht or equivalent to 2.0% and the administrative expenses was 225 million Baht or equivalent to 6.7% of total revenue.

The Company had decreased the selling expenses for the amount of 9 million Baht or equivalent to 12.0%. It came from the decrease of claim expenses from customer which below standard quality that sold to customer.

The Company had increased the administrative expenses for the amount of 12 million Baht or equivalent to 5.6%. 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 recognising past service costs as administrative expenses in the income statement of the year 2019.

Unit : Million Baht

	Year 2019		Year 2018		Different	
	Amount	% of total revenues	Amount	% of total revenues	Amount	%
Selling & administrative expenses						
Selling expenses	66	2.0	75	2.4	(9)	(12.0)
Administrative expenses	225	6.7	213	6.7	12	5.6
Total expenses	291	8.7	288	9.0	3	1.0

- **Corporate Income Tax**

The corporate income tax for 2019 had the amount of 69 million Baht had increased to 19 million Baht or equivalent to 38.0%. It was due to the Company had the earning before tax increased for the amount of 95 million Baht or equivalent to 38.31% and the Company had benefited from the exempt of corporate income tax for the amount of 6 million Baht from the investment of machinery and equipment under Royal Decree (604) and (642) regarding the corporate income tax exemption.

The Company had the deferred tax expenses for the amount of 3 million Baht decreasing for 29 million Baht, coming from the Company had not gain on fair value adjustment of investment properties when compared previous year.

Unit : Million Baht

	Year 2019	Year 2018	Different	
			Amount	%
Income Tax				
Current income tax	69	50	19	38.0
Deferred tax expenses	3	32	(29)	(90.6)
Total	72	82	(10)	12.2

- **Capital Expenditures**

In the year 2019, the Company had the capital expenditures for the amount of 282 million Baht. The main portion of the investment was the machinery for new product and increasing the efficiency. Moreover, the Company had increased the efficiency of production according to the demand of markets.

Financial Status

● Assets

The total assets of the Company at the year-end of 2019 were 4,367 million Baht, which had increased from 2018 for the amount of 208 million Baht or equivalent to 5.0%. It consisted of the current assets, long-term investment, investment properties, property plants & equipment and other non-current assets in the ratio of 50.7%, 0.2%, 15.3%, 33.7% and 0.2% respectively. Assets categories were as follows:

Unit : Million Baht

	31 December 2019		31 December 2018		Different	
	Amount	%	Amount	%	Amount	%
Current assets	2,213	50.7	2,073	49.8	140	6.8
Non-Current assets :						
Long-term investment	10	0.2	18	0.4	(8)	(44.4)
Investment properties	666	15.2	666	16.0	0	0
Property Plants and Equipments	1,470	33.7	1,395	33.5	75	5.4
Other non-current assets	8	0.2	8	0.3	0	0
Total Assets	4,367	100.0	4,159	100.0	208	5.0

Total current asset was 2,213 million Baht had increased from 2018 for the amount of 140 million Baht or equivalent to 6.8%. It consisted of

- Cash and cash equivalent for the amount of 145 million Baht, which had decreased for the amount of 150 million Baht or equivalent to 50.8%. It came from the company had allotted cash for Current investments in Short-term deposits at financial institutions which low risk and special interest rate, which is higher than the market rate.
- Trade and other receivable for the amount of 505 million Baht, average collection period was 55 days and account receivable turnover was 6.6 times. Trade and other receivable had been increased for the amount of 25 million Baht or equivalent to 5.2%. It was the payment due date fell to the public holiday and the main customers had paid the amount for the next working day which beyond December 31, end of the year. The outstanding amount had increased at the end of the year. Moreover, The Company had the sales and service income increased from the previous year.
- Inventory for the amount of 571 million Baht, holding period was 24 days and inventory turnover was 15.2 times. Inventory had been decreased for the amount of 9 million Baht or equivalent to 1.6%. It was due to the company had managed the quantity of raw materials in the inventory as appropriate of the production plan and sale plan better than the previous year.

Long-term Investment had the amount of 10 million Baht, which had decreased from previous year for the amount of 8 million Baht or equivalent to 44.4%. It was due to the Board of Directors Meeting No. 5/2019 passed a resolution approving the sale of all 14,375 shares of PT. Indonesia Caps and Closures to a related company and a company at a price of USD 61.26 per share (Baht 1,837.36 per share), totaling Baht 26 million. A gain on sale of investment of Baht 19 million has been included in other income for 2019.

