ANNUAL REPORT 2017

Sermsuk Public Company Limited

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MESSAGE FROM THE CHAIRMAN

Throughout our October 2016 to September 2017 fiscal year, Sermsuk faced a range of challenges due to stagnant purchasing power, which decreased the growth rate for FMCG consumption. As a result, Sermsuk's revenue from sales of goods and services of 10,623 million baht only showed a slight increase of 0.2% compared to last year.

Even with these challenges, Sermsuk achieved modest success when considering sales contributions by products. With outstanding marketing efforts and sales activities, we expanded distribution channels to cover all areas of the country. The Crystal brand became the leader in Thailand's drinking water market, with continuing growth momentum.

Similarly, RTD (Ready-to-Drink) Green Tea Oishi outperformed the market in sales volume by launching innovative new products, expanding manufacturing capacity, effectively reaching out to the new generation, and using popular presenters who greatly boosted the brand's identity. This helped drive growth and strengthen Oishi's leadership.

est continued to strengthen its connection with consumers through unique marketing activities. In addition, est Play successfully launched Hawaiian Punch in the flavor segment, an innovative soft drink featuring two fruit flavors in one bottle.

As part of our ongoing effort to "Fix the Fundamentals," Sermsuk focused on four pillars to help build a strong foundation and ensure sustainable growth. These four pillars are:

Mr. Somchai Bulsook
Chairman

1) Portfolio: Driven by creativity and product innovation to meet consumer preference for healthier beverages, and continued efforts to increase the popularity of our products in the Thai market;
2) Route to market: Driven by a more efficient management system to expand and tap into new sales channels;
3) Production: Driven by optimum resource utilization, customer-centric production, and a Total Productive Maintenance (TPM) system; and
4) Sustainability: Driven by effective resource management to prevent any negative impact on communities and the environment. This includes responsible water management and reducing CO2 emissions.

We believe the re-alignment of our business structure to focus on these four operational pillars, together with synergies with the Thai Beverage Group and the dedication of all related parties, will help sustain the company's growth, strengthening our performance in the non-alcoholic beverage segment. These four pillars are:

Last but not least, I would like to express my sincere gratitude to our shareholders who have consistently placed their trust in Sermsuk. I would also like to thank the Board of Directors, the management team, and each and every staff member for their dedication, which has contributed to the success Sermsuk has achieved today.

BOARD OF DIRECTORS

Mr. Somchai Bulsook
Chairman

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

Mr. Dhitivute Bulsook
Director,
Vice Chairman of Executive Committee No.2
and Member of Risk Management Committee

Mr. Suchin Wanglee
Vice Chairman No.1,
Independent Director,
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

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

Mr. Pramoad Phornprapha
Independent Director,
Member of Nominating
and Corporate Governance Committee
and Member of Risk Management Committee

Prof. Rawat Chamchalerm
Independent Director

Mr. Sakchai Thanaboonchai
Director

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

Mr. Michael Chye Hin Fah
Director and Member of Executive Committee

Mr. Rangsan Thammaneewong
Director

Mr. Sithichai Chaikriangkrai
Director,
Vice Chairman of Executive Committee No.1
and Member of Risk Management Committee

Mr. Lester Teck Chuan Tan
Director,
Member of Risk Management Committee,
Member of Executive Committee and President

Mrs. Tongjai Thanachanan
Director

EXECUTIVES

Mr. Lester Teck Chuan Tan
President

Ms. Nuntaka Watsreevanich
Finance Director

Mr. Phromson Ayanaputra
Sales Operations Director

Mr. Vuttipong Vungsuntitum
Vice President-Sales
and General Manager-Sales (South) (Acting)

Mr. Parinya Permpanich
Business & Partnership Development Director

Mr. Peerapong Krinchai
Operations Director

Mr. Nitipat Putthong
Human Capital Director

Mr. Pibul Voravath
Senior General Manager-Sales (Bangkok & Vicinity)

Mr. Kwanchai Mahapornprachak
General Manager-Sales (Northeastern)

Mr. Pongwit Sumethmethachai
General Manager-Sales (North)

PRODUCT PORTFOLIO

PRODUCT PORTFOLIO

OISHI
GREEN TEA

est Cola

est Play

Oishi

Jubjai

Crystal

100 Plus

Other Beverages

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Corporate Social Responsibility Activities Sermsuk Public Company Limited 2017

Throughout 2017, Sermsuk Public Company Limited conducted business with commitment to both CSR-in-process and CSR-after-process. Its endeavours extended to communities, society, and the environment as a whole in line with the sustainable development approach, encompassing the economic, social, and environmental aspects. The Company also committed itself to driving innovations to achieve sustainable development.

These moves aligned with Sermsuk's concept that happiness is like water which comes in a wide range of forms and colors regardless of time or place and that also brings refreshment. It is thus vital that we resolve to fulfill happiness in accordance with our corporate theme of "Sermsuk Fulfils Happiness" and to serve parent Thai Beverage Plc's goal of being the stable and sustainable ASEAN beverage company by 2020.

The demonstrated commitment to corporate social responsibility and sustainable development throughout 2016 resulted in satisfactory performance, earning Sermsuk wide acceptance from customers, the community and society as well as other agencies. The Company's socially responsible practices are as follows:

Customer Accountability

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 including ISO22000:2005 Food Safety, NSF standards, and HALAL standards.

In 2017, Sermsuk reached new heights, receiving the Thai FDA Quality Award 2017 for outstanding health product enterprises. The Company was one of the nation's 17 leading health product entrepreneurs awarded by the Thai Food and Drug Administration (Thai FDA). Mr. Peerapong Krinchai, Operations Director of Sermsuk was presented with the Thai FDA Quality Award 2017 by Dr. Piyasakol Sakolsatayadorn, Minister of Public Health, with Dr. Wanchai Sattayawuthipong, Secretary General of Thai FDA, looking on as a well-wisher.

