ANNUAL REPORT 2016

Sermsuk Public Company Limited

STRONGER SERMSUK

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

Message from Chief Executive Officer to Shareholders

I am pleased to report that performance in 2016 shows good progress in terms of top-line results. Revenue from sales and services during the nine months ending September 2016 was 8,097 million baht, a 1% increase over the same period last year, as Sermsuk continued to strengthen the growth of Crystal and EST (launching new flavors including est Grape Berry in January 2016 and est Korean Orange Cola in August 2016).

During the first nine months of 2016, multiple campaign activations for est and Crystal made a significant contribution to boosting sales while driving broader market acceptance. Cost of sales decreased 5% to 5,958 million baht due to a change in our product mix, as well as lower packaging costs resulting from product development improvements and reduced prices for materials. We have also focused in improving our operating efficiencies resulting in no increase in our overhead expenses versus last year.

As a result, Sermsuk's 2016 financial performance improved significantly compared to 2015. Net income after tax (before exceptional items) showed a loss of 89 million baht over the nine months ending September 2016 versus a loss of 442 million in 2015 which represents a 80% improvement over the same period.

Whilst 2016 was challenging for Sermsuk, we continue to move forward by focusing on "Fixing our business Fundamentals" across key areas of the company. Under this strategy, we increased the efficiency of our sales force and made distribution channel management more effective. We strengthened our sales team, increased our brands' market presence, improved our systems and processes, and initiated several cost-saving projects.

We will remain focused on returning the company to profitability by concentrating on three core areas to drive Sermsuk's growth:

Revenue and Sales: The est summer promotional campaign featured impactful presenters and influencers that helped drive sales volume, boosting brand health and sustaining est's market share. Crystal strengthened its position

Mr. Somchai Bulsook
Chief Executive Officer

as the top-of-mind drinking water brand among Thai consumers while gaining a significant share of the drinking water market in 2016. We expect that our continuing efforts to build these two flagship brands will lead to more positive results in the future.

Operational excellence: Increasing our production capacity for drinking water and collaboration with other companies within the ThaiBev Group will ensure an adequate supply of products to meet consumers' demands. This, in turn, will enable Sermsuk to support higher sales volumes over the long term. Ongoing projects to improve cost efficiency in the areas of packaging and transportation, especially more efficient truck utilization, will continue to improve the company's performance.

Collaboration and communication: Sermsuk continually explores synergies with the ThaiBev Group of companies in areas such as logistics, purchasing, marketing, and distribution. Through tighter integration with the ThaiBev Group, we will be able to reduce costs by operating our business more efficiently.

We are confident that, with better fundamentals, more efficient systems, and greater synergies with the ThaiBev Group, Sermsuk will deliver stronger performance in 2017. Solid teamwork among employees and suppliers, plus continued support from related parties, will play a vital role in driving Sermsuk to greater heights.

Continuous improvements at Sermsuk, combined with ongoing efforts to promote a culture of strong teamwork, will help the company to drive ThaiBev's Vision 2020, enhancing a strong business proposition for the Non-Alcoholic Beverages group with an aim to double the non-alcoholic beverage business between 2015 and 2020.

I would like to thank our shareholders for their continued trust in Sermsuk. In addition, I would like to express my deep appreciation to our board of directors, management team, our partners, and our staff for their ongoing dedication, all of which contribute to Sermsuk's overall success.

Board of Directors

Mr. Photipong Lamsam
Chairman and Independent Director

Mr. Thapana Sirivadhanabhakdi
Vice Chairman No.3, Vice Chairman of Executive Committee No.1, Chairman of Nominating and Corporate Governance Committee, Member of Compensation Committee and Member of Risk Management Committee

Mr. Somchai Bulsook
Director, Chairman of Executive Committee and CEO, Member of Nominating and Corporate Governance Committee and Member of Risk Management Committee

Mr. Pramoad Phornprapha
Director

Prof. Rawat Chamchalerm
Independent Director

Mr. Sithichai Chaikriangkrai
Director, Vice Chairman of Executive Committee No.2 and Member of Risk Management Committee

Mr. Marut Buranasetkul
Director and Executive Director

Mr. Suchin Wanglee
Vice Chairman No.1 Independent Director, Chairman of Compensation Committee, Member of Audit Committee

Mr. Chotiphat Bijananda
Vice Chairman No.2, Member of Compensation Committee and Member of Nominating and Corporate Governance Committee

Mr. Dhitivute Bulsook
Director, Vice Chairman of Executive Committee No.3 and Member of Risk Management Committee

Prof. Dr. Khunying Suchada Kiranandana
Independent Director, Chairman of Audit Committee and Chairman of Risk Management Committee

Mr. Sakchai Thanaboonchai
Director

Mr. Rangsan Thammaneewong
Director

Mrs. Siripen Sitasuwan
Independent Director, Member of Audit Committee and Member of Risk Management Committee

Mr. Vivek Chhabra
Director, Member of Risk Management Committee, Executive Director and President

Executives

Mr. Somchai Bulsook
Chief Executive Officer

Mr. Parinya Permpanich
Sales Director

Mr. Phromson Ayanaputra
Business Development
& Projects Director

Mr. Pibul Voravath
Group General Manager and
General Manager-
Pathumthani/Chonburi

Mr. Kwanchai Mahapornprachak
General Manager-
Nakhon Ratchasima

Mr. Vivek Chhabra
President

Mr. Arthakrit Visudtibhan
Human Resources Director

Mr. Peerapong Krinchai
Operations Director

Ms. Nuntaka Watsreevanich
Finance Director

Mr. Pongwit Sumethmethachai
General Manager-
Nakhon Sawan

Mr. Viraj Ithikumjorn
General Manager-
Surat Thani

PRODUCT PORTFOLIO

Product Portfolio

est
Super Value
1.6L
เอส
เพลย์
Chang
ROCK
คริสตัล

est Cola

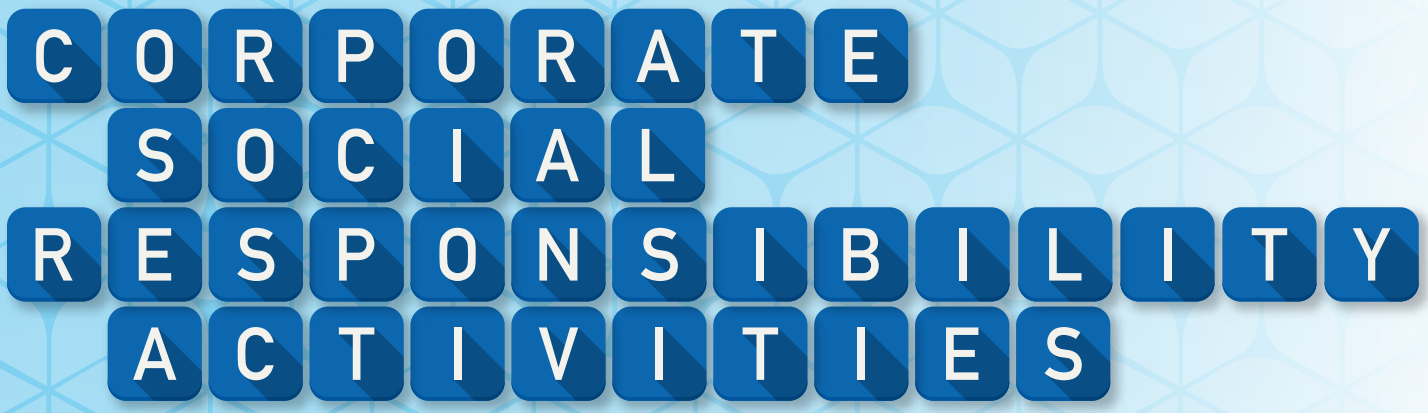
est Play

Oishi and Jubjai

Crystal

100 Plus

Other Beverages


CORPORATE
SOCIAL
RESPONSIBILITY
ACTIVITIES

Corporate Social Responsibility Activities

Sermsuk Public Company Limited pledges to operate business with commitment to both CSR-in-process and CSR-after-process. Throughout 2016, Sermsuk carried out a wide array of socially beneficial activities and initiatives at the headquarters as well as its plants across the country. The demonstrated commitment to corporate-wide social initiatives has earned Sermsuk a good corporate image, wide acceptance from the community and society, consumer trust, employees' sense of pride, and greater business opportunities in addition to delivering benefits for the community and society as a whole.

The continued commitment to CSR efforts resulted in Sermsuk having received the CSR-DIW Continuous Award from the Ministry of Industry as part of the 2016 CSR-DIW program for eight consecutive years. In 2016, Sermsuk's socially responsible practices are as follows:

1. Human and Labor Rights

1.1 Human resources development

2. Environmental Stewardship

2.1 Sermsuk was awarded Model Factory for Efficient Water Management

2.2 Sermsuk received Corporate Carbon Footprint certification and carbon footprint labelling, readying itself to help drive Thailand toward a low carbon society

3. Customer Accountability

3.1 Sermsuk obtained international quality standard certifications for food safety

4. Corporate Engagement and Community Development

4.1 Crystal Open House and Crystal School Visit

4.2 Crystal joined forces with Chulalongkorn University Language Institute (CULI) to provide free GAT/PAT tutoring

4.3 Nation Bike Thailand 2016: Cycling to Promote Environmental Conservation by Power Plus

4.4 Sermsuk contributed funding to the Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE) for 2015-2016

Sermsuk's five plants received the CSR-DIW Continuous Award from the 2016 CSR-DIW Program for eight consecutive years

Sermsuk Plc.'s five plants have joined the CSR-DIW Program (Corporate Social Responsibility, Department of Industrial Works) organized by the Department of Industrial Works, Ministry of Industry for eight consecutive years since 2009. In 2016, the Company's CSR efforts were aligned with the Sustainable Development approach with a focus on conducting business following economic, social, and environmental responsibility both in-process and after-process. This has ensured trust and acceptance from all stakeholders, resulting in sustainable development in line with Sermsuk's motto "Fulfill Happiness" for Thai consumers.

Human and Labor Rights

Human Resource Development

For 2016, Sermsuk's human resource development through training is 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 encompassed in-house and public training to achieve the common goals in line with Sermsuk Core Values:

Smart Working
Working efficiently and effectively

Smile Work Place
Working as a team with effective communication, and collaboration to deliver excellent service

Commit to success
Being committed to success

To devise an annual training plan, information concerning corporate goals, strategies, policies as well as survey results from different functions at all the plants was taken into consideration. For the human resource development in 2016 (January - September 2016), a total of 3,467 employees or 53% of the Sermsuk workforce underwent the training. The total training hours spent on various formal training amounted to 28,147 hours, or an average of 4.34 hours per employee. The training programs provided were categorized into 5 groups as follows:

Sales and service
- Head of sales development
- 8 steps to productive store visit
- Guidelines for handling disputes (over sales)
- Professional presentation techniques
- Key account management

Product quality standard management
- ISO 22000 : 2005 requirements and internal inspection
- Creating awareness about GMP/HACCP standards toward achieving ISO 22000 certification sustainably
- Risk assessment and hazard analysis in food industry : HACCP

Efficiency and productivity improvement in the plants

- Smart People Smart Work : Developing Work System in the Plants
- Enhancing productivity through Small Group Activity (SGA)
- Cultivating supporters to drive knowledge management through communities of practice (CoPs)
- Kaizen for Automation (Karakuri Kaizen)
- Energy conservation for compressed air operation and motors

Environmental Management and CSR Practices

- Waste water analysis for waste water treatment control
- Operation framework and assessment of CSR activities

General Administration and Management

- Daily management
- Be Highly Effective People for operation staff
- Performance management for corporate success and defining KPIs
- How to write job descriptions
- HR 2016 Workshop: Compensation & Benefit
- Preparation of the implementation of vision sensors for Sermsuk
- The art of being a supervisor
- EG techniques for the development of sales teams

Environmental Stewardship

Sermsuk was awarded Model Factory for Efficient Water Management

In 2016, Sermsuk Public Company Limited participated in the "Building Model Factories and Expanding the Network of Efficient Groundwater Management in the Industrial Sector Project". The objectives were to promote and support factories to adopt efficient groundwater management as a means to reduce reliance on surface water and ground water. The objectives also extended to providing a model in efficient water management in the industrial sector. The program was organized by Water Institute for Sustainability, The Federation of Thai Industries and the Department of Groundwater Resources, Ministry of Natural Resource and Environment.

Meeting the criteria, three of Sermsuk's plants including the Nakhon Ratchasima Plant, the Nakhon Sawan Plant and the Surat Thani Plant were awarded Model Factory for Efficient Water Management. Representatives from the three plants on June 9, 2016 received an honorary plaque and cash prize from Mr. Worasart Apaipong, Deputy Permanent Secretary for the Ministry of Natural Resource and Environment as well as Mr. Supot Jermsawaldipong, Director General of the Department of Groundwater Resource, and Mr. Somchai Wangwattanapanich, Vice Chairman of F.T.I. Council of Trustees. The event took place at Eco-Products International Fair 2016 at Bangkok International Trade & Exhibition Centre (BITEC) Bangna, Bangkok.

The conference also featured Mr. Wanchai Saengprae, Operations Assistant Director and Mr. Sarut Jittrarom, an environment expert, who gave a talk on "A case study on the operation of model factories", highlighting the issues of policy and implementation of efficient water management in accordance with the 3Rs concept (Reduce-Reuse-Recycle) to provide guidelines for other plants.

Sermsuk's three plants will serve as mentors, providing consultancy to a network of 15 factories across the nation to enable them to enhance their water management in a sustainable manner. The efforts ran through to December 2016.

Sermsuk received Corporate Carbon Footprint certification and carbon footprint labelling, readying itself to help drive Thailand toward a low carbon society

Realizing the importance of greenhouse gas emissions as a manufacturer, Sermsuk Public Company Limited in 2016 joined the Corporate Carbon Footprint and Carbon Footprint Reduction Labelling Projects sponsored by the Thailand Greenhouse Gas Management Organization and Thailand Environment Institute under the Federation of Thai Industries. With consultancy from VGreen, Kasetsart University, the two projects of Sermsuk were verified by the Excellence Centre of Eco-Energy, Thammasat University.

The endeavors enabled Sermsuk to receive the carbon foot print certification and carbon footprint label from the Thailand Greenhouse Gas Management Organization as follows:

Corporate Carbon footprint Certification for Sermsuk Plc.'s Pathum Thani Plant.

Carbon Footprint and Carbon Footprint Reduction labels for three products, namely, Crystal drinking water in 600 ml. and 1000 ml. PET bottles and est Cola cans.

The Carbon Footprint Reduction label can be incorporated into a product label to provide information for consumers in making the decision to buy socially-responsible products which reduce greenhouse emissions, a major cause of global warming. In the meantime, Sermsuk has its sights on bringing the carbon footprint reduction project to the next level, streamlining the work process to further reduce carbon dioxide emissions and conserve energy at all its five plants nationwide. The Company also plans to apply carbon-footprint labelling to other Sermsuk products in the near future. This is part of the efforts to help drive Thailand toward a low carbon society to achieve the goal of reducing greenhouse emissions by 20-25% by 2030 in alignment with Prime Minister General Prayut Chan-ocha's confirmation of Thailand's commitment toward addressing climate change at the United Nations Framework Convention on Climate Change (COP21) in December 2015.

Representing Sermsuk Plc., Mr. Peerapong Krinchai, Operations Director, on September 28, 2016 received the corporate carbon footprint certification as well as carbon footprint and carbon footprint reduction labels from General Surasak Kanjanakul, Minister of Natural Resources and Environment at the Queen Sirikit National Convention Center.

Customer Accountability

Sermsuk obtained international quality standard certifications for food safety

Realizing that' "Customers are our top priority", Sermsuk Public Company Limited attaches significance to manufacturing products that meet international standards of quality and safety. To that effect, the Company has embraced the Food Safety Management System program, resulting in Sermsuk having achieved numerous international quality standard certifications for food safety. The Company has established a policy on quality and food safety as follows:

ISO 22000 : 2005 Food Safety Management System

Being aware of the importance of safety of the products delivered to customers, Sermsuk has adopted ISO 22000 : 2005 Food Safety Management System program at all its plants. In 2016, all the five plants including the Pathum Thani Plant, the Chonburi Plant, the Nakhon Sawan Plant, the Nakhon Ratchasima Plant, and the Surat Thani Plant were certified with ISO 22000 : 2005 by SGS (Thailand) Co.,Ltd. This comprehensive certification program spans systems for food safety management, responsibilities of the executive management team, resource management, safety planning and production, process validation, and monitoring and improving the systems for food safety management.

During the process to achieve the certification, the management and the "Food Safety Team" at the five plants worked collaboratively in all the steps from documenting the system, performance of the system to holding management review meetings, and getting certified by SGS (Thailand) Co.,Ltd. The total commitment of the Food Safety Teams backed by the management at the Headquarters and the five plants enabled the plants to obtain the ISO 22000 : 2005 Food Safety Management System certifications and be certified to the GMP and HACCP standards.

The attainment of the ISO 22000 : 2005 certifications marks a major step for the Company to achieve Sermsuk Vision 2020 to become a dominant refreshment beverage and food company in Thailand, offering best-in-class quality products and services to consumers as well as increasing benefits to stakeholders.

NSF-certified Crystal Drinking Water

At Sermsuk Public Company Limited, top priority is given to consumers. The Company is thereby dedicated to raising the quality standard of drinking water in Thailand, bringing it up to internationally recognized standards. Crystal drinking water is the first in Thailand to have been certified to NSF standards by NSF International of the U.S. in 2002, and it has remained certification until now. To earn a NSF certification, the product must comply with all the requirements of NSF International based on the US FDA regulations comprising 575 points and must be re-tested by the NSF International lab in the U.S. every year. The certification of the internationally recognized standards has established Crystal as a leading drinking water that has gained wide acceptance from consumers throughout the years.

Halal Standards

Carbonated soft drinks are suitable for all groups of consumers. Sermsuk Public Company Limited manufactures a variety of softdrinks and beverages including est Cola, est Play, and 100 Plus, Using advanced production technology, the plants are certified to GMP and HACCP standards as well as the ISO 22000 : 2005 Food Safety Management System. For Muslim consumers, Sermsuk applied for the halal certification to reassure that Muslim consumers are free to consume our soft drinks without worry. In 2016, all Sermsuk's plants were certified as being halal by The Central Islamic Council of Thailand.

Corporate Engagement and Community Development

Crystal Open House and Crystal School Visit

Crystal, the leading quality drinking water, opened up opportunities for high-school and vocational students from schools surrounding Sermsuk's five plants and in other provincial areas nationwide totaling 64 schools to observe the manufacturing process of Crystal and other Sermsuk products. The objectives were to provide them knowledge and experience in the production of quality drinking water that meet internationally recognized standards, underlining the concept that **"Same Things Could Be Different"**. The activity was designed to encourage the youths to consume excellent quality products while, at the same time, reaffirming Crystal's strong positioning as the first drinking water to have received NSF certification from the U.S. and F.D.A. Quality Award for three consecutive years. In addition, the students learned about the benefits and significance of applying scientific knowledge to production in the industrial sector.

Crystal also organized a special event, bringing Nai-Naphat Siangsomboon, Crystal's first brand ambassador to visit schools to encourage the young generation to choose quality drinking water for added refreshment. The Company is striding forward toward becoming Thailand's No. 1 drinking water brand through the Crystal Everywhere campaign.

Moreover, Crystal provided a scholarship of 10,000 baht each to a total of 64 schools across the nation. The scholarship was awarded to the student having excellent academic performance and engaged in socially responsible activities in line with the underlining concept "Crystal quality drinking water supports quality people". The objectives were to boost morale and set a good role model for students, which in turn help contribute to a better Thai society in a sustainable way.

Crystal joined forces with Chulalongkorn University Language Institute (CULI) to provide free GAT/PAT tutoring

Crystal drinking water by Sermsuk Public Company Limited joined forces with Chulalongkorn University Language Institute (CULI) to provide free GAT/PAT tutoring to five groups of high-school students from schools under the Office of the Basic Education Commission in Bangkok and provincial areas. The goals were to improve students' English language skills, preparing them for the university entrance examinations. The free tutoring sessions covered skills in listening, reading, vocabulary, writing, and structure. Attended by a total of 1,277 students, the five tutoring sessions were as follows:

Group 1 May 14, 2016
at Chulalongkorn University Language Institute 318 students

Group 2 May 15, 2016
at Chulalongkorn University Language Institute 239 students

Group 3 August 3, 2016
at Wang Klai Kangwon School, Prachuabkhirikhan 220 students

Group 4 August 6, 2016
at Visuttharangsi School, Kanchanaburi 200 students

Group 5 August 10, 2016
at Sa-Nguan Ying School, Kanchanaburi 300 students

Nation Bike Thailand 2016: Cycling to Promote Environmental Conservation by Power Plus

During 2015-2016, Power Plus energy drink by Sermsuk Public Company Limited witnessed the fast-growing popularity of Cycling in Thailand as a means to promote healthy lifestyles and conserve energy. Furthermore, cycling was also seen as an activity engaging people in contributing to a better environment while stimulating the youths and the general public to value exercise in accordance with the concept "Boost Your Energy in Every Activity" of Power Plus energy drink.

To that effect, Power Plus joined hands with Nation TV Channel 22 to organize Nation Bike Thailand 2016 to kick off mass cycling activities in 11 provinces nationwide. Refreshed and energized by Power Plus, over 24,000 cyclists attended the event, covering a total distance of 340 kilometers.

In 2016, Sermsuk also held Cycling to Promote Environmental Conservation by Power Plus at the "Let's Bike and Sightsee Colorful Bangsaen" cycling trail in Chonburi and the "101 Years, 100 Hearts, 100 Villages @Surat" cycling trail in Surat Thani. As part of the activity, the cyclists were encouraged to collect trash around the areas such as Power Plus or Crystal empty bottles and return them to Power Plus Kiosk to help preserve the environment, and restore the surroundings to their natural beauty. The activity was also designed to raise public environmental awareness, reduce pollution, and cultivate a sense of sharing and volunteerism among the cyclists to contribute to society.

Over 600 kilograms of trash collected from both cycling trails was given to the Recyclable Material Center of Trash Collectors Operating and Motorized Tricycles, an affiliate of Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE) established and funded by Sermsuk. The trash was to be segregated and recycled, creating more income for the trash collectors and reaffirming that trash has economic and environmental value. The efforts helped drive change in society concretely.

Sermsuk contributed funding to the Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE) for 2015-2016

Sermsuk contributed to society: On January 13, 2019, Mr. Wanchai Saengprae, Operations Assistant Director, and Mr. Sarut Jittarom as representatives of Sermsuk Public Company Limited presented 1 million baht in funds for 2015-2016 to Dr. Sumet Tantivejkul, head advisor of the Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE) at Chaipattana Foundaton. Earlier during the New Year 2016, the TIPMSE management paid a visit to report on the operating results of TIPMSE to Sermsuk management.

The Thailand Institute of Packaging and Recycling Manage ment for Sustainable Environment (TIPMSE) was jointly founded by Sermsuk Plc. and more than 20 other leading companies and major industries in 2006 under the supervision of Federation of Thai Industries.

In 2016, Sermsuk joined hands with Teijin Polyester (Thailand) Limited, an affiliate of TIPMSE, to carry out the PET Zero Waste project in which damaged PET bottles from the production process were upcycled to produce new products, adding value for PET bottles at the Pathum Thani Plant. The pilot product was an approach to zero waste management and helped increase the price of colored PET bottles by 600%. More importantly, it encouraged the outside trash collector shops or those operating on motorized tricycles to buy colored PET bottles as they could be used as main raw materials in production by the industrial sector. The endeavors of Sermsuk underlined Sermsuk Vision 2020 in line with the sustainable development approach which focuses on the economic, social, and environmental aspects.

FINANCIAL REPORT

Policy and Business Overview

1. Policy and Business Overview

Business Overview and Development

Sermsuk Public Company Limited was established to operate the beverage business by a group of 7 founders who tendered an application to register the company with start-up capital of eight million baht. The Company was opened on April 18, 1952 with the "Pepsi" beverage product, which was first produced at Silom Plant and available in the 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 action taken by the Company in relation to the Agreements between the Company and PepsiCo (including the termination of agreements). In July 2011, the Company received a letter from Pepsi-Cola (Thai) Trading Company Limited, Seven-Up Nederland, B.V. (collectively referred to as "**PepsiCo Group**") and SS National Logistics Company Limited ("**SSN**") informing the Company that PepsiCo Group and SSN (collectively referred to as the "**Major Shareholders Group**") executed an Agreement to Sell and Purchase Shares in the Company. With regards to the EBA, if the PepsiCo Group sold the shares to SSN and/or an SSN investor, there was a condition prescribing that the Company and Pepsi 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 effectiveness 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. Since the termination of the EBA on November 1, 2012, the Company has been the producer and distributor of the products under the "est" trademark.

On December 23, 2014 Great Brand Limited, a direct wholly-owned subsidiary, completed the sale of "est" trademark to Super Brands Company Pte Ltd. that is ThaiBev's indirect wholly-owned subsidiary. The earning will be spending on strengthening existing business operations such as manufacturing and distrubution which is the forte of the Company. Besides, ThaiBev Group will be giving its full support to promote the "est" trademark both locally and regionally.

On December 28, 2015, Thai Beverage Logistics Company Limited sold the Company's common shares a totaling 171,923,138 shares or representing 64.66% of total paid-up capital to So Water Company Limited, which is indirect subsidiary of the group of Thai Beverage PLC that holds 100% of the total share in such company. The change is only for internal shareholding restructuring purposes of major shareholder and there is no impact on the Company's management policies and operations.

Currently, the Company operates under its future business plan utilizing a variety of resources and assets as well as its strong product distribution and delivery network to enhance steady and sustainable growth.

Policy and Business Overview

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

Vision

Sermsuk Public Company Limited has its new corporate vision to be Thailand's **'Quality Products Producer and Distributor'**

Mission

The Company's mission is "To Fulfill Happiness" with high quality food and beverage products for Thai consumers in order to enhance the stability and sustainability in its business growth.

Business Objectives and Plan

The Extraordinary General Meeting of Shareholders No.1/2011 held on February 15, 2011 approved that the Company proceed with the future business plan, which was later amended by the resolution of the 2011 Annual General Meeting of Shareholders held on April 29, 2011 and the Extraordinary General Meeting of Shareholders No 2/2011 held on August 26, 2011. The summary of the Company's future business plan is as follows:

The Company's Business Plan with a Focus on Four Business Pillars

1st Business Pillar: To expand the non-carbonated beverage market, by introducing new products under the Company's trademark to the market, or acquiring a business which has recognized products or trademarks in the market, or retaining or applying for a license, or acquiring the right to manufacture and distribute, or entering into agreements in any other form, for non-carbonated beverages under the trademark of another person. The Company may operate any other business as long as this will not have any conflict with or be inconsistent with the future business plan, including the use of the Company's assets or the operations of any other business under the capacity of the Company, as deemed appropriate by the Board of Directors.

2nd Business Pillar: To increase investment in the production line of Crystal Drinking Water in order to respond to increase in demand.

3rd Business Pillar: To be a distributor of other products apart from beverage products.

4th Business Pillar: To be a manufacturer of carbonated beverages under any other trademark.

Since the termination of the EBA on November 1, 2012, the Company has been the producer and distributor of the products under the "est" trademark.

Business Objectives

The Company sets the following business objectives:

Volume and Market Share Growth Target

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

Profit Maximization Target

In addition to sales growth, which results in profit increase, the Company also emphasizes in efficiency and cost control. Key Performance Indicators (KPIs) have been set for each business unit as the assessment 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 not less than 40% of the consolidated net profit for each accounting period after deducting the legal reserve and accumulated losses (if any) 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 providing 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, Sermsuk 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 doubled to Baht 30 million; Baht 100 per share
1969	The registered capital grew to Baht 45 million; Baht 100 per share
1986	The registered capital of Baht 105 million; Baht 100 per share
1991	The par value was changed from Baht 100 per share to Baht 10 per share
1994	Sermsuk became a listed company with a registered capital of Baht 260 million
1997	The registered capital of Baht 265 million; Baht 10 per share
2001	With Baht 542,340 in lower registered capital (54,234 shares), the Company's registered capital was Baht 264,457,660 (26,445,766 shares). Later the Company's capital increased by Baht 3.5 million to Baht 267,957,660 (26,795,766 shares)
2003	The par value of the Company's ordinary shares was changed from Baht 10 per share to Baht 1 per share.
2009	The value of the Company's registered capital was Baht 2,057,176 million lower to reach Baht 265,900,484 (265,900,484 shares).

Policy and Business Overview

Business Expansion

1952	The Company's Silom Plant started operations
1967	The Sermsuk 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 facility
1969	The Nakhon Ratchasima Plant was opened on a 31 rai, 1 ngan and 69 square wah site while theland 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
1993	Began the production of drinking water under the "Crystal" brand
1995	Provide 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.
1997	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 Sermsuk YHS Beverage Co., Ltd. (Currently known as Sermsuk Beverage Co., Ltd.)
2002	The Chon Buri Plant was opened on a 42 rai, 3 ngan and 72 square wah site
2002	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 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 and Tropicana Twister.
	Started the production and distribution of "est" products on November 2, 2012
	Sermsuk 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 flavours.
	Added 1L 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 "non-returnable 250-ml glass bottle". Started manufacturing and distributing sugar-free "est free"

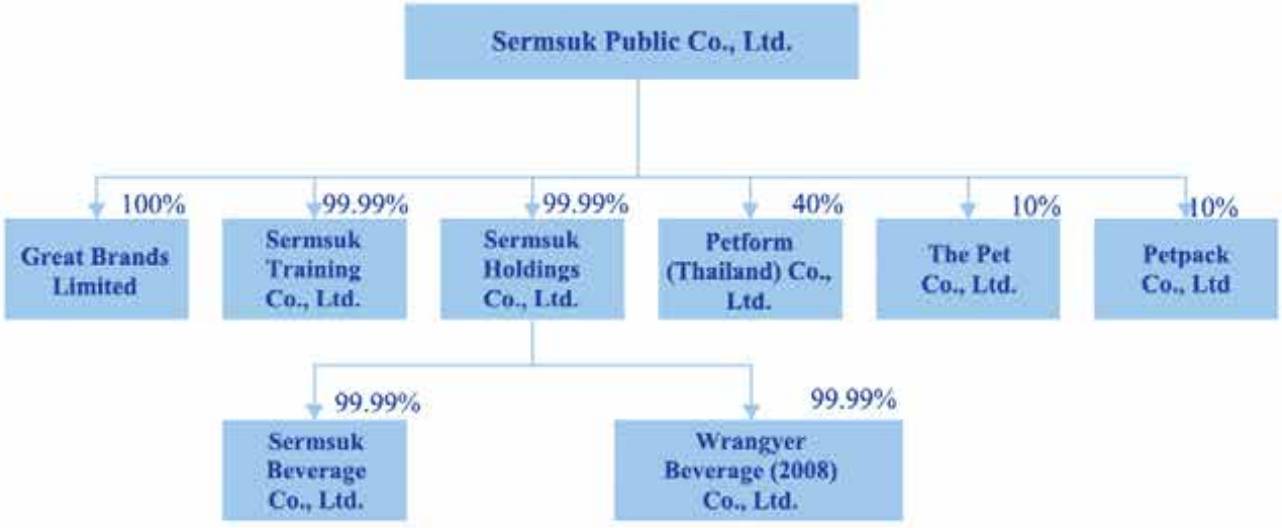
	The sale transaction of "est" brand and trademark to Super Brands Company Pte. Ltd., On 23 December 2015
2015	"Est" adds "Lychee Pear" flavor to its portfolio, in a 325-ml. sleek can and a 490 ml. PET bottle and later 1.6 litter PET bottle in January. Furthermore, there are 2 new products launch which are 100 Plus and Jubjai in February and March, respectively.
	Ranger has been exported to the Malaysian market in July.
	The Company starts distribution Soda Chang in September
	Oishi green tea adds new flavors ranging from 1) Oishi Green Tea Watermelon-flavored in 380-ml. PET bottle, 2) Oishi Chakuza Sparkling Green Tea Honey Lemon Flavoured, 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 of 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 was introduced under the "est Korean Orange Cola" campaign.
	For Oishi beverage, Oishi in January launched a new fruit tea product from Japan called Oishi-Kyoho-Grape with soft chewy jelly in a 380-ml PET bottle. The agreements of the Company's subsidiary to produce and distribute Gatorade and Lipton in PET bottle and can came to an end.

1.3 The Company's Shareholding Structure

Sermsuk Public Company Limited's major shareholders are So Water Co., Ltd. and SS National Logistics Co., Ltd.

The Company has an indirect subsidiary company, Sermsuk Beverage Co., Ltd., which manufactures and co-packs Lipton Ice Tea, and sells directly to the Company or through Pepsi-Cola (Thai) Trading Co., Ltd., who sells the products to the Company for distribution. Currently, 99.99 percent of Sermsuk Beverage Co., Ltd., shares are held by Sermsuk Holdings Co., Ltd., a direct subsidiary company established on November 23, 2006 with the main objectives are to hold shares and manage the investments in Sermsuk subsidiaries.

The Company holds 40 percent of the shares in Petform (Thailand) Co., Ltd., a manufacturer and distributor of PET polymers in order to produce PET bottles, and plastic closures. Additionally, Sermsuk Holdings Co., Ltd., (direct subsidiary), acquired Wrangyer Beverage (2008) Co., Ltd. to produce and sell "Wrangyer" energy drink, "Power Plus" sports drink and others for Sermsuk's distribution.