Property, plant and equipments amounted of 1,470 million Baht, return on fixed asset was 36.0%, which had increased net depreciation from 2018 for the amount of 75 million Baht or equivalent to 5.4%. The main reason was the Company had increased the investment in new machinery including capacity expansion and new product for the amount of 280 million Baht. The calculation of the depreciation of total assets was 171 million Baht and written off the asset for the amount of 11 million Baht.

- **Liabilities**

The total liabilities of the Company at the year-end of 2019 were 726 million Baht, which had decreased from year 2018 for the amount of 61 million Baht or equivalent to 7.8%. It consisted of current liabilities, deferred tax liabilities, and non-current liabilities, for the ratio of 60.5%, 9.8% and 29.7% respectively. Liabilities categories were as follows:

Unit : Million Baht

	31 December 2019		31 December 2018		Different	
	Amount	%	Amount	%	Amount	%
Current Liabilities	439	60.5	531	67.5	(92)	(17.3)
Deferred Tax Liabilities	71	9.8	68	8.6	3	4.4
Non-Current Liabilities	216	29.7	188	23.9	28	14.9
Total Liabilities	726	100.0	787	100.0	(61)	(7.8)

Current liabilities amounted of 439 million Baht, which had decreased for the amount of 92 million Baht or equivalent to 17.3%. It consisted of

- Trade and other payable for amount of 397 million Baht, payment period was 62 days and Payable turnover was 5.84 times. Trade and other payable had been decreased from previous year for the amount of 110 million Baht or equivalent to 21.7%. It was due to the company had managed the purchase amount of raw materials as appropriate of the production plan and sale plan better than the previous year.
- Deferred Tax Liabilities for amount of 71 million Baht, had been increased for the amount of 3 million Baht or equivalent to 4.4% from previous year. It was due to increase of destroying the inventory than previous year.

- **Shareholders' Equity**

As of 31st December 2019, the shareholders' equity amounted of 3,641 million Baht, which had increased from the previous year for the amount of 269 million Baht or equivalent to 8.0%. It was due to the Company had the retained earnings as of 31st December 2019 amounted of 2,612 million Baht, which had increased from previous year for the amount of 268 million Baht or equivalent to 11.4%. Other components of shareholders' equity had the amount of 61 million Baht. In addition during the year 2019, the Company had paid the dividends for 2018 for the amount of 80 million Baht.

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

- Liquidity in 2019, the Company had cash and cash equivalent for the amount of 145 million Baht, which had decreased from the year 2018 for the amount of 150 million Baht. Mainly, the Company had allotted cash for current investments in short-term deposits at financial institutions which low risk and special interest rate, which is higher than the market rate.

As of 31st December 2019, the Company current ratio was 5.01 times which had increased from the previous year, of which the current ratio was 3.91 times. The debt to equity ratio was 0.20 times had lower than the previous year, which was 0.23 times.

- Source of funds & Used of funds for 2019 consisted of

1. Cash flows from operating activities amounted 443 million Baht, which was the income from operating activities before changes in operating assets and liabilities amounted 649 million Baht. The change of operating assets had increased for the amount of 52 million Baht, coming from account receivable. The change of operating liabilities had decreased for the amount of 97 million Baht, coming from trade and other payable. In addition, the Company had paid the corporate income tax for the amount of 55 million Baht.
2. Cash used in investing activities had the amount of 512 million Baht. It was mainly from the investment for the purchase of new machinery for the amount of 280 million Baht, current investment in fixed deposit had increased for the amount of 271 million Baht. Mainly, the Company had allotted cash for current investments in short-term deposits at financial institutions which low risk and special interest rate, which is higher than the market rate and received interest income for the amount of 15 million Baht. In addition the Company had cash received on sales long-term investment the amount of 27 million Baht.
3. Cash flows from financial activities had the amount of 80 million Baht. It was mainly from the company paid dividend to common shares and preferred shares.

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 2019, 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 2019, 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 matter

Financial statements of Crown Seal Public Company Limited as at 31 December 2018 was audited by another auditor who expressed an unqualified opinion thereon under report dated 21 February 2019.

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.

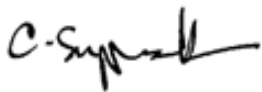
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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: 26 February 2020

Crown Seal Public Company Limited

Statement of financial position

As at 31 December 2019

	Note	2019	2018
(Unit: Baht)			
Assets			
Current assets			
Cash and cash equivalents	7	145,176,146	294,507,223
Current investments	8	981,993,710	710,640,733
Trade and other receivables	6, 9	505,454,604	479,821,709
Inventories	10	571,196,996	579,912,571
Other current assets		9,068,741	7,883,234
Total current assets		2,212,890,197	2,072,765,470
Non-current assets			
Long-term investments	11	10,296,738	18,045,872
Investment properties	12	666,300,000	666,300,000
Property, plant and equipment	13	1,469,796,952	1,394,575,208
Intangible assets	14	3,676,433	3,639,529
Other non-current assets		3,947,846	4,049,874
Total non-current assets		2,154,017,969	2,086,610,483
Total assets		4,366,908,166	4,159,375,953