The Thai FDA Quality Award is the highest honor given by the Thai FDA to honor outstanding health product enterprises committed to the highest quality and safety.

To qualify for the award, the health product enterprises must demonstrate efficient manufacturing processes, effective consumer-focused strategies, innovations, social responsibility, and good corporate governance. Sermsuk is a health product manufacturer that meets all the requirements.

The prestigious accolade is an honor for Sermsuk and helps boost the Company's inspiration to operate with continued commitment to quality. At the same time, it enhances customer confidence in every brand of product manufactured by Sermsuk as products of high quality and safety underscored by the Thai FDA Quality Award.

Today, consumers are trending toward more health-conscious eating. Indeed, an obsession with healthier food choices seems to be the order of the day. In response to consumer trends in health and wellness, Sermsuk as a leading beverage manufacturer has committed to research and development to create an innovative healthy drink that is refreshing and contributes to a healthier lifestyle. Since 2016, Sermsuk has taken part in the Healthier Choice logo program organized by the Nutrition Promotion Foundation of the Mahidol University and the Thai Food and Drug Administration, the Ministry of Public Health. The Company's drinks including 100 Plus in Lemon Lime, Citrus, and Berry flavors as well as est sugar free have been certified and received the Healthier Choice logo.

The Healthier Choice logo is an easy tool to help consumers make healthy food choices as a means to reduce non-commiunicable diseases (NCDs). The Company's participation in this program aims to help drive and contribute to consumers' appropriate diets and good health.

To support Thai Beverage's Vision of 2020 to drive the sustainable growth of the non-alcohol beverage business, Sermsuk pledges to bring happiness and refreshment to Thai consumers by expanding the distribution network to cover the entire country and opening a new production line. In 2017, the Company opened a new production line at the Natheechai Plant in Punpin district, Surat Thani located in the heart of the South, with a capacity of 36,000 bottles an hour, or 1.2 million cartons a month. The new line also helps enhance efficiency in cost management and distribution to cover the entire southern region. Designed and developed using highly efficient eco-friendly technology, this advanced world-class line of production has an energy-saving capacity of 397,440 KWh a year with the potential to reduce greenhouse emissions by an equivalent of 415 tonnes a year of carbon dioxide.

The expansion of the production line is designed to address the needs of consumers in the South for quality drinking water for refreshment and to strengthen its distribution network to increase sales in the southern market. This contributes to Sermsuk's overall sales of Crystal, making it the No.1 drinking water brand in Thailand.

Sermsuk's focus to customer accountability has resulted in customer confidence in the Company's products. In 2017, Sermsuk Public Company Limited, the manufacturer and distributor of Crystal drinking water, reaffirmed Crystal's position as the best-selling drinking water in Thailand holding a 21.5% market share as of June 2017. The Company also received the "Most Selected Brand 2017-Brand Footprint Award" in the Rising Beverage Brand category from Miss Banjongjitt Angsusingh, Director-General, Department of Business Development, Ministry of Commerce, and Mr. Howard Chang, General Manager & President, Kantar World Panel (Thailand), a leading market research service, at the Okura Prestige Hotel on July 24, 2017.

The factors contributing to Crystal having secured the Most Selected Brand-Rising Beverage Award are customers' trust in quality drinking water and the fact that it answers their needs for clean, safe, and reliable drinking water. This is guaranteed by five certifications for quality standards from both local and international agencies. The accolades and quality certifications that Crystal has received include: 1) NSF International: Crystal was the first Thai brand to receive certification from the NSF in the United States; 2) Recipient of the Thai Food and Drug Administration (FDA)'s "Quality Award" on four consecutive occasions; 3) Achieving ISO 22000 Food Safety Management certification; 4) Halal certification for Muslim consumers; 5) Being certified with the "Carbon Footprint Reduction (CPR)" label by the Thailand Greenhouse Gas Management Organization for its efforts to reduce greenhouse gas emissions, the main cause of global warming.

These awards and recognitions clearly demonstrate Sermsuk's solid focus on improving Crystal's product quality as well as its commitment to environmental conservation.

Environmental Stewardship

With top priority given to environmental stewardship, Sermsuk is resolved to developing its environmental management system, using resources efficiently, and operating business without posing harm to society and the environment.

In 2017, the Company participated in the Project of Prototyping and Networking for Groundwater Resource Management in the Industrial Sector by Social Tools organized by the Water Institute for Sustainability, The Federation of Thai Industries, and the Department of Groundwater Resources, Ministry of Natural Resources and Environment. The objectives were to promote and support factories to adopt efficient groundwater management as a means to reduce reliance on surface water and groundwater, which are vital resources for the Company's business operations. The objectives also extended to developing a prototype plant and building a network of industrial plants with efficient water management.

The achievements won Sermsuk Public Company Limited four awards from the Project of Prototyping and Networking for Groundwater Resource Management in the Industrial Sector by the Social Tools (National Level) committee as follows:

- Sermsuk Public Company Limited: An Outstanding Award for Managing the Corporation of the Group
- Surat Thani Plant: A Consolation Award for Team Category in Water Management (National Level)
- Nakhon Ratchasima Plant: An Outstanding Award for Managing Strong Network
- Wrangyer Beverage (2008) Co.,Ltd: An Outstanding Award for Water Well Management

Representatives from the four plants attended the awards ceremony at WIS Forum 2017 Seminar on January 24, 2017 at Ballroom Hall A, Queen Sirikit National Convention Center. The event was presided over by General Surasak Karnjanarat, Minister of Natural Resources and Environment.

