

The logo for SERMSUK, featuring the word "SERMSUK" in white capital letters inside a blue and green oval shape.

SERMSUK

The title "FULFILL HAPPINESS" is written in large, bold, sans-serif capital letters. "FULFILL" is in blue with a white outline, and "HAPPINESS" is in green with a white outline. The background is a light blue sky with clouds, birds, and colorful teardrop shapes.

FULFILL HAPPINESS

ANNUAL REPORT 2020

SERMSUK PUBLIC COMPANY LIMITED

Contents

02	Message from the Chairman	126	Connected Transactions
04	Board of Directors	140	Financial Data and Financial Statements
08	Executive Committee Members	149	Management Discussion and Analysis: MD&A
10	Executives	154	Report of the Board of Director's Responsibility for the Financial Statements
12	Product Portfolio	155	Report of the Audit Committee
14	Corporate Social Responsibility Activities	156	Report of the sustainability and Risk Management Committee
44	Policy and Business Overview	157	Report of the Nominating and Remuneration Committee
56	Business Operations	158	Report of the Corporate Governance Committee
60	Risk Factors	159	Report of the Executive Committee
66	Basic Information	160	Independent Auditor's Report and Financial Statements
67	Share Capital and Shareholders	275	Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary
68	Dividend Payment Policy		
69	Management Structure		
89	Corporate Governance		
120	Corporate Social Responsibility (CSR)		
125	Internal Control and Risk Management		

Investors can review listed companies' financial statement in the Annual Report and SEC filing (Form 56-1) as shown on www.sec.or.th

Message from the Chairman

In 2021, Sermasuk will continue to expand our channels to reach more consumers and develop and distribute new products for the health and well-being of consumers to take advantage of today's trends. Our ultimate goal is to maintain positive performance results and sustainable profit growth.

Somchai Bulsook

Chairman

Dear Fellow Shareholders:

The year 2020 was very challenging, not only for Sermasuk, but for people and economies worldwide. The COVID-19 pandemic has had lingering impact from the beginning of the year right up until today. This led to changes in how people do business and having to adapt to the “new normal” lifestyle.

As the impact of the COVID-19 pandemic became obvious, Sermasuk adjusted the way we manage distribution and supply so our products would remain available in sufficient quantities for consumers. To ensure that our products reached all communities, we added more distribution points including mobile units, along with new sales channels near housing estates to make sure that people did not have to risk traveling far from their homes to buy our products, especially Crystal drinking water. At the same time, these measures reduced costs for both consumers and the Company. Sermasuk also put priority on our employees who delivered products to consumers and retail stores. By introducing strict health and safety measures, we were able to reduce concerns about the pandemic and boost the confidence of consumers and other stakeholders.

In addition to adjusting our business plan, Sermasuk followed key strategies to help sustain growth during the COVID-19 situation and bounce back stronger by delivering products in the right size as demanded by each consumer segment.



We not only increased our focus on selling more beverages in returnable glass bottles, which helped in terms of cost and recyclability while being an eco-friendly option, we also concentrated on the most profitable sales channels such as traditional trade and restaurants throughout the country. Furthermore, we continued on a profit-oriented cost reduction strategy which helped Sermasuk boost efficiency in every business unit.

The Company also developed and distributed a variety of products to respond to the healthy lifestyle trend and the “new normal” imposed by COVID-19. This included low-sugar products as well as products for better well-being. In addition, Sermasuk strengthened our marketing and sales efforts for Crystal Drinking Water.

In 2021, Sermasuk will continue to expand our channels to reach more consumers and develop and distribute new products for the health and well-being of consumers to take advantage of today’s trends. Our ultimate goal is to maintain positive performance results and sustainable profit growth.

Lastly, I would like to thank our company directors, management team, and all of our employees for their dedication and cooperation in “fulfilling happiness” for our consumers.



Board of Directors



Mr. Somchai Bulsook

- Chairman
- Chairman of Corporate Governance Committee



Mr. Suchin Wanglee

- Vice Chairman No.1
- Independent Director
- Chairman of Nominating and Remuneration Committee
- Member of Audit Committee



Mr. Ueychai Tantha-Obhas

- Vice Chairman No.4
- Vice Chairman of Executive Committee No.1
- Member of Corporate Governance Committee



Prof. Dr. Khunying Suchada Kiranandana

- Independent Director
- Chairman of Audit Committee
- Chairman of Sustainability and Risk Management Committee



Mr. Chotiphat Bijananda

- Vice Chairman No.2



Mr. Thapana Sirivadhanabhakdi

- Vice Chairman No.3
- Chairman of Executive Committee
- Member of Nominating and Remuneration Committee
- Member of Sustainability and Risk Management Committee



Adjunct Prof. Rawat Chamchalerm

- Independent Director



Mrs. Siripen Sitasuwan

- Independent Director
- Member of Audit Committee
- Member of Sustainability and Risk Management Committee



Mr. Pramoad Phornprapha

- Independent Director
- Member of Corporate Governance Committee
- Member of Nominating and Remuneration Committee
- Member of Sustainability and Risk Management Committee



Mr. Sithichai Chaikriangkrai

- Director
- Vice Chairman of Executive Committee No.2
- Member of Sustainability and Risk Management Committee



Mr. Dhitivute Bulsook

- Director
- Vice Chairman of Executive Committee No. 3
- Member of Sustainability and Risk Management Committee



Mrs. Tongjai Thanachanan

- Director



Mr. Sakchai Thanaboonchai

• Director



Mr. Rangsan Thammanee Wong

• Director



Mr. Kosit Suksingha

- Director
- Member of Sustainability and Risk Management Committee
- Member of Executive Committee
- President

Remark

Mr. Kosit Suksingha has been appointed as the Director, Member of Sustainability and Risk Management Committee, Member of Executive Committee and President replacing Mr. Lester Tan Teck Chuan, the resigned director on October 1, 2020.

Executive Committee Members



Mr. Thapana Sirivadhanabhakdi
• Chairman of Executive Committee



Mr. Ueychai Tantha-obhas
• 1st Vice Chairman of Executive Committee



Mr. Kosit Suksingha
• Executive Committee Member / President

Remark

Mr. Kosit Suksingha has been appointed as the Director, Member of Sustainability and Risk Management Committee, Member of Executive Committee and President replacing Mr. Lester Tan Teck Chuan, the resigned director on October 1, 2020.



Mr. Phromson Ayanaputra
• Executive Committee Member



Mr. Sithichai Chaikriangkrai
• 2nd Vice Chairman of Executive Committee



Mr. Dhitivute Bulsook
• 3rd Vice Chairman of Executive Committee

Executives



Mr. Kosit Suksingha

• President

Remark

Mr. Kosit Suksingha has been appointed as the Director, Member of Sustainability and Risk Management Committee, Member of Executive Committee and President replacing Mr. Lester Tan Teck Chuan, the resigned director on October 1, 2020.



Mrs. Prangnee Chaipidej

• Marketing Director



Mr. Kwanchai Mahapornprachak

• National Sales Director



Ms. Rewadee Chaihetphon

• Finance Director



Mr. Nitipat Putthong

• Human Capital Director



Mr. Thepsiri Phengtieng
• Acting Supply Chain Director



Mr. Thanee Pornphisutsak
• Production Director



Mr. Pongwit Sumethmethachai
• Group Commercial Support Director



Mr. Thosaphol Maneerat
• Acting Sales Director R1 / R2 / R3 / R4



Mr. Vinij Thawilpaibul
• Sales Director R5 / R6 / R7 / R8

Product Portfolio



est Cola



est Free



est PLAY Strawberry



est PLAY Cream Soda



est PLAY Honey Lemon



est PLAY Orange



est PLAY Lemon Lime



est PLAY Grapeberry



est PLAY Melon Bingsu



est PLAY Pinkbomb



est PLAY Kamikaze



Crystal



Oishi



Oishi Chakulza



Jubjai



Sarsi



100PLUS



V-Boost



Rock Mountain



Ranger



Power Plus

Corporate Social Responsibility Activities for Sustainable Development



**Corporate Social Responsibility
Activities for Sustainable Development
Sermsuk Public Company Limited 2020**

Mission:

Sernsuk Fulfills Happiness and Strives to Achieve Stable and Sustainable Development

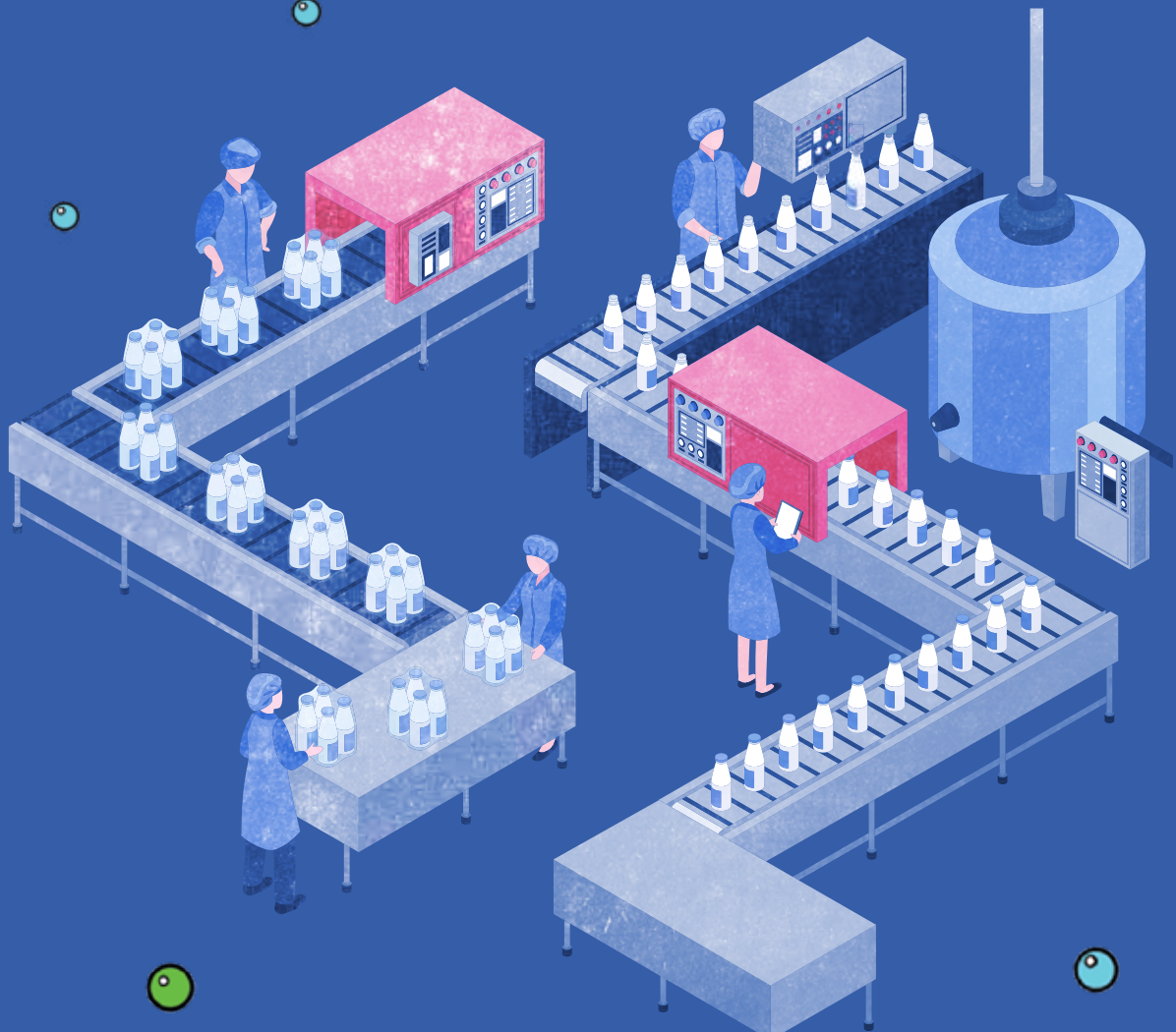


Sernsuk Public Company Limited pledges to carry out business with relentless commitment to social responsibility and environmental stewardship in pursuit of achieving maximum economic value and fostering a strong relationship between the Company and all stakeholders in accordance with the Sufficiency Economy Philosophy of His Majesty King Bhumibol Adulyadej the Great. The Company also commits itself to operating with adherence to and in support of the United Nations Sustainable Development Goals (UNSDGs).

In the wake of the unprecedented critical challenges as well as constantly-changing global trends and circumstances in 2020, Sernsuk closely monitored all situations and swiftly adjusted its strategies to handle the changing scenarios effectively. In particular, amid the COVID-19 pandemic which has had far-reaching consequences on the Company and all stakeholders, Sernsuk strived to adjust its business models and services to fit the New Normal environment and to create greater public confidence. To accomplish the goals, Sernsuk has taken indefinite care to ensure maximum food safety in every stage of production and to offer uninterrupted logistics and product distribution, enabling the Company to accommodate the demands of consumers adequately and effectively. Operational readiness and effective business execution ensure that despite any emerging challenges or uncertainties, Sernsuk is set to continue to achieve the Sustainable Development Goals.

Sernsuk's continued commitment to social responsibility to achieve sustainable development in 2020 resulted in the Company being recognized with the CSR-DIW continuous Award 2020 for the 12th consecutive year from the Department of Industrial Works, Ministry of Industry. The awards ceremony was presided over by Director-General of Department of Industrial Works on November 17, 2020. All the five plants of Sernsuk have joined the CSR-DIW (Corporate Social Responsibility, Department of Industrials Works) since 2009. The CSR-DIW Continuous Award recognizes the industrial entrepreneurs' commitment to social responsibility in alignment with the sustainable development approach encompassing the economic, social, and environmental aspects through seven areas: organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development. The attainment of the award helps earn the industrial entrepreneurs trust, confidence, and acceptance from the public and all groups of stakeholders, leading to harmonious coexistence among them. This is in line with the Company's mission: Sernsuk Fulfills Happiness.





The Economic Aspect

Sermsuk has given top priority to safety and quality of products, constantly developing and delivering a diverse range of products to accommodate the growing needs of consumers. As a subsidiary of ThaiBev, Sermsuk has utilized the synergistic efforts of the Company and ThaiBev such as know-how and innovations to drive strong growth in the beverage industry and expand the business continuously.





Launch of a new production line of V-Boost at Ranger energy drink production facilities

Today's trend toward more health-conscious eating has resulted in many consumers opting for healthier choices of food and beverages such as low-sugar, sugar-free, or low-calorie drinks. To increase its competitive edge in the functional carbonated soft drink market, Sermsuk, as a subsidiary of ThaiBev, launched a new production line of V-Boost vitamin C drink at the production facilities of Ranger energy drink in Nakhon Pathom. V-Boost vitamin C drink offers twice the benefits of beta glucan and vitamin C and contains the optimum sugar content as required by the Healthier Choice nutritional logo.



Expansion of the production capacity of Crystal drinking water in Ubon Ratchathani in an environmentally-friendly production line that integrates the latest advanced machinery from Germany and automation technology from BevTech Co., Ltd.

In response to the growing demand for Crystal drinking water in the northeast of Thailand, Sermsuk has added a new production line in Amphoe Sawang Wirawong, Ubon Ratchathani, expanding the production capacity of Crystal by 1.2 million crates per month. The new production line demonstrates Sermsuk's commitment to make customers happy and deliver refreshments by expanding the capacity output of Crystal to address demand throughout the country, especially the Lower Northeast (R3). The new manufacturing line has integrated innovations from BevTech Co., Ltd, a ThaiBev subsidiary dedicated to developing advanced technology for production machinery and robotics, and the latest cutting-edge ECO Model machinery from Germany. This has made both production lines environmentally-friendly and highly energy-efficient. Waste water zero discharge technology is also used in water management to fully utilize water. By recapturing waste water from the production for reuse, the facilities minimize their impacts on the environment and community, which has long been the top priority given by the Company.





Crystal reinforced its leadership status as the No. 1 choice for drinking water among Thai consumers for the 3rd consecutive year, being awarded No.1 Brand Thailand 2019-2020 for the Natural Water category

Led by Mr. Naruephon Pongpanich, Marketing & Trade Marketing Manager of Sermsuk Public Company Limited, a team of representatives of Crystal received the award for No.1 Brand Thailand 2019-2020 for the Natural Water category for the 3rd year, from a representative of Marketeer Magazine on July 30, 2020. The award reinforced Crystal as the brand that has gained most trust from consumers nationwide. This could be attributed to the “meticulous attention to every step of production” with no compromise on quality in the manufacture of Crystal drinking water and quality of the environment. This commitment has been long upheld throughout the course of the Company’s business operations in alignment with the Sustainable Development approach, demonstrating the Company’s concern and care for all its social and environmental activities out of the belief that to achieve a sustainable business, social, and environmental sustainability needs to be realized.





Rebranding Ranger energy drink with the tagline “Unleash the Power in You” to boost consumers’ mental alertness and brain power

Sermsuk Public Company Limited, the manufacturer of Ranger energy drink for a new generation of workers, went through a major rebrand in 6 years under the concept of “Unleash the Power in You”. Apart from changing its name from Wrangyer to “Ranger” and its formula, the newly rebranded energy drink is packed with nutrients such as vitamins C, B6, and B12 to give consumers an extra burst of energy as well as to boost mental alertness and brain power. With an outstanding packaging design emblazoned with a tiger icon, Ranger helps unleash your power, empowering you to get through the daily challenges of work and life.

To create greater awareness and allow consumers to experience that extra burst of energy of the all-new product, Ranger offers 100,000 bottles of free samples to workers in communities and industrial estates across the county, especially Bangkok and its outskirts.



The Social Aspect

Taking care of every group of stakeholders is an important mission of Sermsuk Public Company Limited's business operations. In addition to practicing good corporate governance principles, the Company is determined to create confidence in safety and consumption together with developing a broad array of products, attractive brands, and efficient services to enhance competitiveness in the non-alcoholic beverages. It is believed that in becoming a manufacturer and distributor of a full range of beverages, the Company can build trust and satisfaction among stakeholders as well as long-term support, empowering Sermsuk to grow sustainably.





Adjustment and handling of the COVID-19 pandemic

Sermsuk brought products to consumers at their doorsteps during the COVID-19 outbreaks

To offer refreshing happiness and convenience to consumers during the COVID-19 outbreaks, Sermsuk Public Company Limited brought the Company's beverage products to consumers at their doorsteps in alignment with the government's COVID-19 infection prevention and control guidance, recommending people to stay at home if possible, to work from home or study online. The guidance prompted consumers to stay home to reduce the risk of contracting COVID-19 for their own health and safety.

To that effect, Sermsuk's trucks made visits to communities such as housing estates, condos, shops, cooking gas shops, allowing customers to buy Sermsuk's wide range of products, for example, Crystal drinking water, est Cola, est Play, Oishi Green Tea, 100 Plus, and Sasi. The service was available mainly in Bangkok, Nonthaburi, Samut Prakan, and Pathum Thani.

Crystal drinking water launched a new TV commercial entitled “Take Good Care of Yourself and Don’t Lower Your Guard” as people are living a “New Normal” life

Crystal drinking water, the No.1 choice for drinking water among Thai consumers, continued to connect with customers and build trust in the quality of Crystal, which has grown alongside every generation of Thai consumers at any time. Building upon the success of the communication campaign “Crystal Moment”, Crystal launched a new TV commercial entitled “Take Good Care of Yourself and Don’t Lower Your Guard” to encourage everyone to lead a healthy “New Normal” life. Despite the easing of some coronavirus restrictions, allowing people to carry on their familiar lifestyle, to go out and have fun, to eat at their favorite eateries, or to hang out with friends, they still need to take good care of themselves by drinking Crystal, the excellent quality drinking water certified by NSF of the U.S. and achieving numerous awards and certifications from locally- and internationally-acknowledged institutions.



Sernsuk took rigorous measures to prevent and reduce the risk of contracting COVID-19

With concern for its employees’ health, Sernsuk has encouraged employees at all its production facilities and branches nationwide to strictly adhere to the COVID-19 infection prevention and control guidelines to prevent and reduce the risk of contracting the virus. The efforts reaffirmed the Company’s concern for health and safety, building more confidence among all involved parties.

For office workers, employees are all required to screen the body temperature and record their names and temperatures every time at entrances. The Company’s staff canteens have been rearranged to maintain a safe distance. It is also advisable that employees wash their hands before eating, eat cooked food, and avoid sharing of personal items and eating utensils. Moreover, times for



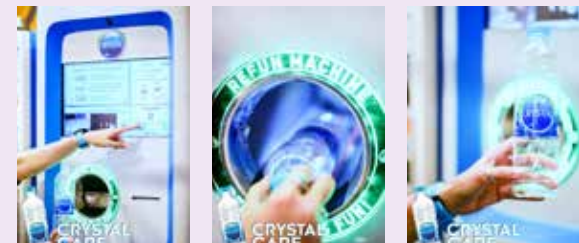
lunch breaks were varied so as to avoid crowding. Likewise, sales team members are required to screen the body temperature before entering the workplace every day. Customer contact employees are also given hand sanitizer gel and protective face masks to prevent the spread of COVID-19. They are advised to wear a face mask at all times to protect themselves before meeting a customer.



All Sermsuk's 5 plants updated to the FSSC 22000 V.5.0 & ISO 22000:2018 Systems

Realizing the utmost importance of the safety of products delivered to consumers, Sermsuk Public Company Limited implemented the ISO 22000 Food Safety System and the FSSC 22000 Food Safety System at all its plants in 2016 and 2017, respectively.

To ensure the highest quality and safety of products, the Company upgraded the food safety management at all its plants to comply with the new requirements of the FSSC 22000 Food Safety System Certificate Version 5.0 and the ISO 22000 Food Safety Version 2018. All the 5 plants were audited and certified to both revised standards by SGS (Thailand) Ltd., attesting to the relentless commitment of Sermsuk as a leader in the beverage industry to cater to the good health of people in society.



Crystal supported Bangkok Art Biennale 2020 (BAB 2020), highlighting the concept “Crystal CARE” to enable every life to coexist in harmony through the Art for Life campaign and a new version of packaging called Crystal X Yuree

Crystal supported Bangkok Art Biennale 2020 (BAB 2020), an international contemporary art festival dedicated to reflecting on problems and proposing solutions to challenges facing everyone under the concept “Escape Routes”. As part of its endeavor to create awareness and understanding about the value of every life on earth, enabling all to coexist in harmony, Crystal introduced the largest communication campaign in the drinking water business toward the end of 2020 called Art for Life. The campaign featured a new TV commercial entitled “New Friends”, using computer-generated imagery (CGI). It was the first time that Nine Naphat Siangsomboon, presenter of Crystal drinking water, co-starred with “A Gang



of 7 Friends” including Gogi Chan, the Batter-Fried Mermaid, the Food-Loving Panda, etc. illustrated by Yuree Kensaku, a famous contemporary artist. Crystal also rolled out a new version of packaging under the theme Crystal X Yuree Kensaku. Apart from that, Crystal continued with the “Give me bottles” CSR activity to educate students on responsible consumption in the areas of proper sorting, recycling, and disposal of garbage and waste materials to achieve environmental sustainability.

The Employment of Persons with Disabilities Project in support of the social activities of the Internal Security Operations Command Region 2 Office and ThaiBev

Sermsuk Public Company Limited's Nakhon Ratchasima Plant has operated in conformance with the Empowerment of Persons with Disabilities Act, B.E. 2550 (2007). In 2020, the Plant opted for the hiring employment service alternative according to Section 35 with the following objectives:

- 1** To provide job opportunities for persons with disabilities and/or caregivers, allowing them to earn regular or supplemental income for the households and become more financially self-reliant
- 2** To enable persons with disabilities to fully utilize their capabilities and skills to benefit themselves and society
- 3** To uplift the quality of life for persons with disabilities so they do not consider themselves inferior to anyone in terms of pride and dignity
- 4** To support and conform to the laws dedicated to promoting and developing the quality of life of persons with disabilities

In doing so, the participating persons with disabilities were entrusted with administrative duties as well as jobs related to IT or suitable for the physical condition of the person or caregiver at agencies under Second Army Area Command and the Social Innovation Foundation of ThaiBev. The efforts empowered persons with disabilities

to fully utilize their knowledge and skills to benefit themselves and society. Moreover, 41 persons with disabilities were assigned to support the activities of the Internal Security Operations Command Region 2 Office and another 15 at the Social Innovation Foundation of ThaiBev with a total of 56.

An accomplishment in safety at Nakhon Ratchasima Plant

On October 30, 2019, Sermsuk Public Company Limited's Nakhon Ratchasima Plant represented by Mr. Prayoon Pimaksorn, head of the security and safety team at the Plant, received a certificate for the Workplace Health, Safety, and Environment in the Workplace Award for a provincial level from Nakhon Ratchasima Governor, Mr. Wichian Chantharothai. Sermsuk's Nakhon Ratchasima Plant was awarded for its excellent track record in safety, resulting in reduced work-related incidents, no lost-time accidents, and no work-related deaths in this year's operations.



The award demonstrated an outstanding accomplishment in the safety management of Sermsuk's production facilities. In 2020, the Plant continued its safety efforts, carrying out various safety activities with the goal of achieving zero accidents.

Sernsuk organized Safety Day to reaffirm its high safety standards

On July 4, 2020, Sernsuk Public Company Limited's Pathum Thani Plant organized Safety Day under the theme "TPM SHE Pillar Deployment", led by Mr. Prawat Veerawanich, assistant to Operations-Production Director together with the work safety team. The objectives were to engage workers in the activity and instill a safety culture. The activity also aimed to encourage all the employees to help prevent work-related accidents based on the underlining concept that most work-related incidents could be prevented and to ultimately achieve zero accidents. The activities were designed in accordance with the SHE Pillar, which is the final TPM Pillar, to improve safety in the workplace.

The activities focused on enabling employees to identify safety risks, determine preventive measure, identify near misses, and practice hazard prediction (KYT) to create awareness about the prevention of and solutions to safety issues. The goal was to reduce work-related injuries as well as direct and indirect damages as a result of unsafe incidents and performance of duties. This would enhance the Company's efficiency in different areas along with operating business in a safe and sustainable manner.



The Safe Driving and Observing Traffic Rules 2020 Campaign

Realizing the importance of preventing road traffic accidents, Sernsuk has implemented a policy to achieve zero accidents in the organization. The emphasis is placed on providing knowledge and information about traffic rules and regulations, driving manner and etiquette, defensive driving techniques, and maintenance of sales trucks. The efforts are designed to raise safety awareness, ease traffic congestion, and reduce accidents on the road, which have caused injuries and property loss to Sernsuk employees and other road users. In response to the policy, the Sales Department carried out the Safe Driving

and Observing Traffic Rules 2020 campaign. Led by Mr. Kwanchai Mahapornprachak, National Sales Director, a working team travelled to many different locations, especially the R1 region during October 21-30, 2020 to communicate the policy and campaign. The goals were to stimulate the employees to help reduce road accidents, improve efficiency in transporting products, save employees' lives and properties, and build a good corporate image of the Company for its commitment to social responsibility in a sustainable way.



Sermsuk Family Day

Sermsuk has realized and given top priority to raising the quality of life for employees, the Company's great assets who are dedicated to operating and driving the Company's business operations to achieve its goals. For employees to be able to realize their full potential, it is necessary that they receive full support from their families, who play a vital role in promoting employees' well-being, providing them moral support.

Sermsuk Family Day was organized by a working team from Sermsuk's plants in cooperation with the HCBP from plants in Pathum Thani, Chon Buri, Nakhon Sawan, Nakhon Ratchasima, Surat Thani, and Ranger Plant. The objectives were to create understanding in the production process

and brands, promote corporate image and products among the target groups, create linkage and word-of-mouth communications, and foster cooperation and ties among Sermsuk family members and communities surrounding the plant. To that effect, an open house was organized in which the target groups including the employees' family members and people in the communities nearby the plant had opportunities to observe the manufacture of est and Crystal, and learn about proper waste management through waste-sorting activities to instill a sense of environmental conservation among children of Sermsuk's employees. Aside from learning many other subjects from each learning station, the participants enjoyed playing games in a warm, congenial, and fun atmosphere.

“Sernsuk Promotes Health” program for employees’ good health and well-being

Employees’ good health and well-being are fundamental to becoming a happy organization. Unfortunately, today’s hectic lifestyle causes stress and other unhealthy behaviors such as eating quick but less nutritious food or doing less exercise, adversely affecting people’s health, agility, and work performance. This prompted the Company to roll out the “Sernsuk Promotes Health” and “Sernsuk Promotes Good Health, Safety, and Physical and Mental Well-being” programs to encourage employees to take better care of their health.

The programs kicked off at plants in Nakhon Sawan, Nakhon Ratchasima, and Surat Thani, spanning over a period of three months from January to March 2020. The participating employees were classified into different groups, based on their annual check-up results and assigned activities appropriate for their health conditions. Examples included briefing by public health officers on diets, self-care for health, and suitable exercise groups to join such as aerobic exercise, jogging, cycling, yoga, etc.

The number of participating employees included 150 from Surat Thani Plant, 83 from Nakhon Ratchasima Plant, and 80 from Nakhon Sawan Plant, totalling 313.



Human Resources Development through Training For fiscal year 2020 (between October 2019–September 2020)

For 2020, Sermsuk’s human resource development through training was dedicated to enhancing the knowledge, skills, and capabilities necessary for the performance of duty for both new and existing employees at all levels and across all functions. The extensive training encompasses in-house and public training to achieve the common goals in line with Sermsuk’s Core Values:



The framework for human resources development through training focused on developing the Learning Management System (LMS) by designing courses dedicated to enhancing employees’ skills and work capabilities in all dimensions including technical skills, leadership development, knowledge and the Company and its businesses, and work efficiency enhancement for employees at all levels. This allowed the Company to create a succession plan by developing and preparing high-potential employees for advancement according to a clear career path.

To devise an annual training plan, information and insights concerning corporate goals, strategies, policies as well as survey results from different functions at all the plants were taken into consideration. The training programs provided were categorized into 4 groups as follows:

01

Sales and services

1. Simple, effective use of dashboard
2. Skill and knowledge enhancement for sales teams
 - 8 steps in store visits, direct sales / presales
 - Roles and duties of a D-Man in sales model
 - Personal improvement program
 - Product knowledge
 - Incentives and guidelines for sales representatives
 - Introduction to dashboard reading for regional heads of sales teams
 - Roles, duties, and store visits for post-mix sales teams
 - Sales management to boost sales and profits
 - Roles and duties of mobile sales units
 - Guidelines for sales teams after the ease of lockdown
 - Knowledge about F&N and sales techniques

02

Product quality standard management

1. Food Safety System Certification (FSSC 22000 Version 5)
2. Food safety system in compliance with GMP / HACCP / FSSC 22000 standards and GHPs & HACCP System Draft Revision 5-2020 Requirement and Interpretation
3. Halal standards requirements and approach to applying them in industrial contexts

03

Efficiency and productivity improvement in the plants

1. Lean Six Sigma Green Belt
2. TPM Strategy Development 2021
3. Analysis of data using a statistical program to enhance work performance

04

General administration and management

1. Requirements and Internal audit in accordance with ISO 14001:2015 standards
2. Work safety officers at a supervisor level
3. Excel training (workshop)

Summary of human resource development for fiscal year 2020 (October 2019 – September 2020)



Average number of employees per month

6,018



Total number of employees undergoing training

7,279



Total training hours spent on formal training

44,622

(an average of 7.41 hours per employee)

Summary of human resource development for fiscal year 2019 (October 2018 – September 2019)



Average number of employees per month

6,223



Total number of employees undergoing training

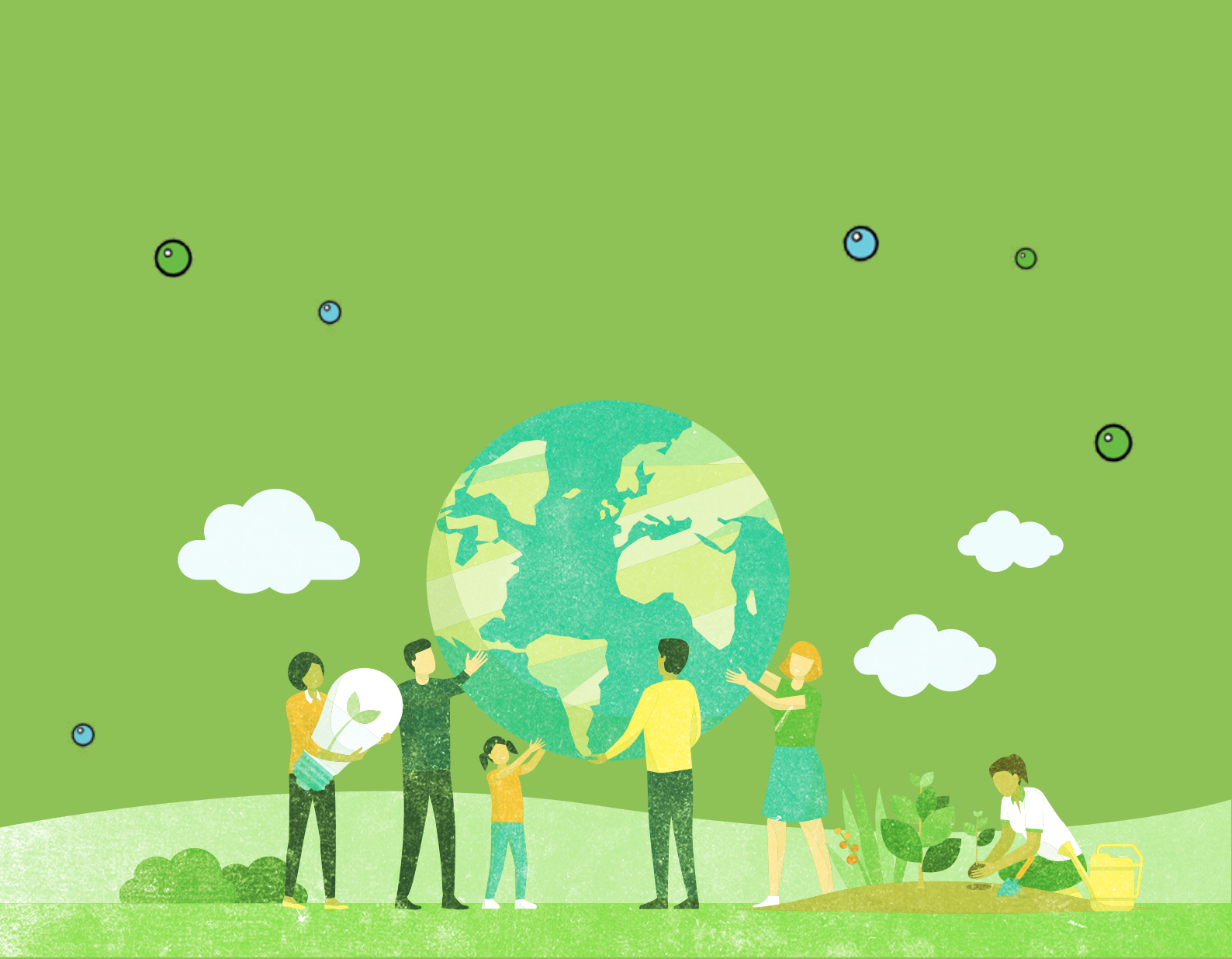
5,826



Total training hours spent on formal training

40,992

(an average of 6.59 hours per employee)

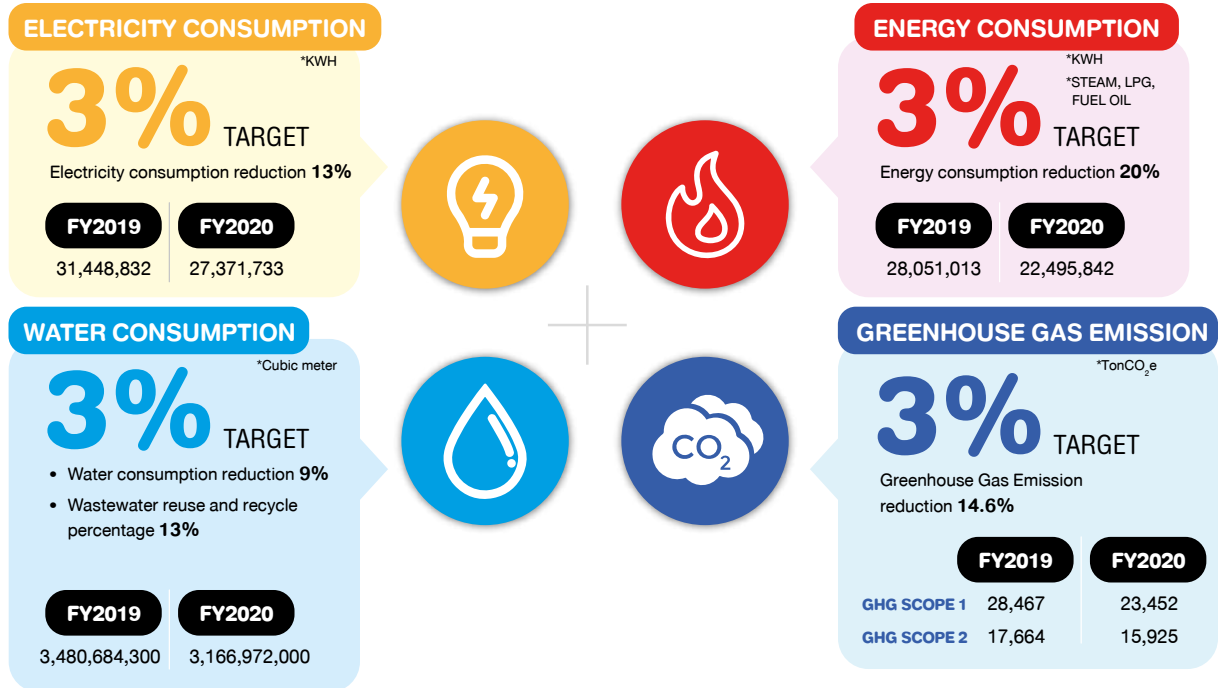


The Environmental Aspect

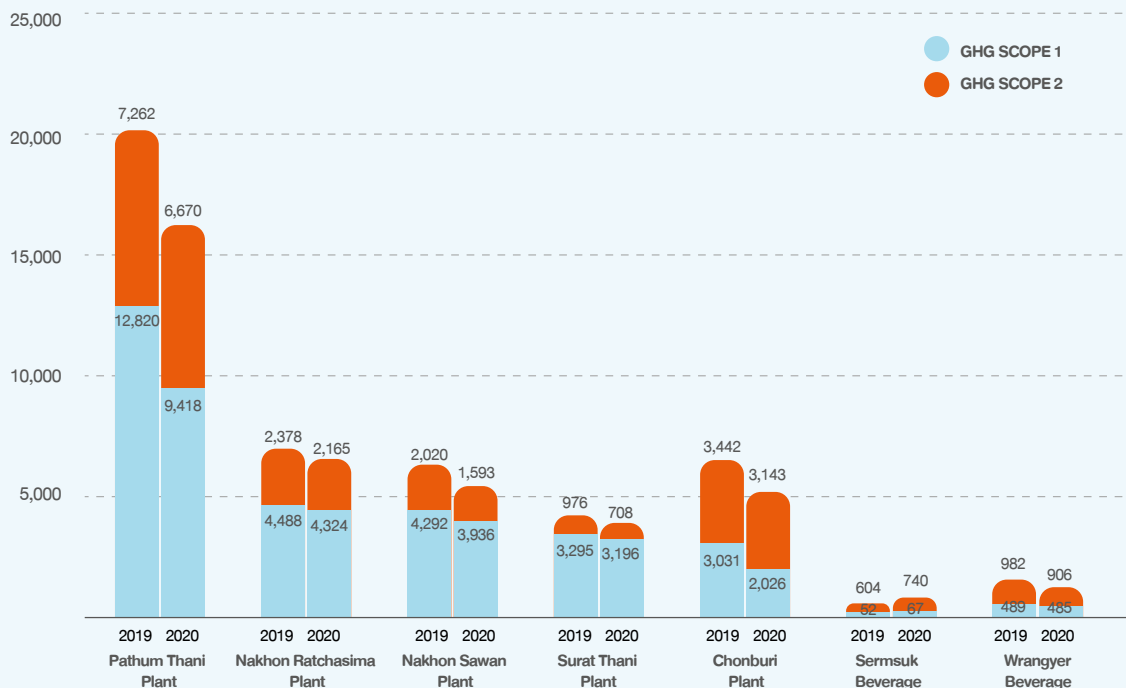
Sermasuk has attached significance to carrying out various programs contributing to environmental conservation. The Company has adopted the concept of circular economy to fully utilize the world's scarce natural resources to achieve maximum benefits and efficiency. As a manufacturer and distributor of a full range of beverages, the Company is determined to serve as a mouthpiece to create public awareness and stimulate a change in consumption behavior to contribute sustainably to a better environment.



To achieve the sustainable development goals, the Company has established guidelines for natural resource management with clear goals and key performance indicators. The results were assessed by external agencies to ensure the Company's excellent environmental performance. Examples are as follows:



Total Sermsuk Public Company Limited Greenhouse Gas Emission
 in FY2019 and FY2020 (TonCO₂e)



*TGO Certificate : TGO CFO FY21-04-007, 010, 011, 012
 TGO CFO FY21-05-008, 015
 TGO CFO FY21-06-009

Sermsuk prided itself in having all its 7 plants achieving the ISO 14001:2015 certification within one year

On September 24, 2020, Sermsuk Public Company Limited, in conjunction with Lloyd's Register International (Thailand) Co., Ltd., held a presentation ceremony of ISO 14001:2015 environmental standard certification to five plants of Sermsuk and Sermsuk Beverage Co., Ltd. A group of Sermsuk executives and employees jointly received the certificates from an executive of Lloyd's Register at Sermsuk Training Center, Bang Khen, Prior to this, Wrangyer Beverage (2008) Co., Ltd., had already been certified and received the certificate from SGS (Thailand) Co., Ltd., making all seven plants of Sermsuk achieve ISO 14001:2015 certification.

In 2019, Sermsuk embarked on a challenging journey, adopting the ISO 14001:2015 Environmental Management System in its environmental activities in pursuit of achieving the certification. The full support of the management together with the hard work and dedication of employees across all functions resulted in all the seven plants having achieved ISO 14001:2015 certification within one year. The accomplishment was a milestone in Sermsuk's environmental management efforts, bringing them to the international level in line with the sustainable development approach, DJSI, GRI standard, and SDGs.



The attainment of ISO 14001:2015 certification is a major step that demonstrated Sermsuk's relentless commitment to environmental responsibility in tune with ThaiBev Vision 2020: "To become a leading total beverage producer in ASEAN in a stable and sustainable way". The Company also commits itself to social responsibility and environmental contribution in pursuit of "Creating and Sharing the Value of Growth" with all stakeholders throughout the value chain in alignment with the theme "Sermsuk Fulfills Happiness".

Sernsuk had all its 7 plants receive Carbon Footprint Reduction certification

On September 16, 2019, Sernsuk Public Company Limited's executives and staff received the Carbon Footprint Reduction (CFR), Carbon Footprint of Product (CFP), and Carbon Footprint of Organization (CFO) certificates from Mr. Jatuporn Buruspat, Permanent Secretary of Ministry of Natural Resources and Environment at the "Let's Join Forces to Reduce Global Warming 2020" at the Berkeley Pratunam, Bangkok.

The event was held to recognize businesses and other sectors that set a good example in the management and reduction of greenhouse gas emissions. This was the 5th consecutive year that Sernsuk was awarded the plaques and certificates. Currently, all the seven plants of Sernsuk have achieved all three types of certifications, demonstrating Sernsuk's collaboration with the government agencies and other leading organizations in reducing greenhouse gas emissions tangibly and continuously.



Carbon Footprint for Organization : CFO	Carbon Footprint for Product : CFP	Carbon Footprint Reduction : CFR
7 Plants	93 Products	19 Products

Sermsuk reinforced its commitment to sustainable environmental management through the new uniform made from upcycled fabric

Sermsuk Public Company Limited has long adhered to the concept of sustainable environmental stewardship with the focus on creating awareness about responsible consumption among all stakeholders. Specifically, in an attempt to tackle plastic management issues, the Company has pledged to promote the optimum use of plastic and proper sorting of plastic waste to allow

for efficient recycling. To reinforce and promote this concept, the Company opted to communicate the message through the new uniform of employees made from upcycled fabric. The new employee uniform project began with the TPM unit in 2019 with 2,000 uniforms before extending to other functions in 2020 with a total of 12,000 uniforms.

Sermsuk's Surat Thani Plant reaffirmed its production management prowess with commitment to social responsibility and sustainable business operations

Sermsuk's Surat Thani Plant, represented by Mr. Wanchai Saengprae, Assistant Operations Director, received a plaque and certificate for the "Elevation and Development of Industrial Plants in Eco-Industrial Towns" program from Mr. Prakob Vivitjinda, Inspector-General of the Ministry of Industry and acting Director General of the Department of Industrial Works on October 30, 2019.

The objectives of the program were to elevate and develop the cluster of eco-industrial plants into an eco-industrial town and to set a good example for other plants in the target provinces. Sermsuk's Surat Thani Plant passed the assessment by the Department of Industrial Works' assessment committee in five dimensions: physical, economic, social, environmental, and administrative. A total of 111 plants participated in this program.



The achievement of the award attested to Sermsuk's efficient production management and operations in accordance with the principles of social responsibility and sustainable business operations as evidenced by the Company's total commitment to operating sustainably in compliance with ECO Industrial initiative and DJSI (responsible consumption and production, climate change) in 2020.



Crystal portrayed the concept “Crystal CARE” to help drive Thailand’s sustainable future and inspire the new generation to use resources responsibly at Thailand Sustainability Expo 2020

Crystal drinking water together with subsidiaries of ThaiBev and other leading companies in Thailand took part in Thailand Sustainability Expo 2020, known for creating the most effective “synergy” among all sectors in Thailand. For its part, Crystal portrayed the concept “Crystal CARE” to reinforce the sustainable leadership status of Crystal between October 1-4, 2020 at Samyan Mitrtown.

At the Expo, Crystal communicated the concept “Crystal CARE” to reaffirm the sustainable leadership status of Crystal drinking water, inviting people of the new generation to join in the activity called Crystal RVM (Reverse Vending Machine), an innovation in sorting waste, especially PET bottles. The machine is designed to allow consumers to help reduce packaging waste, using compression technology for recyclable packaging. Consumers are encouraged to separate waste at source to add value to the packaging waste, which can be recycled and upcycled into plastic fiber for use as material for employee uniforms as well as other future developments.

The Crystal CARE concept is designed to extend Sermasuk’s sustainability efforts to the public, reflecting Crystal’s care and commitment to every business activity related to society and the environment from the production through to the hands of consumers. Crystal’s care also extends to managing packaging after use to minimize its environmental impact, which has continued since 2016, and raising environmental awareness among Thai youths. To that effect, Crystal handed over upcycling stations to over 135 schools across the country for sorting caps, labels, and PET bottles, which can be upcycled into many products, adding value to the sorted components.

Crystal is resolved to expanding the Crystal CARE concept to address other areas of quality of life beyond “quality” to demonstrate its concern and care for all its business activities involved with society and the environment out of the belief that for a business to grow sustainably, it is necessary that society and the environment be sustained. To accomplish the goals, Crystal has pledged to carry out numerous activities to provide knowledge about the responsible and reasonable use of natural resources to youths and the general public and to contribute to Thailand’s sustainable future along with other subsidiaries of ThaiBev.

Activities beneficial to society and the environment

Sermsuk's Pathum Thani Plant joined hands to plant trees to build out green spaces

On July 3, 2020, employees at Sermsuk Pathum Thani Plant led by Mr. Thanee Pornphisutsak, Production Director, joined in a tree-planting activity to contribute to greener surroundings around the plant. Initiated by employees and the management of Sermsuk's Prathum Thani Plant, the activity was designed to build out green spaces within the Plant since the hotter temperatures as a result of the climate change and global warming have killed a number of trees in front of the Plant, making the surroundings dull and lifeless. This prompted the voluntary employees to come together, buying trees, soil, and tools to build a happy workplace. The objectives were to build out green spaces, increase ozone to offset the pollution

caused by the production process at the Plant, reduce carbon dioxide, promote teamwork, raise employees' environmental awareness, and instill a sense of volunteerism.

The trees planted by the staff included cork wood tree, jacaranda, golden shower, desmos, yellow elder, white champaka, tamarind, Queen's flower, oleander, and gardenia. These fragrant flowering trees offer many benefits such as improving the overall beauty and providing shade and a relaxing atmosphere. The total number of trees planted this time was 56. The working team set their sights on planting 100 trees around the Pathum Thani Plant by 2020.



Sermsuk's Chon Buri Plant joined the Mangrove Forest Conservation project

Sermsuk's Chon Buri Plant, in collaboration with the public health and environment division of Nong Mai Daeng Subdistrict Municipality, jointly planted mangrove trees for the year 2020 in the mangrove forest areas in Klong Krue, Nong Mai Daeng Subdistrict, Chon Buri on August 7, 2020. The annual project is designed to help restore mangrove forests in Chon Buri to health.





Sermsuk joined forces with ThaiBev to do good deeds to “Follow in H.M. the King’s Footsteps”

Voluntary employees of Sermsuk and ThaiBev participated in the “Follow in H.M. the King’s Footsteps” activity to bring happiness to the community, Wat Bukkhalo, and Wat Bukkhalo School, which are in the same vicinity of the Rama II branch by cleaning roads, pavements, and walls. The activity was held on October 13, 2020, as a tribute to His Majesty King Bhumibol Adulyadej the Great in remembrance of H.M. the late King’s passing. The activity has been carried out on different occasions to create a pleasant, clean, and safe community and to promote a good corporate image for Sermsuk in line with the theme “Sermsuk Fulfills Happiness”.



Contribution of Crystal drinking water to support work and natural disaster relief efforts

Sermsuk contributed Crystal drinking water to officers at the COVID-19 health screening station in Koh Samui

Sermsuk Public Company Limited’s Koh Samui branch contributed Crystal drinking water to police officers at the COVID-19 health screening station in Koh Samui entrusted with screening the arriving or departing passengers at Seatran Ferry Pier, Raja Ferry Port as well as monks at Wat Nara Charoen Suk for refreshment during long work hours. With great care, Crystal has provided support and encouragement to all dedicated work forces and pledged to help fight against the COVID-19 crisis together.

Sermsuk sponsored Crystal drinking water for forest fire fighters in Chiang Mai and Chiang Rai

Over the past several months, the damaging forest fires have raged across many areas within the country, especially in northern Thailand. Apart from causing severe environmental impacts, the intensifying forest fires hiked up PM2.5 as the fires poured hazardous smoke into the air, adversely affecting the health of people in the North.

As representatives of Sermsuk Public Company Limited, Mr. Prawit Klomklow, Regional Sales Manage for Sales Zone 5, and staff handed over 150 packs of Crystal drinking water and 30 crates of Ranger energy drink to Chiang Mai Governor, Mr. Charoensit Sanguansat and Deputy Provincial Police Chief Pol. Col. Piyapan Pattarapongsin to support the work of officers and volunteers in putting out forest fires in Chiang Mai. The event took place at the PM2.5 Prevention and Mitigation Center of Chiang Mai Provincial Administrative Organization.



As for Chiang Rai, the Company's representatives from Chiang Rai branch handed over Crystal drinking water and Ranger energy drink to Mr. Preecha Tongkhumem, Control and Operation Director for Watershed Conserve Area Administration Office 15 for use by the forest firefighting team.

Crystal donated drinking water to those affected by floods in Nan

The heavy rains that continued for several days across Nan caused flash floods, runoff, and landslides on many areas in the province since August 19, 2020, severely impacting a lot of people and households.

On August 27, 2020, Sermsuk Public Company Limited, represented by Mr. Prawit Klomklow, Regional Sales Manager for Sales Zone 5 and staff, donated 150 packs of Crystal drinking water through Mr. Pundit Chimchat, Head of Si Nan National Park, to help those affected by floods.



Sustainability Achievements

In 2020, Sermsuk Company Limited achieved numerous sustainability awards and recognitions as follows:



No.1 Brand Thailand 2019–2020 for the Natural Water category:

Crystal drinking water was awarded No.1 Brand Thailand 2019–2020 for the Natural Water category for the 3rd consecutive year from Marketeer Magazine, reinforcing its leadership status as the No.1 choice for drinking water among Thai consumers

1

The FSSC 22000 V.5.0 & ISO 22000:2018 certifications:

Sermsuk's five plants were certified to the revised FSSC 22000 Food Safety System and the ISO 22000 Food Safety standards by SGS (Thailand) Ltd.