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

Crown Seal Public Company Limited

Statement of financial position (continued)

As at 31 December 2019

		(Unit: Baht)	
	Note	2019	2018
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	6, 16	396,751,103	507,091,132
Rental received in advance to be recognised			
within one year	6	992,608	992,608
Corporate income tax payable		25,584,690	12,242,589
Other current liabilities		15,747,803	10,350,809
Total current liabilities		439,076,204	530,677,138
Non-current liabilities			
Rental received in advance - net of			
current portion	6	10,422,384	11,414,992
Deferred tax liabilities	23	71,093,129	67,642,688
Provision for long-term employee benefits	17	205,057,424	176,963,407
Total non-current liabilities		286,572,937	256,021,087
Total liabilities		725,649,141	786,698,225

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

Crown Seal Public Company Limited
Statement of financial position (continued)
As at 31 December 2019

		(Unit: Baht)	
	Note	2019	2018
Shareholders' equity			
Share capital			
Registered			
799,258 non-cumulative preferred shares of Baht 10 each	18	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	19	52,800,000	52,800,000
Unappropriated		2,612,376,719	2,343,795,422
Other components of shareholders' equity		61,274,263	61,274,263
Total shareholders' equity		<u>3,641,259,025</u>	<u>3,372,677,728</u>
Total liabilities and shareholders' equity		<u>4,366,908,166</u>	<u>4,159,375,953</u>

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

Crown Seal Public Company Limited

Income statement

For the year ended 31 December 2019

		(Unit: Baht)	
	Note	2019	2018
Revenues			
Sales	6	2,948,020,634	2,686,400,444
Service income	6	188,954,042	154,184,663
Increase in fair value of investment properties	12	-	193,000,000
Other income	21	213,934,906	157,705,606
Total revenues		<u>3,350,909,582</u>	<u>3,191,290,713</u>
Expenses			
Cost of sales		2,487,909,117	2,339,268,179
Cost of service		150,535,297	121,636,723
Selling and distribution expenses		66,212,190	75,053,530
Administrative expenses		225,169,511	213,255,294
Loss on diminution in value of long-term investment	11	-	29,631,453
Total expenses		<u>2,929,826,115</u>	<u>2,778,845,179</u>
Profit before income tax expense		421,083,467	412,445,534
Income tax expense	23	(72,103,283)	(82,251,846)
Profit for the year		<u>348,980,184</u>	<u>330,193,688</u>
Earnings per share			
24			
Basic earnings per share			
Profit for the year		<u>6.71</u>	<u>6.35</u>
Diluted earnings per share			
Profit for the year		<u>6.61</u>	<u>6.25</u>

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

Crown Seal Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2019

		(Unit: Baht)	
	Note	2019	2018
Profit for the year		348,980,184	330,193,688
Other comprehensive income:			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>		-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Surplus on revaluation of assets - net of income tax	23	-	35,040,000
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	35,040,000
Other comprehensive income for the year		-	35,040,000
Total comprehensive income for the year		348,980,184	365,233,688

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

Crown Seal Public Company Limited

Statement of cash flows

For the year ended 31 December 2019

	(Unit: Baht)	
	2019	2018
Cash flows from operating activities		
Profit before tax	421,083,467	412,445,534
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	34,778,456	18,034,359
Depreciation and amortisation	170,764,114	167,964,510
Loss on diminution in value of long-term investment	-	29,631,453
Gain on sales of long-term investment	(18,944,390)	-
Increase in fair value of investment properties	-	(193,000,000)
Loss on write off of equipment	9,088,503	-
Loss on sales of equipment	1,493,486	8,127,661
Long-term employee benefits expense	44,427,790	9,051,824
Interest income	(15,372,457)	(12,498,320)
Unrealised loss on exchange	1,454,495	1,303,472
Profit from operating activities before changes in operating assets and liabilities	648,773,464	441,060,493
Decrease (increase) in operating assets		
Trade and other receivables	(25,106,921)	(88,120,488)
Inventories	(26,062,880)	(159,986,807)
Other current assets	(1,255,030)	5,399,493
Other non-current assets	(65,887)	514,023
Increase (decrease) in operating liabilities		
Trade and other payables	(85,557,938)	124,067,605
Other current liabilities	5,399,921	(2,443,603)
Rental received in advance	(992,608)	(992,608)
Cash paid for long-term employee benefits	(16,333,772)	(8,941,133)
Cash flows from operating activities	498,798,349	310,556,975
Cash paid for corporate income tax	(55,310,741)	(49,701,493)
Net cash flows from operating activities	443,487,608	260,855,482