Details of Businesses in which the Company holds shares of 10% or more

Sermsuk Holdings Co., Ltd. (Direct Subsidiary)
Location of Head Office: 252/35-36,Muang Thai-Phatra Complex, 27-28th Floor, Rachadaphisek Road, Huay Kwang Sub-District, Huay Kwang District, Bangkok 10310
Telephone: 0-2693-2255 – 65
Fax: 0-2693-2266
Main Business: Share holdings and investment management

Number and Type of Issued Capital		Number of shares owned by the Company	
Ordinary Shares	Par Value	Number of Shares	%
60,000,000	Baht 10	59,999,998	99.99

Sermsuk Training Co., Ltd. (Direct Subsidiary)

Location of Head Office: 252/35-36,Muang Thai-Phatra Complex, 27-28th Floor, Rachadaphisek Road, Huay Kwang Sub-District, Huay Kwang District, Bangkok 10310
Telephone: 0-2693-2255-65
Fax: 0-2693-2266
Main Business: Human resource development

Number and Type of Issued Capital		Number of shares owned by the Company	
Ordinary Shares	Par Value	Number of Shares	%
1,000,000	Baht 10	999,980	99.99

Great Brands Limited (Direct Subsidiary)

Location of Head Office: Room 90-12, Silvercord, Tower 1, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong
Telephone: 852 2375 6648
Fax: 852 2375 6188
Main Business: Brand management

Number and Type of Issued Capital		Number of shares owned by the Company	
Ordinary Shares	Par Value	Ordinary Shares	%
1,000,000	HKD 1	1,000,000	100

Petform (Thailand) Co., Ltd.

Location of Head Office: 85 Moo 11, Bangnga-Thaklong Road, Khaosamorkorn, Tahwung, Lopburi 15180
Telephone: 0-3648-9116-7
Fax: 0-3648-9115
Main Business: Manufacture and distribution of plastic containers and PET polymers

Number and Type of Issued Capital		Number of shares owned by the Company	
Ordinary Shares	Par Value	Number of Shares	%
7,500,000	Baht 10	3,000,000	40

The Pet Co., Ltd.

Location of Head Office: 23/4, Moo 2, Baan Chang, Muang Pathumthani, Pathumthani 12000
Telephone: 0-2581-7950-2, 0-2581-6386
Fax: 0-2581-5618
Main Business: Manufacture and distribution of plastic and PET bottles

Number and Type of Issued Capital		Number of shares owned by the Company	
Ordinary Shares	Par Value	Ordinary Shares	%
700,000	Baht 100	70,000	10

Petpack Co., Ltd.
Location of Head Office: 170/87, Ocean Tower Building 1, 32nd Floor, New Rachadapisek Road, Klongtoey, Bangkok 10110
Telephone: 0-2261-2357
Main Business: Manufacture and distribution of plastic and PET bottles

Number and Type of Issued Capital		Number of shares owned by the Company	
Ordinary Shares	Par Value	Ordinary Shares	%
1,400,000	Baht 100	140,000	10

Businesses in which Sermsuk Holdings Co., Ltd., holds shares of 10% or more

Sermsuk Beverage Co., Ltd. (Indirect Subsidiary)
Location of Head Office: 252/35-36,Muang Thai-Phatra Complex, 27-28th Floor, Rachadaphisek Road, Huay Kwang Sub-District, Huay Kwang District, Bangkok 10310
Telephone: 0-2693-2255-65
Fax: 0-2693-2266
Main Business: Manufacture and distribution of beverages

Number and Type of Issued Capital		Number of shares owned by the Company	
Ordinary Shares	Par Value	Ordinary Shares	%
68,958,615	Baht 10	68,958,613	99.99

Wrangyer Beverage (2008) Co., Ltd. (Indirect Subsidiary)
Location of Head Office: 252/35-36,Muang Thai-Phatra Complex, 27-28th Floor, Rachadaphisek Road, Huay Kwang Sub-District, Huay Kwang District, Bangkok 10310
Telephone: 0-2693-2255-65
Fax: 0-2693-2266
Main Business: Manufacture and distribution of energy drinks

Number and Type of Issued Capital		Number of shares owned by the Company	
Ordinary Shares	Par Value	Ordinary Shares	%
20,000,000	Baht 10	19,999,980	99.99

1.4 Related parties of the Company and its subsidiaries

The related parties of the Company and its subsidiaries are;

1. Petform (Thailand) Co., Ltd., (Sermsuk PCL owns a 40% stake)

Main Business: Manufacture and distribution of plastic containers and PET polymers

Relationship: The Company has reached deals with Petform for the following purchase volume of plastic perform and PET bottles.

- Plastic cap represented for 60% of total annual purchases that had a value of Baht 65 million;
- PET bottles represented for 35% of total annual purchases that had value a of Baht 488 million.

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

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

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 that had a value of 115 million Baht.

The purchasing approach: The Company has reviewed the price structure in comparison with market prices and purchases were made in volume and maintained at the mutually agreed prices for 6 - 12 months.

3. The Southeast Insurance Public Company Limited (With a stake owned by a subsidiary of TCC)

Main Business: A professional insurance service provider

Relationship: The Company has insured its assets and vehicles with the Southeast Insurance PCL

The purchasing approach: The Company has reviewed the price in comparison with several competitive offers. The Southeast Insurance is considered as an insurance service provider and the bidding will be held once annually.

4. Thai Drinks Company Limited (a direct subdiary of Thai Beverage Public Company Limited)

Main Business: Trading and to be representative company to import concentrate from oversea suppliers.

Relationship: The Company purchased for 100% of the total annual purchases of CSD concentrate in totaling Baht 804 million.

The purchasing approach: The Company has reviewed the price structure and compared to historical purchase price. Purchase condition is considered by mutual agreed volume and prices for 1 year.

5. Oishi Trading Co., Ltd. (Direct subsidiary company of Thai Beverage Public Company Limited)

Main Business: Operator of Japanese restaurants and manufacturer of Oishi Green Tea, Chakulza, Fruito, Kabusecha, and O Herb

Relationship: The Company is the manufacturer drinking water and the Company is the manufacturer and distributor Oishi green tea for returnable bottles and distributing Oishi green tea for non-returnable bottles.

The purchasing approach: The Company has reviewed the price structure and compared to historical purchase price. Purchase condition is considered by mutual agreed volume and prices for 1 year.

6. ***Modern Trade Management Co., Ltd. (Direct subsidiary company of Thai Beverage Public Company Limited)***

Main Business: Trading, wholesale-retail the alcoholic beverages, beer, soda water, and beverage products

Relationship: The Company sells the finished products to be distributed through modern trade channels

The purchasing approach: The Company has reviewed the price structure and compared to historical purchase price. Purchase condition is considered by mutual agreed volume and prices for 1 year.

7. ***Piromsurang Co., Ltd. (Direct subsidiary company of Thai Beverage Public Company Limited,***

Main Business: Distributor of beer, liquor products, and non-alcoholic beverages

Relationship: The Company has appointed Piromsurang Co., Ltd. as the distributor of all the Company's products.

The purchasing approach: The Company has reviewed the price structure and compared to historical purchase price. Purchase condition is considered by mutual agreed volume and prices for 1 year.

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

Main Business: Manufacturer of beer, drinking water and soda water

Relationship: The Company has hired Beer Thip Brewery (1991) Co., Ltd. to produce drinking water products

The purchasing approach: The Company has reviewed the price structure and compared to historical purchase price. Purchase condition is considered by mutual agreed volume and prices for 1 year.

2. Business Operations

Revenue Structure

Unit: Million Baht

Type of Revenues	2016		2015		2014	
	Revenue	%	Revenue	%	Revenue	%
Revenue from carbonated soft drinks	3,388	41.84%	4,208	40.02%	4,671	44.98%
Revenue from non-carbonated drinks	4,709	58.16%	6,307	59.98%	5,714	55.02%
Total	8,097	100.00%	10,515	100.00%	10,385	100.00%

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 and soda water under the "Crystal" trademark
2. **Manufacturer and distributor of non-carbonated beverages**

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

   Ready-to-drink black tea in returnable bottles: lemon flavor under the "Lipton" trademark

   Energy drinks under the "Wrangyer" trademark

   Sport drinks under the "PowerPlus" trademark
3. **Food and beverage distributor**

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

   Soda water under the "Chang" trademark

   Soda water under the "Rock Mountain" trademark

   Herbal drink under the "Jubjai" trademark
4. **Manufacturer and distributor of carbonated beverages**

   Carbonated soft drinks under the "est" trademark

   Functioned carbonated soft drinks under the "100 Plus" trademark

2.2 Marketing and Competition

(A) Competition and distribution policies

Target group

The Company strives to penetrate the consumer food and beverage segment with over 200,000 eateries and retail stores nationwide. The Company operates on four business pillars including

1) Expanding in the drinking water market under the Crystal brand;
2) Expanding its line of non-carbonated drinks with Oishi Green Tea in returnable bottles; Lipton tea in glass bottles, Wrangyer energy drinks and Power Plus sport drinks
3) Distributing both food and beverage products; and
4) Manufacturing and distributing carbonated soft drink products under the "est" brand and "100 Plus" brand.

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 1,000 trucks.

(B) Marketing and Competition

Overview of carbonated soft drink market

The production and distribution of soft drinks is a major industry requiring modern machinery for production and quality control, and large numbers of personnel for transport and delivery of products to customers. The business is important in supporting businesses throughout an extensive value chain including those that produce sugar, glass bottles, plastic bottles, plastic cases and bottle caps. Competition is a year-round factor in the carbonated soft drinks industry, but growth in this product category is not as high as other beverages due to new entrants in the market and changes in consumer behavior in favor of drinking water, fruit juices, mineral water and milk products. These products are now competing directly with carbonated soft drinks.

The keys to success in the soft drinks industry are the ability to offer products manufactured to high-quality standards, providing good service and rapid responsiveness to consumer demands. Opportunity in the beverages industry depends on increases in distribution channels and expansion in the business of established customers, such as large wholesale and retail outlets, supermarkets, convenience stores and quick serve food outlets. Ultimately, the growth rate in the industry is largely determined by the economic fundamentals of the country in which the industry operates.

The prospects for the growth and development of an individual soft drink enterprise are impacted by its ability to execute marketing activities, including advertising, sales promotions, packaging design and the introduction of new flavors/variants that attract consumers. All of these efforts can contribute to the expansion of the business.

The carbonated soft drink competition is very intense particularly in terms of pricing with the selling focus on more volume at lower prices.

Business Operations

Overview and Market Competition

"est" Carbonated Drink

Throughout 2016, est has rolled out ongoing marketing campaigns and sales promotions. For example, the Company launched a new campaign called "est Cheer Sood Seed Tong Seat Tid Khob" to expand its customer base and "Dueng Nadech Chuen Long Duem-Kayai Than Talad" with a budget of 160 million baht were designed to persuade consumers to drink est with the chance to watch world-class soccer teams in action in France. The popular actor also travelled on tour to visit his fans in many provinces. Moreover, the Company implemented the "est Dern Na Choo Konlayuth Happening" communication strategy, tapping the popular phenomenon of the Thai women's volleyball team. Under a new marketing campaign called "Cheer Thai Sood", the volleyball players visited schools in several provinces to inspire the students through the "est Cheer Thai Sood" activity to increase brand awareness among the youths. The campaign also included exchanging crown redemption to promote trade loyalty. Added to this was the "Zaa Seed Sood Kua" campaign dedicated to inspiring teenagers to enjoy life to the fullest, anywhere any time. The campaign focused on three different areas to win the hearts of Thai teens including appointing the hottest boy band GOT 7 as the new brand ambassadors, launching new limited-edition packaging featuring GOT 7 members, and offering a unique consumer experience with est Korean Orange Cola, an innovative flavor that perfectly blends the cool fizz of est Cola with a refreshing hint of Korean-style orange flavor.

"Crystal" Drinking Water

The success factors of Crystal drinking water are product quality, efficient distribution, excellent customer service and engaging marketing activities. These factors are critical in the drinking water market, where a plethora of producers compete with no price differentiation. There continues to be a profusion of new brands in the market and this has a significant impact on sales of drinking water. Despite strong competition in the drinking water business, sales of Crystal drinking water continued to show very strong growth.

The success of Crystal is attributed to its high quality, including certification from NSF International, an international audit agency that inspects and certifies quality standards of bottled drinking waters. Crystal is the first bottled drinking water in Thailand to have received this certification. Additionally, Crystal received the FDA Quality Award for three consecutive years (2011 - 2013).

In 2016, the Company carried out numerous marketing campaigns and sales promotions. Early in the year, the "Nam Duem Mai Dai Muen Kun Mod" campaign featuring Naphat (Nai) Siangsomboon, Crystal's first brand ambassador, was kicked off to encourage the next generation of consumers to choose Crystal when they are looking for drinking water. Crystal's reaffirm it's strong position as the first drinking water to be granted certification from NSF International and the FDA Quality Award for three consecutive years. The campaign was complemented by a new TV commercial entitled "Speech" and digital to encourage a healthy lifestyle among the online community. The Company later introduced the "Crystal Everywhere" campaign with two strategies to become Thailand's No.1 drinking water brand by expanding production to meet the growing demand for Crystal nationwide together with making Crystal as part of Thai consumer lifestyle. Furthermore, Crystal strived to expand its production base across the country with the aim to become a market leader of the drinking water. To start with a new production line was opened in Khonkaen to serve the needs of consumers for high quality drinking water for refreshment. This endeavor strengthened the distribution network, increased sales in the northeastern region, and boosted overall market share, enabling Crystal to become Thailand's No.1 drinking water brand and drive the growth of the non-alcohol beverage business to achieve Thai Beverage's Vision of 2020.

"Oishi" Green Tea

The Company has maintained and deepened its ongoing relationship with Oishi Trading Co., Ltd., by winning the right to bottle as well as distribute Oishi Green Tea in returnable bottles in addition to its previous role as distributor for Oishi green tea products in the traditional trade channel. In the face of increasing competition, Oishi has enjoyed ongoing sales growth every year.

In 2016, Oishi, the market leader in the green tea, launched a campaign to welcome the summer under the name "Ra Hat Oishi, Kong Tub Maew Neko Thong Kum". Consumers had the chance to win four grand prizes of a gold Neko cat worth 10 million baht each, and 300 prizes as 100,000 baht each with a total value of 70 million baht. Meanwhile, Oishi's new presenter, the hottest actor Put Puttichai Kasetsin led Neko cat army in bringing lucky to nationwide consumers. As part of the campaign, Oishi was the first brand to introduce a revolutionary channel to send a lucky code underneath every cap via the popular Line application and via voice through Oishi mobile application to provide a "saduak kwa-ruew kwa-ngai kwa" to match today's digital lifestyle.

"Ranger" Energy Drink

Following its acquisition of Wrangyer Beverage (2008) Co., Ltd. in 2012, the Company launched a new 150ml size of Ranger energy drink in the first quarter of 2013. As a new entry in a highly competitive market segment which features a number of strong players, Ranger has received a positive consumer response.

In 2016, Ranger, the energy drink for the next generation, rolled out a new promotion campaign named "Duem Ranger Choke Rang Feaw" and win cool prize, giving 40 Honda All New Zoomer-X motorcycles worth a total of 2 million baht. The campaign was well-received by consumers.

2.3 Products and Services Sourcing

Sources of key materials are as follows:

- Concentrates for est Cola, Orange, Cream Soda, Strawberry, Lemon Lime, and Korean Orange Cola are sourced from Thai Drinks Co, Ltd, related company which is the representative to import the finished concentrates from overseas supplier
- Concentrates for 100Plus are sourced from Thai Drinks Co, Ltd, related company who is representative to import the finished concentrates from overseas supplier.
- Concentrates for Wrangyer energy drink are sourced from local distributors imported from outside Thailand
- Concentrates for Lipton are sourced from Pepsi-Cola (Thai) Trading Co., Ltd., an importer
- Concentrates for Oishi Green Tea in returnable bottles are sourced directly from Oishi Group Pcl., a local producer
- Concentrates for Gatorade are sourced from Pepsi-Cola (Thai) Trading Co., Ltd., an importer
- Distributed goods such as Oishi Green Tea are sourced directly from the manufacturers and product owners
- Other materials and packaging for production such as liquid sugar, high fructose, glass bottles, PET bottles, aluminum cans, crown seals, screw caps, CO_2, chemical product, plastic cases, and paper trays are sourced from local distributors.

With the exception of concentrates that are supplied by the brand owners, the Company sources other raw materials and packing materials from 3-4 suppliers in order to ensure continual supply of raw materials and packing materials at reasonable prices.

The Company operates five manufacturing facilities which are:

1) **The Pathumthani Plant:** Located at No. 63, Moo 3, Bangkhayaeng Subdistrict, Muang District, Pathum Thani;
2) **The Nakhon Ratchasima Plant:** Located at No. 211, Moo 4, Pruyai Subdistrict, Muang District, Nakhon Ratchasima;

3) **The Nakhon Sawan Plant:** Located at No. 72, Soi Wat Chomkhiri Nakprot, Nakhon Sawan Aok Subdistrict, Muang District, Nakhon Sawan;

4) **The Surat Thani Plant:** Located at No. 111, Moo 5, Ta Rong Chang Subdistrict, Punpin District, Surat Thani;

5) **The Chonburi Plant:** Located at No. 700/369, Moo 6, Nong Mai Daeng Subdistrict, Muang District, Chon Buri

In addition to the five plants, the Company has two subsidiaries with manufacturing facilities, which are Sermsuk Beverage Co., Ltd., located in the Amata City Industrial Estate at No. 700/368, Moo 6, Nongmaidaeng Sub-district, Muang District, Chonburi and 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 directly or indirectly 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.

3.1.1 Prices and sufficiency of ingredients and packaging

Liquid sugar: Liquid sugar is one of the main ingredients of the Company's products. In previous year, the liquid sugar selling price has not been adjusted to be higher than the rate specified by the government. The liquid sugar volume produced continued to be enough to serve domestic consumption requirements but there might be risk in climatic changes that would affect the sufficiency in sugar available for production. The Company has committed with its suppliers for the volume of sugar required for production to ensure access to enough liquid sugar to reach the Company's annual sales target.

PET Bottle: Given the growing use of non-returnable products, including beverages in PET bottles, the price of PET has been another major cost of the Company. Last year, the price for bottles was lower due to the steadily decrease of oil prices in the global market. Moreover, the Company has co-developed the bottles to be lighter which reduced resin use and this has helped lower the price of bottles.

Aluminum Can: The prices and volumes of aluminum cans were negotiated with the suppliers in advance throughout the year. Over the past year, aluminum prices fluctuated within small ranges. The Company can manage to lock the purchase price at lower prices compared to the previous year, to decrease the packaging costs.

In addition to the aforementioned sugar and PET, other material prices, such as metal crown caps and cans vary in accordance with the prices of steel and aluminum sheets. However, the purchasing strategy has been changed and now involves establishing a pricing structure based on high volume which subsequently lowers prices.

3.1.2 Wages:

The wage expense is another key factor that the Company has to constantly keep track especially during the uncertain and unfavorable marketing and sales situations with highly intense competition and competitive market share. The shortage of labor in some areas, especially industrial estates or nearby communities was another problem. Personnel development and operating adjustments have

been used to increase the Company's operating efficiency. Automation was leveraged to replace human labor and workers were employed in some necessary areas as well as taking all possible measures to control and reduce the costs relating to labor.

3.1.3 Excise tax rate:

The excise tax rate is a major external cost and is regulated by the Government. Any adjustment of the tax rate and basis of calculation can be a significant risk factor. A team was assigned to deal with the relevant government agencies and provide them with necessary information.

Last year, the government was considering the imposition of an additional excise tax on sugar, the Company to closely monitor its potential impact on future business.

3.1.4 Petro price:

Fuel is a major cost of product distribution. The need of fuel under the global market coupled with effective management enabled the Company to significantly reduce transportation costs over the past year.

Fuel was directly purchased from more than one main manufacturer and measures to control diesel usage were executed together with GPS system to control the speed and fuel use of all trucks to prepare for future legislation that will be enforced.

Alternative energy was leveraged under close supervision by an assigned team to reseach for the mearue of fuel use reduction.

3.1.5 Consumer behavior:

As the consumers have focusd more on healthy and subsequent changes in consumer behavior toward non-carbonated beverages, juice, and functional drinks, the Company has adopted a new business approach, positioning itself as Thailand's leading manufacturer and distributor of a full range of beverages and food. Sermsuk commits itself to driving the Company's sustainable growth by expanding the distribution network to cover all areas of nationwide, increasing sales and market share, and push the main brand to be a leading brand that wins all hearts of Thai consumers. Concurrently, the Company aims to strengthen the growth of healthy drink products. In addition, the Company has play an important role to introduce several new products with the goal to increase the sales of this product range from 56% to 70% by year 2020.

3.1.6 Change of government policies

Potential changes in the government's policies regarding tax collection, price controls, business laws and industrial regulations also lead to uncertainty and risks to the Company's operating and investment decisions.

To reduce the impact, the Company has emphasized on cost reduction and expense control, revisiting and improving working procedures to generate greater efficiency and productivity in all working units.

3.2 Production Risks:

The beverage industry requires high investment in its plants and machinery. The sharp increase in demand for Crystal drinking water has led to the need to invest in additional drinking water lines in 2016. Moreover, the Company has attempt to reduce costs in production and distribution by collaborating with Oishi Plc. and the subsidiaries of ThaiBev for manufacturing Crystal drinking water at our factories.

The Company also built the flood prevention for the Company's three major plants affected from the 2011 flooding to protect their production lines and ensure that the Company can continue the production in case the flooding shall occure in the future.

3.2.1 Risk of New Product Launch

As the Company realized the risk of new product launch, the Company has prepared four dimensions of risk prevention including people, machinery, raw materials, and quality control production system. In the past year, the new product launch were well received by consumers with the impressive sales.

3.3 Management and Administration Risks

The distribution of soft drinks and carbonated beverages still relies heavily on direct sales to customers, requiring the ability to provide fast and reliable service and high returns. To operate the business, the Company closely followed the movement of its competitors and adapted itself to changes in the market by maintaining an effective distribution network and qualified personnel. To retain and motivate good employees is another challenge for the Company.

In addition, the succeed of the Company shall maintain a clear operational plan and correct information to be used as management tools for decision-making. The Company has continued to invest in IT systems and staff training programs to maximize working efficiency to meet the Company's requirements and respond to the changes in the market competition.

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 every six months. In a situation of economic downturn or financial crisis, which will adversely affect the economy, the Company will be more cautious before extending credit and more stringent in following-up on debt collection.

3.4.2 Stability of the Baht and Foreign Exchange Risk:

Currency fluctuations have a certain impact on the Company's operating costs. However, the Company still has foreign currency transaction. The major risk of foreign exchange is limited to the imports of new machines, equipment, and spare parts which already proected such risk. Moreover, most raw materials and packaging are sourced from local.

3.4.3 Interest Rate Risk:

During 2016, the Company had no short term loans. However, the interest rate may be a risk factor which the Company shall consider and evaluate to minimize the costs of funding before making any investment decisions.

3.5 Risks that affect shareholders' rights or investment

3.5.1 Risk for the company that is more than 50% owned by a major shareholder

For the nine-month period ending September 30, 2016, So Water Co., Ltd. held 171,923,138 the Company's shares representing 64.66% of total outstanding shares. Consequently, the majority shareholder has the voting rights and general power in management. Therefore, So Water Co., Ltd. has almost total control of the resolutions at each meeting.

3.5.2 Risk for ther shareholders' investment

- None -

3.6 Other risks:

In addition to the aforementioned factors, there may be additional potential factors such as local political crises, environmental regulations or other matters that may have a negative impact on the Company's business.

4. Basic Information

Location of Head Office:	252/35-36,Muang Thai-Phatra Complex, 27-28th Floor, Rachadaphisek Road, Huay Kwang Sub-District, Huay Kwang District, Bangkok 10310
Registration Number:	0107537001650 (previously Bor. Mor. Jor. 412)
Telephone:	0-2693-2255 - 65
Fax:	0-2693-2266
Paid-Up Capital:	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) Proxy for Debenture Holder:	-None-
C) Auditors:	Miss Nittaya Chetchotiros, Certified Public Accountant No.4439 or Ms.Sureerat Thongarunsang, Certified Public Accountant No. 4409 or Mr. Eakasit Choothamsathit, Certified Public Accountant No. 4195 or Miss Napaporn Sathitthammaporn, Certified Public Accountant No.7494 KPMG Phoomchai Audit Limited Empire Tower, 50th Floor, 1 South Sathorn Road, Bangkok 10120 Telephone: 0-2677-2000 Fax: 0-2677-2222
D) Legal Consultant:	Weerawong, Chinnavat & Peangpanor Ltd. 22nd Floor, 540 Mercury Tower, Ploenchit Road, Lumphini, Bangkok 10330 Telephone: 0-2264-8000 Fax: 0-2657-2222
E) Consultant or Manager under Management Contract:	-None-

F) Investors Relations: Please contact Finance Department
252/35-36,Muang Thai-Phatra Complex,
27th -28th Floor, Rachadaphisek Road, Huay Kwang Sub-District, Huay Kwang District, Bangkok 10310
Telephone: 0-2693-2255 ext. 219
E-mail: ir@sermsukplc.com

5. Shareholders

5.1 Authorized and Paid-up share capital

Share capital – ordinary shares

For the nine-month period ending September 30, 2016, 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 with 265,900,484 ordinary shares valued at Baht 1 per share.

5.2 Shareholders

Major Shareholders:

As of the close of the Share Register Book on December 1, 2016 for invitation to the 2017 Annual General Meeting of shareholders:

Name	Number of Shares	% of Total Shares
1. So Water Co., Ltd.	171,923,138	64.66 %
2. SS National Logistics Co., Ltd.	56,199,807	21.13 %
3. DBS BANK LTD	12,500,000	4.70 %
4. UBS AG SINGAPORE BRANCH	10,801,220	4.06 %
5. UOB KAY HIAN (HONG KONG) LIMITED - Client Account	7,200,000	2.71 %
6. Mrs. Duangkaew Trakulpipat	576,500	0.22 %
7. Captain Narong Phatralaoha	508,300	0.19 %
8. Miss Nanthana Yaemmanas	298,300	0.11 %
9. SS Integration Co., Ltd.	214,900	0.08 %
10. Thanatip Co., Ltd.	187,500	0.07%

5.3 Issuance of other instruments

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

Dividend Pay-out Policy

6. Dividend Pay-out Policy

Dividend policy for Sermsuk Public Co., Ltd., and its subsidiaries:

- There will be no payment of dividends from funds other than profit.
- There will be no dividend payment if the Company carries accumulated losses.
- Dividends will be paid for each share equally.
- The Board of Directors may declare an interim dividend payment to the shareholders if the Company has sufficient profit for the payment and has 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 have appropriated dividends payment policy with payment rate not less than 40% of consolidated net profit in each fiscal year, after deduct for reseve fund required by law and deficit lost (if any). As to the purpose of dividends pay, it will be subject to cash flow, investment plan, terms and conditions in any agreements that bound the Company, including other necessary and appropriation in future.

7. Management Structure

7.1 The Board of Directors of the Company

The Board of Directors as at September 30, 2016 consisted of the following Directors:

Name	Position
Mr. Photipong Lamsam	Chairman and Independent Director
Mr. Suchin Wanglee	Vice Chairman No.1, Independent Director and Chairman of Compensation Committee and Member of Audit Committee
Mr. Chotiphat Bijananda	Vice Chairman No. 2, Member of Compensation Committee and Member of Nominating and Corporate Governance Committee
Mr. Thapana Sirivadhanabhakdi	Vice Chairman No.3, Vice Chairman of Executive Committee No.1, Chairman of Nominating and Corporate Governance Committee, Member of Compensation Committee and Member of Risk Management Committee
Mr. Somchai Bulsook	Director, Chairman of Executive Committee and CEO, Member of Nominating and Corporate Governance Committee and Member of Risk Management Committee
Mr. Dhitivute Bulsook	Director, Vice Chairman of Executive Committee No.3, and Member of Risk Management Committee
Prof. Dr. Khunying Suchada Kiranandana	Independent Director, Chairman of Audit Committee and Chairman of Risk Management Committee
Mr. Pramoad Phornprapha	Director
Prof. Rawat Chamchalerm	Independent Director
Mr. Sakchai Thanaboonchai	Director
Mr. Rangsan Thammaneewong	Director
Mr. Sithichai Chaikriangkrai	Director, Vice Chairman of Executive Committee No.2 and Member of Risk Management Committee
Mr. Marut Buranasetkul	Director and Executive Director
Mrs. Siripen Sitasuwan	Independent Director, Member of Audit Committee and Member of Risk Management Committee
Mr. Vivek Chhabra	Director, Member of Risk Management Committee, Executive Director and President

Management Structure

Names and Number of Authorized Directors

(1) Anyone out of the following five directors – Mr. Somchai Bulsook, Mr. Thapana Sirivadhanabhakdi, Mr. Dhitivute Bulsook and Mr. Sakchai Thanaboonchai and Mr. Vivek Chhabra, together with anyone out of the following four directors – Mr. Chotiphat Bijananda, Mr. Rangsan Thammaneewong, Mr. Sithichai Chaikriangkrai and Mr. Marut Buranasetkul may sign and affix the Company seal to legally bind the Company.

(2) Two out of the following nine directors – Mr. Somchai Bulsook, Mr. Thapana Sirivadhanabhakdi, Mr. Dhitivute Bulsook, Mr. Sakchai Thanaboonchai, Mr. Chotiphat Bijananda, Mr. Rangsan Thammaneewong, Mr. Sithichai Chaikriangkrai, Mr. Vivek Chhabra and Mr. Marut Buranasetkul, may sign and affix the Company seal to legally bind the Company in an application form for permits or for the tender of documents with Revenue Department; Customs Department; Business Development, Ministry of Commerce's Department; Office of Foreign Workers under Immigration Bureau; Department of Skill Development under Ministry of Industry; Ministry of Public Health and other related state agencies involved in tax payment report, import and export documentation, amendments to corporate registration, visa renewal, work permits and other business permits.

Executive Committee

The Company's executive committee as appointed on for the nine-month period ending September 30, 2016 is composed of the following members:

(1)	Mr. Somchai Bulsook	Chairman of Executive Committee
(2)	Mr. Thapana Sirivadhanabhakdi	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 Committe No.3
(5)	Mr. Marut Buranasetkul	Executive Director
(6)	Mr. Vivek Chhabra	Executive Director

Management Structure

Attendance of the Board of Directors' Meeting for the nine-month period ending September 30, 2016
The Board of Directors

Name	Positions	Number of theBoard of Directors' Meeting	Number of meeting attendances
Mr. Photipong Lamsam	Chairman and Independent Director	4	1
Mr. Suchin Wanglee	Vice Chairman No.1, Independent Director and Chairman of Compensation Committee and Member of Audit Committee	4	3
Mr. Chotiphat Bijananda	Vice Chairman No. 2, Member of Compensation Committee and Member of Nominating and Corporate Governance Committee	4	4
Mr. Thapana Sirivadhanabhakdi	Vice Chairman No.3, Vice Chairman of Executive Committee No.1, Chairman of Nominating and Corporate Governance Committee, Member of Compensation Committee and Member of Risk Management Committee	4	4
Mr. Somchai Bulsook	Director, Chairman of Executive Committee and CEO, Member of Nominating and Corporate Governance Committee and Member of Risk Management Committee	4	4
Mr. Dhitivute Bulsook	Director, Vice Chairman of Executive Committee No 3, Member of Risk Management Committee	4	3
Prof. Dr. Khunying Suchada Kiranandana	Independent Director, Chairman of Audit Committee and Chairman of Risk Management Committee	4	4
Mr. Pramoad Phornprapha	Director	4	3
Prof. Rawat Chamchalerm	Independent Director	4	4
Mr. Sakchai Thanaboonchai	Director	4	3
Mr. Rangsan Thammaneewong	Director	4	4
Mr. Sithichai Chaikriangkrai	Director, Vice Chairman of Executive Committee No.2 and Member of Risk Management Committee	4	4
Mr. Marut Buranasetkul	Director and Executive Director	4	4
Mrs. Siripen Sitasuwan	Independent Director, Member of Audit Committee and Member of Risk Management Committee	4	4
Mr. Vivek Chhabra	Director, Member of Risk Management Committee, Executive Director and President	4	4

The Non-Executive Directors' Meeting held on Monday, September 12, 2016 to be in line with the princiles of good corporate governance

7.2 The Company Executives

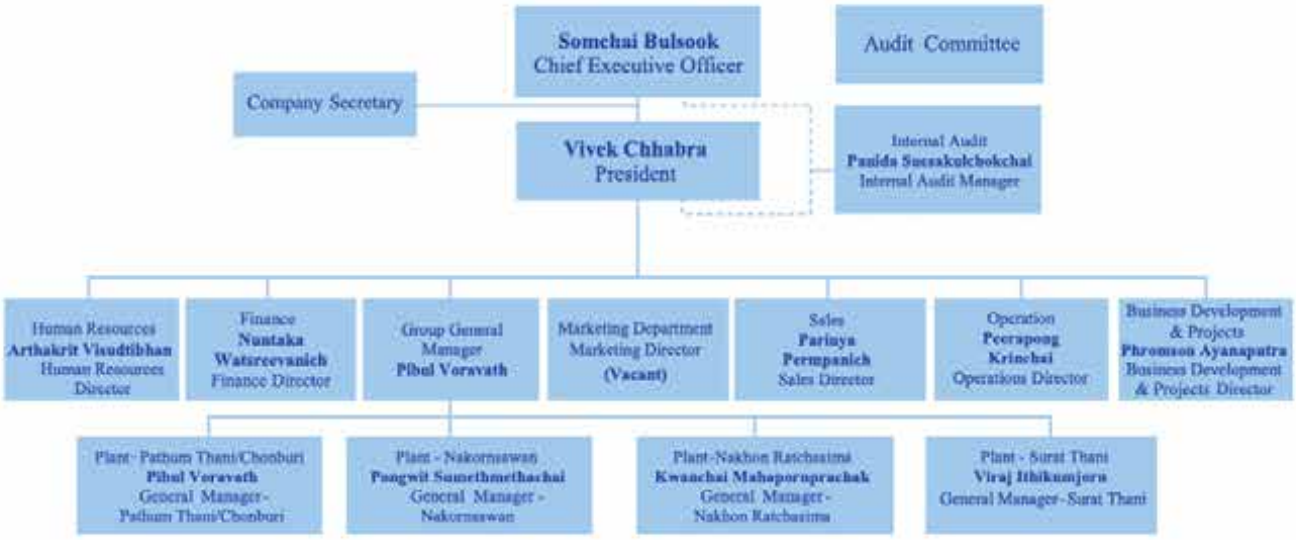
The disclosure of the names and positions of the Company's Executives

The 11 executives of the Company for the nine-month period ending September 30, 2016 are as follows:

Names	Positions
1.Mr. Somchai Bulsook	Chief Executive Officer
2. Mr. Vivek Chhabra	President
3. Ms. Nuntaka Watsreevanich*	Finance Director
4. Mr. Arthakrit Visudtibhan	Human Resources Director
5. Mr. Parinya Permpanich	Sales Director
6. Mr. Phromson Ayanaputra	Business Development & Projects Director
7. Mr. Peerapong Krinchai	Operations Director
8. Mr. Pibul Voravath	Group General Manager and General Manager - Pathumthani / Chonburi
9. Mr. Kwanchai Mahapornprachak	General Manager-Nakhon Ratchasima
10. Mr. Pongwit Sumethmethachai	General Manager-Nakhon Sawan
11. Mr. Viraj Ithikumjorn	General Manager-Surat Thani

Remark: **Appointed as Finance Director on May 1, 2016 to replace Ms.Tienthip Narach, who was appointed as Deputy CFO at Thai Beverage Public Company Limited*

Management Structure of Sermsuk Public Company Limited



7.3 The Company Secretary

The Board of Directors had appointed Ms. Pasucha Sinchai as the Company secretary effective on August 10, 2016. Please see the Information of the Company's Directors, Management and Company Secretary for the qualification of the Company secretary.