2

The CSR-DIW Continuous Award 2020:

Sermsuk's five plants received the award from the Department of Industrial Works, the Ministry of Industry

3

The ISO 14001:2015 Environmental Management System certification:

Sermsuk's Pathum Thani Plant, Nakhon Ratchasima Plant, Nakhon Sawan Plant, Surat Thani Plant, Chon Buri Plant, and Sermsuk Beverage Co., Ltd. were certified by Lloyd's Register whereas Wrangyer Beverage (2008) Co., Ltd. was certified by SGS (Thailand) Co., Ltd.

4

Carbon Footprint of Organization (CFO) and Carbon Footprint of Product (CFP) certification:

Sermsuk's five plants along with Sermsuk Beverage Co., Ltd., and Wrangyer Beverage (2008) Co., Ltd., received CFO and CFP certificates from Thailand Greenhouse Organization (Public Organization).

5

The Elevation and Development of Industrial Plants in Eco-Industrial Towns certificate:

Surat Thani Plant received a plaque and certificate for the Elevation and Development of Industrial Plants in Eco-Industrial Towns program from the Department of Industrial Works, the Ministry of Industry

6

The Workplace Health, Safety, and Environment in the Workplace Award:

Nakhon Ratchasima Plant received a certificate for the provincial level from the Provincial Labour Office Nakhon Ratchasima, the Ministry of Labour

7

Certification from third parties



LR Independent Assurance Statement **Relating to Sermsuk Public Company Limited's data for selected GRI indicators for the fiscal year 2020 (1st October 2019 – 30th September 2020)**

This Assurance Statement has been prepared for Sermsuk Public Company Limited in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

Lloyd's Register Quality Assurance Limited (LR) was commissioned by Sermsuk Public Company Limited (Sermsuk), to provide independent assurance on its selected GRI indicators ("the data") against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using LR's verification procedure. LR's verification procedure is based on current best practice, is in accordance with ISAE 3000¹ and uses the following principles of - inclusivity, materiality, responsiveness and reliability of performance data.

Our assurance engagement covered Sermsuk's operations and activities only in Thailand specifically the following requirements:

- Confirming whether the selected environmental and social indicators below were compiled according to GRI's Standard 2016.
- Evaluating the reliability of data and information for only the selected environmental and social indicators listed below:

Environmental

- GRI 302-1 Energy consumption within the organization
- GRI 302-3 Energy intensity
- GRI 303-3 (2018 edition) Water withdrawal
- GRI 303-4 (2018 edition) Water discharge
- GRI 303-5 (2018 edition) Water consumption
- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-4 GHG emissions intensity
- GRI 306-2 Waste by type and disposal method

Social

- GRI 403-8 (2018 edition) Workers covered by an occupational health and safety management system
- GRI 403-9 (2018 edition) Work-related injuries
- GRI 403-10 (2018 edition) Work-related ill health
- GRI 404-1 Average hours of training per year per employee
- GRI 404-3 Percentage of employees receiving regular performance and career development reviews
- GRI 413-1 Operations with local community engagement, impact assessments, and development programs

Our assurance engagement excluded the data and information of Sermsuk's suppliers, contractors and any third-parties mentioned in the report.

LR's responsibility is only to Sermsuk. LR disclaims any liability or responsibility to others as explained in the end footnote. Sermsuk's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Sermsuk.

¹ GHG quantification is subject to inherent uncertainty.



LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that Sermasuk has not, in all material respects:

- Met the requirements above
- Disclosed reliable performance data and information as no errors or omissions were detected

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LR's approach

LR's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing Sermasuk's data management systems to confirm that there were no significant errors, omissions or mis-statements in the data. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- Sampling Sermasuk's performance data for the selected GRI indicators at Pathum Thani and Chonburi Plants and the consolidated final data at Sermasuk's corporate level.

Observations

Further observations and findings, made during the assurance engagement, are:

- Reliability: Data management systems are established and centralized for the data and information collection and calculation associated with the selected GRI indicators. However, based on the water balance data, we believe that Sermasuk can see opportunity for improving water consumption.

LR's standards, competence and independence

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only work undertaken by LR for Sermasuk and as such does not compromise our independence or impartiality.

Dated: 22nd December 2020

Opart Charuratana
LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Ltd
Lloyd's Register International (Thailand) Limited
22nd Floor, Sirinrat Building, 3388/78 Rama IV Road
Klongton, Klongtoey, Bangkok 10110 THAILAND
LR reference: BGK00000507/D

Lloyd's Register Group Limited, its affiliates and subsidiaries, including Lloyd's Register Quality Assurance Limited (LRQA), and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'Lloyd's Register'. Lloyd's Register assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant Lloyd's Register entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract. The English version of this Assurance Statement is the only valid version. Lloyd's Register Group Limited assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.

Copyright © Lloyd's Register Quality Assurance Limited, 2020. A member of the Lloyd's Register Group.

Policy and Business Overview

1. Policy and Business Overview

Sermasuk Public Company Limited (“**Company**”) was established to operate beverage business by a group of 7 founders who submitted an application to register the company with initial registered capital of 8 million Baht. The Company was opened on April 18, 1952 with the “Pepsi” beverage products, which were produced at Silom Plant and firstly available in Thai market on March 18, 1953.

On March 31, 2011, the Board of Directors resolved to terminate the Exclusive Bottling Appointment Agreement (“**EBA**”) with Pepsi in Thailand. The 2011 Annual General Meeting of Shareholders held on April 29, 2011 approved the actions taken by the Company in relation to the Agreements between the Company and PepsiCo (including termination of agreements). In July 2011, the Company received a letter from Pepsi-Cola (Thai) Trading Company Limited, Seven-Up Nederland, B.V. (collectively “**PepsiCo Group**”) and SS National Logistics Company Limited (“**SSN**”) informing the Company that PepsiCo Group and SSN (collectively “**Major Shareholders Group**”) executed an Agreement to Sell and Purchase Shares in the Company on condition that if PepsiCo Group sells shares to SSN and/or an investor related to SSN, the Company and PepsiCo Group shall extend the period of the EBA for seven months from April 1, 2012.

Subsequently, Thai Beverage Logistics Company Limited, which is the SSN investor, acquired the shares from the PepsiCo Group and made a voluntary tender offer to the Company’s shareholders. The Company executed the letter extending the effective date of the termination of the EBA for seven months from April 1, 2012. As a result, the EBA was terminated at the close of business on November 1, 2012. The other agreement in connection with the EBA, the Agreement for Cooperative Advertising and Marketing Principles (“**Coop**”), was terminated on the same date. After termination of the EBA, the Company has been the producer and distributor of the products under “est” trademark.

On December 23, 2014 Great Brands Limited, a direct wholly-owned subsidiary, completed the sale of “est” trademark to Super Brands Company Pte Ltd. that is Thai Beverage PLC's indirect wholly-owned subsidiary. The earning will be spending on strengthening of the existing businesses such as manufacturing and distribution which are the forte of the Company. Besides, ThaiBev Group has provided its full support to promote the “est” trademark locally and regionally.

On December 28, 2015, Thai Beverage Logistics Company Limited sold the Company’s common shares totaling 171,923,138 shares which represents 64.66% of total paid-up capital to So Water Company Limited, an indirect subsidiary of one of the group companies of Thai Beverage PLC which holds 100% of the total shares in such company. The change is solely for purpose of internal shareholding restructure of the major shareholder and there is no impact on the Company’s management policies and operations.

At present, the Company operations are carried out in accordance with its future business plan utilizing resources and assets along with its strong product distribution and supply chain network with a view to enhance steady and sustainable growth.

1.1 Vision, Business Objectives, Goals and Strategies of the Company

Vision

The Company’s corporate vision is to be the total beverage manufacturing and distribution company in Thailand which provides quality products, great services, and decent returns to stakeholders.

Mission

The Company’s mission is “To Fulfill Happiness” with high quality beverage products for Thai consumers and customers to enhance the steady and sustainable growth.

Policy and Business Overview

Business Objectives and Plans

For the non-alcoholic drinks business, the Company was dedicated to streamlining its business strategies to achieve Thai Beverage Public Company Limited's Vision of 2025 and to drive the Company's business in 2021 under the concept "Growing Sustainably, Rising Towards Digital Future". To accomplish the objectives, the Company has adapted digital technology in its business operations and management along with upgrading the work processes to enhance work efficiency. The strategic efforts include the following:

1. Brand & Reach:

The Company strives to create opportunities to develop products that cater to the needs of each group of consumers at each specific time together with developing efficient sales and distribution channels that allow for the delivery of products to consumers promptly and extensively. Added to this is equipping employees with the skills needed for digital transformation, enabling them to cope with the rapidly-changing marketplace as well as increase product offerings and distribution efficiency to better accommodate customer demand. The moves allow employees to have access to in-depth sales information that can be used to formulate a plan in each sales area in response to the emerging opportunities. Building upon the knowledge gained, they can further develop new brands or products that satisfy the needs of consumers, enabling Sermasuk to become a leader in alternative products for health and well-being while, at the same time, continuously creating new excitements for the market and consumers in line with the Passion 2025 theme of ThaiBev.

2. Production and Supply Chain Excellence:

To consolidate the Company's world-class production facilities connected to ThaiBev's extensive logistic network, one of the country's largest, the Company has incorporated artificial intelligence technology for use in analyzing and developing production, and distribution that supports the circular economy approach. The efforts allow for the obtaining of quality raw materials from sources and the delivering of products to consumers in each region promptly and adequately, resulting in cost reduction and the increased competitiveness of the Company.

3. Sustainability

The Company has given top priority to value chain management and development, a key strategy that contributes greatly to business success. The endeavors encompass material procurement to management of used packaging to address the concerns of all stakeholders with the focus on the management of the environment and natural resources, society, and surrounding communities. The Company also pledges to develop and help strengthen the grassroots economy together with promoting employee development and corporate culture dedicated to achieving sustainable development in all dimensions to the fullest potential of a ThaiBev company. All these are moves toward becoming a world-class leader in the beverage industry with a commitment to sustainable development.

Goals

The Company sets the following goals:

Sales and Market Share Growth Target

To set the Company's annual growth target for sales and market share, several factors have been considered, for example, the general economic situation, changes in consumer tastes and behavior, market competition, competitors' strengths and weaknesses, competitors' past activities, and other relevant factors. The Company's target setting is based on the analysis of market trends

Policy and Business Overview

and future projections including the assessment of the Company's strengths and weaknesses in order that the planned activities including the introduction of new products which will support the achievement of sales, market share and volume targets.

Profit Maximization Target

In addition to sales growth, the Company also focuses efficiency and cost control. Key Performance Indicators (KPIs) have been set for each business unit as measurers of performance and efficiency.

People Development Target

The Company has set clear objectives in people development in all levels. The budget has been set aside for training and development regarding management/administration to ensure that employees will be equipped with new skills and shown new techniques to enhance their efficiency and performance. The development of its people via on-the-job training is also a Company focus area and this utilizes advice and instructions by supervisors. In the past two years, in particular, with the goals of increasing sales and distribution, the Company has focused on training and developing the knowledge, techniques, and skills of its sales staff at all levels on an ongoing basis.

Returns to Shareholders Target

The Company has a policy to return profit to shareholders in the form of consistent dividend payments at a reasonable rate but no less than 40% of the net profits of each fiscal year of Consolidated Financial Statements after deducting the legal reserves and accumulated losses carried forward (if any), provided that such dividend payment is subject to Company's financial liquidity, investment plan, terms and conditions of agreements the Company is obliged to along with other future necessities, suitability corresponding to the annual operating results. This is achieved through propelling business growth as well as increasing income and profit through the implementation of effective marketing that creates demand for the Company's products and drives production volume and sales, thus generating returns on investment for investors and shareholders.

Social Responsibility

The Company is committed to provide happiness to Thai people through a comprehensive range of quality and hygienic beverages that meet international quality standards. Our company has set a goal to enhance our corporate social responsibility along with other operational objectives in a fair and transparent manner. Our corporate citizenship efforts are extended to the public through a diverse range of social activations. Ultimately, the Company aims to drive sustainable social and environmental development among Thai communities.

1.2 Major Corporate Change and Development

Investment

Beginning with the initial start-up capital in 1952, the Company has increased its capital sequentially:

1952	The registered capital of Baht 8 million, Baht 100 per share
1953	The registered capital increased to Baht 15 million; Baht 100 per share
1966	The registered capital increased to Baht 30 million; Baht 100 per share
1969	The registered capital increased to Baht 45 million; Baht 100 per share
1986	The registered capital increased to Baht 105 million; Baht 100 per share

Policy and Business Overview

- 1991 The par value was changed from Baht 100 per share to Baht 10 per share
- 1994 Sermasuk became a listed company with a registered capital of Baht 260 million
- 1997 The registered capital increased to Baht 265 million; Baht 10 per share
- 2001 The Company reduced its registered capital by Baht 542,340 (54,234 shares) which made the Company's remaining Registered Capital of Baht 264,457,660 (26,445,766 shares). Later the Company capital increase by Baht 3,500,000 which made the Company Registered Capital of Baht 267,957,660 (26,795,766 shares)
- 2003 The par value was changed from Baht 10 per share to Baht 1 per share.
- 2009 The Company reduced its registered capital by Baht 2,057,176 which made the Company's remaining Registered Capital of Baht 265,900,484 (265,900,484 shares).

Business Expansion

- 1952 The Company's Silom Plant started operations
- 1967 The Sermasuk Bangkhen Plant was opened on a 24 rai, 1 ngan and 30 5/10 square wah site with the relocation of equipment from the Silom Plant to the Bangkhen plant
- 1969 The Nakhon Ratchasima Plant was opened on a 31 rai, 1 ngan and 69 square wah site while the land on Silom was sold
- 1973 The Nakhonsawan Plant opened on a 24 rai, 1 ngan and 89 8/10 square wah site
- 1975 Being a listed company in Thailand
- 1978 The Pathum Thani Plant was opened on a 164 rai and 88 square wah site
- 1985 Appointed as the distributor of "M-100" and "M-150" products for Osothsapha Co., Ltd.
- 1993 Appointed as the distributor of Volvic mineral water for France-based BSN Group. Began the production of drinking water under the "Crystal" brand.
- 1995 Provided the distribution for "M Sport" and "M Coffee" beverage for Osothsapha Co., Ltd.
- 1997 The producer and distributor of "Lipton" tea beverage for Unilever Thai Holdings Co., Ltd.
The opening of a plastic blow molding plant at its Pathum Thani Plant.
- 1998 The Surat Thani Plant was opened on a 67 rai, 1 ngan and 78 square wah site
- 1999 The distributor of "Yo" beverage products for Sermasuk YHS Beverage Co., Ltd. (Currently known as Sermasuk Beverage Co., Ltd.)
- 2002 The Chon Buri Plant was opened on a 42 rai, 3 ngan and 72 square wah site.
The Company returned its distributorship rights for the "M" products to Osothsapha Co., Ltd., and reached an agreement to be the distributor of "Carabao Daeng" drinks for Carabao Tawandaeng Co., Ltd.
- 2003 The authorized producer and distributor of "Gatorade" sport drinks for Strokely Van Camp Inc, USA.
- 2004 Terminated the distribution of Yo soya milk product
- 2005 Signed an agreement to sell "Oishi" beverage products for Oishi Trading Co., Ltd.
- 2006 Signed an agreement to sell "Tropicana" and "Twister" juice beverages in bottles for Pepsi Cola (Thai) Trading Co., Ltd.
- 2012 Terminated the distribution of Carabao Daeng and other beverage products under Pepsi Cola (Thai) Trading Co., Ltd., including Pepsi, Mirinda, Seven-Up, Tropicana and Twister.

Policy and Business Overview

- Started the production and distribution of “est” products on November 2, 2012
- Sermasuk Holdings Co., Ltd., took over Wrangyer Beverage (2008) Co., Ltd. to produce and sell beverage products under the Wrangyer, Power Plus and other brands
- 2013 Added two new packages for “est” include 250 ml. can and 850 ml. glass bottle.
- Began producing and distributing “est” orange, strawberry, cream soda and lemon lime flavors.
- Added 1 litre PET bottle packaging for drinking water “Crystal”
- The distributor of “Wrangyer” energy beverage
- The distributor of fried seaweed “Onori”
- 2014 Launched 2 innovative packages in a 16-ounce glass bottle and a 1.6-litre PET bottle respectively. Also, rolled out 3 new packages for est, the “325-ml est Sleek can”, “250-ml est sleek can” and “250-ml est cool hand” glass bottle non-returnable. Started manufacturing and distributing sugar-free “est sugar-free”
- The sale transaction of “est” brand and trademark to Super Brands Company Pte. Ltd., On 23 December 2014
- 2015 “est” added “Lychee Pear” flavor to its portfolio, in a 325-ml. sleek can and a 490 ml. PET bottle and later 1.6-liter PET bottle in January.
- Furthermore, there were 2 new products launch which were “100 Plus” and “Jubjai” in February and March, respectively.
- Ranger has been exported to the Malaysia market.
- The Company started distribution of Soda Chang.
- Oishi green tea added new flavors ranging from 1) Oishi Green Tea Watermelon-flavored in 380-ml. PET bottle, 2) Oishi Chakuza Sparkling Green Tea Honey Lemon Flavored, Black Tea Lemon in 320-ml. sleek can, 3) Oishi Fruito Strawberry Melon and Green Apple White Grape flavors in 380-ml. PET bottle and 4) Oishi Kabusecha in 500-ml. PET bottle for Major Cineplex Group and its subsidiaries.
- 2016 Launched grapeberry-flavored “est” in a 250-ml can as well as 490-ml, 515-ml, 1-liter, 1.6-liter PET bottle, and 12-ounce, and 16-ounce RB in March. Later in July, the new est orange-flavored cola in a 250-ml can and 490-ml, 515-ml, 1-liter, and 1.6-liter PET bottle.
- Launched a new fruit tea product from Japan called Oishi-Kyoho-Grape in a 380-ml PET bottle.
- Later in December, Oishi Sakura Strawberry flavor in 380-ml and 500-ml PET bottles was introduced.
- Launched new soda water under the Rock Mountain brand, produced using cold infusion technology. Available in non-returnable 325-ml glass bottle.
- Added berry-flavored 100 Plus in a 445-ml bottle in December.
- The agreement of the Company’s subsidiary to produce and distribute Gatorade and Lipton in PET bottles and cans came to an end. However, the Company continues to produce and distribute returnable glass bottles.
- 2017 “est” added Hawaiian Punch flavor to its portfolio in a 250-ml can, as well as 490-ml, 515-ml, 1-liter, 1.6-liter PET bottle, and 12-ounce RB in February.
- Launched Rock Mountain soda water in 400-ml RB in January.

Policy and Business Overview

est added Melon flavor Bingsu in 390-ml, 515-ml, 1-liter, and 1.6-liter PET bottles and 12-ounce RB and Mango flavor Bingsu in 390-ml, 515-ml, 1-liter, and 1.6-liter PET bottles.

Oishi Green Tea Yuzu Orange flavor in a 380-ml PET bottle was introduced in November.

2018 Launched 100 Plus Grape Berry Flavor in a 370-ml bottle in March.

Terminated the production and the distribution of the Lipton Ice Tea in glass bottle in June.

Reintroduced Sarsi nostalgically remembered for its froth and fizz in a 250-ml non-returnable glass bottle. Started manufacturing and distributing Sasri in August.

“est Play” added new flavors including est Play Kamikaze Lime flavor and est Play Pink Bomb Strawberry flavor in November. The former 380-ml bottle has been replaced with a new 360-ml bottle.

Oishi green tea added three new flavors to Oishi Gold, the premium green tea: Oishi Gold No Sugar Genmaicha, Oishi Gold Genmaicha Delight, and Oishi Gold No Sugar Kabusecha in November. The former 350-ml bottle was introduced to replace the 380-ml bottle.

2019 Launched Oishi in 180-ml UHT box in January and added Oishi Kyoho Grape in March. Discontinued the 250-ml box.

2020 “est” added est Play Honey Lemon flavor to its portfolio in 360-ml, 515-ml, 1-liter, and 1.6-liter bottles in November.

Oishi introduced Oishi Apple Honey a new flavor that combines the delightful tastes of Japanese Aomori apples and the authentic Hyakkamitsu honey from Hokkaido, Japan, and the sugar-free Oishi Apple Honey Light flavor with 0% calories.

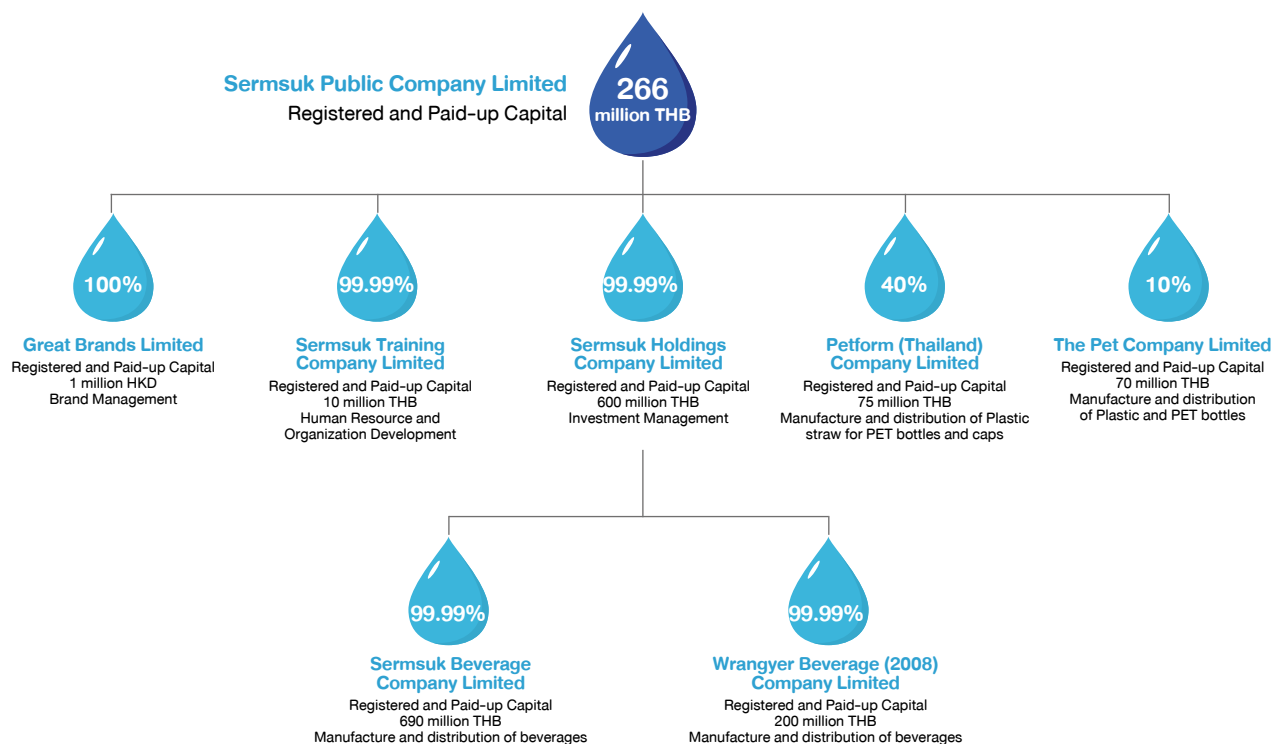
For premium green tea, Oishi launched Oishi Gold Gyokuro, produced using Oishi’s innovative production technology for a healthy Gyokuro green tea, Oishi Gold Gyokuro is high in catechins that are natural antioxidants and L-theanine which promotes relaxation.

Oishi Green Tea Light was introduced as a healthy choice. The sugar-free green tea comes in two flavors 1 Original and Honey Lemon.

Launched V-boost Vitamin C drink, the only drink that contains beta glucan imported from the U.S. and 120 mg. of vitamin C. Available in two flavors: orange and lime, v-boost contains real fruit juice with low sugar and low calorie and is certified by the Healthier Choice nutritional logo.

Policy and Business Overview

1.3 The Company's Shareholding Structure



Investments in Subsidiaries and Affiliates

As of November 18, 2020, there were 7 subsidiaries and affiliates in which the Company holds 10% or more of shares that have been issued and traded on the local and overseas markets as follows:

1) Direct Subsidiaries

Company/Head Quarter Location Detail	Main Business	Type of Issued Capital	Registered Capital	Paid-up Capital	Number of shares issued	Number of shares owned by the Company	Share ownership percentages (%)	Directors
1. Sermasuk Holdings Company Limited ("SSH") No. 90 CW Tower, 31 st – 32 nd Floor, Ratchadapisek Road, Huai Khwang Sub-District, Huai Khwang District, Bangkok 10310 Tel. 0-2783-9000	Investment Management	Ordinary Share	600,000,000 Baht	600,000,000 Baht	600,000,000	59,999,998	99.99	1. Mr. Somchai bulsook 2. Mr. Thapana Sirivadhanabhakdi 3. Mr. Ueychai Tantha-obhas 4. Mr. Sithichai Chaikriangkrai 5. Mr. Dhitivute Bulsook 6. Mr. Kosit Suksingha ⁽¹⁾
2. Sermasuk Training Company Limited ("SST") No. 90 CW Tower, 31 st – 32 nd Floor, Ratchadapisek Road, Huai Khwang Sub-District, Huai Khwang District, Bangkok 10310 Tel. 0-2783-9000	Human Resource and Organization Development	Ordinary Share	10,000,000 Baht	10,000,000 Baht	1,000,000	999,980	99.99	1. Mr. Thapana Sirivadhanabhakdi 2. Mr. Ueychai Tantha-obhas ⁽²⁾ 3. Mr. Sithichai Chaikriangkrai 4. Mr. Kosit Suksingha ⁽³⁾ 5. Mr. Nitipat Putthong 6. Ms. Rewadee Chaihetphon ⁽⁴⁾

Policy and Business Overview

Company/Head Quarter Location Detail	Main Business	Type of Issued Capital	Registered Capital	Paid-up Capital	Number of shares issued	Number of shares owned by the Company	Share ownership percentages (%)	Directors
3. Great Brands Limited ("GB") Room 901-2, Silvercord, Tower 1, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	Brand Management	Ordinary Share	1,000,000 Hong Kong dollar	1,000,000 Hong Kong dollar	1,000,000	1,000,000	100.00	1. Mr. Thapana Sirivadhanabhakdi 2. Mr. Sithichai Chaikriangkrai 3. Dr. Pisanu Vichiensanth 4. Mr. Andy Lee 5. Mr. Kosit Suksingha ⁽⁵⁾ 6. Mr. Krit Julapanichakum ⁽⁶⁾

2. Indirect Subsidiaries

Company/Head Quarter Location Detail	Main Business	Type of Issued Capital	Registered Capital	Paid-up Capital	Number of shares issued	Number of shares owned by the Company	Share ownership percentages (%)	Directors
1. Sermasuk Beverage Company Limited ("SSB") No. 90 CW Tower, 31 st – 32 nd Floor, Ratchadapisek Road, Huai Khwang Sub-District, Huai Khwang District, Bangkok 10310 Tel. 0-2783-9000	Manufacture and distribution of beverages	Ordinary Share	689,586,150 Baht	689,586,150 Baht	68,958,615	68,958,615	99.99	1. Mr. Somchai bulsook 2. Mr. Thapana Sirivadhanabhakdi 3. Mr. Ueychai Tantha-obhas 4. Mr. Sithichai Chaikriangkrai 5. Mr. Dhitivute Bulsook 6. Mr. Kosit Suksingha ⁽⁷⁾
2. Wranger Beverage (2008) Company Limited ("WRY") No. 90 CW Tower, 31 st – 32 nd Floor, Ratchadapisek Road, Huai Khwang Sub-District, Huai Khwang District, Bangkok 10310 Tel. 0-2783-9000	Manufacture and distribution of beverages	Ordinary Share	200,000,000 Baht	200,000,000 Baht	20,000,000	19,999,980	99.99	1. Mr. Somchai bulsook 2. Mr. Thapana Sirivadhanabhakdi 3. Mr. Ueychai Tantha-obhas 4. Mr. Sithichai Chaikriangkrai 5. Mr. Dhitivute Bulsook 6. Mr. Kosit Suksingha ⁽⁸⁾

3. Affiliates

Company/Head Quarter Location Detail	Main Business	Type of Issued Capital	Registered Capital	Paid-up Capital	Number of shares issued	Number of shares owned by the Company	Share ownership percentages (%)	Directors
1. Petform (Thailand) Company Limited ("Petform") No. 85 Moo 11, Bangnga-Thaklong Road, Khaosamorkorn, Tahwung, Lopburi 15180 Tel. 036-489-164-5	Manufacture and distribution of Plastic straw for PET bottles and caps	Ordinary Share	75,000,000 Baht	75,000,000 Baht	7,500,000	3,000,000	40.00	1. Mr. Aloke Lohia 2. Mr. Dilip Kumar Agarwal 3. Mr. Sithichai Chaikriangkrai 4. Mr. Kosit Suksingha 5. Mr. Somchai bulsook 6. Mr. Sukree Kaewcharoen 7. Mrs. Suchitra Lohia 8. Mr. Dhitivute Bulsook 9. Mr. Sunil Marwah 10. Mr. Pramod Narayan Dubey

Policy and Business Overview

4. Related parties

Company/Head Quarter Location Detail	Main Business	Type of Issued Capital	Registered Capital	Paid-up Capital	Number of shares issued	Number of shares owned by the Company	Share ownership percentages (%)	Directors
1. The Pet Company Limited ("The Pet") No. 23/4, Moo 2, Baan Chang, Muang Pathumthani, Pathumthani 12000 Tel. 0-2581-7950-3	Manufacture and distribution of Plastic and PET bottles	Ordinary	70,000,000 Baht	70,000,000 Baht	700,000	70,000	10.00	1. Mr. Nipon Charanwat 2. Mr. Suchin Wanglee 3. Mr. Sukij Wanglee 4. Mr. Vivat Charanvas 5. Mr. Nate Charanvas 6. Mr. Somchai Jongsirilert 7. ML. Chintat Jombunud

Remarks:

- (1) On October 5, 2020, Mr. Kosit Suksingha was appointed Director of SSH in place of Mr. Lester Tan Teck Chuan who resigned as a director.
- (2) On October 7, 2020, Mr. Ueychai Tantha-obhas was appointed Director of SST.
- (3) On October 7, 2020, Mr. Kosit Suksingha was appointed Director of SST in place of Mr. Lester Tan Teck Chuan who resigned as a director.
- (4) On February 1, 2020, Ms. Rewadee Chaihetphon was appointed Director of SST in place of Ms. Nuntaka Watsreevanich who resigned as a director.
- (5) On October 1, 2020, Mr. Kosit Suksingha was appointed Director of GB.
- (6) On October 1, 2020, Mr. Krit Julapanichakum was appointed Director of GB.
- (7) On October 5, 2020, Mr. Kosit Suksingha was appoint Director of SSB in place of Mr. Lester Tan Teck Chuan who resigned as a director.
- (8) On October 5, 2020, Mr. Kosit Suksingha was appointed Director of WRY in place of Mr. Lester Tan Teck Chuan who resigned as a director.

1.4 Related parties of the Company and its subsidiaries

Sermsuk is a subsidiary of Thai Beverage Public Company Limited, its parent company. Part of the Company's policies on investment and business operations focuses on making the businesses of its subsidiaries cover as much of the value chain as possible. This results in the businesses of some subsidiaries being related to or complementing other subsidiaries' businesses. The major related parties of the Company and its subsidiaries are:

Policy and Business Overview

1. Petform (Thailand) Co., Ltd: Sermsuk Public Company Limited owns a 40% stake

Main Business:	Manufacture and distribution of plastic preform and PET bottles
Relationship:	The Company has reached deals with Petform for the following purchase volume of plastic preform and PET bottles. <ul style="list-style-type: none"> - Plastic closures constituted 50% of total annual purchases. - PET bottles made up 52% of total annual purchases
The purchasing approach:	The Company has reviewed the price structure in comparison with market prices Purchases were made in volume and maintained at mutually agreed prices for approximately 3 - 6 months.

2. Thai Beverage Can Co., Ltd: With a stake owned by a subsidiary of TCC owns a stake

Main Business:	Distribution of aluminum cans
Relationship:	With the aluminum cans that are used for packaging, the Company has made purchases for 100% of the total annual purchases.
The purchasing approach:	The Company has reviewed the price structure in comparison with market prices. Purchases were made in volume and maintained at the mutually agreed prices for 6 - 12 months.

3. The Southeast Insurance Public Company Limited: A subsidiary of TCC owns a stake

Main Business:	A professional insurance service provider
Relationship:	The Company has insured its assets and vehicles with Southeast Insurance PCL.
The purchasing approach:	The Company has reviewed the price in comparison with several competitive offers. The Southeast Insurance is considered an insurance service provider, and the bidding will be held annually.

4. Southeast Capital Co.,Ltd: A subsidiary of TCC owns a stake

Main Business:	Rental and leasing services
Relationship:	The Company has made car rental agreement with Southeast Capital Co.,Ltd
The purchasing approach:	The Company has reviewed the price in comparison with several competitive offers. Southeast Capital is considered a service provider, and the bidding will be held annually.

5. Thai Drinks Company Limited: Direct subsidiary company of Thai Beverage Public Company Limited

Main Business:	Trading and representative company to import CSD concentrate from overseas suppliers
Relationship:	The Company hires Thai Drinks Company Limited to produce 19% of drinking water product and purchased 100% of the total annual purchases of CSD concentrate. In addition to buying PET bottles, the Company sells the finished goods procured from Thai Drinks Company Limited through its retail channels and as intermediary manages marketing related activities between Thai Drinks Company Limited and its customers.

Policy and Business Overview

The purchasing approach: The Company has reviewed the price structure in comparison with historical prices. Purchases were made in volume and maintained at the mutually agreed prices for 1 year.

6. Oishi Trading Co., Ltd: Direct subsidiary company of Thai Beverage Public Company Limited

Main Business: Manufacturer and distributor of drinks of Oishi Green Tea.

Relationship: The Company has hired Oishi Trading Co., Ltd to produce 4% of drinking water product and distribute Oishi green tea for returnable bottles and non-returnable bottles.

The purchasing approach: The Company has reviewed the price structure in comparison with historical prices. Purchases were made in volume and maintained at mutually agreed prices for 1 year.

7. Modern Trade Management Co., Ltd: Direct subsidiary company of Thai Beverage Public Company Limited

Main Business: Trading, wholesale and retail of alcoholic beverages, beer, soda, and beverage products

Relationship: The Company sells the finished goods through modern trade channels.

The purchasing approach: The Company has reviewed the price structure in comparison with the historical prices and purchases were made in volume and maintained at mutually agreed prices for 1 year.

8. Piromsurang Co., Ltd: Direct subsidiary company of Thai Beverage Public Company Limited

Main Business: Distributor alcoholic beverages, and non-alcoholic beverages

Relationship: The Company has appointed Piromsurang as the distributor of all the Company's product line-ups.

The purchasing approach: The Company has reviewed the price structure in comparison with the historical prices. Purchases were made in volume and maintained at mutually agreed prices for 1 year.

9. Beer Thip Brewery (1991) Co., Ltd: Direct subsidiary company of Thai Beverage Public Company Limited

Main Business: Manufacturer of beer, drinking water and soda

Relationship: The Company has hired Beer Thip Brewery to produce drinking water products at 2 percent ratio.

The purchasing approach: The Company has reviewed the price structure in comparison with the historical prices. Purchases were made in volume and maintained at mutually agreed prices for approximately 1 year.

Policy and Business Overview

10. Beer Thai (1991) Public Company Limited: Direct subsidiary company of Thai Beverage Public Company Limited

Main Business:	Manufacturer of beer, drinking water and soda
Relationship:	The Company has hired Beer Thip Brewery to produce drinking water products at 16 percent ratio.
The purchasing approach:	The Company has reviewed the price structure in comparison with the historical prices. Purchases were made in volume and maintained at mutually agreed prices for 1 year.

11. Cash Van Management Co.,Ltd: Direct subsidiary company of Thai Beverage Public Company Limited

Main Business:	Distributor of beer, spirits, and non-alcoholic beverages
Relationship:	The Company sells the finished goods through retail channels.
The purchasing approach:	The Company has reviewed the price structure in comparison with historical prices. Purchases were made in volume and maintained at the mutually agreed prices for approximately 1 year.

12. Krittayabun Co.,Ltd: Direct subsidiary company of Thai Beverage Public Company Limited

Main Business:	Distributor of beer, spirits, and non-alcoholic beverages
Relationship:	The Company purchases the finished goods for sale through retail channels.
The purchasing approach:	The Company has reviewed the price structure in comparison with historical prices. Purchases were made in volume and maintained at the mutually agreed prices for approximately 1 year.

13. BevTech Co.,Ltd: Direct subsidiary company of Thai Beverage Public Company Limited

Main Business:	PET packaging production and related business
Relationship:	The Company has hired BevTech to produce drinking water product at a 2 percent ratio.
The purchasing approach:	The Company has reviewed the price structure in comparison with historical prices. Purchases were made in volume and maintained at the mutually agreed prices for approximately 1 year.

14. Thai Malaya Glass Co.,Ltd: With a stake owned by a subsidiary of TCC owns a stake

Main Business:	Manufacturer and distributor of glass packaging
Relationship:	The Company has purchased 100 % glass bottle from Thai Malaya.

Business Operations

The purchasing approach:

The Company has reviewed the price structure in comparison with historical prices. Purchases were made in volume and maintained at the mutually agreed prices for approximately 1 year.

2. Business Operations

Revenue Structure

Unit: Million Baht

Type of Revenues	2020		2019		2018	
	Revenue	%	Revenue	%	Revenue	%
Revenue from carbonated soft drinks	4,615	42.48	5,208	45.01	4,548	42.03
Revenue from non-carbonated drinks	6,250	57.52	6,363	54.99	6,272	57.97
Total	10,865	100.00	11,571	100.00	10,820	100.00

*Some items were reclassified in the comprehensive income statement in accordance with the Presentation of Financial Statement 2020.

2.1 Business Operations by Product

The Company's products and services are clustered around 4 business pillars as follows:

1. Manufacturer and distributor of drinking water

Drinking water under the "Crystal" trademark

2. Manufacturer and distributor of non-carbonated beverages

Ready-to-drink green tea in returnable bottles: honey lemon and lychee flavor under the "Oishi" trademark

Energy drinks under the "Ranger" trademark

Sport drinks under the "PowerPlus" trademark

Nutritional drinks under the "V-boost" trademark

3. Manufacturer and distributor of carbonated beverages

Carbonated soft drinks under the "est" trademark

Healthier carbonated soft drinks under the "100 Plus" trademark

Carbonated soft drinks under the "Sarsi" trademark

Business Operations

4. Beverage distributor

Ready-to-drink green tea in cans and PET bottles under the “Oishi” trademark

Soda water under the “Rock Mountain” trademark

Herbal drink under the “Jubjai” trademark

2.2 Marketing and Competition

(A) Competition and distribution policies

Target group

The Company focuses on competing in the beverage market for consumers, targeting over 240,000 small to large eateries and retail stores nationwide. The Company is determined to operate business under the concept “Growing Sustainably, Rising Towards Digital Future” with the following strategic efforts.

1. **Brand & Reach:** The Company strives to create opportunities to develop products that cater to the needs of consumers together with developing efficient sales and distribution channels that allow for the delivery of products to consumers in a prompt manner.
2. **Production and Supply Chain Excellence:** To consolidate the Company’s production facilities connected to ThaiBev’s extensive logistic network, the Company has incorporated artificial intelligence technology for use in analyzing and developing production and distribution.
3. **Sustainability:** The Company has given top priority to value chain management and development, encompassing material procurement to management of used packaging to address the concerns of all stakeholders with the focus on the management of the environment, natural resources, society, and surrounding communities.

The Company also pledges to develop and help strengthen the grassroots economy together with promoting employee development and corporate culture dedicated to achieving sustainable development in all dimensions.

Distributor of the products

The Company is the distributor of many products that will be supplied to eateries and retail stores for consumers nationwide via its solid network of 900 trucks.

(B) Marketing and Competition status

“est” Carbonated Soft Drink

In 2020, est Cola rolled out the “est Cola Is the Only Drink to Pair with Savoury Food” campaign to motivate consumers to choose est Cola in a returnable glass bottle as part of the marketing strategy to increase sales. The campaign features Boy Pakorn Chatborirak, Great Warintorn Panhakarn, and Alek Teeradetch Metawarayut, three of Thailand’s hottest superstars. To beef up the campaign, an est Cola Troop was set up, taking the three presenters on a tour to visit eateries across the country to create brand awareness and further its reach to consumers in all areas.

To continue its momentum to boost sales, est Cola launched the summer promotional campaign called “est Cola Gives Away Prizes for Every Meal to Make Every Day a Great Day” in which consumers stood a chance of winning over 513 fabulous prizes, the first prize being a Mercedes-Benz GLA-Class. To reaffirm its leadership position in the colored carbonated soft

Business Operations

drinks market, est Play added two new flavors including est Play Kamikaz and est Play Pink Bomb in line with the concept “Fragrant Fizzy Mocktails for All Parties”. Two budding teen stars, Ice Paris Intarakomalyasut and Jane Ramida Jiranorraphat, were chosen as the presenters.

“Crystal” Drinking Water

In 2020, Crystal continued to strengthen its leadership in Thailand’s drinking water market and drive sustainable growth, introducing the “Crystal Moment: A Quality Moment with Quality Water” campaign, which was designed to elevate the brand communications, using a lifestyle approach to reach out to a diverse group of consumers. The campaign underlined the position of Crystal as always being in consumers’ everyday lives, be it during meal time, work time, happy moments, caring for one’s health, or other quality moments in life. These were portrayed through a new TV commercial “A Quality Moment with Quality Water, featuring Naphat Nine” Fiangsomboon, Crystal brand ambassador, who shared the impressions he experienced during different quality moments with people he met.

To spur excitement in the drinking water market, Crystal launched a limited-edition packaging, marking the first collaboration between Crystal and two generations of contemporary Thai artists: M.L. Jirathorn “Kru Toh” Jiraprawat and his nephew Mr. Jira Jiraprawat, known for his creative pop art style. The three designs of the limited-edition packaging conveyed the idea that Crystal quality drinking water would always fulfil and be part of people’s everyday lives during any moment, feeling, or situation.

In addition, Crystal sustained its sustainable leadership in line with the concept “Crystal CARE” which focused on operating business with responsibility and care for every phase and process of production, ranging from raw material selection, manufacture, to distribution of products to consumers, and management of used packaging to minimize environmental impacts. The Company ended the year with the “Art for Life” campaign. A new TV commercial “New Friends” featured illustrative work by Yuree Kensaku, an emerging contemporary artist who participated in BAB 2020. Her work was reinterpreted and inspired the “Crystal X Yuree” illustration collection, conveying the concept of living a quality life together and contributing to environmental sustainability. The collection includes many items such as the Crystal IG Photo Filter and much more.

“Oishi” Green Tea

In addition to serving as a distributor of ready-to-drink under the trade name of Oishi for Oishi Trading Co.,Ltd, the Company has the right to bottle and distribute Oishi Green Tea in returnable bottles through retailers, movie theaters, and food stores. In the wake of more intense competition, Oishi has continued to witness a steady sales growth.

To spur its growth, Oishi Green Tea, the leader in the ready-to-drink green tea market, in 2020 launched Oishi Honey Lemon, highlighting its exclusive ingredient, Hyakka-mitsu Honey from Hokkaido. In addition, the company later introduced Oishi Honey Double Lemon in plastic and returnable bottles, featuring 16 singers from the Thai idol group BNK 48 as its presenters. Three new premium products under the Oishi Gold label were launched: Oishi Gold Genmaicha No Sugar, Oishi Gold Genmaicha Delight (low sugar), and Oishi Gold Kabusecha No Sugar. The campaign featured Pek Palitchoke Ayanaputra as a presenter.

On top of this we launch the dazzling summer promotional campaign” **Oishi Hippest Car and Free Trip Giveaways**” that successfully catapulted Oishi into the leadership position in the green tea market. To take part in the campaign, both Thai and overseas consumers had to send the code found under the cap electronically and have a chance to win the prizes of their choices. As part of the effort to create greater awareness, the campaign featured GMM Teen Idols, a group of 10 young stars with a large fan base both at home and overseas, as its

Business Operations

presenters. The campaign was supported by numerous media to boost sales during the summer and to strengthen the Oishi brand. Another campaign was also rolled out to push sales of Oishi in two new sizes: Oishi Green Tea 350 ml size in a bottle and 180 ml size in a UHT box. The theme was entitled “New Oishi 350-ml Size Gives Away Cool Gold and Cars” in which consumers could send in a label on the packaging to have a chance to win prizes.

“100 Plus” Functional Carbonated Soft Drink

The 100 Plus functional carbonated soft drink continued to accommodate the growing trend toward consumers’ health consciousness through a new TV commercial with Toon Artiware Kongmalia as its presenter, underlining the product image as an “alternative carbonated soft drink”, motivating consumers to change from the same old fizzy drink to 100 Plus, and choose a healthy carbonated drink.

What’s more, 100 Plus also provided support to many sport events such as running, cycling, etc to create awareness and offer a drink tasting experience for the health-conscious target group.

“Ranger” Energy Drink

Ranger launched the “All-New Ranger” energy drink for a new generation of workers who want to unleash their power every day. With an improved flavorful taste, the new sugar-free energy drink is refreshing and is a convenient way to get a boost of vitamin C with antioxidant properties. It is also packed with vitamins B6 and B12 to boost mental alertness and brain power. With an outstanding packaging design emblazoned with a tiger icon, Ranger communicated its message through the “Unleash the Power in You” online campaign to convey the idea that Ranger helps unleash your power, empowering you to get through the daily challenges of work and life.

Moreover, the Company tried a pilot royalty marketing program to increase customer retention and inspire customer loyalty through LINE Official platform@rangerpoints where consumers can earn “Ranger Points” for actions.

“V-Boost” Vitamin C Drink

Today’s trend toward more health-conscious eating has resulted in many consumers opting for healthier choices of food and beverages such as low-sugar, sugar-free, or low-calorie drinks. As part of the aggressive marketing strategy, Sermasuk’s non-alcohol business developed and distributed V-Boost, a functional drink that offers twice the benefits of 200% of vitamin C and beta glucans from the U.S. that can enhance immune system function to fight serious diseases and infections. Available in two popular flavors – orange and lime –, V-Boost contains real fruit juice with low-sugar and low calories. It is certified by the Healthier Choice nutritional logo.

2.3 Products and Services Sourcing

Sources of key materials are as follows:

- Concentrates for est Cola, est Play and est sugar free are sourced from Thai Drinks Co., Ltd., related company who is the representative to import the finished concentrates from overseas supplier
- Concentrates for 100 Plus are sourced from Thai Drinks Co., Ltd., related company who is representative to import the finished concentrates from overseas supplier.

Risk Factors

- Concentrates for Ranger energy drink and PowerPlus are sourced from local distributors imported from outside Thailand.
- Concentrates for Oishi Green Tea in returnable bottles are sourced directly from Oishi Group Public Company Limited, a local producer.
- Distributed goods including Oishi Green Tea, Jubjai herbal drink and Rock Mountain soda
- Concentrates for V-BOOST are sourced from local distributors.
- Other materials and packaging for production such as liquid sugar, fructose syrup, glass bottles, PET bottles, aluminum cans, crown seals, screw caps, CO₂, chemical, plastic cases, and paper trays , and etc.

In addition to the concentrates that are supplied by the brand owners, local distributor and the local producer, the Company sources other raw materials and packing materials from 3-4 suppliers in order to ensure sufficient of raw materials and packing materials at reasonable prices.

The Company operates five manufacturing plants which are:

- | | |
|--|--|
| 1) The PathumThani Plant: | Located at No. 63, Moo 3, Bangkhayaeng Subdistrict, Mueang District, Pathum Thani; |
| 2) The Nakhon Ratchasima Plant: | Located at No. 211, Moo 4, Pruyai Subdistrict, Mueang District, Nakhon Ratchasima; |
| 3) The Nakhon Sawan Plant: | Located at No. 72, Soi Wat Chomkhiri Nakprot, Nakhon Sawan Aok Subdistrict, Mueang District, Nakhon Sawan; |
| 4) The Surat Thani Plant: | Located at No. 111, Moo 5, Ta Rong Chang Subdistrict, Phunphin District, Surat Thani; |
| 5) The ChonBuri Plant: | Located at No. 700/369, Moo 6, Nong Mai Daeng Subdistrict, Mueang District, Chon Buri |

In addition to the five plants, the Company has two subsidiaries with manufacturing plan are as follows:

- 1. Sermsuk Beverage Co., Ltd.,**
located in the Amata City Industrial Estate at No. 700/368, Moo 6, Nongmaidaeng Sub-district, Muang District, Chonburi.
- 2. Wrangyer Beverage (2008) Co., Ltd.,**
located at No. 63, Moo 3, Phrapratone-Baanpaew Rd., Thanonkhad Subdistrict, Muang District, Nakhon Pathom.

3. Risk Factors

In running its business, the Company has to be mindful of several internal and external risk factors, which impact the Company's performance and financial status as well as its efforts to achieve its goals. The risk factors are as follows:

3.1 Business Operation Risks:

There are several risk factors to ongoing business growth and profitability.

Risk Factors

3.1.1 Prices and sufficiency of ingredients and packaging

Liquid sugar:

This year's liquid sugar price was comparable to that of the previous year. However, since climatic changes might affect the sufficiency in sugar availability for production, the Company has committed to its suppliers for the volume of liquid sugar required for production to ensure the sufficiency of liquid sugar to reach the Company's annual sales target.

Fructose Syrup:

The price of fructose syrup this year was comparable to the previous year. Like liquid sugar, there might be a risk in climatic changes that would affect the sufficiency in fructose syrup availability for production. The Company, therefore, has committed to its suppliers for the volume of fructose syrup required for production to ensure the sufficiency of fructose syrup to reach the Company's annual sales target.

PET Bottle:

Given the growing use of non-returnable bottles, the price of PET has been another major cost for the Company. Normally, the prices of resins, the main feedstock for PET bottles, are driven by the fluctuating oil prices and the circumstances in the global market. However, over the previous year, the prices of resins declined. The Company closely monitored the resin prices to plan and procure sufficient materials in advance to meet the demands at the appropriate time. This resulted in the lower price of the bottles. At the same time, the Company worked with the PET bottle manufacturer to produce a bottle with a lighter weight to reduce the use of resins and yet retain the required strength.

Aluminum Can:

For this type of packaging material, the prices were negotiated in advance for the whole year. For previous year, the prices fluctuation stayed within a small margin. The Company is able to negotiate for prices that are lower than that of the previous year, and therefore may decrease the cost of packaging material.

Apart from liquid sugar, fructose syrup, PET bottle, and aluminum can, as described above, there are other types of packaging material, i.e., bottle caps, and plastic bottle caps. The Company negotiated the price of these packaging material by combining the purchasing amount of the group of companies who use the same material in order to increase the Company's negotiating power as well as reduce prices.

3.1.2 Wages:

The wage expense is another key factor that the Company has to constantly keep track of especially during marketing and sales situations with highly intense competition and vying for market share. The shortage of labor in some areas, especially industrial estates or nearby communities remained a critical problem of the Company. Moreover, the National Wage Committee's Notification on Minimum Wage Rate (No.10) prescribing the increase of minimum wage for labor across the country, effective January 1, 2020 as well as the increase of the skilled labor standard wage depending upon the required skill level, effective May 1,

Risk Factors

2020 resulted in higher labor costs. To keep costs at bay, the Company was committed to enhancing labor efficiency and using human labor and workers only where necessary. Added to this were leveraging work and processes, adjusting management structure to ensure maximum work efficiency, and taking all possible measures to control and reduce costs associated with labor.

3.1.3 Excise tax rate:

The excise tax rate is a major external cost and is regulated by the Government. In 2020, aside from continuing to use the suggested retail prices for the excise tax base computation, the excise tax of sugary drinks based on the sugar content remained the same as the previous year.

3.1.4 Petro price:

Fuel is a major cost of product distribution. Although the average prices of diesel in 2020 was comparable to the previous year, the Company took various measures to reduce fuel consumption as follows:

1. In the first quarter of 2020 the company use the alternative diesel B20 in place of regular diesel with its trucks, starting in the first quarter of the year. The lower price of diesel B20 helped reduce the energy cost.
2. The trucks have been modified to better suit the sales environment in each region. This included optimization of the performance of a truck hauling a trailer, and a replacement of materials used to build the trailer to reduce its weight yet retain the required strength and safety while in motion in compliance with the standards of the Company and the Department of Land Transport. The goal was to reduce fuel consumption.
3. Last year's modification of trucks to transport more goods was found to enhance the Company's efficiency in logistic management whilst reducing energy use. Therefore, the Company has a policy of increasing the number of trucks with the same configurations at other Sermsuk plants in other regions to enhance logistic efficiency, and reduce fuel costs in the following years.
4. A logistic network was set up, allowing the Company to distribute logistic routes which are not cost-effective, fuel-efficient, transport in steep terrains, to be carried out by other truck operators in the network.