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

Crown Seal Public Company Limited
Statement of cash flows (continued)
For the year ended 31 December 2019

	(Unit: Baht)	
	2019	2018
Cash flows from investing activities		
Increase in current investments	(271,352,977)	(280,399,593)
Acquisitions of equipment	(319,825,120)	(238,851,978)
Cash received on sales long-term investment	26,693,523	-
Proceeds from sales of equipment	39,641,766	2,297,946
Increase in intangible assets	(2,354,000)	(1,432,938)
Interest income	15,040,123	11,801,455
Net cash flows used in investing activities	(512,156,685)	(506,585,108)
Cash flows from financing activities		
Dividends paid	(80,398,887)	(80,399,982)
Net cash flows used in financing activities	(80,398,887)	(80,399,982)
Net decrease in cash and cash equivalents	(149,067,964)	(326,129,608)
Effect of exchange rate on cash and cash equivalents	(263,113)	(13,691)
Cash and cash equivalents at beginning of year	294,507,223	620,650,522
Cash and cash equivalents at end of year (Note 7)	145,176,146	294,507,223

Supplemental cash flows information

Non-cash transactions: -

Revaluation increase in land	-	43,800,000
Payables for purchases of machinery	24,641,878	49,348,008

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

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Moving Towards 50th Years

Crown Seal Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2019

(Unit: Baht)

	Note	Issued and paid-up share capital		Premium on shares		Retained earnings		Other components of equity	Total shareholders' equity
		Preferred shares	Ordinary shares	Preferred shares	Ordinary shares	Appropriated- statutory reserve	Unappropriated	Other comprehensive income - Surplus on revaluation of assets	
Balance as at 1 January 2018		7,999,880	520,000,120	49,209,704	337,598,339	52,800,000	2,094,001,716	26,234,263	3,087,844,022
Profit for the year		-	-	-	-	-	330,193,688	-	330,193,688
Other comprehensive income for the year		-	-	-	-	-	-	35,040,000	35,040,000
Total comprehensive income for the year		-	-	-	-	-	330,193,688	35,040,000	365,233,688
Shares options exercised	18	(7,300)	7,300	(44,905)	44,905	-	-	-	-
Dividends paid	27	-	-	-	-	-	(80,399,982)	-	(80,399,982)
Balance as at 31 December 2018		<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>2,343,795,422</u>	<u>61,274,263</u>	<u>3,372,677,728</u>
Balance as at 1 January 2019		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	27	-	-	-	-	-	(80,398,887)	-	(80,398,887)
Balance as at 31 December 2019		<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>

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

Crown Seal Public Company Limited

Notes to financial statements

For the year ended 31 December 2019

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. The ultimate company of the Group is 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 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. 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:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's financial statements.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve 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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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

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 using similar principles to those used under TAS 17.

The management of the Company is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 Revenue 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.

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 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.

4.8 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

4.9 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.

4.10 Long-term leases

Leases of 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 the income statement on a straight-line basis over the lease term.

4.11 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.

4.12 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment 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 the income statement. 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.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.13 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.

4.14 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.

4.15 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.

4.16 Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translations are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

4.17 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.

5. 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 doubtful accounts

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

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.

Allowance for diminution in value of investments

The Company treats other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

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.

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are 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.

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.

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 (bank and counterparty, both) 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.

6. 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)

	2019	2018	Pricing policy
<u>Transactions with related companies</u>			
Sales of caps	1,002,779	830,638	Cost plus margin
Service income from printing sheets	184,862	151,314	Cost plus margin
Rental income	2,229	2,261	Contract price
Sale of long-term investment	16,016	-	Carrying value
Sales of equipment, spare parts and raw materials	5,229	1,330	Price charged to other customers in the normal course of business
Sale of machine used for generating the electricity	40,322	1,018	At cost
Administrative income	11,499	11,084	Contract price
Purchases of raw materials, finished goods and spare parts	64,889	19,614	Cost plus margin
Purchases of equipments and machinery	23,475	18,971	Cost plus margin
Royalty fee expense	15,788	15,025	A percentage of net sales of each product
Claim payment for damaged goods	1,299	7,307	At cost
Dividends paid	51,984	51,984	As declared

Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	2019	2018
Short-term employee benefits	25,569	21,761
Post-employment benefits	330	279
Total	25,899	22,040

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related parties are as follows.