7.4 Fees and Remuneration

Director and Executive Remuneratiom

7.4.1 Fees and Remuneration in the form of cash

a) Director Remuneration

The director's remuneration include the annual fee, meeting allowances and director's bonus upon the approval by the shareholders' Meeting, as detailed under Item 10 of the 15 Principles of Good Governance.

Remuneration	2016		2015	
	No. of Executives	Total Amount (Baht)	No. of Executives	Total Amount (Baht)
Annual fee		2,640,000.00		3,383,560.00
Meeting Allowance		2,950,000.00		4,055,000.00
Director's bonus		-		-
Total	15	5,590,000.00	15	7,438,560.00

Management Structure

Details of Directors' remuneration paid in 2016 (For the nine-month period ending September 30, 2016)

Names	Positions	Remuneration (Baht)								
		Director Fee	Meeting Allowance	2015 Director Bonus	Audit Committee	Compensation Committee	Risk Management Committee	Nominating and Corporate Governance Committee	Executive Committee	Total
Mr. Pintipong Lamsam	Chairman and Independent Director	180,000	40,000	-	-	-	-	-	-	**220,000**
Mr. Somchai Bulsook	Director, Chairman of Executive Committee and CEO, Member of Nominating and Corporate Governance Committee and Member of Risk Management Committee	180,000	160,000	-	-	-	75,000	45,000	285,000	**745,000**
Mr. Suchin Wanglee	Vice Chairman No.1, Independent Director and Chairman of Compensation Committee and Member of Audit Committee	135,000	90,000	-	135000	85,000	-	-	-	**445,000**
Prof. Dr. Khunying Suchada Kiranandana	Independent Director, Chairman of Audit Committee and Chairman of Risk Management Committee	90,000	80,000	-	270,000	-	135,000	-	-	**575,000**
Mr. Dhitivute Bulsook	Director, Vice Chairman of Executive Committee No. 3, Member of Risk Management Committee	90,000	60,000	-	-	-	75,000	-	225,000	**450,000**
Mr. Pramoad Phornprapha	Director	90,000	60,000	-	-	-	-	-	-	**150,000**
Mr. Thapana Sirivadhanabhakdi	Vice Chairman No.3, Vice Chairman of Executive Committee No.1, Chairman of Nominating and Corporate Governance Committee, Member of Compensation Committee and Member of Risk Management Committee	135,000	120,000	-	-	45,000	60,000	85,000	145,000	**590,000**
Mr. Chotiphat Bijananda	Vice Chairman No.2, Member of Compensation Committee and Member of Nominating and Corporate Governance Committee	135,000	120,000	-	-	45,000	-	45,000	-	**345,000**
Mr. Sithichai Chaikriangkrai	Director, Vice Chairman of Executive Committee No.2 and Member of Risk Management Committee	90,000	80,000	-	-	-	75,000	-	225,000	**470,000**
Prof. Rawat Chamchalerm	Independent Director	90,000	80,000	-	-	-	-	-	-	**170,000**
Mr. Saikhai Thanaboonchai	Director	90,000	60,000	-	-	-	-	-	-	**150,000**
Mr. Rangsan Thamsaneewong	Director	90,000	80,000	-	-	-	-	-	-	**170,000**
Mr. Marut Buranasetkul	Director and Executive Director	90,000	80,000	-	-	-	-	-	150,000	**320,000**
Mrs. Siripen Sitasuwan	Independent Director ,Member of Audit Committee and Member of Risk Management Committee	90,000	80,000	-	135,000	-	75,000	-	-	**380,000**
Mr. Vivek Chhabra	Director, Member of Risk Management Committee, Executive Director and President	90,000	80,000	-	-	-	75,000	-	165,000	**410,000**
										5,590,000

b) Executive remuneration and compensation

Chief Executive Officer and other 10 executives' remuneration are as follows:

Remuneration	2016 (9 months)		2015 (12 months)	
	No. of Executives	Total Amount (Baht)	No. of Executives	No. of Executives
Salary		63,838,941.46		76,690,475.39
Remuneration/Bonus		14,963,951.15		22,511,056.64
Total	11	78,802,892.61	12	99,201,532.03

7.4.2 Other Compensation

Provident Fund

Remuneration	2016 (9 months)		2015 (12 months)	
	No. of Executives	Total Amount (Baht)		No. of Executives
Provident Fund		2,993,814.40		3,963,944.52
Total	11	2,993,814.40	12	3,963,944.52

7.5 Personnel

For the nine-month period ending September 30, 2016, Sermsuk Plc., had a total of 6,201 registered employees. The total employee cost paid by the Company last year was Baht 1,504 million. Numbers of personnel in each function were as follows:

- Production 981 persons
- General Administration 741 persons
- Fleet 199 persons
- Sales and Warehouses 4,280 persons

The Company had a contingent liability arising from a claim for compensation and unfair lay off of employees of Baht 14 million. The court case is pending judgment. However, the Company's fixed deposit of Baht 0.51 million has been pledged with the court.

In 2014, 45 employees who were laid off by the Company have filed lawsuits against the Company for unfair termination. The total amount of claim is approximately of Baht 46.99 million. Before filing the lawsuits, the employees requested the Pathumthani Provincial Labour Protection and Welfare Office to seek for additional compensation from the Company. The Pathumthani Provincial Labour Protection and Welfare Office informed that the Company has already complied with the Labour Protection Law. Currently, the Company won those cases on Civil Court. However, those employees submitted further to Appeal Court.

8. Corporate Governance

8.1 Policy on Corporate Governance

The Board of Directors Meeting has approved the Company's Corporate Governance Policy as follows:

The Board of Directors believes in the principles of good corporate governance and recognizes its importance in strengthening the trust of its shareholders, its stakeholders and the public at large, and increasing shareholder value. The Board of Directors is thus committed to compliance with corporate governance guidelines issued by the regulatory bodies that govern the operations of public companies, and to the implementation of such other standards that are appropriate to the proper conduct of the business of the Company.

8.2 The Sub-committees

The Company's Board of Directors consists of 15 members elected by the resolution of the Shareholders' meeting as mandated by the Company's Articles of Association. With extensive knowledge and experience in the business area, the Board of Directors defines the policies, vision, strategies, objectives and business trends for the Company and enables the Company's management to run the Company's business in an efficient manner in accordance with the Company's business objectives. The Board of Directors appoints the Chairman of the Board and the Chairman of Executive Committee & Chief Executive Officer and the President. The Chairman of Executive Committee & Chief Executive Officer is authorized to manage the Company's business under usual business norms and the direction from the Board of Directors.

A minimum of the Board of Directors' Meeting is required every quarter. However, in order to resolve any urgent issues, a special meeting may be called as necessary. For nine-month period ending September 30, 2016, there were a total of 4 meetings which each was beforehand dated and informed to each member of the committee throughout the year.

The Board of Directors appoints an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, an Executive Committee and a Risk Management Committee. The composition and responsibility of these committees are set out under Item 12 of the 15 Principles of Good Governance.

The Board of Directors exercises its managerial role through the review of management reports made at the Board of Directors meetings as to the Company's operations and performance, compared to the operating plan and performance of the previous year. Moreover, the Board's approval or ratification is required for the implementation of important policies and projects, for example, projects involving substantial investment, transactions with related parties, etc.

Additionally, The Board of Directors are required to do self-evaluation at least once a year in order to develop and improve their operations as The Board of Directors. As of the meeting of The Board of Directors 1/2016 that is held on February 24, 2016, it approves self assessment forms for The Board of Directors which demonstrate 3 type of appraisal ranging from 1) Self Assessment for the Board of Directors as a whole, 2) Self Assessment of Sub-Committee as a whole and 3) Self Assessment of the Board of Directors on an individual basis. These 3 self assessment forms are sent by the Company's secretary to all members of the Board of Directors to evaluate themselves. The demonstrating 3 types of appraisal that the company"s secretary earlier sent to every committee to self-evaluate towards their annual performance will be collected and concluded for the results that indicate the overall operations of The Board of Directors, each of group committee and each member of group committees, that will be later announced in the meeting of The Board of Directors.

Corporate Governance

The Board of Directors is committed to adhering to the Code of Best Practices for the Directors. Review and scrutiny of the Company's management has been carried out regularly and honestly to ensure compliance with laws, the Company's objectives and regulations, and the resolutions of the shareholders' meeting, with due care for the Company's benefits and responsibility to the shareholders. As required by the Securities Exchange Commission and Stock Exchange of Thailand that all listed companies disclose their compliance with the 15 Principles of Good Governance, the Company summarizes its compliance status as follows:

1. Policy on Corporate Governance

The Board of Directors Meeting has approved the Company's Corporate Governance Policy as follows:

The Board of Directors believes in the principles of good corporate governance and recognizes its importance in strengthening the trust of its shareholders, its stakeholders and the public at large, and increasing shareholder value. The Board of Directors is thus committed to compliance with corporate governance guidelines issued by the regulatory bodies that govern the operations of public companies, and to the implementation of such other standards that are appropriate to the proper conduct of the business of the Company.

2. Shareholders – Rights and Equitable Treatment

The Company encourages shareholders to exercise their legal rights, such as rights to receive their share of profits in the form of dividends, rights to freely transfer the Company's stock, rights to access the Company's news and information, rights to attend and vote in the shareholders' meetings.

To ensure shareholders' access to updated news and information, the Company announces its operating results and important information to the shareholders the Securities Exchange of Thailand and on the Company's website.

The Company has been committed to supporting shareholders and institutional investors and facilitating their participation in the shareholders meeting. As such the venue of the meeting will be chosen by the Company with a focus on its location being easily accessible to for the members.

For each shareholders' meeting, the Company will send shareholders an invitation letter at least fourteen days before the meeting, setting out the meeting agenda and including the supporting documents (via the Company Registrar), so as to provide Shareholders enough time to review the detailed information. The invitation letter and other Annual General Shareholders' Meeting materials will also be posted on the Company's website. The Company also publishes the Shareholder invitation letter in a daily newspaper, both Thai and English, 3 days before the meeting.

For the year 2017, the Annual General Meeting of Shareholders will be held on January 23, 2017.

3. Stakeholders' Rights

The Company recognizes the Stakeholders' rights and the protection of their interests in the Company as per the following policies:

Shareholders: The Company acknowledges the responsibility to increase the shareholders' benefit and provide sufficient information on the Company's operations and performance to all shareholders. With this objective, the business operations of the company have been conducted carefully and transparently in order to increase sales, profits and financial strength. The Company has also continuously improved its business processes to increase operating efficiency and cost control, which has resulted in better performance.

The Company commits to promote and facilitate shareholders including institutional investors to take part in the general meeting of shareholders. The Company will select a venue where it is easily accessible from mass transport system. Also, the Company will ask shareholders to submit their documents registrated days prior to the date of the meeting so that it won't take time for relevant document to get certified on the date of the meeting. At the venue of meeting, the Company will arrange a convenient registration procedure for general shareholders and institutional investors by means of obtimizing the barcode

decoder to registrating and voting with fastness and accuracy. The Company will also provide the stamp duty for some shareholders who are submitting a proxy.

Employees: Employees' ethics and disciplines in the operation of the business are strongly emphasized by the Company, as they result in a good reputation and image for both the Company and its employees. The Company provides a good working environment, equal opportunity and fair treatment to all employees, with no discrimination on the basis of sex, race or religion. Also, the Company provides a safe and clean workplace to promote staffs' well-being at work.

Customers: The Company realizes the importance of customers and consumers' rights to receive good quality products at a fair price, including product trial opportunities and the benefits from sales promotion campaigns. The Company has established an active system to receive customer complaints regarding products and services, providing quick responses and corrective actions

Suppliers, Business Partners, and Competitors:

The Company has a purchasing policy for suppliers to allow open bids, in order to ensure a fair deal based on good quality products and services at a reasonable price. The Company is committed to free trade and fair competition according to the law.

Community: The Company is highly cognizant of its social responsibility with activities contributing to the wellness of society, such as the Green Community Project for environmental protection and sustainability; occupational promotion and income generation for communities by providing support via the Company's channels of product distribution, as well as relief efforts for people in need and victims of natural disasters.

Environmental Protection:

The Company recognizes the importance of environmental protection and actively participates in environmental protection and energy saving programs to prevent air and water pollution and manage unused materials by using 'Clean Technology' and the 3Rs (Reduce, Reuse and Recycle) concept in all of its manufacturing and distribution procedures. The Company has operated under the 5 Sermsuk Green Dimensions which are water, packaging, energy, environment and human resources. The Company has broadened its environmental activation to the public by being a model of environmental conservation and protection for society and other enterprises, aiming to form a major force that drives environmental and social development in Thailand and allows the Company to grow alongside a good environment in sustainability.

4. Shareholders' Meeting

The Company allocates enough time at Shareholders' meetings for Shareholders to express their opinions and question the Chairman, Board Members, and Board Committees about the Company's operations.

5. Leadership and Vision of the Board of Directors

The members of the Board of Directors are qualified and experienced individuals who have vision, exercise independence in making important decisions, and set up policies and directions for the benefit of the Company and its shareholders.

6. Conflicts of Interest

The Company believes in the need for the independence of its directors and management, to prevent any conflict of interest, and to strictly comply with the direction and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand – especially, conflict of interest regarding connected persons from connected transactions or the conflict of interest of an employee from his area of

responsibility. The Company Code of Conduct for Directors provides that at a Board of Directors meeting, a director who has an interest in any item on the agenda is not permitted to attend the meeting during the discussion of that matter and is not entitled to vote.

7. Business Ethics

The Company commits to business ethics throughout its operations by cooperating with governmental agencies and ensuring compliance with laws and regulations. The Company provides the Code of Conduct for Directors and the Employee's Code of Conduct contain specific provisions in this respect with annual reviews and written acknowledgement by the Company's management and section head of functions.

The Company has set itself an obligation to clearly show transparency in the organization and respect for the law by implementing anti-corruption measures including support activities to encourage Directors and all employees to comply with legislation and relevant terms and conditions. The Company is obliged to not only prohibit the use of any fraudulent measures to make a profit, but also to reject any success resulting from any non-transparent or corrupt actions. Consequently, the company has introduced the following anti-corruption measures:

1. Risk Management: The effective process of identifying, quantifying and managing the risks that the company faces. In addition, the company is committed to acting professionally and consistently in accordance with anti-corruption measures.

2. Enhancing reliability by acting professionally to ensure bribery and corruption does not take place, and making a strong commitment to anti-corruption prevention policies.

3. Promoting standards, awareness, values and attitudes to employees to act fairly and with integrity.

4. Enhancing and maintaining the effectiveness of anti-corruption measures. Supporting effective checks and balances as well as providing communication channels for disclosing corruption, measures for protecting informants and fair investigation of suspected corruption.

5. Facilitating employees, business partners and stakeholders in exposing any illegal or unjust practices via the company's channel of disclosure.

6. Commitment to anti-corruption efforts by supporting or forming alliances with other anti-corruption prevention activities, bodies and approaches.

8. Balance of Power for Non-Executive Directors

Definition of "Independent Director":

An Independent Director is the director elected by shareholders who:

- Holds shares of not more than 1 percent of paid-up capital of the Company, affiliated company, associated company or related company, which shall be inclusive of the shares held by related persons;
- Does not take part in the management, or being an employee, staff member or advisor who receives a regular salary, or having direct or indirect benefit or interest in the finance and management of the Company, affiliated company, associated company or majority shareholder of the company;
- Is not a related person or close relative of any management member or majority shareholder of the Company;
- Is not appointed as a representative to safeguard interests of the Company's directors, majority shareholders or shareholders who are related to the Company's majority shareholders;
- Is capable of performing duties, giving opinions as a director free and clear of the control of the management or the majority shareholders of the Company including related persons or close relatives of the said persons.

The Company realizes the necessary of appointment the non-executive and independent directors to balancing the power of executive directors. Therefore, The Board of Directors for the nine-month period ending September 30, 2016 consisted of 6 executive directors, 4 non-executive directors and 5 independent directors

9. Aggregation or Segregation of Duties

The positions of Chairman of the Board of Directors and the Chief Executive Officer are held by different persons, in order to clearly segregate duties in setting corporate policy and daily management. Approval from the Board of Directors and/or shareholders is required on major and material matters. The Company's operating performance is regularly reported at least on a quarterly basis at the Board of Directors Meetings, and the Board is able to review and ask questions about operating performance and the management.

10. Director and Executive Remuneration

Director remuneration consists of director's fees, meeting allowance and director's bonuses as approved by the 2016 Annual General Meeting of Shareholder held on April 26, 2016.

Director and Sub-committee's remuneration	2016 (proposed year)		2015 (previous year)	
	Per Year	Meeting Allowance/ Per Meeting	Per Year	Meeting Allowance/ Per Meeting
1. The Board of Directors				
• Chairman	240,000	40,000	240,000	40,000
• Chief Executive Officer	240,000	40,000	240,000	40,000
• Vice Chairman	180,000	30,000	180,000	30,000
• Other Directors	120,000	20,000	120,000	20,000
2. The Executive Committee				
• Chairman	80,000	25,000	80,000	25,000
• Vice Chairman	60,000	20,000	60,000	20,000
• Other Directors	40,000	15,000	40,000	15,000
3. Sub-committees' Remuneration				
3.1 The Audit Committee				
• Chairman	160,000	50,000	160,000	50,000
• Other Directors	80,000	25,000	80,000	25,000
3.2 The Nominating and Corporate Governance Committee				
• Chairman	80,000	25,000	80,000	25,000
• Other Directors	40,000	15,000	40,000	15,000

Director and Sub-committee's remuneration	2016 (proposed year)		2015 (previous year)	
	Per Year	Meeting Allowance/ Per Meeting	Per Year	Meeting Allowance/ Per Meeting
3.3 Risk Management Committee				
• Chairman	80,000	25,000	80,000	25,000
• Vice Chairman	60,000	20,000	60,000	20,000
• Other Director	40,000	15,000	40,000	15,000
3.4 The Compensation Committee				
• Chairman	80,000	25,000	80,000	25,000
• Other Directors	40,000	15,000	40,000	15,000
4. Bonus	-		-	
5. Benefits	**-None-**		**-None-**	

11. Board of Directors' and Board Committee Meetings

The Board holds at least three meetings annually. The Directors' meetings are pre-scheduled with notices of the meeting sent out to Directors at least 7 days prior to the meetings. The Chairman of the Board of Directors and Chairman of the Executive Committee jointly proposed the topics of discussion contained in the Agenda and opened a chance for other directors or members of the subcommittees to propose their topics for inclusion in the agenda. There is enough time provided for discussion. Questions raised by the directors are explained and clarified by the responsible executives. The written minutes of the meetings as approved by the Board of Directors are maintained for future verification. For the nine-month period ending September 30, 2016, there were 4 Board of Directors meetings. Other sub-committee meetings were held as appropriate. For the aforementioned period, there were 3 Audit Committee meetings, 1 compensation Committee meeting, 1 Nominating and Corporate Governance Committee meeting, 3 Risk Management Committee meetings and 9 Executive Committee meetings with the attendance of directors and members of committees.

In the past year, there was 1 meeting of Non-Executive Directors to discuss in concerning management issues without the presence of the executives.

Before The Board of Directors' meeting can conduct the meeting a minimum quorum - which is two-thirds of voters - must be present at the meeting to be legally transacted.

12. Sub-committees – several subcommittees are required to screen assignments for the Board of Directors including the Audit Committee, the Nominating and Corporate Governance Committees and the Compensation Committee

The Board of Directors has set up the following sub-committees to work in particular areas:

Audit Committee

The Audit Committee consists of three members as follows:

Prof. Khunying Suchada Kiranandana	Chairman
Mr. Suchin Wanglee	Director
Mrs. Siripen Sitasuwan	Director

The Audit Committee is responsible for the review of the Company's financial statements and internal control, including review of compliance with rules and regulations set 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 auditors and the disclosure of related transactions to ensure their accuracy and correctness. The Audit Committee also prepares the Audit Committee Report to summarize the completion of the activities assigned by the Board of Directors.

For the nine-month period ending September 30, 2016, there were 3 Audit Committee meetings including 3 regular 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 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.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of three members as follows:

Mr. Thapana Sirivadhanabhakdi	Chairman
Mr. Somchai Bulsook	Director
Mr. Chotiphat Bijananda	Director

The Nominating and Corporate Governance Committee is responsible for the selection of qualified and experienced individuals to propose to the Board of Directors and shareholders for election as Directors; to make proposals for evaluation of Directors, and to develop and recommend to the Board appropriate actions to ensure good corporate governance. The committee also reviews many issues relating to corporate governance, including the Company's Corporate Governance Policy, the Directors Code of Conduct, and the Charter of the Compensation Committee; the nature of connected transactions in order to avoid a conflict of interest of the executives and persons involved with setting policy; the qualifications of independent directors; the policy for nominating directors and committee members; evaluating Board performance; preparation of the Director's Manual; directors' training with the IOD; and the disclosure of information on the Company's website.

The committee has the specification for the director's qualification in line with the principle of diversity. The selected directors tend to be persons whose qualification fulfill the committee's diversity in terms of skills, expertise and gender.

The committee will be responsible for selecting 2 of female independent directors for the sake of a diverse committee structure.

For the nine-month period ending September 30, 2016, there were one meetings for the Nominating and Corporate Governance Committee were held.

Compensation Committee

The Compensation Committee consists of three members as follows:

Mr. Suchin Wanglee	Chairman
Mr. Thapana Sirivadhanaphakdi	Director
Mr. Chotiphat Bijananda	Director

The Compensation Committee is responsible for setting the policy and compensation structure to ensure fairness to, and motivation of, the employees and management. The Compensation Committee considers the annual salary adjustment, bonus payment, and the allocation of securities to the Company's executives and makes proposals to the Board of Directors and shareholders for approval.

For the nine-month period ending September 30, 2016, there were one meetings to review and approve the merit increase and bonus payment for the Chairman of the Executive Committee & CEO for 2016 and to review and approve the annual bonus payment for employees.

Risk Management Committee

The Corporate Board of Directors has approved the forming of the Risk Management Committee that consists of seven members as follows:

Prof. Dr. Khunying Suchada Kiranandana	Chairman
Mr. Somchai Bulsook	Director
Mr. Thapana Sirivadhanabhakdi	Director
Mr. Sithichai Chaikriangkrai	Director
Mr. Dhitivute Bulsook	Director
Mrs. Siripen Sitasuwan	Director
Mr. Vivek Chhabra	Director

Remark: The Risk Management Committee also includes four directors by positions including Finance Director, Sales Director, Human Resources Director and Operations Director.

The 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 nine-month period ending September 30, 2016, there were three meetings for the Risk management committee were held.

Executive Committee

The Corporate Board of Directors has approved the forming of the Executive Committee that consists of six members as follows:

Mr. Somchai Bulsook	Chairman
Mr. Thapana Sirivadhanabhakdi	Vice Chairman of Executive Committee No.1
Mr. Sithichai Chaikriangkrai	Vice Chairman of Executive Committee No.2
Mr. Dhitivute Bulsook	Vice Chairman of Executive Committee No.3
Mr. Marut Buranasetkul	Director
Mr. Vivek Chhabra	Director

The Executive Committee is responsible for

1. Implementing the corporate board of directors' policy that is in accordance with the Company's by-laws, terms, rules and regulations, except the items that legitimately require prior approval by the shareholders
2. Preparing, proposing and defining the Company's business policy and strategy to the Company's board of directors
3. Determining the Company's business plan, management authority, annual business budget and annual expenditure budget for further presentation to the Company's board of directors for approval and following the Company's business plan and strategy in compliance with the polices and business directions as informed to the Company's board of directors. The board of directors have an authority and financial amount to approve each of the company's expenditures. Chairman of the board of directors shall has an authority and financial amount to approve each expenditures as follows;

    1) Payment approval for operational managment except the expenditures on advertisement and sales promotion
        - Vice chairman of the board of directors can approve the paymeny of not exceeding to Baht 20 million (Twenty Million Baht Only)
        - Chairman of the board of directors/ executive directors can approve the paymeny of not exceeding to Baht 40 million (Forty Million Baht Only). In cases of emergency during the absence of Chairman of the board of directors/ executive directors, one Vice Chairman of the board of directors together with a President together shall approve the payment of not exceeding to Baht 40 million (Forty Million Baht Only).

    2) Payment approval for operational managment regarding to the expenditures on advertisement and sales promotion, the following executive directors have an authority to approve payment with additional financial amount from 1) as follows;
        - Vice chairman of the board of directors can approve the paymeny of not exceeding to Baht 60 million (Sixty Million Baht Only)
        - Chairman of the board of directors/ executive directors can approve the paymeny of not exceeding to Baht 80 million (Eighty Million Baht Only). In cases of emergency during the absence of Chairman of the board of directors/ executive directors, one Vice Chairman of the board of directors together with a President shall approve the payment of not exceeding to Baht 80 million (Eighty Million Baht Only)
    3) Payment approval for entertainment and charity expenses
        - Vice Chairman of the board of directors can approve a payment of not exceeding to Baht 500,000 (Five Hundred Thousand Baht Only)
        - Chairman of the board of directors/ chairman of the board of executive directors can approve a payment of not exceeding to Baht 1 million (One Million Baht Only)

    4) Payment approval for procurement
        - Chairman of the board of directors/ chairman of the board of executive directors can approve a payment of not exceeding to Baht 40 million (Forty Million Baht Only)
        - One president and one executive committee together can approve payment for procurement in the project that is approved by the board of directors and the board of executive committees abide by the procurement process, of not exceeding to Baht 100 million (One Hundred Million Baht Only)

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 in efficient and business able manner.

5. To perform and conduct general managerial business of the Company, including all detail regarding to recruitment, training, employment, dismissal of the employees, except for the position of President and higher position.

6. To approve of business transaction and other activities of the Company and its subsidiary companies as follow:

   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, expand branches and other business activities, etc.
   6.2 To approve the loan or giving loan between subsidiary companies of Sermsuk Public Company Limited which the Company is holding the shares of no lesser than 90 percent, including the power to authorize the President or the Department Director and the Finance Director, two of aforementioned may jointly sign for 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 Board of Executive Committees shall be authorized to approve the purchasing of primary raw material for not exceeding 2,000,000,000 Baht (two billion Baht) per time.
(2) Other transaction than purchasing primary raw material, the Board of Executive Committees shall be authorized to approve for not exceeding 200,000,000 Baht (two-hundred million Baht) per time or equivalent or in accordance with the authorization from the Board of Directors. Except for asset write off which the Board of Executive Committees shall be authorized to approve for not exceeding 50,000,000 Baht (fifty million Baht) per time or the entertainment, donation and advertisement material expenses which the Board of Executive Committees shall be authorized to approve for not exceeding 3,000,000 baht (three million Baht) per time. Nonetheless, the aforementioned payment approval limitation may variable and subject to change on discretion of the Board of Directors.

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. Other business as appointed by the Board of Directors.

The aforementioned authorization for approval shall not apply for any transaction which the Board of 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 of its subsidiary companies, except such approval has been done under approved policy and regulation of the Board of Directors. Any 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 Board of Executive Committees as necessary or deemed as proper.

For the nine-month period ending September 30, 2016, there were nine meetings for the Executive Commitee were held.

13. Control System and Internal Audit

The audits of the Company's operations are conducted by the internal audit team, that works closely with the system's development team to implement policies and procedures for good internal control and effectiveness of the operations of all units. The audit findings together with audit recommendations are reported to the President and CEO after completion of the audit, and reported to the Audit Committee on a quarterly basis.

Other duties of the audit team are to evaluate the internal control run by many departments and propose recommendations on what needs further improvement to related agencies. Moreover, the Company's system's development and management team is responsible for improving operating procedures to enhance the efficiency in coordination and cross-checking assignments among departments in the Company.

14. Directors' Report

The authorized directors are responsible for the preparation of the Company's financial statements, and are required to certify that report individually in Section 3 of Annual Report Form 56-1 submitted to the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the Management (i.e. Chairman of the Executive Committee & CEO and Finance Director) also certify quarterly as to the correctness of the financial statements and the responsibility to disclose information in compliance with the rules and regulations of the Stock Exchange of Thailand.

15. Investor Relations

The Company reports its performance and important information to the Securities and Exchange Commission and the Stock Exchange of Thailand via the assigned media on a regular basis, and arranges meetings with individual investors by designated representatives of the Company.

8.3 Nomination and Appointment of Directors and CEO

1. Independent Director

Requirements:

1) Holding no more than 1% of the shares with voting rights in the Company, subsidiaries, affiliates, or other juridical persons that may potentially lead to conflicts of interest. This shareholding also includes shares held by related persons.
(Related persons refer to the person as described in Article 258 of the Stock and Exchange Act)

2) Not currently be an executive director / employee / worker / salaried consultant or controlling person of the company, parent company, subsidiary, or affiliate of equal level, or juridical person that may potentially lead to conflicts of interest. (For the present period and two years prior to appointment)

3) Have no relations by blood or by the registration as parents, spouse, siblings, or children of an executive, major shareholder, controlling person, person going to be nominated as executive or authorized person of the company or subsidiary.

4) Business relations with the company
   a) Type of relation
      - Having a relation as a provider of a professional service

5) Hold no more than one percent of shares with voting rights of the company, parent company, subsidiary, affiliate, major shareholder, or controlling person. This includes the shareholding of persons related to this director.

6) Not currently hold position or used to be an executive director, employee, worker, salaried consultant, or controlling person of the company, parent company, subsidiary, or affiliate of equal level, major shareholder or controlling person of company, except for that the position has ended for no less than two years prior to the date of application submission to the Security and Exchange Commission.

7) Have no relations by blood or by legal registration as parents, spouse, siblings, as well as children's spouse of other executives, major shareholders, controlling persons, persons going to be nominated as director, executive or controlling person of the company or subsidiary.

8) Have no current or past business relations with the company, parent company, subsidiary, or affiliate, major shareholder, controlling person, in a way that may obstruct independent judgment. Also, the person shall not be or used to be a significant shareholder or controlling person over the person with business relation to the company, parent company, subsidiary, or affiliate, major shareholder, or controlling person, except for that the position has ended for no less than two years prior to the date of application submission to the Security and Exchange Commission (SEC).

9) Not currently or previously have been an auditor of the company, parent company, subsidiary, or affiliate, major shareholder, controlling person. Also, the person shall not be or used to be a significant shareholder, controlling person, or shareholder of the audit agency in which the auditor for the company, parent company, subsidiary, affiliate, major shareholder, or controlling person, is employed, except for a position has ended not less than two years prior to the date of application submission to the SEC.

10) Not currently be or used to be a provider of any professional services including legal or financial consultancy, with more than two million baht fee per annum from the company, parent company, subsidiary, affiliate, major shareholder, or controlling person of the company. Also, the person shall not be or used to be a significant shareholder, controlling person, or shareholder of the service provider except for that the position has ended for no less than two years prior to the date of application submission to the SEC.