The efforts resulted in a slight decrease in the cost of product distribution compared to the previous year.

3.1.5 Consumer behavior:

In the wake of today's changes in consumer behavior and their growing health concern, the Company has adopted a new business approach, positioning itself as Thailand's leading manufacturer and distributor of a full range of beverages. The Company is committed to driving the Company's sustainable growth by expanding the distribution network to cover all areas nationwide, increasing sales and market shares, and driving the Company's major brands to be the leading brands that capture the hearts of Thai consumers. This ran concurrent with consolidating the Company by pushing the growth of healthy drink products to address customer demand. To that effect, the Company has developed a new range of products for progressive health and wellness of consumers. In response to today's consumers' growing demand for products with less sugar and more nutrients, the Company has rolled out several low sugar products whilst reducing sugar content in the existing products. In the long-term, the Company pledges its commitment to contributing to the better health and wellness of consumers.

Risk Factors

In 2020, the world faced the crisis caused by the COVID-19 pandemic, having devastating repercussions on the economy, society, and people's way of life. The changing behavior of consumers who were encouraged to stay home to reduce the risk of contracting COVID-19 made distribution of products through conventional channels ineffective. This prompted the Company to adjust to the challenge brought by COVID-19 by offering healthy drink products and developing digital sales channels during the time when many employees were working from home. To that effect, the Company carried out various marketing activities to communicate between the brands and consumers through different channels. Examples included a product delivery service in which consumers can place an order online and have the products delivered to their doorsteps; sending trucks to sell quality drinking water to consumers in communities; and joining hands with partners to organize sales promotion activities on 8 MRT stations to drive sales growth.

In addition, the Company formulated strategies to create new products and develop products that address the needs of consumers, especially healthy products while looking for new online sales channels to deliver products to consumers directly. In the meantime, the Company continued to strengthen its main distribution channels and maintain their high standards along with being prepared for the emerging situations, and adopting technology to enhance efficiency in sales management. In 2020, in response to the digital transformation challenge, the Company developed the 'Sermasuk Family' application to facilitate communication with stores and ensure maximum efficiency. The Company pledges to continue developing more work processes on digital platform to cope with changes in consumer behavior and emerging challenges.

3.1.6 Change of excise tax measures

Under the Excise Tax Act 2017, which imposes new sugar tax on beverages based on the value of the product and sugar content, effective September 2017, the tax for certain beverages is calculated from the suggested retail price and sugar content per liter of beverage volume. Taxes on sugary drinks will be increased every two years through to 2023. In response, Sermasuk has established strategic plans and measures to cope with the potential impacts from the new tax act. Chief among them were the research & development of innovative products with the focus on healthy products that cater to the evolving trends and needs of consumers as well as implementation of efficient management of costs and expenses to ease the impacts from the new excise tax act.

3.2 Production Risks:

The beverage industry requires major investment in its plants and machinery. Also, water is by all means a main raw material in the beverage industry. In 2019, the Company collaborated with Thai Drink Co.,Ltd and the subsidiaries of ThaiBev for the manufacturing of Crystal drinking water at their factories nationwide in an attempt to reduce the Company's investment and spread out the risks of securing water for production. To ensure the same quality standards of Crystal drinking water across the country, the Company has put in place a stringent quality control system. Moreover, the Company was partnered with trade partners and ThaiBev subsidiaries to produce bottles to meet the growing production output of Crystal drinking water in response to consumers' increasing needs.

Given the change in consumer behavior toward buying carbonated soft drinks in PET bottles, the Company has planned to expand the manufacturing capacity of carbonated soft drinks in PET bottles and streamline production efficiency to accommodate the growing market demand.

Risk Factors

All of the Company's production lines have achieved the internationally-recognized certifications for quality and safety such as the Good Manufacturing Practice and Hazard Analysis and Critical Control Point or GMP & HACCP, Food Safety Management System (ISO 22000), FSSC 22000 system, and NSF Certification, which certifies quality of drinking water products in compliance with the U.S. Food & Drug Administration to ensure the management efficiency of product quality and safety. In 2020, all the production plants of the Company achieved the ISO 14001:2015 environmental management system in their efforts to promote eco-friendly manufacturing and business sustainability.

Nevertheless, given the change in consumer behavior toward buying carbonated soft drinks in PET bottles, the Company may fall short of accommodating the growing demand for carbonated soft drinks in PET bottles in the near future.

New Product Launch Risk

Recognizing the risks associated with new product launches, the Company has prepared four dimensions of risk prevention including employee, equipment, raw materials, and production control measures. In the past year, the new product launches enjoyed impressive sales and were well-received by consumers.

3.3 Management and Administration Risks

1. The Directors, executives, every employee, and every function are risk owners and are responsible for assessing, monitoring, and supporting efficient risk management processes.
2. All functions shall put in place risk management processes as well as assessment, and systematic on-going monitoring. The processes shall be periodically updated to reflect the changing business environment at least once a year.
3. It is imperative that all departments incorporate an assessment of corporate-wide risks into their annual action plans, taking into consideration both internal and external risk factors. It is also mandatory that they define appropriate risk management.
4. The Sustainability and Risk Management Committee is responsible for assessing the risk management of the Company and advising the Board on the Company's risk appetite.
5. It is vital to embed risk awareness in corporate culture by creating a knowledge base that allows employees at all levels to learn, research, and share experience, leading to the development of risk management processes into efficient mechanisms in strategic operations.

3.4 Financial Risks

3.4.1 Credit Control and Collection:

The Company has to exercise tight control over collections and credit while constantly following-up on debts via the credit department and the management. The credit line for customers is regularly reviewed. In a situation of economic downturn especially during the COVID-19 outbreak, the Company will be more cautious before extending credit and more stringent in following-up on debt collection.

3.4.2 Foreign Exchange Risk:

Currency fluctuations have a certain impact on the Company's operating costs. The Company has foreign currency liabilities and commitments that are limited to the imports of new machines, spare parts, and equipment. To reduce exchange rate exposure, the Company has used derivatives to hedge interest rate risk appropriate for each specific period of time.

Risk Factors

3.4.3 Interest Rate Risk:

During the year 2020, the Company had no short-term loans. However, interest rate movement may be a risk factor which requires the Company to consider and evaluate before entering into any transactions.

3.5 Risks that affect shareholders' rights or investment

3.5.1 Risk from the Company having more than 50% of shares owned by a major shareholder

As of December 4, 2020, So Water Co., Ltd. held 171,954,804 of Company's shares representing 64.67% of total outstanding shares. Therefore, So Water Co., Ltd. has almost total control over all decisions to be made at each shareholders' meeting, be it the appointment of directors, a resolution that must be passed by a majority of the votes cast by the shareholders at the meeting, or a resolution required by law to be passed by three-quarters or more of the votes cast by the shareholders at the meeting. This results in other minor shareholders being unable to collectively vote against an agenda item proposed by the major shareholder.

To ensure that the business is carried out with transparency and in accordance with the principles of corporate governance, the Company has established a management structure consisting of highly capable professionals and clearly prescribed their duties and responsibilities. The Company has also appointed the Audit Committee comprising three independent committee members who have no vested interest in the Company. They are responsible for auditing the Company's business operations and overseeing the rights of minor shareholders sufficiently to create a balance of power of manage at an appropriate and auditable level.

3.5.2 Risk from the Company having a small number of shares that can be publicly traded (free float, on the Stock Exchange of Thailand)

As of February 26, 2020, the proportion of minor shareholders of the Company accounted for 14.19% resulting in low float stocks. The investors, therefore, might be at risk of being unable to sell their shares quickly at the right price.

However, the Company resolves to monitor and maintain an appropriate free float percentage for shareholders.

3.6 Other risks:

Apart from the above-mentioned risks, 2020 witnessed the COVID-19 outbreak, prompting the government to announce several measures to control the transmission of COVID-19. Chief among them were imposing a night curfew, urging people to stay home, avoiding going out unnecessarily during the day, contemporary closure of certain places including department stores, restaurants, schools, boxing stadiums, and convention halls, adversely affecting the economy and people's daily life.

Realizing the severity of the COVID-19 spread, the Company allowed employees to work from home. When returning to work, the employees were screened for the coronavirus. They were all required to screen the body temperature before entering the workplace every day.

As the government urged people to stay home and avoid going out unnecessarily, the Company provided convenience by sending trucks to sell products to consumers in communities, which helped boost sales. On the other end, the Company was committed to cost control by delaying

Basic Information

investments in non-urgent activities, and commissioning each function to control cost. The efforts helped increase work efficiency and provide guidelines for future work.

4. Basic Information

Location of Head Office: No. 90 CW Tower, 31st – 32nd Floor, Ratchadapisek Road, Huai Khwang Sub-District, Huai Khwang District, Bangkok 10310

Registration Number: 0107537001650 (previously Bor. Mor. Jor. 412)

Telephone: 0-2783-9000

Fax: 0-2783-9092-93

Issued Shares: Ordinary shares

Issued and Paid-Up: 265,900,484 shares of Baht 1.00 each

Website: www.sermsukplc.com

Reference Parties

A) Securities Registrar: Thailand Securities Depository Co., Ltd.
93 Ratchadaphisek Road, Din Daeng,
Bangkok 10400
Telephone: 0-2009-9000
Fax: 0-2009-9991

B) Debenture Holder Representation: -None-

C) Auditors: Miss. Sureerat Thongarunsang, Certified Public Accountant No. 4409
Mr. Eakasit Choothamsathit, Certified Public Accountant No. 4195
Miss Kanokorn Puripunyanich, Certified Public Accountant No.10512
KPMG Phoomchai Audit Limited
Empire Tower, 48th Floor, 1 South Sathorn Road, Yannawa,
Bangkok 10120
Telephone: 0-2677-2000
Fax: 0-2677-2222

D) Legal Consultant: Weerawong, Chinnavat & Partners Ltd.
22nd Floor, Mercury Tower
540 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Telephone : 0-2264-8000
Fax: 0-2657-2222

E) Consultant or Manager under Management Contract: -None-

F) Investors Relations: Please Contact K.Sorada Lipatasuwan
No. 90 CW Tower, 31st – 32nd Floor, Ratchadapisek Road,
Huai Khwang Sub-District, Huai Khwang District, Bangkok 10310
Telephone: 0-2783-9000
E-mail: Investorrelations@sermsukplc.com

Share Capital and Shareholders

5. Share Capital and Shareholders

5.1 Authorized and Paid-up Share Capital

Share capital – ordinary shares

For the year ended September 30, 2020, the Company has an authorized capital of Baht 265,900,484 comprising 265,900,484 ordinary shares valued at Baht 1 per share and a paid-up capital of Baht 265,900,484. The company does not issue other classes of shares that have rights or conditions different from the ordinary shares.

5.2 Shareholders

Major Shareholders:

A list of shareholders eligible to attend and to be invited to the 2021 Annual General Meeting of Shareholders will be determined on the Record Date, December 4, 2020.

Name	Number of Shares	% of Total Shares
1. So Water Co., Ltd.	171,954,804	64.67 %
2. SS National Logistics Co., Ltd.	56,199,807	21.14 %
3. DBS BANK LTD	12,500,000	4.70 %
4. BANK OF SINGAPORE LIMITED – THB SEG AC	10,800,000	4.06 %
5. UOB KAY HIAN (HONG KONG) LIMITED - Client Account	7,200,000	2.71 %
6. Mrs. Duangkaew Trakulpipat	576,000	0.22 %
7. Captain Narong Phatralaoha	508,000	0.19 %
8. Miss Nanthana Yaemmanas	275,000	0.10 %
9. SS Integration Co., Ltd.	214,900	0.08 %
10. Thanathip Co.,Ltd.	187,500	0.07%

5.3 Issuance of Other Instruments

Neither convertible securities nor debt instruments were issued for the third parties.

6. Dividend Payment Policy

Dividend policy for Sermasuk Public Company Limited and its subsidiaries are as follows:

- There will be no payment of dividends from other sources of funds other than profit.
- There will be no dividend payment if the Company carries accumulated losses.
- Dividends will be paid for each share equally.

Dividend Payment Policy

- The Board of Directors may declare an interim dividend payment to the shareholders if the Company has sufficient profit and is required to report such a payment to the shareholders in the subsequent shareholders' meeting.
- Dividend payment must be made within 1 month after approval from the shareholders' meeting or, in the case of an interim dividend, the Board of Directors. Notification of such dividend payment must be sent to the shareholders and published in a Thai newspaper for 3 consecutive days.
- In case the Company has not fully issued all its registered shares or the Company has registered for a share capital increase, with approval from the shareholders' meeting, the Company may pay part or all of the dividends by issuing new ordinary shares to the shareholders.
- The Company has a policy to return profit to shareholders in the form of consistent dividend payments at a reasonable rate but no less than 40% of the net profits of each fiscal year of Consolidated Financial Statements⁽¹⁾ after deducting the legal reserves and accumulated losses carried forward (if any), provided that such dividend payment is subject to Company's financial liquidity, investment plan, terms and conditions of agreements the Company is obliged to along with other future necessities.

Remarks: On November 18, 2020, the Board of Directors resolved to approve the amendment to the dividend policy from "has a policy to return profit to shareholders in the form of consistent dividend payments at a reasonable rate but no less than 40% of the net profits, of each fiscal year of Separated Financial Statements ..." to "has a policy to return profit to shareholders in the form of consistent dividend payments at a reasonable rate but no less than 40% of the net profits, of each fiscal year of Consolidated Financial Statements ..."

7. Management Structure

As of November 18, 2020, the Management Structure of the Company consisted of 6 committees, i.e., the Board of Directors, the Executive Committee, the Audit Committee, the Sustainability and Risk Management Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee. Details of which are as follows:

7.1 The Board of Directors of the Company

	Name ⁽¹⁾	Position
1.	Mr. Somchai Bulsook ⁽²⁾	Chairman Chairman of Corporate Governance Committee
2.	Mr. Suchin Wanglee	Vice Chairman No.1 Independent Director Chairman of Nomination and Remuneration Committee Member of Audit Committee
3.	Mr. Chotiphat Bijananda ⁽²⁾	Vice Chairman No.2

Management Structure

	Name⁽¹⁾	Position
4.	Mr. Thapana Sirivadhanabhakdi ⁽⁴⁾	Vice Chairman No.3 Chairman of Executive Committee Member of Nomination and Remuneration Committee Member of Sustainability and Risk Management Committee
5.	Mr. Ueychai Tantha-obhas ⁽⁵⁾	Vice Chairman No.4 Vice Chairman of Executive Committee No.1 Member of Corporate Governance Committee
6.	Prof. Dr. Khunying Suchada Kiranandana	Independent Director Chairman of Audit Committee Chairman of Sustainability and Risk Management Committee
7.	Adjunct Prof. Rawat Chamchalerm	Independent Director
8.	Mrs. Siripen Sitasuwan	Independent Director Member of Audit Committee Member of Sustainability and Risk Management Committee
9.	Mr. Pramoad Phornprapha ⁽⁶⁾	Independent Director Member of Corporate Governance Committee Member of Nomination and Remuneration Committee Member of Sustainability and Risk Management Committee
10.	Mr. Sithichai Chaikriangkrai	Director Vice Chairman of Executive Committee No.2 Member of Sustainability and Risk Management Committee
11.	Mr. Sakchai Thanaboonthai	Director
12.	Mr. Rangsak Thammaneeuwong	Director
13.	Mr. Dhitivute Bulsook	Director Vice Chairman of Executive Committee No. 3 Member of Sustainability and Risk Management Committee
14.	Mrs. Tongjai Thanachanan	Director
15.	Mr. Kosit Suksingha ⁽⁷⁾	Director Member of Executive Committee President Member of Sustainability and Risk Management Committee

Management Structure

- Remarks:**
- (1) Mr. Photipong Lamsam was appointed as an Honorary Chairman on January 23, 2017.
 - (2) Mr. Somchai Bulsook was appointed as Chairman of Corporate Governance Committee on January 30, 2020.
 - (3) Mr. Chotiphat Bijananda vacated his position as member of the Nomination and Remuneration Committee and member of the Corporate Governance Committee due to the structural changes of the sub-committees on January 30, 2020.
 - (4) Mr. Thapana Sirivadhanabhakdi vacated his position as member of the Corporate Governance Committee due to the structural changes of the sub-committees on January 30, 2020.
 - (5) Mr. Ueychai Tantha-obhas was appointed as a member of Corporate Governance Committee on January 30, 2020.
 - (6) Mr. Pramoad Phornprapha was appointed as a member of Nomination and Remuneration Committee on January 30, 2020.
 - (7) Mr. Kosit Suksingha was appointed as Director, Member of Sustainability and Risk Management Committee, Member of Executive Committee and President on October 1, 2020 in place of Mr. Lester Tan Teck Chuan, who resigned from his office.

Names and Number of Authorized Directors (information as on November 18, 2020)

- (1) Any one of the following five directors, Mr. Somchai Bulsook, Mr. Thapana Sirivadhanabhakdi, Mr. Dhitivute Bulsook, Mr. Sakchai Thanaboonchai or Mr. Kosit Suksingha, jointly signs with any one of the following four directors, Mr. Chotiphat Bijananda, Mr. Rangsang Thammaneeuwong, Mr. Sithichai Chaikriangkrai or Mr. Ueychai Tantha-obhas, totaling two persons jointly sign with the Company's seal affixed.
- (2) Any two of the following nine directors, Mr. Somchai Bulsook, Mr. Thapana Sirivadhanabhakdi, Mr. Dhitivute Bulsook, Mr. Sakchai Thanaboonchai, Mr. Chotiphat Bijananda, Mr. Rangsang Thammaneeuwong, Mr. Sithichai Chaikriangkrai, Mr. Kosit Suksingha, or Mr. Ueychai Tantha-obhas, jointly sign with the Company's seal affixed on the application or the submission of documents to the Revenue Department, Customs Department, Department of Business Development of the Ministry of Commerce, Office of Foreign Workers Administration, Immigration Bureau, Department of Skill Development, Ministry of Industry, Ministry of Public Health, and other government authorities which relate to the submission of tax report, import and export documents and amendment of document concerning company registration, applications of extension for visa and work permit, and business licenses.

Roles and Responsibilities of the Chairman of the Board

The Board of Directors must perform its duties with honesty and caution, using its members' knowledge and experience for the utmost benefit of the shareholders, stakeholders, customers, and the society overall, and for the stable and sustainable growth of the Company. The Board of Directors' significant duties and responsibilities are as follows:

- 1) To determine the appropriate direction, goals, and business policy of the Company in accordance with the current situation;
- 2) To delegate part of its duties and responsibilities to the relevant sub-committees, the executives, and the management under the framework of the laws, objectives of the Company, the Articles of Association, the resolution of the Board of Directors' meetings, and the resolution of the shareholders' meetings;
- 3) To provide advice and supervise the operation of the Company to ensure that its operation is in compliance with the laws, the objectives of the Company, the Articles of Association,

Management Structure

the resolution of the Board of Directors' meetings, and the resolution of the shareholders' meetings;

- 4) To consider the suitability of, advise, determine, and approve the visions and strategies of the Company;
- 5) To monitor the compliance with the strategies of the Company; as well as monitor and supervise the management and operation of the Company to ensure that it is in line with the established policies, strategies, plans, and goals in a consistent and effective manner;
- 6) To monitor and supervise the operation of the Company to ensure that it is in compliance with the laws, rules, regulations, criteria, and the resolution of the shareholders' meeting;
- 7) To consider, determine, and arrange for the appropriate and reliable accounting and financial reporting system, internal audit, internal control, and risk management to ensure that the operation of the Company is correct, transparent, and auditable under the relevant laws, rules, regulations, and criteria;
- 8) To arrange for the disclosure of various element of the Board of Directors and information regarding the directors such as age, gender, educational background, experiences, ratio of the Company's share held, years in office, and directorship in other listed companies in the annual report as well as on the Company's website;
- 9) To arrange for a transparent and clear process with regard to the consideration and nomination of directors in order for the Board of Directors to attain the established requirements in composition;
- 10) To be responsible for and ensure equal and fair treatment of all shareholders and stakeholders, equally and fairly protect and preserve the benefit of all shareholders and stakeholders, and disclose significant information in a complete and timely manner;
- 11) To not conducting business, or be a partner or a director in a business that is of the same nature as and competing with the business of the Company;
- 12) In the case that any directors have a potential conflict of interest with the Company or its subsidiaries (as per the Articles of Association, the laws, and the notification of SET and SEC) on any matter, such director shall not be able to cast a vote on such matter;
- 13) In performing any of their duties or approving any matter which is required by law to receive the approval of the shareholders' meeting, the directors must act as per the resolution of the shareholders' meeting under the criteria and conditions required by law;
- 14) To appoint one or more directors to the position of Vice Chairman of the Board of Directors;
- 15) To appoint directors or executives of the Company to be members of the Executive Committee, which may perform certain tasks in place of the Board of Directors. The performance of such tasks must be within the authority of the Board of Directors, and the authorities of the such appointed person must be clearly defined;
- 16) To appoint sub-committees to support the performance of the Board of Directors' duties. The Board of Directors have the authority to alter the scope of authorities and responsibilities of the sub-committees as necessary when deemed appropriate;

Management Structure

- 17) To appoint one director to hold the position of President, whose duties is as assigned by the Board of Directors. The Board of Directors have the authority to alter the scope of authorities and responsibilities of President as necessary when deemed appropriate and may supervise the work of President to ensure his/her performance of the duties assigned and that the strategies of the Company is being implemented;
- 18) To support and encourage the innovation of new products and the improvement of existing products in order to generate value to the business while also benefiting the customers and related persons and being responsible to the society and the environment;
- 19) To supervise the stipulation of the executive succession plan, and consider the executives skills development and appropriate remuneration; and
- 20) To monitor the sufficiency of the Company's liquidity and its solvency. In the case that the Board of Directors wishes to empower another to perform such duties in its place, such empowerment shall not be in the nature of power of attorney or substitute power of attorney that allows the attorney-in-fact to approve transactions where he or persons may incur conflict, interest, or conflict of interest (pertaining to the law, Article of Association of the Company, notifications and criteria of SEC and SET) against the Company or subsidiaries unless approval of transactions is made in accordance with the policy and criteria approved by the Board of Directors. In any case, the persons with conflict of interest shall abstain from voting on such agenda.

Roles, duties, and responsibilities of the Chairman of the Board of Directors

The key roles and responsibilities of Chairman of the Board of Directors are as follows:

- 1) To direct, oversee, and monitor the performance of the Board of Directors duties and responsibilities to ensure its effectiveness in order to achieve the established objectives and goals;
- 2) To chair the meetings of Board of Directors and meetings of shareholders;
- 3) To be the deciding vote in case of equal voting results; and
- 4) To perform other tasks as required by law.

Orientation

The Board of Directors has arranged for the orientation of all new directors in order for them to acknowledge the expectation of the Company with regards to their roles, duties, and responsibility as director, policies and guideline on corporate governance of the Company; to learn more about business, products, business plans, and operations of the Company; and to visit different operations of the Company to ensure they are ready to serve as director of the Company.

Director Development and Training

The Company has policy to encourage and support all directors of the Company to attend seminars and participate in training courses organized by the Thai Institute of Directors Association (IOD), SET, and other independent organizations or agencies to enhance their knowledge, which will benefit their performance.

Executive Committee

The board has approved the forming of the Executive Committee that consists of six members as follows:

Management Structure

- | | |
|----------------------------------|---|
| 1. Mr. Thapana Sirivadhanabhakdi | Chairman |
| 2. Mr. Ueychai Tantha-obhas | Vice Chairman of Executive Committee No.1 |
| 3. Mr. Sithichai Chaikriangkrai | Vice Chairman of Executive Committee No.2 |
| 4. Mr. Dhitivute Bulsook | Vice Chairman of Executive Committee No.3 |
| 5. Mr. Kosit Suksingha | Member |
| 6. Mr. Phromson Ayanaputra | Member |

The Executive Committee is responsible for

1. To implement the board's policy that is in accordance with laws, rules and regulations, except the items that legally require prior approval by the shareholders' meeting.
2. To prepare, propose and define the Company's business policy and strategy to the Company's Board of Directors
3. To determine the Company's business plan, management authority, annual business budget and annual expenditure budget in order to propose to the board for approval and following the Company's business plan and strategy in compliance with the policies and business directions as informed to the Company's Board of Directors.
4. To manage and supervise the business performance of the Company and its subsidiary companies in accordance with business policy, target, action plan, business strategy, budget, and managerial authorization as per the approval of the Board of Directors to be efficient and proper to business status.
5. To perform and conduct general business management of the Company, including all detail regarding to recruitment, training, employment, dismissal of all employees, except for the position of the President and higher positions.
6. To approve of business transaction and other activities of the Company and its subsidiary companies as follows:
 - 6.1 To approve loan or credit from financial institution, including entering into guarantor, making payment or paying for general business expenses of the Company, such as, investment capital, expanding branches and other business activities, etc.
 - 6.2 To approve the loan or lending between subsidiary companies which the Company is holding the shares of no lesser than 90 percent, including the power to authorize the President, or Director together with Finance Director jointly, approve and conduct the related activities.
 - 6.3 To approve annual budget for subsidiary companies.

The aforementioned power to conduct activities shall be complied with the following conditions:

- (1) The Executive Committees is authorized for payment approval of the purchasing of main raw material not exceeding 2,000,000,000 Baht (Two Billion Baht) per time.
- (2) The Executive Committees is authorized for payment approval of Purchasing, not including the purchasing of main raw material, not exceeding Baht 200,000,000 (Two-Hundred Million Baht) per time, or equivalent, or in accordance with the authorization from the Board of Directors. Except for asset write off, in such case the Executive Committees is authorized to

Management Structure

approve for write off not exceeding Baht 50,000,000 (Fifty Million Baht) per time, and except entertainment, charity expenses, and advertisement material which the Executive Committees is authorized for payment approval not exceeding Baht 3,000,000 (Three Million Baht) per time.

7. To approve the opening of deposit account with domestic financial institution, including authorization for payment from the Company's deposit account.
8. To approve annual budget for increasing or adjustment of the employee salary and bonus payment to the employees of the Company and its subsidiary companies, except for the position of the President and higher.
9. To approve payment as per instruction of the Board of Directors.
10. To recruit, employ, dismiss, promote, disciplinary action, transfer, promote job grade, increase salary, salary rate adjustment, decide on bonus, welfare or any other employees benefit, including evaluate on merit of the employees for the position of not higher than the President and also authorized to appoint the President or the authorized attorney of the Company as authorized person of the Company to execute related employment agreement under the approved budget from the Board of Directors.
11. To appoint the representative of the Company to hold the position of Director and/or sub-committee in subsidiary companies to manage the affair under approval from the Company in the most efficiency and benefit to the Company.
12. To perform other business as appointed by the Board of Directors.

The aforementioned authorization for approval shall not apply for any transaction which the Executive Committees or its authorized representative approved their own or any person who may, directly or indirectly, have conflict of interest (in accordance with articles of association and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand) with the Company or its subsidiary companies, except such approval has been done under approved policy and regulation of the Board of Directors. Any members of Executive Committee who may, directly or indirectly, have interest in such affair shall be prohibited from voting in such affair and the Board of Directors has the power to change the scope of power of the Executive Committees as necessary or as appropriate.

For the year period ended September 30, 2020, there were twelve meetings for the Executive Committee.

Audit Committee

The Audit Committee consists of three members as follows:

1. Prof. Dr. Khunying Suchada Kiranandana Chairman
2. Mr. Suchin Wanglee Director
3. Mrs. Siripen Sitasuwan Director

The Audit Committee is responsible for the oversight and report the opinion related to internal control of the Company whether they are in compliance with rules and regulations regulated by the Securities and Exchange Commission and Stock Exchange of Thailand, or related laws. The Audit Committee also reviews the Company's Internal Audit operations as well as considers and recommends the appointment of the Company's external auditors proposed to shareholders, considers appropriate of the disclosure of financial statement. The Audit Committee also renders

Management Structure

the Audit Committee Report to summarize the completion of the activities assigned by the Board of Directors.

For the year ended September 30, 2020, there were 4 regular Audit Committee meetings. The meetings were held to review and examine the operations of the Company and its subsidiaries. The areas of review were the sufficiency and effectiveness of the internal control system, internal audit plan, audit report, while monitoring amendments made based on comments made and proposing solutions to significant issues as featured in the audit report. The meetings also facilitated proper risk management and reviewed quarterly and annual financial statements, together with the management as well as external and internal auditors. The emphasis was on the correctness of the balance sheet, its compliance with Generally Accepted Accounting Principles, sufficient disclosure of the financial statements, comments on connected transactions, or transactions that would cause a conflict of interest, reviews of operations to ensure compliance with relevant laws.

The reviews of operations include the effective systems of internal control and internal audit and independency of the internal audit department as well as reviews of appointing, transferring and, dismissing the head of internal audit department or other departments involved in the processes of internal audit, recruitment, appointment, compensation, and demotion of the external auditors.

The Audit Chairman, Professor Dr. Khunying Suchada Kiranandana, Mr. Suchin Wanglee and Mrs Siripen Sitasuwan have extensive expertise and experience in reviewing the Company's financial statements.

Sustainability and Risk Management Committee

The board has approved the forming of the Sustainability and Risk Management Committee that consists of seven members as follows:

- | | |
|---|----------|
| 1. Prof. Dr. Khunying Suchada Kiranandana | Chairman |
| 2. Mr. Thapana Sirivadhanabhakdi | Member |
| 3. Mr. Sithichai Chaikriangkrai | Member |
| 4. Mr. Dhitivute Bulsook | Member |
| 5. Mrs. Siripen Sitasuwan | Member |
| 6. Mr. Pramoad Phornprapha | Member |
| 7. Mr. Kosit Suksingha | Member |

The Sustainability and Risk Management Committee also includes six members by positions including Finance Director, Human Capital Director, National Sales Director, Marketing Director, Production Director and Acting Supply Chain Director.

The Sustainability and Risk Management Committee is responsible for determining the strategy, policy and objectives to manage risk for the entire Company and to provide guidelines for the Management of the Company to undertake more efficient risk management in the same direction and develop the Integrated Risk Management principles for all major risk factors facing the Company including business risk and operational risk.

For the year period ended September 30, 2020, there were four meetings for the Sustainability and Risk management committee were held.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three members as follows:

Management Structure

- | | |
|----------------------------------|----------|
| 1. Mr. Suchin Wanglee | Chairman |
| 2. Mr. Thapana Sirivadhanabhakdi | Director |
| 3. Mr. Pramoad Phornprapha | Director |

The significant duties and responsibilities of the Nomination and Remuneration Committee are as follows:

- To consider, recommend, and provide advice to the Board of Director regarding the composition, term of office, the qualification, the appointment, the removal of directors and committee members, as well as the structure of all committees;
- To consider and recommend qualified persons for the position of director;
- To propose to the Board of Directors a list of persons to be considered and nominated by the meeting of shareholders to the position of director each year; and
- To recommend the appropriate remuneration of the chairman and the directors of the Board of Directors, including:
- To consider the payment of any bonus for the Board of Directors; and
- To consider the annual, quarterly, monthly remuneration, as well as the meeting allowance of directors.

Corporate Governance Committee

The board has approved the forming of the Corporate Governance Committee consists of three members as follows:

- | | |
|-----------------------------|----------|
| 1. Mr. Somchai Bulsook | Chairman |
| 2. Mr. Ueychai Tantha-obhas | Director |
| 3. Mr. Pramoad Phornprapha | Director |

The significant duties and responsibilities of the Corporate Governance Committee are as follows:

- To develop and recommend to the Board of Directors the Corporate Governance principles relating to the Company on a yearly basis;
- To monitor and ensure that the Company comply with the Corporate Governance principles, including manage and provide recommendation regarding corporate governance; and
- To consult independent experts on the duties and responsibilities of the Corporate Governance Committee, as necessary, the cost of which to be paid for by the Company.

7.2 The Company Executives

The disclosure of the names and positions of the Company's executives.

The 10 executives of the Company are as follows (information as of November 18, 2020):

Management Structure

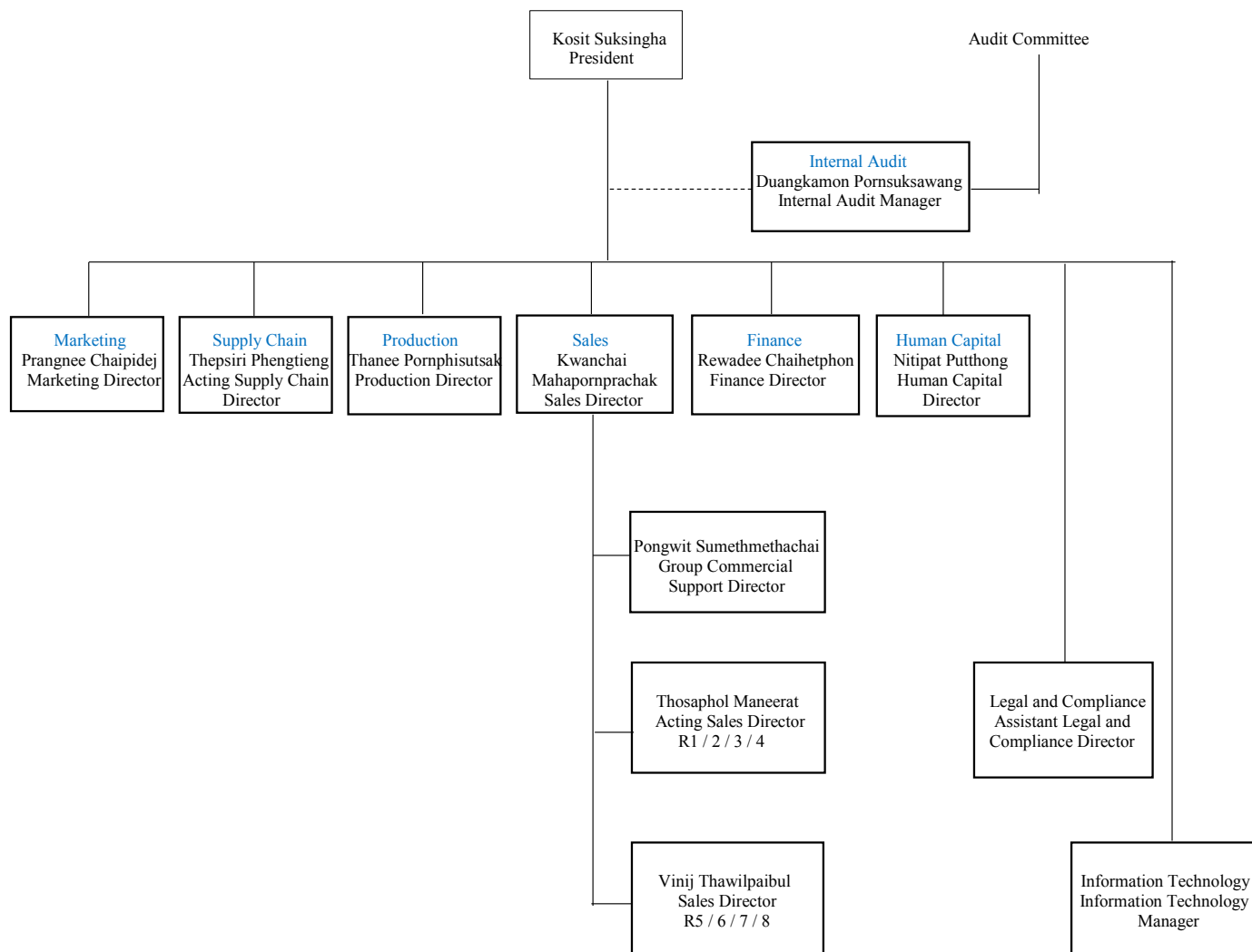
	Names ⁽¹⁾	Positions
1.	Mr. Kosit Suksingha ⁽²⁾	President
2.	Mrs. Prangnee Chaipidej	Marketing Director
3.	Mr. Thepsiri Phengtieng ⁽³⁾	Acting Supply Chain Director
4.	Mr. Thanee Pornphisutsak ⁽⁴⁾	Production Director
5.	Mr. Kwanchai Mahapornprachak	National Sales Director
6.	Ms. Rewadee Chaihetphon ⁽⁵⁾	Finance Director
7.	Mr. Nitipat Putthong	Human Capital Director
8.	Mr. Pongwit Sumethmethachai ⁽⁶⁾	Group Commercial Support Director
9.	Mr. Thosaphol Maneerat ⁽⁷⁾	Acting Sales Director R1 / R2 / R3 / R4
10	Mr. Vinij Thawilpaibul ⁽⁸⁾	Sales Director R5 / R6 / R7 / R8

Remarks:

- (1) Mr. Pibul Voravath vacated his position as Special Project Director and General Commercial Support Director on October 1, 2020.
- (2) Mr. Kosit Suksingha was appointed as Director, Member of Sustainability and Risk Management Committee, Member of Executive Committee and President on October 1, 2020 in place of Mr. Lester Tan Teck Chuan, who resigned from his office.
- (3) Mr. Thepsiri Phengtieng was appointed as Acting Supply Chain Director on February 20, 2020.
- (4) Mr. Thanee Pornphisutsak was appointed as Production Director on February 20, 2020.
- (5) Ms. Rewadee Chaihetphon was appointed as Finance Director on October 1, 2020.
- (6) Mr. Pongwit Sumethmethachai was appointed as Group Commercial Support Director on July 3, 2020 in place of Mr. Pibul Voravath.
- (7) Mr. Thosaphol Maneerat was appointed as Acting Sales Director R1/R2/R3/R4 on July 3, 2020.
- (8) Mr. Vinij Thawilpaibul was appointed as Sales Director R5/R6/R7/R8 on July 3, 2020.

Management Structure

Management Structure of Sermsuk Public Company Limited



Management Structure

7.3 The Company Secretary

The board appointed Mr. Krit Julapanichakum, who possesses high competency and has completed courses for the Company Secretary at Thai Institute of Directors Association (IOD) as the Company Secretary. In compliance with the Securities and Exchange Act (B.E. 2535) Section 89/15, the Company Secretary has the following roles and responsibilities:

1. Preparing and keeping the important documents of the Company.
2. Preparing a director registration.
3. Arranging the shareholders' meeting as well as preparing the notice of the shareholders' meeting and the minutes of the shareholders' meeting.
4. Keeping a report on transactions with interested persons and related parties filed by a director or an executive.
5. Ensuring compliance with the resolutions of the Board of Directors.
6. Providing comments on relevant laws and notifications.
7. Performing any other matters as assigned by the Board of Directors.

Share ownership of the Board of Directors and the Executives including spouse and minor child

	Name ⁽¹⁾	Ordinary Shares		
		30 Sep. 2020	30 Sep. 2019	Increase (Decrease)
1.	Mr. Somchai Bulsook	-	-	-
	Spouse and minor child	-	-	-
2.	Mr. Suchin Wanglee	-	-	-
	Spouse and minor child	-	-	-
3.	Mr. Chotiphat Bijananda	-	-	-
	Spouse and minor child	-	-	-
4.	Mr. Thapana Sirivadhanabhakdi	-	-	-
	Spouse and minor child	-	-	-
5.	Mr. Ueychai Tantha-obhas	-	-	-
	Spouse and minor child	-	-	-
6.	Prof. Dr. Khunying Suchada Kiranandana	-	-	-
	Spouse and minor child	-	-	-
7.	Adjunct Prof. Rawat Chamchalerm	-	-	-
	Spouse and minor child	-	-	-
8.	Mrs. Siripen Sitasuwan	-	-	-
	Spouse and minor child	-	-	-
9.	Mr. Pramoad Phornprapha	-	-	-
	Spouse and minor child	-	-	-
10.	Mr. Sithichai Chaikriangkrai	-	-	-
	Spouse and minor child	-	-	-

Management Structure

	Name ⁽¹⁾	Ordinary Shares		
		30 Sep. 2020	30 Sep. 2019	Increase (Decrease)
11.	Mr. Sakchai Thanaboonthai	-	-	-
	Spouse and minor child	-	-	-
12.	Mr. Rangsan Thammanee Wong	-	-	-
	Spouse and minor child	-	-	-
13.	Mr. Dhitivute Bulsook	-	-	-
	Spouse and minor child	-	-	-
14.	Mrs. Tongjai Thanachanan	-	-	-
	Spouse and minor child	-	-	-
15.	Mr. Lester Tan Teck Chuan ⁽²⁾	-	-	-
	Spouse and minor child	-	-	-
16.	Mr. Phromson Ayanaputra	-	-	-
	Spouse and minor child	-	-	-
17.	Mrs. Prangnee Chaipidej	-	-	-
	Spouse and minor child	-	-	-
18.	Mr. Thepsiri Phengtieng ⁽³⁾			
	Spouse and minor child			
19.	Mr. Thanee Pornphisutsak ⁽⁴⁾	-	-	-
	Spouse and minor child	-	-	-
20.	Mr. Kwanchai Mahapornprachak	-	-	-
	Spouse and minor child	-	-	-
21.	Ms. Rewadee Chaihetphon ⁽⁵⁾			
	Spouse and minor child			
22.	Mr. Nitipat Putthong	-	-	-
	Spouse and minor child	-	-	-
23.	Mr. Pongwit Sumethmethachai ⁽⁶⁾	-	-	-
	Spouse and minor child	-	-	-
24.	Mr. Thosaphol Maneerat ⁽⁷⁾	-	-	-
	Spouse and minor child	-	-	-
25.	Mr. Vinij Thawilpaibul ⁽⁸⁾	-	-	-
	Spouse and minor child	-	-	-

Management Structure

Remarks:

- (1) Mr. Pibul Voravath vacated his position as Special Project Director and General Commercial Support Director on October 1, 2020.*
- (2) Mr. Kosit Suksingha was appointed as Director, Member of Sustainability and Risk Management Committee, Member of Executive Committee and President on October 1, 2020 in place of Mr. Lester Tan Teck Chuan, who resigned from his office.*
- (3) Mr. Thepsiri Phengtieng was appointed as Acting Supply Chain Director on February 20, 2020.*
- (4) Mr. Thanee Pornphisutsuk was appointed as Production Director on February 20, 2020.*
- (5) Ms. Rewadee Chaihetphon was appointed as Finance Director on October 1, 2020.*
- (6) Mr. Pongwith Sumethmethachai was appointed as Group Commercial Support Director on July 3, 2020 in place of Mr. Pibul Voravath.*
- (7) Mr. Thosaphol Maneerat was appointed as Acting Sales Director R1 / R2 / R3 / R4 on July 3, 2020.*
- (8) Mr. Vinij Thawilpaibul was appointed as Sales Director R5 / R6 / R7 / R8 on July 3, 2020.*

Management Structure

7.4 Fees and Remuneration

7.4.1 Directors and Executive's Fees and Remuneration

a) Directors Fees

The directors' fees include the annual fee, meeting allowance and directors' bonus subject to the approval of the Shareholders' Meeting. They are as follows:

Remuneration	2020		2019	
	No. of Directors and Sub-committees' members	Total Amount (Baht)	No. of Directors and Sub-committees' members	Total Amount (Baht)
Annual fee		2,160,000		2,152,833
Meeting allowance		1,730,000		1,720,000
Directors' bonus		-		-
Total	15	3,890,000	15	3,872,833

Management Structure

Directors and director in the Subcommittees	2020 (Proposed Year)		2019 (Preceding Year)	
	Annual	Meeting Allowance per meeting	Annual	Meeting Allowance per meeting
1. Board of Directors				
• Chairman	240,000	40,000	240,000	40,000
• Vice Chairman	180,000	30,000	180,000	30,000
• Directors	120,000	20,000	120,000	20,000
2. Executive Committee				
• Chairman	80,000	25,000	80,000	25,000
• Vice Chairman	60,000	20,000	60,000	20,000
• Members	40,000	15,000	40,000	15,000
3. Sub-committees				
3.1 Audit Committee				
• Chairman	160,000	50,000	160,000	50,000
• Members	80,000	25,000	80,000	25,000
3.2 Nomination and Remuneration Committee				
• Chairman	80,000	25,000	80,000	25,000
• Members	40,000	15,000	40,000	15,000
3.3 Sustainability and Risk Management Committee				
• Chairman	80,000	25,000	80,000	25,000
• Vice Chairman	60,000	20,000	60,000	20,000
• Members	40,000	15,000	40,000	15,000
3.4 Corporate Governance Committee				
• Chairman	80,000	25,000	80,000	25,000
• Members	40,000	15,000	40,000	15,000
4. Bonus	-		-	
5. Other remunerations and benefits in addition to the annual remuneration and meeting allowance	Nil		Nil	

Management Structure

Detail of directors' remuneration for 2020 (For the year period ended September 30, 2020)

Names	Positions	Remuneration (Baht)								
		Annual fee	Meeting Allowance	Bonus	Audit Committee	Nomination and Remuneration Committee	Sustainability and Risk Management Committee	Corporate Governance Committee	Executive Committee	Total
Mr. Somchai Bulsook ⁽¹⁾	Chairman Chairman of Corporate Governance Committee	240,000	200,000	-	-	-	-	135,000	-	575,000
Mr. Suchin Wanglee	1 st Vice Chairman Independent Director Chairman of Nomination and Remuneration Committee Member of Audit Committee	180,000	120,000	-	180,000	130,000	-	-	-	610,000
Mr. Chotiphat Bijananda ⁽²⁾	2 nd Vice Chairman	180,000	150,000	-	-	25,000	-	25,000	-	380,000
Mr. Thapana Sirivadhanabhakdi ⁽³⁾	3 rd Vice Chairman Member of Nomination and Remuneration Committee Member of Sustainability and Risk Management Committee Chairman of Executive Committee	180,000	150,000	-	-	70,000	85,000	45,000	305,000	835,000
Mr. Ueychai Tantha-obhas ⁽⁴⁾	4 th Vice Chairman Member of Corporate Governance Committee 1 st Vice Chairman of Executive Committee	180,000	150,000	-	-	-	-	75,000	300,000	705,000

Management Structure

Names	Positions	Remuneration (Baht)								
		Director Fee	Meeting Allowance	Director Bonus	Audit Committee	Nomination and Remuneration Committee	Sustainability and Risk Management Committee	Corporate Governance Committee	Executive Committee	Total
Prof. Dr. Khunying Suchada Kiranandana	Independent Director Chairman of Audit Committee Chairman of Sustainability and Risk Management Committee	120,000	100,000	-	360,000	-	180,000	-	-	760,000
Adjunct Prof. Rawat Chamchalerm	Independent Director	120,000	100,000	-	-	-	-	-	-	220,000
Mrs. Siripen Sitasuwan	Independent Director Member of Audit Committee Member of Sustainability and Risk Management Committee	120,000	100,000	-	180,000	-	100,000	-	-	500,000
Mr. Pramoad Phomprapha ⁽⁵⁾	Independent Director Member of Corporate Governance Committee Member of Nomination and Remuneration Committee Member of Sustainability and Risk Management Committee	120,000	80,000	-	-	45,000	85,000	85,000	-	415,000
Mr. Sithichai Chaikriangkrai	Director Member of Risk Management Committee 2 nd Vice Chairman of Executive Committee	120,000	100,000	-	-	-	100,000	-	300,000	620,000
Mr. Sakchai Thanaboonchai	Director	120,000	100,000	-	-	-	-	-	-	220,000

Management Structure

Names	Positions	Remuneration (Baht)								
		Director Fee	Meeting Allowance	Director Bonus	Audit Committee	Nomination and Remuneration Committee	Sustainability and Risk Management Committee	Corporate Governance Committee	Executive Committee	Total
Mr. Rangsak Thammaneepong	Director	120,000	100,000	-	-	-	-	-	-	220,000
Mr. Dhitivute Bulsook	Director Member of Sustainability and Risk Management Committee 3 rd Vice Chairman of Executive Committee	120,000	100,000	-	-	-	100,000	-	280,000	600,000
Mrs. Tongjai Thanachanan	Director	120,000	100,000	-	-	-	-	-	-	220,000
Mr. Lester Tan Teck Chuan ⁽⁶⁾	Director President Executive Committee Member Member of Sustainability and Risk Management Committee	120,000	80,000	-	-	-	85,000	-	220,000	505,000
										7,385,000

Remarks:

- (1) On January 30, 2020, Mr. Somchai Bulsook was appointed as Chairman of Corporate Governance Committee.
- (2) On January 30, 2020, Mr. Chotiphat Bijananda vacated his position as Member of Nomination and Remuneration Committee and Member of Corporate Governance Committee due to the structural changes of the sub-committees on January 30, 2020.
- (3) On January 30, 2020, Mr. Thapana Sirivadhanabhakdi vacated his position as Chairman of Corporate Governance Committee due to the structural changes of the sub-committees on January 30, 2020.
- (4) On January 30, 2020, Mr. Ueychai Tantha-obhas was appointed as Member of Corporate Governance Committee.
- (5) On January 30, 2020, Mr. Pramoad Phornprapha was appointed as Member of Nomination and Remuneration Committee.
- (6) On October 1, 2020, Mr. Kosit Suksingha was appointed as Director, Member of Sustainability and Risk Management Committee, Member of Executive Committee and President in place of Mr. Lester Tan Teck Chuan, who resigned from his office.

Management Structure

b) Executive remuneration

Remuneration	2020		2019	
	No. of Executives	Total Amount (Baht)	No. of Executives	Total Amount (Baht)
Salary	10*	41,109,386.00	8	45,608,751.71
Remuneration/Bonus		7,433,297.15		4,736,621.75
Total		48,542,683.15		50,345,373.46

7.4.2 Other Compensation

Provident Fund

Remuneration	2020		2019	
	No. of Executives	Total Amount (Baht)	No. of Executives	Total Amount (Baht)
Provident Fund	10*	1,183,468.00	8	1,586,389.40
Total		1,183,468.00		1,586,389.40

Remarks: The number of executives increased from 8 to 10.

7.5 Personnel

For the year ended September 30, 2020, Sermasuk Public Company Limited had a total of 5,432 registered employees. The total employee cost paid by the Company last year was Baht 2,003 million. Numbers of personnel in each function were as follows:

- Production 867 persons
- General Administration 335 persons
- Supply Chain 406 persons
- Sales and Warehouses 3,824 persons

The number of employees by gender is as follows:

Gender	Number of Employees	Percentage of Employees by Gender
Male	4,839	89
Female	593	11
Total	5,432	100

Management Structure

Remarks:

Between October 1, 2019 – September 30, 2020, one employee filed a lawsuit against the Company for unfair termination with the total claim amount of 6.68 million Baht. The Company won the case in the Court of First Instance, and the case was closed as the losing employee did not appeal within the allowed time.

7.5.1 Compensation and Benefits Policy

Realizing that employees are valuable assets that can help propel the Company to grow and achieve the established goals, the Company stresses the importance of the compensation policy welfare of employees by offering an attractive compensation and benefits package to enable the Company to attract, motivate, and retain high-performing and committed employees.

Compensation Guidelines

The Company periodically reviews its compensation plan to ensure that it offers a competitive salary comparable to other companies in the same industry. The Company also works to ascertain that its compensation plan aligns with those of other subsidiaries. Care is also taken so that each employee is paid fairly according to his/her abilities without discrimination, providing equitable opportunities for employees to work to their fullest capabilities. To motivate employees, the Company offers employees compensation commensurate with their performance in the forms of salary bonus, overtime pay, and other benefits, enabling them to have opportunities for career advancement and to help propel the Company to achieve sustainable growth.