In 2017, the Pathum Thani Plant together with the Upper Central Provincial Cluster including Nonthaburi, Pathum Thani, Phra Nakhon Si Ayutthaya, and Saraburi joined the monitoring and improving waste water quality project in support of the eco-industry program for 2017. As part of the requirements, the plants' performances in treating and conserving water throughout the year were assessed to ensure they posed no harm to the environment. For its part, the Pathum Thani Plant was selected as the Pilot Plant Dedicated to Treating Waste Water and Returning Clean Water to Waterways for 2017.

The endeavours in 2017 enabled Sermsuk to receive the carbon footprint certification and carbon footprint labeling from the Thailand Greenhouse Gas Management Organization as follows:

- Corporate Carbon Footprint Certification for Sermsuk Plc's the Pathum Thani Plant, the Nakhon Ratchasima Plant, and the Chonburi Plant.
- Carbon Footprint Labeling for four products from the Pathum Thani Plant: est Play Orange, esp Play Strawberry, esp Play Cream Soda, and est Play Lemon Lime in 250 ml cans.
- Carbon Footprint Reduction labels for four products:
  The Pathum Thani Plant: Crystal drinking water in 1500 ml PET bottles and est Cola in 250 ml cans.
  The Chonburi Plant: Crystal drinking water in 600 ml and 1500 ml PET bottles.

More importantly, Crystal drinking water is the first in Thailand to have received the Carbon Footprint Reduction label, underscoring Crystal's excellent quality and environmental contribution.

These achievements are in line with Sermsuk's commitment to be a climate-neutral company in response to Thailand's national policy to become a low-carbon society. In 2018, Sermsuk sets its sights on applying corporate carbon footprint certification and carbon footprint labeling to all other plants. The endeavours will position Sermsuk as a driving force in reducing global warming.

On September 19, 2017, Mr. Peerapong Krinchai, Operations Director of Sermsuk received Corporate Carbon Footprint certification and Carbon Footprint Reduction label from the Permanent Secretary of Ministry of Natural Resources and Environment at Centara Grand at Central Plaza Ladprao.

Human and Labor Rights

Human Resource Development through Training for the year 2017

For 2017, Sermsuk's human resource development 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 encompasses in-house and public training to achieve the common goals in line with Sermsuk's Core Values:

Smart Working
Working efficiently and effectively

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

Commitment 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 were taken into consideration. The training programs provided were categorized into 4 groups as follows:

Sales and services

- Skill enhancement for sales teams
- 8 steps to productive store visit
- Guidelines for handling disputes over sales
- How to win over customers
- How to win customers from competitors and become a sales professional
- Techniques to boost sales of products in drink chillers
- Train the OJT Trainer
- Professional presentation techniques
- Head of sales development
- Team management for other modern trade teams

Products quality standard management

- ISO 22000 : 2005 requirements and internal inspection
- FSSC 2200 requirements and internal inspection
- Casual Analysis and Resolution (CAR) to identify the root cause of a given problem for effective monitoring
- NSF Standard requirements
- Creating awareness among operation staff about GMP/HACCP standards toward achieving ISO 22000 certification
- Creating awareness about QMR and GMP/HACCP standards toward achieving FSSC 22000
- HALAL standards

Efficiency and productivity improvement in the plants

- Smart People Smart Work: Developing a Work System in the Plants
- Effective delegation and follow-up
- Industrial engineering techniques
- Productivity leader
- Application of knowledge management through community of practice (CoPs)
- Internal energy management system auditor

General administration and management

- Occupational Health & Safety and Environment Committee
- HR vision for the development of Sermsuk
- 2017 Performance Workshop for Manager
- Excel training workshop for HR staff
- Systematic & Creative Thinking Pure & Simple
- Confined space safety for authorized person, supervisor, and workers

Summary of human resource development in 2017 (January - August 2017)

• Total employees	6,126
• Total number of employees undergoing training	7,040
• Total training hours spent on formal training (an average of 8.84 hours per employee)	54,180

NSF
NSF Standard Requirement

Corporate Engagement and Community Development

Sermsuk Public Company Limited pledges to operate business with commitment to both CSR-in-process and CSR-after-process. Throughout 2017, 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.

Occupational Promotion in Hydroponics and Laying Hen Farming Project for the Disabled and Caregivers

Sermsuk Plc.'s Nakhon Ratchasima Plant in conjunction with Nakhon Ratchasima Employment Office, Suranaree University of Technology, and The Second Army Area, has carried out the Occupational Promotion in Hydroponics and Laying Hen Farming Project for the Disabled and Caregivers since October 2016. The project is targeted at 56 disabled military men and those who care for their disabled children, spouses, and parents across The Second Army Area in the Northeast. The efforts encompassed training at Suranaree University of Technology farm, building facilities for hydroponic growing and chicken coops, and installing equipment.

Currently, the laying hens produce a yield of over 35,000 eggs per month which the disabled and caregivers can sell to the community to earn income for the family and keep for consumption in the households. For hydroponics farming, this is now in the stage of starting seeds for later transplanting into a hydroponic system. The produce will be bought by Suranaree University of Technology farm for distribution to restaurants in Nakhon Ratchasima province.

The implementation of the project over 12 months was closely monitored and the results reported periodically. In addition to promoting occupations for the disabled and caregivers, the project was also a means of treatment and rehabilitation, both physically and mentally, empowering the disabled to live in the community with dignity and to become more self-reliant sustainably.

Sermsuk contributed funding to the Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE) for 2016-2017

The Thailand Institute of Packaging and Recycling Management 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 the Federation of Thai Industries. In the previous year, Sermsuk joined hands with TIPMSE to carry out a project dedicated to managing packaging waste both within Sermsuk and communities surrounding the plants. TIPMSE is also tasked with creating a recycling society and promoting the separation of packaging waste at source to reduce the amount of packaging waste making its way to the garbage dump sites across the country in an appropriate and sustainable form through various projects and activities in collaboration with communities nationwide.