11) Not currently an appointed director who represents the company's director, major shareholder, or shareholder related to the major shareholder.

12) Not operating a similar business and significantly competing with the applicant business or subsidiary, or not currently a significant partner in a partnership company, not currently an executive director, worker, employee, salaried consultant, or hold more than one percent of shares with voting rights of other companies operating a similar business and significantly competing with the company or subsidiary.

13) Have no other conditions that may prevent the person from expressing independent views towards the company's operations.

Nomination process: The Nominating and Corporate Governance Committee will nominate and select persons as qualified by the Board of Director's requirements, which are in line with the SET and SEC guidelines. Afterwards the Committee shall seek approval at the Shareholders' Meeting.

The Nominating and Corporate Governance Committee is responsible for the selection of qualified and experienced individuals for the Board of Directors. These are then considered by the Company's Board of Directors and shareholders and elected as appropriate

2. Nomination of directors and top executives:

Nomination and appointment of the directors

The Company's directors will delegate the Nominating and Corporate Governance Committee to lay out the policy and requirements on selecting directors for the company and its subsidiaries. The factors taken into account will be the number of directors, the board structure, and composition. The Committee will determine the director qualifications, select and nominate qualified persons for the director position that has been expired and/or made vacant and/or been added. The Committee may propose to the Board of Directors for appointment and/or seek approval at the Shareholders' Meetings depending on the case. The Committee shall provide sufficient details for the company's directors and shareholders to make informed decisions.

Selection and appointment of top executive

The selection and appointment of the company's top executive must be in line with rules on approval and processing as follows:

- Employment and appointment of Chief Executive Officer and/or Managing Director must be proposed to the Board of Directors for approval.

To appoint the director, the appointment should be made individually. The Company's articles require that the director election be done at the Shareholders' Meeting as follows:

1) One shareholder has one voting right. One share per one vote
2) Each shareholder will exercise their votes as per (1) to elect one or several directors, but cannot cast more or less votes to a particular person
3) The person receiving the highest votes and runners up will be elected as per the required number of directors for that election event.

   In case persons receiving equal votes are more than the number of directors required, the meeting chairman will make the final decision.

How to vote:

1) At the meeting, the shareholders will have voting rights equal to the shares held. One share per one vote.
2) When there are shareholders with objections or abstentions, the votes for approval will be counted as voting agreement on the proposed agenda.

8.4 Oversight of Subsidiaries and Associated Companies' Operations

1. Oversee the operations of the Company and its subsidiaries to ensure compliance with the Company's business policy, goals, action plan, business strategy, budgeting and authorities as approved by the Company's board of directors for the Company's benefits
2. The Executive Committee has the authority to approve the following transactions and items of the Company's subsidiaries;
   - Requests for loans or borrowings from financial institutes, surety, payments in support of the Company's regular operations, such as payments for investment, branch expansion and others
   - the annual budgets for the Company' subsidiaries

3. Approve the appointment of the Company's representatives to assume directorship in the committees and/or subcommittees of the Company's subsidiaries to oversee and ensure the greatest efficiency in, and optimum benefits of, all initiatives as approved by the Company

8.5 Control of Internal Information

The Company has announced the schedule during which share trading is prohibited before the quarterly and annual financial statements are announced and this was in accordance with the Stock Exchange of Thailand's regulations.

Buying and selling shares using insider information, and the disclosure of information affecting stock trading

Trading shares using insider information refers to the use of information which is not publicly and widely known, and relevant to the share prices, for the sake of personal interest.

The Company will take all legal actions relevant to the protection of investment in the public company on the stock exchange due to the disclosure of significant information.

Significant information refers to the information which investors deem important to their decisions in buying, selling, or holding of shares. For example, the company's sales forecast that has significantly increased or decreased, major organizational restructuring, change in executives or management, or the buying or selling major business units or assets.

The committees, management and employees shall not take any action which may affect the transactions to trade shares of the Company or other related companies, when possessing significant information that has not yet been publicly disclosed, particularly one month prior to the financial statements publicly announced. The Company will use all available sanctions in case the internal information is used for personal benefits.

It specifies that committees and employees at all levels of Corporate Secretariat Department and Investor Relations to submit the company's securities holding and trading to Corporate Secretariat Department before it's later submitted to Securities and Exchange Commission of Thailand in each case within the due date disclosed on associated laws and regulation.

The Company values the importance of internal controls in protecting it from possible damage. The Company sets clear objectives, operating plans, strategies, and procedures as operating and measurement tools.

To ensure a good internal control and audit system, the Audit Committee is assigned to make regular assessments to the Company's internal control system, at least once a year, and to report the findings to the Board of Directors after each assessment.

For the nine-month period ending September 30, 2016, the Audit Committee assessed the Company's internal control system by questioning and having discussions with management. Such assessment revealed that the Company had sufficient internal controls over the 5 major parts of its operations, namely, the organizational structure and environment, risk management, control over management, operations, information technology and communication, and follow-up procedures.

Organizational Structure and Environment

The structure and operating environment of the Company promotes effective operations and sufficient internal controls. Clear segregation of duties creates a check and control system in each working process. Operating manuals and procedures ensure standard practice in each of the operating units. Sub-system process and reduction of double work are reviewed regularly for efficiency improvement. The Company also sets clear and attainable annual targets and undertakes measurement of results, taking into account all variable factors such as the economic situation, market conditions and competition.

Risk Management

The Company closely follows the changes in risk factors such as taxation, changes in raw material prices and other costs, in order to assess the impact and set up action plans for the survival of the business. The Company holds meetings with its management and employees on a regular basis to communicate the situation and the impact of external risks influencing the Company's operations and continuously sets up measurements to minimize the impact of those risks. In each operating unit, the head of the unit is responsible for risk management and prevention in his/her own unit.

Management Control

The Company sets clear responsibilities, duties, and authorization of the management emphasizing the segregation of duties for authorization, recording, and safeguarding of assets. Transactions with major shareholders, directors, and management require approval from the Board of Directors to ensure no conflict of interest in the authorized transactions and to ensure the greatest benefit to the Company. The Company has an operating manual of authorization limits and approvals, and has set up a physical asset verification procedure to ensure the completed count on every item is done within three years and there is a sample count by the internal audit function to reconcile with the fixed asset register and accounting record.

Information System and Communication

The Company submits sufficient and accurate information necessary for Board of Directors' decisions. Record keeping and accounting transactions are prepared according to recognized accounting standards, and are audited and reviewed by the Audit Committee and the external auditors.

The Company initiates operational policies in relation with intellectual property and copyright infringement. According the the intellectual property policy, all employees are committed to sign the act not to committing computer and intellectual property infringement. Conseuqnelty, the company comes up with the clear policy of Information System and Communication and the monitoring of the employees' software to check for violations of company policy against copyright infringment and inappropriately using workplace computers.

Follow-up Procedures

The Company monitors its performance compared to its objectives and reports the results at the Board of Directors' meetings 4 times a year. Any major changes in factors affecting the Company's operations will result in a modification of the operating plan.

8.6 Auditor's Remuneration

8.6.1 Audit Fee for the year 2016 (For the nine-month period ending September 30, 2016)

▪ Sermsuk Plc.	1,335,000 Baht
▪ Sermsuk Beverage Co., Ltd.	567,400 Baht
▪ Sermsuk Holdings Co., Ltd.	83,000 Baht
▪ Sermsuk Training Co., Ltd.	129,000 Baht
▪ Wrangyer Beverage (2008) Co., Ltd.	558,600 Baht
▪ Great Brands Limited	25,000 HKD

8.6.2 Non-audit Fee

▪ 150,000 Baht

8.7 Other activities in compliance with Good Corporate Governance principles

Details of Company directors' attendance at sub-committee meetings in compliance with good corporate governance

Board of Directors Meetings

(Number of meetings attended / Number of total meetings)						
Directors	Audit Committee	Compensation Committee	Risk Management Committee	Nominating and Corporate Governance Committee	Executive Committee	Annual General Shareholders
Mr. Photipong Lamsam	-	-	-	-	-	1/1
Mr. Somchai Bulsook	-	-	3/3	1/1	9/9	1/1
Mr. Suchin Wanglee	3/3	1/1	-	-	-	1/1
Prof. Dr. Khunying Suchada Kiranandana	3/3	-	3/3	-	-	1/1
Mr. Dhitivute Bulsook	-	-	3/3	-	9/9	1/1
Mr. Pramoad Phornprapha	-	-	-	-	-	1/1
Mr. Thapana Sirivadhanabhakdi	-	1/1	2/3	1/1	5/9	1/1
Mr. Chotiphat Bijananda	-	1/1	-	1/1	-	1/1
Mr. Sithichai Chaikriangkrai	-	-	3/3	-	9/9	1/1
Professor Rawat Chamchalerm	-	-	-	-	-	1/1
Mr. Sakchai Thanaboonchai	-	-	-	-	-	1/1
Mr. Rangsan Thammaneewong	-	-	-	-	-	1/1
Mr. Marut Buranasetkul	-	-	-	-	8/9	1/1
Mrs. Siripen Sitasuwan	3/3	-	3/3	-	-	1/1
Mr. Vivek Chhabra	-	-	3/3	-	9/9	1/1

9. Corporate Social Responsibilities (CSR)

General Policy

Sermsuk Public Company Limited has complied with good corporate governance principles in its management policy for the Company & its subsidiaries to ensure that the business is conducted effectively and with transparency, accountability and fairness to all stakeholders, as well as being socially and environmentally responsible. Together this promotes the Company's and Thai society's sustainability under the "Sermsuk Fulfill Happiness" concept.

The Board of Directors have incorporated social, environmental and stakeholder responsibility policies into the Company's & subsidiaries' code of conduct under eight (8) CSR principles, as follows;

1) Fair Operating Practices

Sermsuk has continued to incorporate good corporate governance practices into its business conduct to ensure efficiency, transparency and accountability across all operating process.

2) Anti-Corruption Practices

Anti-corruption
Gifts and financial support in business

The company's business decisions are based on based on business logic guided by appropriate ethical and legal principles. The company will therefore avoid giving or offering any valuable items to customers or public officers, directly or indirectly, as a motive or reward for an inappropriate action. Also, the company will avoid any form of giving for the sake of business advantage that may cause a negative image to the company.

However the employees may provide receptions or gifts to customers or potential customers as deemed appropriate in some cases or circumstances. Any offer of gifts must be reasonable and not to violate any law.

Moreover, the Company has become a member of the Thai Chamber of Commerce, Thai Listed Companies Association and The Federation of Thai Industries, one of the leading private sector partner organizations that actively participates in Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC"), which is an operation supported by the government and the Office of the National Anti-Corruption Commission.

Furthermore, the company is obligated to position itself clearly to implement bribery and corruption-prevention policies and is committed to collaborating with other government authorities on appropriate anti-corruption measures. In addition, the company encourages all employees including Committees and Directors to not engage in any corruption, make offers or bribes to any official in both the public and private sectors, either directly or indirectly, to obtain, remain or take advantage in business competition. Also, charitable activities conducted with regard to corruption are totally prohibited.

Herewith, the Company promotes clear and constant communications and standards for anti-corruption compliance policies and procedures. This includes an audit process that is designed primarily to reduce legal risk, as well as follow-up that is designed according to the anti-corruption and bribery policies to ensure the Company and its employees compliance with these policies.

Conflicts of interest

The Company's policy on conflicts of interest is clear and straightforward. The employees are prohibited from operating the business or take any actions that may conflict or compete with the Company, directly and indirectly. Also, employees are prohibited from taking action in the name of the Company or subsidiaries or the Company's joint venture, directly or indirectly, for the sake of their own interests, family, or partisan.

Examples of a conflict of interests that must be disclosed:

- The employee's own or family's interest is involved in a Company transaction:
  - Mutual benefits with competitors, suppliers, or customers of the Company
  - Mutual benefits with enterprises or organizations that has an intention to do business with the Company
  - Joint investing in companies that the Company intends to invest in
- Receiving gifts and support e.g. loans, special services, debt payments, special treatment in any form from individuals or organizations that currently deal or intend to deal with the Company or compete with the Company. The following are gifts and support that are not subject to conflicts of interest:
  - An act that is in line with good governance practices
  - An act that is not deemed to be motivated by business
  - Gifts of little value or inappropriate to the employee's status
  - An act that does not damage the Company's good image if such transaction is disclosed to the public.
- Work for or provide consulting to an individual, group of individuals, or juridical persons operating similar business or related business, and/or gain a reward either in the form of money or objects.

3) Respect For Human Rights

Sermsuk has conducted its business with respect for the human rights of all stakeholders including employees, customers, suppliers and consumers. The Company has also adhered to international human rights principles and ethical practices.

Employees' Rights : Employees are the key resource to drive our business to successfully achieve the Company's goals. The Company has recognized employees as the most important resource and provided fundamental rights to our employees as follows;

- The Company has provided a diverse range of training programs for employees including in-house training, external training, fam trips abroad, and assignment of teamwork practices in order to develop knowledge and skills.
- Fair hiring rights include the right to take leave and transfer. Channels for communication between employees and high-level executives have been established to allow executives to understand and directly listen to problems and suggestions from employees.
- The Company also provided employees' welfare including hospital fees for employees, life and health insurance for employees, provident fund, scholarships for employees and their children, and home loans. Caring for the safety of its employees, the Company organizes regular fire drills, accident prevention systems, and activities related to safety.

Shareholder's Rights: The Company gives importance to and recognizes the rights of all shareholders equally. The Company will not perform any duties that are considered as preferential treatment or which will lead to unfair treatment of shareholders under related laws and regulations. Sermsuk is committed to conducting its business effectively with transparency, prudence, good operating results and sustainable growth, in order to increase shareholder value in the long run.

4) Fair and equitable employee treatment

Employees are the Company's most important asset. In addition to undertaking staff development initiatives to enhance their knowledge, skills and capabilities, treating its employees with fairness and equity in all of its employment practices is the Company's focus. The Company is committed to providing fair payment for a work of equal value by determining the compensations and other benefits in accordance with laws,

regulations and general employment requirements. The Company will also assigns job in a fair and unbiased manner, by providing equal opportunity for career growth to all employees based on personal competency. All employees are equitably treated as members of the organization and given freedom to show their different ideas in a creative manner. To ensure equitable treatment for employees, clear written procedures are incorporated into the corporate rules and regulations. The employees have freedom to tender their complaints about unfair and inequitable treatments they have received via their superiors, the employee committee or the call for fairness channel. The complaints can be delivered at a cross sectional level or directly to the Human Resource Development Department and they will receive a rapid response and solutions with high concentration and consideration.

5). **Customers' Rights:** The Company cares for customers with the highest responsibility in providing high quality products, value for money, fast and effective distribution and development of new products to provide the greatest customer satisfaction as well as building sustainable relations with customers. The Company also has many contact channels for consumers to search for related information, business contact, and complaint through its corporate website and call center.

6). **Environmental Protection**

With full awareness to the importance of environmental protection and preservation, Sermsuk follows strict environmental policies and operating guidelines to minimize the environmental impact of our entire production process. We have also broadened our environmental initiatives to the public through multiple social activities via different dimensions. As a key player in driving sustainable social and environmental development in Thailand while conducting activities that deliver tangible results, the Company operates under the "5 Sermsuk Green Dimensions", which cover water, packaging, energy, environment and human resources.

The First Dimension: Water

Water is Sermsuk's top priority. It's a major part of our business and a key element in everybody's lives. Over the past 60 years, Sermsuk has been focusing on water conservation. Sermsuk was among the first companies in Thailand to introduce an innovative water treatment system to treat wastewater before releasing it from our production facilities. Sermsuk shares our knowledge on wastewater treatment, which serves as a showcase for the public, attracting visitors such as students, government agencies, and other interested parties.

Sermsuk expanded our business by establishing several regional production facilities around Thailand. Each is equipped with an efficient and effective wastewater treatment system. At our Pathumthani facility, located beside the Chao Phraya River, Sermsuk has invested more than 50 million Baht on a high-performance wastewater system to ensure that high-quality water is released into the river.

We monitor our wastewater treatment systems 24 hours a day, seven days a week. Water is analyzed throughout the treatment process and prior to release. Sermsuk's wastewater quality control process meets and exceeds the standards set by the Department of Industrial Works; the Ministry of Industry; and the Marine Department of the Ministry of Transportation. With these stringent controls, treated wastewater from Sermsuk's production facilities contains BOD (Biochemical Oxygen Demand) less than 5 mg/l. This is four times cleaner than the requirement by the Department of Industrial Works and 40 times cleaner than typical wastewater from residential households.

Since 2006, Sermsuk has invested in installation of high-precision BOD online inspection system in all of our production facilities. This computerized system monitors water quality around the clock, connecting the data directly to the Department of Industrial Works to facilitate effective real-time water management via internet. This ensures that the wastewater from our facility is always clean and environmental friendly. This was an attribution from the Company's determination and commitment to social responsibility and sustainable environment protection.

The Second Dimension: Packaging

To ensure sustainability regarding packaging, Sermsuk is applying the 3R concept: Reduce; Reuse; and Recycle. We incorporate the 3Rs into our upstream to downstream packaging procedures in several ways:

1. Reducing packaging material usage by re-designed PET bottle for Crystal drinking water in 2016 to ensure maximum resource efficiency and also to response to the new consumer's trend for beverage packaging.
2. Reusing packaging by promoting the use of returnable bottles which can be 100% reused.
3. Recycling by sorting materials that can no longer be used and sending them to recycling facilities.

In 2006, Sermsuk joined with other leading companies and major industrial groups to established the **Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE).** Under the supervision of the Federation of Thai Industries, the Institute's objective is to manage the country's used packaging materials correctly and sustainably in order to minimize the environmental impact. Recently, Sermsuk takes part in establishing the recycle learning centers in all four regions of Thailand to serve as a waste and recycling management models, including an ideal site for study tours and further the knowleage of sustainable waste management and recycling. This has driven government agencies to be aware of the importance of used packages and recycled materials management. This achieved by stringent operation. This marked as a notable social achievement on behalf of Sermsuk PCL has contributed via the institute for quality communities and people in Thailand.

With the recent use of colored PET bottles as packaging for carbonated soft drinks, Sermsuk saw the need to manage these used coloed bottles. Sermsuk joined hands with Teijin Polyester (Thailand) Limited, a member of TIPMSE, to carry out the PET Zero Waste project at the Pathum Thani Plant to proceed with "upcycle" for both colored and clear PET bottles, or a process of value added wasted material in production line by making new product, such as a production of cloth, carpet, saucers, pillows, etc. Unlike recycling that involves many procedures to apply used materials into new lower quality products, such as the dark brittle plastic buckets, wash basins. The project successfully managed more than 60,000 kilograms of PET bottles and encouraged the recycling business to buy colored PET bottles for upcycling.

The Third Dimension: Energy

As a manufacturer, Sermsuk realized the importance of greenhouse gas emissions. In 2016, Sermsuk joined the Corporate Carbon Footprint and Carbon Footprint Reduction Labellng Projects sponsored by the Thailand Greenhouse Gas Management Organization and Thailand Environment Institute under the Federation of Thai Industries. The main objectives were as follows:

- To assess the greenhouse gas emissions from the Company's production process and the whole product life cycle from the beginning to disposal in order to find solutions to reduce energy consumption and the greenhouse gas emissions, thereby reducing the Company's production costs.
- To receive the carbon footprint label, which will be an information tool for the consumers to make decision on purchasing products that committed to developing production process, throughout the product life cycle, according to the reduction of greenhouse gas emissions.

Sermsuk was advised by the consultancy,VGreen, Kasetsart University, and verified in Carbon Footprint project by the Excellence Centre of Eco-Energy, Thammasat University. The Sermsuk receives the carbon footprint certification and carbon footprint label from Thailand Greenhouse Gas Management Organization, as follows:

- "Corporate Carbon footprint Certification" for Sermsuk Public Company Limited, Pathum Thani Plant.
- "Carbon Footprint label" and "Carbon Footprint Reduction label" for three products, namely, "Crystal" drinking water in 600 ml. PET bottles, 1000 ml. PET bottles and "est" Cola cans.

Corporate Social Responsibilities (CSR)

Apart from receiving the carbon footprint label, the process involved in assessment of greenhouse gas emissions and the life-cycle assessment, throughout the Company, helped identify the activities with intensive greenhouse gas emissions, which allows the Company to develop its production process in order to reduce CO_2 emissions and conserve energy.

The Development of Water Transportation to Reduce Pollution

The Company has been a pioneer in developing water transportation since 1980. At present, Sermsuk owns 3 tug boats, 4 cargo boats each of which can carry up to 8,400 crates. The tug's capacity is equivalent to 20 cargo trucks. That means it helps reduce fuel consumption by approximately 240,000 liters of gasoline per one year. On top of that, it helps decrease pollution, traffic congestion and depletion of the nation's energy reserves.

The Use of Alternative Energy

Sermsuk is using methane gas, a bio-fuel that is a by-product of our wastewater treatment system, to replace bunker oil in the company's boiler system. This saves over 200,000 litres of bunker oil annually. Sermsuk also has facilitated the use of alternative energy such as NGV, LPG and diesel B5 in our entire fleet of vehicles.

Renewable Energy

The Company joined with Department of Alternative Energy Development and Efficiency, Ministry of Energy to organize the Solar Hot Water project, which uses the thermal energy that is left over from the air pressure system as the renewable energy source that replaces bunker oil. It also promotes increasing water temperature prior to it passing to the steaming boiler which further reduces the use of bunker oil by approximately 180,000 liters annually. The initiative has reduced Sermsuk's fuel expenditures while helping to sustainably reduce the amount of greenhouse gases that contribute to climate change and global warming.

The Fourth and Fifth Dimensions: Environment and Human Resources

Human resources are a key element for the success of environmental sustainability programs. A Company requires the support of its people to put best practices into place. It also needs commitment from employees who genuinely care about the environment.

Sermsuk promotes environmental awareness among our people on an ongoing basis. We have appointed teams of over 30 environmental crews. They are certified by the Department of Industrial Works and the Thailand Environment Institute to handle environmental issues and the wastewater treatment system. We also enhanced our employees' knowledge about environmental protection through continuing education with internal and external organizations to build understanding and provide experience in support of Sermsuk's operations.

The Company is introducing more green space to create an employee-friendly working environment. Our employees can relax and enjoy recreational activities at our facilities including tree growing, lotus ponds, football fields, canals and gardens. Sermsuk believes that good environment is beneficial to our people's well bring and helps them to work better.

Sermsuk provides an opportunity for the public, including academics and students, to visit our wastewater treatment system. The program welcomes more than 1,000 visitors every year. Sermsuk has shared knowledge about anaerobic wastewater management with many organizations to spread awareness about environmental protection. Sermsuk has also provided information on wastewater management as well as microbes generated from the wastewater treatment system to several companies.

7) Contribution to community/social development

Sermsuk operates its business with efficiency and ethical standard. As a good social member, the Company focuses on supporting the communities and society development, both surrounding plants and nation wide, including promote well-being for the less-fortunated citizens by initiating and implementing social responsible projects with a tangible and continual basis. This is to participate with community in education, culture, job creation, skill development, technology accessibility and economic development, such as income generation, community economic promotion, health, and social investment.

Sermsuk provides opportunities for employees to take part in community and society development by supporting several volunteer projects. This is to encourage more involvement and enhance awareness in public contributions, hence strengthening the community and society and leading eventually to sustainable development.

8). Innovations and promotion

Innovation and Publication of Operating Innovation with social responsibility

Sermsuk has driven its business operation with multiple innovations, and publicise the knowledge as a model of a socially-responsible business. In 2016, the Company provided as follows:

The Establishment of Factory Model and Expanding the Network of Efficient Groundwater Management in the Industrial Sector Project - In 2016, three of Sermsuk's plants, including Nakhon Ratchasima Plant, Nakhon Sawan Plant, and the Surat Thani Plant, were awarded "Factory Model for Efficient Water Management" by Water Institute for Sustainability, The Federation of Thai Industries, and the Department of Groundwater Resources. The Company shared its innovation and know-how in water management at Eco-Products International Fair 2016 at Bangkok International Trade & Exhibition Centre (BITEC) Bangna, Bangkok. All three plants of Sermsuk will serve as mentors, providing consultancy to a network of 15 factories across the nation, in order to enable them to enhance their sustainable water management.

CSR – DIW: Corporate Social Responsibility – Department of Industrial Works: Sermsuk has collaborated with the Department of Industrial Works and Management System Certification Institute (Thailand) in the "Standard of Social Responsibility for Industry Operators" project, in line with "ISO 26000" standards. These standards comprise with 7 major topics: corporate governance, human rights, labor treatment, environment, fair operation, consumer issues, and involvement in community development. Sermsuk initiated the CSR-DIW project since 2009, and has been awarded for eight consecutive years. On July 28, 2016, Sermsuk representatives from headquarters and five plants, received the plaque of recognition for its CSR – DIW standard from the Department of Industrial Works' Executive. Sermsuk is the only Beverage Manufacturer receiving constant certification of CSR-DIW standards which applied to all five plants. This award shows that Sermsuk has been operating based on the sustainable model, which include economic, social, and environmental aspects, in order raise acceptance and sustainable collaboration.

Operations and reporting

(1) Reporting process

Sermsuk includes its social responsibility report in its annual report every year. The Company has analyzed and prioritized its stakeholders, internally and externally. The process includes assesment of stakeholders, issue prioritization, keeping records, and assesses the advantages and effects in line with company's activities, including products and services throughout the value chain. The practice is based on respect for stakeholder benefits and demands, sustainable development, and potential effects of company decisions in the view of the stakeholders.

Additionally Sermsuk has produced a Self Assessment Report as per the Corporate Social Responsibility standard issued by the Department of Industrial Works (CSR-DIW). The report is in line with international standard, ISO 26000 – Social Responsibility. The Sermsuk report has been reviewed by specialists and certified as per CSR – DIW standard from 2009 to present.

(2) Business operations in line with the policies that the Company has announced

Sermsuk has written a policy on social responsibility and has been communicating about this to its stakeholders as well as the public. Furthermore, the Company has collaborated with the Corporate Social Responsibility Institute initiated the "CSR DAY" trainings for the Company's employees. Its socially responsible operation is in line with social responsibility principles: Accountability, Transparency, Ethical Behaviour, Respect for Stakeholder Interests, Respect for the Rule of Law, Respect for International Norms of Behaviour, 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.

Sermsuk has adopted socially responsible practices covering 7 areas: corporate governance, human rights, labor treatment, environment, fair operation, consumer issues, and involvement in community development. A working group dedicated to social responsibility which comprises with representatives from all functions within the Company to set up to implement the practices. This ran parallel with monitoring, reviewing, and verifying to achieve the measurable outcome that is able to assess in accordance with CSR in process and CSR after process activities.

Business operations that have adverse impacts on social responsibility

– None –

Corporate Social Responsibility Activities

Sermsuk Public Company Limited realizes to operate business with the commitment to both CSR in process and CSR after process. Throughout 2016, Sermsuk carried out a wide range of socially beneficial activities and initiatives at the headquarters as well as its plants across the country. As a result of the driven operational with CSR throughout the business, the Company received good feedback for the Company's Image, acceptance by local and society, consummer's trust and employees' pride, including increasing in business's opportunity. Aside from local community and social that will receive direct benefit from the mentioned activities and CSR project, there are other projects and activities, as follow;

1. **Human and Labour Rights**
   - 1.1 Human resources development
2. **Environmental Protection**
   - 2.1 Sermsuk was awarded Factory Model for Efficient Water Management
   - 2.2 Sermsuk received Corporate Carbon Footprint certification and Carbon Footprint labelling, readying itself to drive Thailand toward a low carbon society
3. **Customer Accountability**
   - 3.1 Sermsuk obtained international quality standard certifications for food safety
4. **Corporate Engagement in Social and Community Development**
   - 4.1 Crystal Open House and Crystal School Visit
   - 4.2 Crystal joined with Chulalongkorn University Language Institute (CULI) to provide free GAT/PAT tutoring
   - 4.3 Nation Bike Thailand 2016: Cycling to Promote Environmental Conservation by Power Plus
   - 4.4 Sermsuk contributed funding to the Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE) for 2015-2016

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 Opinions that are different 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
   Mrs. Panida Suesakulchokechai assumed the position of Internal Audit Manager.

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 needs prior approval from the Audit Committee.

11. Connected Transactions

11.1 The Company and its subsidiaries have entered into related parties transactions in 2015 as set below:

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship
Key management personnel	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 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
Petpack Co., Ltd.	Thailand	The Company hold ordinary shares
Beer Thai (1991) PLC.	Thailand	Direct subsidiary of the ultimate parent company
Beer Thip Brewery (1991) Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Cosmos Brewery (Thailand) Co.,Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Sang Som Co., Ltd.	Thailand	Direct 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
Sunthronpirom 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
Num Thurakij Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Muang Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Nakorn Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Palang Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Kijjakarn Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Numrungrod Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Numthip Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Yuk Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Pomklung 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
Thai Beverage Marketing Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Dhospaak Co., Ltd	Thailand	Direct subsidiary of the ultimate parent company

Connected Transactions

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship
Thai Drinks Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Cash Van Management 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
Chang International Co., Ltd.	Thailand	Indirect subsidiary of the ultimate parent company
InterBev (Singapore) Limited	Singapore	Indirect subsidiary of the ultimate parent company
Super Brands Company Pte Ltd.	Singapore	Indirect subsidiary of the ultimate parent company
Fraser and Neave, Limited	Singapore	Associated of the ultimate parent company
F&N Interflavine Pte Ltd.	Singapore	Affiliated company in associate of the ultimate parent company
F&N Beverages Manufacturing 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.
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.
Big C Supercenter PLC.	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
Supcharoennakorn Co., Ltd.	Thailand	Ultimate parent company has common controlling equity holders
Phatra-leasing PLC.	Thailand	The directors hold ordinary shares and common director
Berli Jucker PLC.	Thailand	Common directors

Connected Transactions

Name of Entities	Country of Incorporation / Nationality	Nature of Relationship
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

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

Type of Transactions	Pricing policies
Sales of goods and rendering of services	Cost plus gross profit margin
Other income	Contractual prices, mutually agreed price
Interest income and interest expense	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
Trademark fee	Contractual prices
Subsidy for marketing expenses	Actual price stated in invoice
Directors' remuneration representing salary, director bonus and meeting allowance	Approval by the Company's directors and shareholders
Selling expenses	Contractual prices, mutually agreed price
Administrative expenses	Contractual prices, mutually agreed price

Significant transaction for the year ended 30 September 2016 with related parties were as follows:

Sales to related companies

(Amount : Million Baht)

Ref	Name	Relationship	Sale for the year 2016	Balance due as at September 30, 2016
1	Piromsurang Co., Ltd.	Direct subsidiary of the ultimate parent company	126.47	-
2	Num Yuk Co., Ltd.	Direct subsidiary of the ultimate parent company	0.01	-
3	Num Thurakij Co., Ltd.	Direct subsidiary of the ultimate parent company	3.86	-
4	Num Muang Co., Ltd.	Direct subsidiary of the ultimate parent company	4.57	-
5	Num Nakorn Co., Ltd.	Direct subsidiary of the ultimate parent company	3.35	-

Connected Transactions

(Amount : Million Baht)

Ref	Name	Relationship	Sale for the year 2016	Balance due as at September 30, 2016
6	Num Palang Co., Ltd.	Direct subsidiary of the ultimate parent company	11.60	-
7	Num Kijjakarn Co., Ltd.	Direct subsidiary of the ultimate parent company	18.28	-
8	Numrungrod Co., Ltd.	Direct subsidiary of the ultimate parent company	14.29	-
9	Numthip Co., Ltd.	Direct subsidiary of the ultimate parent company	0.29	-
10	Cash Van Management Co., Ltd.	Direct subsidiary of the ultimate parent company	21.25	11.12
11	Beer Thai (1991) PLC.	Direct subsidiary of the ultimate parent company	0.01	-
12	Cosmos Brewery (Thailand) Co.,Ltd.	Direct subsidiary of the ultimate parent company	0.13	-
13	Modern Trade Management Co., Ltd.	Direct subsidiary of the ultimate parent company	2,156.63	240.73
14	Thai Drinks Co., Ltd.	Direct subsidiary of the ultimate parent company	-	1.82
15	Thai Beverage Recycle Co., Ltd.	Direct subsidiary of the ultimate parent company	0.01	-
16	Dhospaak Co., Ltd	Direct subsidiary of the ultimate parent company	0.24	-
17	Thai Beverage PLC.	Parent company and common director	0.07	-
18	Thai Beverage Marketing Co., Ltd.	Direct subsidiary of the ultimate parent company	0.25	0.02
19	Chang International Co., Ltd.	Indirect subsidiary of the ultimate parent company	0.80	0.48
20	Oishi Group PLC.	Direct subsidiary of the ultimate parent company	15.49	4.04
21	Oishi Ramen Co., Ltd.	Indirect subsidiary of the ultimate parent company	5.89	1.63
22	Big C Supercenter PLC.	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly and common directors	3.51	0.20
23	F&N Interflavine Pte Ltd.	Affiliated company in associate of the ultimate parent company	7.08	6.93
Total			**2,394.08**	**266.97**

Connected Transactions

Purchase from related parties

(Amount : Million Baht)