Employee Benefits

The Company offers various benefits for employees and is dedicated to promoting the health and well-being of staff in the workplace as follows:

1. Constantly improving the workplace to maintain clean, safe, and pleasant work environments
2. Providing opportunities for employees to learn and receive training as a means to enhance their skills and capabilities to ensure ongoing self-development
3. Offering health benefits that include the reimbursement for outpatient and inpatient healthcare expenses as well as annual health checks
4. Providing transportation to and from work for employees as well as on-site healthcare facilities (for the Plants)
5. Providing several welfare funds including provident fund, workmen compensation fund, social security fund and funeral assistance fund

7.5.2 Safety, Occupational Health, and Working Environment Policy

To realize the safety, occupational health, and working environment policy, the Company has carried out the following efforts:

1. Strictly complying with relevant laws, rules, and regulations on safety, occupational health, and working environment
2. Stipulating that health and safety execution be the responsibility of all employees, contractors, and those participating in the Company's activities to ensure maximum safety for life and property
3. Resolving to achieve the objectives and goals related to safety, occupational health, and working environment
4. Providing adequate tools, devices, and needed resources to enhance the efficiency in safety, occupational health, and working environment management

Corporate Governance

5. Regularly monitoring, assessing, and improving safety, occupational health, and working environment management to ensure maximum efficiency

8. Corporate Governance

Sermasuk Public Company Limited (the “**Company**”) sees the significance of a good corporate governance system, which reflects a fair, efficient, and auditable management system. Moreover, the Company is also determined to continuously develop and advance its corporate governance. In performing its duties, the Board of Directors of the Company has always been rigorously adhering to the Code of Best Practices and ensures that the Company operates in compliance with the rules and regulations stipulated by the Stock Exchange of Thailand (“**SET**”), the Securities and Exchange of Thailand (“**SEC**”) or any related agencies. The Company is confident that good corporate governance will benefit its business operation, increase the value of the organization and create increased return to the shareholders in the long run as well as inspire the confidence of shareholders, investors stakeholders and all related parties.

The Board of Directors is well aware that good corporate governance is an important foundation for effective growth of the organization. Therefore, the Board of Directors has prescribed the Good Corporate Governance policy in compliance with corporate governance practices of SEC and SET, which was established with reference to the Organization of Economic CO-operation and Development (OECD) international corporate governance practices. In addition, reviews and improvements are being made on a constant basis so as to ensure its alignment with rules and regulations as well as any changes of current situation and the effective improvement of related works.

In January 2020, the Board of Directors has reviewed the corporate governance works. In order to ensure its management flexibility and effectiveness, the Board of Directors has resolved to transform 2 sub-committees, the Nomination and Corporate Governance Committee and the Remuneration Committee, to 2 new committees, namely the Corporate Governance Committee and the Nomination and Remuneration Committee.

Moreover, the Board of Directors realizes that successful corporate governance requires collaboration of all functions in the organization; and therefore, the Board of Directors has required executives, employees, and all personnel of the Company to comply with the policies, Code of Conduct, and guidelines in relation to corporate governance. Additionally, the Board of Directors also arranged for communication channels to create understanding and monitoring of internal corporate governance on a continuous basis in order to assure its effective business operation and confidence of shareholders, investors, stakeholders, and related parties which would lead to increased value and stable and sustainable growth of the Company.

8.1 Corporate Governance Policy

The Company recognized that good corporate governance is a key element that brings about business success. Therefore, the Board of Directors has created a corporate governance policy with the aim of ensuring the effectiveness and efficiency of the Company’s operation management. The corporate governance policy includes the following aspects:

- Establishing a system that can ensure all stakeholders receive equal and fair treatment.
- Implementing proper oversight and monitoring to ensure that the management implements policies in an effective and efficient manner so as to optimize interests of shareholders within the scope of the related laws and business ethics.
- Implementing proper oversight and monitoring on operation to ensure that the management maintain transparency, check and balance, and adequate disclosure of information for all related parties.

Corporate Governance

- Implementing appropriate systems of internal control and internal audit in order to ensure that the Company's operation comply with relevant laws.
- Establishing the appropriate Code of Conduct to be used as a guideline for business practice of Directors, management, and employees alongside related virtues and ethics.

The Company is well aware of the significance of good corporate governance as a solid platform for our effective, stable, and sustainable growth. Therefore, it ensured strict compliance with the corporate governance policy, which were in line with the principles of corporate governance of the SEC and the SET that were themselves based on the international standards of Organization for Economic CO-operation and Development (OECD), comprising of 5 categories as follows.

1. Rights of shareholders;
2. Equal treatment to all shareholders;
3. Roles of stakeholders;
4. Information disclosure and transparency; and
5. Responsibility of the Board of Directors.

In this regard, the Company has determined that the principles of the corporate governance were to be disclosed to the public through publication on the Company's website, www.sermsukplc.com under the "About Us" section and the "Good Corporate Governance" subsection.

In 2020, the Company has implemented the corporate governance policy related to the 5 categories. Details are as follows: -

8.2 Rights of shareholders

The Company recognizes that the shareholders are entitled to the right of ownership in the Company. They exercise their power of control by appointing the Board of Directors to oversee the operation of the Company on their behalf. As such, the Company recognizes the equal importance of all shareholders, be it major shareholders, retail shareholders, foreign investors, or institutional investors. The Company shall not take any actions that diminish the fundamental rights of shareholders; but shall instead facilitate shareholders' usage of their rights under related laws and regulations.

1. Shareholders' Right Protection

The Board of Directors is well aware of its duty and responsibility to protect the rights and benefits of the shareholders as well as to protect and promote all shareholders' fundamental rights and encourage them to exercise such rights in compliance with the related laws, rules and/or regulations of the Company in an equal and appropriate manner and in accordance with the criteria, rules, and regulations of SET and SEC and other relevant laws. The fundamental rights of shareholders include, among others, right to purchase, sell, and transfer shares, to receive dividend and adequate information, and to attend meetings of shareholders and exercise their voting right on approval of the annual financial statements, retained earnings appropriation, dividend payment, and determination of remuneration of auditors as well as matters that have impacts on the Company such as establishment of or amendment to the Article of Association and the Memorandum of Association, decrease or increase of capital, and approval of special project/case.

The Company respects and wishes to protect the rights of all shareholders, therefore, the Company does not have any policy which deters or obstructs the shareholders' usage of their rights nor any policy on entering into agreement with any shareholders in a manner that creates significant impact to the Company or other shareholders.

Corporate Governance

2. Meeting of shareholders

The Company organizes an Annual General Meeting of Shareholders within 4 months of the end of every fiscal year or by the period stipulated by the laws. Extraordinary General Meetings of Shareholders may be held as deemed appropriate by the Board of Directors resolution. It is the policy of the Board of Directors to support and arrange for the facilitation of the meeting in order to encourage and promote all shareholders as well as institutional investors to attend the meeting and exercise their voting right. In addition, the Company realizes the significance of setting the appropriate meeting date, time, and venue to accommodate attendance of all shareholders. Moreover, shareholders are provided with an opportunity to propose any meeting agendas prior to the meeting date in compliance with the criteria, conditions, and methods established by the Company and/or relevant laws, rules, and regulations, whereby the details on the criteria, channels, and the result of the proposal are disclosed to shareholders via the SET's website. The Company prepares the invitation letter to the meeting of shareholders, in both Thai and English, containing, in a clear manner, the meeting agendas, rationales, opinion and recommendations of the Board of Directors, and relevant information of each agenda. The invitation letter was delivered to shareholders via post and published on the Company's website and daily newspaper in advance in order to provide adequate information and time for the shareholders to properly consider each agenda and make decision in accordance with shareholders' true intention. The Company also provides the opportunity for the shareholders to submit inquiries to the Board of Directors in advance through the provided channel and in accordance with criteria determined by the Company. During the meeting of shareholders, the Company shall provide the shareholder with the opportunity to inquire, offer suggestion and/or express their opinion during consideration of each agenda. After a meeting of shareholders is concluded, the Company arranges for the preparation of a thorough and auditable minutes of the meeting.

In 2020, the Company organized the Annual General Meeting of Shareholders on Thursday, January 30th, 2030 at 9.30 a.m. at Athenée Crystal Hall, Grand Hall B, (3rd Floor, on the Athenée Tower side), the Athenée Hotel, a Luxury Collection Hotel, Bangkok, 61 Wireless Road, Lumpini, Pathumwan, Bangkok 10330. No extraordinary meetings of shareholders were held during the year.

The Company made the following arrangements for the Annual General Meeting of Shareholders for the year 2020.

Prior to the meeting of shareholders

1. Shareholders were provided with an opportunity to propose agenda of the meeting of shareholders and nominate candidates for the Director position of the Company in advance. However, no shareholders expressed their intention to propose the agendas of the meeting and candidates for the Director position.
2. The date of the Annual General Meeting of Shareholders was notified to shareholders in advance via the SET's website in order to ensure that the shareholders could manage their schedule to attend the meeting.
3. The invitation letter and its attachments were delivered to the shareholders via post at least 21 days in prior to the Annual General Meeting of Shareholders date in order to provide adequate information and time for the shareholders to properly consider each agenda and make decision in accordance with shareholders' true intention. The content of the letter includes, in detail, the meeting agendas, facts and rationales, and recommendations of the Board of Directors, and relevant information of each agenda.
4. The Company announced and advertised the invitation letter and its attachments in daily newspaper for 3 consecutive days to announce the Annual General Meeting of Shareholders to the shareholders at least 21 days prior to the meeting date.

Corporate Governance

5. The Company published the invitation letter and its attachments on the Company's website at least 30 days prior to the meeting date.
6. The Company delivered a Letter of Proxy, in the format as required by the laws, to the shareholders together with instructions and documents required for shareholders attending in person and those attending by proxy whereby other persons or an Independent Director may be authorized to attend the meeting and exercise the voting right as instructed by the shareholders.
7. For the appointment of Director, information on education, experience, the number of companies that he or she held the position of director, the number of years in office, the type of the proposed director position and the meeting attendance record in the past was disclosed fully. In addition, the policies, principles and methods of the Director nomination process was also disclosed to provide adequate information for shareholders to make decision effectively.
8. The Company put in place a fair and transparent remuneration determination process. The Board of Directors proposed the directors' remuneration to the meeting of shareholders for consideration and approval together with the policy, criteria, and guideline for remuneration consideration as the basis for consideration of all types of Directors' remuneration by shareholders, including annual remuneration, attendance fees, and retaining fees. The Board of Directors separated the directors' remuneration proposal by committee and by position.
9. The Company encouraged institutional investors to attend the meeting of shareholders by contacting those that wishes to attend and requested from them early submission of documents required for meeting attendance. This will allow the Company to verify the completion and correctness of such documents before the meeting date, consequently reducing the document verification time on the meeting date.
10. Shareholders were provided with an opportunity to submit any inquiries regarding the agendas in advance via the following channels:

Email: ssc-comsec@sermsukplc.com

Tel: 0-2783-9000 ext. 9315

On the meeting of shareholders' date

The Company has clear policy and intention to support and encourages all shareholders, including the institutional investors, to exercise the rights afforded to them by attending and casting vote in the meeting of shareholders. The Company organized a transparent and auditable General Meeting of Shareholders and had taken no action that would derogate the right of shareholders and institutional investors, who shall be given the opportunity to make inquiries and express opinions as deemed appropriate. In addition, the Company made the following arrangements on day of the 2020 Annual General Meeting of Shareholders;

1. The Company made preparations in terms of the personnel, system, and technology to facilitate registration and document verification for shareholders attending the meeting in a proper, adequate, fast, and auditable manner. The Company utilized the shareholders' meeting management system provided by Quidlab Co., Ltd. for the registration, vote counting, and result processing to ensure clarity, transparency, and auditability.
2. Ballots for vote casting were prepared for and given to shareholders and their proxies who were attending the meeting upon registration.
3. Shareholders are allowed to attend the meeting after the meeting convened and to cast their votes for agendas which are being considered while the such shareholder is present and which resolution to it has not yet been reached.

Corporate Governance

4. Before the meeting convened, the shareholders were informed of the rules, method of attending, proxy authorization, and usage of voting ballot as well as the criteria and methods vote casting and counting.
5. Shareholders were given the right to cast vote on a 1 share: 1 vote basis.
6. Independent persons, i.e. Ms. Arisa Taweepanyayos, a representative of the Company's legal advisor, Weerawong, Chinnavat & Partners Ltd., and 2 other shareholders were invited to witness and verify the vote counting process of the meeting. The matter was disclosed in the minutes of the Annual General Meeting of Shareholders.
7. The meeting was carried out as per the meeting agenda stated in the invitation letter, within which the details of each agenda was provided to shareholders.
8. For the agenda of consideration and election of Directors to replace those retired by rotation, the Company determined that voting was to be casted for each candidate individually.
9. All Directors, senior executives, the Chairman of the Board of Directors as well as the Chairmans of all sub-committees attended the ordinary shareholder meeting for the year 2020 to provide clarifications to any inquiries; and to receive feedbacks and recommendations from shareholders. In addition, the auditors had also attended the ordinary shareholder meeting as well.
10. No additional agenda is considered in the meeting and no change has been made to the significant information without prior notification to the shareholders.
11. All shareholders were given equal right to express their opinion, give suggestion, and raise any questions to the meeting as per meeting agenda as deemed appropriate.

Subsequent to the meeting of shareholders

1. The Company arranged for the recording and preparation of the minutes of the Annual General Meeting of Shareholders in a correct and complete manner, consisting of details of the meeting quorum, number of shareholders attending the meeting in person and by proxy, list of names and title of Directors as well as those of Directors who did not attend the meeting, senior executives and the auditors, the criteria and method of vote casting, and vote counting and result thereof of each meeting agenda with details on yes, no, and abstention votes. Also, significant inquiries, clarifications, opinions, and any information are recorded in compliance with the related laws, rules, and regulations. The minutes were prepared in both Thai and English versions.
2. The resolutions of the Annual General Meeting of Shareholders as well as voting result were disclosed via the news system of the Stock Exchange of Thailand on the following business day. Copy of the minutes of the meeting were delivered to the Stock Exchange of Thailand within 14 days from the date of the Annual General Meeting of Shareholders for shareholders' consideration.
3. A storage system is put in place for the minutes of meeting for audit and reference purposes.

Additionally, the Board of Directors has determined the policies to protect the right of shareholders so as to ensure that treatment of shareholders was in accordance with the Company's Corporate Governance Policy; the articles, rules, and regulations of SET and SEC; and other relevant laws. The Board of Directors recognizes the importance of the right of shareholders and shall not take any actions which may violate or derogate the right of shareholders. As of September 30th, 2020, the Company did not receive any complaint regarding the breach or violation of the right of shareholders, which shown that the abovementioned policies determined by the Board of Directors was effective and appropriate for the management of the subject matter.

Corporate Governance

Equal treatment to all shareholders

The Company recognizes the importance of equal and fair treatments for all shareholders, whether they are major shareholders, minor shareholders, institutional investors, or foreign investors. As such, the Company has determined policies to ensure that all shareholders are treated in an equal and fair manner. The details of the policies are as follows:

1. The Company provides an opportunity for shareholders to propose additional meeting agenda and/or additional candidates to be considered for the position of the Company's Directors prior to the date of the Annual General Meeting of Shareholders in accordance with criteria, conditions, and methods determined by the Company and/or the related laws and regulations. In this regard, the criteria, channels, and period of such opportunity are announced via the Company's website. Result of additional meeting agenda proposal and additional candidates to be considered for the position of the Company's Directors was also announced via the Company's website and that of SET.
2. The Company prepares the invitation letter and its attachments in 2 languages, Thai and English.
3. The Company notifies the shareholders of the date of the Annual General Meeting of Shareholders in advance via SET's website in order to ensure that the shareholders are able to manage their schedule to attend the meeting.
4. The Company publishes the invitation letter to the Annual General Meeting of Shareholders and its attachments on the Company's website in order to notify the shareholders in advance at least 30 days prior to the date of the Annual General Meeting of Shareholders.
5. The Company delivers the invitation letter to all shareholders via post at least 21 days prior to the date of the Annual General Meeting of Shareholders.
6. The Company advertises the invitation letter to the Annual General Meeting of Shareholders in daily newspaper for 3 consecutive days in order to notify the shareholders in advance at least 21 days prior to the date of the Annual General Meeting of Shareholders.
7. In a case where shareholders could not attend the meeting in person, the Company provides, along with the invitation letter, the Letter of Proxy that allow shareholders to instruct vote casting to all shareholders. Any shareholders who could not attend the meeting in person may authorized a proxy to attend the meeting and cast vote on their behalf. The Company also specifies explicitly to the shareholders the documents and evidence required for proxy authorization and well as the process involve to ensure that shareholders prepare correct and complete proxy authorization documents and preventing any issues for proxy in attending the meeting. The criteria, methods, and conditions of proxy authorization are determined in compliance with the laws and no measure which may complicate the proxy authorization process were determined. Additionally, the shareholders may authorize one of the Company's Independent Director to be their proxy in order to preserve their right.
8. The Company prepares the ballots for each shareholder and proxy attending the meeting. The Company also invited an independent person to verify the voting process alongside 2 shareholders as witnesses. The matter is disclosed in the minutes of the Annual General Meeting of Shareholders.
9. The Company allocate to the shareholders 1 voting right per share.
10. The Board of Directors has determined that all Directors and executives are to disclose the information and report on their interests and the interest of their related persons in accordance with the criteria and methods determined by the Board of Directors and/or related laws. This is to provide an opportunity for the Board of Directors to consider

Corporate Governance

any transactions of the Company which may incur conflicts of interest and enable it to make decision based on the overall interest of the Company. In this regard, Directors and executives of the Company who have an interest in any transactions entered into with the Company shall not be entitled to make decisions relating to such transactions.

11. The Board of Directors has determined measures relating to the reporting of the securities of the Company held by the Company's Directors and executives; including their spouse, and offspring who are minors; as well as any changes thereof to SEC as required by law and has explicitly communicated such measure and duty to the Company's Directors and executives to ensure their understanding and compliance. Additionally, the Board of Directors has arranged for the detail of the securities of the Company held by the Company's Directors and executives to be disclosed in the Company's 2020 Annual Report.
12. The Board of Directors has determined measures to prohibit Directors and executives from revealing any insider information, which is material and has not yet been disclosed to the public for personal gain of their own or others, which include sale and purchase of securities of the Company by Directors, executives, and employees who serve in functions of which such insider information is made aware, and has explicitly communicated such measure and prohibition to the abovementioned persons. The "Closed Window" period, during which trading of the Company's security by the abovementioned persons are prohibited, are set to no less than 30 days before the disclosure of the Company's financial report. Additionally, penalties for revealing insider information for personal gain of oneself or others, which range from verbal warnings to termination of employment, were determined in the regulations of the Company. Details on the monitoring of use of insider information was included under the topic of 'Use of Insider Information' in the category of 'Disclosure and Transparency' of the corporate governance report.
13. The Board of Directors has determined that the Company's Directors and executives must prepare and deliver to the Company Secretary the report on the securities of the Company held by such person as well as any purchase and sale thereof in order for the Company Secretary to be able to report such information to SEC within the time required by relevant laws, rules, and regulations.
14. To enter into any related party transaction, the Company and its subsidiaries must carry out such transaction as if the other party is not a related party and in a fair and at arm's length manner, taking into consideration the arm's length price or the market price and prioritizing the utmost benefit of the Company. In this regard, the Board of Directors takes measure to ensure that such transactions are carried out strictly in accordance with the criteria, methods, and disclosure of connected transactions of listed companies.

In addition, the Board of Directors has established clear direction to ensure strict compliance with the laws, regulations, and articles of SET and SEC; and arranged for review of compliance with corporate governance principle on a regular basis. This is in order to assure that all shareholders are treated and are entitled to exercise their right in an equal and fair manner.

As of September 30th, 2020, the Board of Directors received no complaints with regards to unfair treatments toward shareholders, there is no related transaction nor any sale or purchase of securities that does not conform to the criteria stipulated by SEC and SET, and no crimes regarding the use of insider information of Directors and executives has been committed, which shown that the abovementioned policies or direction determined by the Board of Directors was effective and appropriate for the management of the subject matter.

Corporate Governance

Roles of stakeholders

The Company recognizes the importance of the right of all stakeholders, whether inside or outside of the Company, and is well aware that all stakeholders are entitled to sound treatments of the Company as required by the related laws. Therefore, the Board of Directors has determined the process to support the cooperation between the Company and the stakeholders in order to achieve stability and sustainable growth of the business. Additionally, the Board of Directors has determined a policy to ensure equal importance while attaining the business goals as per the targets, formats, and methods of such achievement. To ensure strict compliance with the policy, the Board of Directors has established the Sermsuk Group of companies' Code of Conduct for Directors, executives, and all employees to acknowledge the standards of conduct expected by the Company, ranging from treatments of shareholders, employees, customers, consumers, trade partners, suppliers, creditors, communities, society and the environment. The Policy is published on the Company's website under the section "About Us", subsection "Code of Conduct". The Board of Directors has also arranged for there to be mechanism and procedure to ensure continuous and strict compliance with the policy.

Additionally, the Company realized that the good performance of the Company is achieved through great support of all stakeholders. Thus, the Board of Directors has determined the policy to encourage and promote cooperation between the Company and stakeholders in order to achieved mutual benefits, care for, protect and inspire confidence in the stakeholders that the stakeholders are entitled to sound protection and treatment. The Company recognized the significant of all stakeholders, details of which can be summarized as follows:

1. Shareholders

It is the Company's policy to conduct its businesses prudently and transparently; with increase in sales volume, profit, and financial stability as its goal; and emphasize work efficiency to achieve continuous and sustainable performance improvement. The Company is well aware of its duty to increase the return on investment as well as to thoroughly report the performance of the Company to all of its shareholders.

The Company has determined the policy to promote and facilitate shareholders' and institutional investors' attendance in the Company's shareholders meetings. The Company chooses meeting venues with close proximity to sufficient public transport systems in order for the shareholders to be able to conveniently travel to the meeting venues; allows the shareholders to submit meeting attendance registration documents in advance of the meeting date in order to reduce the documents verification time on the meeting date; arranges for there to be meeting attendance registration channel at the meeting venue for shareholders, both natural persons and institutional investors; uses the barcode system in the registration and vote counting process which results in less process and time spent; and prepares sufficient revenue stamps at the meeting venue for the convenience of the shareholders.

2. Employees

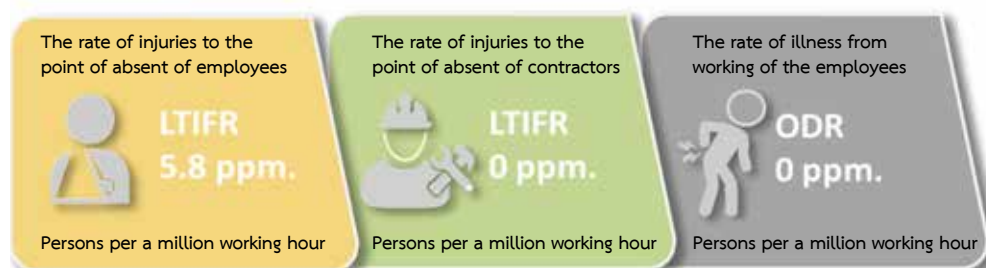
Employees : The Company realize the importance and value of its employees and outsourced workers, which are vital to the achievement of the Company's business goal. As such, the Company intends to develop the occupational safety and health management system as well as improve the work environment of employees in earnest in order for the employees to have better life quality, and be able to lead the organization to excellence. The Company therefore is concentrating on reducing the risk to the loss of life, injury, and occupational illness, which could lead to interruption of businesses.

Corporate Governance

The Company operates its businesses in compliance with the Occupational Health and Safety Policy, which was made in accordance with the international safety management system, and fosters the organizational culture relating to safety with the 10 Safety Rules in order to create guideline and a positive viewpoint of “Think safety, work safety, no accident”. Detail of the 10 Safety Rules is as follows:

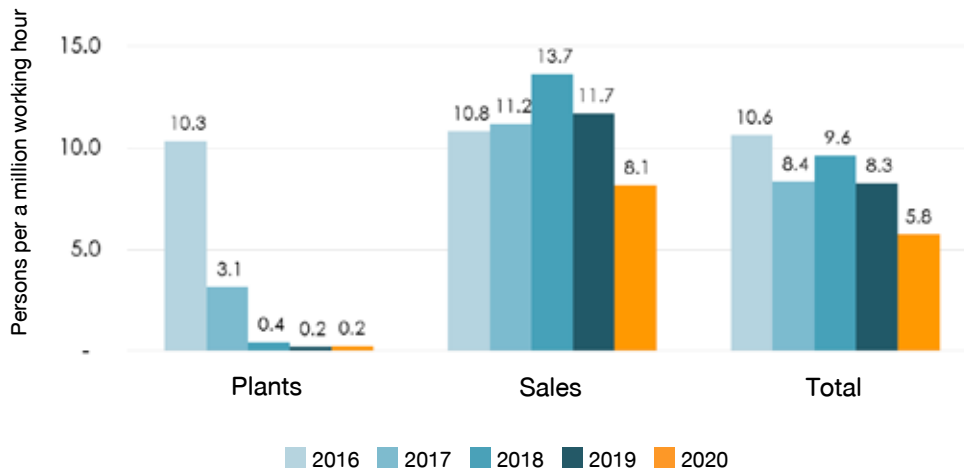
SERMSUK 10 Safety Rules กฎความปลอดภัย เสริมสุข 10 ประการ กำหนดขึ้นเพื่อปกป้องอันตราย ต้องปฏิบัติตามเพื่อความปลอดภัย เพื่อรักษาชีวิตทุกคน		
	เดินในช่องทางที่กำหนด หรือชิดขวาเท่านั้น Always follow pedestrian walkway or keep right.	 ปฏิบัติตามกฎหมายความปลอดภัยรถยก และคนเดินเท้า Strictly follow safety rules for Forklifts and pedestrian.
	สวมใส่อุปกรณ์ป้องกันอันตรายตามที่กำหนด อย่างเคร่งครัด Always use required PPEs	 ห้ามสูบบุหรี่ นอกสถานที่อนุญาต No smoking outside designated area.
	มั่นใจว่าได้ยื่นขอใบอนุญาตก่อนทำงาน Always ensure a work permit for high hazard tasks.	 ห้ามลัดข้ามขั้นตอนการทำงาน Never by-pass interlocks or critical safety features
	สวมหมวกกันน็อกเมื่อขึ้นขี่และซ้อนท้าย Always wear helmet both driver and passenger.	 ห้ามใช้โทรศัพท์ขณะขับรถทุกประเภท No mobile phone when driving all types of vehicle
	คาดเข็มขัดนิรภัยทุกครั้งที่นั่งเสมอ Always wear seat belt all seats	 ห้ามดื่มแอลกอฮอล์และใช้ยาเสพติด No alcohol and drugs

The Company has set the goal and performance indicator with regard to work safety for employees of all level in order to truly instill in the mind of the employees that safety is the goal. The Company also provides sufficient tools, equipment, and resources to the employees, focuses on measure to identify and assess point of risk for the purpose of risk prevention. Additionally, the Company also arranges for inspection of the work environment on a continuous basis. Emphasis is placed on having the Company's operation be strictly in line with standard and laws on safety in order to ensure the highest level of safety for the life and property of the employees and contractors. In 2020, the rate of accident and occupational illness is as follows:



Corporate Governance

The rate of injuries to the point of absent of employees in 2016–2020



The Lost Time Injury Frequency Rates (LTIFR) for employees in the manufacturing and sales function is equal to 5.8 ppm and has been consistently trending downward. The LTIFR for contractors is zero. The occupational illness is also zero.

Moreover, the Company also recognizes the value of the employees by accepting suggestion and complaint, properly managing benefits and remunerations, encouraging the strengthening of knowledge, and providing them with the opportunity for career growth. Detail of which is as follows:

- Right of fair employment as per the human right principles. The Company has no policy to discriminate against any employee and provide them with equal opportunity in their career. The Company recruitment policy does not have any limit on races, skin color, gender, religious belief, nationality, or political opinion. The Company also provides the opportunity for career advancement within the group of companies to employees who possess the knowledge, skills and abilities suitable for such position (the “Limitless Opportunity”)
- The Company takes care of and treat all employees equally; provide appropriate remuneration for the condition and type of work, the performance of employees, and the Company’s capability. The employees are also allowed to take leaves, ask for a transfer, and receive the opportunity for promotion.
- The Company recognize the importance of two-way communication between the Company and the employees. Therefore, the Company has arranged for communication channels for the purpose of receiving suggestions directly from the employees including through department meeting, townhall conference, executive meeting with employees, employee union meeting, employees committee meeting, and the welfare committee meeting. Additionally, the Company has also established the Rules on complaint handling and whistle-blowing and provide whistle-blowing employees with sufficient protection in accordance with the policy on complaint handling.
- Continually and regularly develop the employees’ capability, for example by encouraging training courses, work teaching, setting example, initiating challenging projects. The Company choose the method that is most suited to the diverse employees in order to maximize the learning capability of the

Corporate Governance

employees, whereby the employees can integrate the knowledge for their own benefit.

- Provide benefits that resonate with the need of the employees, namely medical care cost coverage, life and health insurance, provident fund, educational fee for their offspring, loan for medical cost of in-patient employees, etcetera. The Company also emphasize the importance of the employees' safety by holding practice fire drills, arranges for security systems and other security activities.
- Provide utilities and continually maintain good working environment; namely by providing hygienic cafeteria service system; tidy, clean, and safe resting places, standardized storage lockers at cafeterias and resting places, clean and sufficient toilets, safe transport vehicles, effective infirmaries with qualified medical personnel as required by law, as well as improving the landscape and environment within the manufacturing plants on a continuous basis.

3. Customers

The Company recognizes the right of customers and consumers to receive and have access to high quality and safe products at reasonable prices as well as return in the form of promotional activities held by the Company from time to time. The Company has a customer relation center and system to receive and verify customers' complaints with regard to the Company's products and services in order to be able to quickly rectify the issue.

4. Trade Partners and Suppliers

The Company provides equal opportunities to fairly and fully compete in offering products and services to the Company. The Company selects the products and services based on its quality, price, services, effectiveness, and costs compared to the competitors. The Company adheres to the principle of free trade and operates on a fair competition policy.

5. Creditors

The Company treats all of its creditors fairly, responsibly and transparently by complying with the terms and conditions regarding securities as well as its agreements with each creditor. The Company does not use methods that are dishonest, does not withhold information of facts that could be detrimental to creditors, and manage its financial liquidity appropriately in order to be able to repay its debts on time and in accordance with the terms agreed. In the case that the Company may not fulfill any one of its obligation, it shall notify its creditor in advance in order for both parties to be able to consider and find a solution to the issue.

6. Communities

The Company recognizes its duty to participate and develop the community by continually engage in social responsibility initiatives, projects, and activities together with the community and the society. In 2020, the Company has been part of many community and social assistance activities in the area surrounding the Company's manufacturing plants, such as providing beverages for communities' activities, children's day, as well as to the communities affected by flood. This indicates that the Company is being responsible to society as per the Standard of Corporate Social Responsibility set out by Thailand Department of Industrial Works, the results of which are the communities' acceptance, confidence, and trust in the Company's operations and sustainable co-existence between the manufacturing plants, the communities, and the environment.

Corporate Governance

7. Business Competitors

Regarding the treatment of business competitors, the Company has a policy to not violate nor acquire trade secret of business competitors by fraudulent means, to conduct itself within the framework of international rules on competition, to treat all business competitors fairly, and to not use fraudulent methods or undermine the reputation of its competitors in any way.

8. Society and the Environment

The Company sees the importance of the preservation of the environment. Regarding this, all of the Company's manufacturing plants has received the international certification on Environmental Management System, the ISO 14001:2015. Additionally, the Company has introduced the Clean Technology and the 3R (Reduce, Reuse, Recycle) to the manufacturing and distribution of the Company's beverages under the Sermsuk Green Dimensions strategy, which consists of 5 dimensions, namely the water, the packaging, the energy, the environment, and the human resources. Moreover, the Company also provides support for the work of Thailand Institute of Packaging and Recycling Management for Sustainable Environment under the Federation of Thai Industries as well as the activities of Thai Beverage Public Company Limited to evaluate the sustainability under the Dow Jones Sustainability Indices, which are the indices used to evaluate the efficiency of business operation for sustainable growth of leading companies in the world. The Company also expand the result of the work in this aspect to the public by having its manufacturing plants be the example for the society and other industrial business operators on environmental care and protection in order for the Company to always remain a Thai company that grows sustainably alongside the environment.

As of September 30th, 2020, the Company has not violated any law on labor, employment, trade competition, or the environment.

Apart from the abovementioned initiatives, the Board of Directors has also implemented the following guidelines relating to the Company's social responsibility and the protection of stakeholders' rights and benefits:

Guideline on violation of human rights

The Company respects human rights of employees and other stakeholders and ensures that there is no discrimination against different belief, race, nationality, skin color, gender, sexual orientation, culture, or any other conditions deemed part of the human rights. The Company also provides human rights guidance which are adaptable to the organization and will not support or engage in any activities which are related to the violation of human rights. The Company provides a channel for notifying the Company of any human rights violation, which can be found under the section Guideline on whistleblowers and compliant filing. All complaints are to be kept strictly confidential.

Guideline on violation of intellectual property rights

In the course of its business operation, the Company realize and emphasize the creation and development of intellectual property, including trademarks and patents, which are a part of the Company's properties and can create additional value to the Company, on a continuous basis. Whereby, in order to preserve and protect its rights, the Company has resolved to register its trademarks both in Thailand and other countries.

It is a policy of the Company to not violate any intellectual property rights. As such, the Company requires all employees to sign a memorandum of understanding, which prohibits said employees from violating any law on the computer related crime or any intellectual property rights. Additionally, the Company has stipulated a policy on the IT system usage within Sermsuk group of companies and has been regularly monitoring its employees' usage of software system in their work in order to prevent any software usage that would violate any copyright or that is not related to the work.

Corporate Governance

Guideline on anti-corruption

Anti-corruption Policy: The Company has put in place a policy to support and encourage actions against fraud, bribery, and all other forms of corruption and has offered its cooperation to various agencies in their work against corruption as deemed appropriate. The Company requires its directors, executives and all employees to not associate with any act of corruption, or any receiving or offering of bribe from or to government officials or officer of any private person, whether directly or indirectly. As such, the Company has operated its business transparently, with adherence to correctness, and has stipulated a policy on anti-corruption and support activities that foster, among its executives and employees, the culture of compliance with relevant laws, rules, and regulations, of insistent on not using any fraudulent method for unfair or unlawful gain, and not support the success of any work that is the result of a method that is not transparent or is dishonest.

Operating guideline on anti-corruption: The Company has the following operating guideline on anti-corruption:

- 1) The Company has an internal audit department and a legal and compliance department which are tasked with monitoring, supervising, following up, and advising on various risks, including risk of corruption, within the Company.
- 2) The Company has a channel for filing complaint and whistle blowing, detail of which can be found in the following section.
- 3) When a complaint is file or a mistake in the work of any employee is found; the employee's affiliate department; the human resource department; as well as other related department, such as the legal and compliance department, shall work together to verify the facts and determine appropriate disciplinary action as well as initiate relevant legal proceeding (if any).

Assessment on the compliance with the anti-corruption policy: the Company uses the following method:

- 1) The internal audit department are tasked with verifying the internal control system. The department carries out the verification process in accordance with the annual plan approved by the audit committee, and reports the result to the audit committee.
- 2) The internal audit department; the legal and compliance department; as well as other relevant departments, such as the sale department, the finance department, the human resource department, the production department, and the supply chain department; review the anti-corruption policy and measures, and report the result to the corporate governance committee and the Board of Directors, respectively.

Employees' training on the knowledge regarding the anti-corruption policy: the Company, through the human resource department, communicates the anti-corruption measure to the employees on-site at each branch of the Company, as well as through the video conference system and posting of announcement of such measures on each branch's bulletin board.

Guideline on whistleblowers and compliant filing

The Company has put in effect measures to govern and determine the channel through which all stakeholders; both inside and outside the Company and including the employees; may file a complaint or provide information on various matters including corruption; actions that may violate the laws, rules, Code of Conduct, or policies; violation of laws and unfair treatment; any action that may be detrimental to the Company; defects of products of services; or other advices and complaints relating to the Company. Additionally, the Company has determined a measure to protect and hold information relating to the person filing a complaint confidential. Details of which are as follows:

Corporate Governance

1. The complaint filing and whistle blowing channel

Via telephone:	Head of the Internal Audit Department Tel: 0-2783-9000 ext. 9040
	Head of the Legal and Compliance Department and Company Secretary Tel: 0-2783-9019
Via Email:	SSC-ComSec@sermsukplc.com The Office of the Company Secretary
	SSC-whistleblowing@sermsukplc.com The Legal and Compliance Department and the Internal Audit Department
	SSC-CGC@sermsukplc.com The Corporate Governance Committee
Via post:	The Corporate Governance Committee of Sermasuk Public Company Limited 90 CW Tower, 31 st -32 nd floor, Ratchadapisek Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok

2. Complaint receiving process

Upon receiving a complaint or information, the Company shall compile, process, manage and verify such complaint or information. If the complaint or information is found to be true, the Company shall take actions in accordance with the rules and regulation of the Company, as the case may be. After such actions has been taken, the Company shall proceed to rectify and improve on the issue in question as per the complaint and information received, and report the result to the person who filed the complaint or the whistle blower that the Company may contact in the appropriate process and time.

3. Protective Measure

To protect the rights of the person filing the complaint, the whistle blower, and any person who helped verify the information, the Company shall not disclose the name, address, picture, or other information of such person. The Company has also determined the measure to protect the abovementioned person who believe that they are not safe or may be in trouble by mitigating the damage with appropriate and fair process. The abovementioned measure shall not be used in the case that the disclosure of information is required by laws or relevant authorities.

Nevertheless, as expressed by the policies and the determination of the Company to comply with relevant laws, rules, and regulations in order to ensure all stakeholders that their rights shall be treated fairly, equally, and to the best of the Company's ability.

Information disclosure and transparency

1. Information Disclosure

The Company emphasizes the disclosure of material information relating to the Company, whether financial information, non-financial information, or other material information which may affects the Company's share price. Such disclosure is in the correct,

Corporate Governance

complete, timely, transparently, and auditable manner and may inspire trust in the shareholders and all stakeholders fairly and equally. Therefore, the Company has determined the guideline on the disclosure of information, which involves all of the Company communication channels as stipulated by the SET. Details of which are as follows:

- 1.1 The Board of Directors is responsible for disclosing the information relating to the Company, including financial, non-financial information, and other information as per the criteria of the laws, SET, and SEC in a correct, complete, and transparent manner in a concise and simple language. Material information, whether positive and negative, is to be revealed subsequent to the established consideration process, taking into account the level of necessity on maintaining confidentiality of business insight, strategies, or any information which could lead to loss of benefits and competitive edge upon disclosure.
- 1.2 While considering matters relating to the disclosure of information, the Board of Directors takes into account relevant factors. For the disclosure of financial statements, the Board of Directors considers the adequacy of the internal control system, the auditor's opinion on the financial statements, and the auditor's remarks on the internal control system.
- 1.3 The Board of Directors has arranged for an adequate number of personnel to be involved with the disclosure of information with the knowledge, skills, and experience level suitable to the task. Such personnel include the executives with the highest position in the accounting and finance department, the accountant, the internal auditor, and the investor relation officer.
- 1.4 The Board of Directors is responsible for the reporting of information and performance in various aspects as required in the format of annual information report (56-1 Form) and annual report (56-2 Form) in a complete, correct, and timely manner as required by related laws and rules of SET, SEC, and other related agencies. Such information is to be disclosed in the Company's website as well so that shareholders and all stakeholders are equally provided with correct information.
- 1.5 The Board of Directors is responsible for the reporting of financial statements prepared by the Company whereby the responsibility of the Board of Directors was disclosed together with the auditor report in the 2020 Annual Report. Also, the Board of Directors oversees the management's preparation of the financial statements and financial information to ensure that the abovementioned is prepared in a correct and complete manner in accordance with the Generally Accepted Accounting Principles and the accounting standards determined by the Federation of Accounting Professions Under the Royal Patronage of His Majesty the King, consistently adheres the appropriate accounting policy, with careful consideration, and with consideration to the rationalization of the preparation and the adequate disclosure of material information within the note to the financial statements.

KPMG Phoomchai Audit Ltd. was appointed by the Annual General Meeting of Shareholders as the auditor of the Company for the financial statements of the fiscal year ending September 30, 2020. The auditor was knowledgeable, possessed the expertise in the profession, met all the requirements, was independent and was without any conflicts of interest with the Company. As such, the Board of Directors was confident that the financial statements of the Company are correct and trustworthy. As for some of the Company's subsidiaries overseas which does not

Corporate Governance

nominate an auditor from the same audit company as the Company, whether due to some legal limitations or regulations, the Company has determined appropriate measure to ensure that the consolidated financial statements can be prepared on time. In the past year, the Company was able to prepare and file the consolidated financial statements as well as the financial statements to the related supervising agencies in a complete and timely manner.

In addition, the Board of Directors realizes the importance of a good internal control system, which leads to efficient operation of the Company, preparation of financial statements in a correct and trustworthy manner, adequate and appropriate disclosure of information as per the Generally Accepted Accounting Principles, as well as the assessment of the accounting principle used in the preparation of the financial statements. Therefore, the Board of Directors has appointed the Audit Committee to be responsible for reviewing the audit report and the financial statements, and verify whether the management has implemented adequate internal control system, including the internal control of the information technology system, and the guideline on the communication of the importance of internal control and risk management throughout the Company. Opinions of the Audit Committee on the subject matters was as appeared in the report of Audit Committee within the 2020 annual report. The auditor is, unconditionally, of the opinion that the financial statements of the Company and its subsidiaries as of September 30th, 2020 were correct, complete, and fairly presented.

- 1.6 The Company has assigned an Investor Relations officer to be the contact point for communication and provision of information to shareholders, stakeholders, institutional investors, as well as related analysts in a correct, appropriate, fair, and timely manner. The communication channel is available on the Company's website under the "Investor" section. In addition, a department was designated to disseminate and promote operations and projects of the Company via the press in order for the public to receive the Company's significant information to the public in a correct manner.
- 1.7 The Company arranges for communication channels where the shareholders, investors, stakeholders, and the public may use to gain access to the Company's information easily, equally, and fairly. The current information is available in both Thai and English on the website of the Company, which serves as one of the key channels to communicate the Company's information, in order for the investors and any interested person to be able to access the correct Company's information quickly and equally. In this regard, the information on the Company's website may differ from the information disclosed to the SEC, SET, and other relevant agencies due to technological limitation. However, there is no significant difference in the material information.
- 1.8 The Board of Directors shall monitor the management's planning or creation of mechanism to resolve the Company's financial problems while considering the rights of all stakeholders, follow up on and assess the Company's financial situation, and report the finding to the Board of Directors on a regular basis. Where there is any sign indicating the problems of financial liquidity and the Company's solvency, the Board of Directors and the management should work together to resolve the issue as soon as possible.
- 1.9 During the Thailand Sustainability Expo 2020, the Company has arranged for a press conference, attended by high-ranking executives of the Company, announcing the Company's performance and business direction. Additionally, the

Corporate Governance

Company also arranged for ‘face-to-face’ meeting between the Company’s personnel and the investors, analysts, and interested persons for the purpose of providing news and information that can be disclosed to such persons.

As for the Company’s data, the Board of Directors has arranged for there to be data security system, which includes determining the policy and measure regarding data confidentiality, integrity, and availability, as well as gathering market sensitive information. Additionally, the Board of Directors also requires the directors, executives, employees, and other related person to follow the policy and measures of the data security system.

2. Oversight of the use of insider information and conflict of interests

2.1 Oversight on the use of insider information

The Company recognize the importance of oversight on the use of insider information and requires its directors, executives, and employees to keep strictly confidential all of the insider information, especially the internal information which has yet to be disclosed to the public or that which could incurs significant impact toward the business operation or share price. The directors, executives, and employees are prohibited from using the information which they receive during their tenure for personal gain of themselves or others. Moreover, certain information is restricted and to be disclosed only to Directors and related senior executives of the Company.

The Company requires all executives to report their ownership in securities and the changes thereof to SEC as per the section 59 of the Securities and Exchange Act B.E 2535. Additionally, the Company has determined policies in writing to prohibit Directors, executives, and employees to whom the insider information is disclosed, as well as their spouse, person who they illicitly cohabitate with, and children who are minors, to conduct sale and purchase transactions of the Company’s securities for a period of at least one month prior to the announcement of the financial statements of the Company to the public. Any violation against said policy shall incur disciplinary actions, which range from warnings to termination of employment. The Company may also initiate a legal proceeding as per the laws. Related announcements and communications are made to Directors, executives, and all employees of the Company in advance.

The Company has determined the period prior to the disclosure of the quarterly and annual financial statements whereby the transaction involving the Company’s securities are should not be made as per the rules of SET.

Additionally, the Company puts in place policy requiring its directors and executives to report to the Company Secretary regarding any trading of the Company’s security one day prior to the transaction date.

Information technology and communication

Information relevant to the decision making of the Board of Directors is disclosed to the Board of Directors in a complete manner. Additionally, the disclosure of the Financial Report and Operating Result is made in accordance with the notification of the Capital Market Supervisory Board and determined by SET. The Company’s accounting is in accordance with the accounting standards and has been reviewed by the Company’s auditor and the Audit Committee. Moreover, the framework for the governance and management of information technology at the organizational level has been set up in accordance with the business requirements, and information technology has been used to increase business opportunity and improve business operation and risk management in order to achieve the objectives and goal of the Company.

Corporate Governance

Guideline

1. A policy on the information technology resource management has been determined in order for the Company to have sufficient information technology resources for its business operation, and for establishing the guideline on how to proceed when the need for information technology resources exceeds the determined amount, such as the procurement of additional computers of emergency needs.
2. Information on technology in daily lives are provided to the Company's employees on a regular basis through the notification of training news via email in order for the employees to be aware of their responsibility regarding the use of social media. The employees should be knowledgeable in and understand the correct usage of technology within the confine of the laws. Additionally, such knowledge and understanding shall lead to safety of data and protection from cyber-attacks and the harmful effect of using social media to the society.
3. Risks regarding information technology is managed with the following methods:
 - 3.1 The Company has a policy on the prohibition of intellectual property right infringement. The Company implement such policy in various ways such as requiring all employees to sign a memorandum of understanding which prohibit them from committing computer crimes and from infringing on any intellectual property rights. The Company also determined a policy on the use of information technology system of Sermsuk group of companies and has been monitoring the use of software in its employees' line of work in order to prevent the use of software that infringe on any intellectual property right or that is not related to the work of the employee.

As for the server system, the rights to use and copyright of software is regularly verified and renewed every year in order to ensure that all systems of the Sermsuk group of companies uses software that are in compliance with the laws.
 - 3.2 Security system has been established at the server, the network, and the computers and devices that are at risk of an attack from outside.
 - 3.2.1 A Firewall has been established at the server for protection and to ensure that communication is made through specified channel with only the approved destinations.
 - 3.2.2 At the devices level, anti-virus software has been installed in every computer. The Computers are also connected to the central hub to enable control, to ensure correct and timely fixes for any computer with issues, and to allow for the finding of the source of an attack in order to be able to resolve the issue at the source and prevent similar issue in the future.
4. There are appropriate policy and security measures for the information technology system.
 - 4.1 Information access levels were determined in order to classify levels of confidentiality and management of information, which should result in access to relevant information being given on a necessity basis.

Corporate Governance

Confidential information shall be systematically protected from unauthorized access and theft. Information access record is also being kept in order to allow effective information access verification in all systems.

- 4.2 Important information is being kept within the data center which received the ISO27001 certification in order to ensure data security and to allow for the Company's continuous business operation.
- 4.3 Network usage record is being kept as per the requirement of the Computer Crimes Act, and access to websites which could potentially render the Company susceptible to data theft and other crimes is being monitored and managed.
- 4.4 Computer and other devices relating to information technology issue solving record and following up system has been added to ensure that the department responsible for such work can communicate with users and resolve the issues effectively.

2.2 Conflict of interest

The Board of Directors and the executives of the Company are greatly precautionous about any conflict of interest which may occur, and have been operating in strict compliance with the rules and guideline of SEC, especially when concerning the prevention of conflict of interest arising out of any person who is involve with related transactions, business operation, or the interest which arise from the performance of their duties. The Company's directors and executives are required to follow such rules and guideline and report their interest in any of the Company's transactions as per the laws, rules, regulations, as well as the Board of Directors' determination. If any of the director has an interest in a transaction or agenda being considered, they shall not engage in the consideration of and shall abstain from voting on such matter. For the sake of transparency in its operation, the Company has determined that its executives and their related person shall not use the Company's assets and insider information for the personal gain of themselves as well as others.

The Audit Committee was assigned to provide opinion on the necessity and appropriateness of the abovementioned transactions, and the Audit Committee may, in turn, hire an independent expert to provide opinion on the matter. Such opinion shall be taken into account during the consideration of the matter by the Board of Directors or the shareholders, as the case may be, in order to prevent any conflict of interest.

The Board of Directors has determined policies and guideline for preventing directors, executives, and employees of the Company from exploitation for personal gain whereby the directors, executives, and employees are to avoid conducting related transactions which may incur conflict of interest with the Company.

In addition, to prevent the conflict of interest, the Company has established the policy overseeing any transactions which may incur the conflict of interest whereby directors who have any conflict of interest in any agenda shall abstain from voting and not engaging in consideration of the agenda. In addition, policies and methods were determined to prevent executives and related persons to exploit the insider information for personal gain.

As of September 30th, 2020, no action was found to be taken by any related supervising agency against the Company with regard to the announcement or disclosure of incorrect significant information nor any instruction to amend the financial statement. In addition, all financial reports, both quarterly and annually, have been filed in a timely manner and no complaints regarding wrongdoings involving the

Corporate Governance

abuse of insider information by the Company's directors and executives nor any malpractice regarding the conflict of interest were made. This reflected the effectiveness of the policies and guideline for conflict of interest determined by the Board of Directors of the Company

Responsibility of the Board of Directors

The Board of Directors has the important roles and responsibilities to oversee the management of the Company in order to achieve the targets and in a manner that generate the utmost benefits to shareholders, while also taking into account the benefit of all stakeholders. Appropriate delegation of structure, qualifications, and scope of authority of the Board of Directors would be beneficial to performance of the Company.

Therefore, the persons to be appointed as Directors should possess adequate seniority, qualification, knowledge, ability, experience, vision, and honesty, be able to dedicate their time for the Company to deliver full performance as required for Director position, and be independence in their decision making for the best interest of the Company and shareholders. The Board of Directors has put in place sub-committees to study, consider, filter, and support the works of the Board of Directors in order to enhance their performance. To ensure clear scope of responsibility and work efficiency of the Board of Directors, the following structure, framework, and authority of the Board of Directors and sub-committees were determined as follows:

1. Structure and components of the Board of Directors

The Board of Directors shall consist of not less than 5 directors who possess adequate seniority, qualification, knowledge, ability, experience, vision, honesty, as well as other requirements as required by laws, as per the Article of Association of the Company.

As of September 30th, 2020, the Board of Directors consisted of 15 directors, one-third of which are independent directors. For the purpose of check and balance, the Chairman of the Board of Directors did not hold the position of the Chairman of the Executive Committee and was not an employee or an executive of the Company. Additionally, the Company has clearly separated the roles and responsibilities of the Board of Directors and the management. With regard to the approval of significant transactions, it is a policy of the Company to propose such matter for the consideration and approval of the Board of Directors or the shareholders meeting, as the case may be.

The Company recognize the necessity to maintain the appropriate ratio of outside directors and independent directors for non-executive directors check and balance purpose. As of September 30th, 2020, the Board of Directors consisted of 5 executive directors, 5 non-executive directors, and 5 independent directors. Details of the Board of Directors' structure were as appeared in the Management Structure section within the 2020 Annual Report.

Additionally, the Company's independent directors possess the independence characteristic as required by the laws on securities and exchange and other related laws. Details of the independent directors' qualifications were as appeared in the Management Structure section within the 2020 Annual Report.

2. Nomination of directors

The Board of Directors has arranged for the directors and sub-committee members consideration and nomination process that is clear, transparent, and auditable and has assigned the Nomination and Remuneration Committee to consider and nominate candidates for the directors and sub-committee member positions. The Nomination and Remuneration Committee has determined the rules and policy on the consideration and

Corporate Governance

nomination of directors and sub-committee member by taking into consideration the appropriate number, structure, and composition of the committee; and determined the requirements for the candidate of such position as appropriate and as per the laws on public limited companies, laws on securities and stock exchange, and other relevant laws as well as the Company's Articles of Association. Candidates who possess adequate qualification, seniority, knowledge, ability, and experience in related field shall be considered and nominated, while taking into account their specialties, skills and profession that the Company is seeking, and the consistency with the Company's business strategies.

The shortlist candidates for the positions of directors and sub-committee members shall be proposed by the Nomination and Remuneration Committee to the meeting of Board of Directors or meeting of shareholders for consideration, as the case maybe, together with sufficient details for the consideration of the Board of Directors or the shareholders, as the case may be. In this regard, the appointment of the directors by the meeting of shareholders are carried out in accordance with the criteria and methods as stipulated in the Article of Association of the Company and/or related laws.