TIPMSE has demonstrated to the government agencies that successful packaging management can be achieved without imposing tax measures or laws which will inevitably put a burden on business enterprises and consumers. Over the years, Sermsuk has supported this benevolent initiative, contributing funding to TIPMSE continuously in line with Thai Bev's Vision 2020 to align with the sustainable development approach which encompasses economic, social, and environmental aspects. The goal is to sustainably contribute to a better community and society as a whole.

Mr. Phusorn Taweepan, Operations Assistant Director as representative of Sermsuk Public Company Limited presented funds to support TIPMSE to Mr. Jane Namchaisiri, president of the Federation of the Thai Industries (FTI) at the FTI office.

Sermsuk sharing with society

Sermsuk joined forces to help friends fight flooding

The severe flooding in the South and Northeast in 2017 which impacted people in vast areas called for emergency assistance and relief, especially clean drinking water vital to people's sustenance. In response, Sermsuk Public Company Limited rushed to provide relief to those affected, donating Crystal drinking water through various government agencies such as provincial governor's offices, and Provincial Red Cross Chapters to provide relief and bring happiness to those impacted. The Company also provided relief supplies and drinking water to Sermsuk employees affected by the flooding.

The Pathum Thani Plant helped keep the province clean

Sermsuk Plc's Pathum Thani Plant participated in the "2nd Pathum Thani Keeps the Province Clean for the Father of the Land" project. As part of the efforts, the Company together with Bang Khayaeng Municipality, local government agencies, educational institutes, and the public jointly cleaned many areas in Pathum Thani and the road in front of the Pathum Thani Plant. The objectives were to keep the communities clean for a better quality of life and to work side by side with the locals to create a clean and good environment, making Pathum Thani a better place to live in.

The Pathum Thani Plant organized "Mobile Community Dialog"

Sermsuk Plc's Surat Thani Plant organized a Mobile Community Dialog where locals, community leaders, local government officers, and employees from plants in the Tambon Tha Rong Chang area met and chatted as well as exchanged information and shared news. The dialog helped foster a good relationship, allowing the plants and communities to coexist in harmony, Organized in the form of a tea and coffee gathering to suit the southerner lifestyle, the community dialog will rotate to be held by each agency in the Tambon Tha Rong Chang area once a month all year round.

The community dialog held at Sermsuk enabled people around the plant to learn about the Company's policy and activities, creating a better understanding among each other and laying the foundations for a sustainable relationship to allow all parties to coexist happily.

The continued commitment to corporate social responsibility resulted in Sermsuk having received the CSR-DIW Continuous Award from the 2017 program from the Ministry of Industry. Representatives from Sermsuk's five plants and the CSR working team attended the CSR-DIW Awards Ceremony entitled the "1st Decade of CSR-DIW: Following the Footsteps of the Great Developer toward Sustainable Development" on August 17, 2017 at The Royal Thai Army Club Vibhavadi Rangsit. Also in attendance as well-wishers were the Director-General and executives of Department of Industrial Works.

The CSR-DIW Program (Corporate Social Responsibility, Department of Industrial Works) comprises the guidelines set forth by the Department of Industrial Works, Ministry of Industry to promote and encourage continuous practices on CSR among industrial plants in alignment with the Sufficiency Economy philosophy to achieve a balance between economic, social, and environmental development.

Sermsuk has joined the CSR-DIW Program since 2009, starting off with social responsibility efforts and moving toward sustainable development through numerous projects and activities. The demonstrated commitment has ensured trust, mutual reliance and harmonious coexistence with the community. At the same time, it has enabled the Company to stride toward becoming an eco-industry, driving business growth through technology, creativity, and innovation with concern for the community to ensure the plants, community, society, and the environment coexist in a sustainable way.

MARKETING ACTIVITIES

Introducing a summer promotional campaign called "est Zaa Zeed Luek Dai, Tang Fin Tang Zing"

In line with the "Expanding the New Gen's Fan-Love" strategy, est introduced an innovative promotional campaign called "est Zaa Zeed Luck Dai, Tang Fin Tang Zing" which enabled consumers to win and choose their prizes from the enjoyment of being one of the people getting an exclusive trip on an island with GOT 7, est brand ambassadors, or the fun in driving away in a Toyota Yaris, the ultimate dream car of the younger generation. Moreover, the new limited-edition summer packaging featuring seven GOT 7 vibrant designs were re-introduced in response to customer demand. The marketing communications campaign also extended to a TV commercial entitled "Choice" as well as online activities which enabled est consumers to experience the enjoyment of the prizes, and a caravan of marketing teams to give away prizes to consumers across the country.

Introducing new est Hawaiian Punch

From the tremendous success of est PLAY Grapeberry, our number 1 flavor, est introduced est PLAY Hawaiian Punch, a new carbonated drinks that burst with flavor perfectly blending the aromatically refreshing sensation of pineapple and the sweet and tangy flavor of apple, targeting the young generation.

Crystal unveiled the new campaign "The more we know Crystal, the more we love Crystal" to secure Crystal's position as No.1 in consumer ratings

In 2017, Crystal reaffirmed the brand as a provider of quality drinking water and strengthened the ties between the brand and consumers, launching "The more we know Crystal, the more we love Crystal" campaign to expand the customer base in every market and to embrace the fizzy summer heat. The campaign featured Nai Naphat as the Crystal brand ambassador for the second consecutive year. Representing the new generation, Nai Naphat conveys confidence in the quality of Crystal in the new TV commercial to underline Crystal's position as the leading drinking water which has achieved awards and certifications from 5 domestically and internationally recognized agencies as follows:

- NSF International: Crystal was the first Thai brand to receive certification from the NSF in the United States
- Recipient of the Thai Food and Drug Administration (FDA)'s "Quality Award" on four consecutive occasions
- Achieving ISO 22000 Food Safety Management certification
- Halal certification for Muslim consumers
- Being certified with the "Carbon Footprint Reduction (CPR)" label by the Thailand Greenhouse Gas Management Organization for its efforts to reduce greenhouse gas emissions, the main cause of global warming. These awards and recognitions clearly demonstrate Sermsuk's solid focus on improving Crystal's product quality as well as its commitment to environmental conservation.