Ref	Name	Relationship	Purchase for the year 2016	Balance Due As at September 30, 2016
1	Beer Thai (1991) PLC.	Finish Goods	38.13	-
2	Beer Thip Brewery (1991) Co., Ltd.	Finish Goods	143.23	19.86
3	Krittayabun Co., Ltd.	Finish Goods	5.30	0.27
4	Thai Drinks Co., Ltd.	Raw Materials	812.01	431.03
5	Oishi Group PLC.	Finish Goods	20.61	9.12
6	Oishi Trading Co., Ltd.	Finish Goods	887.35	103.19
7	Petform (Thailand) Co., Ltd.	Raw Materials	552.71	70.16
8	Crown Seal PLC.	Raw Materials	62.38	14.77
9	The Pet Co., Ltd.	Raw Materials	220.91	22.97
10	Thai Beverage Can Co., Ltd.	Raw Materials	122.07	29.94
11	The Southeast Insurance PLC.	Insurance Premiums	0.87	-
12	Berli Jucker PLC.	Raw Materials	0.85	0.23
13	Thai Malaya Glass Co., Ltd.	Raw Materials	92.68	9.26
14	The Southeast Life Insurance PLC.	Insurance Premiums	-	0.01
15	Sunthronpirom Co., Ltd.	Finish Goods	10.43	11.16
Total			**2,969.53**	**721.97**

Other Income

(Amount : Million Baht)

Ref	Name	Type of Other income	Other Income for the year 2016	Other Receivbales at September 30, 2016
1	Super Brands Company Pte. Ltd.	Other Income -Consultancy	86.67	-
2	Petform (Thailand) Co., Ltd.	Other Income - Utilities	2.03	1.29
3	The Pet Co., Ltd.	Other Income - Claims	0.10	1.53
4	Thai Beverage Logistic Co., Ltd.	Other Income - Claims	0.01	1.05
5	Gaew Grung Thai Co., Ltd.	Other Income - Scrap sales	1.23	0.46
6	F&N Interflavine Pte Ltd.	Miscellaneous Income	0.54	0.54
7	Thai Drinks Co., Ltd.	Trade Subsidies	359.22	439.71
8	Oishi Trading Co., Ltd.	Trade Subsidies	63.21	11.68
9	Oishi Group PLC.	Trade Subsidies	9.16	8.85
10	Bangkok Glass PLC.	Other Income - Scrap sales	-	0.96
Total			**522.17**	**466.07**

Connected Transactions

Dividend Incomes

(Amount : Million Baht)

Ref	Name	Relationship	Dividend income for the year 2016	Balance Due at September 30, 2016
1	Crown Seal PLC.	The Company hold ordinary shares and common director	1.85	-
2	Bangkok Glass PLC.	The Company hold ordinary shares and common director	2.08	-
3	Petform (Thailand) Co.,Ltd.	The Company hold ordinary shares and common director	111.00	36.00
4	The Pet Co., Ltd.	The Company and directors hold ordinary shares and common directors	1.05	-
Total			**115.98**	**36.00**

Selling Expenses:

(Amount : Million Baht)

Ref	Name	Type of Selling Expenses	Expenses for the year 2016	Other Payables at September 30, 2016
1	Modern Trade Management Co., Ltd.	Trade Direct Expenses	158.75	129.37
3	Dhospaak Co., Ltd	Advertising	51.30	14.42
4	Oishi Group PLC.	Sales supporting Expenses	3.55	2.43
5	Oishi Ramen Co., Ltd.	Sales supporting Expenses	2.04	0.73
6	Crown Seal PLC.	Promotion cost	0.80	-
7	The Southeast Insurance PLC.	Insurance Premiums	12.14	-
8	F & B International Co., Ltd.	Sales supporting Expenses	1.25	-
9	Surathip Co.,Ltd.	Damaged Product Claims	-	21.07
10	Piromsurang Co.,Ltd.	Damaged Product Claims	-	7.23
11	Thai Malaya Glass Co., Ltd.	Packaging	-	6.02
Total			**229.83**	**181.27**

Administrative expenses:

(Amount : Million Baht)

Ref	Name	Type	Expenses for the year 2016	Balance Due as at September 30, 2016
1	Beer Thip Brewery (1991) Co., Ltd.	Miscellaneous	0.57	0.11
2	Thai Drinks Co., Ltd.	Management Fee	9.73	3.30
3	Thai Beverage Logistics Co., Ltd.	Distributor	16.03	5.39
4	Muangthai Insurance PLC.	Insurance Premiums	0.02	0.02
5	The Southeast Insurance PLC.	Insurance Premiums	13.91	1.87
6	The Southeast Capital Co., Ltd.	Car Rental	8.94	1.31
7	Muangthai Life Insurance PLC.	Insurance Premiums	0.54	0.18

Connected Transactions

(Amount : Million Baht)

Ref	Name	Type	Expenses for the year 2016	Balance Due as at September 30, 2016
8	T.C.C. Technology Co., Ltd.	Service	12.62	3.67
9	Berli Jucker PLC.	Miscellaneous	0.03	-
10	Super Brands Company Pte. Ltd.	Consultancy Fee	-	43.33
11	Num Yuk Co., Ltd..	Damaged Product Claims	-	0.02
12	Num Thurakij Co., Ltd	Damaged Product Claims	-	0.02
13	Num Muang Co., Ltd.	Damaged Product Claims	-	0.21
14	Num Nakorn Co., Ltd.	Damaged Product Claims	-	0.07
15	Num Palang Co., Ltd.	Damaged Product Claims	-	0.17
16	Num Kijjakarn Co., Ltd.	Damaged Product Claims	-	0.14
17	Numrungrod Co., Ltd.	Damaged Product Claims	-	0.15
18	Numthip Co., Ltd.	Damaged Product Claims	-	0.05
19	Phatra-leasing PLC.	Car Rental	8.44	0.80
Total			**70.83**	**60.81**

11.2 Necessary connected transactions

As Sermsuk Public Co., Ltd., received copyrights to produce and distribute products under the trademarks of, "est", the production of licensed products in line with quality standards requires partial purchasing of materials from copyrights owners via related company who is representatives specified by them. Concerning pricing, the Company has negotiated with as well as gained support on marketing and sales & administrative expenses, so as to maximize benefits based on the agreement. As for indirect purchase via subsidiaries for future distribution, it is a way to maximize subsidiaries' production capacity. The prices and distribution profits are clear and been agreed upon. Material and product purchasing from other related companies are to identify resources for quality materials, and constant supply even in times of crisis.

11.3 Procedure for the Approval of Connected Transactions

Every connected transaction has been carefully considered and analyzed by the management for its pros and cons before entering into an agreement. All connected transactions with the related parties which have significant legal implications, have to be proposed to the Board of Directors for approval before any commitment is made.

11.4 Policy or Trend for Future Connected Transactions

The trend for future connected transactions continue to be the purchase of raw materials and finished products including marketing support between the Company, its associate and subsidiary companies, as well as the major shareholders, which were the normal business transactions of the Company

12 Financial Information and Financial Statements

The financial statements have audited by KPMG and expressed unqualified opinion with emphasize of the use of going concern basis of accounting

12.1 Key Financial Data

	2016 (9 months)	2015(9 months)
Revenue from Sales (Million Baht)	8,096.71	8,006.40
Net Loss (Million Baht)	(88.74)	(85.33)
Loss per share (Baht)	(0.33)	(0.32)
Loss per Total Revenue (%)	(1.07)	(0.99)
Return on Asset (%)	(0.70)	(0.72)
Return on Equity (%)	(0.99)	(1.01)

12.2 Financial Ratio

12.2.1 Liquidity Ratio

Ratio	Consolidated			Separate		
	2016 (30 Sep 2016)	2015 (31 Dec 2015)	2014 (31 Dec 2014)	2016 (30 Sep 2016)	2015 (31 Dec 2015)	2014 (31 Dec 2014)
Current Ratio (Time)	0.9	0.9	1.0*	0.8	0.8	0.7*
Quick Ratio (Time)	0.3	0.4	0.3	0.3	0.4	0.2
Operting Cash Flow to Current Liability Ratio (Time)	-	-	(0.2)	-	-	(0.2)
Reveivable Turnover Ratio (Time)	17.3	18.9	16.0	15.7	15.0	15.3
Average Collection Period (Day)	15.8	19.3	22.8	17.4	24.3	23.9
Inventory Turnover Ratio (Time)	12.2	17.0	18.8	18.8	17.8	20.5
Average Inventory Period (Day)	22.4	21.5	19.4	14.5	20.5	17.8
Account Payable Ratio (Time)	6.1	9.1	9.3	6.6	7.2	8.0
Average Payment Period (Day)	44.8	40.1	39.2	41.4	45.6	45.6
Cash Cycle (Day)	(6.6)	0.7	3.0	(9.5)	(5.9)	(3.9)

12.2.2 Profitability Ratio

Ratio	Consolidated			Separate		
	2016 (30 Sep 2016)	2015 (31 Dec 2015)	2014 (31 Dec 2014)	2016 (30 Sep 2016)	2015 (31 Dec 2015)	2014 (31 Dec 2014)
Gross Profit Margin (%)	26.4	20.7	24.7	26.0	20.1	23.1
Operating Profit Margin (%)	(5.7)	(11.6)	(15.4)	(5.9)	(12.1)	(16.6)
Non-operating Profit Margin (%)	3.8	3.2	2.5	3.9	2.7	1.8
Operating Cash Flow to Operating Profit (%)	(9.4)	2.7	48.0	(10.9)	8.7	60.3
Net Profit Margin(%)	(1.1)	(2.7)	2.4	(1.1)	(3.6)	(11.4)
Return on Equity (%)	(1.0)	(3.5)	3.4	(1.4)	(6.1)	(16.4)

12.2.3 Efficiency Ratio

Ratio	Consolidated			Separate		
	2016 (30 Sep 2016)	2015 (31 Dec 2015)	2014 (31 Dec 2014)	2016 (30 Sep 2016)	2015 (31 Dec 2015)	2014 (31 Dec 2014)
Return on Assets (%)	(0.7)	(2.4)	2.2	(0.8)	(3.2)	(9.4)
Return on Fixed Assets(%)	(1.0)	(3.4)	3.0*	(1.1)	(4.8)	(13.2)*
Asset Turnover (Time)	0.6	0.9	0.8	0.7	0.9	0.8

12.2.4 Financial Policy Ratio

Ratio	Consolidated			Separate		
	2016 (30 Sep 2016)	2015 (31 Dec 2015)	2014 (31 Dec 2014)	2016 (30 Sep 2016)	2015 (31 Dec 2015)	2014 (31 Dec 2014)
Debt to Equity Ratio (Time)	0.4	0.4	0.5	0.8	0.8	0.9
Interest Coverage (Time)	-	(37.6)	0.30	-	(47.7)	(37.9)
Debt Service Coverage Ratio (Time)	-	(2.1)	(0.7)*	-	(9.4)	(1.0)*
Payout Ratio (%)	-	-	-	-	-	-

** Revised financial ratio are restated due to bottle & case reclassification of the year 2015.*

Independent Auditor's Report

To the Shareholders of Sermsuk Public Company Limited

I have audited the accompanying 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 2016, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the nine-month period ended as of that date, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the 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 2016 and their financial performance and cash flows for the nine-month period ended as of that date in accordance with Thai Financial Reporting Standards.

Other matter

I draw attention to the following; the Company changed its financial year-end from 31 December to 30 September. Consequently, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the accounting period ended 30 September 2016 comprise only nine months whereas the comparative information presented for the year ended 31 December 2015 comprise 12 months, which results in the periods presented being not comparable. Therefore, supplementary information in Note 35 has been prepared by the Group and the Company as additional information in the form of unaudited consolidated and separate statements of comprehensive income, cash flows and segment information for the nine-month period ended 30 September 2015. I have not audited the supplementary information and do not express any audit opinion on such information.

(Napaporn Sathitthammaporn)
Certified Public Accountant
Registration No. 7494

KPMG Phoomchai Audit Ltd.
Bangkok
16 November 2016

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
Assets	*Note*	2016	2015	2016	2015
			(in Baht)		
Current assets					
Cash and cash equivalents	*5*	430,537,868	520,895,498	353,167,957	427,869,163
Trade accounts receivable	*4, 6*	465,658,955	545,949,232	487,035,479	550,162,936
Other receivables from related parties	*4*	502,066,606	111,249,634	546,833,613	150,949,102
Other receivables	*7*	120,361,513	95,202,367	117,761,238	93,139,901
Short-term loans to related parties	*4*	-	-	125,000,000	125,000,000
Inventories	*8*	702,331,536	663,973,904	636,806,343	608,618,476
Prepaid excise taxes		118,102,643	97,220,289	108,614,975	84,111,343
Other current assets		113,083,516	111,918,564	112,186,477	110,660,224
Total current assets		**2,452,142,637**	**2,146,409,488**	**2,487,406,082**	**2,150,511,145**
Non-current assets					
Restricted deposits at financial institution		508,674	506,379	508,674	506,379
Investment in an associate	*10*	425,860,241	431,274,155	30,000,000	30,000,000
Investments in subsidiaries	*11*	-	-	606,634,068	606,634,068
Other long-term investments	*12*	179,999,461	171,273,089	179,999,461	171,273,089
Long-term loan to a related party	*4*	3,000,000	3,000,000	3,000,000	3,000,000
Investment properties	*13*	300,619,400	276,882,400	300,619,400	276,882,400
Property, plant and equipment	*14*	9,157,183,008	8,692,370,724	8,627,017,743	8,193,185,927
Intangible assets	*15*	22,865,089	17,918,898	19,134,917	15,836,095
Deferred tax assets	*16*	10,376,837	8,258,154	-	-
Other non-current assets		119,622,770	115,497,874	96,471,095	91,434,108
Total non-current assets		**10,220,035,480**	**9,716,981,673**	**9,863,385,358**	**9,388,752,066**
Total assets		**12,672,178,117**	**11,863,391,161**	**12,350,791,440**	**11,539,263,211**

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

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(in Baht)			
Current liabilities					
Trade accounts payable	4, 17	996,461,145	922,056,423	1,328,006,620	1,193,791,318
Other payables to related parties	4	242,074,287	186,778,149	247,884,602	188,020,219
Other payables	18	869,735,322	755,738,320	848,448,343	727,823,633
Income tax payable		115,244	3,175,882	-	-
Dividends payable		73,456,268	73,470,803	73,456,268	73,470,803
Customers' deposits on bottles and cases		415,533,521	435,202,605	415,533,521	435,202,605
Other current liabilities		53,098,899	53,871,226	48,971,248	51,975,662
Total current liabilities		**2,650,474,686**	**2,430,293,408**	**2,962,300,602**	**2,670,284,240**
Non-current liabilities					
Long-term loans from a related party	4	-	-	1,530,968,165	1,530,968,165
Deferred tax liabilities	16	129,159,786	40,860,678	97,798,859	25,564,964
Employee benefit obligations	19	957,994,909	944,798,789	950,223,293	937,311,840
Total non-current liabilities		**1,087,154,695**	**985,659,467**	**2,578,990,317**	**2,493,844,969**
Total liabilities		**3,737,629,381**	**3,415,952,875**	**5,541,290,919**	**5,164,129,209**
Equity					
Share capital:	20				
Authorised share capital		265,900,484	265,900,484	265,900,484	265,900,484
Issued and paid-up share capital		265,900,484	265,900,484	265,900,484	265,900,484
Premium on ordinary shares	20	1,342,448,425	1,342,448,425	1,342,448,425	1,342,448,425
Retained earnings					
Appropriated	21				
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		2,006,202,207	2,103,763,229	26,789,023	126,264,375
Other components of equity	21	3,008,201,854	2,423,530,382	2,862,566,823	2,328,724,952
Total equity		**8,934,548,736**	**8,447,438,286**	**6,809,500,521**	**6,375,134,002**
Total liabilities and equity		**12,672,178,117**	**11,863,391,161**	**12,350,791,440**	**11,539,263,211**

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

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
		(in Baht)			
Income	*4, 22*				
Revenue from sale of goods and rendering of services		8,096,707,765	10,514,638,690	8,124,355,635	10,468,160,765
Gain on disposal of non-current assets held for sale	*9*	-	445,765,957	-	445,765,957
Other income	*23*	211,655,980	256,501,496	330,080,067	305,004,306
Total income		**8,308,363,745**	**11,216,906,143**	**8,454,435,702**	**11,218,931,028**
Expenses	*4,22*				
Cost of sales of goods and rendering of service	*8*	5,958,147,609	8,333,330,349	6,010,913,090	8,367,196,177
Selling expenses	*24*	1,761,496,578	2,227,029,874	1,752,584,874	2,212,489,869
Administrative expenses	*25*	838,490,314	1,159,106,185	841,114,967	1,141,905,350
Finance costs		-	10,548,114	-	10,548,114
Total expenses		**8,558,134,501**	**11,730,014,522**	**8,604,612,931**	**11,732,139,510**
Share of profit of an associate, net of income tax	*10*	105,586,085	105,564,305	-	-
Loss before income tax expense		**(144,184,671)**	**(407,544,074)**	**(150,177,229)**	**(513,208,482)**
Income tax benefit	*28*	55,444,645	102,672,869	58,956,681	112,795,283
Loss for the period / year		**(88,740,026)**	**(304,871,205)**	**(91,220,548)**	**(400,413,199)**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gain from revaluation of property, plant and equipment		722,112,967	-	658,575,967	-
Defined benefit plan actuarial gains (losses)	*19*	(11,026,245)	9,442,665	(10,318,505)	9,570,032
Income tax on other comprehensive income	*28*	(142,217,344)	(1,906,462)	(129,651,493)	(1,914,006)
		568,869,378	**7,536,203**	**518,605,969**	**7,656,026**
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations		-	102,334	-	-
Net change in fair value of available-for-sale investments	*12*	8,726,372	-	8,726,372	-
Income tax on other comprehensive income	*28*	(1,745,274)	-	(1,745,274)	-
		6,981,098	**102,334**	**6,981,098**	-
Other comprehensive income for the period / year, net of income tax		**575,850,476**	**7,638,537**	**525,587,067**	**7,656,026**
Total comprehensive income for the period / year		**487,110,450**	**(297,232,668)**	**434,366,519**	**(392,757,173)**
Basic losses per share *(in Baht)*	*29*	**(0.33)**	**(1.15)**	**(0.34)**	**(1.51)**

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

Statement of changes in equity

		Consolidated financial statements											
				Retained earnings			Other components of equity						
	Note	Issued and paid-up share capital	Share premium	Legal reserve	General reserve	Unappropriated	Currency translation differences	Fair value changes in available-for-sale investments	Revaluation surplus on land	Revaluation surplus on land related to non-current asset held for sale	Share premium from business combination under common control	Total other components of equity	Total equity
						(in Baht)							
For the year ended 31 December 2015													
Balance at 1 January 2015		**265,900,484**	**1,342,448,425**	**26,795,766**	**2,285,000,000**	**1,380,341,107**	**31,016,632**	**18,193,162**	**2,406,551,169**	**1,020,757,124**	**(32,332,915)**	**3,444,185,172**	**8,744,670,954**
Comprehensive income for the year													
Loss		-	-	-	-	(304,871,205)	-	-	-	-	-	-	(304,871,205)
Other comprehensive income		-	-	-	-	7,536,203	102,334	-	-	-	-	102,334	7,638,537
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**(297,335,002)**	**102,334**	**-**	**-**	**-**	**-**	**102,334**	**(297,232,668)**
Transfer to unappropriated retained earnings	9	-	-	-	-	1,020,757,124	-	-	-	(1,020,757,124)	-	(1,020,757,124)	-
Balance at 31 December 2015		**265,900,484**	**1,342,448,425**	**26,795,766**	**2,285,000,000**	**2,103,763,229**	**31,118,966**	**18,193,162**	**2,406,551,169**	**-**	**(32,332,915)**	**2,423,530,382**	**8,447,438,286**

The accompanying notes are an integral part of these 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	Currency translation differences	Fair value changes in available-for-sale investments	Revaluation surplus on land	Share premium from business combination under common control	Total other components of equity	Total equity
						(in Baht)					
For the nine-month period ended 30 September 2016											
Balance at 1 January 2016	**265,900,484**	**1,342,448,425**	**26,795,766**	**2,285,000,000**	**2,103,763,229**	**31,118,966**	**18,193,162**	**2,406,551,169**	**(32,332,915)**	**2,423,530,382**	**8,447,438,286**
Comprehensive income for the period											
Loss	-	-	-	-	(88,740,026)	-	-	-	-	-	(88,740,026)
Other comprehensive income	-	-	-	-	(8,820,996)	-	6,981,098	577,690,374	-	584,671,472	575,850,476
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(97,561,022)**	**-**	**6,981,098**	**577,690,374**	**-**	**584,671,472**	**487,110,450**
Balance at 30 September 2016	**265,900,484**	**1,342,448,425**	**26,795,766**	**2,285,000,000**	**2,006,202,207**	**31,118,966**	**25,174,260**	**2,984,241,543**	**(32,332,915)**	**3,008,201,854**	**8,934,548,736**

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

Statement of changes in equity

		Separate financial statements									
				Retained earnings			Other components of equity				
	Note	Issued and paid-up share capital	Share premium	Legal reserve	General reserve	Unappropriated	Fair value changes in available-for-sale investments	Revaluation surplus on land	Revaluation surplus on land related to non-current assets held for sale	Total other components of equity	Total equity
						(in Baht)					
Year ended 31 December 2015											
Balance at 1 January 2015		**265,900,484**	**1,342,448,425**	**26,795,766**	**2,285,000,000**	**(501,735,576)**	**18,193,162**	**2,310,531,790**	**1,020,757,124**	**3,349,482,076**	**6,767,891,175**
Comprehensive income for the year											
Loss		-	-	-	-	(400,413,199)	-	-	-	-	(400,413,199)
Other comprehensive income		-	-	-	-	7,656,026	-	-	-	-	7,656,026
Total comprehensive income for the year		-	-	-	-	**(392,757,173)**	-	-	-	-	**(392,757,173)**
Transfer to unappropriated retained earnings	9	-	-	-	-	1,020,757,124	-	-	(1,020,757,124)	(1,020,757,124)	-
Balance at 31 December 2015		**265,900,484**	**1,342,448,425**	**26,795,766**	**2,285,000,000**	**126,264,375**	**18,193,162**	**2,310,531,790**	-	**2,328,724,952**	**6,375,134,002**

The accompanying notes are an integral part of these 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	Fair value changes in available-for-sale investments	Revaluation surplus on land	Total other components of equity	Total equity
					(in Baht)				
For the nine-month period ended 30 September 2016									
Balance at 1 January 2016	**265,900,484**	**1,342,448,425**	**26,795,766**	**2,285,000,000**	**126,264,375**	**18,193,162**	**2,310,531,790**	**2,328,724,952**	**6,375,134,002**
Comprehensive income for the period									
Loss	-	-	-	-	(91,220,548)	-	-	-	(91,220,548)
Other comprehensive income	-	-	-	-	(8,254,804)	6,981,098	526,860,773	533,841,871	525,587,067
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(99,475,352)**	**6,981,098**	**526,860,773**	**533,841,871**	**434,366,519**
Balance at 30 September 2016	**265,900,484**	**1,342,448,425**	**26,795,766**	**2,285,000,000**	**26,789,023**	**25,174,260**	**2,837,392,563**	**2,862,566,823**	**6,809,500,521**

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

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
		(In Baht)			
Cash flows from operating activities					
Loss for the period / year		(88,740,026)	(304,871,205)	(91,220,548)	(400,413,199)
Adjustments for					
Depreciation and amortisation		524,914,368	721,245,181	486,779,309	669,522,974
Interest income		(4,388,460)	(3,297,837)	(4,134,332)	(6,721,660)
Finance costs		-	10,548,114	-	10,548,114
Dividends income	23	(4,983,794)	(2,901,049)	(115,983,794)	(56,901,049)
Unrealised loss on exchange		73,596	266,636	73,596	266,636
(Reversal of) allowance for doubtful accounts	6, 7	(24,982,702)	7,485,878	(24,982,702)	7,485,878
(Reversal of) allowance for decline in value of inventories	8	(100,176,212)	160,865,590	(96,568,436)	155,782,656
Fair value changes in investment properties	13	(23,737,000)	(6,581,100)	(23,737,000)	(6,581,100)
Loss (gain) on disposal of plant, equipment and intangible assets	23	84,639,591	(13,542,072)	84,639,591	(13,542,072)
(Reversal of) impairment loss on equipment	14	(33,977,613)	65,125,427	(33,977,613)	65,125,427
Gain on reverse of loss from revaluation of property, plant and equipment		(8,865,691)	-	(8,865,691)	-
Gain on disposal of non-current assets held for sale	9	-	(445,765,957)	-	(445,765,957)
Provision		-	27,243,589	-	24,578,589
Employee benefit expenses		60,483,096	84,163,332	59,549,769	83,036,375
Share of profit of an associate, net of income tax	10	(105,586,085)	(105,564,305)	-	-
Income tax benefit	28	(55,444,645)	(102,672,869)	(58,956,681)	(112,795,283)
		219,228,423	91,747,353	172,615,468	(26,373,671)
Changes in operating assets and liabilities					
Trade accounts receivable		91,558,567	238,004,355	74,395,747	292,398,005
Other receivables from related parties		(354,816,972)	(60,907,212)	(395,884,373)	(55,864,404)
Other receivables		(11,444,735)	(6,108,202)	25,093,075	(6,592,943)
Inventories		61,818,580	(125,484,397)	68,380,568	(145,628,888)
Prepaid excise taxes		(20,882,354)	(11,293,587)	(24,503,632)	(10,428,721)
Other current assets		(1,164,952)	8,969,169	(1,526,391)	3,250,587
Other non-current assets		(4,781,081)	(868,249)	(5,693,172)	(868,249)
Trade accounts payable		74,404,722	46,551,323	134,215,302	67,626,801
Other payables to related parties		55,296,138	94,321,500	59,864,383	61,271,791
Other payables		73,206,923	(239,986,503)	81,427,018	(232,557,418)
Customers' deposits on bottles and cases		(19,669,084)	(1,448,304)	(19,669,084)	(1,448,304)
Other current liabilities		(772,327)	27,628,396	(3,004,414)	31,930,179
Employee benefit paid		(23,718,816)	(34,606,803)	(23,718,816)	(42,904,720)
Cash from (used in) operating activities		138,263,032	26,518,839	141,991,679	(66,189,955)
Income tax paid		(5,431,966)	(58,939,018)	(206,191)	(43,447,225)
Net cash from (used in) operating activities		**132,831,066**	**(32,420,179)**	**141,785,488**	**(109,637,180)**

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

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
		(in Baht)			
Cash flows from investing activities					
Interest received		4,386,165	3,297,837	4,132,037	6,721,660
Dividends received		79,983,794	56,901,049	79,983,794	56,901,049
Restricted deposits at financial institution		-	(10,564)	-	(10,564)
Purchase of plant and equipment		(325,367,583)	(468,211,995)	(320,292,353)	(447,706,837)
Sale of plant, equipment and intangible assets		28,135,363	17,758,801	28,135,363	17,758,801
Purchase of intangible assets		(10,311,900)	(6,884,481)	(8,431,000)	(6,810,975)
Proceeds from disposal of non-current assets held for sale	9	-	1,736,270,795	-	1,736,270,795
Net cash from (used in) investing activities		**(223,174,161)**	**1,339,121,442**	**(216,472,159)**	**1,363,123,929**
Cash flows from financing activities					
Interest paid		-	(11,442,155)	-	(11,442,155)
Dividend paid to the owners of the Company		(14,535)	-	(14,535)	-
Proceeds from short-term loans from financial institutions		-	700,000,000	-	700,000,000
Repayment of short-term loans from financial institutions		-	(1,700,000,000)	-	(1,700,000,000)
Net cash used in financing activities		**(14,535)**	**(1,011,442,155)**	**(14,535)**	**(1,011,442,155)**
Net increase (decrease) in cash and cash equivalents		**(90,357,630)**	**295,259,108**	**(74,701,206)**	**242,044,594**
Cash and cash equivalents at 1 January		520,895,498	225,534,056	427,869,163	185,824,569
Foreign currency translation difference for foreign operation		-	102,334	-	-
Cash and cash equivalents at 30 September and 31 December	5	**430,537,868**	**520,895,498**	**353,167,957**	**427,869,163**
Non-cash transactions					
Increase (decrease) in payables for acquisition of machinery and equipment		9,918,858	(45,188,732)	9,682,871	(44,818,866)
Reclassified from short-term loan to long-term loan from a related party		-	-	-	1,530,968,165

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

Statement of cash flows

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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 16 November 2016.

1 General information

Sermsuk Public Company Limited, "the Company", is incorporated in Thailand and has its registered office at 252/35-36, Muang Thai-Phatra Complex, Tower 1, 27-28th Floor, Rachadapisek Road, Huay Kwang, Bangkok. The Company has its factories and warehouses in the important regions in Thailand.

The Company was listed on the Stock Exchange of Thailand in June 1975.

The immediate and ultimate parent companies during the period 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, soda and other beverages, including as distributor of energy drinks and tea. Details of the Company's subsidiaries as at 30 September 2016 and 31 December 2015 were as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2016	31 December 2015
Direct subsidiaries				
Great Brands Limited	Manage brands	Hong Kong	100.00	100.00
Sermsuk Holdings Co., Ltd.	Investment and holding shares in other companies	Thailand	99.99	99.99
Sermsuk Training Co., Ltd.	Human resources development and organisation	Thailand	99.99	99.99
Indirect subsidiaries				
Serm Suk Beverage Co., Ltd.	Produce and distribute tea, fruit juice and sports drinks	Thailand	99.99	99.99
Wrangyer Beverage (2008) Co., Ltd.	Produce and distribute energy drink	Thailand	99.99	99.99

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 ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 34.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

Items	***Measurement bases***
Available-for-sale financial assets	Fair value
Investment properties	Fair value
Property, plant and equipment	Revaluation
Net defined benefit liability	Present value of the defined benefit obligation, limited as explained in Note 3 (n)

(c) 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.

(d) 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 accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 3 (s)	Current and deferred taxation
Note 13	Valuation of investment properties
Note 16	Utilisation of tax losses
Note 19	Measurement of defined benefit obligations
Note 33	Provisions and contigencies

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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 chef 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 such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable 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 (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 13 investment properties
- Note 14 property, plant and equipment
- Note 30 financial instruments

(e) Change in accounting period

At the Board of Directors meeting held on 24 February 2016, the Board of Directors approved to change the Company's accounting period from the period starting from 1 January and ending on 31 December to the period starting from 1 October and ending on 30 September. Subsequently at the annual general meeting of the shareholders held on 26 April 2016, the shareholders approved the amendment to the Articles of Association of the Company regarding the change of the accounting period. The Company completed the registration with the Department of Business Development, the Ministry of Commerce and obtained an approval from the Revenue Department for this change which has an effect on the Company's first change of accounting period ended on 30 September 2016. Consequently, the financial statements for the period ended 30 September 2016 have been prepared from 1 January 2016 to 30 September 2016. As such, the amounts presented in the statements of comprehensive income, changes in equity and cash flows as comparative information are not directly comparable.

(f) Financial position and operating plan

The Group incurred a net loss of Baht 88.74 million for the nine-month period ended 30 September 2016 (*For the year ended 31 December 2015: Baht 304.87 million*) and the Company incurred a net loss of Baht 91.22 million for the nine-month period ended 30 September 2016 *(For the year ended 31 December 2015: Baht 400.41 million).* As of that date, the Group's and the Company's current liabilities exceeded current assets by Baht 198.33 million and 474.89 million, respectively *(31 December 2015: Baht 283.88 million and Baht 519.77 million, respectively).*

The Company's management has given careful consideration to the Group's and Company's financial and liquidity position and has executed plans to growth target sale for volume and market share by implementing modern technology in the sales and improve the efficiency of distribution to reach targeted customers to support diversify of products. Moreover, the Group has expense control plans for various areas to improve its financial position, liquidity, cash flows and operating results.

Moreover, the Group had no loan from financial institutions and had unutilised credit facilities which cover its current liabilities. Management believes that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

(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.

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.

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 foreign 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.

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

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(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 includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

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) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets (or disposal group) are measured at the lower of their carrying value and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(g) 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.

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.

(h) 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.

(i) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated 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.

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.

Gains and losses on disposal of an 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 net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred 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.

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
Condominium	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.

(j) 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.

(k) 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.

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 has 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.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised as stated in the agreement.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(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, the resulting change in benefit that relates to past service 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.

(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) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Loyalty programmes

The Group has a customer loyalty programme whereby customers are awarded credits (Points) entitling customers to the right to purchase products from the Group at a discount or qualify for a free gift. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of the sale. The amount allocated to the Points is estimated by reference to the fair value of the right to purchase products at a discount or fair value of the free gift. The fair value is estimated based on the amount of the discount adjusted to take into account the expected forfeiture rate. Such amount is deferred and revenue is recognised only when the Points are redeemed and the Group has fulfilled its obligations to supply the products. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed in exchange for discounted products, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to profit or loss when it is no longer considered probable that the Points will be redeemed.

Investments

Revenue from investments comprises rental income from investment properties and dividend and interest income from investments and bank deposits.

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.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income and other income

Interest income and other income are recognised in profit or loss as they accrue.

(q) 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.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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.

(s) 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.

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. 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.

(t) Losses per share

The Group presents basic losses per share data for its ordinary shares. Basic 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.

(u) 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.