3. Roles, duties, and responsibilities of the Board of Directors

The Board of Directors must perform its duties with honesty and caution, using its members' knowledge and experience for the utmost benefit of the shareholders, stakeholders, customers, and the society overall, and for the stable and sustainable growth of the Company. The Board of Directors' significant duties and responsibilities are as follows:

- 1) To determine the appropriate direction, goals, and business policy of the Company in accordance with the current situation;
- 2) To delegate part of its duties and responsibilities to the relevant sub-committees, the executives, and the management under the framework of the laws, objectives of the Company, the Articles of Association, the resolution of the Board of Directors' meetings, and the resolution of the shareholders' meetings;
- 3) To provide advice and supervise the operation of the Company to ensure that its operation is in compliance with the laws, the objectives of the Company, the Articles of Association, the resolution of the Board of Directors' meetings, and the resolution of the shareholders' meetings;
- 4) To consider the suitability of, advise, determine, and approve the visions and strategies of the Company;
- 5) To monitor the compliance with the strategies of the Company; as well as monitor and supervise the management and operation of the Company to ensure that it is in line with the established policies, strategies, plans, and goals in a consistent and effective manner;
- 6) To monitor and supervise the operation of the Company to ensure that it is in compliance with the laws, rules, regulations, criteria, and the resolution of the shareholders' meeting;
- 7) To consider, determine, and arrange for the appropriate and reliable accounting and financial reporting system, internal audit, internal control, and risk management to ensure that the operation of the Company is correct, transparent, and auditable under the relevant laws, rules, regulations, and criteria;
- 8) To arrange for the disclosure of various element of the Board of Directors and information regarding the directors such as age, gender, educational background,

Corporate Governance

experiences, ratio of the Company's share held, years in office, and directorship in other listed companies in the annual report as well as on the Company's website;

- 9) To arrange for a transparent and clear process with regard to the consideration and nomination of directors in order for the Board of Directors to attain the established requirements in composition;
- 10) To be responsible for and ensure equal and fair treatment of all shareholders and stakeholders, equally and fairly protect and preserve the benefit of all shareholders and stakeholders, and disclose significant information in a complete and timely manner;
- 11) To not conducting business, or be a partner or a director in a business that is of the same nature as and competing with the business of the Company;
- 12) In the case that any directors have a potential conflict of interest with the Company or its subsidiaries (as per the Articles of Association, the laws, and the notification of SET and SEC) on any matter, such director shall not be able to cast a vote on such matter;
- 13) In performing any of their duties or approving any matter which is required by law to receive the approval of the shareholders' meeting, the directors must act as per the resolution of the shareholders' meeting under the criteria and conditions required by law;
- 14) To appoint one or more directors to the position of Vice Chairman of the Board of Directors;
- 15) To appoint directors or executives of the Company to be members of the Executive Committee, which may perform certain tasks in place of the Board of Directors. The performance of such tasks must be within the authority of the Board of Directors, and the authorities of the such appointed person must be clearly defined;
- 16) To appoint sub-committees to support the performance of the Board of Directors' duties. The Board of Directors have the authority to alter the scope of authorities and responsibilities of the sub-committees as necessary when deemed appropriate;
- 17) To appoint one director to hold the position of Managing Director, whose duties is as assigned by the Board of Directors. The Board of Directors have the authority to alter the scope of authorities and responsibilities of Managing Director as necessary when deemed appropriate and may supervise the work of Managing Director to ensure his/her performance of the duties assigned and that the strategies of the Company is being implemented;
- 18) To support and encourage the innovation of new products and the improvement of existing products in order to generate value to the business while also benefiting the customers and related persons and being responsible to the society and the environment;
- 19) To supervise the stipulation of the executive succession plan, and consider the executives skills development and appropriate remuneration; and
- 20) To monitor the sufficiency of the Company's liquidity and its solvency. In the case that the Board of Directors wishes to empower another to perform such duties in its place, such empowerment shall not be in the nature of power of attorney or substitute power of attorney that allows the attorney-in-fact to approve transactions where he or persons may incur conflict, interest, or conflict of interest (pertaining

Corporate Governance

to the law, Article of Association of the Company, notifications and criteria of SEC and SET) against the Company or subsidiaries unless approval of transactions is made in accordance with the policy and criteria approved by the Board of Directors. In any case, the persons with conflict of interest shall abstain from voting on such agenda.

4. Roles, duties, and responsibilities of the Chairman of the Board of Directors

The key roles and responsibilities of Chairman of the Board of Directors are as follows:

- 1) To direct, oversee, and monitor the performance of the Board of Directors duties and responsibilities to ensure its effectiveness in order to achieve the established objectives and goals;
- 2) To chair the meetings of Board of Directors and meetings of shareholders;
- 3) To be the deciding vote in case of equal voting results; and
- 4) To perform other tasks as required by law.

5. Meetings of the Board of Directors and sub-committees

Meetings of the Board of Directors

The Board of Directors has determined that an ordinary meeting is to be held on a quarterly basis while extraordinary meetings may be held if necessary. Meeting dates for the Board of Directors and the sub-committees for the entire year are to be scheduled in advance and proposed to the meeting of Board of Directors for consideration. All directors are then notified of the approved meeting dates in advance to allow for the directors to properly allocate the time to attend every meeting. With regards to the meeting of Board of Directors, the Chairman or assigned persons are to submit the invitation letter along with complete set of meeting documents for each Director at least 7 days prior to the meeting date. In case of any urgent need to protect the rights or benefits of the Company, the meeting dates and schedules may be notified by other methods and may be determined to be earlier than stipulated.

Each meeting of Board of Directors requires at least half of the numbers of all directors to constitute quorum and the Chairman of the Board of Directors is to chair the meeting. In case the Chairman is absent from the meeting or could not perform the task otherwise, the Vice Chairman is to chair the meeting. If there is no Vice Chairman or the Vice Chairman could not perform the task otherwise, directors are entitled to select a director to chair the meeting.

The Board of Directors has determined that the Company Secretary is to record the minutes of meeting in writing. After the minutes are approved by the Board of Directors, the minutes of meeting are to be stored in a manner that allow for an audit by the directors or any related persons at all time during the normal working hours of the Company.

Meetings of the sub-committees

Meetings of sub-committees are scheduled in advance for the entire year while additional meetings may be held as necessary. Minutes of the meetings are to be prepared for each meeting.

The numbers of meetings and details of attendance of each Director and sub-committee Director, are summarized below:

Corporate Governance

Names of the directors	Details of meeting attendance of Directors						
	Number of attendance / Number of all meetings						
	Board of Directors Meetings	Audit Committee Meetings	Nomination and Remuneration Committee Meetings	Sustainability and Risk Management Committee Meetings	Corporate Governance Committee Meetings	Executive Committee Meetings	Annual General Meeting of Shareholders
Mr. Somchai Bulsook	5/5	-	-	-	3/3	-	1/1
Mr. Suchin Wanglee	4/5	4/4	2/2	-	-	-	1/1
Mr. Chotiphat Bijananda	5/5	-	1/1	-	1/1	-	1/1
Mr. Thapana Sirivadhanaphakdi	5/5	-	2/2	3/4	1/1	9/12	1/1
Mr. Ueychai Tantha-obhas	5/5	-	-	-	3/3	12/12	1/1
Prof. Dr. Khunying Suchada Kiranandana	5/5	4/4	-	4/4	-	-	1/1
Adjunct Prof. Rawat Chamchalerm	5/5	-	-	-	-	-	1/1
Mrs. Siripen Sitasuwan	5/5	4/4	-	4/4	-	-	1/1
Mr. Pramoad Phornprapha	4/5	-	1/1	3/4	3/4	-	1/1
Mr. Sithichai Chaikriangkrai	5/5	-	-	4/4	-	12/12	1/1
Mr. Sakchai Thanaboonthai	5/5	-	-	-	-	-	1/1
Mr. Rangsan Thammaneeuwong	5/5	-	-	-	-	-	1/1
Mr. Dhitivute Bulsook	5/5	-	-	4/4	-	11/12	1/1
Mrs. Tongjai Thanachanan	5/5	-	-	-	-	-	1/1
Mr. Lester Tan Teck Chuan	4/5	-	-	3/4	-	12/12	1/1

In the year 2020, the Company held a meeting of Board of Directors (only for non-executive directors), to be in accordance with the good corporate governance, on August 11th, 2020.

6. Leadership and vision

The Board of Directors is responsible for the endorsement to the determination of the vision, mission, strategies, goals, business plans, and budget of the Company. The meeting of Board of Directors is scheduled at least once per quarter in order to monitor the performance of the Company and to acknowledge significant actions taken by the management. The Board of Directors put in place mechanism to oversee, monitor, and assess the performance of executives to ensure alignment with the established short-term and long-term goals.

Corporate Governance

The Company has determined the vision and mission which are suitable and in alignment with the business operation of the Company and reviews them regularly to ensure that they are in accordance with current situations and economic condition. The vision and mission are disclosed in the Company's website under the "About us" section, subsection "About us", subsubsection "Vision & Mission". Details of which are as follows:

Vision

"The Manufacturer and distributor of complete range of quality beverage and food products who provide excellent services and good benefit for all stakeholders."

Missions

1. Offering best-in-class quality products and services to consumers.
2. Continuously seeking opportunities to grow the market and expand sales channels.
3. Develop efficient corporate and people operational systems.
4. Expanding product distribution as well as strengthening the Company's partnerships with sales representative stores nationwide.

Moreover, the group of companies has also determined the "Vision 2025" which consists of the following 8 main strategies:

1. Effective Growth (Growth);
2. Diverse market and products (Diversity);
3. Create brand that resonate with the consumers (Brand);
4. Expanding the reach and strengthening of sales and distribution (Reach);
5. Promote professionalism (Professionalism);
6. Building the ability (Build);
7. Strengthen to be the best (Strengthen); and
8. Unlock the potential (Unlock).

This vision is the guideline, plan, and long-term business goal of all companies within the group of companies and serve to lead the operation and the setting of business goals of all such companies in the same direction. The vision shall strengthen the companies, allow for effective resource co-management, increase their competitive capability and the ability to generate sustainable returns for the shareholders, as well as creating opportunities for the personnel within the group of companies to improve their capabilities and career opportunities.

7. Check and balance of Non-Executive Directors

The Company has determined the policy to organize the structure of the Board of Directors to retain the balance ratio between Independent Directors, Executive Directors, and Non-Executive Directors in order to ensure the check and balance on performance of the Board of Directors.

In addition, the Company also has policy to encourage Non-Executive Directors to hold at least 1 meeting among themselves without the attendance of management or Executive Directors so as to provide an opportunity for the Non-Executive Directors

Corporate Governance

to discuss matters or issues regarding the Company's business operations or other matters as deemed appropriate. The Non-Executive Directors are to select one among them to chair the meeting.

In 2020, the Non-Executive Directors held and attended one meeting without attendance of the management and Executive Directors on August 11th, 2020.

8. Centralization or segregation of position

The Chairman of the Board of Directors and the Managing Director are two separate persons in order to clearly segregate the duties of supervision from the duties of management. The Chairman of the Board of Directors serves as the leader of the Board of Directors for consideration and endorsement of overall policies such as vision, mission, strategies, and corporate governance policies while the Managing Director serves as the leader of executives and management and is responsible for the management of the Company in accordance with the policies set forth by the Board of Directors.

9. Term of Office

In each Annual General Meeting of Shareholders, one-third of all directors whose terms are the longest shall retire by rotation. If the numbers of directors cannot be divided by three, the most proximate number to one-third shall be referred to instead. In this regard, directors who retire by rotation may be nominated as candidates for re-election by the meeting of shareholders, except for independent directors who should not remain in office for more than 3 consecutive terms or a period of 9 years. In the case where any independent director is qualified to hold the position for a longer period, the Board of Directors may consider their independence, appropriateness, and performance efficiency; and clarify its grounds and the director's performance to the shareholder's meeting for consideration to re-elect such independent director who have served for more than 3 consecutive terms or 9 years for another term as an independent director.

Apart from retiring by rotation, a director may leave the office as stipulated by the laws or the Article of Association of the Company. In the case where a director position is vacant due to reasons other than retirement by rotation, the Board of Directors are entitled to select a person who possess required qualifications and are not prohibited by the laws to hold a director position to fill in the vacancy, unless such position has less than 2 months remaining term of office. The newly appointed director shall serve for the remaining term of office of the director who they replace. In this regard, the appointment requires approval of the Board of Directors with the votes of not less than three-fourth of remaining directors.

10. Board of Directors assessment

It is the Company's policy to have the Board of Directors assess its own performance. The 3 assessment forms are:

- 1) The Board of Directors self-assessment form;
- 2) Each of the sub-committee self-assessment form; and
- 3) The sub-committees' members self-assessment form.

Corporate Governance

The assessment is schedule to take place at least once per year. The assessment criteria are in accordance with the self-assessment form of SET, which consists of the following 5 main subjects:

1. Structure and qualification of the Board of Directors or the sub-committees;
2. Roles, duties, and responsibilities of the Board of Directors or the sub-committees;
3. Meetings of the Board of Directors or the sub-committees;
4. Relationship with management; and
5. Self-improvement and the management improvement.

The form was to be used by the directors to assess the performance of the Board of Directors for the year 2016 and onward. For the assessment, the Company's Secretary, or the secretaries of each sub-committees, as the case may be, shall deliver both the individual self-assessment form and the group assessment form to each Directors. After the assessment forms are completed, each Directors shall deliver the completed forms to the Company Secretary, or the secretaries of each sub-committees, as the case may be, to be compiled, evaluated for the purpose of performance improvement, and stored as data.

In the year 2020, the Board of Directors and all sub-committees has completed the both the individual self-assessment and the group assessment.

In addition, the Company also has a policy that require the Managing Director to assess their performance. The Board of Directors' meeting No. 1/2019-2020, which was held on November 20th, 2019, has approved the Managing Director self-assessment form and has determined that such assessment shall take place at least once per year. The assessment criteria are in accordance with the self-assessment form of SET, which consists of the following 10 main subjects:

1. Leadership
2. Strategy making
3. Strategy compliance
4. Financial planning and performance
5. Relationship with the Board of Directors
6. Relationship with the outside
7. Management and relationship with personnel
8. Succession
9. Knowledge of products and services
10. Personal characteristics

The form is being used for the Managing Director self-assessment for the year 2020 and onward. For the assessment, the Company's Secretary shall deliver the assessment form to the Managing Director. After the assessment forms are completed, the Managing Director shall deliver the completed form to the Company Secretary to be compiled, evaluated for the purpose of performance improvement, and stored as data.

In the Year 2020, the Managing Director has completed the self-assessment.

Corporate Governance

11. Determination of Director Remuneration

The Board of Directors has put in place the system to consider and determine remuneration of Directors, consisting of proper and auditable procedures to enhance confidence of shareholders.

In this regard, the Board of Directors has assigned the Nomination and Remuneration Committee to consider all types of remuneration of directors and members of all sub-committees i.e., monthly and lump sum remuneration, attendance fees, bonus, as well as other benefit-in-kind (if any). The matter is then proposed to the Board of Directors to consider the appropriateness of the proposal prior to being proposed to the meeting of shareholders for approval.

All forms of remuneration of directors are determined by the Nomination and Remuneration Committee through benchmarking against peers and businesses of similar sizes. The remuneration shall be appropriate and in alignment with the directors' duties and obligations, performance, and assigned responsibilities. It should also be able to attract directors with proper qualifications and ability to serve the Company or perform their duties to achieve the objects, goals, and business direction of the Company.

12. Orientation

The Board of Directors has arranged for the orientation of all new directors in order for them to acknowledge the expectation of the Company with regards to their roles, duties, and responsibility as director, policies and guideline on corporate governance of the Company; to learn more about business, products, business plans, and operations of the Company; and to visit different operations of the Company to ensure they are ready to serve as director of the Company.

13. Director development

The Company has policy to encourage and support all directors of the Company to attend seminars and participate in training courses organized by the Thai Institute of Directors Association (IOD), SET, and other independent organizations or agencies to enhance their knowledge, which will benefit their performance.

14. Succession plan

The Company prepares and monitors the succession plans for the Managing Director and senior executive positions in order to ensure that the Company has executives who are equipped with knowledge, ability, and experience for succession in key positions in the future. Review and reports of the succession plan are made as deemed appropriate. This is to encourage and ensure readiness for senior executives for the purpose of succession in key positions of the Company. The Company arranges for its senior executives to attend Director Certification Program (DCP) or Director Accreditation Program (DAP) organized by the Thai Institute of Directors Association (IOD) to build a solid foundation of understanding on criteria for the performance, duties, and responsibilities of a director of listed companies, which enhance their readiness and also benefit executives in their support of the Board of Directors.

Corporate Governance

15. Managing Director and high-level executives holding the position of director in other companies

The Company determined that its Managing Director and high-level executives may hold the position of director in other companies with which the Company have invested or co-invested in, or upon approval by the Board of Directors, for the benefit of the management so as to be in line with the policies of the Company. In any case, holding the position of director in other companies must not have an effect on the Managing Director's and high-level executives' duties and responsibilities to the Company.

16. Company Secretary

The Board of Directors has resolved to appoint Mr. Krit Julapanichakum; who possess suitable knowledge and ability, and has attended the training program on the performance of the company secretary's duties as organized by the Thai Institute of Directors Association (IOD); to the position of Company Secretary to perform the duties as stipulated by section 89/15 of the Securities and Exchange Act, which are as follows:

- 1) To be the center of document preparation and storage;
- 2) To create and maintain the director registry;
- 3) To organize shareholders' meetings, prepare and deliver the meeting invitation letter, and prepare the minutes of the shareholders' meetings;
- 4) To report the conflict of interest of directors and executives;
- 5) To coordinate with others to ensure performance as per the resolution of the Board of Directors' meetings;
- 6) To provide advice on various laws and notifications; and
- 7) To perform other tasks as assigned by the Board of Directors.

17. Sub-committees

The Board of Directors appointed 5 sub-committees to support on oversight of the Company's operation, namely 1) the Executive Committee, 2) the Audit Committee, 3) the Sustainability and Risk Management Committee, 4) the Nomination and Remuneration Committee, and 5) the Corporate Governance Committee. The compositions, qualifications, meetings, term of office, scope, duties, and responsibility of each sub-committee are established by the Board of Directors as stipulated in the related charter or appointment directive.

In addition; the Board of Directors has determined that details of the structure; compositions; roles; duties; responsibilities; performance; meeting attendance; and the amount of remuneration of the Board of Directors, the sub-committees, and authorized Directors are to be described in the Management Structure section of the 2020 Annual Report.

Corporate Governance

18. Communication and promotion on compliance with corporate governance and Code of Conduct of the Company

The Board of Directors recognizes the significance of dissemination and promotion of awareness and understanding of all employees in the organization regarding compliance with the corporate governance and Code of Conduct of the Company. This is in order to achieve the objectives and determination on the development and elevation of the corporate governance of the Company. Therefore, the Board of Directors has established the policy to communicate to employees the policy on corporate governance and Code of Conduct of the Company on a regular basis, and arranged for the information to be provided to new employees during their orientation on their first day. Information on the policy on corporate governance and Code of Conduct of the Company are thoroughly communicated through all channels of communication i.e., the announcement board at the main office, plants, and all branches of the Company as well as on the Company's website. Also, activities to promote knowledge and understanding of procedures to monitor compliance with policies and the Code of Conduct of the company have been organized for the purpose of improvement and development of compliance to rules and regulations to ensure that the entire organization operates on common goals.

19. Internal control and audit system

The Board of Directors has put in place extensive internal control and audit system for all aspects of the Company's operation so as to ensure that the operations of the Company are in compliance with relevant goals, rules, regulations, and principles. An audit and a check and balance mechanisms are also put in effect to protect and oversee the capital of the shareholders and assets of the Company. Approval authority levels was established along with liability of executives and employees. Work regulations were determined in writing and the Internal Audit Department are tasks with conducting audit of all functions of the Company to ensure correct and careful operations in a manner that prevents frauds and corruption while ensuring compliance with related rules, regulations, and principles. The Audit Committee monitors the operation of the Company to ensure that the Company has an effective internal control system and trustworthy financial reporting system through consideration of the direct report from the Internal Audit Department of the Company.

The Company encourages and supports the independence of the Internal Audit Department in order for its check and balance function to be performed at full capacity by having it reporting directly to the Audit Committee. This is to ensure that the operation of the Company is carried out strictly and effectively in compliance with the established guideline. In each meeting of the Audit Committee, the head of Internal Audit Department reports on significant findings to the Audit Committee for acknowledgement. In addition, the Audit Committee also submits the report and recommendation thereof to the management in order to notify them about any areas where there is opportunity for improvement. In this regard, the Internal Audit Department works to support the Audit Committee with regards to complaints and leads filed by internal and external parties.

20. Risk Management

The Board of Directors recognizes the importance of the management of risks which may incur to the Company. As such, the Risk Management Committee was

Corporate Governance

established. Thereafter, in accordance with the resolution of the Board of Directors Meeting No. 6/2018, which was held on August 10th, 2018, the Risk Management Committee was reorganized and renamed the Sustainability and Risk Management Committee as to be more comprehensive in the support of business operation in line with the sustainable approach. The Sustainability and Risk Management Committee consists of director and executives of key functions of the Company to take responsibility in assessment and management of risks of the company. The Sustainability and Risk Management Committee shall discuss to assess the primary, secondary and immaterial risks and makes suggestions on amendments, management or minimization of negative effects from different types of risks. Moreover, the committee monitors the progress to ensure appropriate and continual implementation and prepares related report to be proposed to the Board of Directors on a quarterly basis, which forms part of the annual report.

In this regard, the Board of Directors has established the policy on corporate governance and Code of Conduct of Sermasuk group of companies as guideline for business practice for directors, executives, and employees of the Company. The Board of Directors review and revise the corporate governance principle on a regular basis. Moreover, the Board of Directors has established the Corporate Governance Committee to support the work of the Board of Directors on corporate governance. The Corporate Governance Committee reviews and revises the policy to be adaptable to any possible changes as result of business operation, environment, situations, including changes of rules and regulations. The corporate governance policy has been published on the Company's website in the "About us" section, the "Good Corporate Governance" sub-section, and the Code of Conduct of Sermasuk group of companies has been published on the Company's website in the "About us" section, "About us" subsection, and "Code of Conduct" subsection.

On November 18th, 2020, the Board of Directors has received a report from the Corporate Governance Committee, which reviewed and assessed the policies and operations concerning corporate governance, the Corporate Governance Code, as well as matters that need to be improved upon and has determined the appropriate operational guideline that suit the nature of the Company's business and culture. In this regard, there are still matters that has yet to comply with the good corporate governance principles, details of which are as follows:

Non-compliance matters	Reasons
1. The free float portion of the Company's share should be higher than 15% of the paid-up capital	The Company is still determined to look for appropriate method to comply with the criteria of SET on the matter of free float share ratio.
2. The Board of Directors should utilize the services of Professional Search Firm or the Director Pool in its search for new directors	The Nomination and Remuneration Committee, the members of which are qualified person, are tasks with considering and nominating candidates for the position of director as per the criteria of the Board of Directors. The Nomination and Remuneration Committee has always been able to nominate candidates with qualifications and experience suited for the position of director.
3. More than 50% of the Board of Directors' member should be independent directors	The Board of Directors consist of experts with diverse qualification, capability and experience. 5 out of 15 directors are independent directors. Although the ratio of independent directors does

Corporate Social Responsibility (CSR)

	not reach 50%, the Board of Directors may still perform its duties of providing policies and supervising the Company very well.
4. The independent directors should not hold the position for more than 3 consecutive terms, or more than 9 years from the first day of assuming office	The Company's has stipulated that its Independent Director may hold the position for the maximum of 3 consecutive terms or more than 9 years. However, in the process of consideration and appointment of new Independent Director, the Board of Directors prioritize on the candidates' independency, suitability and effectiveness and has always provided reasoning behind the nomination to the shareholders during the nomination process. Additionally, all of the Company's Independent Directors possess the qualification and suitability for the position of Independent Directors, despite the fact that some of them held the position for longer than 9 years.
5. The Board of Directors should have a policy to limit the number of listed companies each director may hold the position of director in to the maximum of 5 companies.	Despite the fact that some directors hold the position of director in more than 5 listed companies, all Directors are able to allocate and dedicate their time to perform their respective duties effectively.
6. The Company should have a policy which stipulated that the quorum at the time of voting in any Board of Directors Meeting must not be lower than 2 out of 3 of all Directors	The policy on meeting quorum has already been determined for both the attendance of and vote in any Board of Directors meeting as per the Company's Articles of Association and relevant law and regulations.

9. Corporate Social Responsibility (CSR)

9.1 Overall Policy

With adherence to corporate governance principles, the Company pledges to carry out business with relentless commitment to social responsibility to drive sustainable economic, social, and environmental development in line with the concept "Sermsuk Fulfills Happiness". The eight CSR principles are as follows:

1. Operation of business with fairness

The Company is committed to conducting business in compliance with the relevant laws, rules, and regulations under the corporate governance principles to assure stakeholders of its efficient business operation with transparency and verification. To that effect, the Company has published Sermsuk Public Company and Subsidiaries Code of Conduct to provide guidelines to which all the executives and employees shall strictly adhere in their performance of duty. The Company has also developed standard operation procedures for sales teams to provide clear guidance for those involved.

2. Anti-Corruption policy

The Company has given top priority to anti-corruption and avoidance of conflict of interest by prescribing guidelines in Sermsuk Public Company Limited and Subsidiaries as follows:

Corporate Social Responsibility (CSR)

2.1 Gifts and benefits in business operation

The Company makes business decisions with adherence to integrity and ethics, avoiding giving or offering items of value to customers or government officers whether directly or indirectly to motivate or as an inducement for action. It also avoids any form of bribery to acquire or retain the business which will damage the Company's image.

However, employees may entertain or offer gifts to customers or prospective customers as deemed appropriate on some occasions. It is, nevertheless, important to make sure that the gift offered is reasonable and not against the law.

The Company has been a member of Thai Chamber of Commerce, Thai Listed Companies Association, and The Federation of Thai Industries, the leading organizations which co-founded Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) supported by the government and Office of the National Anti-Corruption Commission (ONACC).

The Company has a clear policy to support fighting against fraudulent practices, bribery, or any form of corruption as well as cooperate or join the agencies in battling corruption as deemed appropriate. Moreover, the Company has stipulated that the board members, executives, or employees shall never engage in corruption, giving or accepting bribes from the government officers and business employees whether directly or indirectly to acquire or retain business, to gain competitive advantage, or to use charity donations to benefit or support corruption.

In addition to constantly communicating and providing knowledge about anti-corruption practices, the Company has established a system to monitor and assess risks associated with corruption and to keep track of the practice of guidelines on anti-corruption and bribery on a regular basis to ensure that the Company's business dealings are in line with the goals and policy.

2.2. Conflicts of interest

Apart from focusing on the conflicts of interest of the Directors and Management as detailed under the item "9 Corporate Governance", the Company has formulated a policy on conflicts of interest for employees. It is prescribed that employees shall not engage in any business or transaction that conflicts and/or competes with the business of the Company, whether directly or indirectly. Moreover, employees shall not engage in any transaction on behalf of the Company, subsidiaries, or affiliates, whether directly or indirectly, for their personal benefits, or benefits of their family members or others.

Examples of potential conflicts of interest that shall be disclosed:

- Employees or their family members have a vested interest in a transaction with the Company such as:
 - Having a vested interest in a transaction with the Company's suppliers or customers
 - Having a vested interest with organizations or agencies that are interested in entering into business with the Company
 - Making investment in a business that the Company is taking an interest in
- Receipt of gifts, aids such as loans, special services, having their debts paid off by someone else, or any special treatment from a person or organization taking an interest in entering into business with the Company or competing with the business

Corporate Social Responsibility (CSR)

of the Company. However, it may not be considered a conflict of interest in the following cases:

- a. The transaction complies with the Corporate Governance Guidelines.
- b. The gifts are not intended to influence business decisions.
- c. The gifts are of little value or appropriate for the employee's position.
- d. The transaction does not damage the Company's image when disclosed to the public.
- e. The transaction involves working or providing consultancy for any other persons, groups of persons, or business entities in the same business or engages in the Company's business and receives compensation in the forms of money or items of value.

3. Respect Human Rights

The Company conducts business with respect for human rights of all stakeholders whether it be shareholders, employees, customers, consumers, trading partners, sellers or service providers, debtors, the community, society, the environment, and competitors. With adherence to international human rights principles and the Company's Code of Conduct, the Company recognizes and stresses the importance of the basic human rights of all stakeholders without discrimination on the basis of age, sex, race, nationality, education, religion, political opinion, and socio-economic status, allowing all stakeholders to coexist in peace and harmony. The Company shall never take any action that will cause harassment or violate the personal rights of stakeholders protected by laws and international human rights principles.

4. Fair Treatment of Employees

As employees are considered the Company's most valuable assets, the Company is dedicated to employee development to enhance their knowledge, skills, and capabilities. In addition, the Company places strong emphasis on treating employees fairly in all areas. Examples include recruiting and selecting employees on the basis of merit such as skills, experience, or the ability to perform the job by determining compensation and benefits in alignment with the laws and the labor market as well as rewarding employees fairly based on their ability and performance. Added to this is the making of decisions regarding job assignments fairly without discrimination as well as providing employees with fair opportunities to be promoted based on their ability and opportunities to express their opinions freely and constructively as an equal individual in the organization. To assure employees that they will be treated equitably, the Company has set out in the Company's Regulations that employees are entitled to complain if they are treated unfairly through their line supervisors, the Employees Committee, or the employee grievance mechanism. A grievance can be filed to a supervisor at a higher level or the Corporate Human Resources Office and it will be acknowledged, handled, and resolved as soon as possible.

5. Responsibility to the consumers

The Company respect the rights of the consumers, and emphasize on and are determine to achieve customers' satisfactory with the highest responsibility, whether in the quality of the products, the reasonable prices, and the provision of fast and effective services. The Company are also determined to develop and present to the customers other alternatives to response to customers' need and create sustainable relationship with its customers. Additionally, the Company also provide channels that allow the customers to search for information, contact for business purposes, and file a complaint, i.e., the Company's website, and the Call Center, at 02-975-5585.

Corporate Social Responsibility (CSR)

6. Environmental protection

The Company emphasize the caring of and the protection of the environment. By establishing a policy on the environment as a guideline, the Company aims to protect as well as mitigate and reduce the effect of the manufacturing procedure to the environment. The implementation of the policy is also expanded to the public through multi-dimension effort. All of the Company's manufacturing plants has received the certificate of international standard for the environment management system, the ISO14001:2015, and the Company is the leading organization when it comes to driving Thai society to recognize and sustainably protect the environment. In order for there to be objectified and measurable projects, the Company has been driving the work on environmental protection through "Sermasuk Green Dimensions" strategy, which includes the work on 5 aspects, i.e., the water, the packaging, the energy, the environment, and the human resource.

7. The Co-development of communities and the society

The Company conducts its business effectively and ethically, and is a good member of the society. The Company takes part in the development of communities and society around its plants and all over the country, as well as helping those who are disadvantaged to have a better living quality. The Company does this through various objectified community service projects, such as the inclusivity of the community, education, culture, job creation, skill development, development and accessibility of technology, generating income, promoting the economy of the communities, health, and social investment.

The Company provide the opportunity for its employees to take part in the development of the communities and society by supporting various voluntary projects. This is in order to foster inclusivity and public service consciousness, strengthen the communities and society, and create balanced and sustainable growth.

8. Innovation and promotion from the Corporate Social responsibilities

The Company has driven its business operation with multiple innovations and publicize the knowledge as a model of a socially-responsible business. In 2020, the Company joined with Center of Excellence on environmental strategy for green business, Kasetsart University and Research and Consultancy Institute, Thammasat University to carry out a carbon footprint assessment pilot project for carbonated soft drinks in glass bottles. This was the first carbon footprint assessment for products in glass bottles in Thailand. The amount of the greenhouse gas emissions from the assessment would provide the data and standards for greenhouse gas emissions in Thailand.

9.2 Operations and reporting

1. Reporting process

The Company prepares reports on social responsibility and includes them in each of its annual reports. The Company analyses and ranks the stakeholders, both inside and outside of the Company, through process that identify stakeholders, create stakeholders register, evaluate benefits and impacts, and rank the importance of the stakeholders. The Company considers the relationship with its activities, products, and services all along the value chain while also respecting the benefits and need of the stakeholders as well as sustainable growth. Moreover, the Company considers the impact of its decisions or activities from the perspective of the stakeholders as well.

Corporate Social Responsibility (CSR)

For the report safety and environment information, the Company reports and discloses reference information as per the GRI standard. The 2020 information report (October 1, 2019 – September 30, 2020) has been reviewed and certified by Lloyd's Register Company Limited.

2. Business operations in line with the announced policies

The Company has written a policy on social responsibility and has been communicating about this to its stakeholders as well as the public. The company constantly communicates its social responsibility efforts to the employees to promote their participatory involvement. Its socially responsible operation is in line with social responsibility principles: Accountability, Transparency, Ethical Behavior, Respect for Stakeholder Interests, Respect for the Rule of Law, Respect for International Norms of Behavior, Respect for Human Rights. These principles have been applied to Company's policy and practices, and have been constantly reviewed to ensure that the company always operates with social responsibility principle.

The Company has set up a working team dedicated to social responsibility which comprises representatives from all functions in the Company. They are entrusted with implementing the practices as well as monitoring, reviewing, and verifying to achieve measurable outcomes that can be assessed in accordance with CSR in process and CSR after process activities.

9.3 Business operations that have adverse impacts on social responsibility

The Company does not conduct any business operation that have any adverse impacts on social responsibility.

9.4 Activities contributing to society and the environment

The Economic Aspect

1. Launch of a new production line of V-boost at Ranger energy drink production facilities
2. Expansion of the production capacity of Crystal drinking water in Ubon Ratchathani in a production line that integrates the latest advanced machinery from Germany and automation technology from BevTech Co., Ltd
3. Crystal awarded No.1 Brand Thailand 2019-2020 for the Natural Water category
4. Rebranding Ranger energy drink with the tagline "Unleash the Power in You"

The Social Aspect

1. Adjustment and handling of the COVID-19 pandemic
2. All Sermsuk's five plants updated to the FSSC22000 v. 5.0 & ISO 22000:2018 Systems
3. Crystal supported Bangkok Art Biennale 2020 (BAB 2020)
4. The Employment of Persons with Disabilities Project in support of the social activities of the Internal Security Operations Command Region 2 Office and ThaiBev
5. Sermsuk organized Safety Day to reaffirm the high safety standards of the Nakhon Ratchasima Plant
6. The Safe Driving and Observing Traffic Rules 2020 Campaign
7. Sermsuk Family Day

Internal Control and Risk Management

8. “Sernsuk Promotes Health” program for employees’ good health and well-being
9. Human Resources Development through Training

The Environmental Aspect

1. Sernsuk prides itself in having all its 7 plants achieve ISO14001:2015 certification
2. Sernsuk had all its 7 plants receive Carbon Footprint Reduction Certification
3. Sernsuk reinforced its commitment to sustainable environmental management through the new uniform made from upcycled fabric
4. Sernsuk’s Surat Thani Plant reaffirmed its production management prowess with commitment to social responsibility and sustainable business operations
5. Crystal portrayed the concept ‘Crystal Care’ to help drive Thailand’s sustainable future and inspire the new generation to use resources responsibly at TSX Thailand Sustainability Expo 2020

10. Internal Control and Risk Management

10.1 Opinions about the Company's Internal Control System

The Audit Committee has examined the sufficiency in the Company's internal control system and stated that the Company had an adequate, sufficient and efficient internal control system. The financial statements were prepared and reported accurately according to the generally accepted accounting principles. The disclosures of information and connected transactions are adequately clear and the operations of the Company and its subsidiaries complied with the appropriate laws and regulatory requirements.

10.2 Different Opinions from those given by the Company's Board of Directors and the Audit

There are no different opinions in relation to the internal control system as stated in the report of the Audit Committee enclosed at the end of the annual report.

10.3 Internal Audit Executive

- 1) Name of the Company's Internal Audit

Ms. Duangkamon Pornsuksawang assumed the position of Internal Audit Manager

Remarks: Ms. Duangkamon Pornsuksawang was appointed as the Internal Audit Manager on October 1, 2019.

- 2) Opinions of the Audit Committee about the qualifications of the executive who assumes such position

The person is qualified to assume the position with adequate and sufficient expertise and experience to perform such duties.

- 3) Appointment, removal and transfer of the person who assumes the position

This requires prior approval from the Audit Committee.

Connected Transactions

11. Connected Transactions

11.1 Nature of relationship of related parties

As of September 30, 2020, the Company and subsidiaries entered into transactions with related parties which could be summarized as follows:

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship
Key management personnel	Singapore /Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group
Thai Beverage Public Company Limited	Thailand	The Ultimate Parent Company and has common director
So Water Company Limited	Thailand	Parent Company
Petform (Thailand) Company Limited	Thailand	Associated Company and has common director
Sang Som Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Sura Bangyikhan Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Piromsurang Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Surathip Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Krittayabun Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Modern Trade Management Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Num Yuk Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Pan International (Thailand) Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Thai Beverage Logistics Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Thai Beverage Recycle Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Thai Beverage Marketing Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Dhospaak Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Thai Drinks Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company

Connected Transactions

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship
Horeca Management Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Bev Tech Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Cash Van Management Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
CAC Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
ASM Management Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Thai Molasses Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Kankwan Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Kanchanasingkorn Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Thai Beverage Training Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Charun Business 52 Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Feed Addition Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Oishi Group Public Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Oishi Trading Company Limited	Thailand	Indirect Subsidiary of the Ultimate Parent Company
Oishi Ramen Company Limited	Thailand	Indirect Subsidiary of the Ultimate Parent Company
Oishi Food Service Company Limited	Thailand	Indirect Subsidiary of the Ultimate Parent Company
Bangkok Art Biennale Management Company Limited	Thailand	Indirect Subsidiary of the Ultimate Parent Company
Food of Asia Company Limited	Thailand	Indirect Subsidiary of the Ultimate Parent Company
Chang International Company Limited	Thailand	Subsidiary of the Indirect subsidiary of the Ultimate Parent Company
Beer Thai (1991) Public Company Limited	Thailand	Subsidiary of the Indirect subsidiary of the Ultimate Parent Company
Beer Thip Brewery (1991) Company Limited	Thailand	Subsidiary of the Indirect subsidiary of the Ultimate Parent Company
Pomburapa Company Limited	Thailand	Direct Subsidiary of the Ultimate Parent Company
Pomthip (2012) Company Limited	Thailand	Subsidiary of the Indirect subsidiary of the Ultimate Parent Company

Connected Transactions

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship
Pomkit Company Limited	Thailand	Subsidiary of the Indirect subsidiary of the Ultimate Parent Company
Spice of Asia Company Limited	Thailand	Subsidiary of the Indirect subsidiary of the Ultimate Parent Company
The QSR of Asia Company Limited	Thailand	Subsidiary of the Indirect subsidiary of the Ultimate Parent Company
Max Asia Company Limited	Thailand	Subsidiary of the Indirect subsidiary of the Ultimate Parent Company
Bistro Asia Company Limited	Thailand	Subsidiary of the Indirect subsidiary of the Ultimate Parent Company
F&N Interflavine Pte Ltd.	Singapore	Associate Company of the Indirect Subsidiary of the Ultimate Parent Company
F&N Beverages Marketing Sdn. Bhd.	Malaysia	Associate Company of the Indirect Subsidiary of the Ultimate Parent Company
Thai Beverage Can Company Limited	Thailand	Directors and controlling shareholder of the Ultimate Parent Company hold shares indirectly
The Southeast Insurance Public Company Limited	Thailand	Directors and controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly
The Southeast Capital Company Limited	Thailand	Directors and controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly
The Southeast Life Insurance Public Company Limited	Thailand	Directors and controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly
F & B International Company Limited	Thailand	Directors and controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly
T.C.C. Technology Company Limited	Thailand	Directors and controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly
BJC Specialties Company Limited	Thailand	Directors and controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly
N.C.C. Management and Development Company Limited	Thailand	Directors and controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly
Big C Supercenter Public Company Limited	Thailand	Directors and controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly

Connected Transactions

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship
Kaew Grung Thai Company Limited	Thailand	Directors and controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly
Berli Jucker Public Company Limited	Thailand	Directors and controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly
Thai Malaya Glass Company Limited	Thailand	Directors and controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly
North Park Golf and Sports Club Company Limited	Thailand	Directors and controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly
TCC Hotel Asset Management Company Limited	Thailand	Controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly
The Pet Company Limited	Thailand	The Company and directors hold ordinary shares and has common directors
Crown Seal Public Company Limited	Thailand	The Company holds ordinary shares and has common directors
Bangkok Glass Public Company Limited	Thailand	The Company holds ordinary shares

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Income from sales of products and services	Cost plus gross profit margin
Other Income	Contractual prices / mutually agreed price
Receivable and Payable Interest	Rate as mutually agreed with reference to interest rate quoted by domestic commercial bank
Purchase of finished goods and raw materials	Cost of finished goods and raw materials plus gross profit margin
Subsidy for marketing expenses	Actual price stated in invoice
Directors' remuneration, i.e., salary, bonus, and meeting allowance.	As approved by the Company's directors and shareholders
Distribution Costs	Contractual prices / mutually agreed price
Administrative Expenses	Contractual prices / mutually agreed price



Connected Transactions

As of September 30, 2020, The Company and its subsidiaries have conducted related parties' transactions as a result of conducting business with persons or businesses which may have a conflict of interest with the Company or its subsidiaries. The value and natures of these transactions may be summarized and classified as follows:

Connected Transactions

Sales transactions with related parties

(in million Baht)

No.	Related Party	Relationship	Sales value as of September 30, 2020	Debtors as of September 30, 2020
1	Thai Beverage Public Company Limited	The Ultimate Parent Company and has common director	3.08	0.77
2	Num Yuk Company Limited	Direct Subsidiary of the Ultimate Parent Company	0.09	-
3	Cash Van Management Company Limited	Direct Subsidiary of the Ultimate Parent Company	438.73	35.64
4	Modern Trade Management Company Limited	Direct Subsidiary of the Ultimate Parent Company	3,009.76	234.82
5	Thai Drinks Company Limited	Direct Subsidiary of the Ultimate Parent Company	122.18	12.86
6	Oishi Group Public Company Limited	Direct Subsidiary of the Ultimate Parent Company	11.72	2.36
7	Horeca Management Company Limited	Direct Subsidiary of the Ultimate Parent Company	0.15	0.02
8	Chang International Company Limited	Subsidiary of the Indirect subsidiary of the Ultimate Parent Company	1.36	0.17
9	Food Addition Company Limited	Direct Subsidiary of the Ultimate Parent Company	0.01	-
10	Thai Beverage Training Company Limited	Direct Subsidiary of the Ultimate Parent Company	0.01	0.01
11	ASM Management Company Limited	Direct Subsidiary of the Ultimate Parent Company	0.03	0.01
12	Oishi Ramen Company Limited	Indirect Subsidiary of the Ultimate Parent Company	10.40	2.21
13	Food of Asia Company Limited	Indirect Subsidiary of the Ultimate Parent Company	2.00	0.34
14	Spice of Asia Company Limited	Subsidiary of the Indirect Subsidiary of the Ultimate Parent Company	0.17	0.03

Connected Transactions

15	Bistro Asia Company Limited	Subsidiary of the Indirect Subsidiary of the Ultimate Parent Company	0.01	-
16	F&N Beverages Marketing Sdn. Bhd.	Associate Company of the Indirect Subsidiary of the Ultimate Parent Company	8.62	1.92
17	Big C Supercenter Public Company Limited	Directors and controlling shareholder of the Ultimate Parent Company hold controlling shares indirectly	0.04	-
Total			3,608.36	291.16

Connected Transactions

Purchase of goods and services transactions with related parties

(in million Baht)

No.	Related Party	Natures of Transactions	Purchasing value as of September 30, 2020	Creditors as of September 30, 2020
1	Beer Thai (1991) Public Company Limited	Purchase of finished goods	47.85	2.45
2	Beer Thip Brewery (1991) Company Limited	Purchase of finished goods	453.72	32.47
3	Krittayabun Company Limited	Purchase of finished goods	97.99	11.37
4	Thai Drinks Company Limited	Purchase of raw materials and finished goods	1,320.69	111.88
5	Bev Tech Company Limited	Purchase of finished goods	61.73	10.43
6	Oishi Group Public Company Limited	Purchase of finished goods	27.51	5.78
7	Oishi Trading Company Limited	Purchase of finished goods	783.39	74.61
8	Thai Beverage Can Company Limited	Purchase of raw materials	89.02	15.40
9	Thai Malaya Glass Company Limited	Purchase of raw materials	103.96	19.80
10	Petform (Thailand) Company Limited	Purchase of raw materials	801.27	60.19
11	Crown Seal Public Company Limited	Purchase of raw materials	104.41	16.71
12	The Pet Company Limited	Purchase of raw materials	226.91	28.60
13	The Southeast Insurance Public Company Limited	Insurance premium	1.08	-
14	BJC Specialties Company Limited	Purchase of raw materials and finished goods	4.90	0.97
Total			4,124.43	390.66

Connected Transactions

Other income and subsidy for marketing expenses

(in million Baht)

No.	Related Party	Natures of Transactions	Other income as of September 30, 2020	Other debtors as of September 30, 2020
1	Thai Beverage Public Company Limited	Other income	0.08	-
2	Thai Drinks Company Limited	Subsidy for marketing expenses	423.99	57.99
3	Beer Thip Brewery (1991) Company Limited	Other income	0.09	-
4	Thai Beverage Recycle Company Limited	Other income from sales of leftover materials	15.38	3.48
5	Thai Beverage Logistics Company Limited	Other income from sales of machineries and equipment	0.04	0.01
6	Thai Beverage Marketing Company Limited	Subsidy for sales expenses	10.35	2.64
7	Oishi Trading Company Limited	Subsidy for sales expenses	73.92	15.07
8	Bev Tech Company Limited	Product claims	0.01	0.02
9	Petform (Thailand) Company Limited	Other income from utilities	3.89	0.28
10	Crown Seal Public Company Limited	Product claims	0.05	0.04
11	The Pet Company Limited	Product claims	0.01	1.56
Total			527.81	81.09

Connected Transactions

Income from dividend

(in million Baht)

No.	Related Party	Relationship	Dividend as of September 30, 2020	Other debtors as of September 30, 2020
1	Crown Seal Public Company Limited	The Company holds ordinary shares and has common directors	4.13	-
2	Bangkok Glass Public Company Limited	The Company holds ordinary shares	2.15	-
3	Petform (Thailand) Company Limited	Associated Company and has common director	24.00	-
4	The Pet Company Limited	The Company and directors hold ordinary shares and has common directors	1.05	-
Total			31.33	-

Connected Transactions

Distribution Costs

(in million Baht)

No.	Related Party	Natures of Transactions	Costs as of September 30, 2020	Other debtors as of September 30, 2020
1	Modern Trade Management Company Limited	Subsidy for sales	114.67	128.59
2	Dhospaak Company Limited	Advertisement Costs	66.10	7.02
3	Oishi Group Public Company Limited	Subsidy for sales	0.20	-
4	Oishi Ramen Company Limited	Subsidy for sales	1.30	-
5	Thai Beverage Logistics Company Limited	Distribution costs	51.42	11.11
6	Petform (Thailand) Company Limited	Distribution costs	1.48	-
7	Crown Seal Public Company Limited	Distribution costs	0.02	-
8	The Southeast Insurance Public Company Limited	Insurance premium	26.92	1.27
9	Max Asia Company Limited	Miscellaneous costs	0.01	-
10	Food of Asia Company Limited	Subsidy for sales	0.11	-
Total			262.23	147.99

Connected Transactions

Administration Expenses

(in million Baht)

No.	Related Party	Natures of Transactions	Expenses as of September 30, 2020	Other debtors as of September 30, 2020
1	Thai Beverage Public Company Limited	IT services fee	14.23	4.36
2	Sura Bangyikhan Company Limited	Rental fee	0.10	-
3	Thai Drinks Company Limited	Administration fee	14.40	5.01
4	CAC Company Limited	Miscellaneous expenses	0.07	-
5	ASM Management Company Limited	Rental and services fee	17.33	2.92
6	Thai Beverage Logistics Company Limited	Pallet and office rental fee	23.01	-
7	The QSR of Asia Company Limited	Miscellaneous expenses	0.01	0.17
8	The Southeast Insurance Public Company Limited	Insurance premium	4.65	-
9	The Southeast Capital Company Limited	Cars rental fee	36.72	3.24
10	Muang Thai Life Assurance Public Company Limited	Insurance premium	0.77	-
11	T.C.C. Technology Company Limited	IT services fee	16.61	3.29
12	Pan International (Thailand) Company Limited	Miscellaneous expenses	0.07	0.03
13	Berli Jucker Public Company Limited	Miscellaneous expenses	0.03	-
14	TCC Hotel Asset Management Company Limited	Miscellaneous expenses	0.41	0.08
15	Big C Supercenter Public Company Limited	Miscellaneous expenses	0.04	0.01

Connected Transactions

16	Phatra Leasing Public Company Limited	Cars rental fee	0.73	0.02
17	Cash Van Management Company Limited	Miscellaneous expenses	2.17	0.02
18	Beer Thip Brewery (1991) Company Limited	Pallet rental fee	0.24	0.02
19	Bev Tech Company Limited	Miscellaneous expenses	1.52	0.03
20	Spice of Asia Company Limited	Miscellaneous expenses	0.03	-
21	The Southeast Life Insurance Public Company Limited	Insurance premium	0.06	-
22	BJC Specialties Company Limited	Miscellaneous expenses	0.20	0.07
23	North Park Golf and Sports Club Company Limited	Miscellaneous expenses	0.01	-
Total			133.41	19.27

11.2 Necessity of related parties' transactions

The above connected transactions which were entered into during the year and those carried over from the previous year were deemed necessary and appropriate. They were as follows:

11.2.1 Sales to related parties

The Company and subsidiaries sold goods to related parties i.e. associate/subsidiary companies of the parent company and/or having common directors with the same terms and conditions offered to other unrelated businesses at market selling prices.

11.2.2 Purchase of goods and services from related parties

The Company and subsidiaries purchased goods and services from related parties i.e. associate/subsidiary companies of the parent company and/or having common directors with the same terms and conditions offered to other unrelated businesses at market selling prices or appraisal value determined by independent appraisers.

Based on necessity and appropriateness, the above connected transactions were considered reasonable and were carried out for the Company's maximum benefits. Should there be similar connected transactions in the future, the Company/subsidiaries shall comply with the criteria and procedures in entering into a connected transaction. It is also imperative that certain connected transactions with related parties be reported to the Audit Committee

Connected Transactions

for consideration before being proposed to the Board of Directors for approval. Directors with vested interest shall refrain from voting on the issue.

11.3 Procedures for the approval of the connected transactions

A connected transaction with a related party that may lead to a vested interest or a conflict of interest in the future need to be reported to the Audit Committee for their opinion about the necessity and appropriateness of the transaction. In case the Audit Committee does not have expertise in the proposed connected transaction, an independent advisor or the Company's auditor may be commissioned to give opinions which can be used for consideration by the Board of Directors or shareholders' meeting as necessary.

11.4 Policy or trend for future connected transactions

It is expected that connected transactions will continue to take place in the future as the Company's connected transactions are predominantly categorized as normal business and supporting normal business transactions. The Company strictly follows the policy to ensure that the connected transactions are conducted fairly and at arm's length to ensure maximum benefits for the Company. To that effect, the Company will entrust the Audit Committee, the auditor, or an independent expert to consider and give opinions on the appropriateness of the prices and reasonableness of the connected transactions. For future connected transactions, the Board of Directors shall comply with the laws on securities and exchange as well as the rules, regulations, notifications, orders, and guidelines of the Stock Exchange of Thailand. They shall also comply with regulations about disclosing information related to connected transactions and the selling/buying of the Company's material assets in conformance with the Thai Financial Reporting Standards stipulated by Federation of Accounting Professions of Thailand.

For a connected transaction with a related party that may lead to a vested interest or a conflict of interest in the future, the Company stipulates that it be entered into an agreement and seek opinions of the Audit Committee on the necessity and appropriateness of the connected transaction. In case the Audit Committee does not have expertise in the proposed connected transaction, an independent auditor or the Company's auditor may be commissioned to give opinions which can be used for consideration by the Board of Directors or shareholders' meeting as necessary. The connected transactions will be disclosed in the Notes to Financial Statements verified by the auditor.