Crystal Open House Project: English Is Fun with Crystal

Crystal, the leading quality drinking water in Thailand, has pledged to enhance the English proficiency of Thai students, empowering them to become a major driving force of the country's development. To achieve the goal, the Company joined hands with Kru Loukgolf-Kanathip Soonthornrak from Angkriz language school and Nai Naphat to organize the English Is Fun with Crystal activity. The objectives were to inspire the young generation to realize the importance of English and enhance their English communication skills which are vital to their future education and career, allowing them to become a capable workforce who can contribute to national development. The event was first held at Benjamarachutit School, Nakhon Si Thammarat.

In 2017, Crystal opened up opportunities for high-school and vocational students from schools surrounding Sermsuk's five plants and in other provincial areas nationwide 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 meets 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 quality certifications from five domestically and internationally recognized agencies. In addition, the students learned about the benefits and significance of applying scientific knowledge to production in the industrial sector which could contribute to educational development and enable the youths to become a highly capable workforce.

Oishi

In 2017, Oishi, the market leader in Japanese-style Ready-to-Drink tea, kicked off its summer promotional campaign called "Oishi Summer Promotion: Giant Golden Sumo and Battalion of Yama", offering chances for consumers to win fabulous prizes. A TV commercial featuring Puttichai "Push" Kasetsin was aired to add momentum to the campaign. Later in August, Oishi Green Tea Kyoho Grape campaign was launched, starring Peck Palitchoke as the new presenter. To reinforce its brand recognition, Oishi used various communication channels to tap into new-generation consumers, making the campaign a phenomenal success.

100 Plus

In the wake of today's consumer trends in health and wellness, 100 Plus best answers consumer needs as it offers a refreshing taste and helps replenish lost fluids. In late 2016, the Company introduced 100 Plus (Berry) to offer additional variety consumers.

Later in March 2017, 100 Plus went biking once again, launching "100 Plus Cycling across the Sky to New Zealand" campaign which offered consumers a chance to win a cycling trip to New Zealand with Toon Bodyslam and Joey Boy.

Jubjai

Jubjai, a ready-to-drink herbal tea, launched the "Jubjai brings luck, taking customers on a trip to Hong Kong with Moh Chang" campaign to celebrate Chinese New Year 2017 with the golden rooster. The campaign took the prize winners accompanied by famous fortune teller 'Moh Chang' to pay respects to propitious deities in Hong Kong for good luck and auspiciousness.

To keep the momentum going, Jubjai rolled out "Jubjai brings luck, taking customers on a trip to Hong Kong with Moh Chang Part 2" campaign along with a special marketing campaign during the Vegetarian Festival to boost sales and create brand awareness.

Rock Mountain

In late 2016, Sermsuk introduced a new soda water under the brand Rock Mountain to answer consumer demand for high quality soda water. The product is manufactured, using cold infusion technology in order to preserve the fizz in the soda water. According to a survey, consumers liked Rock Mountain's packaging design and its longer-lasting tingling froth. When mixed with a drink, it adds a kick to the smooth distinctive flavor. Rock Mountain is a new choice in the fizzy market for consumers.

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 Brands Limited, a direct wholly-owned subsidiary, completed the sale of "est" trademark to Super Brands Company Pte Ltd. that is Thai Beverage PLC 's indirect wholly-owned subsidiary. The earning will be spending on strengthening 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 **'Food and beverage 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, competitors' strengths and weaknesses, competitors' 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.

Policy and Business Overview

Profit Maximization Target

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

People Development Target

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

Returns to Shareholders Target

The Company has a policy to return profit to shareholders in the form of consistent dividend payments at a reasonable rate but no less than 40% of the consolidated net profit for each accounting period after deducting the Legal Reserve and incurred 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, the Company aims to drive sustainable social and environmental development among Thai communities.

1.2 Major Corporate Change and Development

Investment

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

1952	The registered capital of Baht 8 million, Baht 100 per share
1953	The registered capital increased to Baht 15 million; Baht 100 per share
1966	The registered capital increased to Baht 30 million; Baht 100 per share
1969	The registered capital increased to Baht 45 million; Baht 100 per share
1986	The registered capital increased to Baht 105 million; Baht 100 per share
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 increased to Baht 265 million; Baht 10 per share
2001	The Company reduced its registered capital by Baht 542,340 (54,234 shares) which made the Company's remaining Registered Capital of Bath 264,457,660 (26,445,766 shares). Later the Company capital increase by Baht 3,500,000 which made the Company Registered Capital of Baht 267,957,660 (26,795,766 shares)
2003	The par value was changed from Baht 10 per share to Baht 1 per share.

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2009	The Company reduced its registered capital by Baht 2,057,176 which made the Company's remaining Registered Capital of Bath 265,900,484 (265,900,484 shares).