	(Unit: Thousand Baht)	
	2019	2018
Trade accounts receivable - related parties	132,581	133,355
Other receivables - related parties	8,234	6,630
Trade accounts payable - related parties	16,124	5,978
Other payables - related parties	12,038	7,626
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	10,422	11,415

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 2019 and 2018 totaled Baht 0.4 million each. As at 31 December 2019, 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, ending in May 2020, with compensation totalling Baht 4 million and payable on a yearly basis.
- 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 2019 and 2018 totaled Baht 10 million each, payable on a monthly basis.

The Company extended the agreements to provide the above services for a period of one year, ending in December 2020, with compensation amounting to 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 2019 and 2018 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.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	2019	2018
Cash	164	182
Bank deposits	145,012	294,325
Total	145,176	294,507

As at 31 December 2019, bank deposits in savings accounts and fixed deposits carried interests between 0.10% and 0.70% per annum (2018: between 0.10% and 1.00% per annum).

8. Current investments

As at 31 December 2019, short-term deposits with financial institutions carried interest between 0.60% to 1.62% per annum (2018: 1.15% to 1.45% per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	2019	2018
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Not yet due	92,357	90,782
Past due		
Up to 3 months	40,224	42,573
Total trade accounts receivable - related parties	132,581	133,355
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	253,049	256,754
Past due		
Up to 3 months	100,591	69,514
3 - 6 months	5,874	-
6 - 12 months	217	-
Total trade accounts receivable - unrelated parties	359,731	326,268
<u>Other receivables - related parties</u>		
Accrued income	8,234	6,630
Total other receivables - related parties	8,234	6,630
<u>Other receivables - unrelated parties</u>		
Advances	1,467	1,951
Compensation received from suppliers	250	6,540
Receivable from scrap sales	1,202	3,404
Others	1,990	1,674
Total other receivables - unrelated parties	4,909	13,569
Total trade and other receivables	505,455	479,822

10. Inventories

(Unit: Thousand Baht)

	2019			2018		
	Cost	Reduce cost to net realisable value	Inventories-net	Cost	Reduce cost to net realisable value	Inventories-net
Finished goods	190,319	(18,844)	171,475	156,227	(11,846)	144,381
Work in process	179,956	(1,483)	178,473	193,419	(11,169)	182,250
Raw materials	184,666	(2,702)	181,964	192,701	(3,975)	188,726
Goods in transit	23,216	(4,044)	19,172	37,390	(1,570)	35,820
Spare parts	20,113	-	20,113	28,736	-	28,736
Total	598,270	(27,073)	571,197	608,473	(28,560)	579,913

During the current year, the Company reduced cost of inventories by Baht 34.78 million (2018: Baht 18.03 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 36.27 million (2018: Baht 23.57 million) resulting from inventories destructions.

11. Long-term investments

(Unit: Thousand Baht)

Companies	Nature of business	Shareholding percentage (%)	2019	2018
PT. Indonesia Caps and Closures	Produce and distribute packaging caps for beverages	12.08	-	37,381
Bangkok Can Manufacturing Co., Ltd.	Produce and distribute cans	1.61	9,494	9,493
Muang-Ake Golf Co., Ltd.	Golf club service	0.08	180	180
Muang-Ake Vista Golf Course Co., Ltd.	Golf club service	0.06	350	350
Total cost			10,024	47,404
Less: Allowance for diminution in value of investment in PT. Indonesia Caps and closures			-	(29,631)
Investments in non-marketable equity securities - net			10,024	17,773
Equity securities - Available-for-sales			273	273
Long-term investments - net			10,297	18,046

On 5 November 2019, the Board of Directors Meeting No. 5/2019 passed a resolution approving the sale of all 14,375 shares of PT. Indonesia Caps and Closures to a related company and a company at a price of USD 61.26 per share (Baht 1,837.36 per share), totaling Baht 26 million. A gain on sale of investment of Baht 19 million has been included in other income for 2019.

12. Investment properties

(Unit: Thousand Baht)

	2019			
	Allocated land and construction			Total
	Land for rent	thereon	Vacant land	
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)

	2018			
	Allocated land and construction			Total
	Land for rent	thereon	Vacant land	
Book value at beginning of year	172,000	157,700	143,600	473,300
Increase in fair value	68,100	2,400	122,500	193,000
Book value at end of year	240,100	160,100	266,100	666,300
Rental income for the year	1,403	-	-	1,403
Expense				149

Future rental income to be derived from investment properties will be as follow:

(Unit: Thousand Baht)

	2019	2018
Within 1 year	993	993
Over 1 and up to 5 years	3,972	3,972
Over 5 years	6,450	7,443

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. As a result of revaluation, the fair value of investment properties increased by totaling Baht 193 million which was presented as income in 2018 income statement. In 2019, the fair value of investment properties remained unchanged.