The establishment of the policy ensures that doing a connected transaction will not constitute a transfer of interest between the Company and the related parties, or shareholders, but that it is done with concern for the maximum benefit of every shareholder, especially minor shareholders. Moreover, directors and/or shareholders who have vested interest in the connected transaction or selling/buying the Company's assets shall refrain from voting on the issue.

Financial Data and Financial Statements

12 Financial Data and Financial Statements

12.1 Financial Statements

Summary of the auditor's report

The auditor's report for the year ended 30 September 2020 was audited by Ms. Sureerat Thongarunsang from KPMG Phoomchai Audit Ltd. who expressed an opinion that the Company's financial statement is fairly stated, in all material respects and in accordance with Thai Financial Reporting Standards.

12.2 The Auditor Remuneration

Audit fee for the year ended September 30, 2020

• Sermsuk Public Company Limited	1,700,000 Baht
• Sermsuk Beverage Co., Ltd.	740,000 Baht
• Sermsuk Holdings Co., Ltd.	97,500 Baht
• Sermsuk Training Co., Ltd.	147,000 Baht
• Wrangyer Beverage (2008) Co., Ltd.	685,300 Baht
• Great Brands Limited	25,000 HK Dollars

Non-audit Fees

- None -

Financial Data and Financial Statements

12.3 Summary of the Financial Position and Performance for the year ended 30 September 30, 2020

Consolidated financial statement As at 30 September 2020, 2019 and 2018			
	2020	2019	(Unit : Baht) 2018
Assets			
<i>Current assets</i>			
Cash and cash equivalents	1,403,498,770	872,792,975	506,202,042
Trade accounts receivable	549,712,069	567,967,095	534,904,158
Other related parties receivable from related parties	83,541,529	151,686,762	461,740,858
Other receivables	66,806,338	54,926,650	75,513,755
Inventories	587,083,592	676,486,645	604,588,348
Prepaid excise tax	603,536	2,994,352	4,217,246
Other current assets	29,377,654	42,119,316	21,142,443
Total current assets	2,720,623,488	2,368,973,795	2,208,308,850
<i>Non-current asset</i>			
Restricted deposits at financial institution	524,446	520,279	517,922
Investments in associate	802,279,941	638,310,906	536,464,389
Other long-term investments	134,422,040	132,570,992	129,662,202
Long-term loan to a related party	3,000,000	3,000,000	3,000,000
Investment properties	323,650,345	322,984,765	316,485,388
Property, plant and equipment	8,311,275,107	8,743,103,884	8,268,329,835
Intangible assets	16,311,083	18,414,778	19,759,485
Deferred tax assets	96,965	95,554	3,516,930
Other non-current assets	187,724,452	172,059,890	173,274,025
Total non-current assets	9,779,284,379	10,031,061,048	9,451,010,176
Total assets	12,499,907,867	12,400,034,843	11,659,319,026

Financial Data and Financial Statements

Consolidated financial statement (cont.)			
As at 30 September 2020, 2019 and 2018			
	(Unit : Baht)		
	2020	2019	2018
<i>Current liabilities</i>			
Trade accounts payable	576,406,540	640,773,569	764,143,418
Other payable to related parties	169,169,787	160,684,719	152,814,925
Other payables	692,469,508	663,122,965	651,525,137
Dividend payable	72,517,234	72,516,353	72,921,398
Customers' deposits on bottles and cases	453,579,395	442,711,183	444,429,508
Other current liabilities	31,306,218	37,150,895	48,476,753
Total current liabilities	1,995,448,682	2,016,959,684	2,134,311,139
<i>Non-current liabilities</i>			
Deferred tax liabilities	468,349,587	463,526,251	50,972,264
Non-current provision for employee benefits	1,138,751,748	1,185,893,784	933,446,317
Total non-current liabilities	1,607,101,335	1,649,420,035	984,418,581
Total liabilities	3,602,550,017	3,666,379,719	3,118,729,720
<i>Equity</i>			
<i>Share capital:</i>			
Authorized share capital	265,900,484	265,900,484	265,900,484
Issued and paid-up share capital	265,900,484	265,900,484	265,900,484
Premium on ordinary shares	1,342,448,425	1,342,448,425	1,342,448,425
Retained earnings			
Appropriated			
Legal reserve	26,795,766	26,795,766	26,795,766
General reserve	2,285,000,000	2,285,000,000	2,285,000,000
Unappropriated	1,281,212,464	1,118,990,577	1,624,620,032
Other components of equity	3,696,000,711	3,694,519,872	2,995,824,599
Total equity	8,897,357,850	8,733,655,124	8,540,589,306
Total liabilities and equity	12,499,907,867	12,400,034,843	11,659,319,026

Financial Data and Financial Statements

Consolidated statement of comprehensive income			
For the year ended 30 September 2020, 2019 and 2018			
	(Unit : Baht)		
	2020	2019	2018
Income			
Revenue from sales of goods and rendering of services	10,865,142,826	11,571,724,909	10,819,526,673
Dividends income	7,329,758	4,441,177	4,441,177
Other income	121,353,737	148,237,840	335,231,622
Total income	10,993,826,321	11,724,403,926	11,159,199,472
Expenses			
Cost of sales of goods and rendering of services	7,599,502,136	8,404,005,996	7,827,770,932
Distribution costs	2,611,988,634	2,649,647,968	2,678,276,024
Administrative expenses	811,545,856	873,268,633	1,061,772,808
Past service cost for employee benefit from amendment of the Labor Protection Act	-	171,829,771	-
Total expenses	11,023,036,626	12,098,752,368	11,567,819,764
Share of profit of an associate, net of income tax	187,969,035	176,846,517	126,934,396
Profit (loss) before income tax expense	158,758,730	(197,501,925)	(281,685,896)
Income tax (expense) benefit	10,372,637	(255,017,060)	3,948,969
Profit (loss) for the year	169,131,367	(452,518,985)	(277,736,927)
Earnings (losses) per share (in Baht)	0.64	(1.70)	(1.04)

Financial Data and Financial Statements

Consolidated statement of cash flows			
For the year ended 30 September 2020, 2019 and 2018			
	(Unit : Baht)		
	2020	2019	2018
<i>Cash flows from operating activities</i>			
Profit (loss) for the year	169,131,367	(452,518,985)	(277,736,927)
<i>Adjustments to reconcile profit (loss)</i>			
<i>to cash receipts to (payments)</i>			
Income tax (benefit) expense	(10,372,637)	255,017,060	(3,948,969)
Depreciation and amortization	588,594,219	596,258,355	664,768,128
Impairment loss on assets	43,755,723	-	-
Provisions for employee benefits expense	136,148,468	90,133,259	77,453,847
Past service cost for employee benefit from amendment of the Labor Protection Act	-	171,829,771	-
Unrealised loss (gain) on exchange	690,905	(26,221)	954,846
Gain on fair value adjustment in investment properties	(665,580)	(6,499,377)	(2,903,000)
Share of profit of an associate, net of income tax	(187,969,035)	(176,846,517)	(126,934,396)
Allowance for doubtful accounts (reversal of)	3,150,155	52,283	(3,924,753)
Loss on inventories devaluation (reversal of)	3,996,608	1,307,968	(12,402,903)
Loss (gain) on disposal and write-off of plant and equipment	20,590,357	(19,694,969)	(121,275,144)
Reversal of impairment losses on plant and equipment	-	-	(25,322,165)
Interest income	(6,644,190)	(5,173,235)	(3,262,852)
Dividend income	(7,329,758)	(4,441,177)	(4,441,177)
	753,076,602	449,398,215	161,024,535
<i>Changes in operating assets and liabilities</i>			
Trade account receivables	14,717,172	(34,531,067)	91,123,635
Other receivables from related parties	32,145,233	346,054,096	(164,861,575)
Other receivables	(11,491,989)	22,002,952	24,673,807
Inventories	85,406,445	(73,206,265)	120,211,841
Prepaid excise tax	2,390,816	1,222,894	16,638,366
Other current assets	(1,591,229)	(10,858,320)	20,438,344
Other non-current assets	(2,213,064)	(10,118,966)	(27,006,544)

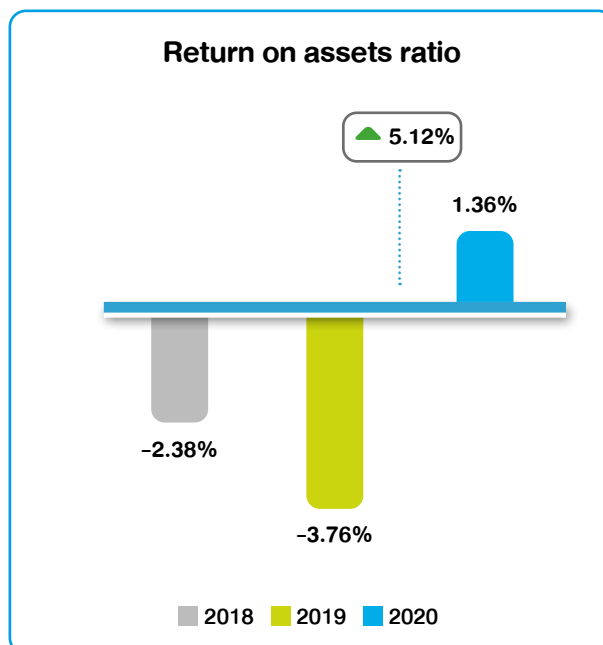
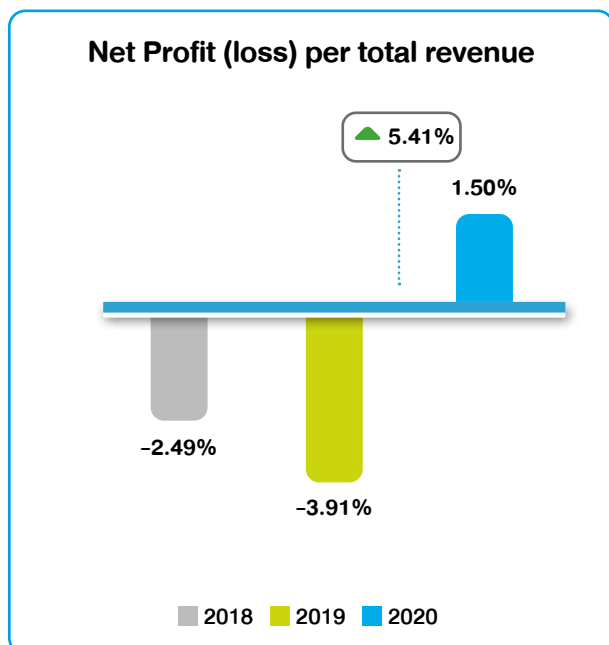
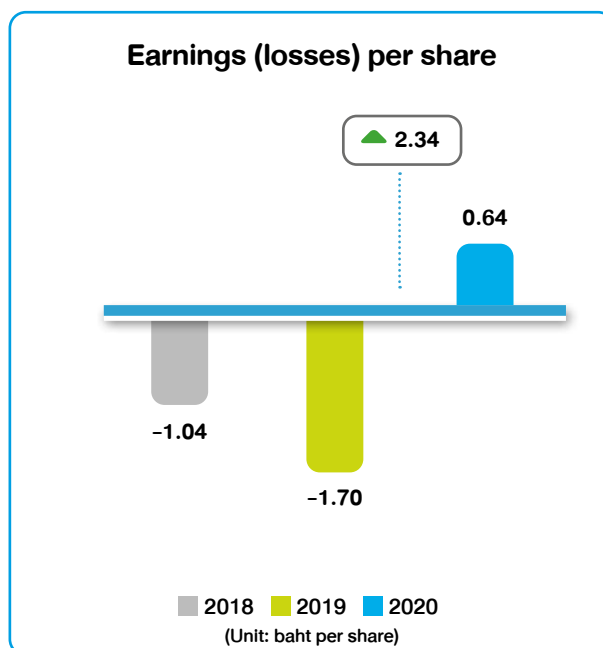
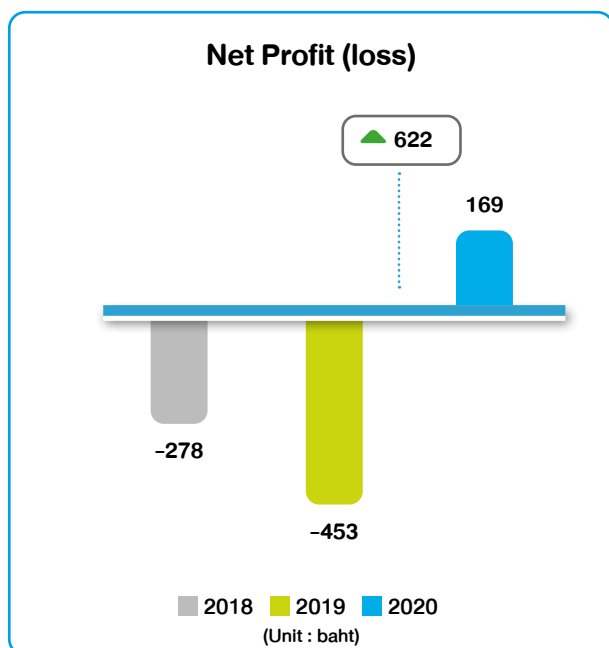
Financial Data and Financial Statements

Consolidated statement of cash flows (Continue)			
For the year ended 30 September 2020, 2019 and 2018			
	(Unit : Baht)		
	2020	2019	2018
<i>Changes in operating assets and liabilities (cont.)</i>			
Trade account payable	(64,367,029)	(123,369,849)	(74,247,892)
Other payables to related parties	8,485,068	7,896,015	(88,138,973)
Other payables	20,083,586	(4,833,089)	15,869,849
Customers' deposits on bottles and cases	10,868,212	(1,718,325)	(10,144,108)
Other current liabilities	(5,844,677)	(11,325,859)	10,876,103
Provisions for employee benefits paid	(108,021,811)	(74,066,595)	(73,133,293)
Net cash from operating activities	733,643,335	482,545,837	23,324,095
<i>Cash flows from investing activities</i>			
Proceed from sales of machinery, plants and equipment	22,899,453	20,249,426	207,714,583
Acquisition of plant, machinery and equipment	(232,482,437)	(182,307,339)	(266,011,929)
Acquisition of intangible assets	(851,349)	(2,104,001)	(9,732,772)
Dividends received	67,329,758	43,441,177	101,941,177
Interest received	6,644,190	5,173,235	3,262,852
Restricted deposits at financial institution	(4,167)	(2,357)	(4,645)
Net cash from (used in) investing activities	(136,464,552)	(115,549,859)	37,169,266
<i>Cash flows from financing activities</i>			
Dividend paid to the owners of the Company	(66,472,988)	(405,045)	-
Net cash used in financing activities	(66,472,988)	(405,045)	-
Net increase in cash and cash equivalent	530,705,795	366,590,933	60,493,361
<i>Cash and cash equivalent at beginning of period</i>	<i>872,792,975</i>	<i>506,202,042</i>	<i>445,708,681</i>
Cash and cash equivalent at end of period	1,403,498,770	872,792,975	506,202,042
<i>Non-cash transactions</i>			
Increase in payables for acquisition of machinery and equipment	7,752,016	14,549,034	7,258,032
Revaluation surplus on land	-	870,460,300	-

Financial Data and Financial Statements

12.4 Financial Ratios

12.4.1 Key Financial Information (Consolidated)



Financial Data and Financial Statements

12.4.2 Liquidity Ratios

Ratio		Consolidated		
		2020	2019	2018
Current ratio	(Times)	1.4	1.2	1.0
Quick ratio	(Times)	1.0	0.7	0.5
Operating cash flow	(Times)	0.4	0.2	0.1
Receivable turnover ratio	(Times)	19.4	21.0	18.7
Average collection period	(Days)	18.8	17.4	19.5
Inventory turnover ratio	(Times)	20.4	21.9	18.9
Average inventory period	(Days)	17.9	16.7	19.3
Account payable ration	(Times)	12.5	12.0	9.8
Average payment period	(Days)	29.2	30.4	37.2
Cash Cycle	(Days)	7.5	3.4	1.6

12.4.3 Profitability Ratios

Ratio		Consolidated		
		2020	2019	2018
Gross profit margin	(%)	30.1	27.4	27.7
Operating profit margin	(%)	(1.5)	(4.6)	(6.9)
Non-operating profit margins	(%)	2.9	2.8	4.2
Net profit margin	(%)	1.5	(3.9)	(2.5)
Return on equity	(%)	1.9	(5.2)	(3.2)

Financial Data and Financial Statements

12.4.4 Efficiency Ratio

Ratio		Consolidated		
		2020	2019	2018
Return on assets	(%)	1.4	(3.8)	(2.4)
Return on fixed assets	(%)	2.0	(5.3)	(3.3)
Asset turnover	(Times)	0.9	0.9	0.9

12.4.5 Financial Policy Ratio

Ratio		Consolidated		
		2020	2019	2018
Debt to equity ratio	(Times)	0.4	0.4	0.4

Management Discussion and Analysis: MD&A

13. Management Discussion and Analysis: MD&A

Summary of annual performance 2020

(Unit: Million Baht)

Transactions	2020	2019	Change	%
Revenue from sale of goods and rendering of services	10,865	11,572	(707)	(6.1)
Cost of sales of goods and rendering of services	7,600	8,404	(804)	(9.6)
Gross profit	3,265	3,168	97	3.1
Distribution cost and administrative expenses	3,423	3,523	(100)	(2.8)
Past service cost for employee benefit from amendment of the Labor protection Act	-	172	(172)	(100.0)
Other income (including dividend income of Baht 7.3 million)	129	153	(24)	(15.7)
Income tax (expense) benefit	10	(255)	265	103.9
Net Profit (loss)	169	(453)	622	137.3
Earnings (losses) per share (<i>in Baht</i>)	0.64	(1.70)	2.34	137.6

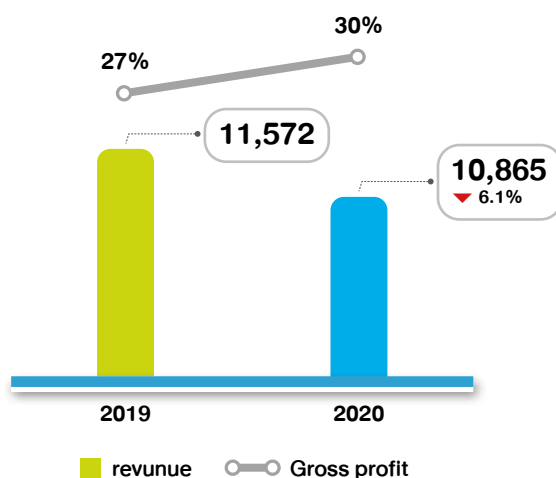
Sermasuk Public Company Limited and its subsidiaries (“Company”) clarify Consolidated operating result and Financial status for the year ended September 30, 2020 as follows:

Financial Performance for Fiscal Year 2020

Revenue from sales and services

Revenue from sales and services of the Company was Baht 10,865 million, decreased by Baht 707 million or 6.1% from the same period of last year mainly from the COVID-19 virus pandemic effect. The government’s COVID-19 infection control measures resulted in a decrease in sales volume in restaurant, hotel and department store. Nevertheless, the Company have expanded sales in traditional channel, wholesales, large retail shops and convenience stores as well as building new channel by selling directly to consumer households during the lock down and holding promotional activities to support sales. Thus, Crystal continues to maintain its leadership in drinking water market.

Management Discussion and Analysis: MD&A



Cost of sales and services

Cost of sales and services of the Company was Baht 7,600 million, decreased by Baht 804 million or 9.6% from the same period of last year. The lower cost was in line with the lower sales volume and savings in raw material and packaging.

Distribution costs

Distribution cost of the Company was Baht 2,612 million, decreased by Baht 38 million or 1.4% from the same period of last year mainly from the effective control of marketing and promotion expenses by focusing more on online marketing. Transportation expenses reduced in line with lower sales volume and control over route and fuel cost efficiently.

Administrative expenses

Administrative expenses of the Company were Baht 811 million, decreased by Baht 62 million or 7.1% due to continuous control on cost spending and implementation of a more stringent control to improve efficiencies in all spending during COVID-19 pandemic.

Net profit

Net profit of the Company was Baht 169 million, which reflect the Company's capabilities to cope with the Covid-19 challenge. The net profit improved by Baht 622 million or 137.3% from net loss Baht 453 million in the same period of last year.

The net profit improved by Baht 148 million or 704.8% from normalized net profit of last year at Baht 21 million. By excluding non-recurring items such as past service cost for employee benefit of Baht 137 million (net of corporate income tax) and income tax expense on utilization and write off of deferred tax assets of Baht 336 million. Thanks to the Company's cost control and effective management over distribution cost and administrative expense.

The company earnings per share of Baht 0.64 per share, an increase of Baht 2.34 per share compared to net loss per share of Baht 1.70 per share in the same period of last year with aforementioned reasons.

Management Discussion and Analysis: MD&A

Financial Position

(Unit: Million Baht)

Transactions	As at 30 September 2020	As at 30 September 2019	Change	%
Assets				
Current assets	2,721	2,369	352	14.9
Non - current assets	9,779	10,031	(252)	(2.5)
Total assets	12,500	12,400	100	0.8
Liabilities				
Current liabilities	1,995	2,017	(22)	(1.1)
Non - current liabilities	1,607	1,649	(42)	(2.5)
Total liabilities	3,602	3,666	(64)	(1.7)
Equity				
Total equity	8,898	8,734	164	1.9
Total liabilities and equity	12,500	12,400	100	0.8

Assets

Total assets as of September 30, 2020 was Baht 12,500 million, increased by Baht 100 million or 0.8% compared to total assets at the end of last year as describe below;

Current assets were Baht 2,721 million, increased by Baht 352 million or 14.9% mainly from an increase in cash and cash equivalents due to better operating performance.

Non-current assets were Baht 9,779 million, decreased by Baht 252 million or 2.5% mainly from a decrease in net value of building and equipment from depreciation expense offset with purchase of machinery and equipment and partly from an increasing of investment in an associated due to profit sharing

Liabilities

Total liabilities as of September 30, 2020 was Baht 3,602 million, decreased by Baht 64 million or 1.7% compared to total liabilities at the end of last year as describe below;

Current liabilities were Baht 1,995 million, decreased by Baht 22 million or 1.1% due to better inventory management leading to lower purchase of raw material and packaging.

Non-current liabilities were Baht 1,607 million, decreased by Baht 42 million or 2.5%, from the payment of employee's retirement benefits.

Equity

Total equity as of September 30, 2020 was Baht 8,898 million, increased by Baht 164 million or 1.9% from September 30, 2019 mainly from additional net profit of the year and defined benefit plan actuarial gain while reduced by dividends payment.

Management Discussion and Analysis: MD&A

Cash flows

Cash and cash equivalents as at 30 September 2020 were Baht 1,403 million. The net cash increased from the beginning of the year was Baht 531 million. Cash increased mainly from operating activities Baht 734 million due to profitable operating results, dividend and interest received of Baht 74 million. Partly reduced from purchase of machinery and equipment to increase operation's efficiency Baht 211 million and dividend payment of Baht 66 million. Overall, the Company has a strong financial position as we do not have any interest-bearing debt and high liquidity from operating activity.

During the COVID-19 pandemic, some of our long-term customers especially those tourism-reliant business was impacted due to the lock down measures. The Company took measures to help lessen the impact by considering a grace payment period for the Company's debtors on a case-by-case basis. All credits were closely monitored and followed up. The Company fully supported our debtors in overcoming challenges arising from this situation and also minimize default risks. At the same time, it has helped the Company to receive the repayment of debt appropriately.

Financial Ratio Analysis

Liquidity

In the fiscal year 2020, the liquidity ratio was 1.4 times, slightly higher in comparison to 1.2 times in the fiscal year 2019, as a result of the Company's strong liquidity position and better management of working capital that reflected an increase of current assets and a decrease of current liabilities, including we do not have any interest-bearing debt.

Profitability

The Company's net profit margin in the fiscal year 2020 improved from the fiscal year 2019, as a result of a higher net profit that was reflected from the Company's cost control and effective management over distribution cost and an implementation of a more stringent control over all spending.

Efficiency

In fiscal year 2020, the Company's efficiency ratio was 1.4%, improved from -3.8% in the fiscal year 2019 due to an increase in net profit. Return on fixed assets improved to 2.0% from -5.3%, mainly due to higher net profit in proportion of a decrease of fixed assets from an improvement of asset management.

Financial Policy

The Company's debt to equity ratio as at 30 September 2020 was 0.4 times, an insignificant change from fiscal year 2019 because the Company do not have any interest-bearing debt, while the cash flow from operating activities can support investment plan and normal business operation. Thus, the Company has a strong financial position.



Management Discussion and Analysis: MD&A

Key drivers which could affect future operations and financial status

The revamped excise tax act, which imposes new sugar tax on beverages based on the value of the product and sugar content with taxes on sugary drinks to be increased every two years, has significant effects on the Company's beverage business. In response, Sermasuk has established strategic plans and measures to cope with the potential impacts from the new tax act. Chief among them were the research & development of innovative products with the focus on healthier products that cater to the evolving trends and needs of consumers as well as implementation of efficient management of costs and expenses to ease the impacts of the new excise tax act.

In COVID-19 pandemic having devastating repercussions on the country's economy and consumers' purchasing power, the Company has developed new distribution channels to directly deliver the products to consumers such as sending trucks to sell products in communities and through online sales channel. In the year past, in response to the digital transformation challenge, the Company developed the 'Sermasuk Family' application to facilitate communication with stores and ensure maximum efficiency in an attempt to accommodate the change in consumer behavior and the evolving circumstances.

Report of the Board of Director's Responsibility for the Financial Statements

Report of the Board of Director's Responsibility for the Financial Statements

As a listed company, the Board of Directors realizes the duties and responsibilities for preparation of financial statements of Sermsuk Public Company Limited and its subsidiaries, in accordance with Thailand Financial Reporting Standard, by selecting an appropriate accounting policy, to which the company has strictly adhered on a regular basis.

The Board of Directors has exercised due care and reasonable projection in preparing the reports. There is adequate disclosure of material information in the Notes to Financial Statements as well as explanations and analysis as regards to the financial status and operating results of the Company and its subsidiaries, for the benefits of shareholders and general investors alike. The financial statements have been audited, with unqualified opinion by independent certified public accountants. In addition, the Board of Directors has promoted actions in accordance with Corporate Governance Principles, and assured that the company has adopted efficient and effective risk management and internal control systems. These will ensure that the accounting data recording procedures are accurate, complete and sufficient for maintaining assets of the Company and its subsidiaries, including prevention of material frauds and irregularities.

In so doing, the Audit Committee of the Company, consisting of independent directors as members, has reviewed the quality of financial reports and the internal control system, and hereby expressed their opinion in the Report of Audit Committee, as shown in the Annual Report and 56-1 Reporting Form. The Board of Directors is of the opinion that Corporate Governance, risk management and internal control systems of the company are adequate and appropriate, thereby providing reasonable assurances that the Financial Statements of the Company and its subsidiaries, for the year end September 30, 2020, had been prepared and disclosed accurately, as deemed fully compliant to the financial reporting standard.

Report of the Audit Committee

Report of the Audit Committee

To: The Shareholders
Sernsuk Public Company Limited

The Audit Committee appointed by the Board of Directors consisted of three independent directors, Professor Dr. Khunying Suchada Kiranandana, Mr. Suchin Wanglee and Mrs. Siripen Sitasuwan.

In 2020, the Audit Committee held 4 meetings. The four ordinary meetings reviewed the operations of the Company and its subsidiaries, including the assessment of the adequacy and efficiency of the internal control system the review of the internal audit plan and audit reports, following up on issues raised by the auditors and providing corrective suggestions; ensuring adequate risk management; approving the quarterly and annual financial statements by working with the management, the auditor and the internal auditor, to ensure the adequacy and correctness of the financial statements and the disclosures according to the generally accepted accounting principles, including the review of connected transactions or transactions which could possibly lead to conflict of interest; the execution to ensure compliance with related laws and regulatory requirements in overall operations; and recommended the appointment of the external auditor and annual audit fee to the Board of Directors.

The Company operations and its subsidiaries in 2020 revealed that the company had an adequate internal control system. The financial statement were prepare and reported in accordance with the Statements of Thai Financial Reporting Standards. The disclosures and related transaction complied with the appropriate laws and regulatory requirements.

-Signature-

(Professor Dr. Khunying Suchada Kiranandana)
Chairperson of Audit Committee

Report of the sustainability and Risk Management Committee

Report of the sustainability and Risk Management Committee

To: The shareholders
Sermsuk Public Company Limited

The Sustainability and Risk Management Committee appointed by the Board of Directors Meeting Resolution totaling of 13 members, which consists of 7 committee members and 6 Executive members.

The Sustainability and Risk Management Committee performed the duties assigned by the Company's Board of Directors. In 2020, the Sustainability and Risk Management Committee held four meetings, developed the principles and guidelines to undertake more efficient risk management on a continual basis and reviewed risk factors risk scopes and external and internal risk levels both internal and external as well as followed up on the operations in conjunction with the risk management principles and made appropriate adjustments to strategic planning for sustainable management.

Given the operations of the Company and its subsidiaries in 2020, the Sustainability and Risk Management Committee reported that the Company has prepared a Sustainability and risk management plan and implemented a policy to manage risk more efficiently and continually in line with good corporate governance requirements while undertaking adequate internal controls that best suited the Company's businesses.

-Signature-

(Professor Dr. Khunying Suchada Kiranandana)
Chairperson of Risk Management Committee

Report of the Nominating and Remuneration Committee

Report of the Nominating and Remuneration Committee

Dear Shareholder
Sernsuk Public Company Limited

The Nominating and Remuneration Committee of Sernsuk Public Company Limited (the Company) consists of 3 members, of which Mr. Sujin Wanglee served as the Chairman of the Committee and Mr. Thapana Sirivadhanabhakdi, Mr. Pramoad Phornprapha as the member of the Committee. The Nominating and Remuneration Committee has carried out duties under the framework and responsibilities assigned the Board of Directors to recruit and nominate qualified and knowledgeable person and improve in considering remuneration and other benefits of all directors and senior executives for proposal to the Board of Directors and/or Shareholders, as the case may be.

In 2020, the Remuneration Committee held 2 meetings in accordance with the plan. All Committee members attended every meeting and the result of the meeting has consistently been reported to the Board of Directors. Summary of key actions are as follow:

1. Consideration the nomination of a candidate with qualifications and experience expertise appropriate to the Company's business needs, for the Board of Directors consideration and appointment in replacement of the Company's Director who resigned from position.

2. Consideration to contemplate the yearly remuneration establishment, committee meeting including the committee pension for 2021

3. Consideration to contemplate the salary adjustment for 2021 and Employee Reward for 2020

The Nominating and Remuneration Committee performed its duties in full scope of responsibilities with careful considerations, taking into account of guidelines and referencing to other companies of similar business size in the same and/or similar industry with suitability and alignment to the economic situation, performance and assigned responsibilities for stakeholder's confidence that the Company's remuneration practice has been properly and equitably implemented.

-Signature-

(Mr.Suchin Wanglee)

Chairman of the Nominating and Remuneration Committee

Report of the Corporate Governance Committee

Report of the Corporate Governance Committee

Dear Shareholder
Sermsuk Public Company Limited

The Nominating and Corporate Governance Committee which has been appointed by the Board of Directors consisting of 2 directors and 1 independent director which are Mr. Somchai Bulsook, Mr. Ueychai Tantha-obhas and Mr. Pramoad Phornprapha respectively.

During the year 2020, the Corporate Governance Committee held 4 meeting. The results of the meeting has been reported to the Board of Directors. The Corporate Governance Committee performed its duties and responsibilities within the framework assigned by the Board of Directors to improve and recommend the Board of Directors on Corporate Governance, with the following summary of key actions:

1. Reconsideration and providing advices with regard to the Company's good corporate governance in order for it to be in line with the 2017 good corporate governance principle of listed company issued by Thailand Securities and Exchange Commission.
2. Acknowledgment of the assessment of the Annual Shareholders' meeting of the year 2020 by the Thai Investors Association and providing advices on the improvement of the Company's assessment score.
3. Acknowledgment of the evaluation of the corporate governance report of listed company, as assessed by the Institute of Directors including reconsideration and providing advices on the improvement of the Company's assessment score.

The Corporate Governance Committee has performed in accordance with the scope of duties and responsibilities independently with high thoroughness, taking into consideration the maximum benefits to the company and all stakeholders.

-Signature-
(Mr. Somchai Bulsook)
Chairman of the Corporate Governance Committee

Report of the Executive Committee

Report of the Executive Committee

Dear Shareholder
Sernsuk Public Company Limited

The Executive Committee of Sernsuk Public Company Limited (the “**Company**”) consists of 6 members, of which Mr. Thapana Sirivadhanabhakdi, Mr. Ueychai Tantha-obhas, Mr. Sithichai Chaikriangkrai, Mr. Dhitivute Bulsook, Mr. Lester Tan Teck Chuan and Mr. Phromson Ayanaputra.

In the fiscal year 2020, the Executive Committee held 12 meetings in accordance with the plan. The result of the meeting has been quarterly reported to the Board of Directors. The Executive Committee was implementing the corporate Board of Directors’ policy that is in accordance with the Company’s by-laws terms rules and regulations and Article of Association. The summary of key actions the Executive Committee of are as follows:

1. Manage and supervise the business performance of the Company and its subsidiary companies in accordance with business policy, target, action plan, business strategy, budget and managerial authorization as per the approval of the Board of Directors in efficient and business able manner.
2. Monitor and oversee the company's operations performance, sales and marketing performance, production and supply chain performance and litigation status on a monthly basis.

The Executive Committee has performed its duties in accordance with the scope of duties and responsibilities in a complete and prudent, by taking into consideration the maximum benefits to the Company and all stakeholders.

- Signature -
(Mr. Thapana Sirivadhanabhakdi)
Chairman of the Executive Committee

Independent Auditor's Report

To the Shareholders of Sermsuk Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Sermsuk Public Company Limited and its subsidiaries (the "Group") and of Sermsuk Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 30 September 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year ended as of that date, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 30 September 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Independent Auditor's Report

Basis for Opinion

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

Key Audit Matters

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

Recoverability of deferred tax assets	
Refer to notes 4 and 22	
The key audit matter	How the matter was addressed in the audit
The Group and the Company have recognised deferred tax assets from loss carry forward. The recoverability of the deferred tax asset is dependent on future taxable profits and the ability of the Group and the Company to utilise those losses in the future. Management has to use their judgement in forecasting future taxable profits so as to determine the amount of the deferred tax asset. The achievement of such forecasts is inherently uncertain, this is focus and of my audit.	<p>My audit procedures are as follows:</p> <ul style="list-style-type: none"> • Gain understanding of the process for measuring deferred tax assets. • Evaluating management's assumption used in projecting the Group's future taxable profits in relevant profit. I compared key inputs used by the Group to forecast future taxable profits to externally available data such as economic forecasts and the Group's own historical data and performance and assessed the sensitivity of the outcomes to reasonably possible changes in assumptions. • Test the mathematical accuracy of the calculation of cash flow projections. • Evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

Independent Auditor's Report

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon.

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

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

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

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

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

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

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

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

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

Independent Auditor's Report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Sureerat Thongarunsang)
Certified Public Accountant
Registration No. 4409

KPMG Phoomchai Audit Ltd.
Bangkok
18 November 2020

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 September		30 September	
		2020	2019	2020	2019
(in Baht)					
Current assets					
Cash and cash equivalents	7	1,403,498,770	872,792,975	1,367,266,735	798,046,976
Trade accounts receivable	6, 8	549,712,069	567,967,095	541,410,527	561,276,635
Other receivables from related parties	6	83,541,529	151,686,762	128,311,982	196,419,132
Other receivables		66,806,338	54,926,650	66,421,648	54,155,379
Short-term loans to related parties	6	-	-	125,000,000	125,000,000
Inventories	9	587,083,592	676,486,645	534,546,788	622,125,693
Prepaid excise taxes		603,536	2,994,352	289,129	2,679,945
Other current assets		29,377,654	42,119,316	28,513,999	39,959,114
Total current assets		2,720,623,488	2,368,973,795	2,791,760,808	2,399,662,874
Non-current assets					
Restricted deposits at financial institution		524,446	520,279	524,446	520,279
Investment in an associate	10	802,279,941	638,310,906	30,000,000	30,000,000
Investments in subsidiaries	11	-	-	606,634,068	606,634,068
Other long-term investments	12	134,422,040	132,570,992	134,422,041	132,570,992
Long-term loan to a related party	6	3,000,000	3,000,000	3,000,000	3,000,000
Investment properties	13	323,650,345	322,984,765	323,650,345	322,984,765
Property, plant and equipment	14	8,311,275,107	8,743,103,884	7,780,629,250	8,210,953,094
Intangible assets	15	16,311,083	18,414,778	14,116,941	16,023,939
Deferred tax assets	22	96,965	95,554	-	-
Other non-current assets		187,724,452	172,059,890	185,817,519	171,979,946
Total non-current assets		9,779,284,379	10,031,061,048	9,078,794,610	9,494,667,083
Total assets		12,499,907,867	12,400,034,843	11,870,555,418	11,894,329,957

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

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements 30 September		Separate financial statements 30 September	
		2020	2019	2020	2019
		(in Baht)			
Current liabilities					
Trade accounts payable	6	576,406,540	640,773,569	981,122,164	1,033,306,914
Other payables to related parties	6	169,169,787	160,684,719	172,662,346	162,537,827
Other payables		692,469,508	663,122,965	661,435,881	629,478,163
Dividends payable		72,517,234	72,516,353	72,517,234	72,516,353
Customers' deposits on bottles and cases		453,579,395	442,711,183	453,579,395	442,711,183
Other current liabilities		31,306,218	37,150,895	28,328,758	35,406,754
Total current liabilities		1,995,448,682	2,016,959,684	2,369,645,778	2,375,957,194
Non-current liabilities					
Long-term loans from a related party	6	-	-	30,968,165	30,968,165
Deferred tax liabilities	22	468,349,587	463,526,251	434,552,284	429,297,837
Non-current provisions for employee benefits	16	1,138,751,748	1,185,893,784	1,124,973,462	1,173,616,586
Total non-current liabilities		1,607,101,335	1,649,420,035	1,590,493,911	1,633,882,588
Total liabilities		3,602,550,017	3,666,379,719	3,960,139,689	4,009,839,782
Equity					
Share capital:	17				
Authorised share capital (265,900,484 ordinary shares, par value at Baht 1 per share)		265,900,484	265,900,484	265,900,484	265,900,484
Issued and paid-up share capital (265,900,484 ordinary shares, par value at Baht 1 per share)		265,900,484	265,900,484	265,900,484	265,900,484
Premium on ordinary shares	17	1,342,448,425	1,342,448,425	1,342,448,425	1,342,448,425
Retained earnings					
Appropriated	18				
Legal reserve		26,795,766	26,795,766	26,795,766	26,795,766
General reserve		2,285,000,000	2,285,000,000	2,285,000,000	2,285,000,000
Unappropriated		1,281,212,464	1,118,990,577	458,510,173	434,065,458
Other components of equity	18	3,696,000,711	3,694,519,872	3,531,760,881	3,530,280,042
Total equity		8,897,357,850	8,733,655,124	7,910,415,729	7,884,490,175
Total liabilities and equity		12,499,907,867	12,400,034,843	11,870,555,418	11,894,329,957

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

Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		30 September		30 September	
		2020	2019	2020	2019
		(in Baht)			
Income	6, 19				
Revenue from sale of goods and rendering of services		10,865,142,826	11,571,724,909	10,805,076,547	11,490,093,107
Dividends income	10, 11	7,329,758	4,441,177	57,367,758	1,579,441,177
Other income		121,353,737	148,237,840	121,860,102	148,756,080
Total income		10,993,826,321	11,724,403,926	10,984,304,407	13,218,290,364
Expenses	6, 19				
Cost of sales of goods and rendering of service	9	7,599,502,136	8,404,005,996	7,568,055,359	8,353,362,743
Distribution cost		2,611,988,634	2,649,647,968	2,604,061,873	2,635,041,710
Administrative expenses		811,545,856	873,268,633	790,895,131	855,260,233
Past service cost for employee benefit from amendment of the Labor Protection Act	16	-	171,829,771	-	169,850,687
Total expenses		11,023,036,626	12,098,752,368	10,963,012,363	12,013,515,373
Share of profit of an associate, net of income tax	10	187,969,035	176,846,517	-	-
Profit (loss) before income tax expense		158,758,730	(197,501,925)	21,292,044	1,204,774,991
Income tax (expense) benefit	22	10,372,637	(255,017,060)	9,969,984	(253,460,449)
Profit (loss) for the year		169,131,367	(452,518,985)	31,262,028	951,314,542
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Gain on measurement of financial assets	12	1,851,049	2,908,791	1,851,049	2,908,791
Income tax relating to items that will be reclassified	22	(370,210)	(581,758)	(370,210)	(581,758)
Total items that will be reclassified subsequently to profit or loss		1,480,839	2,327,033	1,480,839	2,327,033
Items that will not be reclassified to profit or loss					
Gain from revaluation of land	14	-	870,460,300	-	847,204,301
Defined benefit plan actuarial gain (loss)	16	74,448,657	(66,432,913)	74,570,693	(66,308,072)
Income tax relating to items that will not be reclassified	22	(14,884,269)	(160,769,617)	(14,914,138)	(156,179,246)
Total items that will not be reclassified to profit or loss		59,564,388	643,257,770	59,656,555	624,716,983
Other comprehensive income for the year, net of income tax		61,045,227	645,584,803	61,137,394	627,044,016
Total comprehensive income for the year		230,176,594	193,065,818	92,399,422	1,578,358,558
Earnings (losses) per share (in Baht)	23	0.64	(1.70)	0.12	3.58

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

Statement of changes in equity

[illegible]

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

Statement of changes in equity

	Consolidated financial statements									
	Retained earnings			Other components of equity						
	Issued and paid-up share capital	Share premium	Legal reserve	General reserve	Unappropriated	Exchange differences on translating foreign operation (in Baht)	Gain on measuring financial assets	Gain on revaluation of land	Share premium from business combination under common control	Total other components of equity
Year ended 30 September 2020										
Balance at 1 October 2019	265,900,484	1,342,448,425	26,795,766	2,285,000,000	1,118,990,577	31,118,966	15,231,485	3,680,502,336	(32,332,915)	3,694,519,872
										8,733,655,124
Transactions with owners, recorded directly in equity										
<i>Distributions to owners</i>										
Dividends to the owners of the Company	-	-	-	-	(66,473,868)	-	-	-	-	(66,473,868)
<i>Total distributions to owners</i>	-	-	-	-	(66,473,868)	-	-	-	-	(66,473,868)
Comprehensive income for the year										
Profit	-	-	-	-	169,131,367	-	-	-	-	169,131,367
Other comprehensive income	-	-	-	-	59,564,388	-	1,480,839	-	-	61,045,227
<i>Total comprehensive income for the year</i>	-	-	-	-	228,695,755	-	1,480,839	-	-	230,176,594
Balance at 30 September 2020	265,900,484	1,342,448,425	26,795,766	2,285,000,000	1,281,212,464	31,118,966	16,712,324	3,680,502,336	(32,332,915)	3,696,000,711
										8,897,357,850

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

Statement of changes in equity

	Separate financial statements								
	Retained earnings				Other components of equity				
	Issued and paid-up share capital	Share premium	Legal reserve	General reserve	Unappropriated (in Baht)	Gain on measuring financial assets	Gain on revaluation of land	Total other components of equity	Total equity
Year ended 30 September 2019									
Balance at 1 October 2018	265,900,484	1,342,448,425	26,795,766	2,285,000,000	(464,202,626)	12,904,452	2,837,285,116	2,850,189,568	6,306,131,617
Comprehensive income for the year									
Profit	-	-	-	-	951,314,542	-	-	-	951,314,542
Other comprehensive income	-	-	-	-	(53,046,458)	2,327,033	677,763,441	680,090,474	627,044,016
Total comprehensive income for the year	-	-	-	-	898,268,084	2,327,033	677,763,441	680,090,474	1,578,358,558
Balance at 30 September 2019	265,900,484	1,342,448,425	26,795,766	2,285,000,000	434,065,458	15,231,485	3,515,048,557	3,530,280,042	7,884,490,175

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

Statement of changes in equity

Year ended 30 September 2020										
Balance at 1 October 2019	265,900,484	1,342,448,425	26,795,766	2,285,000,000	434,065,458	15,231,485	3,515,048,557	3,530,280,042	7,884,490,175	
Transactions with owners, recorded directly in equity										
<i>Distributions to owners</i>										
Dividends to the owners of the Company	-	-	-	-	(66,473,868)	-	-	-	(66,473,868)	
<i>Total distributions to owners</i>	-	-	-	-	(66,473,868)	-	-	-	(66,473,868)	
Comprehensive income for the year										
Profit	-	-	-	-	31,262,028	-	-	-	31,262,028	
Other comprehensive income	-	-	-	-	59,656,555	1,480,839	-	1,480,839	61,137,394	
<i>Total comprehensive income for the year</i>	-	-	-	-	90,918,583	1,480,839	-	1,480,839	92,399,422	
Balance at 30 September 2020	265,900,484	1,342,448,425	26,795,766	2,285,000,000	458,510,173	16,712,324	3,515,048,557	3,531,760,881	7,910,415,729	

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

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		For the year ended 30 September		For the year ended 30 September	
	Note	2020	2019	2020	2019
		(in Baht)			
Cash flows from operating activities					
Profit (loss) for the year		169,131,367	(452,518,985)	31,262,028	951,314,542
<i>Adjustments for reconcile profit (loss) to cash receipts (payments)</i>					
Income tax (benefit) expense	22	(10,372,637)	255,017,060	(9,969,984)	253,460,449
Depreciation and amortisation		588,594,219	596,258,355	560,613,403	567,732,701
Impairment loss on assets		43,755,723	-	43,755,723	-
Provisions for employee benefits expense		136,148,468	90,133,259	134,737,843	88,823,390
Past service cost for employee benefit from amendment of the Labor Protection Act		-	171,829,771	-	169,850,687
Unrealised loss (gain) on exchange		690,905	(26,221)	690,905	(26,221)
Gains on fair value adjustment in investment properties	13	(665,580)	(6,499,377)	(665,580)	(6,499,377)
Share of profit of an associate, net of income tax	10	(187,969,035)	(176,846,517)	-	-
Allowance for doubtful accounts	8	3,150,155	52,283	3,150,155	52,283
Losses on inventories devaluation (reversal of)		3,996,608	1,307,968	6,604,008	(3,915,369)
Loss (gain) on disposal of condo-miniums and equipment		20,590,357	(19,694,969)	21,180,242	(19,346,971)
Interest income		(6,644,190)	(5,173,235)	(10,075,016)	(8,557,509)
Dividend income		(7,329,758)	(4,441,177)	(57,367,758)	(1,579,441,177)
		753,076,602	449,398,215	723,915,969	413,447,428
Changes in operating assets and liabilities					
Trade accounts receivable		14,717,172	(34,531,067)	16,328,254	(28,881,791)
Other receivables from related parties		32,145,233	346,054,096	32,107,150	306,017,230
Other receivables		(11,491,989)	22,002,952	(11,878,571)	21,812,112
Inventories		85,406,445	(73,206,265)	80,974,897	(58,588,231)
Prepaid excise taxes		2,390,816	1,222,894	2,390,816	1,222,894
Other current assets		(1,591,229)	(10,858,320)	(1,920,753)	(11,874,568)
Other non-current assets		(2,213,064)	(10,118,966)	(1,353,100)	(8,966,358)
Trade accounts payable		(64,367,029)	(123,369,849)	(52,184,750)	(128,400,506)
Other payables to related parties		8,485,068	7,896,015	10,124,519	11,232,978
Other payables		20,083,586	(4,833,089)	21,698,383	(7,942,685)
Customers' deposits on bottles and cases		10,868,212	(1,718,325)	10,868,212	(1,718,325)
Other current liabilities		(5,844,677)	(11,325,859)	(7,077,996)	(12,024,797)
Provisions for employee benefits paid		(108,021,811)	(74,066,595)	(107,990,236)	(73,962,695)
Net cash from operating activities		733,643,335	482,545,837	716,002,794	421,372,686

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

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	30 September		30 September	
Note	2020	2019	2020	2019
	(in Baht)			
Cash flows from investing activities				
Proceeds from sale of machinery, plant and equipment	22,899,453	20,249,426	22,094,444	19,901,426
Acquisition of plant, machinery and equipment	(232,482,437)	(182,307,339)	(205,107,999)	(162,996,183)
Acquisition of intangible assets	(851,349)	(2,104,001)	(735,099)	(2,092,559)
Dividends received	67,329,758	43,441,177	93,367,758	1,579,441,177
Interest received	6,644,190	5,173,235	10,075,016	8,557,509
Restricted deposits at financial institution	(4,167)	(2,357)	(4,167)	(2,357)
Net cash from (used in) investing activities	(136,464,552)	(115,549,859)	(80,310,047)	1,442,809,013
Cash flows from financing activities				
Repayment of long-term loans from a related party	-	-	-	(1,500,000,000)
Dividend paid to the owners of the Company	(66,472,988)	(405,045)	(66,472,988)	(405,045)
Net cash used in financing activities	(66,472,988)	(405,045)	(66,472,988)	(1,500,405,045)
Net increase in cash and cash equivalents	530,705,795	366,590,933	569,219,759	363,776,654
Cash and cash equivalents at beginning of period	872,792,975	506,202,042	798,046,976	434,270,322
Cash and cash equivalents at end of period	7 1,403,498,770	872,792,975	1,367,266,735	798,046,976
Non-cash transactions				
Increase in payables for acquisition of machinery and equipment	7,752,016	14,549,034	8,748,393	7,450,464
Revaluation surplus on land	-	870,460,300	-	847,204,301

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

Notes to the financial statements

For the year ended 30 September 2020

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Changes in accounting policies
4	Significant accounting policies
5	Impact of COVID-19 Outbreak
6	Related parties
7	Cash and cash equivalents
8	Trade accounts receivable
9	Inventories
10	Investment in an associate
11	Investment in subsidiaries
12	Other long-term investments
13	Investment properties
14	Property, plant and equipment
15	Intangible assets
16	Non-current provisions for employee benefits
17	Share capital
18	Reserves
19	Segment information
20	Employee benefit expenses
21	Expenses by nature
22	Income tax
23	Earnings (losses) per share
24	Dividends
25	Financial instruments
26	Commitments with non-related parties
27	Credit facilities
28	Contingent liabilities
29	Events after the reporting period
30	Thai Financial Reporting Standards (TFRS) not yet adopted
31	Reclassification of accounts

Notes to the financial statements

For the year ended 30 September 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 18 November 2020.

1 General information

Sermsuk Public Company Limited, “the Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in June 1975. The Company’s registered office at 90 CW Tower, 31st - 32nd Floor, Ratchadapisek Road, Huay Khwang Bangkok Thailand. The Company has its factories and warehouses in the important regions in Thailand.

The immediate and ultimate parent companies during the financial year were So Water Co., Ltd. and Thai Beverage Public Company Limited. Both were incorporated in Thailand.

The principal activities of the Group are to produce and distribute soft drinks, drinking water, sport drinks, energy drinks and other beverages, including as distributor of soda, tea and other beverages. Details of the Company’s subsidiaries as at 30 September 2020 and 2019 are given in note 11.

2 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements except for initial applying TFRS 15 Revenue from Contracts with Customers which replaces TAS 18 Revenue and related interpretations. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 30.

(b) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the financial statements and in the notes to the financial statements to the nearest thousand unless otherwise stated.

(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Notes to the financial statements

For the year ended 30 September 2020

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 30 September 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 13	Valuation of investment properties;
Note 14	Valuation of property, plant and equipment;
Note 16	Measurement of defined benefit obligations: key actuarial assumptions;
Note 22	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

3 Change in accounting policy

From 1 October 2019, the Group has adopted TFRS 15 using the cumulative effect method, taking into account the effect of initially applying this standard only to contracts that were not completed before 1 October 2019. The impact on retained earnings as at 1 October 2019 was not material. Therefore, the Group has not adjusted the retained earnings as at 1 October 2019.