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 plant
1969	The Nakhon Ratchasima Plant was opened on a 31 rai, 1 ngan and 69 square wah site while the land on Silom was sold
1973	The Nakhonsawan Plant opened on a 24 rai, 1 ngan and 89 8/10 square wah site
1975	Being a listed company in Thailand
1978	The Pathum Thani Plant was opened on a 164 rai and 88 square wah site
1985	Appointed as the distributor of "M-100" and "M-150" products for Osothsapha Co., Ltd.
1993	Appointed as the distributor of Volvic mineral water for France-based BSN Group
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" and "Twister" juice beverages in bottles for Pepsi Cola (Thai) Trading Co., Ltd.
2012	Terminated the distribution of Carabao Daeng and other beverage products under Pepsi Cola (Thai) Trading Co., Ltd., including Pepsi, Mirinda, Seven-Up, Tropicana and Twister.
	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 1 litre PET bottle packaging for drinking water "Crystal"
	The distributor of "Wrangyer" energy beverage
	The distributor of fried seaweed "Onori"

Policy and Business Overview

2014	Launched 2 innovative packages in a 16-ounce glass bottle and a 1.6-litre PET bottle respectively. Also, rolled out 3 new packages for est, the "325-ml est Sleek can", "250-ml est sleek can" and "250-ml est cool hand" glass bottle non-returnable. Started manufacturing and distributing sugar-free "est free"
	The sale transaction of "est" brand and trademark to Super Brands Company Pte. Ltd., On 23 December 2014
2015	"est" added "Lychee Pear" flavor to its portfolio, in a 325-ml. sleek can and a 490 ml. PET bottle and later 1.6 liter PET bottle in January.
	Furthermore, there were 2 new products launch which were "100 Plus" and "Jubjai" in February and March, respectively.
	Ranger has been exported to the Malaysia market.
	The Company started distribution of Soda Chang.
	Oishi green tea added new flavors ranging from 1) Oishi Green Tea Watermelon-flavored in 380-ml. PET bottle, 2) Oishi Chakuza Sparkling Green Tea Honey Lemon 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 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.
	For Oishi beverage, Oishi in December launched a new fruit tea product from Japan called Oishi-Kyoho-Grape in a 380-ml PET bottle.
	Later in December, Oishi Sakura Strawberry flavor in 380-ml and 500-ml PET bottles was introduced.
	Launched new soda water under the Rock Mountain brand, produced using cold infusion technology. Available in non-returnable 325-ml glass bottle.
	Added berry-flavored 100 Plus in a 445-ml bottle in December.
	The agreement of the Company's subsidiary to produce and distribute Gatorade and Lipton in PET bottles and cans came to an end. However the Company continues to produce and distribute returnable glass bottles.
2017	"est" added Hawaiian Punch flavor to its portfolio in a 250-ml can, as well as 490-ml, 515-ml, 1-liter, 1.6 liter PET bottle, and 12 ounce RB in February.
	Launched Rock Mountain soda water in 400-ml RB in January.

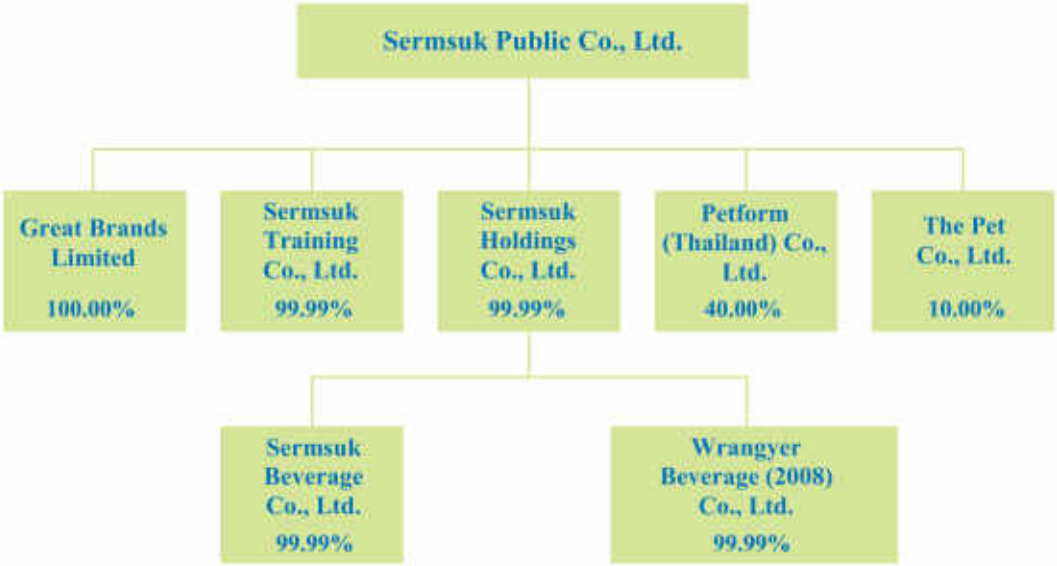
Policy and Business Overview

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, contract Manufactures and distribute 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., share is held by Sermsuk Holdings Co., Ltd., a direct subsidiary company, established on November 23, 2006 with the main objectives of being to hold shares and manage investments in Sermsuk subsidiaries.

The Company holds 40 percent of the equity in Petform (Thailand) Co., Ltd., a manufacturer and distributor of PET polymers, which use in PET bottles, and plastic closures production. 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: No. 90 CW Tower, 31st – 32nd Floor, Ratchadapisek Road, Huai Khwang Sub-District, Huai Khwang District, Bangkok 10310

Telephone: 0-2783-9000
Fax: 0-2783-9092-3
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

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Sermsuk Training Co., Ltd. (Direct Subsidiary)

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

Telephone: 0-2783-9000
Fax: 0-2783-9092-3
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	100.00

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 PET bottles and closures.

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	40.00

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

Policy and Business Overview

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	10.00

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

Sermsuk Beverage Co., Ltd. (Indirect Subsidiary)

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

Telephone: 0-2783-9000
Fax: 0-2783-9092-3
Main Business: Manufacture and distribution of beverages

Number and Type of Issued Capital		Number of shares owned by Sermsuk Holdings Co.,Ltd.	
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: No. 90 CW Tower, 31st – 32nd Floor, Ratchadapisek Road, Huai Khwang Sub-District, Huai Khwang District, Bangkok 10310

Telephone: 0-2783-9000
Fax: 0-2783-9092-3
Main Business: Manufacture and distribution of energy drinks

Number and Type of Issued Capital		Number of shares owned by Sermsuk Holdings Co.,Ltd.	
Ordinary Shares	Par Value	Ordinary Shares	%
20,000,000	Baht 10	19,999,980	99.99

Policy and Business Overview

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 PLC owns a 40% stake)

Main Business: Manufacture and distribution of plastic preform and PET bottles

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

- Plastic closore represented 60% of total annual purchases with a value of Baht 74 million.
- PET bottles represented 35% of total annual purchases with a value of Baht 653 million.