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with parent company, subsidiaries and an associate are described in notes 1, 10 and 11. Relationships with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	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 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
Petpack Co., Ltd.	Thailand	The Company hold ordinary shares
Beer Thai (1991) PLC.	Thailand	Direct subsidiary of the ultimate parent company
Beer Thip Brewery (1991) Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Cosmos Brewery (Thailand) Co.,Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Sang Som Co., Ltd.	Thailand	Direct 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
Sunthronpirom 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
Num Thurakij Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Muang Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Nakorn Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Palang Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Kijjakarn Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Numrungrod Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Numthip Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
Num Yuk Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company

Name of entities	Country of incorporation/ nationality	Nature of relationships
Pomklung 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
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
Cash Van Management 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
Chang International Co., Ltd.	Thailand	Indirect subsidiary of the ultimate parent company
InterBev (Singapore) Limited	Singapore	Indirect subsidiary of the ultimate parent company
Super Brands Company Pte Ltd.	Singapore	Indirect subsidiary of the ultimate parent company
Fraser and Neave, Limited	Singapore	Associated of the ultimate parent company
F&N Interflavine Pte Ltd.	Singapore	Affiliated company in associate of the ultimate parent company
F&N Beverages Manufacturing 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.
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.
Big C Supercenter PLC.	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
Supcharoennakorn Co., Ltd	Thailand	Ultimate parent company has common controlling equity holders
Phatra-leasing PLC.	Thailand	Common director
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

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

Transactions	Pricing policies
Sales of goods and rendering of services	Cost plus gross profit margin
Other income	Contractual prices, mutually agreed price
Interest income and interest expense	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
Trademark fee	Contractual prices
Subsidy for marketing expenses	Actual price stated in invoice
Directors' remuneration representing salary, director bonus and meeting allowance	Approval by the Company's directors and shareholders
Selling expenses	Contractual prices, mutually agreed price
Administrative expenses	Contractual prices, mutually agreed price

Significant transactions for the nine-month period ended 30 September 2016 and for the year ended 31 December 2015 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(in thousand Baht)			
Subsidiaries				
Sale of goods and rendering of services	-	-	84,526	220,700
Purchase of finished goods and services	-	-	348,033	566,645
Interest income	-	-	2,909	3,875
Selling and administrative expenses	-	-	37,930	38,841
An associate				
Purchase of raw materials	552,711	627,874	552,711	627,874
Dividend income	111,000	54,000	111,000	54,000
Other income	2,025	3,575	2,025	3,575
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	60,735	89,437	60,735	89,437
Post-employment benefits	2,673	4,093	2,673	4,093
Other long-term benefits	4	3	4	3
Directors' remunerations	5,590	7,438	5,590	7,438
Total key management personnel compensation	**69,002**	**100,971**	**69,002**	**100,971**

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(in thousand Baht)			
Other related parties				
Sale of goods and rendering of services	2,394,082	2,856,565	2,386,998	2,799,851
Gain on disposal of non-current assets held for sale	-	445,766	-	445,766
Other income	89,928	168,608	89,928	163,408
Dividend income	4,984	2,901	4,984	2,901
Purchase of finished goods and raw materials	2,416,821	3,241,912	2,366,635	3,151,185
Subsidy for marketing expense	430,778	538,119	430,778	538,119
Selling expenses	229,828	201,400	229,822	201,400
Administrative expenses	70,831	63,590	70,573	61,917

Balances as at 30 September 2016 and 31 December 2015 with related parties were as follows:

Trade accounts receivable from related parties	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Ultimate parent company	5	-	5	-
Subsidiaries	-	-	28,301	49,438
Other related parties	266,965	250,675	260,036	237,520
Total	**266,970**	**250,675**	**288,342**	**286,958**

Other receivables from related parties	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Subsidiaries	-	-	44,767	44,749
An associate	37,288	2,086	37,288	2,086
Other related parties	464,779	109,164	464,779	104,114
Total	**502,067**	**111,250**	**546,834**	**150,949**

Loans to related parties	Interest rate		Consolidated financial statements		Separate financial statements	
			30 September 2016	31 December 2015	30 September 2016	31 December 2015
	2016	2015	*(in thousand Baht)*			
	(% per annum)					
Short-term loan						
Subsidiary	3.10	3.10	-	-	125,000	125,000
Long-term loan						
Other related party	4.44	4.56	3,000	3,000	3,000	3,000
Total			**3,000**	**3,000**	**128,000**	**128,000**

There were no movements on the short-term and long-term loans to related parties during the nine-month period ended 30 September 2016 and for the year ended 31 December 2015.

Trade accounts payable to related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Subsidiaries	-	-	363,101	315,718
An associate	70,159	170,566	70,159	170,566
Other related parties	651,814	366,163	632,832	355,600
Total	**721,973**	**536,729**	**1,066,092**	**841,884**

Other payables to related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Subsidiaries	-	-	5,836	1,346
Other related parties	242,074	186,778	242,049	186,674
Total	**242,074**	**186,778**	**247,885**	**188,020**

Long-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Subsidiary	-	-	**1,530,968**	**1,530,968**

There were no movements on the long-term loan from a related party during the nine-month period ended 30 September 2016 and for the year ended 31 December 2015.

Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Employee benefit obligations	88,920	73,295	88,920	73,295

Significant agreements with related parties

Loan agreements

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. These agreements 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 Borrower agreed to change the interest rate to Money Market Rate of a financial institution at the beginning of each quarter.

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 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 9 September 2015, the Company and the Lender made an amendment to repay the principle after four years from the drawdown date or such other agreed date which beyond the maturity date. At 30 September 2016, the Company had utilised loan facility totalling Baht 1,530.97 million. *(31 December 2015: 1,530.97 million)*

Co-packing 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.

A subsidiary entered into an agreement with a related party in order to appoint to produce energy drink under "Ranger" trademark. The subsidiary has to comply with conditions as specified in the agreement. The agreement is for one year and ends on 31 July 2016 or the date on which the minimum volume achieved, which is the later (the "Term"), unless earlier terminated in accordance with the terms of this agreement.

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 31 December 2016 including a renewal option.

The Company entered into agreements with related companies to act as distributors for the Company's products. The Company has to comply with conditions as specified in the agreements. The agreements are for three years and end on 7 May 2017.

The Company entered into an agreement with a related company to act as a distributor for beverage products which the Company is a producer and a non-producer. The Company has to comply with conditions as specified in the agreement. The agreement is for one year and ends on 31 December 2016.

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.

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.

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.

Services Agreement

The Company entered into a Consultancy services agreement with a related company to manage warehouse, product distribution, and supply chain especially overseas market. The Company has to comply with conditions as specified in the agreement. The agreement is for a period of two years, effective from 1 January 2015 to 31 December 2016 with service fee in the amount of Baht 130 million per year.

The Company entered into a Software License agreement with a related company to use the software according to defined right and to be provided a system maintenance service. The agreement is for a period of three years and ends on 31 August 2018 with service fee in the amount of Baht 1.23 million per month.

Commitments with related parties

Operating lease commitments

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Within one year	22,542	14,606	22,233	14,606
After one year but within five years	35,168	23,298	34,449	23,298
Total	**57,710**	**37,904**	**56,682**	**37,904**

Other commitments

As at 30 September 2016, the Company had commitments for purchase orders for goods with related parties amounting to Baht 1.83 million *(31 December 2015: 146.31 million)*.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Cash on hand	24,247	23,822	24,217	23,792
Cash at banks - current accounts	111,487	41,483	110,436	40,309
Cash at banks - savings accounts	294,804	455,590	218,515	363,768
Total	**430,538**	**520,895**	**353,168**	**427,869**

The currency denomination of cash and cash equivalents was as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Thai Baht (THB)	398,407	487,440	353,168	427,869
Hong Kong Dollars (HKD)	32,131	33,455	-	-
Total	**430,538**	**520,895**	**353,168**	**427,869**

6 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
			(in thousand Baht)		
Related parties	4	266,970	250,675	288,342	286,958
Other parties		231,355	339,208	231,359	307,139
Total		**498,325**	**589,883**	**519,701**	**594,097**
Less allowance for doubtful accounts		(32,666)	(43,934)	(32,666)	(43,934)
Net		**465,659**	**545,949**	**487,035**	**550,163**

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
		(in thousand Baht)		
(Reversal of) bad and doubtful debts expenses	**(11,268)**	**3,880**	**(11,268)**	**3,880**

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(in thousand Baht)		
Related parties				
Within credit terms	264,440	236,337	288,342	285,775
Overdue:				
Less than 1 month	2,530	5,737	-	1,183
1 - 3 months	-	8,601	-	-
	266,970	**250,675**	**288,342**	**286,958**
Other parties				
Within credit terms	127,084	207,524	127,088	185,519
Overdue:				
Less than 1 month	56,656	67,168	56,656	57,104
1 - 3 months	19,444	26,363	19,444	26,363
Over 3 months	28,171	38,153	28,171	38,153
	231,355	**339,208**	**231,359**	**307,139**
Less allowance for doubtful accounts	(32,666)	(43,934)	(32,666)	(43,934)
Net	**198,689**	**295,274**	**198,683**	**263,205**
Total	**465,659**	**545,949**	**487,035**	**550,163**

The normal credit term granted by the Group ranges from 15 days to 60 days.

Trade accounts receivable of the Group and the Company as at 30 September 2016 and 31 December 2015 were denominated entirely in Thai Baht.

7 Other receivables

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Other receivables	41,423	53,367	40,399	53,367
Less allowance for doubtful accounts	(11,992)	(25,706)	(11,992)	(25,706)
Net	**29,431**	**27,661**	**28,407**	**27,661**
Prepaid expenses	79,848	51,113	78,994	49,531
Advance payment	3,890	8,535	3,167	8,056
Unearned revenue	7,193	7,893	7,193	7,892
Total	**120,362**	**95,202**	**117,761**	**93,140**

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(in thousand Baht)			
(Reversal) of bad and doubtful debts expenses	**(13,714)**	**3,605**	**(13,714)**	**3,605**

8 Inventories

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Finished goods	417,370	496,535	402,400	489,382
Work in progress	3,026	3,337	3,026	3,337
Raw materials and supplies	300,878	281,515	247,507	227,573
Spare parts	114,708	117,225	110,844	112,019
Other supplies	3,237	2,425	2,578	2,425
	839,219	**901,037**	**766,355**	**834,736**
Less allowance for decline in value	(136,887)	(237,063)	(129,549)	(226,118)
Net	**702,332**	**663,974**	**636,806**	**608,618**

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(in thousand Baht)			
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	5,888,652	8,006,288	5,975,663	8,237,074
- Write-down to net realisable value	43,105	185,734	42,318	180,651
- Reversal of write-down	(143,281)	(24,868)	(138,887)	(24,868)
Net	**5,788,476**	**8,167,154**	**5,879,094**	**8,392,857**

9 Non-current assets held for sale

As at the extraordinary general meeting of the shareholders of the Company held on 23 December 2014, shareholders has resolved to approve entering into a sales transaction for land and buildings of Thonburi branch with a related party. Therefore such assets were presented as non-current assets held for sale. Subsequently, on 17 April 2015, the Company entered into a sales agreement and completed the transfer of the land and buildings of Thonburi branch to the related party at the Department of Land. The proceeds from the sale of the land and buildings of Thonburi branch, net of related selling expenses of Baht 1,736.27 million, resulted in an increase in retained earnings by transfer of revaluation surplus of land in the amount of Baht 1,020.76 million, and recognition of a gain of Baht 445.77 million on the sale of assets held for sale in the statement of comprehensive income for the year ended 31 December 2015.

10 Investment in an associate

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(in thousand Baht)			
At 1 January	431,274	379,710	30,000	30,000
Share of net profit of an associate	105,586	105,564	-	-
Dividend income	(111,000)	(54,000)	-	-
At 30 September / 31 December	**425,860**	**431,274**	**30,000**	**30,000**

Investment in an associate as at 30 September 2016 and 31 December 2015, and dividend income from this investment for the nine-month period ended 30 September 2016 and for the year ended 31 December 2015, were as follows:

Consolidated financial statements

	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(%)				*(in thousand Baht)*					
Petform (Thailand) Limited	40	40	75,000	75,000	**30,000**	**30,000**	**425,860**	**431,274**	**111,000**	**54,000**

Separate financial statements

	Ownership interest		Paid-up capital		Cost		Dividend income	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(%)				*(in thousand Baht)*			
Petform (Thailand) Limited	40	40	75,000	75,000	**30,000**	**30,000**	**111,000**	**54,000**

Petform (Thailand) Limited mainly manufactures and distributes PET preforms, closures, and PET bottles. This associate is not publicly listed and consequently does not have published price quotations.

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	
	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(in thousand Baht)	
Revenue	2,146,016	2,578,741
Profit from continuing operations	268,215	265,665
Other comprehensive income	-	(6,298)
Total comprehensive income	**268,215**	**259,367**
Attributable to NCI	162,629	153,803
Attributable to investee's shareholders	105,586	105,564
Current assets	693,979	694,707
Non-current assets	1,786,389	1,613,335
Current liabilities	(775,534)	(486,671)
Non-current liabilities	(550,630)	(747,882)
Net assets	**1,154,204**	**1,073,489**
Attributable to NCI	692,522	644,093
Attributable to investee's shareholders	461,682	429,396

11 Investments in subsidiaries

Investments in subsidiaries as at 30 September 2016 and 31 December 2015, and dividend income from those investments for the nine-month period ended 30 September 2016 and for the year ended 31 December 2015, were as follows:

Subsidiaries	Type of business	Separate financial statements							
		Ownership interest		Paid-up capital		Cost		Dividend income	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
		(%)				(in thousand Baht)			
Direct subsidiaries									
Sermsuk 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	-	-
Sermsuk 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**	**-**	**-**

All subsidiaries were incorporated in Thailand, except Great Brands Limited which was incorporated in Hong Kong.

12 Other long-term investments

Other long-term investments as at 30 September 2016 and 31 December 2015, and dividend income from those investments for the nine-month period ended 30 September 2016 and for the year ended 31 December 2015, were as follows:

	Consolidated and Separate financial statements			
	Cost method		Dividend income	
	30 September 2016	31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(in thousand Baht)			
Equity securities available for sale				
Crown Seal Public Company Limited	63,200	54,474	1,851	1,851
Non marketable equity securities				
The Pet Company Limited	7,000	7,000	1,050	1,050
Bangkok Glass Public Company Limited	74,799	74,799	2,083	-
Petpack Company Limited	35,000	35,000	-	-
	116,799	**116,799**	**3,133**	**1,050**
Total	**179,999**	**171,273**	**4,984**	**2,901**

Movements during the nine-month period ended 30 September 2016 and for the year ended 31 December 2015 of other long-term investments were as follows:

	Consolidated and Separate financial statements	
	2016	2015
	(in thousand Baht)	
Equity securities available for sale		
At 1 January	54,474	54,474
Valuation adjustment	8,726	-
At 30 September / 31 December	**63,200**	**54,474**

There were no movements on the non-marketable equity securities during the nine-month period ended
30 September 2016 and for the year ended 31 December 2015.

Other long-term investments of the Group and the Company as at 30 September 2016 and 31 December 2015 were denominated entirety in Thai Baht.

13 Investment properties

	Consolidated and Separate financial statements		
	Land	Building	Total
	(in thousand Baht)		
At 1 January 2015	265,201	5,100	270,301
Fair value adjustments	6,581	-	6,581
At 31 December 2015 and 1 January 2016	**271,782**	**5,100**	**276,882**
Fair value adjustments	23,737	-	23,737
At 30 September 2016	**295,519**	**5,100**	**300,619**

Investment properties were revalued as at 30 September 2016 and 31 December 2015 by Thai Property Appraisal Lynn Philips Co., Ltd., a firm of independent professional valuers, at open market values on an existing use basis.

Investment properties comprise lands which are held for business operations in the future but not yet utilised and land and building that are leased to third parties for a period of three years.

Measurement of fair value

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio on an annual basis.

The fair value measurement for investment property of Baht 300.62 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	(in thousand Baht)
Balance at 1 January 2016	276,882
Gain included in "other income"	
Changes in fair value (unrealised)	23,737
Balance at 30 September 2016	**300,619**

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs
Market Approach	• Asking price of comparable property • Source of data used in valuation

14 Property, plant and equipment

	Consolidated financial statements											
	Land		Buildings, warehouses		Machinery,		Furniture			Marketing	Assets under construction	
	Historical cost	Surplus on revaluation	and improvement	Condo-miniums	equipment and tools	Vehicles	and office equipment	Plastic pallets	Container	promotion equipments	and installation	Total
						(in thousand Baht)						
Cost/revaluation												
At 1 January 2015	480,799	3,018,790	2,365,536	171,843	5,825,479	1,776,878	321,419	352,401	1,747,839	3,839,346	516,714	20,417,044
Additions	-	-	20,248	440	85,901	7,814	12,836	3,200	16,056	183,691	122,909	453,095
Transfers	-	-	172,199	-	341,262	861	(12,618)	-	-	16,905	(518,609)	-
Disposals	-	-	-	-	(21,555)	(42,780)	(4,308)	-	(71,904)	(53,772)	-	(194,319)
At 31 December 2015 and 1 January 2016	**480,799**	**3,018,790**	**2,557,983**	**172,283**	**6,231,087**	**1,742,773**	**317,329**	**355,601**	**1,691,991**	**3,986,170**	**121,014**	**20,675,820**
Additions	-	730,979	16,489	164	57,976	5,287	16,418	2,970	42,856	45,389	151,232	1,069,760
Transfers	19,467	(19,467)	20,389	-	145,098	3,700	(43)	-	-	787	(171,806)	(1,875)
Disposals	-	-	-	-	(2,230)	(2,750)	(4,065)	-	(137,590)	(122,644)	-	(269,279)
At 30 September 2016	**500,266**	**3,730,302**	**2,594,861**	**172,447**	**6,431,931**	**1,749,010**	**329,639**	**358,571**	**1,597,257**	**3,909,702**	**100,440**	**21,474,426**

	Consolidated financial statements											
	Land		Buildings, warehouses and improvement	Condo-miniums	Machinery, equipment and tools	Vehicles	Furniture and office equipment	Plastic pallets	Container	Marketing promotion equipments	Assets under construction and installation	Total
	Historical cost	Surplus on revaluation										
						(In thousand Baht)						
Depreciation and impairment losses												
At 1 January 2015	-	-	1,233,724	132,776	4,214,834	1,494,647	263,312	327,984	118,839	3,569,754	-	11,355,870
Depreciation charge for the year	-	-	88,311	3,514	303,225	56,897	22,205	8,490	122,503	112,813	-	717,958
Loss on impairment	-	-	-	-	-	-	-	-	65,125	-	-	65,125
Transfers	-	-	36	-	-	-	(201)	-	-	165	-	-
Disposals	-	-	-	-	(21,344)	(38,786)	(4,305)	-	(42,636)	(53,763)	-	(160,834)
At 31 December 2015 and 1 January 2016	**-**	**-**	**1,322,071**	**136,290**	**4,496,715**	**1,512,758**	**281,011**	**336,474**	**263,831**	**3,628,969**	**-**	**11,978,119**
Depreciation charge for the period	-	-	68,891	2,629	223,067	37,051	14,107	4,613	88,143	85,761	-	524,262
Loss on impairment	-	-	-	-	-	-	-	-	(33,977)	-	-	(33,977)
Disposals	-	-	-	-	(1,953)	(1,440)	(4,062)	-	(26,402)	(122,634)	-	(156,491)
At 30 September 2016	**-**	**-**	**1,390,962**	**138,919**	**4,717,829**	**1,548,369**	**291,056**	**341,087**	**291,595**	**3,592,096**	**-**	**12,311,913**
Allowance for loss of marketing promotion equipments												
At 1 January 2015	-	-	-	-	-	-	-	-	-	5,330	-	5,330
At 31 December 2015 and 1 January 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,330**	**-**	**5,330**
At 30 September 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,330**	**-**	**5,330**

Notes to the financial statements

	Consolidated financial statements											
	Land		Buildings, warehouses and improvement	Condo-miniums	Machinery, equipment and tools	Vehicles	Furniture and office equipment	Plastic pallets	Container	Marketing promotion equipments	Assets under construction and installation	Total
	Historical cost	Surplus on revaluation										
	(in thousand Baht)											
Net book value												
At 1 January 2015	**480,799**	**3,018,790**	**1,131,812**	**39,067**	**1,610,645**	**282,231**	**58,107**	**24,417**	**1,629,000**	**264,262**	**516,714**	**9,055,844**
At 31 December 2015 and 1 January 2016	**480,799**	**3,018,790**	**1,235,912**	**35,993**	**1,734,372**	**230,015**	**36,318**	**19,127**	**1,428,160**	**351,871**	**121,014**	**8,692,371**
At 30 September 2016	**500,266**	**3,730,302**	**1,203,899**	**33,528**	**1,714,102**	**200,641**	**38,583**	**17,484**	**1,305,662**	**312,276**	**100,440**	**9,157,183**

Notes to the financial statements

	Separate financial statements											
	Land		Buildings, warehouses		Machinery,		Furniture			Marketing	Assets under construction	
	Historical cost	Surplus on revaluation	and improvement	Condo-miniums	equipment and tools	Vehicles	and office equipment	Plastic pallets	Container	and installation	and installation	Total
						(in thousand Baht)						
Cost/revaluation												
At 1 January 2015	356,296	2,898,766	2,062,805	171,843	5,264,737	1,768,978	311,820	328,541	1,716,212	3,839,346	515,210	19,234,554
Additions	-	-	16,182	440	74,567	7,684	12,454	3,200	16,056	183,691	117,719	431,993
Transfers	-	-	171,361	-	337,651	861	(12,618)	-	-	16,905	(514,160)	-
Disposals	-	-	-	-	(21,555)	(42,649)	(4,308)	-	(71,871)	(53,772)	-	(194,155)
At 31 December 2015 and 1 January 2016	**356,296**	**2,898,766**	**2,250,348**	**172,283**	**5,655,400**	**1,734,874**	**307,348**	**331,741**	**1,660,397**	**3,986,170**	**118,769**	**19,472,392**
Additions	-	667,442	13,746	164	54,391	5,287	16,149	2,970	42,858	45,390	149,020	997,417
Transfers	19,467	(19,467)	19,752	-	144,009	3,700	(52)	-	-	787	(168,196)	-
Disposals	-	-	-	-	(2,230)	(2,750)	(4,065)	-	(137,576)	(122,644)	-	(269,265)
At 30 September 2016	**375,763**	**3,546,741**	**2,283,846**	**172,447**	**5,851,570**	**1,741,111**	**319,380**	**334,711**	**1,565,679**	**3,909,703**	**99,593**	**20,200,544**

Notes to the financial statements

	Separate financial statements											
	Land		Buildings, warehouses and improvement	Condo-miniums	Machinery, equipment and tools	Vehicles	Furniture and office equipment	Plastic pallets	Container	Marketing promotion equipments	Assets under construction and installation	Total
	Historical cost	Surplus on revaluation										
						(in thousand Baht)						
Depreciation and impairment losses												
At 1 January 2015	-	-	1,059,573	132,776	3,775,315	1,488,531	255,218	304,125	118,839	3,569,754	-	10,704,131
Depreciation charge for the year	-	-	72,866	3,514	269,483	56,251	21,617	8,490	120,418	112,813	-	665,452
Loss on impairment	-	-	-	-	-	-	-	-	65,125	-	-	65,125
Transfers	-	-	36	-	-	-	(201)	-	-	165	-	-
Disposals	-	-	-	-	(21,344)	(38,786)	(4,305)	-	(42,635)	(53,762)	-	(160,832)
At 31 December 2015 and 1 January 2016	**-**	**-**	**1,132,475**	**136,290**	**4,023,454**	**1,505,996**	**272,329**	**312,615**	**261,747**	**3,628,970**	**-**	**11,273,876**
Depreciation charge for the period	-	-	57,063	2,629	198,759	36,806	13,599	4,613	85,558	85,761	-	484,788
Loss on impairment	-	-	-	-	-	-	-	-	(33,977)	-	-	(33,977)
Disposals	-	-	-	-	(1,953)	(1,440)	(4,062)	-	(26,402)	(122,634)	-	(156,491)
At 30 September 2016	**-**	**-**	**1,189,538**	**138,919**	**4,220,260**	**1,541,362**	**281,866**	**317,228**	**286,926**	**3,592,097**	**-**	**11,568,196**
Allowance for loss of marketing promotion equipments												
At 1 January 2015	-	-	-	-	-	-	-	-	-	5,330	-	5,330
At 31 December 2015 and 1 January 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,330**	**-**	**5,330**
At 30 September 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,330**	**-**	**5,330**

	Separate financial statements											
	Land		Buildings, warehouses and improvement	Condo-miniums	Machinery, equipment and tools	Vehicles	Furniture and office equipment	Plastic pallets	Container	Marketing promotion equipments	Assets under construction and installation	Total
	Historical cost	Surplus on revaluation										
	(in thousand Baht)											
Net book value												
At 1 January 2015	356,296	2,898,766	1,003,232	39,067	1,489,422	280,447	56,602	24,416	1,597,373	264,262	515,210	8,525,093
At 31 December 2015 and 1 January 2016	356,296	2,898,766	1,117,873	35,993	1,631,946	228,878	35,019	19,126	1,398,650	351,870	118,769	8,193,186
At 30 September 2016	375,763	3,546,741	1,094,308	33,528	1,631,310	199,749	37,514	17,483	1,278,753	312,276	99,593	8,627,018

The gross amount of the Group's fully depreciated buildings and equipment that was still in use as at 30 September 2016 and 31 December 2015 are summarised as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Buildings and equipment	**9,433,676**	**8,956,992**	**9,110,821**	**8,642,834**

Measurement of fair value

Fair value hierarchy

The fair value of property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers regularly provide the fair value of the Group's land portfolio.

The fair value measurement for property in the consolidated financial statements of Baht 4,230.57 million and separate financial statements of Baht 3,922.50 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Consolidated financial statement	Separate financial statements
	(in thousand Baht)	
Balance at 1 January 2016	3,499,589	3,255,062
Gain included in "Other comprehensive income"		
Gain on revaluation on land	722,113	658,576
Gain included in "Profit or loss for the period"		
Gain on revaluation on land	8,866	8,866
Balance at 30 September 2016	**4,230,568**	**3,922,504**

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs
Sales Comparison Approach	• Asking price of comparable property • Source of data used in valuation

15 Intangible assets

	Consolidated financial statements		
	Trademark	Software licenses	Total
	(in thousand Baht)		
Cost			
At 1 January 2015	2,000	69,618	71,618
Additions	-	3,088	3,088
Disposals	-	(28,643)	(28,643)
At 31 December 2015 and 1 January 2016	**2,000**	**44,063**	**46,063**
Additions	-	4,640	4,640
Transfer in	-	1,875	1,875
At 30 September 2016	**2,000**	**50,578**	**52,578**
Amortisation			
At 1 January 2015	-	53,570	53,570
Amortisation for the year	-	3,216	3,216
Disposals	-	(28,642)	(28,642)
At 31 December 2015 and 1 January 2016	**-**	**28,144**	**28,144**
Amortisation for the period	-	1,569	1,569
At 30 September 2016	**-**	**29,713**	**29,713**
Net book value			
At 1 January 2015	**2,000**	**16,048**	**18,048**
At 31 December 2015 and 1 January 2016	**2,000**	**15,919**	**17,919**
At 30 September 2016	**2,000**	**20,865**	**22,865**

	Separate financial statements
	Software licenses
	(in thousand Baht)
Cost	
At 1 January 2015	68,442
Additions	3,014
Disposals	(28,643)
At 31 December 2015 and 1 January 2016	**42,813**
Additions	4,635
At 30 September 2016	**47,448**
Amortisation	
At 1 January 2015	52,425
Amortisation for the year	3,195
Disposal	(28,643)
At 31 December 2015 and 1 January 2016	**26,977**
Amortisation for the period	1,337
At 30 September 2016	**28,314**
Net book value	
At 1 January 2015	**16,017**
At 31 December 2015 and 1 January 2016	**15,836**

At 30 September 2016	**19,134**

16 Deferred tax

Deferred tax assets and liabilities as at 30 September 2016 and 31 December 2015 were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Total	767,520	697,952	(886,303)	(730,555)
Set off of tax	(757,143)	(689,694)	757,143	689,694
Net deferred tax assets (liabilities)	**10,377**	**8,258**	**(129,160)**	**(40,861)**

	Separate financial statements			
	Assets		Liabilities	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Total	751,792	680,984	(849,591)	(706,549)
Set off of tax	(751,792)	(680,984)	751,792	680,984
Net deferred tax liabilities	**-**	**-**	**(97,799)**	**(25,565)**

Movements in total deferred tax assets and liabilities for the nine-month period ended 30 September 2016 and for the year ended 31 December 2015 were as follows:

	Consolidated financial statements			
		(Charged) / Credited to:		
	At 1 January 2016	Profit or loss *(Note 28)*	Other comprehensive income	**At 30 September 2016**
		(in thousand Baht)		
Deferred tax assets				
Inventories	48,968	(20,488)	-	28,480
Employee benefit obligations	215,525	7,294	2,205	225,024
Loss carry forward	399,284	87,859	-	487,143
Others	34,175	(7,302)	-	26,873
Total	**697,952**	**67,363**	**2,205**	**767,520**
Deferred tax liabilities				
Property, plant and equipment	(601,639)	-	(144,421)	(746,060)
Investment properties	(17,989)	(4,747)	-	(22,736)
Long-term investments	(4,548)	-	(1,746)	(6,294)
Others	(106,379)	(4,834)	-	(111,213)
Total	**(730,555)**	**(9,581)**	**(146,167)**	**(886,303)**
Net	**(32,603)**	**57,782**	**(143,962)**	**(118,783)**

	Consolidated financial statements			
		(Charged) / Credited to:		
	At 1 January 2015	Profit or loss (Note 28)	Other comprehensive income	At 31 December 2015
		(in thousand Baht)		
Deferred tax assets				
Inventories	40,227	8,741	-	48,968
Employee benefit obligations	209,548	7,883	(1,906)	215,525
Loss carry forward	564,808	89,665	(255,189)	399,284
Others	14,204	19,971	-	34,175
Total	**828,787**	**126,260**	**(257,095)**	**697,952**
Deferred tax liabilities				
Property, plant and equipment	(856,828)	-	255,189	(601,639)
Investment properties	(16,673)	(1,316)	-	(17,989)
Long-term investments	(4,548)	-	-	(4,548)
Others	(93,139)	(13,240)	-	(106,379)
Total	**(971,188)**	**(14,556)**	**255,189**	**(730,555)**
Net	**(142,401)**	**111,704**	**(1,906)**	**(32,603)**

	Separate financial statements			
		(Charged) / Credited to:		
	At 1 January 2016	Profit or loss (Note 28)	Other comprehensive income	At 30 September 2016
		(in thousand Baht)		
Deferred tax assets				
Inventories	45,423	(19,313)	-	26,110
Employee benefit obligations	214,248	7,166	2,064	223,478
Loss carry forward	387,671	87,661	-	475,332
Others	33,642	(6,770)	-	26,872
Total	**680,984**	**68,744**	**2,064**	**751,792**
Deferred tax liabilities				
Property, plant and equipment	(577,633)	-	(131,715)	(709,348)
Investment properties	(17,989)	(4,747)	-	(22,736)
Long-term investments	(4,578)	-	(1,746)	(6,294)
Others	(106,379)	(4,834)	-	(111,213)
Total	**(706,549)**	**(9,581)**	**(133,461)**	**(849,591)**
Net	**(25,565)**	**(59,163)**	**(131,397)**	**(97,799)**

	Separate financial statements			
		(Charged) / Credited to:		
	At 1 January 2015	Profit or loss (Note 28)	Other comprehensive income	At 31 December 2015
		(in thousand Baht)		
Deferred tax assets				
Inventories	38,034	7,389	-	45,423
Employee benefit obligations	208,475	7,687	(1,914)	214,248
Loss carry forward	550,023	92,837	(255,189)	387,671
Others	14,204	19,438	-	33,642
Total	**810,736**	**127,351**	**(257,103)**	**680,984**
Deferred tax liabilities				
Property, plant and equipment	(832,822)	-	255,189	(577,633)
Investment properties	(16,673)	(1,316)	-	(17,989)
Long-term investments	(4,548)	-	-	(4,548)
Others	(93,139)	(13,240)	-	(106,379)
Total	**(947,182)**	**(14,556)**	**255,189**	**(706,549)**
Net	**(136,446)**	**112,795**	**(1,914)**	**(25,565)**

The tax losses expire in 2018 to 2021. 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.

17 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2016	31 December 2015	30 September 2016	31 December 2015
			(in thousand Baht)		
Related parties	4	721,973	536,729	1,066,092	841,884
Other parties		274,488	385,327	261,915	351,907
Total		**996,461**	**922,056**	**1,328,007**	**1,193,791**

Trade accounts payable of the Group and the Company as at 30 September 2016 and 31 December 2015 were denominated entirety in Thai Baht.