13. 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	
Cost / Revalued amount							
1 January 2018	99,000	451,469	2,523,168	91,769	8,015	241,377	3,414,798
Additions	-	-	28,687	4,508	-	234,096	267,291
Revaluation increase	43,800	-	-	-	-	-	43,800
Disposals	-	(961)	(44,893)	(1,736)	(65)	(2,454)	(50,109)
Transfers in (out)	-	5,207	251,644	6,604	-	(263,805)	(350)
31 December 2018	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
Accumulated depreciation							
1 January 2018	-	318,697	1,758,977	69,941	7,631	-	2,155,246
Depreciation for the year	-	13,273	139,081	12,827	115	-	165,296
Depreciation on disposals	-	(954)	(37,152)	(1,516)	(65)	-	(39,687)
31 December 2018	-	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
Net book value							
31 December 2018	142,800	124,699	897,700	19,893	269	209,214	1,394,575
31 December 2019	142,800	119,363	1,004,688	17,034	154	185,757	1,469,796
Depreciation for the year							
2018 (Baht 160 million included in manufacturing cost, and the balance in administrative expenses)							165,294
2019 (Baht 164 million included in manufacturing cost, and the balance in administrative expenses)							168,279

The Company had its land revalued in 2018 by an independent appraiser using sales comparison approach to determine the fair value. The fair value of land increased by Baht 43.80 million which was effective since 28 November 2018.

The historical cost of land was Baht 63.3 million.

As at 31 December 2019, 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 1,647 million (2018: Baht 1,423 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 2019 was Baht 48 million (2018: Baht 11 million).

14. Intangible assets

	(Unit: Thousand Baht)	
	2019	2018
Computer software		
Cost - at beginning of year	52,856	51,082
Acquisition	2,354	1,433
Transfer in	-	350
Write-off	(400)	(9)
Cost - at end of year	54,810	52,856
Accumulated amortisation - at beginning of year	49,216	46,801
Amortisation for the year	2,318	2,424
Amortisation for write-off	(400)	(9)
Accumulated amortisation - at end of year	51,134	49,216
Intangible assets - net	3,676	3,640

15. 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 2019 and 2018 totaled Baht 175 million, which have not been drawn down. Such loan facilities are unsecured.

16. Trade and other payables

	(Unit: Thousand Baht)	
	2019	2018
Trade accounts payables - related parties	16,124	5,978
Trade accounts payables - unrelated parties	290,247	393,654
Other payables - related parties	12,038	7,626
Other payables - unrelated parties		
Other payables	45,113	60,411
Accrued expenses	33,229	39,422
Total trade and other payables	396,751	507,091

17. Provision for long-term employee benefits

	(Unit: Thousand Baht)	
	2019	2018
Post-employment benefits (Defined contribution plans)	41,994	47,846
Post-employment benefits (Defined benefit plans)	144,018	108,079
Other long-term employee benefits	19,045	21,037
Total	205,057	176,963

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)	
	2019	2018
Provision for long-term employee benefits at beginning of year	108,080	106,852
Included in the income statement:		
Current service cost	5,982	4,852
Interest cost	3,020	2,496
Past service cost	33,732	-
Benefits paid during the year	(6,796)	(6,120)
Provision for long-term employee benefits at end of year	144,018	108,080

On 5 April 2019, 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 recognising past service costs as administrative expenses in the income statement of the year 2019.

The Company expects to pay Baht 8.1 million of post-employment benefits (Defined benefit plans) during the next year (2018: Baht 10.9 million).

As at 31 December 2019, the weighted average duration of the liabilities for post-employment benefits (Defined benefit plans) is 6 years (2018: 6 years).

Significant actuarial assumptions are summarised below.

	2019	2018
	(% per annum)	(% per annum)
Discount rate	2.75	2.75
Salary increase rate	5.00	5.00
Employee turnover rate	9.00	9.00

The result of sensitivity analysis for significant assumptions that affect the present value of the post-employment benefits (Defined benefit plans) as at 31 December 2019 and 2018 are summarised below:

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

31 December 2018				
	Increase	Effect to obligation	Decrease	Effect to obligation
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Discount rate	0.5	(2,849)	0.5	3,009
Salary increase rate	1.0	8,011	1.0	(7,277)

18. 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.

On 31 October 2018, the Annual General Meeting of shareholders approved the issue of 730 ordinary shares at an issue price of Baht 10 per share for the conversion of preferred shares to ordinary shares. The Company registered the conversion shares with the Ministry of Commerce on 13 November 2018.