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

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 Baht 94 million.

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

3. The Southeast Insurance Public Company Limited (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 annually.

4. Thai Drinks Company Limited (Direct subdiary company of Thai Beverage Public Company Limited)

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

Relationship: The Company purchased for 100% of the total annual purchases of CSD concentrate. The limit approximately Baht 790 million.

The purchasing approach: The Company has reviewed the price structure in comparison with market prices Purchases were made in volume and maintained at the mutually agreed prices for 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, Chakuza, Fruito, Kabusecha, and O Herb

Relationship: The Company is beverages Original Equipment Manufacturer (OEM), manufacture and distribute Oishi green tea for returnable bottles and distribute Oishi green tea for non-returnable bottles.

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

Business Operations

6. ***Modern Trade Management Co., Ltd***

(Direct subsidiary company of Thai Beverage Public Company Limited)

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

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

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

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

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

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

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

Relationship: The Company has hired Beer Thip Brewery to produce drinking water products.

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

2. Business Operations

Revenue Structure

Unit: Million Baht

Type of Revenues	2017 (12 Months)		2016 (9 Months)		2015 (12 Months)	
	Revenue	%	Revenue	%	Revenue	%
Revenue from carbonated soft drinks	4,379	41.22%	3,388	41.84%	4,208	40.02%
Revenue from non-carbonated drinks	6,244	58.78%	4,709	58.16%	6,307	59.98%
Total	10,623	100.00%	8,097	100.00%	10,515	100.00%

Business Operations

2.1 Business Operations by Product

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

1. **Manufacturer and distributor of drinking water**

   Drinking water under the "Crystal" trademark

2. **Manufacturer and distributor of non-carbonated beverages**

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

   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 "Rock Mountain" trademark

   Herbal drink under the "Jubjai" trademark

4. **Manufacturer and distributor of carbonated beverages**

   Carbonated soft drinks under the "est" trademark

   Healthier 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

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 conflicts 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.

Business Operations

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

"est" Carbonated Soft Drink

The competition in the domestic carbonated soft drink market in 2016 was highly intense, resulting in competitors rolling out numerous marketing campaign strategies to vie for shares in the market worth over 50 billion baht.

For est, the appointment of the hottest boy band Got7 as the new brand ambassadors in 2016 garnered a positive consumer response. To continue the momentum of the successful initiative, est succeeded again in summer with the innovative promotional campaign 'est Zaa Zeed Luek Dai, Tang Fin Tang Zing', allowing consumers to win prizes ranging from an exclusive trip to a seaside resort with GOT7 or winning a Toyota Yaris.

In the latest effort to offer a unique consumer experience, est introduced est Hawaiian Punch, a new carbonated drink that bursts with a flavor perfectly blending the aromatically refreshing sensation of pineapple and sweet and tangy flavor of apple.

"Crystal" Drinking Water

The success factors of Crystal drinking water are product quality, efficient distribution, excellent customer service and engaging marketing activations. 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 the 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 2017, Crystal continued to feature Nai-Naphat Siangsomboon as the Crystal's brand ambassador for the second year, communicating to the next generation of consumers the high quality safety and purity of Crystal drinking water. It has received quality certification from five leading institutions, both at home and overseas. This coupled with a new TV commercial under the "The more you know Crystal, the more you love it" marketing campaign has made Crystal the No.1 drinking water in the hearts and minds of Thai consumers.

In addition, Crystal strive to expand its production base across the country to meet growing demand nationwide. To that effect, a new production line was opened in Surat Thani to address the needs of consumers in the South for high quality drinking water for refreshment. The move strengthened the distribution network, increased sales in the southern region, and boosted overall market share, enabling Crystal to become Thailand's No.1 drinking water brand and help drive 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 2017, Oishi, the leader in the ready-to-drink green tea market, launched a campaign to welcome the summer under the theme "Oishi Summer Promotion: Giant Golden Sumo and Battalion of Yamaha". Consumers had the chance to win four grand prizes of a Giant Golden Sumo, each worth over 10 million baht and another 1000 prizes of Yamaha motorcycles with a total value of 86 million baht. The campaign continued to feature

the hot actor Puttichai Kasetsin (Put) as its presenter. To reinforce its brand recognition, Oishi in August kicked off the Oishi Kyoho Grape campaign featuring the hot singer Peck Palitchoke as its presenter.

100 Plus Healthier Carbonated Soft Drink
As the move towards consumer health consciousness has accelerated, 100 Plus healthier carbonated soft drink caters for this growing trend, providing refreshment as well as replenishing the vital nutrients and fluids lost during exercise. In late 2016, 100 Plus launched a new berry flavor to offer consumers greater variety. Later in March 2017, 100 Plus kicked off the "Cycle Touring Season 2-Fly Off To New Zealand" campaign, Consumers stood the chance to win 20 grand prizes (40 seats) of a trip to New Zealand with Toon Bodyslam and Joey Boy or 100 second prizes of a Yamaha Aerox.

"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 garnered a positive consumer response.