18 Other payables

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Accrued employee benefit	310,101	304,515	306,858	300,377
Other payables	277,662	270,839	265,172	259,406
Excise taxes payable	80,799	-	80,799	-
Accrued employee expense	62,993	1,433	62,863	1,433
Accrued marketing expense	60,392	85,506	60,392	85,506
Others	77,788	93,445	72,364	81,102
Total	**869,735**	**755,738**	**848,448**	**727,824**

The currency denomination of other payables as at 30 September 2016 and 31 December 2015 was as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in million Baht)			
Thai Baht (THB)	838,615	754,207	817,421	726,293
Euro (EUR)	31,027	944	31,027	944
United States Dollars (USD)	47	587	-	587
Hongkong Dollar (HKD)	28	-	-	-
Pound Sterling (GBP)	18	-	-	-
Total	**869,735**	**755,738**	**848,448**	**727,824**

19 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Statement of financial position				
Obligations for:				
Short-term employee benefit				
- accumulated annual leave	10,955	10,955	10,924	10,924
Long-term employee benefit				
- long service award	47,668	45,251	47,558	45,174
Post-employment benefit				
- retirement benefit	1,067,927	1,022,554	1,058,909	1,015,144
Total	**1,126,550**	**1,078,760**	**1,117,391**	**1,071,242**
Statement of financial position				
Current				
Accrued expenses	168,555	133,961	167,168	133,930
Non-current				
Employee benefit obligations	957,995	944,799	950,223	937,312
Total	**1,126,550**	**1,078,760**	**1,117,391**	**1,071,242**

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(in thousand Baht)			
Statement of comprehensive income:				
Recognised in profit or loss:				
Short-term employee benefit				
- accumulated annual leave	-	(49)	-	(54)
Long-term employee benefits				
- long service award	4,307	6,576	4,299	6,564
- Actuarial gains	(1,890)	(1,659)	(1,916)	(1,643)
Post-employment benefit				
- retirement benefit	58,066	77,552	57,166	76,472
Total	**60,483**	**82,420**	**59,549**	**81,339**
Recognised in other comprehensive income:				
Actuarial gains (losses) recognised in the period / year	11,026	(9,443)	10,319	(9,570)
Cumulative actuarial gains recognised	(279,463)	(290,489)	(280,353)	(290,672)

Employee benefit - Retirement benefit

The Group and the Company operate defined benefit plans 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.

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Present value of unfunded obligations	1,067,927	1,022,554	1,058,909	1,015,144

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Defined benefit obligations at 1 January	1,022,554	987,606	1,015,144	981,403
Benefits paid by the plan	(23,719)	(33,162)	(23,719)	(33,162)
	998,825	954,444	991,425	948,241
Include in profit or loss:				
Current service costs	39,305	50,530	38,558	49,637
Interest on obligation	18,761	27,022	18,608	26,835
	58,066	77,552	57,166	76,472
Included in other comprehensive income				
Actuarial (gains) losses	11,026	(9,443)	10,318	(9,570)
Defined benefit obligations at 30 September / 31 December	**1,067,927**	**1,022,554**	**1,058,909**	**1,015,144**

Actuarial (gains) and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in million Baht)			
Financial assumptions	(13,882)	-	(13,882)	-
Demography assumptions	11,729	21,374	11,215	21,151
Experience adjustment	13,179	(30,817)	12,985	(30,721)
Total	**11,026**	**(9,443)**	**10,318**	**(9,570)**

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	%			
Discount rate	2.25	2.75	2.25	2.75
Future salary growth	5.00	5.00	5.00	5.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 30 September 2016, the weighted-average duration of the defined benefit obligation was 7 years *(31 December 2015 : 8 years)*.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	(in thousand Baht)			
Defined benefit obligation 30 September 2016	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(41,296)	45,221	(48,786)	44,663
Future salary growth (1% movement)	146,439	(98,408)	145,219	(97,368)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

20 Share capital

		Consolidated / Separate financial statements			
	Par value	30 September 2016		31 December 2015	
	per share	Number	Baht	Number	Baht
	(in Baht)	*(thousand shares / thousand Baht)*			
Authorised					
At 1 January					
- ordinary shares	1	265,900	265,900	265,900	265,900
At 30 September / 31 December					
- ordinary shares	**1**	**265,900**	**265,900**	**265,900**	**265,900**
Issued and paid-up					
At 1 January					
- ordinary shares	1	265,900	265,900	265,900	265,900
At 30 September / 31 December					
- ordinary shares	**1**	**265,900**	**265,900**	**265,900**	**265,900**

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.

21 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.

Valuation surplus is not available for dividend distribution.

22 Segment information

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
- Segment 2 Non-Carbonated soft drink: Produce and distribute drinking water, mixers, and other beverages, including as distributor of energy drinks and tea

None of the other operations segments meets the quantitative thresholds for determining reportable segments in 2016 or 2015.

Information regarding the results of each reportable segment is included below. 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.

Information about reportable segments

	Carbonated soft drink		Non-Carbonated soft drink		Total reportable segments	
	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
			(in million Baht)			
External revenue	3,388	4,208	4,709	6,307	8,097	10,515
Segment profit before income tax	437	451	1,710	1,731	2,147	2,182
Depreciation and amortisation recorded in selling and administrative expenses	135	182	84	127	219	309
Selling expenses	571	757	1,049	1,283	1,620	2,040

Reconciliations of reportable segment revenues, profit or loss, and other material items

	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(in million Baht)	
Profit or loss		
Profit for reportable segments	2,147	2,182
Depreciation and amortisation recorded in selling and administrative expenses	(219)	(309)
Selling expenses	(1,620)	(2,040)
	308	**(167)**
Unallocated revenue and expenses		
- Other income	212	702
- Administrative expenses	(770)	(1,038)
- Finance costs	-	(11)
Share of profit of investment in an associate, net of income tax	106	106
Consolidated loss before income tax	**(144)**	**(408)**

Geographical segments

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

23 Other income

	Note	Consolidated financial statements		Separate financial statements	
		For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
		(in thousand Baht)			
Consultancy service income		86,667	130,000	86,667	130,000
Sale of scrap		71,136	28,490	67,022	27,262
Fair value adjustments on investment properties	*13*	23,737	6,581	23,737	6,581
Dividend income	*10, 12*	4,984	2,901	115,984	56,901
Gain on disposal of buildings equipment and intangible assets		-	13,542	-	13,542
Interest income		1,480	3,298	4,134	6,722
Others		23,652	71,689	32,536	63,996
Total		**211,656**	**256,501**	**330,080**	**305,004**

24 Selling expenses

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(in thousand Baht)			
Personnel expenses	791,592	1,066,769	791,004	1,065,883
Marketing expenses	253,296	221,385	253,296	221,385
Distribution	233,296	266,138	226,969	256,140
Depreciation and amortisation	141,159	187,183	140,462	186,988
Fuel	122,922	178,191	122,922	178,191
Others	219,232	307,364	217,932	303,903
Total	**1,761,497**	**2,227,030**	**1,752,585**	**2,212,490**

25 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(in thousand Baht)			
Personnel expenses	454,273	476,742	445,800	465,015
Depreciation and amortisation	77,631	122,087	76,051	120,034
Management benefit expenses	63,417	93,532	63,417	93,532
Fuel	58,703	83,460	58,450	83,460
Others	184,466	383,285	197,397	379,864
Total	**838,490**	**1,159,106**	**841,115**	**1,141,905**

26 Employee benefit expenses

	Note	Consolidated financial statements		Separate financial statements	
		For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
		(in thousand Baht)			
Salaries and wages		1,015,915	1,328,466	982,389	1,291,200
Overtime and allowance expense		103,490	133,645	100,908	127,217
Bonus		81,915	123,790	79,414	120,171
Pension costs - defined contribution plans		67,465	91,250	67,214	89,906
Pension costs - defined benefit plans	*19*	58,066	77,552	57,166	76,472
Others		176,774	249,926	172,431	233,583
Total		**1,503,625**	**2,004,629**	**1,459,522**	**1,938,549**

Defined benefit plans

Details of the defined benefit plans are given in note 19.

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.

The employees who do not join the provident fund managed by the financial institution may still subscribe to the initial provident fund which is managed by the Company. The Company's contribution is treated as an expense in the year when the service is provided.

27 Expenses by nature

The statements of income included an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Note	Consolidated financial statements		Separate financial statements	
		For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
		(in thousand Baht)			
Changes in inventories of finished goods and work in progress		1,002,343	1,932,285	1,279,400	2,420,476
Raw materials and consumables used		4,079,773	4,600,220	3,889,525	4,340,702
Employee benefit expenses	*26*	1,503,625	2,004,629	1,459,522	1,938,549
Depreciation and amortisation		524,914	721,245	486,779	669,523
Marketing expenses	*24*	253,296	221,385	253,296	221,385
Distribution	*24*	233,296	266,138	226,969	256,140
Fuel		192,431	282,044	182,317	262,860
Others		768,457	1,702,069	826,805	1,622,505
Total expenses		**8,558,135**	**11,730,015**	**8,604,613**	**11,732,140**

28 Income tax benefit

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
		(in thousand Baht)			
Current tax expense					
Current year		2,131	9,031	-	-
Adjustment for prior years		206	-	206	-
		2,337	**9,031**	**206**	-
Deferred tax expense					
Movements in temporary differences	*16*	(57,782)	(111,704)	(59,163)	(112,795)
Income tax benefit		**(55,445)**	**(102,673)**	**(58,957)**	**(112,795)**

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	For the nine-month period ended 30 September 2016			For the year ended 31 December 2015		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	(in thousand Baht)					
Foreign currency translation differences for foreign operations	-	-	-	102	-	102
Net change in fair value of available-for-sale investments	8,726	(1,745)	6,981	-	-	-
Defined benefit plan actuarial gains (losses)	(11,026)	2,205	(8,821)	9,443	(1,906)	7,537
Revaluation of property, plant and equipment	722,113	(144,422)	577,691	-	-	-
Total	**719,813**	**(143,962)**	**575,851**	**9,545**	**(1,906)**	**7,639**

	Separate financial statements					
	For the nine-month period ended 30 September 2016			For the year ended 31 December 2015		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	(in thousand Baht)					
Net change in fair value of available-for-sale investments	8,726	(1,745)	6,981	-	-	-
Defined benefit plan actuarial gains (losses)	(10,318)	2,063	(8,255)	9,570	(1,914)	7,656
Revaluation of property, plant and equipment	658,576	(131,715)	526,861	-	-	-
Total	**656,984**	**(131,397)**	**525,587**	**9,570**	**(1,914)**	**7,656**

Reconciliation of effective tax rate

	Consolidated financial statements			
	For the nine-month period ended 30 September 2016		For the year ended 31 December 2015	
	Rate (%)	*(in thousand Baht)*	*Rate (%)*	*(in thousand Baht)*
Loss before income tax expense		(144,185)		(407,544)
Income tax using the Thai corporation tax rate	20.00	(28,837)	20.00	(81,509)
Income not subject to tax		(22,114)		(22,552)
Expenses not deductible for tax purposes		3,622		5,548
Expenses for tax incentives		(2,981)		(4,160)
Over provided in prior years		(5,135)		-
Total	**38.45**	**(55,445)**	**25.19**	**(102,673)**

Reconciliation of effective tax rate

	Separate financial statements			
	For the nine-month period ended 30 September 2016		For the year ended 31 December 2015	
	Rate (%)	*(in thousand Baht)*	*Rate (%)*	*(in thousand Baht)*
Loss before income tax expense		(150,177)		(513,208)
Income tax using the Thai corporation tax rate	20.00	(30,035)	20.00	(102,641)
Income not subject to tax		(23,197)		(11,380)
Expenses not deductible for tax purposes		2,377		5,385
Expenses for tax incentives		(2,967)		(4,159)
Over provided in prior years		(5,135)		-
Total	**39.26**	**(58,957)**	**21.98**	**(112,795)**

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

29 Basic losses per share

The calculations of basic loss per share for the nine-month period ended 30 September 2016 and for the years ended 31 December 2015 were based on the loss for the period / year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period / year as follows:

	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
	(in thousand Baht/thousand shares)			
Loss attributable to ordinary shareholders of the Company (basic)	(88,740)	(304,871)	(91,221)	(400,413)
Number of ordinary shares outstanding	265,900	265,900	265,900	265,900
Loss per share (basic) *(in Baht)*	**(0.33)**	**(1.15)**	**(0.34)**	**(1.51)**

30 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.

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 4). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

The effective interest rates of loans receivable as at 30 September 2016 and 31 December 2015 and the periods in which the loans receivable and debt securities mature or re-price were as follows:

	Consolidated financial statements			
	Effective interest rate *(% per annum)*	Within 1 year	After 5 years *(in thousand Baht)*	Total
At 30 September 2016				
Non-current				
Long-term loan to a related party	4.44	-	3,000	3,000
At 31 December 2015				
Non-current				
Long-term loan to a related party	4.56	-	3,000	3,000

	Separate financial statements			
	Effective interest rate *(% per annum)*	Within 1 year	After 5 years *(in thousand Baht)*	Total
At 30 September 2016				
Current				
Short-term loan to a related party	3.10	125,000	-	125,000
Non-current				
Long-term loan to a related party	4.44	-	3,000	3,000
Total		**125,000**	**3,000**	**128,000**
At 31 December 2015				
Current				
Short-term loan to related party	3.10	125,000	-	125,000
Non-current				
Long-term loan to a related party	4.56	-	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 equipments.

At 30 September 2016 and 31 December 2015, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(in million Baht)			
United States Dollars					
Other payables- related parties	*18*	(47)	(587)	-	(587)
Gross statement of financial position exposure		**(47)**	**(587)**	**-**	**(587)**

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(in million Baht)			
Euro					
Other payables- related parties	*18*	(31,027)	(944)	(31,027)	(944)
Gross statement of financial position exposure		**(31,027)**	**(944)**	**(31,027)**	**(944)**

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(in million Baht)			
Hong Kong Dollars					
Cash and cash equivalents	*5*	32,131	33,455	-	-
Loans from to related parties	*4*	-	-	-	(1,530,968)
Other payables to related parties	*18*	(28)	-	-	-
Gross statement of financial position exposure		**32,103**	**33,455**	**-**	**(1,530,968)**

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(in million Baht)			
Pound Sterling					
Other payables- related parties	*18*	(18)	-	-	-
Gross statement of financial position exposure		**(18)**	**-**	**-**	**-**

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.

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 financial statements	
	Carrying amount	Fair value Level 1
	(in thousand Baht)	
30 September 2016		
Fair values of financial assets		
Equity securities available for sale	63,200	63,200
31 December 2015		
Fair values of financial assets		
Equity securities available for sale	54,474	54,474

	Separate financial statements		
	Carrying amount	Fair value	
		Level 1	Total
		(in thousand Baht)	
30 September 2016			
Fair values of financial assets			
Equity securities available for sale	63,200	63,200	63,200
Fair values of financial liabilities			
Long-term loans from related parties	1,530,968	-	1,530,968
31 December 2015			
Fair values of financial assets			
Equity securities available for sale	54,474	54,474	54,474
Fair values of financial liabilities			
Long-term loans from related parties	1,530,968	-	1,530,968

Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. The fair value measurement of equity securities available for sale was determined to be Level 1 under the fair value hierarchy based on the inputs to valuation techniques used.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

31 Commitments with non-related parties

	Consolidate financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Capital commitments				
Contracted but not provided for:				
Buildings, warehouses and improvement	7,697	2,909	7,697	2,909
Machinery, equipment and tools	56,647	21,711	56,647	21,237
Intangible assets	625	4,875	-	2,625
Total	**64,969**	**29,495**	**64,344**	**26,771**

	Consolidate financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Future minimum lease payments under non-cancellable operating leases				
Within one year	72,871	49,828	70,592	48,191
After one year but within five years	90,155	78,862	86,858	76,040
After five years	70,131	74,156	70,131	74,156
Total	**233,157**	**202,846**	**227,581**	**198,387**

	Consolidate financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(in thousand Baht)			
Other commitments				
Thai Baht				
Unused letters of credit for goods and supplies	3,457	-	3,457	-
Bank guarantees	42,608	35,378	38,332	31,102
Total	**46,065**	**35,378**	**41,789**	**31,102**
Euro				
Unused letters of credit for assets	**88**	**-**	**88**	**-**

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.

Exclusive bottling appointment agreements

The Company entered into an agreement with Pepsi Lipton International Ltd. ("the parties") to be appointed to bottle, sell and distribute bottled tea drink in Thailand. The Company has to comply with certain conditions contained in the agreement which was ended 30 September 2011, including a renewal option. Subsequently on 1 June 2012, the parties made an amendment to set the termination date on 31 December 2015. The parties made an amendment to extend the period of agreement another one year ended on 31 December 2016. The amendment is currently being reviewed and signed by the Company and the parties. However, the Company is currently complying with the conditions contained in the original agreement.

The Company entered into an agreement with Stoke-Van Camp, Inc. ("the parties") to be appointed to bottle, sell and distribute energy drink in Thailand. The Company has to comply with certain conditions contained in the agreement which was ended 30 June 2008, including a renewal option. Subsequently on 23 February 2015, the parties made an amendment to set the termination date on 31 December 2015. The parties made an amendment to extend the period of agreement ended on 31 August 2016.

Co-packing agreement

A subsidiary entered into a "Co-packing agreement" with Pepsi Lipton International Ltd. And Pepsi-Cola (Thai) Trading Co., Ltd. ("the parties") to produce bottled tea drink. The subsidiary has to comply with certain conditions contained in the agreement for a period of three years from 22 December 2005 to
21 December 2008 with renewal additional terms of three years each if not less than six months' prior written notice is given by any one party to the other as stipulated in the agreement. Subsequently, the parties made an amendment to set the termination date on 31 March 2015. The parties made an amendment to extend the period of agreement ended on 30 April 2016. The amendment is currently being reviewed and signed by the Company and the parties. However, the Company is currently complying with the conditions contained in the original agreement.

Distribution agreement

The Company entered into an agreement with Pepsi-Cola (Thai) Trading Co., Ltd. "the parties" to be appointed to distribute bottled tea solely in Thailand. The Company has to comply with certain conditions contained in the agreement for a period of three years including a renewal option. Subsequently, the parties made an amendment to set the termination date on 31 March 2015. The parties made an amendment to extend the period of agreement to end on 30 April 2016. The amendment is currently being reviewed and signed by the Company and the parties. However, the Company is currently complying with the conditions contained in the original agreement.

32 Credit facilities

As at 30 September 2016 the Group and the Company had unutilised credit facilities totalling Baht 8,982 million and Baht 8,877 million, respectively *(31 December 2015: Baht 9,336 million and Baht 9,286 million, respectively).*

33 Contingent liabilities

(a) The Company had a contingent liability arising from a claim for compensation and unfair lay off of employees of Baht 14 million. The court case is pending judgment. However, the Company's fixed deposit of Baht 0.51 million has been pledged with the court.

(b) In 2014, 45 employees who were laid off by the Company have filed lawsuits against the Company for unfair termination. The total amount of claim is approximately of Baht 46.99 million. Before filing the lawsuits, the employees requested the Pathumthani Provincial Labour Protection and Welfare Office to seek for additional compensation from the Company. The Pathumthani Provincial Labour Protection and Welfare Office informed that the Company has already complied with the Labour Protection Law. Currently, the Company won those cases on Civil Court. However, those employees submitted further to Appeal Court.

(c) The Company had a contingent liability on unsafe products in accordance with the Liability for Damages arising from Unsafe Products Act of Baht 11.73 million. The court case is pending judgment on Civil Court. However, the Company has an insurance against some losses.

34 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of revised TFRS and FAP announcement have been issued but are not yet effective and have not been applied in preparing these financial statements. Those revised TFRS and FAP announcement that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Group does not plan to adopt these TFRS and FAP announcement early.

TFRS	Topic
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flow
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosure
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings per Share
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 40 (revised 2016)	Investment Property
TFRS 8 (revised 2016)	Operating Segments
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease

TFRS	Topic
TSIC 32 (revised 2016)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

Changes in Existing Decommissioning, Restoration and Similar Liabilities
The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these revised TFRS and FAP announcement and expects that there will be no material impact on the financial statements in the period of initial application.

35 Supplement Information

As per Note 2 (e), change in accounting period, the consolidated and separate financial statements for the nine-month period ended 30 September 2016 have been firstly prepared and presented for the period from 1 January 2016 to 30 September 2016, in accordance with the required format of the financial statements presentation.

For the benefit of the users in comparing and analysing the financial information, the Group and the Company have prepared the supplementary information in the form of the unaudited consolidated and separate statements of comprehensive income, cash flows and segment information for the nine-month period ended 30 September 2015, as details below:

Statement of comprehensive income	**Consolidated financial statements** For the nine-month period ended 30 September		**Separate financial statements** For the nine-month period ended 30 September	
	2016	2015 (Unaudited)	2016	2015 (Unaudited)
	(in thousand Baht)			
Income				
Revenue from sale of goods and rendering of services	8,096,708	8,006,397	8,124,356	7,991,214
Gain on disposal of non-current assets held for sale	-	445,766	-	445,766
Other income	211,656	143,273	330,080	195,539
Total income	**8,308,364**	**8,595,436**	**8,454,436**	**8,632,519**
Expenses				
Cost of sales of goods and rendering of services	5,958,148	6,270,908	6,010,913	6,316,051
Selling expenses	1,761,497	1,698,682	1,752,585	1,701,679
Administrative expenses	838,490	824,760	841,115	799,149
Finance costs	-	10,542	-	10,542
Total expenses	**8,558,135**	**8,804,892**	**8,604,613**	**8,827,421**
Share of profit of an associate, net of income tax	105,586	80,141	-	-
Loss before income tax expense	**(144,185)**	**(129,315)**	**(150,177)**	**(194,902)**
Income tax benefit	55,445	43,989	58,957	51,040
Loss for the period	**(88,740)**	**(85,326)**	**(91,220)**	**(143,862)**

Notes to the financial statements

Statement of comprehensive income	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended 30 September		For the nine-month period ended 30 September	
	2016	2015 (Unaudited)	2016	2015 (Unaudited)
	(in thousand Baht)			
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Gain from revaluation of property, plant and equipment	722,113	-	658,576	-
Defined benefit plan actuarial losses	(11,026)	-	(10,319)	-
Income tax on other comprehensive income	(142,218)	-	(129,651)	-
	568,869	-	**518,606**	-
Items that are or may be reclassified to profit or loss				
Foreign currency translation differences for foreign operations	-	102	-	-
Net change in fair value of available-for-sale investments	8,726	(1,586)	8,726	(1,586)
Income tax on other comprehensive income	(1,745)	317	(1,745)	317
	6,981	**(1,167)**	**6,981**	**(1,269)**
Other comprehensive income for the period, net of income tax	**575,850**	**(1,167)**	**525,587**	**(1,269)**
Total comprehensive income for the period / year	**487,110**	**(86,493)**	**434,367**	**(145,131)**
Basic losses per share *(in Baht)*	**(0.33)**	**(0.32)**	**(0.34)**	**(0.54)**

Notes to the financial statements

Statement of cash flows	Consolidated financial statements For the nine-month period ended 30 September		Separate financial statements For the nine-month period ended 30 September	
	2016	2015 (Unaudited)	2016	2015 (Unaudited)
	(in thousand Baht)			
Cash flows from operating activities				
Loss for the period	(88,740)	(85,326)	(91,221)	(143,862)
Adjustments for				
Depreciation and amortisation	524,914	536,371	486,779	496,755
Interest income	(4,388)	(1,750)	(4,134)	(4,410)
Finance costs	-	10,542	-	10,542
Dividends income	(4,984)	(2,901)	(115,984)	(56,901)
Unrealised (gain) loss on exchange	74	(2,784)	74	(386)
(Reversal of) allowance for doubtful accounts	(24,983)	14,634	(24,983)	14,634
(Reversal of) allowance for decline in value of inventories	(100,176)	52,724	(96,568)	48,609
Fair value changes in investment properties	(23,737)	-	(23,737)	-
Loss on disposal of plant equipment and intangible assets	84,640	4,161	84,640	4,161
Reversal of impairment losses on equipment	(33,978)	-	(33,978)	-
Reversal of revaluation from property, plant and equipment	(8,866)	-	(8,866)	-
Gain on disposal of non-current assets held for sale	-	(445,766)	-	(445,766)
Gain on disposal of intangible assets	-	(3,912)	-	(3,912)
Employee benefit expenses	60,488	63,096	59,550	62,277
Share of profit of an associate, net of income tax	(105,586)	(80,141)	-	-
Income tax benefit	(55,450)	(43,989)	(58,957)	(51,040)
	219,228	14,959	172,615	(69,299)
Changes in operating assets and liabilities				
Trade accounts receivable	91,558	284,571	74,396	318,667
Other receivables from related parties	(354,817)	(278,984)	(395,884)	(281,772)
Other receivables	(11,445)	(6,426)	25,093	(7,759)
Inventories	61,819	(114,342)	68,381	(111,316)
Prepaid excise taxes	(20,882)	-	(24,504)	-
Other current assets	(1,165)	(13,441)	(1,526)	(17,259)
Other non-current assets	(4,781)	291	(5,693)	291
Trade accounts payable	74,405	128,268	134,215	145,948
Other payables to related parties	55,296	184,166	59,864	184,669
Other payables	73,207	(278,465)	81,427	(279,976)
Customers' deposits on bottles and cases	(19,669)	6,030	(19,669)	6,030
Other current liabilities	(772)	18,653	(3,004)	18,847
Employee benefit paid	(23,719)	(24,614)	(23,719)	(24,614)
Cash from (used in) operating activities	138,263	(79,334)	141,992	(117,543)
Income tax paid	(5,432)	(38,334)	(206)	(29,526)
Net cash from (used in) operating activities	**132,831**	**(117,668)**	**141,785**	**(147,069)**

Statement of cash flows (continue)	Consolidated financial statements For the nine-month period ended 30 September		Separate financial statements For the nine-month period ended 30 September	
	2016	2015 (Unaudited)	2016	2015 (Unaudited)
	(in thousand Baht)			
Cash flows from investing activities				
Interest received	4,386	1,750	4,132	4,410
Dividends received	79,984	56,901	79,984	56,901
Restricted deposits at financial institution	-	(10)	-	(10)
Purchase of plant and equipment	(325,367)	(367,891)	(320,293)	(351,231)
Sale of plant, equipment and intangible assets	28,135	30,084	28,135	30,084
Purchase of intangible assets	(10,312)	(6,403)	(8,431)	(6,343)
Proceeds from disposal of non-current assets held for sale	-	1,736,271	-	1,736,271
Net cash from (used in) investing activities	**(223,174)**	**1,450,702**	**(216,473)**	**1,470,082**
Cash flows from financing activities				
Interest paid	-	(11,436)	-	(11,436)
Dividend paid to the owners of the Company	(15)	-	(15)	-
Proceeds from short-term loans from financial institutions	-	700,000	-	700,000
Repayment of short-term loans from financial institutions	-	(1,700,000)	-	(1,700,000)
Net cash used in financing activities	**(15)**	**(1,011,436)**	**(15)**	**(1,011,436)**
Net increase (decrease) in cash and cash equivalents	**(90,358)**	**321,598**	**(74,701)**	**311,577**
Cash and cash equivalents at 1 January	520,895	225,534	427,869	185,824
Foreign currency translation difference for foreign operation	-	102	-	-
Cash and cash equivalents at 30 September	**430,538**	**547,234**	**353,168**	**497,401**
Non-cash transactions				
Increase (decrease) in payables for acquisition of machinery and equipment	9,919	(19,391)	9,683	(19,144)
Reclassified from short-term loan to long-term loan from a related party	-	-	-	1,530,968

Information about reportable segments

For the nine-month period ended 30 September	Carbonated soft drink		Non-Carbonated soft drink		Total reportable segments	
	2016	2015 (Unaudited)	2016	2015 (Unaudited)	2016	2015 (Unaudited)
			(in million Baht)			
External revenue	3,388	3,302	4,709	4,704	8,097	8,006
Segment profit before income tax	438	423	1,710	1,312	2,147	1,735
Depreciation and amortisation recorded in selling and administrative expenses	135	136	84	94	219	230
Selling expenses	571	622	1,049	938	1,620	1,560

Reconciliations of reportable segment revenues, profit or loss, and other material items

For the nine-month period ended 30 September	2016	2015 (Unaudited)
	(in million Baht)	
Profit or loss		
Profit for reportable segments	2,147	1,735
Depreciation and amortisation recorded in selling and administrative expenses	(219)	(230)
Selling expenses	(1,620)	(1,560)
	308	**(55)**
Unallocated revenue and expenses		
- Other income	212	589
- Administrative expenses	(770)	(732)
- Finance costs	-	(11)
Share of profit of an associate, net of income tax	106	80
Consolidated loss before income tax	**(144)**	**(129)**

13. Management Discussion and Analysis: MD&A

This discussion was prepared to enhance the understanding of Sermsuk Plc's Financial statements.

Overview

Currently, the Company operates under its new business plan utilizing its strong product distribution and delivery network to enhance steady and sustainable growth. The Company has the following four key business groups.

1. **Manufacturer and Distributor of drinking water**
   - Drinking water and soda water under the "Crystal" trademark
2. **Manufacturer and Distributor of non-carbonated soft drinks**
   - Ready-to-drink green tea in returnable bottles: Honey lemon flavor under the "Oishi" trademark
   - Ready-to-drink black tea in returnable bottles: lemon flavor under the "Lipton" trademark
   - Energy drink under the "Wrangyer" trademark
   - Sport drink under the "PowerPlus" trademark
3. **Distributor of food and beverages**
   - Ready-to-drink green tea in cans and PET bottles under the "Oishi" trademark
   - Soda water under "Chang" trademark
   - Soda water under "Rock Mountain" trademark
   - Herbal drink under the "Jubjai" trademark
4. **Manufacturer and Distributor of carbonated soft drinks**
   - Carbonated soft drinks under the "est" trademark
   - Functional carbonated soft drinks under the "100 Plus" trademark

Additionally, the Company is committed to becoming a producer and distributor of wide portfolio of beverages based on efficiency in production cost management and enhanced satisfaction that meets customer and consumer needs.

Management Discussion and Analysis: MD&A

The 2016 overview

The Company believes in the favorable growth potential of its carbonated and non-carbonated soft drinks lines, given the market entry of its new carbonated soft drink products under the "est" trademark since November 2, 2012, its strength in high potential distribution coverage and growing sales of its highly trusted Crystal drinking water. The Company continues to distribute a variety of new products, new sizes into the Thai market via a wide range of distribution channels to enhance customer reach and ensure successful market share growth

Annual Performance

(Unit : Million Baht)

Transactions	2016 (9 months)	2015 (9 months)	Change	%
Total revenue	8,308.4	8,595.4	(287.0)	(3.3)
Cost of goods sold	5,958.1	6,270.9	(312.8)	(5.0)
Gross profit	2,350.3	2,324.5	25.8	1.1
Selling and administrative expenses	2,600.0	2,523.4	76.6	3.0
Profit (Loss) from operation	(249.7)	(198.9)	(50.8)	(25.5)
Finance cost	0.0	10.5	(10.5)	(100.0)
Income tax benefit	55.4	44.0	11.5	26.0
Net income (loss)	(88.7)	(85.3)	(3.4)	(4.0)
Earnings (Losses) per share (Baht)	(0.33)	(0.32)	(0.01)	(4.0)

Sermsuk Public Company Limited's performance for the nine-month period ended September 30, 2016 as reported in the consolidated financial statements shows net loss of Baht 88.7 million, an increase of Baht 3.4 million compared to net loss of Baht 85.3 million. If net loss for the same period of prior year excludes gain on disposal of non-current assets held for sales of Baht 356.6 million (net of tax), the net loss decreased Baht 353.2 million, or 80 percent compared to net loss for the same period of prior year of Baht 441.9 million for the same period of prior year. The significant factors in this period are as follows:

1. Revenue from sales and service was Baht 8,096.7 million, an increase of 1% because the Company has continued to strengthen its growth of Crystal and launched new flavors of est, Grape Berry in January 2016 and Korean Orange Cola in August 2016. However, Lipton (non-returnable bottle) and Gatorade were discontinued in this period.

2. Cost of sales was Baht 5,958.1 million, a decrease of 5% due to change in product mix as well as lower cost of packaging due to product development and lower material price.

3. Selling and administrative expenses was Baht 2,600.0 million, an increase of 3% due to higher sales and marketing expenses.

4. Other income of Baht 211.7 million was mainly from revenue recognition on consultancy fee of est in the other countries of Baht 86.7 million and gain from revaluation land and investment property of Baht 32.6 million. The remaining was sales of scrap.

The operating results for the period ended September 30, 2016 reflected to the basic losses per share at Baht 0.33 or net loss increasing by Baht 0.01 per share compared to basic losses per share at Baht 0.32 of prior year.

Dividend policy

The Company has a policy to pay dividends with a payout ratio of not less than 40% of consolidated net profit for each fiscal year after providing a legal reserve and carrying forward losses (if any) as required by law. However, the actual dividend payment will depend on the Company's cash flow position, investment plan, obligations and other conditions of the agreements as well as other necessities and appropriateness in the future.

Financial Status

Transactions	2016 at September 30, 2016	2015 at December 31, 2015	Change	%
Assets				
Current assets	2,452.2	2,146.4	305.7	14.2
Non – current assets	10,220.0	9,717.0	503.1	5.2
Total assets	12,672.2	11,863.4	808.8	6.8
Liabilities				
Current liabilities	2,650.5	2,430.3	220.2	9.1
Non – current liabilities	1,087.1	985.7	101.5	10.3
Total liabilities	3,737.6	3,416.0	321.7	9.4
Equity				
Total equity	8,934.6	8,447.4	487.1	5.8
Total liabilities and equity	12,672.2	11,863.4	808.8	6.8
Liabilities/Equity	0.4	0.4	-	-

The Company's total consolidated assets as at **September 30, 2016** was reported in Baht 12,672.2 million, an increase of Baht 808.79 million or 6.8% from last year. Significant changes were from trade account receivable of Baht 465.7 million, a decrease of Baht 80.29 million from last year due to shorthening collection period from prior year by 2-3 days. Other receivable from related companies was Baht 120.4 million, an increase of Baht 25.1 million due to increasing of sales promotion expenses. Inventory was Baht 702.3 million, an increase of Baht 38.4 million due to lower reserve for obsoleted stocks. Property, plant and equipments was Baht 9,157.2 million, an increase of Baht 464.8 million from last year mainly due to increasing on land revaluation.