As at 31 December 2019 and 2018, 799,258 preferred shares remained unexercised.

19. 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.

20. 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.

21. Other income

(Unit: Thousand Baht)

	2019	2018
Income from sales of scrap metal and spareparts	98,761	106,199
Administrative income	11,499	11,084
Rental income	2,229	2,261
Interest income	15,372	12,498
Gain on exchange	4,458	2,686
Indemnity	42,322	-
Gain on sale of long-term investment	18,944	-
Others	20,350	22,978
Total	<u>213,935</u>	<u>157,706</u>

During the year 2018, inventories of Baht 54 million were damaged by accident in factory. The Company recorded loss of Baht 42 million from damage (net of scrap sales), as part of administrative expenses. During the year 2019, the Company received indemnity of Baht 42 million.

22. Expenses by nature

Significant expenses by nature are as follows.

(Unit: Thousand Baht)

	2019	2018
Raw materials and consumables used	1,688,756	1,711,414
Salary, wages and other employee benefits	573,276	485,025
Depreciation and amortisation	170,790	167,965
Repair and maintenance expenses	106,384	115,351
Loss on write off of inventories	-	42,322
Loss on diminution in value of inventories	34,778	18,034
Freight-out expense	33,960	29,027
Royalty fee	15,788	15,025
Changes in inventories of finished goods and work in process	(20,629)	(52,491)

23. Income tax expense / Deferred tax liabilities

Income tax expense for the years ended 31 December 2019 and 2018 was made up as follows:

(Unit: Thousand Baht)

	2019	2018
Current income tax:		
Current income tax charge	68,601	49,586
Adjustment in respect of income tax of previous year	52	74
Deferred tax:		
Relating to origination and reversal of temporary differences	3,450	32,592
Income tax expense reported in the income statement	72,103	82,252

Tax reconciliation between accounting profit and income tax expense was shown below.

(Unit: Thousand Baht)

	2019	2018
Accounting profit before tax	421,083	412,446
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	84,217	82,489
Adjustment in respect of income tax of previous year	52	74
Effects of:		
Non-deductible expenses	9,239	19,157
Additional expense deductions allowed	(24,855)	(52,059)
Others	3,450	32,591
Total	(12,166)	(312)
Income tax expense reported in the income statement	72,103	82,252

Income tax recognised in other comprehensive income for the years was as follow:

(Unit: Thousand Baht)

	2019	2018
Land revaluation increase	-	43,800
Less: Tax expense	-	(8,760)
Net of income tax	-	35,040

The components of deferred tax assets and deferred tax liabilities were as follows:

(Unit: Thousand Baht)

	2019	2018
Allowance for diminution in value of inventories	5,415	5,712
Provision for long-term employee benefits	32,613	25,823
Rental received in advance	2,084	2,284
Others	2,785	10,691
Total deferred tax assets	42,897	44,510
Depreciation and amortisation	(34,519)	(32,682)
Gain on change in the value of investment properties	(64,152)	(64,152)
Revaluation surplus on land	(15,319)	(15,319)
Total deferred tax liabilities	(113,990)	(112,153)
Deferred tax liabilities - net	(71,093)	(67,643)

24. 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 the year		Weighted average number of ordinary shares		Earnings per share	
	2019	2018	2019	2018	2019	2018
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit for the year	348,980	330,194	52,001	52,001	6.71	6.35
Effect of dilutive potential ordinary shares						
Convertible preferred shares	-	-	799	799		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion to ordinary shares	348,980	330,194	52,800	52,800	6.61	6.25

25. 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 2019 and 2018.

(Unit: Thousand Baht)

	Manufacture and sale of caps		Hire of printing sheets for can		Total	
	2019	2018	2019	2018	2019	2018
Sales and service income	2,948,021	2,686,401	188,954	154,185	3,136,975	2,840,586
Operating results						
Segment profit	493,959	379,587	37,119	31,239	531,078	410,826
Unallocated income and expenses						
Financial income					15,372	12,498
Increase in fair value of investment properties					-	193,000
Other income					99,802	39,008
Administrating expenses					(225,169)	(213,255)
Loss on diminution in value of long-term investments					-	(29,631)
Profit before income tax expense					421,083	412,446
Income tax expense					(72,103)	(82,252)
Profit for the year					348,980	330,194

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 2019, the Company has revenue from three major customers in amount of Baht 1,241 million (2018: Baht 1,028 million), arising from sales of caps segment.

26. 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 2019 amounted to Baht 20.7 million (2018: Baht 19.8 million).