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and after deduction of any trade discounts and volume rebates. Judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time. Under TAS 18, the Group recognised revenue from sale of goods when the significant risks and rewards of ownership of the goods were transferred to the buyer, and recognised revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue was recognised if there was continuing management involvement with the goods or there were significant uncertainties regarding recovery of the consideration due.

a. Sales of goods

Under TFRS 15, revenue will be recognised when a customer obtains control of the goods. For some made-to-order product contracts, the customer controls all of the work in progress as the products are being manufactured. The revenue from these contracts will be recognised as the products are being manufactured. Consequently, revenue and some associated costs for these contracts are recognised over time, before the goods are delivered to the customers' premises.

b. Payment to a customer

The Group makes payments to its retailers for product placement ("slotting fees"), promotion events or advertising. Under TAS 18, the Group recognised such amounts as distribution costs. Under TFRS 15, it is required that the Group will consider whether the Group receives distinct goods or services from the customer. If so, then the Group recognises such payments as an expense when the distinct goods or services are consumed. In contrast, if not, such payments are recognised as a reduction of revenue. If the payment exceeds the fair value of the goods or services received, then the excess is recognised as a reduction of revenue. As a result, this results in decreases in revenue and distribution costs.

Notes to the financial statements

For the year ended 30 September 2020

The following tables summarise the impact of adopting TFRS 15 on the financial statements:

<i>Statements of financial position at 30 September 2020</i>	Consolidated financial statements			Separate financial statements		
	Amounts as reported	Adjustments	Amounts without adoption of TFRS 15 (in thousand Baht)	Amounts as reported	Adjustments	Amounts without adoption of TFRS 15
Revenue from sale of						
goods	10,865,143	170,440	11,035,583	10,805,077	170,440	10,975,517
Distribution costs	2,611,989	170,440	2,782,429	2,604,062	170,440	2,774,502

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in an associate.

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder’s equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Notes to the financial statements

For the year ended 30 September 2020

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investee

The Group's interests in equity-accounted investee are interests in associate.

Associate is that entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associate are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investee, until the date on which significant influence.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associate are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates average approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity until disposal of the investment.

Notes to the financial statements

For the year ended 30 September 2020

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances and call deposits. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(d) Trade and other accounts receivable and contract assets

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of finished goods, work in progress and other supplies are calculated using the weighted average cost principle and cost of raw materials, supplies, and spare part are calculated using the moving-average cost principle. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost is calculated using standard cost adjusted to approximate average cost and includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

The Group records an allowance for decline in value of inventories for all deteriorated and obsolete inventories.

(f) Investments

Investments in an associate and subsidiaries

Investments in an associate and subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investment in an associate in the consolidated financial statements is accounted for using the equity method.

Notes to the financial statements

For the year ended 30 September 2020

Investments in equity securities

Marketable equity securities are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(g) Investment properties

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

Investment properties are measured at cost on initial recognition and subsequently at fair value, with any change recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(h) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation, allowance for loss of marketing equipment and impairment losses except for land which is stated at its revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less impairment losses.

Notes to the financial statements

For the year ended 30 September 2020

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When there is a disposal of revalued assets, the amount recognised in revaluation surplus is reclassified to retained earnings.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. Upon disposal of a revalued asset, any related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognised immediately in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Notes to the financial statements

For the year ended 30 September 2020

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings, warehouses and improvement	20 - 30 years
Machinery, equipment and tools	5 - 20 years
Vehicles	5 - 10 years
Furniture and office equipment	3 - 5 years
Plastic pallets	5 years
Container	12 - 15 years
Marketing promotion equipment	5 years

No depreciation is provided on freehold land or assets under construction and installment.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) *Intangible assets*

Trademarks

Trademarks that are acquired by the Group and have infinite useful lives are measured at cost.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licenses	3 - 10 years
-------------------	--------------

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

Notes to the financial statements

For the year ended 30 September 2020

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised, in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Interest-bearing liabilities

Interest-bearing liabilities are recognised as stated in the agreement.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

Notes to the financial statements

For the year ended 30 September 2020

(n) *Employee benefits*

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes to the financial statements

For the year ended 30 September 2020

(o) *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) *Measurement of fair values*

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group’s Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(q) *Revenue*

Information about the Group’s accounting policies is disclosed in note 3.

Notes to the financial statements

For the year ended 30 September 2020

(r) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

(s) Investment income

Investment income comprises dividend and interest income. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(t) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

(u) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(v) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Notes to the financial statements

For the year ended 30 September 2020

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(w) Earnings (losses) per share

The Group presents basic earnings (losses) per share data for its ordinary shares. Basic earnings (losses) per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(x) Related parties

Related parties are a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

Notes to the financial statements

For the year ended 30 September 2020

(v) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly other income, administrative expenses, finance costs and share of profit of an associate.

5 **Impact of COVID-19 Outbreak**

Near the end of the second quarter and also in the third quarter, Thailand has enacted several protection measures against COVID-19, with a significant impact on the daily life, supply chain and sale of goods in the country, resulting in a decline in revenue. However, the management will constantly provide commercial support to the customers and make the utmost effort to reduce such impact by targeting the Group's other markets, cutting costs and other procedures as well as to adapt its sales and operations in response to the situation.

6 **Related parties**

Relationships with an associate and subsidiaries are described in notes 10 and 11. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Singapore/ Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Thai Beverage Public Co., Ltd.	Thailand	Parent Company and common director
So Water Co., Ltd.	Thailand	Parent Company
Thai Beverage Can Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold 50% indirectly
Bangkok Glass PLC.	Thailand	The Company hold ordinary shares
Sang Som Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Beer Thai (1991) PLC.	Thailand	Subsidiary of indirect subsidiary of the ultimate parent company
Beer Thip Brewery (1991) Co., Ltd.	Thailand	Subsidiary of indirect subsidiary of the ultimate parent company
Sura Bangyikhan Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Piromsurang Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Surathip Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Krittayabun Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Modern Trade Management Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Pomthip (2012) Co., Ltd.	Thailand	Subsidiary of indirect subsidiary of the ultimate parent company
Pomkit Co., Ltd.	Thailand	Subsidiary of indirect subsidiary of the ultimate parent company
Num Yuk Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Pan International(Thailand) Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Thai Beverage Logistics Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Thai Beverage Recycle Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company

Notes to the financial statements

For the year ended 30 September 2020

Name of entities	Country of incorporation/ nationality	Nature of relationships
Thai Beverage Marketing Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Dhospaak Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Thai Drinks Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Horeca Management Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Bev Tech Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Cash Van Management Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
C A C Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Chang International Co., Ltd.	Thailand	Subsidiary of indirect subsidiary of the ultimate parent company
ASM Management Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Thai Molasses Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Kankwan Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Kanchana Singkhorn Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Thai Beverage Training Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Charan Business 52 Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Feed Addition Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Oishi Group PLC.	Thailand	Direct subsidiary of the ultimate parent company
Oishi Trading Co., Ltd.	Thailand	Indirect subsidiary of the ultimate parent company
Oishi Ramen Co., Ltd.	Thailand	Indirect subsidiary of the ultimate parent company
Oishi Food Service Co., Ltd.	Thailand	Indirect subsidiary of Indirect subsidiary of the ultimate parent company
Bangkok Art Biennale Management Co., Ltd.	Thailand	Indirect subsidiary of the ultimate parent company
Food of Asia Co., Ltd.	Thailand	Indirect subsidiary of the ultimate parent company
Spice of Asia Co., Ltd.	Thailand	Indirect subsidiary of Indirect subsidiary of the ultimate parent company
The QSR of Asia Co., Ltd.	Thailand	Indirect subsidiary of Indirect subsidiary of the ultimate parent company
Max Asia Co., Ltd.	Thailand	Indirect subsidiary of Indirect subsidiary of the ultimate parent company
Bistro Asia Co., Ltd.	Thailand	Indirect subsidiary of Indirect subsidiary of the ultimate parent company
F&N Interflavine Pte Ltd.	Singapore	Affiliated company in associate of the ultimate parent company
F&N Beverages Marketing Sdn Bhd	Malaysia	Affiliated company in associate of the ultimate parent company
The Southeast Insurance PLC.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
The Southeast Capital Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
The Southeast Life Insurance PLC.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.

Notes to the financial statements

For the year ended 30 September 2020

Name of entities	Country of incorporation/ nationality	Nature of relationships
F & B International Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
T.C.C. Technology Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
BJC Specialties Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
N.C.C. Management and Development Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
Big C Supercenter PLC.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly and common directors
North Park Golf And Sports Club Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly and common directors
The Pet Co., Ltd.	Thailand	The Company and directors hold ordinary shares and common directors
Crown Seal PLC.	Thailand	The Company hold ordinary shares and common director
Muangthai Insurance PLC.	Thailand	The directors hold ordinary shares and common director
Muangthai Life Insurance PLC.	Thailand	The directors hold ordinary shares and common director
Phatra-leasing PLC.	Thailand	Common directors
Berli Jucker PLC.	Thailand	Common directors
Thai Malaya Glass Co., Ltd.	Thailand	Common directors
Gaew Grung Thai Co., Ltd.	Thailand	Controlling equity holder of the ultimate parent company holds substantial shares indirectly
TCC Hotel Asset Management Co., Ltd.	Thailand	Controlling equity holder of the ultimate parent company holds substantial shares indirectly

Notes to the financial statements

For the year ended 30 September 2020

The pricing policies for transactions with related parties are explained further below:

Transactions

Sales of goods and rendering of services
Other income
Interest income and interest expense

Purchase of finished goods and raw materials

Subsidy for marketing expenses
Directors' remuneration representing salary, director bonus and meeting allowance
Distribution cost
Administrative expenses

Pricing policies

Cost plus gross profit margin
Contractual prices, mutually agreed price
Rate as mutually agreed with reference to interest rate quoted by domestic commercial bank
Cost of finished goods and raw materials plus gross profit margin
Actual price stated in invoice
Approval by the Company's directors and shareholders

Contractual prices, mutually agreed price
Contractual prices, mutually agreed price

Significant transactions for the years ended 30 September with related parties were as follows:

<i>Year ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Ultimate parent company				
Sale of goods and rendering of services	3,083	3,485	3,083	3,485
Other income	76	-	76	-
Administrative expenses	14,227	77	14,227	77
Subsidiaries				
Purchase of finished goods and services	-	-	312,138	269,309
Distribution cost and administrative expenses	-	-	18,442	39,553
Dividend income	-	-	26,038	1,500,000
Interest income	-	-	3,886	3,875
Associate				
Purchase of raw materials	801,270	934,131	801,270	934,131
Dividend income	24,000	75,000	24,000	75,000
Other income	3,893	17,792	3,893	17,792
Distribution cost and administrative expenses	1,482	326	1,482	326
Key management personnel				
Key management personnel compensation				
Directors' remunerations	7,714	8,103	7,714	8,103
Post-employment benefits	1,566	3,991	1,566	3,991
Other long-term benefits	3	6	3	6
Total key management personnel compensation	9,283	12,100	9,283	12,100

Notes to the financial statements

For the year ended 30 September 2020

<i>Year ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties				
Sale of goods and rendering of services	3,605,273	3,966,932	3,545,005	3,893,961
Other income	55,922	44,015	55,020	42,547
Dividend income	7,330	4,441	7,330	4,441
Interest income	103	121	103	121
Purchase of finished goods and raw materials	3,323,158	3,451,051	3,224,128	3,349,230
Subsidy for marketing expense	467,917	442,867	467,917	442,867
Distribution cost	260,747	188,115	260,747	185,995
Administrative expenses	119,187	119,569	118,477	118,855

Balances as at 30 September with related parties were as follows:

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Ultimate parent company	770	389	770	389
Subsidiaries	-	-	-	3
Other related parties	290,430	288,942	282,159	283,741
Total	291,200	289,331	282,929	284,133

<i>Other receivables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	44,770	44,774
An associate	277	36,176	277	36,176
Other related parties	83,265	115,511	83,265	115,469
Total	83,542	151,687	128,312	196,419

<i>Loans to</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loan						
Subsidiary	3.10	3.10	-	-	125,000	125,000
Long-term loan						
Other related party	2.75 - 3.85	3.85 - 4.05	3,000	3,000	3,000	3,000
Total			3,000	3,000	128,000	128,000

There were no movements of the loans to related parties for the year ended 30 September.

Notes to the financial statements

For the year ended 30 September 2020

Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	446,088	432,855
An associate	60,189	62,358	60,189	62,358
Other related parties	330,466	357,628	308,501	340,645
Total	390,655	419,986	814,778	835,858

Other payables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Ultimate parent company	4,361	82	4,361	82
Subsidiaries	-	-	5,464	6,144
Other related parties	164,809	160,603	162,837	156,312
Total	169,170	160,685	172,662	162,538

Long-term loans from

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiary	-	-	30,968	30,968

Movements during the years ended 30 September of long-term loans from related parties were as follows:

Loans from

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiary				
At 1 October	-	-	30,968	1,530,968
Decrease	-	-	-	(1,500,000)
At 30 September	-	-	30,968	30,968

Significant agreements with related parties

Loan agreement

On 21 May 2009, the Company entered into a long-term loan agreement with The Pet Co., Ltd., "Borrower", in the amount of Baht 3 million, and repay within 20 May 2014. The agreement shall continue to be in effect for another period of five years if there is no change at the maturity date. Interests are payable quarterly at the MRR of a financial institution at the beginning of each quarter. Subsequently on 1 January 2013, the Company and the Borrower agreed to change the interest rate to Money Market Rate of a financial institution at the beginning of each quarter. On 21 May 2019, the long-term loan agreement has been renewed in the amount of Baht 3 million, and repay within 20 May 2024. The agreement shall continue to be in effect for another period of five years if there is no change at the maturity date in same terms and conditions.

On 12 December 2012, the Company entered into a short-term loan agreement with Wrangyer Beverage (2008) Co., Ltd. of Baht 125 million which is repayable at call. Interest is payable quarterly at rate as stipulated in the agreement. On 21 May 2013, the Company entered into an addendum of such short-term loan agreement in order to amend interest rate of the agreement.

Notes to the financial statements

For the year ended 30 September 2020

On 18 December 2014, the Company entered into a short-term loan agreement with Great Brands Limited, “Lender” for a loan facility of Baht 1,700 million. Interest is at rate as stipulated in the agreement or further agreed which is repayable in full after one year from the drawdown date or such other date which the Lender specifies. Subsequently on 29 June 2018, the Company and the Lender made an amendment whereby the parties agreed to extend the loan maturity date for eight years from the date acquired the loan to 24 December 2022. During 2019, the Company has repaid Baht 1,500 million to the related company. As at 30 September 2020, the Company had utilised loan facility totalling Baht 30.97 million (*30 September 2019: Baht 30.97 million*).

Manufacturing agreement

The Company entered into an agreement with its subsidiary in order to appoint to produce drinking water under “Crystal” trademark. The Company has to comply with conditions as specified in the agreement. The agreement is for three years and ends on 31 March 2018. If neither party show its intention in writing not to renew the agreement in advance for at least 90 days ahead, the agreement shall be deemed to be effective for another three years until to 31 March 2021. From 2 January 2019, the parties agree to amend the agreement reflecting 10% product price increase (from the original price), subject to further price change to be agreed by the parties.

The Company entered into an agreement with its related party in order to appoint to produce drinking water under “Crystal” trademark. The Company has to comply with conditions as specified in the agreement. The agreement is for three years and ends on 15 November 2018. Currently, the agreement has been automatically renewed from 16 November 2019 to 15 November 2020.

The Company entered into various agreements with related companies in order to appoint to produce drinking water under “Crystal” trademark. The Company has to comply with conditions as specified in the agreement. The agreement is effective from 1 March 2020 to 30 September 2021. If neither party notifies its intention in writing not to renew the agreement in advance 90 days prior to expiry date, the agreement shall be deemed to be effective for another one year.

The Company has entered into an agreement appointing its related party in order to appoint to produce drinking water under “Crystal” trademark. The Company has to comply with conditions as specified in the agreement. The agreement is effective from 28 January 2020 to 30 September 2021. If neither party notifies its intention in writing not to renew the agreement in advance 90 days prior to expiry date, the agreement shall be deemed to be effective for another one year.

Appointment agreement

The Company entered into an agreement with a related company to be appointed to distribute bottled green tea. The Company has to comply with conditions as specified in the agreement for a period of three years and ends on 28 February 2018, with a renewal option to extend for a further period of one year from the expiration date. The Company renewed the contract for three years and ends on 28 February 2021.

The Company has entered into a distributor agreement appoint its related company to distribute the products under “Crystal” “Ranger” and “est” trademarks. The parties have to comply with the conditions as specified in the agreement. This agreement is effective from 1 January 2020 to 31 December 2021. If the Company does not show the intention in writing not to renew the agreement in advance 90 days prior to expiry date, the agreement shall be deemed to be effective for another one year.

Notes to the financial statements

For the year ended 30 September 2020

The Company has entered into a distributor agreement appoint its related company to distribute the products under "Crystal" "Ranger" and "est" trademarks. The parties have to comply with the conditions as specified under this agreement. This agreement is effective from 1 January 2018 to 31 December 2020. If neither party show the intention not to renew the contract in writing in advance for at least 30 days ahead, the existing contract will be extended for an additional period of one year.

The Company entered into a Memorandum of Understanding with a related party in order to be a distributor of the product under "Tea pot" and "Carnation" trademarks, effective from 28 October 2019 to 30 April 2020. Currently, the parties agree to enter into a Memorandum of Understanding to extend the term of agreement for three months, which is effective until 31 July 2020. Currently, the Parties enter into distributorship agreement to appoint the Company as distributor to distribute "Tea pot" and "Carnation" trademarks, effective from 17 August 2020 to 16 August 2022. If neither party notifies its intention in writing not to renew the agreement in advance 30 days prior to expiry date, the agreement shall be deemed to be effective for another one year.

Product sale and purchase agreement

The Company has entered into a new agreement with a related company to sell and purchase soda product. The Company has to comply with conditions as specified in the agreement. The agreement is effective from 1 October 2018 to 30 September 2020. If neither party notifies its intention in writing not to renew the agreement in advance 30 days prior to expiry date, the agreement shall be deemed to be effective for another one year.

The Company entered into a new agreement with a related company to sell and purchase a product under "Sarsi" trademark. All parties have to comply with conditions as specified in the agreement. The agreement is effective from 1 June 2020 to 31 May 2021. If neither party notifies its intention in writing not to renew the agreement in advance for at least six months prior to expiry date, the agreement shall be deemed to be effective for another one year.

Co-packing and Distribution agreement

The Company and its subsidiary entered into a "Co-packing and Distribution" agreement with a related company to produce and distribute returnable glass bottled tea drinks. The Company and its subsidiary have to comply with certain conditions contained in the agreement for a period of five years which ends on 31 July 2017. Unless there is notification to terminate the agreement, this agreement continues to be in effect for the successive five years term. The Company renewed the contract for one year and ends on 31 July 2018. On 25 June 2018, the Company renewed the contract for one year and ends on 31 July 2019. Currently, the agreement has been renewed for one year and two months effective from 1 August 2019 to 30 September 2020. The parties have the right to terminate the agreement by sending written to other parties 90 days prior the expiry date.

The Company entered into a "Co-packing and Distribution" agreement with a related company to produce and distribute carbonated soft drink under "est" trademark. The Company has to comply with conditions as specified in the agreement for a period of three years, effective from 1 January 2015 to 31 December 2017. Unless there is notification from either party gives to other to terminate the agreement not later than six months prior to the expiration date, this agreement continues to be in effect for the successive three years term. Currently, the parties entered into the addendum of Co-packing and Distribution agreement for product under "est" trademark to add the countries where the products will be exported.

Notes to the financial statements

For the year ended 30 September 2020

The Company entered into a “Co-packing” agreement with a related company to produce product under “est” trademark for the export purpose only. The Company has to comply with conditions as specified in the agreement for a period of one year, effective from 1 April 2016 to 31 March 2017. Unless there is notification from either party gives to other to terminate the agreement not later than 90 days prior to the expiration date, this agreement continues to be in effect for the successive one year term. Currently, the agreement has been automatically renewed from 1 April 2020 to 31 March 2021.

The Company entered into a “Co-packing and Distribution” agreement with a related company to produce and distribute product under “100 Plus” trademark. The Company has to comply with conditions as specified in the agreement for a period of three years, effective from 1 June 2015 to 31 May 2018. Unless there is notification from either party gives to other to terminate the agreement not later than six months prior to the expiration date, this agreement continues to be in effect for the successive three years term. Currently, the agreement has been automatically renewed for the first time from 1 June 2018 to 31 May 2021.

The Company entered into a “Co-packing and Distribution” agreement with a related company to produce and distribute product under “Sarsi” trademark. Currently, the agreement has been automatically renewed from 1 June 2020 to 31 May 2021.

Land lease agreement, Sublease agreement for office space and service agreement

On 16 July 2017, the Company entered into a sublease agreement for office space, storage space and service agreement with a related company. The agreement is for a period from 16 July 2017 to 22 May 2020. The Company is committed to pay rental and service fee on the rates as stipulated in the agreement. This agreement will be renewed conditional in a prior notice being provided advance at least 90 days. Currently, the new agreements renewal is on the process. However, the parties have executed the offer letters for sublease and services agreements which will be effective from 23 May 2020 to 22 May 2022.

The Company entered into a renewal sublease agreement for office space and warehouse with a related company. The agreement is for three years from 1 March 2019 to 28 February 2022. The Company is committed to pay rental and service fee and has to comply with terms and conditions as stipulated in the agreement.

The Company has entered into a Lease agreement with a related company as a lessee. The agreement has been effective from the first date the lessee stored its assets at the leased premises 24 July 2019 to 31 May 2022. In the event that the lessee intends to extend the agreement, the lessee shall submit a written notice a least 60 days to the lessor prior to the expiry date to the agreement. Once submitted, the agreement shall be extended for another three years term with the same conditions. The parties have to comply with conditions as specified in the agreement.

Sales and Purchase agreement

The Company has entered into a Memorandum of Understanding regarding the sale of waste material with a related company. This Memorandum of Understanding has been effective from the signing date 23 August 2019 until the sale of waste material has been completed.

The Company has entered into Sales and Purchase of waste material agreement with a related company. This agreement will be effective from 1 December 2019 to 30 November 2020.

Notes to the financial statements

For the year ended 30 September 2020

Service Agreement related sales promotion

The Company has entered into Service agreement related to sales promotion with a related company so as to provide sales promotion of soda product under "Rock Mountain" trademark as specified in the agreement. The agreement is effective for one year from 1 October 2019 to 30 September 2020.

Commitments with related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within 1 year	49,604	41,400	49,351	41,297
1 - 5 years	108,867	101,729	108,151	101,729
After 5 years	49,477	59,778	49,477	59,778
Total	207,948	202,907	206,979	202,804

Other commitments

As at 30 September 2020, the Company had commitments for purchase orders for goods with related parties amounting to Baht 242.51 million (2019: Baht 381.43 million).

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	4,653	26,951	4,603	26,930
Cash at banks - current accounts	63,672	47,298	63,106	46,572
Cash at banks - savings accounts	1,335,174	729,544	1,299,558	655,545
Highly liquid short-term investments	-	69,000	-	69,000
Total	1,403,499	872,793	1,367,267	798,047

Notes to the financial statements

For the year ended 30 September 2020

8 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Related parties				
Within credit terms	291,200	289,331	282,929	284,133
	291,200	289,331	282,929	284,133
Other parties				
Within credit terms	241,226	234,546	241,225	233,054
Overdue:				
Less than 1 month	12,745	35,017	12,745	35,017
1 - 3 months	4,470	9,575	4,470	9,575
3 - 6 months	2,936	3,179	2,936	3,179
Over 6 months	17,641	13,287	17,612	13,287
	279,018	295,604	278,988	294,112
Less allowance for doubtful accounts	(20,506)	(16,968)	(20,506)	(16,968)
Net	258,512	278,636	258,482	277,144
Total	549,712	567,967	541,411	561,277

The normal credit term granted by the Group ranges from 15 days to 60 days.

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Finished goods	338,492	406,931	333,100	402,357
Work in progress	1,826	2,074	1,826	2,074
Raw materials and supplies	245,084	260,094	203,966	212,792
Spare parts	93,990	95,523	87,963	90,430
Other supplies	2,544	2,721	2,544	2,721
	681,936	767,343	629,399	710,374
Less allowance for decline in value	(94,852)	(90,856)	(94,852)	(88,248)
Net	587,084	676,487	534,547	622,126
Inventories recognised in 'cost of sales of goods'				
- Cost	7,592,775	8,436,653	7,561,451	8,385,385
- Write-down to net realisable value	12,496	8,422	12,496	7,194
- Reversal of write-down	(8,500)	(9,730)	(5,892)	(11,110)
Net	7,596,769	8,435,345	7,568,055	8,381,469

Notes to the financial statements

For the year ended 30 September 2020

10 Investment in an associate

	Consolidated financial statements					
	Ownership interest		Paid-up capital		Cost	
	2020	2019	2020	2019	2020	2019
					<i>(in thousand Baht)</i>	
Petform (Thailand) Limited	40	40	75,000	75,000	30,000	638,311
					802,280	75,000
					Separate financial statements	
					Paid-up capital	
					2020	2019
					<i>(in thousand Baht)</i>	
Petform (Thailand) Limited	40	40	75,000	75,000	30,000	75,000

Petform (Thailand) Limited was incorporated in Thailand and mainly manufactures and distributes PET preforms, closures, and PET bottles. This associate is not publicly listed and consequently does not have published price quotation.

Notes to the financial statements

For the year ended 30 September 2020

The following table summarises the financial information of the associate as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in this company.

	Petform (Thailand) Limited	
	2020	2019
	<i>(in thousand Baht)</i>	
Revenue	2,971,533	3,659,901
Profit from continuing operations	472,768	455,009
Other comprehensive income	(4,110)	(516)
Total comprehensive income (100%)	468,658	454,493
Attributable to NCI	284,799	278,162
Group's share of total comprehensive income	187,969	176,847
Current assets	720,189	488,733
Non-current assets	1,721,984	1,679,183
Current liabilities	(330,788)	(442,850)
Non-current liabilities	(92,378)	(24,718)
Net assets (100%)	2,019,007	1,700,348
Attributable to NCI	1,211,404	1,020,209
Carrying amount of interest in associate	807,603	680,139

Notes to the financial statements

For the year ended 30 September 2020

11 Investments in subsidiaries

Subsidiaries	Type of business	Ownership interest		Paid-up capital		Cost		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019
		(in thousand Baht)							
Separate financial statements									
Direct subsidiaries									
Sermasuk Holdings Co., Ltd.	Investment and holding shares in other companies	99.99	99.99	600,000	600,000	600,000	600,000	-	-
Great Brands Limited	Manage brands	100.00	100.00	HKD 1,000	HKD 1,000	4,134	4,134	26,038	1,500,000
Sermasuk Training Co., Ltd.	Human resources development and organisation	99.99	99.99	2,500	2,500	2,500	2,500	-	-
Total						606,634	606,634	26,038	1,500,000
Indirect subsidiaries									
Serm Suk Beverage Co., Ltd.	Produce and distribute tea, and sports drinks	99.99	99.99	689,586	689,586	-	-	-	-
Wrangyer Beverage (2008) Co., Ltd.	Produce and distribute energy drink	99.99	99.99	200,000	200,000	-	-	-	-

All subsidiaries were incorporated in Thailand, except Great Brands Limited which was incorporated in Hong Kong.

Notes to the financial statements

For the year ended 30 September 2020

12 Other long-term investments

	Consolidated and Separate financial statements			
	Cost method 2020	2019	Dividend income 2020	2019
	(in thousand Baht)			
Equity securities available for sale				
Crown Seal Public Company Limited	52,623	50,772	4,125	1,587
Non marketable equity securities				
The Pet Company Limited	7,000	7,000	1,050	700
Bangkok Glass Public Company Limited	74,799	74,799	2,155	2,154
	81,799	81,799	3,205	2,854
Total	134,422	132,571	7,330	4,441

	Consolidated and Separate financial statements				
	At beginning of period	Purchase	Disposal	Fair value adjustment	At end of period
	(in thousand Baht)				
Marketable equity securities					
2020					
Available-for-sale securities	50,772	-	-	1,851	52,623
2019					
Available-for-sale securities	47,863	-	-	2,909	50,772

13 Investment properties

	Consolidated and Separate financial statements		
	Land	Building	Total
	(in thousand Baht)		
At 1 October 2018	311,205	5,280	316,485
Fair value adjustments	6,680	(180)	6,500
At 30 September 2019 and 1 October 2019	317,885	5,100	322,985
Fair value adjustments	865	(200)	665
At 30 September 2020	318,750	4,900	323,650

Notes to the financial statements

For the year ended 30 September 2020

<i>Year ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss for investment properties</i>				
Rental income	913	913	913	913
<i>At 30 September</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Minimum lease payments under non- cancellable operating lease are receivable:</i>				
Within 1 year	152	913	152	913
1 - 5 years	-	152	-	152
Total	152	1,065	152	1,065

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 3 years.

The fair value of investment properties as at 30 September 2020 of Baht 323.65 million (2019: Baht 322.99 million) was determined by Thai Property Appraisal Lynn Philips Co., Ltd., a firm of independent professional valuers, at open market values on an existing use basis. The fair value of investment property has been categorised as a Level 3 fair value.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market Approach	<ul style="list-style-type: none"> Asking price of comparable property 	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> Asking prices of comparable property were higher (lower).

Notes to the financial statements

For the year ended 30 September 2020

14 Property, plant and equipment

Consolidated financial statements														
	Historical cost	Land	Buildings, warehouses and improvement	Condo-miniums	Machinery, equipment and tools	Vehicles (in thousand Baht)				Plastic pallets	Container	Marketing promotion equipments	Assets under construction and installation	Total
		Surplus on revaluation						Furniture and office equipment						
<i>Cost/revaluation</i>														
At 1 October 2018	500,266	3,730,168	2,679,994	-	6,729,407	1,677,574	317,394	17,887	365,261	1,348,571	3,784,509	63,702	21,196,846	
Additions	-	870,460	25,407	-	61,924	10,569	17,887	7,000	7,000	58,608	14,459	85,091	1,151,405	
Transfers	-	-	23,670	-	23,369	551	254	-	-	-	96	(47,940)	-	
Disposals	-	-	(12,528)	-	(48,042)	(78,174)	(6,569)	(463)	(463)	(97,847)	(125,472)	-	(369,095)	
At 30 September 2019	500,266	4,600,628	2,716,543	-	6,766,658	1,610,520	328,966	18,706	371,798	1,309,332	3,673,592	100,853	21,979,156	
Additions	-	-	20,990	-	63,390	10,252	18,706	201	-	32,582	4,608	89,706	240,234	
Transfers	-	-	18,631	-	84,677	116	201	-	-	-	(385)	(103,240)	-	
Disposals	-	-	(2,660)	-	(38,065)	(30,170)	(4,268)	(39,476)	(39,476)	(77,167)	(45,324)	-	(237,130)	
At 30 September 2020	500,266	4,600,628	2,753,504	-	6,876,660	1,590,718	343,605	332,322	332,322	1,264,747	3,632,491	87,319	21,982,260	

Notes to the financial statements

For the year ended 30 September 2020

	Consolidated financial statements										Total
	Land	Buildings, warehouses and improvement	Condo-miniums	Machinery, equipment and tools	Vehicles (in thousand Baht)	Furniture and office equipment	Plastic pallets	Container	Marketing promotion equipments	Assets under construction and installation	
Depreciation											
At 1 October 2018	-	1,571,428	-	5,232,059	1,559,674	287,820	352,139	295,305	3,624,761	-	12,923,186
Depreciation charge for the year	-	85,797	-	262,177	39,566	20,072	6,552	94,434	84,537	-	593,135
Disposals	-	(12,512)	-	(47,671)	(77,926)	(6,543)	(462)	(15,046)	(125,439)	-	(285,599)
At 30 September 2019 and 1 October 2019	-	1,644,713	-	5,446,565	1,521,314	301,349	358,229	374,693	3,583,859	-	13,230,722
Depreciation charge for the year	-	86,657	-	257,327	36,031	18,322	4,078	127,888	54,517	-	584,820
Disposals	-	(500)	-	(37,941)	(30,167)	(4,224)	(39,464)	(36,033)	(45,314)	-	(193,643)
At 30 September 2020	-	1,730,870	-	5,665,951	1,527,178	315,447	322,843	466,548	3,593,062	-	13,621,899
Impairment losses											
At 1 October 2018	-	-	-	-	-	-	-	-	5,330	-	5,330
At 30 September 2019 and 1 October 2019	-	-	-	-	-	-	-	-	5,330	-	5,330
At 30 September 2020	-	-	-	-	-	-	-	43,756	5,330	-	49,086
Net book value											
At 30 September 2019	500,266	1,071,830	-	1,320,093	89,206	27,617	13,569	934,639	84,403	100,853	8,743,104
At 30 September 2020	500,266	1,022,634	-	1,210,709	63,540	28,158	9,479	754,443	34,099	87,319	8,311,275

Notes to the financial statements

For the year ended 30 September 2020

Separate financial statements												
Buildings, warehouses and improvement		Land		Condo-miniums	Machinery, equipment and tools	Vehicles	Furniture and office equipment	Plastic pallets	Container	Marketing and installation	Assets under construction and installation	Total
<i>(in thousand Baht)</i>												
Cost/revaluation												
At 1 October 2018	375,763	3,546,607		-	6,093,428	1,669,453	306,878	341,403	1,464,493	3,784,510	59,506	20,001,773
Additions	-	847,204		-	49,156	10,569	17,167	7,000	58,608	14,458	73,948	1,101,692
Transfers	-	-		-	19,341	551	254	-	-	96	(43,912)	-
Disposals	-	-		-	(47,410)	(76,867)	(6,530)	(463)	(97,725)	(125,472)	-	(366,981)
At 30 September 2019												
At 1 October 2019	375,763	4,393,811		-	6,114,515	1,603,706	317,769	347,940	1,425,376	3,673,592	89,542	20,736,484
Additions	-	-		-	48,164	10,252	17,885	-	32,582	4,608	81,900	213,856
Transfers	-	-		-	69,782	116	(210)	-	-	(385)	(85,650)	-
Disposals	-	-		-	(36,702)	(27,906)	(4,268)	(39,476)	(71,071)	(45,324)	-	(227,407)
At 30 September 2020	375,763	4,393,811		-	6,195,759	1,586,168	331,176	308,464	1,386,887	3,632,491	85,792	20,722,933

Notes to the financial statements

For the year ended 30 September 2020

Separate financial statements											
	Buildings, warehouses and improvement	Condo-miniums	Machinery, equipment and tools	Vehicles <i>(in thousand Baht)</i>	Furniture and office equipment	Plastic pallets	Container	Marketing and installation	Assets under construction and installation	Total	
	Historical cost	Surplus on revaluation	Land								
Depreciation											
At 1 October 2018	-	-		1,338,712	-	4,679,994	1,552,003	279,213	328,279	435,169	12,238,131
Depreciation charge for the year	-	-		75,446	-	246,882	39,337	19,460	6,552	93,402	565,616
Disposals	-	-		(12,512)	-	(47,039)	(76,620)	(6,504)	(462)	(14,970)	(283,546)
At 30 September 2019 and 1 October 2019	-	-		1,401,646	-	4,879,837	1,514,720	292,169	334,369	513,601	12,520,201
Depreciation charge for the year	-	-		77,896	-	240,214	35,930	17,658	4,078	126,860	557,153
Disposals	-	-		(500)	-	(36,579)	(27,903)	(4,225)	(39,464)	(30,151)	(184,136)
At 30 September 2020	-	-		1,479,042	-	5,083,472	1,522,747	305,602	298,983	610,310	12,893,218

Notes to the financial statements

For the year ended 30 September 2020

	Separate financial statements									
	Buildings, warehouses and improvement	Condo-miniums	Machinery, equipment and tools	Vehicles (in thousand Baht)	Furniture and office equipment	Plastic pallets	Container	Marketing and installation	Assets under construction and installation	Total
<i>Impairment losses</i>										
At 1 October 2018	-	-	-	-	-	-	-	5,330	-	5,330
At 30 September 2019 and 1 October 2019	-	-	-	-	-	-	-	5,330	-	5,330
At 30 September 2020	-	-	-	-	-	-	43,756	5,330	-	49,086
<i>Net book value</i>										
At 30 September 2019	375,763	-	1,234,678	88,986	25,600	13,571	911,775	84,403	89,542	8,210,953
At 30 September 2020	375,763	-	1,112,287	63,421	25,574	9,481	732,821	34,099	85,792	7,780,629

Notes to the financial statements

For the year ended 30 September 2020

The gross amount of the Group's fully depreciated buildings and equipment that was still in use as at 30 September 2020 and 2019 are summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Buildings and equipment	9,768,688	9,687,084	9,056,921	8,770,814

The fair value measurement for property in the consolidated financial statements of Baht 5,100.89 million (2019: Baht 5,100.89 million) and separate financial statements of Baht 4,769.57 million (2019: Baht 4,769.57 million) was determined by Thai Property Appraisal Lynn Philips Co., Ltd., a firm of independent professional valuers, at open market values on an existing use basis. The fair value of property has been categorised as a Level 3 fair value.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Sales Comparison Approach	<ul style="list-style-type: none"> Asking price of comparable property 	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> Asking price of comparable property were higher (lower)

Notes to the financial statements

For the year ended 30 September 2020

15 Intangible assets

	Consolidated financial statements		
	Trademark	Software licenses	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 October 2018	2,000	61,456	63,456
Additions	-	2,104	2,104
At 30 September 2019 and 1 October 2019	2,000	63,560	65,560
Additions	-	852	852
At 30 September 2020	2,000	64,412	66,412
Amortisation			
At 1 October 2018	-	43,697	43,697
Amortisation for the year	-	3,448	3,448
At 30 September 2019 and 1 October 2019	-	47,145	47,145
Amortisation for the year	-	2,956	2,956
At 30 September 2020	-	50,101	50,101
Net book value			
At 30 September 2019	2,000	16,145	18,145
At 30 September 2020	2,000	14,311	16,311
	Separate financial statements		
		Software licenses	
		<i>(in thousand Baht)</i>	
Cost			
At 1 October 2018			57,041
Additions			2,093
At 30 September 2019 and 1 October 2019			59,134
Additions			735
At 30 September 2020			59,869
Amortisation			
At 1 October 2018			40,654
Amortisation for the year			2,456
At 30 September 2019 and 1 October 2019			43,110
Amortisation for the year			2,642
At 30 September 2020			45,752
Net book value			
At 30 September 2019			16,024
At 30 September 2020			14,117

Notes to the financial statements

For the year ended 30 September 2020

16 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Post-employment benefit				
- retirement benefit	1,047,800	1,143,519	1,034,084	1,131,350
Other long-term employee benefit				
- long service award	90,952	42,375	90,889	42,267
Total	1,138,752	1,185,894	1,124,973	1,173,617

Employee benefit - Retirement benefit

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 October	1,143,519	898,701	1,131,350	889,810
Include in profit or loss:				
Current service costs	63,937	53,148	62,694	52,128
Past service cost for employee benefit from amendment of the Labor Protection Act	-	171,830	-	169,851
Interest on obligation	16,093	23,695	15,911	23,437
	80,030	248,673	78,605	245,416
Included in other comprehensive income				
Actuarial (gains) losses				
- Demographic assumptions	(19,348)	-	(20,023)	-
- Financial assumptions	22,196	63,178	21,870	62,584
- Experience adjustment	(77,297)	3,255	(76,418)	3,724
	(74,449)	66,433	(74,571)	66,308
Others				
Benefit paid	(101,298)	(68,229)	(101,298)	(68,125)
Transfer out to the related company	(2)	(2,059)	(2)	(2,059)
	(101,300)	(70,288)	(101,300)	(70,184)
At 30 September	1,047,800	1,143,519	1,034,084	1,131,350

For the year ended 30 September 2020

Principal actuarial assumptions

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis

*Effect to the defined benefit obligation
At 30 September 2020*

Effect to the defined benefit obligation
At 30 September 2019

Discount rate (0.5% movement)	(44,304)	47,367	(43,565)	46,561
Future salary growth (1% movement)	111,248	(89,038)	109,426	(87,740)

Notes to the financial statements

For the year ended 30 September 2020

17 Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

18 Reserves

Reserves comprise

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

General reserve

The general reserve comprises amounts appropriated from profit for expansion of the Company's operations.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net changes in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Valuation surplus

The valuation surplus account within equity comprises the cumulative net change in the valuation of land included in the financial statements at valuation until such land is sold or otherwise disposed of.

19 Segment information

Management determined that the Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Carbonated soft drink: Produce and distribute soft drinks, and sport drink, including as distributor of soda
- Segment 2 Non-Carbonated soft drink: Produce and distribute drinking water, energy drink, and other beverages, including as distributor of tea

Notes to the financial statements

For the year ended 30 September 2020

None of the other operations segments meets the quantitative thresholds for determining reportable segments in 2020 or 2019.

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Information about reportable segments

For the year ended 30 September	Consolidated financial statements					
	Carbonated soft drink		Non-Carbonated soft drink		Total reportable segments	
	2020	2019	2020	2019	2020	2019
	(in million Baht)					
Information about reportable segments						
External revenue	4,615	5,208	6,250	6,363	10,865	11,571
Total revenue	4,615	5,208	6,250	6,363	10,865	11,571
Timing of revenue recognition						
At a point in time	4,615	5,208	6,250	6,363	10,865	11,571
Over time	-	-	-	-	-	-
Total revenue	4,615	5,208	6,250	6,363	10,865	11,571
Segment profit before income tax	747	727	2,519	2,407	3,266	3,134
Depreciation and amortisation recorded in distribution cost and administrative expenses	80	98	108	125	188	223
Distribution cost	1,064	1,236	1,440	1,363	2,504	2,599

Reconciliations of reportable segment revenues, profit or loss, and other material items

	2020	2019
	(in million Baht)	
Profit or loss		
Profit for reportable segments	3,266	3,134
Depreciation and amortisation recorded in distribution cost and administrative expenses	(188)	(223)
Distribution cost	(2,504)	(2,599)
	574	312
Unallocated revenue and expenses		
- Other income	129	153
- Administrative expenses	(732)	(840)
Share of profit of investment in an associate, net of income tax	188	177
Consolidated gain (loss) before income tax	159	(198)

Notes to the financial statements

For the year ended 30 September 2020

Geographical segments

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major customer

Revenue from one customer of the group's 1 and 2 segments represents approximately Baht 3,180.20 million (2019: Baht 3,663.95 million) of the group's total revenue.

20 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Salaries and wages		1,301,758	1,325,490	1,275,144	1,297,873
Overtime and allowance expense		102,541	139,781	97,331	135,688
Bonus		144,255	114,346	142,155	112,309
Pension costs - defined contribution plans		83,159	87,736	81,356	86,299
Pension costs - defined benefit plans	16	80,030	248,673	78,605	245,416
Others		290,822	204,521	289,042	202,334
Total		2,002,565	2,120,547	1,963,633	2,079,919

Defined contribution plans

The Group has a provident fund for those employees who indicate their willingness to join. Contributions are made monthly by the employees at 3% of their basic salaries and by the Group at from 5% to 12% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

Notes to the financial statements

For the year ended 30 September 2020

21 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Changes in inventories of finished goods and work in progress		1,812,293	2,268,999	2,101,860	2,265,308
Raw materials and consumables used		4,662,619	5,113,602	4,425,223	4,805,704
Employee benefit expenses	20	2,002,565	2,120,547	1,963,633	2,079,919
Depreciation and amortisation		554,600	574,970	535,038	551,709
Marketing expenses		315,957	349,249	315,957	349,249
Distribution		450,133	425,440	447,072	423,001
Fuel		193,556	270,393	193,428	270,200
Rental expenses		146,418	126,343	143,797	124,432
Maintenance expenses		101,493	117,640	101,139	117,221
Others		783,403	731,569	735,865	1,026,772
Total cost of sales of goods, distribution costs and administrative expenses		11,023,037	12,098,752	10,963,012	12,013,515

Notes to the financial statements

For the year ended 30 September 2020

22 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	60	392	60	-
Deferred tax expense				
Movements in temporary differences	(10,433)	254,625	(10,030)	253,460
Total Income tax	(10,373)	255,017	(9,970)	253,460

	Consolidated financial statements					
	2020			2019		
<i>Income tax</i>	Before tax	Tax benefit (expense)	Net of tax	Before tax	Tax benefit (expense)	Net of tax
	<i>(in thousand Baht)</i>					
Recognised in other comprehensive income						
Net change in fair value of available-for-sale investments	1,851	(370)	1,481	2,909	(582)	2,327
Defined benefit plan actuarial gains (losses)	74,448	(14,884)	59,564	(66,433)	13,323	(53,110)
Revaluation of land	-	-	-	870,460	(174,092)	696,368
Total	76,299	(15,254)	61,045	806,936	(161,351)	645,585

	Separate financial statements					
	2020			2019		
<i>Income tax</i>	Before tax	Tax benefit (expense)	Net of tax	Before tax	Tax benefit (expense)	Net of tax
	<i>(in thousand Baht)</i>					
Recognised in other comprehensive income						
Net change in fair value of available-for-sale investments	1,851	(370)	1,481	2,909	(582)	2,327
Defined benefit plan actuarial gains (losses)	74,571	(14,914)	59,657	(66,308)	13,262	(53,046)
Revaluation of land	-	-	-	847,204	(169,441)	677,763
Total	76,422	(15,284)	61,138	783,805	(156,761)	627,044

Notes to the financial statements

For the year ended 30 September 2020

Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate (%)	2020 (in thousand Baht)	Rate (%)	2019 (in thousand Baht)
Profit (loss) before income tax expense		158,759		(197,502)
Income tax using the Thai corporation tax rate	20.00	31,752	20.00	(39,500)
Income not subject to tax		(39,165)		(35,735)
Expenses not deductible for tax purposes		2,662		1,888
Expenses for tax incentives		(10,845)		(10,060)
Utilized deferred tax assets		5,208		300,000
Reversal of previously recognised deferred tax assets		15		38,424
Total	(6.53)	(10,373)	(129.12)	255,017

Reconciliation of effective tax rate

	Separate financial statements			
	Rate (%)	2020 (in thousand Baht)	Rate (%)	2019 (in thousand Baht)
Profit before income tax expense		21,292		1,204,775
Income tax using the Thai corporation tax rate	20.00	4,258	20.00	240,955
Income not subject to tax		(6,266)		(15,888)
Expenses not deductible for tax purposes		2,669		2,810
Expenses for tax incentives		(10,631)		(10,060)
Reversal of previously recognised deferred tax assets		-		35,643
Total	(46.83)	(9,970)	(21.04)	253,460

Deferred tax At 30 September	Consolidated financial statements			
	Assets		Liabilities	
	2020	2019 (in thousand Baht)	2020	2019
Total	579,626	591,926	(1,047,879)	(1,055,357)
Set off of tax	(579,529)	(591,831)	579,529	591,831
Net deferred tax assets (liabilities)	97	95	(468,350)	(463,526)

Deferred tax At 30 September	Separate financial statements			
	Assets		Liabilities	
	2020	2019 (in thousand Baht)	2020	2019
Total	571,962	584,695	(1,006,514)	(1,013,993)
Set off of tax	(571,962)	(584,695)	571,962	584,695
Net deferred tax liabilities	-	-	(434,552)	(429,298)

Notes to the financial statements

For the year ended 30 September 2020

	Consolidated financial statements (Charged) / Credited to:		
	At beginning of period	Profit or loss Other comprehensive income (in thousand Baht)	At end of period
Deferred tax			
2020			
Deferred tax assets			
Property, plant and equipment	-	8,751	8,751
Inventories	18,370	800	19,170
Employee benefit obligations	234,751	5,603	225,470
Loss carry forward	329,020	(13,200)	315,820
Others	9,785	630	10,415
Total	591,926	2,584	(14,884)
Deferred tax liabilities			
Property, plant and equipment	(920,125)	-	(920,125)
Investment properties	(27,210)	(133)	(27,343)
Long-term investments	(3,809)	-	(4,179)
Others	(104,213)	7,981	(96,232)
Total	(1,055,357)	7,848	(370)
Net	(463,431)	10,432	(15,254)

	Consolidated financial statements (Charged) / Credited to:		
	At beginning of period	Profit or loss Other comprehensive income (in thousand Baht)	At end of period
Deferred tax			
2019			
Deferred tax assets			
Inventories	18,632	(262)	18,370
Employee benefit obligations	183,956	37,472	234,751
Loss carry forward	627,409	(298,389)	329,020
Others	9,775	10	9,785
Total	839,772	(261,169)	13,323
Deferred tax liabilities			
Property, plant and equipment	(746,033)	-	(174,092)
Investment properties	(25,910)	(1,300)	-
Long-term investments	(3,227)	-	(582)
Others	(112,057)	7,844	-
Total	(887,227)	6,544	(174,674)
Net	(47,455)	(254,625)	(161,351)

Notes to the financial statements

For the year ended 30 September 2020

<i>Deferred tax</i>	At beginning of period	Separate financial statements (Charged) / Credited to:		At end of period
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2020				
<i>Deferred tax assets</i>				
Property, plant and equipment	-	8,751	-	8,751
Inventories	17,850	1,321	-	19,171
Employee benefit obligations	236,160	5,349	(14,914)	226,595
Loss carry forward	320,900	(13,870)	-	307,030
Others	9,785	630	-	10,415
Total	584,695	2,181	(14,914)	571,962
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(878,762)	-	-	(878,762)
Investment properties	(27,210)	(133)	-	(27,343)
Long-term investments	(3,809)	-	(370)	(4,179)
Others	(104,212)	7,982	-	(96,230)
Total	(1,013,993)	7,849	(370)	(1,006,514)
Net	(429,298)	10,030	(15,284)	(434,552)
<i>Deferred tax</i>	At beginning of period	Separate financial statements (Charged) / Credited to:		At end of period
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2019				
<i>Deferred tax assets</i>				
Inventories	18,633	(783)	-	17,850
Employee benefit obligations	185,956	36,942	13,262	236,160
Loss carry forward	617,074	(296,174)	-	320,900
Others	9,775	10	-	9,785
Total	831,438	(260,005)	13,262	584,695
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(709,321)	-	(169,441)	(878,762)
Investment properties	(25,910)	(1,300)	-	(27,210)
Long-term investments	(3,227)	-	(582)	(3,809)
Others	(112,057)	7,845	-	(104,212)
Total	(850,515)	6,545	(170,023)	(1,013,993)
Net	(19,077)	(253,460)	(156,761)	(429,298)

Notes to the financial statements

For the year ended 30 September 2020

The recoverability of deferred income tax assets resulting from tax losses carry-forward and temporary differences is reviewed and assessed, using forecasts that are based on the actual operating results and the expected future performance based on management's estimates and assumptions of revenue growth and the development of operating margins of the Group companies concerned. The Group has recognised tax losses as deferred tax assets because the Group considers that it is probable that future taxable profit will be available against which such losses can be used. These were following the Group's business plan to increase the Group's profit from operating activities in the future. Deviations from these estimates and assumptions can affect the value of deferred tax assets. The actual outcome may differ significantly from the outcome estimated by management. The tax losses expire in 2021 to 2024.

23 Earnings (losses) per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht/thousand shares)</i>			
<i>Profit (loss) attributable to ordinary shareholders for the year ended 30 September</i>				
Profit (loss) attributable to ordinary shareholders of the Company (basic)	169,131	(452,519)	31,262	951,315
Number of ordinary shares outstanding	265,900	265,900	265,900	265,900
Earnings (losses) per share (in Baht)	0.64	(1.70)	0.12	3.58

24 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
2019				
Annual dividend	30 January 2020	February 2020	0.25	66,474

25 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Notes to the financial statements

For the year ended 30 September 2020

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see Note 6). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

		Consolidated financial statements		
		Maturity period		
	Effective interest rate (% per annum)	Within 1 year	After 5 years (in thousand Baht)	Total
At 30 September				
2020				
Financial Assets				
Long-term loan to a related party	2.75 - 3.85	-	3,000	3,000
2019				
Financial Assets				
Long-term loan to a related party	3.85 - 4.05	-	3,000	3,000
		Separate financial statements		
		Maturity period		
	Effective interest rate (% per annum)	Within 1 year	After 5 years (in thousand Baht)	Total
At 30 September				
2020				
Financial Assets				
Short-term loan to a related party	3.10	125,000	-	125,000
Long-term loan to a related party	2.75 - 3.85	-	3,000	3,000
Total		125,000	3,000	128,000
2019				
Financial Assets				
Short-term loan to a related party	3.10	125,000	-	125,000
Long-term loan to a related party	3.85 - 4.05	-	3,000	3,000
Total		125,000	3,000	128,000

Foreign currency risk

The Group is exposed to foreign currency risk relating to sales of goods and purchases of assets which are denominated in foreign currencies. The Group expects that changes in exchange rates for assets and liabilities denominated in foreign currencies in the statement of financial position will not materially affect its financial position and results of operations since the Group does not have any foreign currency loans and most of the spending and purchases of raw and packing materials are transacted in local currency. Exchange rate risks are limited only to those related to imported spare parts and equipment.