The Company's total consolidated liabilities was in Baht 3,738 million, an increase of Baht 321.7 million from last year. It mainly increased due to other payable which were transactions on excise tax payable, accrued payroll expense, consultant fee payable and accrued selling expenses.

The Company's shareholders' equity was in Baht 8,935 million, a decrease of Baht 487.1 million from last year, due to increasing on land revaluation net off operating loss for nine-month period ended September 30, 2016.

Statements of Cash Flows:
The Company's cash flows for nine-month period ended September 30, 2016 was shown a net decrease in cash and cash equivalent in totaling Baht 90.3 million, mainly due to net cash from operating activities Baht 132.8 million, used in investing Baht 223.2 million and used in financing activities Baht 0.01 million.

Forward looking

Vision of the Company focus on four business pillars as following;

1. To expand the water drink market (Crystal)
2. To be a manufacturer and distributor of non-carbonated beverage
3. To be a distributor of food and beverage products
4. To be a manufacturer and distributor of carbonated beverages

To deliver as per company mission and to align its operations with the ThaiBev Group's vision 2020 strategy, we must respond to the competitive factors, investment in brand building, looking for new channel including OEM, export market. Moreover our costing of product and distribution are subject to company result due to the resource utilization. Change in the ecomic and political environment do effect consumer confidence.

Thus our financial success will depend on our ability to address global, regional and local political and economic uncertainties.

14. Information of the Company's Directors, Management and Company Secretary

14.1 Information of the Company's Directors, Management, Controlling Parties (if applicable) and Company Secretary

14.1.1 Details of the Company's Directors, Management, Controlling Parties and the Company's Secretary are presented in the following table:

Name Positions Date Appointed (1)	Age	Educational Credentials Training Experience (2)	Share Holding (%) (3)	Relation to the Management (4)	Working History (5)		
					Year	Positions	Company / Business Type
Mr. Photipong Lamsam Chairman and Independent Director Date Appointed : 20 November 1998	62	MBA, Temple University, USA	- shares	-None-	Registered positions	Chairman of the Board of Directors Chairman of the Board of Directors Chairman of the Board of Directors	Muang Thai Life Assurance Public Company Limited Muang Thai Life Assurance Public Company Limited Muang Thai Group Holdings Co., Ltd.
Mr. Suchin Wangsa Vice Chairman No.1 Independent Director Chairman of Compensation Committee Member of Audit Committee Date Appointed : 20 April 2010	81	B.S. Electrical Engineering, Northrop Institute of technology, USA 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 2000 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	- shares	-None-	Registered positions 2014-Present 2007-2014 2010-Present 2010-Present 2010-Present 2009-Present 2001-Present 1999-Present 1994-Present 1969-2013 1978-2016 2005-Present Positions in other unlisted companies 2007-Present 2006-Present 1991-Present 1990-Present 1988-Present 1982-Present 1968-Present	Adviser Chairman Member of Audit Committee Independent Director Nominating and Compensation Committee Vice Chairman Chairman of Compensation and Nominating Committee Chairman Chairman Independent Director Independent Director Chairman, Independent Director Director Director Director Chairman Director Director Chairman Director	The Falcon Insurance Public Company Limited Falcon Insurance Plc. BTS Group Holdings Public Company Limited BTS Group Holdings Public Company Limited Thai Metal Drum MFG. Public Co.,Ltd. Thai Metal Drum MFG. Public Co.,Ltd. The Navakij Insurance Public Company Limited Thaire Life Assurance Public Company Limited Vanapalarm Public Co., Ltd. Thai-German Ceramic Industry Plc. Thai Reinsurance Public Company Limited Rajadamri Hotel Public Company Limited Aqua Infinite Co., Ltd. Wanglee Pattana Co., Ltd. Rangsit Plaza Co., Ltd. Nutchapol Co., Ltd. Pet Co.,Ltd. Sathorn Thani Co., Ltd. Wanglee Co., Ltd.
Mr. Chatiphat Bijananda Vice Chairman No. 2, Member of Compensation Committee and Member of Nominating and Corporate Governance Committee Date Appointed : 14 September 2011	53	MBA in Finance And Banking University of Missouri, USA Director Certification Program (DCP)	- shares	-None-	Registered positions 2008-Present 2008-Present 2013-Present 2016 Positions in other unlisted companies Registered 1995-Present 2007-Present 2008-Present 2008-Present 2009-Present	Chairman of Executive Committee Chairman of Executive Committee Director Director Executive Director Advisor President Chairman of Executive Committee Director	Southeast Insurance Plc. Southeast Life Insurance Plc. Goldenland Property Development Plc. Big C Supercenter Public Company Limited Dharmniti Auditing Co., Ltd. TCC Holding Co., Ltd. Southeast Group Co., Ltd. Southeast Capital Co., Ltd. TCC Technology Co., Ltd.

Information of the Company's Directors, Management and Company Secretary

Name Position Date Appointed (1)	Age	Educational Credentials Training Experience (2)	Share Holding (%) (3)	Relation to the Management (4)	Working History (5)		
					Year	Position	Company / Business Type
Mr. Thapana Sirivadhanabhakdi Vice Chairman No.3 Vice Chairman of Executive Committee No.1 Chairman of Nomination and Corporate Governance Committee Member of Compensation Committee Member of Risk Management Committee Date Appointed : 14 September 2011	41	Master of Science Administration in Financial Economics, Boston University, USA Honorary Doctorate of Philosophy in General Administration Ramkhamhaeng University Director Accreditation Program (DAP)	- shares	-None-	Registered positions 2008-Present 2006-Present 2011-Present 2007-Present 2001-Present 2013-Present Positions in other unlisted companies 2004-Present 2014-Present 2012-Present 2010-Present 2006-Present 2006-Present 2001-Present 2004-Present 2004-Present 2004-Present 2004-Present 2001-Present 2003-Present 2008-Present 2004-Present 2014-Present 2014-Present 2013-Present 2014-Present 2015-Present 2016-Present 2009-Present 2008-Present 2006-Present 2004-Present 2004-Present 2004-Present 2016-Present 2013-Present 2013-Present 2012-Present 2012-Present 2012-Present 2011-Present 2011-Present 2010-Present 2010-Present 2006-Present 2005-Present 2004-Present 2002-Present 2001-Present 2001-Present 2001-Present 2001-Present 2001-Present 2003-Present	President and CEO Vice Chairman Chairman of Executive Committee Director Director Director Vice Chairman No1 and CEO Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Vice Chairman Vice Chairman Vice Chairman Vice Chairman Vice Chairman Director and Vice Chairman of Executive Committee Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Vice Chairman No1 / President	Thai Beverage Public Company Limited Oishi Group Plc. Oishi Group Plc. Universitures Plc. Berli Jucker Public Company Limited Goldenland Property Development Plc. Thai Beverage Logistics Co., Ltd. Oishi Snack Co., Ltd. Modern Trade Management Co., Ltd. Thai Beverage Training Co., Ltd. Oishi Ramen Co., Ltd. Oishi Trading Co., Ltd. Thai Cooperage Co., Ltd. Thai Beverage Energy Co., Ltd. Charun Business 52 Co., Ltd. Food Addition Co., Ltd. Thai Beverage Recycle Co., Ltd. Thai Molasses Co., Ltd. Thai Beverage Marketing Co., Ltd. Thai Drink Co., Ltd. Pan International (Thailand) Co., Ltd. Chang International Co., Ltd. SPM Foods and Beverages Co., Ltd. CAC Co., Ltd. Horeca Management Co., Ltd. Food of Asia Co., Ltd. Max Asia Co., Ltd. International Beverage Holdings (China) Limited Southeast Group Co., Ltd. Cosmos Brewery (Thailand) Co., Ltd. Red Bull Distillery (1988) Co., Ltd. Dhospaak Co., Ltd. Beer Thai (1991) Plc. Pracharach Rak Samakkee Co., Ltd. Fraser and Neave, Limited Times Publishing Limited Interflev Investment Limited Great Brands Limited Sermsuk training Co., Ltd. Sermsuk Holding Co., Ltd. Sermsuk Beverage Co., Ltd. Best Spirits Company Limited Super Brands Company Pte. Ltd. Interflev Malaysia Sdn. Bhd. Interflev (Singapore) Limited Wranyen Beverage (2008) Co., Ltd. Chang Beer Co., Ltd. Thai Beverage Brand Co., Ltd. Blairmhor Distillers Limited Blairmhor Limited International Beverage Holdings (UK) Limited Inver House Distillers Limited International Beverage Holdings Limited

Information of the Company's Directors, Management and Company Secretary

Name Position Date Appointed (1)	Age	Educational Credentials Training Experience (2)	Share Holding (%) (3)	Relation to the Management (4)	Working History (5)		
					Year	Position	Company / Business Type
Mr. Somchai Bubook Director, Chairman of Executive Committee and CEO, Member of Nominating and Corporate Governance Committee and Member of Risk Management Committee Date Appointed : 5 January 1996	74	Menlo School of Business Administration, Menlo Park California, USA 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 3/2014 Commerce Academy, The University of the Thai Chamber of Commerce Certificate of Senior Executive Program in Energy Literacy Class 7/2015 Thailand Energy Academy	- shares	Relative of Vice Chairman of Executive Committee No.3	<u>Registered positions</u> 2009-Present 2015-Present Positions in other unlisted companies 2014-Present 2013-Present 2006-Present 2002-Present 1997-Present 2003-Present 2003-Present 1995-Present 1995-Present 4 May 2016-Present <u>Job experience of previous 5 years</u> 2013-2015 2013-2015 1999-2015 1996-2011 1992-2011	 Independent Director Chairman Vice Chairman No1 Chairman Chairman Chairman Chairman Director Director Director Director Director Director Vice Chairman Independent Chairman Director Chairman of Executive Committee Director	 Royal Orchid Hotel (Thailand) Plc. Royal Orchid Hotel (Thailand) Plc. Thai Drink Co., Ltd. Weargyat Beverage (2008) Co., Ltd. Sermsuk Holding Co., Ltd. Petflem (Thailand) Co., Ltd. Sermsuk Beverage Co., Ltd. Royal Orchid Sheraton Hotel Co., Ltd. Thai Royal Orchid Real Estate Co., Ltd. Ngow Hock Co., Ltd. Ngow Hock Agency Co., Ltd. Panjasate Holding Co., Ltd. P. Chemitech Co., Ltd. Kasikornbank PCL Kasikornbank PCL Kasikornbank PCL Sermsuk Plc. Bangkok Glass Plc.
Mr. Dhitiwate Bubook Director Vice Chairman of Executive Committee No.3 Member of Risk Management Committee Date Appointed : 20 April 2016	48	MBA, Babson College, USA Certificate of Directors Certification Program (DCP) Class 78/2006 The Thai Institute of Directors Association (IOD)	- shares	Relative of CEO	<u>Registered positions</u> Positions in other unlisted companies <u>Job experience of previous 5 years</u>	Director Director Director Director Director Director Director Director and Vice Chairman of Executive Committee No.3 Vice Chairman Director President General Manager of Pathumthani Plant	Crown Seal Public Company Limited Petflem (Thailand) Co., Ltd. Sermsuk Holding Co., Ltd. Sermsuk Beverage Co., Ltd. Weargyat Beverage (2008) Co., Ltd. Sermsuk Training Co., Ltd. Great Brands Limited Thai Drink Co., Ltd. Modern Trade Management Co., Ltd. Cash Van Management Co., Ltd. Sermsuk Plc. (4 October 2011-30 September 2015) Sermsuk Plc. (1 January 2008-3 October 2011)
Prof. Dr. Khunying Suchada Kiranandana Independent Director Chairman of Audit Committee Chairman of Risk Management Committee Date Appointed : 5 February 2008	71	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	- shares	-None-	<u>Job experience of previous 5 years</u> <u>Registered positions</u> (April 2000-November 2011) (November 2011-March 2015) (April 2015-Present) Positions in other unlisted companies (February 2012-Present) (August 2001-Present) (2006-Present) (October 2015-Present) (July 2009-July 2013) (September 1999-August 2011)	 Independent Director and Member of Audit Committee Independent Director and Chairman of Audit Committee Vice Chairman and Chairman of Independent Committee Chairman of Human Resource and Nominating Committee Chairman of Corporate Governance Committee of Phu Fah Director and Member of Audit Committee Chairman of Human Resource Committee Chairman of Executive Committee	 Kasikornbank PCL Kasikornbank PCL Kasikornbank PCL Chairman of Chulalongkorn University Council Funds for Development of Children and Youth in Remote Areas under the initiative of Princess Maha Chakri Sirindhorn The Thai Red Cross Society Thai Thai Red Cross Society Mahidol Wittayanusorn School Chairman of Thai Statistical Association

Information of the Company's Directors, Management and Company Secretary

Name Position Date Appointed (1)	Age	Educational Credentials Training Experience (2)	Share Holding (%) (3)	Relation to the Management (4)	Working History (5)		
					Year	Position	Company / Business Type
Mrs. Siripen Sitasuwan Independent Director Member of Audit Committee Member of Risk Management Committee Date Appointed : 13 August 2013	68	Master of Business Administration at Wichita State University, Kansas, USA Faculty of Commerce and Accountancy, Chulalongkorn University Triam Udom Suksa School Certificate, 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 Certificate, Directors Certification Program (DCP), Class 33/2003, Thai Institute of Directors Listed Company Director Essential – Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know, Singapore Institute of Directors **Training in 2016** Audit Committee Essentials , Singapore Institute of Directors Nominating Committee Essentials, Singapore Institute of Directors	- shares	-None-	Registered positions 2008-Present 2009-Present 2009-Present 2013-Present 2014-Present January 2014-Present 2013-Present August 2013 - Present 2008-Present	Director Chairman of Audit Committee Member of Remuneration Committee Director Chairman of Audit Committee Member of Audit and Nominating Committee Compensation Committee Director and Chairman of Audit Committee Chairman	Thanachart Capital Public Company Limited Thanachart Capital Public Company Limited Thanachart Capital Public Company Limited Fraser and Neave, Limited (Singapore) Fraser and Neave, Limited (Singapore) Fraser and Neave, Limited (Singapore) Fraser and Neave, Limited (Singapore) Thai Solar Energy Public Company Limited Solaris Asset Management Co., Ltd., (Changed name from Seamico Securities Public Company Limited)
Mr. Pramoad Phornprapha Director Date Appointed : 19 April 2012	51	MBA (Marketing) Kellogg School of Management, Northwestern University, USA MPA, Kennedy School of Government, Harvard University, USA Directors Certificate Program Class 53/2005 Thai Institute of Directors (IOD) Senior Executive Program Capital Market Academy (CMA) Class 10	- shares	-None-	Registered positions 2005-Present Positions in other unlisted companies Registered 2004-Present 2002-Present 1989-Present 1997-Present 2011-Present	Independent Director Managing Director Managing Director Director Director Director Director Managing Director	Thai Summit Harnsa PCL. Claris Co., Ltd. Wan Watin & Associates Co., Ltd. Poremit Co., Ltd. Plimbomlaek Co., Ltd. Plandscape Co., Ltd. Pattana Clock Co., Ltd. My DNA Co., Ltd.
Prof. Rawat Chanchalerm Independent Director Date Appointed : 29 April 2011	75	(1965) Bachelor of Laws, Thammasat University (1966) Thai Barrister-at-Law (1979) Master of Laws, Chulalongkorn University Diploma 1988, National Defence College, The Joint State - Private Sector Course Class 1 Directors Accreditation Program Class 26/2004 Thai Institute of Directors (IOD)	- shares	-None-	Registered positions 2010-Present Positions in other unlisted companies 2004-Present	Vice Chairman Vice Chairman Director Director Advisor Adjunct Professor Adjunct Professor Adjunct Professor Adjunct Professor Lecturer of Justice Affairs Lecturer of Department of Special Investigation Lecturer of Institute of Administration Development Guest Lecturer of Office of the Attorney-General Advisor Member of the Council of State Committee of of the Council of State (Special Affairs Section) National Commission for Justice Administration Development Committee	Sino-Thai Engineering & Construction PLC. Don Muang Tollway PLC. true Corporation PLC. Loxley PLC. Bangkok Airways PLC. Faculty of Law, Chulalongkorn University The Thai Bar under The Royal Patronage Faculty of Law, Mahidol University Faculty of Law, Mae Fah Luang University Ministry of Justice Ministry of Interior Athletic Association of Thailand Office of the Council of State Ministry of Justice

Information of the Company's Directors, Management and Company Secretary

Name Position Date Appointed (1)	Age	Educational Credentials Training Experience (2)	Share Holding (%) (3)	Relation to the Management (4)	Working History (5)		
					Year	Position	Company / Business Type
						Qualified Committee	Legislative Committee , Ministry of Agriculture and Cooperatives of Thailand
						Member of Agricultural Commodity and Food Standards Committee	
						Adviser	Office For National Education Standards
					Job experience of previous 5 years		
						Vice Chairman	Siam City Leasing and Factoring PLC.
						CEO	MCOT Public Company Limited
						Former Attorney General	
Mr. Sakchai Thanaboonchai Director Date Appointed : 29 April 2011	60	Certificate in Applied Social Sciences, Thammasat University Honorary Doctorate Degree in Education Management from the United States (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) Thai Institute of Directors	- shares	-None-	Registered positions Present Present Positions in other unlisted companies	Vice Chairman of Executive Committee Director	Sikarin PLC. MILLCON STEEL PLC.
						Adviser Advisory Board	Thailand-Vietnam Friendship Association S.A.S. CTAMAD CO.,LTD. The Meliá Hanoi, Vietnam
						Committee of Monchai-Khanying Angsuthanasap Foundation Secretary-General and Committee of Ramathibodi Foundation	
						Politics	
					2003-Present	Secretary-General of Association of the Senate 1943 and Registrar	
					2008-Present	Secretary-General of National Legislative Assembly	
					2015	Member of 3-party joint committee	
					Job experience of previous 5 years	Chairman of Executive Committee	S.A.S. WEAVING CO.,LTD.
						Chairman	S.A.S. TRADING CO.,LTD.
						Chairman	S.A.S. CTAMAD CO.,LTD. , The Meliá Hanoi, Vietnam
						Politics	
					2014	Member of the National Legislative Assembly	
					2014	Chairman of Welfare Committee	The National Legislative Assembly
					2014	Chairman of Vietnam-Thailand Parliamentary Friendship Group	
					2014	Committee on Foreign Affairs	
					2014	Committee of Council Affairs	
					2014	Committee on Mass Communication, Science, Technology and Information	
						State Enterprise	
					2007-2014	Executive Director of King Prajadhipok's Institute	
Mr. Rangsun Thanmanoreung Director Date Appointed : 29 April 2011	55	1987-1988 Master of Business Administration, Joseph M. Katz , Graduate School of Business , University of Pittsburgh , Pittsburgh , Pennsylvania , USA 1982-1985 Bachelor of Business Administration, Brigham Young University, Provo, Utah, USA	- shares	-None-	Registered positions 2014-Present	Director	Patkol PLC.
					Positions in other unlisted positing		
					1998-Present	Chairman	Prudent Advisory Limited
					2000-Present	Director	Prudent Capital Limited
					2004-Present	A founder of Chartered, Society of Advancement for Consulting USA	
Mr. Sithichai Chaikriangkrai Director Vice Chairman of Executive Committee No.2 Member of Risk Management Committee Date Appointed : 14 September 2011	62	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	- shares	-None-	Registered positions August 2013-Present	Director	Frasers Centrepoint Limited (Singapore Exchange: SGX)
					February 2013-Present	Director	Fraser and Neave, Limited (Singapore Exchange: SGX)
					December 2012-Present	Director and Executive Director	Golden Property Development PLC.
					May 2010-Present	Committee and Executive Vice President	Thai Beverage PLC. (Singapore Exchange: SGX)
					July 2007-Present	Director and Executive Director	Universeure Co., Ltd.
					April 2007-Present	Director and Executive Director	Siam Food PLC.
					January 2006-Present	Director and Vice Chairman of Executive Committee	Oishi Group PLC.
					2001-Present	Director , Executive Director and Member of Risk Management Committee	Berli Jucker PLC.
					2014-Present	Director , Executive Director and Member of Risk Management Committee	Big C Supercenter Public Company Limited

Information of the Company's Directors, Management and Company Secretary

Name Positions Date Appointed (1)	Age	Educational Credentials Training Experience (2)	Share Holding (%) (3)	Relation to the Management (4)	Working History (5)		
					Year	Positions	Company / Business Type
		DCP Refresher Course (DCP-Re), Class 2/2006, Thai Institute of Directors			Positions in other unlisted companies September 2007-Present March 2004-Present	Director Director and Vice Chairman of Executive Committee	Eastern Seaboard Industrial Estate (Rayong) PLC. Beer Thip Brewery (1991) Co., Ltd.
Mr. Marut Barasastikul Director Executive Director Date Appointed : 13 August 2013	49	Bachelor of Science Program in Computer Science (Applied Statistics) Chulalongkorn University Master of Business Administration (Marketing and General Management) Cleveland State University, USA Certificate of Business and Administration Extension School Harvard University, USA Director Certification Program (DCP) Class 180, The Thai Institute of Directors Association (IOD) Senior Executive Program in CMA Class 13 Capital Market Academy (CMA) Executive Development Program 2, Capital Market Academy (CMA)	- shares	-None-	Registered positions June 2016-Present August 2013-Present Positions in other unlisted companies June 2015-Present January 2016-Present October 2014-Present May 2014-Present April 2014-Present March 2014-Present August 2013-Present August 2013-Present August 2013-Present August 2013-Present August 2013-Present August 2013-Present December 2012-Present Job experience of previous 5 years March 2014-December 2015 March 2014-June 2015 December 2011-June 2014 October 2012-March 2014 September 2012-May 2016 September 2012-March 2014 September 2012-August 2013 April 2011-April 2013 May 2010-August 2012 January 2009-August 2012 May 2009-February 2013 January 2009-January 2011	Executive Committee Member and Senior Vice President – Japanese Food and Beverage Business Director / President Vice Chairman of Executive Committee No.2 / Director Vice Chairman of Executive Committee Vice Chairman / Vice Chairman of Executive Committee Vice Chairman Director/ President Vice Chairman of Executive Committee No1 Director/ Executive Director Director/ Executive Director Director/ Executive Director Director Director Director Vice Chairman/ Vice Chairman of of Executive Committee Director Chairman of Executive Committee Qualified Committee Committee/ Chairman of Executive Committee Executive Director and Vice President (Non-Alcoholic) Vice Chairman/ Chairman of Executive Committee / President Senior Vice President of Business Administration Vice Chairman of Membership Extension Committee Senior Vice President (Support Staff Quality) President (Office of President) Director and Executive Director Vice president	Thai Beverage PLC. Oishi Group PLC. Thai Drink Co., Ltd. Thai Drink Co., Ltd. Horeca Management Co., Ltd. S.P.M. Foods & Beverages Co., Ltd. Oishi Snack Co., Ltd. Dhospaak Co., Ltd. Wonggeer Beverage (2008) Co., Ltd. Sermsuk Training Co., Ltd. Sermsuk Beverage Co., Ltd. Oishi International Holdings Limited Oishi Ramen Co., Ltd. Oishi Trading Co., Ltd. Modern Trade Management Co., Ltd. Thai Drink Co., Ltd. Thai Drink Co., Ltd. The Office of Small and Medium Enterprises Promotion Dhospaak Co., Ltd. Thai Beverage PLC. Thai Beverage Marketing Co., Ltd. Thai Beverage PLC. The Thai Chamber of Commerce and Board of Trade of Thailand) Thai Beverage PLC. Thai Beverage PLC. Thai Drink Co., Ltd. Thai Beverage Marketing Co., Ltd.
Mr. Vivek Chhabra Director, Member of Risk Management Committee, Executive Director and President Date appointed: 1 October 2015	57	Post graduate Diploma in Computer Management, 1528 Bachelor of Commerce (Gold), University of Bombay, 1522 Fellow Chartered Accountant, Institute of Chartered Accountants of India	- shares	-None-	Job experience of previous 5 years June 2016 – Present January 2016- Present April 2015 – Present January 2015 – Present August 2015 – January 2016 2013 – December 2014 October 2001 – 2013 Other experience	Senior Vice President – Non -Alcoholic Beverage Business (Thailand) President / 1st Vice Chairman of Executive Committee Chief Financial Officer, Non-alcoholic Beverages Member of the South Asia Supervisory Board Director / 1st Vice Chairman of Executive Committee Regional Business Development Director Regional Director and Director Business Development -Vice Chairman of South Asia Business Group in Singapore Business Federation, 2013-2015 -Member of Singapore Governmental Parliamentary Committee (Resource Panel on Industry), 2013-2015 -Registered Accountant with Malaysian Institute of Accountants	Thai Beverage Public Company Limited Thai Drinks Co., Ltd. Fraser and Neave Limited (FNL) Rockwool AS Thai Drinks Co., Ltd. Asia Pacific Breweries Limited (Heineken NV) Asia Pacific Breweries Limited (Heineken NV)

Information of the Company's Directors, Management and Company Secretary

Name Positions Date Appointed (1)	Age	Educational Credentials Training Experience (2)	Share Holding (%) (3)	Relation to the Management (4)	Working History (5)		
					Year	Positions	Company / Business Type
Mr. Parinya Permpanich Sales Director Date Appointed: 16 September 2014	39	Bachelor of Business Administration, Kasetsart University	- shares	-None-	16 September 2014-Present 27 November 2007-15 September 2014	Sales Director Marketing and Sales Operations Director Sales Operations Director (previous) Marketing Manager (Previous)	Sermsuk Plc. Sermsuk Plc. Sermsuk Plc. Sermsuk Plc.
Mr. Arthakrit Visuttikun Human Resources Director Date Appointed : 26 November 2002	60	Master Degree, Public Administration University of Southern California, USA	- shares	-None-	26 November 2002-Present 21 May 2012-Present	Human Resources Director Director	Sermsuk Plc. Sermsuk Training Co., Ltd.
Ms.Nuntaka Watsrevanich Finance Director Date appointed: 1 May 2016	44	Master of Science in Finance, Chulalongkorn University (International Program) Master of Science in Accounting, Thammasat University Bachelor of Accounting in Accounting, Thammasat University	shares	None	1 May 2016-Present 27 February 2015-30 April 2016 1 March 2014-30 April 2016 1st December 2008-28 February 2014	Finance Director Committee Deputy Director Accounting and Budget GM - Accounting	Sermsuk Plc. Food of Asia Co., Ltd. Thai Beverage Public Company Limited Charoen Pokphand Foods Public Company Limited
Mr. Peerapong Kriochai Operations Director Date Appointed : 23 April 2012	51	Master of Engineering, Cornell University, USA	- shares	-None-	23 April 2012 – Present Feb 2011 -March 2012 Feb 2006 - Jan 2011	Operations Director Factory & Supply Chain Director Director-QA/EOS	Sermsuk Plc. ISSG International (Thailand) Plc. (Previous) Kohler Asia Pacific Co., Ltd. (Previous)
Mr. Phromsom Ayuyaputra Business Development & Projects Director Date Appointed: 18 May 2015	48	University of Sheffield, UK M.SC Engineering Management / MBA	- shares	-None-	15 May 2015-Present August 2011-January 2015 May 2007-July 2011	Business Development Director Sales Director Marketing Director	Sermsuk Plc. Thai Asia Pacific Brewery Co., Ltd. Thai Asia Pacific Brewery Co., Ltd.
Mr. Pihal Vorarath Group General Manager and General Manager - Pathumthani / Chonburi Date Appointed: 16 September 2014	53	Bachelor of Administration in Marketing, Rajamangala Institute of Technology	- shares	-None-	16 September 2014-Present 1 December-15 September 2014 1 Dec 1996 -2011	Group General Manager and General Manager- Pathumthani / Chonburi Plant Manager - Pathumthani Assistant General Plant Manager - Pathumthani, Sales Department (Previous)	Sermsuk Plc. Sermsuk Plc. Sermsuk Plc.
Mr. Kwanchai Mahaporuprachak General Manager – Nakhonratchasima Date Appointed : 1 January 2009	57	BA in Marketing, Assumption Business Administration College	- shares	-None-	1 Jan 2009 -Present	General Manager – Nakhonratchasima	Sermsuk Plc.
Mr. Pongwit Sumetmethachai General Manager - Nakhon Sawan Date appointed: 16 April 2015	52	MBA, Mahidol University	- shares	-None-	17 February 2015-Present 2011-2015 2008-2011	General Manager – Nakornsawan General Sales Manager Sales Division Manager	Sermsuk Plc. Friesland Campina (Thailand) Co., Ltd. Green Spot Co., Ltd.
Mr. Viraj Ithikomjorn General Manager – Sumthani Date Appointed : 16 April 2011	58	BA in Marketing, Assumption Business Administration College	- shares	-None-	March 2011 - Present June 2003-Feb 2011	General Manager – Sumthani Regional Sales Manager	Sermsuk Plc. Nestle Thailand Co., Ltd. (Previous)

Information of the Company's Directors, Management and Company Secretary

Name Position Date Appointed (1)	Age	Educational Credentials Training Experience (2)	Share Holding (%) (3)	Relation to the Management (4)	Working History (5)		
					Year	Position	Company / Business Type
Miss Pawcha Sirichai Company Secretary Date Appointed : 10 **August 2016** **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: -Provide legal advice and other information on related regulations and corporate governance practices and ensure the operation of the Board of Directors in compliance with the law -Arrange the meetings for the board of directors and shareholders -Work with internal sections to ensure the compliance of the Board of Directors and Shareholder Meetings' resolutions -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.	41	Indiana University School of Law - Bloomington, IN, LL.M., Business Program Thammasat University, Bangkok, Thailand, LL.B	- shares	-None-	10 August 2016-Present 1 August 2012-31 July 2016	Head of Legal Manager and Company Secretary Assistant General Manager - Company Secretary	Sermsuk Plc. Soonboon Advance Technology Public Company Limited

Report of the Board of Directors' Responsibility on the Financial Statements

15. Report of the Board of Directors' Responsibility on the financial Statements

The Board of Directors of Sermsuk Plc. is responsible for the financial statements of Sermsuk Plc. and the consolidated financial statements of the Company and its subsidiaries including all financial information disclosed in the Company's annual report. The financial statements were prepared in accordance with Thailand's Generally Accepted Accounting Principles, as part of the Accounting Act B.E. 2543 and in line with the Securities Exchange Commission Act B.E. 2535, using appropriate and consistent accounting policies. The Management exercised due care in the preparation and disclosure of all significant financial information for the benefit of the Company's shareholders and general investors. The financial statements were examined by an independent certified public accountant who expressed unqualified opinion in the Auditor's report.

The Board of Directors oversees corporate governance, ensuring the existence of appropriate and efficient risk management and internal control systems. This is to make sure that the accounting information of the Company and its subsidiaries are kept and recorded in an accurate, comprehensive, timely and sufficient manner while preventing significant corruption or irregularities.

To provide an ongoing review of the Company's internal control system and examine the Company's operations on the regular basis, the Board of Directors has appointed the Audit Committee that consists of independent directors to oversee and ensure the quality, effectiveness and reliability of the Company's internal control and examination operations. The Audit Committee has expressed opinion about such matters in the Audit Committee's report as stated in the Company's Annual Report.

The Board of Directors is of the opinion that the internal control system of the Company and its subsidiaries and the internal auditing system of the Company as a whole, are satisfactory, reasonably ensuring the accuracy of the core content of the financial status and operating results contained in the financial statements of the Company and its subsidiaries for the nine-month period ending September 30, 2016.

16. REPORT OF THE AUDIT COMMITTEE

(Translation)

To: The Shareholders
Sermsuk 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 2016, the Audit Committee held 3 meetings.

The three 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 consider overall operations to ensure compliance with related laws and regulatory requirements; and recommended the appointment of the external auditor and annual audit fee to the Board of Directors.

The Company operations and its subsidiaries in 2016 revealed that the company had an adequate internal control system.The fianacial statement were prepare and reported in accordance with the Statements of Thai Financial Reporting Standards. The disclosures and related transaction were complied with the appropriate laws and regulatory requirements.

Professor Dr. Khunying Suchada Kiranandana
Chairperson of Audit Committee
November 9, 2016

17. REPORT OF THE RISK MANAGEMENT COMMITTEE

(Translation)

To: The shareholders
Sermsuk Public Company Limited

The Risk Management Committee appointed by the Board of Directors Meeting Resolution consists of seven directors and four directors by position including Finance Director, Sales Director, Human Resources Director and Operations Director.

The Risk Management Committee performed the duties assigned by the Company's Board of Directors. In 2016, the Risk Management Committee held three meetings, developed the principles and guidelines to undertake more efficient risk management on a continual basis and reviewed risk factors rick 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 2016, the Risk Management Committee reported that the Company has prepared a 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.

Professor Dr. Khunying Suchada Kiranandana
Chairperson of Risk Management Committee

Sermsuk Public Company Limited
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