27. Dividends paid

Approved by		Total dividends	Dividend per preferred share	Dividend per ordinary share
		(Thousand Baht)	(Baht)	(Baht)
Final dividends for 2017	Annual General Meeting of shareholders on 25 April 2018	80,400	3.00	1.50
Total dividends for 2018		80,400	3.00	1.50
Final dividends for 2018	Annual General Meeting of shareholders on 19 April 2019	80,400	3.00	1.50
Total dividends for 2019		80,400	3.00	1.50

28. Commitments and contingent liabilities

As at 31 December 2019 and 2018, 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 raw materials, spare parts and service hiring, and capital expenditures, as follows:

(Unit: Million)		
Currencies	2019	2018
Baht	35.34	91.96
Japanese yen	13.59	-
Euro	0.97	1.52

- b) The Company has bank guarantees of Baht 10.2 million (2018: Baht 10.4 million) issued by a bank on behalf of the Company. Letters of guarantees are to guarantee electricity usage of Baht 9.9 million (2018: Baht 9.9 million) and the purchase-sell agreements with a state agency of Baht 0.3 million (2018: Baht 0.5 million).

29. Financial instruments

29.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, trade and other payables. 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 and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statements of financial position.

b) Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits at financial institutions. However, since most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Million Baht)

	31 December 2019			
	Fixed interest rates maturity within 1 year	Floating interest rates	Non-interest bearing	Interest rates (% per annum)
Financial assets				
Cash and cash equivalents	104	41	-	0.04 - 0.70
Current investments	982	-	-	0.60 - 1.62
Trade and other receivables	-	-	505	-
Financial liabilities				
Trade and other payables	-	-	397	-

(Million Baht)

31 December 2018

	Fixed interest rates maturity within 1 year	Floating interest rates	Non-interest bearing	Interest rates (% per annum)
Financial assets				
Cash and cash equivalents	282	13	-	0.04 - 1.00
Current investments	711	-	-	1.15 - 1.45
Trade and other receivables	-	-	480	-
Financial liabilities				
Trade and other payables	-	-	507	-

c) Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange 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.

31 December 2019

Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Average exchange rate (Baht per 1 foreign currency unit)
US dollar	3.80	1.85	30.20 - 30.42
Japanese yen	-	78.53	28.25
Euro	-	0.21	34.25
Pound sterling	-	0.01	40.34

31 December 2018

Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Average exchange rate (Baht per 1 foreign currency unit)
US dollar	3.36	2.70	32.61 - 32.93
Japanese yen	-	20.19	29.52
Euro	-	1.03	37.64
Pound sterling	-	0.06	41.69
Swedish Krona	-	0.04	3.65

Forward exchange contracts outstanding are summarised below.

31 December 2019					
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought amount (Baht per 1 foreign currency unit)	Sold amount	
US dollar	-	0.25	-	30.28 - 30.34	20/01/2020 - 31/01/2020
Yen	51.46	-	27.80 - 27.96	-	31/01/2020 - 28/02/2020

31 December 2018					
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought amount (Baht per 1 foreign currency unit)	Sold amount	
US dollar	1.51	0.11	32.70 - 32.92	33.02 - 33.30	10/01/2019 - 08/02/2019 (Sold) 18/01/2019 - 31/01/2019 (Bought)
Yen	3.38	-	29.15	-	31/01/2019

29.2 Fair value 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 statements of financial position.

30. 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 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Long-term investments	-	-	9	9
Investment properties	-	653	13	666
Land	-	-	143	143

(Unit: Million Baht)

	31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Long-term investments	-	-	17	17
Investment properties	-	653	13	666
Land	-	-	143	143

31. 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 2019, the Company's debt-to-equity ratio was 0.2:1 (2018: 0.2:1).

32. Event after the reporting period

On 26 February 2020, 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 2020 to adopt a resolution to pay a dividend of Baht 3.9 per share for ordinary shareholders and Baht 5.4 per share for preferred shareholders, or a total of Baht 207 million, to the shareholders in respect of the 2019 profit. Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2020.

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) 974-1115



ฝาจับ (Crown Cap)



ฝาเกลียวกันปลอม (Pilfer-Proof Cap)



ฝาวงแหวนแมกซ์แคป (Maxi Cap)



ฝาวงแหวนแมกซ์พี (Maxi-P)



ฝาวงแหวนแมกซ์คราวน์ (Maxi Crown)



ฝาคอมโพสิต (Composite Cap)



ฝาพลาสติก (Plastic Cap)



เครื่องฉีกฝาจุกจับแบบคันทันโยก (Hand-Crowner)



เครื่องฉีกฝาแมกซ์ (Maxi Crimping Machine)



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