Notes to the financial statements

For the year ended 30 September 2020

	Consolidated financial statements		Separate financial statements	
<i>Note</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Other payables	(12,171)	(5,287)	(12,129)	(2,245)
Gross statement of financial position exposure	(12,171)	(5,287)	(12,129)	(2,245)
<i>Euro</i>				
Other payables	(4,121)	(559)	(4,121)	(559)
Gross statement of financial position exposure	(4,121)	(559)	(4,121)	(559)
<i>Hong Kong Dollars</i>				
Cash and cash equivalents	2,188	26,991	-	-
Other payables	(25)	(24)	-	-
Gross statement of financial position exposure	2,163	26,967	-	-
<i>Pound Sterling</i>				
Other payables	(17)	(15)	-	-
Gross statement of financial position exposure	(17)	(15)	-	-

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Notes to the financial statements

For the year ended 30 September 2020

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Consolidated / Separate financial statements	
	Carrying amount (in thousand Baht)	Fair value Level 1
30 September 2020		
<i>Financial assets measured at fair value</i>		
Equity securities available for sale	52,623	52,623
30 September 2019		
<i>Financial assets measured at fair value</i>		
Equity securities available for sale	50,772	50,772
	Separate financial statements	
	Carrying amount (in thousand Baht)	Fair value Level 3
30 September 2020		
<i>Financial liability not measured at fair value</i>		
Long-term loan from a related party	30,968	27,175
30 September 2019		
<i>Financial liability not measured at fair value</i>		
Long-term loan from a related party	30,968	23,660

Equity securities available for sale is an investment in equity shares of Crown Seal Public Company Limited which listed its equity shares on an exchange and is currently actively traded in the market. The fair value of the said investment is determined to be Level 1 under the fair value hierarchy because the equity shares have a published price quotation in an active market at the measurement date that the Group can access at the measurement date.

Long-term loan from a related party is the long-term loan from Great Brands Limited. The fair value of said long-term loan is determined to be Level 3 under the fair value hierarchy because the fair value of long-term loan has inputs for the liability that are unobservable.

Notes to the financial statements

For the year ended 30 September 2020

26 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Capital commitments				
Buildings, warehouses and improvement	9,617	-	9,617	-
Machinery, equipment and office equipment	8,669	12,714	8,669	12,714
Total	18,286	12,714	18,286	12,714
Future minimum lease payments under non-cancellable operating leases				
Within 1 year	27,962	25,773	26,988	25,193
1 - 5 years	52,925	39,918	49,686	39,460
After 5 years	52,294	56,874	52,294	56,874
Total	133,181	122,565	128,968	121,527
Other commitments				
Bank guarantees	39,460	37,729	35,184	33,453
Total	39,460	37,729	35,184	33,453

The Company entered into land, buildings, structure and other assets lease agreements for the Company's operation for periods from one year to thirty years and expiring in various periods up to December 2038.

27 Credit facilities

As at 30 September 2020, the Group and the Company had unutilised credit facilities totalling Baht 4,076 million and Baht 4,075 million, respectively (2019: Baht 4,343 million and Baht 4,232 million, respectively).

28 Contingent liabilities

(a) The employee who was laid off by the Company has filed lawsuit against the Company for unfair termination. The total amount of claim is approximately of Baht 6.68 million. Currently, the Company won this case at the Court of First Instance and the case was closed as the employee did not appeal within the allowed period.

(b) A third party lodged a civil lawsuit against the Company requesting service fees (which the Company was contractually bound to pay to its contracting party) to be payable to such third party on a ground of factoring contract. The total claimed amount is approximately Baht 3 million. Currently, the case is under consideration of the Court of First Instance. Hence, there is no provision has been made at 30 September 2020.

29 Events after the reporting period

At the Board of Directors' meeting of the Company held on 18 November 2020, the Board of Directors approved the change in the dividend policy and agreed to propose a dividend payment of Baht 0.32 per share, totalling Baht 85.09 million. The Board of Directors will propose this matter to the shareholders' meeting for further approval.

Notes to the financial statements

For the year ended 30 September 2020

30 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the Group's financial statements in annual reporting periods beginning on or after 1 October 2020, are as follows

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation

* TFRS - Financial instruments standards

(a) *TFRS - Financial instruments standards*

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled. The impact from adoption of TFRS – Financial instruments are as follows:

(i) Classification – Financial assets

TFRS 9 classifies financial assets into three categories: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The standard eliminates the existing classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105. The classification under TFRS 9 will be based on the cash flow characteristics of the financial asset and the business model in which they are managed.

(ii) Measurement at amortised cost

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method.

(iii) Impairment – Financial assets and contract assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model whereas currently the Group estimates allowance for doubtful account by analyzing payment histories. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

Notes to the financial statements

For the year ended 30 September 2020

Transition

The Group expects to initially adopt these TFRS by adjusting the impact to retained earnings or other component of equity on 1 October 2020. Therefore, the Group will not apply the requirements of these TFRS to comparative information.

The preliminary impact assessment of initially applying TFRS - Financial instruments on the financial statements is as follows:

	Consolidated financial statements	Separate financial statements
	2020	2020
<i>Statement of financial position</i>		
<i>At 1 October</i>		
	<i>(in thousand Baht)</i>	
Increase in trade accounts receivable	8,079	8,079
Increase in other long-term investments	61,462	61,462
Decrease in deferred tax assets	(1,616)	(1,616)
(Increase) in deferred tax liabilities	(12,292)	(12,292)
(Increase) in retained earnings	(6,463)	(6,463)
(Increase) in other components of equity	(49,170)	(49,170)

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Group recognises payments made under operating leases in profit or loss on a straight-line basis over the term of the lease, and recognised liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Group will recognise right-of-use assets and lease liabilities for its operating leases as disclosed in Note 6 and 27. As a result, the nature of expenses related to those leases will be changed because the Group will recognise depreciation of right-of-use assets and interest expense on lease liabilities.

Transition

The Group plans to apply TFRS 16 initially on 1 October 2020, using the modified retrospective approach. Therefore, the cumulative effect of adopting TFRS 16 will be recognised as an adjustment to the retained earnings at 1 October 2020, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply TFRS 16 to all contracts entered into before 1 October 2020 and identified as leases in accordance with TAS 17 and TFRIC 4.

Notes to the financial statements

For the year ended 30 September 2020

The preliminary impact assessment of initially applying TFRS 16 on the financial statements is as follows:

	Consolidated financial statements 2020	Separate financial statements 2020
<i>Statement of financial position At 1 October</i>		
	<i>(in thousand Baht)</i>	
Decrease prepaid rental	(11,265)	(11,265)
Increase in right-of-use assets	298,234	293,827
Increase in lease liabilities	(286,969)	(282,562)

31 Reclassification of accounts

Certain accounts in the statement of comprehensive income for the year ended 30 September 2019, which are included in the year ended 30 September 2020 for comparative purposes, have been reclassified to conform to the presentation in the 2020 financial statements as follows:

	2019					
	Consolidated financial statements			Separate financial statements		
	Before reclass	Reclass	After reclass	Before reclass	Reclass	After reclass
	<i>(in million Baht)</i>					
<i>Statement of comprehensive income Year ended 30 September 2019</i>						
Revenue from sale of goods and rendering of services	11,763	(191)	11,572	11,681	(191)	11,490
Distribution cost	2,841	(191)	2,650	2,826	(191)	2,635
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Mr. Somchai Bulsook
Age	78
Positions	Chairman, Chairman of Corporate Governance Committee
Date Appointed	3 January 1996

Educational Credentials and Training Experience

- Bachelor of Science degree in Business Administration, Menlo College
- Director Certification Program (DCP), Class 37/2003, Thai Institute of Directors
- Certificate of Chief Executive, Class 15 (2012), Capital Market Academy
- Certificate of Senior Executive Program in Trade and Commerce, Class 7/2014 Commerce Academy, The University of the Thai Chamber of Commerce
- Certificate of Senior Executive Program in Energy Literacy, Class 7/2015, Thailand Energy Academy

Share Holding - None -

Relation to the Executive Relative of Vice Chairman of Executive Committee No. 3

Work experience within the 5 preceding years

Position in other listed companies

2015 - 2019	Chairman	Royal Orchid Hotel (Thailand) Plc.
2009 - 2019	Independent Director	Royal Orchid Hotel (Thailand) Plc.
2013 - 2015	Vice Chairman	Kasikornbank PCL
2013 - 2015	Independent Chairman	Kasikornbank PCL
1993 - 2015	Director	Kasikornbank PCL

Positions in other unlisted companies

2017 - Present	Director	Porganic Life Science Co., Ltd.
2016 - Present	Director	P. Chemitech Co.,Ltd.
2016 - Present	Director	Thai Herbicide Co., Ltd.
2014 - Present	Vice Chairman No.1	Thai Drinks Co., Ltd.
2013 - Present	Chairman	Wrangyer Beverage (2008) Co., Ltd.
2006 - Present	Chairman	Sermsuk Holdings Co., Ltd.
2002 - Present	Chairman	Petform (Thailand) Co., Ltd.
1997 - Present	Chairman	Sermsuk Beverage Co., Ltd.
1995 - Present	Director	Ngow Hock Co., Ltd.
1995 - Present	Director	Ngow Hock Agency Co., Ltd.
1995 - Present	Director	Panjamitr Holding Co., Ltd.
2003 - 2019	Director	Royal Orchid Sheraton Hotel Co., Ltd.
2003 - 2019	Director	Thai Royal Orchid Real Estate Co., Ltd.

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Mr. Suchin Wanglee
Age	84
Positions	Vice Chairman No.1, Independent Director, Chairman of Nomination and Remuneration Committee, and Member of Audit Committee
Date Appointed	20 April 2010

Educational Credentials and Training Experience

- B.S. Electrical Engineering, Northrop Institute of Technology, U.S.A
- Role of the Chairman Program (RCP) 2001, Thai Institute of Directors
- Directors Certification Program (DCP) 2002, Thai Institute of Directors
- Senior Executive Program (CMA 9) 2009 Capital Market Academy
- Senior Executive Program in Trade and Commerce, Commerce Academy 2010
- Senior Executive Program in Urban Development Administration, "Mahanakorn" Institute of Metropolitan Development 2011
- Advance Insurance Program (OIC 2) 2012, Office of Insurance Commission
- Director Accreditation Program (DAP) 2013, Thai Institute of Directors

Share Holding	- None –
Relation to the Executive	- None -

Work experience within the 5 preceding years

Position in other listed companies

2018 – Present	Chairman	Thai Metal Drum MFG. Public Co.,Ltd.
2010-Present	Member of Audit Committee	BTS Group Holdings Public Company Limited
2010-Present	Independent Director	BTS Group Holdings Public Company Limited
2010-Present	Nominating and Compensation Committee	BTS Group Holdings Public Company Limited
2001-Present	Chairman	The Navakij Insurance Public Company Limited
1999-Present	Chairman	Thaire Life Assurance Public Company Limited
1994-2019	Independent Director	Varopakorn Public Co., Ltd.
2010-2018	Vice Chairman	Thai Metal Drum MFG. Public Co.,Ltd.
2009-2018	Chairman of Compensation and Nominating Committee	Thai Metal Drum MFG. Public Co.,Ltd.
1978-2016	Chairman, Independent Director	Thai Reinsurance Public Company Limited
1969-2013	Independent Director	Thai-German Ceramic Industry Plc.

Positions in other unlisted companies

2017- Present	Director	Poon Phol Co., Ltd.
2017- Present	Chairman	C.E.S. Co., Ltd.
2017-Present	Director	Pipatanasin Co.,Ltd.
2006-Present	Director	Wanglee Pattana Co., Ltd.
2005-Present	Director	Rajadamri Hotel Public Company Limited
1991-Present	Chairman	Rangsit Plaza Co., Ltd.
1988-Present	Director	The Pet Co.,Ltd.
1982-Present	Chairman	Sathorn Thani Co., Ltd.
1968-Present	Director	Wanglee Co., Ltd.
2007-Present	Director	Aqua Infinite Co., Ltd.
2007-2014	Chairman	Falcon Insurance Plc.

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Mr. Chotiphat Bijananda
Age	57
Positions	Vice Chairman No.2
Date Appointed	14 September 2011

Educational Credentials and Training Experience

- MBA in Finance And Banking University of Missouri, USA
- Bachelor Degree of Laws, Thammasat University
- Director Certification Program (DCP) Class 155/2012, Thai Institute of Directors

Share Holding	- None -
Relation to the Executive	- None -

Work experience within the 5 preceding years

Position in other listed companies

2017 – Present	Director	Frasers Property (Thailand) Public Company Limited
2013 – Present	Director	Frasers Centre Point Limited
2013 – Present	Director	Fraser and Neave, Limited
2018 – Present	Director / Chairman of the Executive Board / Member of the Nomination and Remuneration Committee	Thai Group Holdings Public Company Limited

Positions in other unlisted companies

1993 - Present	Director	Tep Nimitr Thanakorn (2001) Co., Ltd.
1994 - Present	Chairman	Pro Checker Company Limited
1994 - Present	Chairman	Pro Garage Company Limited
2003 – Present	Director	Charm Corp Circle Co., Ltd.
2008 – Present	Vice Chairman / Chairman of the Executive Board / Member of the Risk Management Committee	Southeast Insurance Public Company Limited
2008 – Present	Vice Chairman / Chairman of the Executive Board / Member of the Risk Management Committee	Southeast Life Insurance Public Company Limited
2008 – Present	Vice Chairman / Chairman of the Executive Board / Chairman of the Risk Management Committee	Southeast Capital Co., Ltd.
2014 – Present	Chairman	Concept Land 5 Co., Ltd.
2012 – Present	Chairman	Dhamma Land Property Company Limited
2013 – Present	Director	Golden Land Property Development Public Company Limited
2013 – Present	Chairman	Asiatig House Co., Ltd.
2013 – Present	Chairman	Pattana Bovornkij 4 Co., Ltd.
2014 – Present	Chairman	TCC Privilege Card Co., Ltd.
2014 – Present	Chairman	Southeast Joint Venture Co., Ltd.
2015 – Present	Chairman	Permsub Siri 3 Co., Ltd.
2015 – Present	Chairman	Permsub Siri 5 Co., Ltd.
2015 – Present	Chairman	Southeast Academic Center Company Limited
2015 – Present	Chairman	DL Engineering Solutions Co., Ltd.

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

2015 – Present	Chairman	Suansilp Pattana 1 Co., Ltd.
2016 – Present	Chairman	OHCHO Co., Ltd
2016 – Present	Chairman	Southeast Advisory Co., Ltd.
2016 – Present	Chairman	Big C Services Co., Ltd.
2018 – Present	Chairman	S Sofin Co., Ltd.
2018 – Present	Director	TCC Assets (Thailand) Company Limited
2019 – Present	Chairman	Southeast Property Co., Ltd.
2019 – Present	Director	Pholmankhong Business Co., Ltd.
2020 – Present	Chairman	Southeast Money Company Limited
2020 – Present	Chairman	Sentrics Consulting Company Limited

Working experiences

January 2008 – September 2018	Director	T.C.C. Technology Co., Ltd.
March 2016 – May 2016	Director	Kaset Thip (2017) Co., Ltd
January 2016 – July 2016	Director	TCC Property Development Co., Ltd.
March 2016 – April 2016	Director	Permsub Siri 4 Co., Ltd.
March 2016 – May 2016	Director	Sirisub Pattana 4 Co., Ltd.
April 2017 – October 2017	Director	Nantapat Development Co., Ltd.
May 2015 – February 2020	Director	TCC Holdings (2519) Co., Ltd.

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Mr. Thapana Sirivadhanabhakdi
Age	45
Positions	Vice Chairman No.3, Chairman of Executive Committee, Member of Nominating and Remuneration Committee Member of Sustainability and Risk Management Committee
Date Appointed	14 September 2011

Educational Credentials and Training Experience

- Honorary Doctoral Degree in Science (Logistics Management)
From King Mongkut's Institute of Technology Ladkrabang
- Honorary Doctoral Degree of Arts, Rajamangala University of Technology Phra Nakhon
- Honorary Doctoral Degree in Hospitality, Rajamangala University of Technology Krungthep
- Honorary Doctoral Degree in Community Development, Chiang Mai Rajabhat University
- Honorary Doctoral Degree of Business Administration in Strategic Logistic and Supply Chain Management,
Suan Sunandha Rajabhat University
- Honorary Doctoral Degree of Philosophy in General Management, Ramkhamhaeng University
- Master of Science Administration in Financial Economics, Boston University, USA
- Bachelor of Business Administration (Finance), Boston University, USA
- Director Accreditation Program (DAP) 2004, Thai Institution of Directors Association (IOD)

Shareholding	- None -
Relation to the Executive	- None -

Work experience within the 5 preceding years

Positions in other listed companies

October 2020 – Present	Chairman of the Executive Committee	Univentures Public Company Limited
June 2020 – Present	Independent Director	The Siam Cement Public Company Limited
July 2018 – Present	Director	Thai Group Holdings Public Company Limited
November 2017 - Present	Vice Chairman and Chairman of the Executive Committee	Amarin Printing and Publishing Public Company Limited
July 2007 – Present	Vice Chairman of the Board	Univentures Public Company Limited
February 2011 – February 2020	Chairman of the Executive Committee	Oishi Group Public Company Limited
January 2006 – February 2020	Vice Chairman of the Board of Directors	Oishi Group Public Company Limited
December 2001 – February 2017	Director	Berli Jucker Public Company Limited
May 2007 – August 2015	Vice Chairman	Siam Food Products Public Company Limited

Positions in other unlisted companies

January 2008 – Present	President and CEO	Thai Beverage Public Company Limited
December 2019 – Present	Director	BeerCo Limited (Incorporated in Singapore)
June 2018 – Present	Chairman	Red Bull Distillery Group of Companies
February 2018 – Present	Vice Chairman / Executive Chairman	Beer Thai (1991) Public Company Limited
December 2017 – Present	Director / Executive Chairman	GMM Channel Holding Co., Ltd.
October 2016 – Present	Chief Center of Excellence	Thai Beverage Public Company Limited
April 2016 – Present	Director	Pracharath Rak Samakkee Social Enterprise (Thailand) Co., Ltd.
March 2013 – Present	Vice Chairman	Times Publishing Limited
February 2013 – Present	Director	Fraser and Neave, Limited
November 2012 – Present	Director	InterBev Investment Limited
September 2011 – Present	Director	Plantheon Co., Ltd.
January 2008 – Present	Vice Chairman	South East Group of Companies
July 2007 – Present	Director	Adelfos Co., Ltd.

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

September 2003 – Present	President	International Beverage Holdings Limited
Present	Director	TCC Group of Companies
October 2018 – September 2020	Chief Beer Product Group	Thai Beverage Public Company Limited
April 2013 – February 2020	Director	Golden Land Property Development Public Company Limited
2004 – June 2018	Vice Chairman	Red Bull Distillery Group of Companies
April 2004 – February 2018	Director and Executive Vice Chairman	Beer Thai (1991) Public Company Limited
October 2003 – January 2008	Director and Executive Vice President	Thai Beverage Public Company Limited

Others

- Thai Royal Decorations
 - Companion (Fourth Class) of the Most Admirable Order of the Direkgunabhorn
 - Member (Fifth Class) of the Most Noble Order of the Crown of Thailand
- Knight of Legion of Honor (Chevalier de la Légion d'Honneur)
- Awards
 - “Diamond Commerce” Award from Ministry of Commerce in 2017
 - Asia's Top CEO of the Year 2017 Award from Influential Brands in 2017
 - Asian Corporate Director Recognition Award from the Corporate Governance Asia Magazine in 2011
 - Asian Excellence Recognition Awards: Asia's Best CEO (Investor Relations) from the Corporate Governance for five consecutive years in 2011, 2012, 2013, 2014 and 2015
 - Asia's Best Company 2009, Thailand: Best CEO award by FinanceAsia in 2009

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Mr. Ueychai Tantha-obhas
Age	71
Positions	Vice Chairman No.4, Vice Chairman of Executive Committee No. 1 and Member of Corporate Governance Committee
Date Appointed	16 November 2018

Educational Credentials and Training Experience

- Master of Business Administration from Thammasat University
- Bachelor of Science in Accounting from St. Louis University, Missouri, USA
- Advance Management Program from INSEAD,
- Director Certification Program (DCP) 2007
- Director Accreditation Program (DAP) 2004
- Role of the Chairman Program
- Thai Institute of Directors Association (IOD)

Share Holding	- None -
Relation to the Executive	- None -

Work experience within the 5 preceding years

Positions in other listed companies

February 2020 – Present	Vice Chairman / Executive Chairman	Oishi Group Public Company Limited
January 2006 – Present	Director	Oishi Group Public Company Limited

Positions in other unlisted companies

October 2018 – Present	Director and Senior Executive Vice President, Thai Beverage Public Company Limited	Chief Operating Officer - Thailand
October 2020 – Present	Director	Chang Beer Company Limited., Ltd. Sermsuk Training Co., Ltd. Oishi Trading Co., Ltd. Oishi Ramen Co., Ltd. Oishi Food Service Co., Ltd.
February 2020 – Present	Vice Chairman	Traditional Trade Management Co., Ltd. Thai Beverage Logistics Co., Ltd. Green Bean Co., Ltd. Food and Beverage Holding Co., Ltd. ThaiBev Marketing Co., Ltd. Thai Drinks Co., Ltd. Cash Van Management Co., Ltd. Grand Royal Group International Company Limited Myanmar Supply Chain and Marketing Services Company Limited
June 2019 - Present	Vice Chairman	Traditional Trade Management Co., Ltd.
January 2019 – Present	1 st Vice Chairman / Executive Chairman	BevTech Co., Ltd.
March 2019 - Present	Director	Red Bull Distillery Group of Companies Horeca Management Co., Ltd. Thai Drinks Co., Ltd. International Beverage Holdings Limited Modern Trade Management Co., Ltd. Thai Beverage Training Co., Ltd. Oishi Trading Co., Ltd. Oishi Ramen Co., Ltd.
November 2018 - Present	1st Vice Chairman	
May 2018 - Present	Executive Chairman	
October 2017 - Present	Vice Chairman / Executive Chairman	
	Director and Co-Chairman	
June 2017 - Present	Director	
May 2017 - Present	1 st Vice Chairman	
July 2015 - Present	Vice Chairman	
December 2014 - Present	Vice Chairman / Executive Chairman	
March 2014 - Present	2 nd Vice Chairman	
November 2013 – Present	Director	
December 2012 – Present	Vice Chairman / Executive Chairman	
January 2010 – Present	Director	
January 2006 - Present	Director	

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

May 2014 – January 2020	1 st Vice Chairman	Thai Beverage Marketing Co., Ltd.
August 2015 – January 2019	2 nd Vice Chairman	Thai Beverage Logistics Co., Ltd.
October 2016 - September 2018	Director and Senior Executive Vice President, Thai Beverage Public Company Chief Route-to-Market	Limited
May 2010 - September 2016	Director and Executive Vice President	Thai Beverage Public Company Limited
July 2005 - May 2010	Director and Senior Vice President	Thai Beverage Public Company Limited

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Prof. Dr. Khunying Suchada Kiranandana
Age	75
Positions	Independent Director, Chairman of Audit Committee and Chairman of Sustainability and Risk Management Committee
Date Appointed	5 February 2008

Educational Credentials and Training Experience

- Master and Ph.D (Statistics) Harvard University, USA
- Bachelor of Commerce (First Honor), Chulalongkorn University
- Directors Certification Program (DCP), Year 2000
Thai Institute of Directors

Share Holding	- None -
Relation to the Executive	- None -

Work experience within the 5 preceding years

Position in other listed companies

November 2020-Present	Independent Director	B.Grimm Power Public Company Limited
March 2017-Present	Independent Director	Dusit Thani Public Company Limited
May 2019-Present	Chairman of Nomination, Remuneration and Corporate Governance Committee	Dusit Thani Public Company Limited
April 2015-March 2018	Vice Chairman, Chairman of Independent Director and Chairman of Human Resource and Compensation Committee	Kasikornbank PCL

Positions in other unlisted companies

August 2001-Present	Chairman of Corporate Governance	Phu Fah
2006-Present	Director and Member of Audit Committee	The Thai Red Cross Society
October 2015-Present	Chairman of Human Resource Committee	The Thai Red Cross Society
September 2015-Present	Director and Treasurer	The Information Technology Foundation under the Initiative of Her Royal Highness Princess Maha Chakri Sirindhorn
February 2012-February 2018	Chairman of Chulalongkorn University	Chulalongkorn University Council

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Adjunct Prof. Rawat Chamchalerm
Age	77
Positions	Independent Director
Date Appointed	29 April 2011

Educational Credentials and Training Experience

- Bachelor of Laws, Thammasat University
- Thai Barrister-at-Law
- Master of Laws, Chulalongkorn University
- Diploma, National Defence College, The Joint State - Private Sector Course Class 1
- Directors Accreditation Program Class 26/2004 Thai Institute of Directors (IOD)

Share Holding	- None -
Relation to the Executive	- None -

Work experience within the 5 preceding years

Positions in other listed companies

September 2017-Present	Director	Loxley PLC
	Director	Siam Makro PLC
2010-Present	Chairman	Sino-Thai Engineering & Construction PLC.
2004-Present	Vice Chairman	Don Muang Tollway PLC.
2008-Present	Director	True Corporation PLC.
2010-Present	Advisor	Bangkok Airways PLC.

Positions in other unlisted companies

1985-Present	Adjunct Professor	Faculty of Law, Chulalongkorn University
1997-Present	Adjunct Professor	The Thai Bar under The Royal Patronage
2004-Present	Adjunct Professor	Faculty of Law, Mahidol University
1998-Present	Adjunct Professor	Faculty of Law, Mae Fah Luang University
2004-Present	Lecturer of Justice Affairs	Ministry of Justice
1999-Present	Lecturer of Department	Department of Special Investigation of special Investigation
2004-Present	Lecturer of Institute	Ministry of Interior of Administration and Development
1994-Present	Guest Lecturer of Office	Office of the Attorney-General Attorney-General
2004-Present	Qualify Committee	Ministry of Public Health
2004-Present	Executive Director	National Science and Technology Development Agency
2004-Present	Advisor	Athletic Association of Thailand
1997-Present	Director Member	Office of the Council of State the Council of State
1997-Present	Committee	Council Office of the Council of State of State (Special Affairs Section)
2019-Present	Chairman The Amendment	Criminal Procedure Code Committee
2004-2017	Director	Committee of Agriculture Commodity and Food Standard
1999-Present	Asset Management Committee	The Thai Red Cross
1999-Present	Director	Organ Donation Center The Thai Red Cross
1999-Present	Chairman	Legal Director, Organ Donation Center Thai Red Cross
Present	Chairman	The Scrutiny Committee for Bills Presented to the Cabinet

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Mrs. Siripen Sitasuwan
Age	72
Positions	Independent Director, Member of Audit Committee and Member of Sustainability and Risk Management Committee
Date Appointed	13 August 2013

Educational Credentials and Training Experience

- Master of Business Administration Wichita State University, Kansas, USA
- Bachelor of Commerce, Chulalongkorn University
- Audit Committee Program (ACP), Class 32/2010, Thai Institute of Directors
- Certificate, Role of the Compensation Committee (RCC), Class 4/2007, Thai Institute of Directors
- Directors Certificate Program (DCP) Class 33/2003, Thai Institute of Directors (IOD)
- Listed Company Director Essential – Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know, Singapore Institute of Directors (SID) (9 July 2013)
- LCD 4 Nominating Committee Essentials
Singapore Institute of Directors (SID) (14 July 2016)
- LCD 2 Audit Committee Essentials
Singapore Institute of Directors (SID) (13 July 2016)
- LCD 5 Remuneration Committee Essentials
Singapore Institute of Directors (SID) (15 March 2018)
- LCD 3 Risk Management Essentials
Singapore Institute of Directors (SID) (14 March 2018)

Share Holding	- None -
Relation to the Executive	- None -

Work experience within the 5 preceding years

Position in other listed companies

2009-Present	Chairperson of the Audit Committee Member of the Nomination, Remuneration and Corporate Governance Committee	Thanachart Capital Public Company Limited
2000-Present	Director	Thanachart Capital Public Company Limited
May 2013-Present	Director	Fraser and Neave, Limited (Singapore)
June 2013-Present	Compensation Committee	Fraser and Neave, Limited (Singapore)
January 2014-Present	Chairman of Audit Committee and Member of Nominating Committee	Fraser and Neave, Limited (Singapore)
August 2013 - Present	Director and Chairman of Audit Committee	Thai Solar Energy Public Company Limited

Positions in other unlisted companies

2008-April 2017	Chairman	Solaris Asset Management Co., Ltd.
-----------------	----------	------------------------------------

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Mr. Pramoad Phornprapha
Age	54
Positions	Independent Director, Member of Corporate Governance Committee, Member of Nomination and Remuneration Committee and Member of Sustainability and Risk Management Committee
Date Appointed	19 April 2012

Educational Credentials and Training Experience

- MBA (Marketing) Kellogg School of Management, Northwestern University, USA
- MPA, Kennedy School of Government, Harvard University, USA
- BS in Electrical Engineering, Northwestern University, USA
- Directors Certificate Program Class 55/2005, Thai Institute of Directors (IOD)
- Senior Executive Program (CMA 10) Capital Market Academy

Share Holding	- None -
Relation to the Executive	- None -

Work experience within the 5 preceding years

Position in other listed companies

2017 - Present	Independent Director and Member of Audit Committee	Univanich Palm Oil Public Company Limited
2017 - Present	Independent Director, Chairman of Nomination and Remuneration Committee and Member of Corporate Governance Committee	Amarin Printing and Publishing PCL.
2018 - Present	Independent Director and Chairman of Audit Committee	Saigon Beer – Alcohol and – Beverage Corporation

Positions in other unlisted companies

October 2020 – Present	Independent Director	Food and Beverage United Company Limited
2019-Present	Director	Clariss EA Co., Ltd.
2016-Present	Director	Conservatory Co., Ltd.
2005-Present	Independent Director and Member of Audit Committee	Thai Summit Harness PCL.
2002-Present	Director	Pornmitr Co., Ltd.
1989-Present	Director	Plimboonluck Co., Ltd.
1992-Present	Director	Plim 369 Co., Ltd.
1997-Present	Director	Plandscape Co., Ltd.
2000-Present	Director	Danpundao Co., Ltd. (Former name as “P Garden Co., Ltd.”)
2002-Present	Managing Director	Wan Warin & Associates Co., Ltd.
2004-Present	Managing Director	Clariss Co., Ltd.
2008-Present	Director	Eco Futuer Plus Co., Ltd.
2011-Present	Managing Director	My DNA Co., Ltd.
2015-Present	Chairman	Talaypu Natural Products Co., Ltd.
1974-May 2019	Director	Pattana Clock Co., Ltd.

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname Mr. Sithichai Chaikriangkrai
Age 66
Positions Director,
 Vice Chairman of Executive Committee No. 2 and
 Member of Sustainability and Risk Management,

Date Appointed 14 September 2011

Educational Credentials and Training Experience

- Bachelor of Accountancy (1st Class Honours), Thammasat University
- Diploma in Computer Management, Chulalongkorn University
- Certification of the Mini MBA in Leadership Management Kasetsart University
- Director Certification Program (DCP) Class 26/2003, Thai Institute of Directors
- DCP Refresher Course (DCP-Re) Class 2/2006, Thai Institute of Directors

Share Holding - None -
Relation to the Executive - None -

Work experience within the 5 preceding years

Position in other listed companies

December 2019 – Present	Director	Frasers Property (Thailand) Public Co., Ltd.
September 2018 – Present	Director	Asset World Corp Public Company Limited
July 2007 – Present	Director	Univentures Public Company Limited
April 2007 – Present	Director	Siam Food Products Public Company Limited
January 2006 – Present	Director	Oishi Group Public Company Limited
December 2001 – Present	Director	Berli Jucker Public Company Limited

Positions in other unlisted companies

October 2016 – Present	Director and Senior Executive Thai Beverage Public Company Limited Vice President, Group CFO
October 2020 – Present	Director Chang Beer Company Limited
December 2019 – Present	Director BeerCo Limited (Incorporated in Singapore)
March 2019 – Present	Director Food and Beverage Holding Co., Ltd.
August 2013 – Present	Director Frasers Property Limited
February 2013 – Present	Director Fraser and Neave, Limited
August 2012 – Present	Director Petform (Thailand) Co., Ltd.
September 2007 – Present	Director Eastern Seaboard Industrial Estate (Rayong) Company Limited
Present	Director Big C Retail Holding Company Limited TCC Assets (Thailand) Company Limited Thai Beverage Can Co., Ltd. Univentures REIT Management Co., Ltd.
December 2012 – November 2020	Director Golden Land Property Development Public Company Limited
March 2016 – January 2018	Director Big C Supercenter Public Company Limited
May 2010 – September 2016	Director and Executive Vice President Thai Beverage Public Company Limited
October 2003 – May 2010	Director and Senior Vice President Thai Beverage Public Company Limited

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Others

Over 30 years of experiences in accounting and finance, with many international recognition awards

- Best CFO in Thailand – Finance Asia Magazine (2009)
- Asia's Best CFO– Corporate Governance Asia Magazine (2011, 2012)
- Best CFO in Southeast Asia – Alpha Southeast Asia Magazine (2015)
- Best CFO in Thailand – Alpha Southeast Asia Magazine (2014, 2015, 2016, 2018, 2019)

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname Mr. Sakchai Thanaboonchai
Age 64
Positions Director
Date Appointed 29 April 2011

Educational Credentials and Training Experience

- Certificate in Applied Social Sciences, Thammasat University
- Honorary Doctorate Degree in Management from the United States of America
- (2009) Top Executive Program Class 2, Commerce and Trade (TEPCoT)
- (2009) Certificate of Chief Executive, Class 9 Capital Market Academy
- (2004) Directors Certification Program (DCP), Class 12/2004 Thai Institute of Directors

Share Holding - None -
Relation to the Executive - None -

Work experience within the 5 preceding years

Position in other listed companies

Present Vice Chairman of Executive Committee Sikarin PLC.

Positions in other unlisted companies

	Vice Chairman	Thailand-Vietnam Friendship Association
	Committee	Meechai-Khunying Amporn Ruchupan Foundation
	Central Committee	Ramathibodi Foundation
	Executive	General Prem Tinsulanonda Historical Park
2007-2014	Executive Director	King Prajadhipok's Institute

Politics

1996-Present	Secretary-General	Association of the Senate 39-43
2006-Present	Secretary	Association of the Senate Registrar 49-51
2014-2019	Member	National Legislative Assembly
2014-2019	Chairman of the Welfare Works Committee	National Legislative Assembly
2014-2019	Chairman	Thailand - Vietnam Parliamentary Friendship
2014-2019	Commissioner	Commerce, industry and labor
2014-2019	Commissioner	Science, Information Technology and Mass Communication
2017-2019	Vice Chairman	Thailand - China Parliamentary Friendship
Present	Senator	
Present	Commissioner	Commission Labor Commission
Present	Committee	Mass Communication, Science, Technology and Information
Present	Vice Chairman	Thailand - Vietnam Parliamentary Friendship
Present	Executive Committee	Thailand - China Parliamentary Friendship

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname Mr. Rangsan Thammaneeuwong
Age 59
Positions Director
Date Appointed 29 April 2011

Educational Credentials and Training Experience

- 1982-1985 Bachelor of Business Administration, Brigham Young University, Provo, Utah, USA
- 1987-1988 Master of Business Administration, Joseph M. Katz, Graduate School of Business, University of Pittsburgh, Pittsburgh, Pennsylvania, USA
- Director Accreditation Program (DAP) 2017, Thai Institute of Directors
- **Blue Ocean Strategic Initiative Center, London (2012)**
Confirmed understanding to practice concepts, tools, and frameworks.
- **Adizes Institute Worldwide Certification.**

Certified in

Basic Foundation of Adizes Methodology (2007)

Phase I-Synergistic Diagnosis. To conduct a comprehensive analysis of organization's problems and its current stage in the life cycle **(2019)**

Phase II-Synerteam Integration. Facilitation of cross functional teams formed to address priority of problems. **(2019)**

Phase III-Participative Organizational Council. Creates and formalizes a bottom-up Communication channel to establish a more responsive and creative organization **(2020)**

Trainings in

Phase IV-Mission. Identify an organization's value added and competitive advantage **(2020)**

Phase V-Structure. Design a structure that supports the mission for vitality and entrepreneurship and growth. **(2018)**

Phase V+ create KPIs, goals, OKR that support structure above.**(2019)**

Phase VI-Redesign management information so data match the responsibilities of the new structure and are delivered in a format that is useful to managers by clearly defining individual

Share Holding - None -

Relation to the Executive - None –

Work experience within the 5 preceding years

Position in other listed companies

2014-Present	Director	Patkol PLC.
--------------	----------	-------------

Positions in other unlisted companies

1998-Present	Chairman	Prudent Advisory Limited
2000-Present	Director	Prudent Capital Limited
2004-Present	Founder	Chartered, Society of Advancement for Consulting USA

Lecturer

2017	Lecturer	FEFConnection Topic "From Good to Great CEO"
2020	Co-speakers	The Adizes 44th Global Convention Bangkok Thailand Topic : "Democraship"
2020	Lecturer	Prudent Advisory Seminar topic "Mastering Change"
2020	Lecturer	Webinar with Hubba Thailand topic "Organization Transformation"
2020	Lecturer	Webinar of Project "The Founders Square" by Hubba Thailand.

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Mr. Dhitivute Bulsook
Age	52
Positions	Director, Vice Chairman of Executive Committee No.3 and Member of Sustainability and Risk Management Committee
Date Appointed	20 April 2010

Educational Credentials and Training Experience

- MBA, Babson College, USA
- Certificate of Directors Certification Program (DCP) Class 78/2006
The Thai Institute of Directors Association (IOD)

Share Holding - None -

Relation to the Executive Relative of Chairman

Work experience

Position in other listed companies

Director	Crown Seal Public Company Limited
----------	-----------------------------------

Positions in other unlisted companies

Director	Petform (Thailand) Co., Ltd.
Director	Sermsuk Holding Co., Ltd.
Director	Sermsuk Beverage Co., Ltd.
Director	Wrangyer Beverage (2008) Co., Ltd.
Director	Thai Drinks Co., Ltd.

Work experience within the 5 preceding years

June 2012 – July 2020	Director	Sermsuk Training Co., Ltd.
June 2012 – July 2020	Director	Great Brands Limited
2011 - 2015	President	Sermsuk Plc.

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Mrs. Tongjai Thanachanan
Age	53
Positions	Director
Date Appointed	23 January 2017

Educational Credentials and Training Experience

- Master of Management, Kellogg Graduate School of Management, Northwestern University, U.S.A.
- Bachelor of Arts (Magna Cum Laude), Economics and Asian Studies, Princeton University, U.S.A.
- Director Certification Program (DCP) 2014 , Thai Institute of Directors

Share Holding	- None -
Relation to the Executive	- None -

Work experience within the 5 preceding years

Position in other listed companies

- None -

Positions in other unlisted company

October 2020 - Present	Senior Vice President, Chief Sustainable Business Development	Thai Beverage Public Company Limited
January 2019 - Present	Director / Managing Director	C.A.I. Co., Ltd.
2016 - Present	Managing Director	Pracharath Rak Samakkee Social Enterprise (Thailand) Co., Ltd.
Present	Advisor to Executive Committee	Mae Fah Luang Foundation Under Royal Patronage
Present	Secretary	Foundation for the Institute of Social Enterprise Development
Present	Advisor to Risk Management Committee	Member The Thai Red Cross Society
2014 – 2018	Senior Advisor	The Boston Consulting Group (Thailand) Ltd.
2014 – 2016	Speaker	Thai Institute of Directors Association
2011 – 2014	Partner & Managing Director	The Boston Consulting Group (Thailand) Ltd.

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Mr. Kosit Suksingha
Age	54
Positions	Director, Sustainability and Risk Management Committee Member, Executive Committee Member and President
Date Appointed	1 October 2020

Educational Credentials and Training Experience

- Master of Business Administration (Honors) from Oklahoma City University, USA
- Bachelor of Veterinary Science from Chulalongkorn University
- LOGTECH – Program for Executives in Logistics & Technology from University of North Carolina, Chapel Hill, North Carolina, USA
- CEDI – Babson Entrepreneurial Leadership Program from Babson College, Massachusetts, USA
- Director Certification Program (DCP) 2007 Thai Institute of Directors Association (IOD)
- Listed Company Director Program (Module 3) Masterclass for Directors (MCD 5) Singapore Institute of Directors (SID)

Shareholding - None -

Relation to the Executive - None -

Work experience within the 5 preceding years

Positions in other listed companies

2011 – 2012	Senior Vice President – Technical Supply Chain	Berli Jucker Public Company Limited
-------------	--	-------------------------------------

Positions in other unlisted companies

October 2020 – Present	Executive Vice President, Chief Non-Alcoholic Beverage Business - Thailand and Chief Route to Market Director	Thai Beverage Public Company Limited
		Sermsuk Holding Co., Ltd. Sermsuk Beverage Co., Ltd. Sermsuk Training Co., Ltd. Wrangyer Beverage (2008) Co., Ltd. Great Brands Limited Chang Beer Company Limited Thai Drinks Co., Ltd. D2C Services Co., Ltd. BeerCo Training Co., Ltd. Super Beer Brands Limited Chang Holding Co., Ltd. Traditional Trade Management Food and Beverage Holding Co., Ltd. C.A.I. Co., Ltd. Dhospaak Co., Ltd. Thai Beverage Training Co., Ltd.
May 2020 – Present	Director	
April 2020 – Present	Director	
February 2020 – Present	Director	
January 2020 – Present	Director	
June 2019 – Present	Director	
March 2019 – Present	Director	
February 2019 – Present	Director	
January 2019 – Present	Director	

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

December 2018 – Present	Director	Horeca Management Co., Ltd.
October 2018 – Present	Director	Chang International Co., Ltd.
February 2018 – Present	Director	Havi Logistics (Thailand) Limited
		Havi Food Distribution (Thailand) Co., Ltd.
December 2016 – Present	Director	BevTech Co., Ltd.
		Petform (Thailand) Co., Ltd.
October 2016 – Present	Executive Vice President, Center of Excellence and Chief Supply Chain Management	Thai Beverage Public Company Limited
	Director	Food of Asia Co., Ltd.
February 2015 – Present	Director	Cash Van Management Co., Ltd.
April 2014 – Present	Director	Feed Addition Co., Ltd.
		Pan International (Thailand) Co., Ltd.
		Thai Beverage Energy Co., Ltd.
		Thai Beverage Recycle Co., Ltd.
		Thai Cooperage Co., Ltd.
		Charun Business 52 Co., Ltd.
		Thai Molasses Co., Ltd.
		Thai Drinks Co., Ltd.
March 2014 – Present	Director	Times Publishing Limited
December 2013 – Present	Director	Shinasab Co., Ltd.
November 2013 – Present	Director and Managing Director	Thai Beverage Logistics Co., Ltd.
August 2013 – Present	Director	Modern Trade Management Co., Ltd.
February 2013 – Present	Vice President - Centre of Excellence	Thai Beverage Public Company Limited
August 2001 – Present	Director	T.C.C. Technology Co., Ltd.
Present	Director	TSpace Digital Co., Ltd.
		Tarad Dot Com Group Co., Ltd.
October 2018 – September 2020	Executive Vice President, Chief Beer Business – Thailand	Thai Beverage Public Company Limited
May 2013 – August 2019	Director	C A C Co., Ltd.
November 2013 – September 2016	Senior Vice President – Related Business	Thai Beverage Public Company Limited

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Mr. Phromson Ayanaputra
Age	52
Positions	Member of Executive Committee

Educational Credentials and Training Experience

- University of Sheffield, UK, M.SC Engineering Management / MBA

Share Holding	- None -
Relation to the Executive	- None –

Work experience within the 5 preceding years

July 2019 – Present	Senior Vice President RTM Non -Alcohol Beverage Business Thailand	Thai Drinks Company Limited
July 2019 – Present	Member of Executive Committee	Sermsuk Public Company Limited
May 2018 - July 2019	National Sales Director and Sales Director (R7, R8) Acting	Sermsuk Public Company Limited
March 2018 - May 2018	Senior Sales Director	Sermsuk Public Company Limited
February 2017 - February 2017	Sales Operations Director	Sermsuk Public Company Limited
March 2016-February 2017	Business Development Director & Project Director	Sermsuk Public Company Limited
May 2015- March 2016	Business Development	Sermsuk Public Company Limited
August 2011-January 2015	Sales Director	Thai Asia Pacific Brewery Co., Ltd.

Name - Surname	Mrs. Prangnee Chaipidej
Age	60
Positions	Marketing Director

Educational Credentials and Training Experience

- Bachelor of Arts (Communication Arts), Chulalongkorn University

Share Holding	- None -
Relation to the Executive	- None –

Work experience within the 5 preceding years

October 2018 – Present	Marketing Director	Sermsuk Public Company Limited
October 2012 – September 2018	Assistant Marketing Director	Sermsuk Public Company Limited

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname Mr. Thepsiri Phengtieng
Age 48
Positions Acting Supply Chain Director

Educational Credentials and Training Experience

- Industrial Engineer, University of Houston, USA

Share Holding - None -
Relation to the Executive - None -

Work experience within the 5 preceding years

February 2020 – Present	Acting Supply Chain Director	Sermasuk Public Company Limited
July 2019 – February 2020	Acting Supply Chain Director	Thai Drinks Co.,Ltd.
2006-2019	Head of Supply Chain	F&N Dairies (Thailand) Limited

Name - Surname Mr. Thanee Pornphisutsak
Age 51
Positions Production Director

Educational Credentials and Training Experience

Food Science & Technology, Kasetsart University

Share Holding - None -
Relation to the Executive - None -

Work experience within the 5 preceding years

February 2020 - Present	Production Director	Sermasuk Public Company Limited
May 2016 - Present	Vice President – Production	Oishi Trading Company Limited
May 2011 - May 2016	General Manager	Oishi Trading Company Limited

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname Mr. Kwanchai Mahapornprachak
Age 61
Positions National Sales Director

Educational Credentials and Training Experience

- BA in Marketing, Assumption Business Administration College

Share Holding - None -
Relation to the Executive - None -

Work experience within the 5 preceding years

July 2019 - Present	National Sales Director	Sermsuk Public Company Limited
May 2018 - July 2019	Sales Director (R2, R3, R4)	Sermsuk Public Company Limited
May 2018 - May 2018	General Sales Manager (R2, R3, R4)	Sermsuk Public Company Limited
February 2017 - April 2018	General Manager – Sales (Northeastern)	Sermsuk Public Company Limited
January 2009 - February 2017	General Manager – Nakhornratchasima	Sermsuk Public Company Limited

Name - Surname Miss Rewadee Chaihetphon
Age 43
Positions Finance Director

Educational Credentials and Training Experience

- Bachelor of Business Administration (International Program), Thammasat University
- Master of Business Administration, Ann Arbor, Michigan, USA

Share Holding - None -
Relation to the Executive - None -

Work experience within the 5 preceding years

October 2020 – Present	Finance Director	Sermsuk Public Company Limited
October 2020 – Present	AVP-Finance	Thai Drinks Co., Ltd
February 2020 – September 2020	Acting Finance Director	Sermsuk Public Company Limited
January 2020 – September 2020	Acting AVP-Finance	Thai Drinks Co., Ltd
July 2018 – December 2020	Senior Business Finance Manager	Thai Drinks Co., Ltd
July 2015 – June 2018	Business Analysis Manager	Thai Drinks Co., Ltd

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname Mr.Nitipat Putthong
Age 45
Positions Human Capital Director

Educational Credentials and Training Experience

- Master's degree, majoring in Marketing Eastern Michigan University, USA

Share Holding - None -
Relation to the Executive - None -

Work experience within the 5 preceding years

January 2017 - Present	Human Capital Director	Sernsuk Public Company Limited
June 2016 - Present	Division Head of Human Capital - NAB Thailand	Thai Beverage PCL.
November 2017 – Present	Division Head of Human Capital - Food Thailand	Thai Beverage PCL.

Name - Surname Mr. Pongwit Sumethmethachai
Age 56
Positions Group Commercial Support Director

Educational Credentials and Training Experience

- Mini MBA, Mahidol University

Share Holding - None -
Relation to the Executive - None -

Work experience within the 5 preceding years

July 2020 – Present	Group Commercial Support Director	Sernsuk Public Company Limited
May 2018 – July 2020	Sales Director (R5, R6)	Sernsuk Public Company Limited
May 2018 – May 2018	General Manager (R5, R6)	Sernsuk Public Company Limited
February 2017 – April 2018	General Manager – Sales (Nakornsawan)	Sernsuk Public Company Limited
April 2015 - February 2017	General Manager – Nakornsawan	Sernsuk Public Company Limited
2011-2015	General Sales Manager	Friesland Campina (Thailand) Co., Ltd.

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Mr. Thosaphol Maneerat
Age	44
Positions	Acting Sales Director R1 / R2 / R3 / R4

Educational Credentials and Training Experience

- Bachelor of Economics, The University of the Thai Chamber of Commerce
- Training Negotiate & Win Evaluation
The 7 Habits of highly effective people

Share Holding	- None -
Relation to the Executive	- None -

Work experience within the 5 preceding years

July 2020 – Present	Acting Sales Director R1 / R2 / R3 / R4	Sermsuk Public Company Limited
July 2018 – July 2020	Regional Sales Manager R2	Sermsuk Public Company Limited
February 2015 – June 2018	Sales Manager	Sermsuk Public Company Limited

Name - Surname	Mr. Vinij Thawilpaibul
Age	46
Positions	Sales Director R5 / R6 / R7 / R8

Educational Credentials and Training Experience

- Master of Business Administration, Assumption University

Share Holding	- None -
Relation to the Executive	- None -

Work experience within the 5 preceding years

July 2020 – Present	Sales Director R5 / R6 / R7 / R8	Sermsuk Public Company Limited
July 2019 – July 2020	Senior Regional Sales Manager R1 & R7	Sermsuk Public Company Limited
May 2015 – July 2019	Assistant General Manager – Sales of Patumthani Plant	Sermsuk Public Company Limited

Information of the Company's Directors, Executives, Controlling Parties (if applicable) and Company Secretary

Name - Surname	Mr. Krit Julapanichakum
Age	45
Positions	Assistant Legal and Compliance Director and Company Secretary

Educational Credentials and Training Experience

- Bachelor of Law from Chulalongkorn University
- Master of Law (LL.M. International and Comparative Law) from Indiana University, USA
- Master of Law (LL.M. International Banking and Finance Law) from Boston University, USA
- Company Secretary Program (CSP) 2563

Share Holding - None -

Relation to the Executive - None -

Work experience within the 5 preceding years

2020 - Present	Director	Great Brands Limited
2020 - Present	Company Secretary	Sermasuk Public Company Limited
2018 - Present	Assistant Legal and Compliance Director	Sermasuk Public Company Limited
October 2017 - Present	Assistant Legal Director	Thai Beverage Public Company Limited
2011 - 2017	Senior Associate	Watson Farley & Williams (Thailand) Ltd

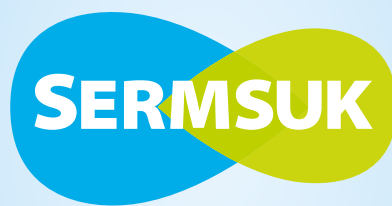
Company Secretary Responsibilities

Prepare and collect the following documents;

- Registration of directors
- Invitation letters for board meetings
- Meeting minutes and the Company's annual report
- Invitation letters for shareholder meetings and minutes of shareholder meetings

The Company Secretary also performs other duties as assigned by the Company (or the Company's Board of Directors), as follows:

- Render regulations advice and other information on related regulations and corporate governance practices and ensure the operation of the Board of Directors in compliance with the related regulations
 - Arrange the meetings for the board of directors and shareholders
- Board of directors and shareholders
 - Work with internal sections to ensure the compliance of the Board of Directors and Shareholder Meetings' resolutions
- Comply with the resolution of the board of directors and shareholders
 - Work with oversight organizations such as the Securities and Exchange Commission and oversee the information disclosure and information reporting to the oversight organizations and the public in a legally accurate and complete manner
 - Undertake other duties as assigned by the Company



Fulfill Happiness



SERMSUK PUBLIC COMPANY LIMITED

No.90 CW Tower, 31st-32nd Floor,
Ratchadapisek Road,
Huai Khwang Sub-District,
Huai Khwang District, Bangkok 10310

Tel. 0 2783 9000
Fax. 0 2783 9092-3