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 who 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 Public Company Limited, 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, 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, Mueang District, Pathum Thani;
2) **The Nakhon Ratchasima Plant:** Located at No. 211, Moo 4, Pruyai Subdistrict, Mueang District, Nakhon Ratchasima;
3) **The Nakhon Sawan Plant:** Located at No. 72, Soi Wat Chomkhiri Nakprot, Nakhon Sawan Aok Subdistrict, Mueang District, Nakhon Sawan;

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

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

In addition to the five plants, the Company has two subsidiaries with manufacturing facilities, which are Sermsuk Beverage Co., Ltd., located in the Amata City Industrial Estate at No. 700/368, Moo 6, Nongmaidaeng Subdistrict, Mueang District, Chonburi and Wrangyer Beverage (2008) Co., Ltd., located at No. 63, Moo 3, Phrapratone-Baanpaew Rd., Thanonkhad Subdistrict, Mueang 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. Late this year, sugar prices could float, which may help bring down domestic sugar prices. Moreover, there will be no need to send money from the sale of sugar to the Cane and Sugar Fund as it will be replaced by sugary drink taxes. However, 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. The price for bottles due to the 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 managed to purchase the aluminum cans at lower prices compared to the previous year, resulting in a decrease in 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.

Risk Factors

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 vying for 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 associated with 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. Later this year, the government plans to replace the existing ex-factory prices and costs with suggested retail prices for the excise tax base computation and impose additional sugary drinks tax. 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 drinks, prompting 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 constantly-falling oil prices in 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 large producer and measures to control diesel usage were executed together with GPS installation 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. Ongoing studies were conducted to determine fuel use reduction measures.

3.1.5 Consumer behavior:

Given the enhanced focus on health among consumers and subsequent changes in consumer behavior toward non-carbonated beverages, juice, and healthier drinks, the Company has adopted a new business approach, positioning itself as Thailand's leading manufacturer and distributor of a full range of food and healthy beverages. The Company's commits itself to driving the Company's sustainable growth by expanding the distribution network to cover all areas nationwide, increasing sales and market share, and making the brand a leading brand that wins the hearts of Thai consumers. This ran concurrent with consolidating. The Company's by pushing the growth of healthy drink products. The Company has taken aim at introducing several new products with the goal to increase the sales of this product range from 56% to 70% by 2021.

3.1.6 Change of government policies

Potential changes in the government's policies regarding tax collection, price controls, business laws and industrial regulations etc.

To reduce the impact, the Company has emphasized cost expense control, revisiting and improving working procedures to generate greater efficiency and productivity across the Company.

Risk Factors

3.2 Production Risks:

The beverage industry requires heavy 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 to address the needs. In 2017, in an attempt to reduce costs in production and distribution, the Company collaborated with Oishi Group Public Company limited and the subsidiaries of ThaiBev for the manufacturing of Crystal drinking water at their factories.

In 2017, the Company purchased an empty bottle inspection machine from Germany for the all-around inspection of glass bottles before filling to ensure maximum safety for consumers, which has always been the Company's top priority.

All the Company's production lines have achieved internationally-recognized certifications for quality and safety such as GMP & HACCP, ISO22000, and certification from NSF that inspects and certifies quality standards of bottled drinking water according to US. FDA standards, thereby ensuring effective quality and safety management. In 2017, the Company implemented FSSC22000, the most comprehensive food safety and quality management system certification to boost consumer confidence.

The Company also completed the flood prevention installations for the Company's three major plants affected by the 2011 flooding to protect their production lines and ensure continuous production in the event this type of incident should recur.

3.2.1 New Product Launch Risk

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

3.3 Management and Administration Risks

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 Company needs to maintain a well-defined operational plan and updated 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 periodically. 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. The Company has foreign currency liabilities and commitments that are limited to the imports of new machines, spare

parts, and equipment. To reduce exchange rate exposure, the Company has implemented hedging. Moreover, most raw materials and packaging are sourced locally.

3.4.3 Interest Rate Risk:

During the year 2017, the Company had no short-term loans. However, interest rate movement may be a risk factor which the Company needs to 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 year period ended September 30, 2017, So Water Co., Ltd. held 171,954,804 company's shares representing 64.67% 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 :	No. 90 CW Tower, 31st – 32nd Floor, Ratchadapisek Road, Huai Khwang Sub-District, Huai Khwang District, Bangkok 10310
Registration Number :	0107537001650 (previously Bor Mor Jor. 412)
Telephone :	0-2783-9000
Fax :	0-2783-9092-93
Issued Shares :	Ordinary share
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 Miss. 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 & Partners Ltd.

22nd Floor, Mercury Tower
540 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Telephone : 0-2264-8000
Fax: 0-2657-2222

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

F) Investors Relations: Please Contact Finance Department

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

Telephone: 0-2783-9000 ext. 9050
E-mail: ir@sermsukplc.com

5. Shareholders

5.1 Authorized and Paid-up share capital

Share capital - ordinary shares

For the year period ended September 30, 2017, 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

5.2 Shareholders

Major Shareholders:

A list Shareholders eligible for invitation to the Annual General Meeting of shareholders 2018 will be determine in Book of Shareholder's Registration by Record Date on November 30, 2017.

Name	Number of Shares	% of Total Shares
1. So Water Co., Ltd.	171,954,804	64.67 %
2. SS National Logistics Co., Ltd.	56,199,807	21.13 %
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	293,300	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.

6. Dividend Pay-out Policy

Dividend policy for Sermsuk Public Company Limited 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 has a policy to pay dividends with a payout ratio of not less than 40% of separate 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.

7. Management Structure

7.1 The Board of Directors of the Company

The Board of Directors as at September 30, 2017 consisted of the following Directors:

Name	Position
Mr. Somchai Bulsook[1]	Chairman
Mr. Suchin Wanglee	Vice Chairman No.1, Independent Director, 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[2]	Vice Chairman No.3, Chairman of Executive Committee, Chairman of Nominating and Corporate Governance Committee, Member of Compensation Committee and Member of Risk Management Committee
Mr. Dhitivute Bulsook	Director, Vice Chairman of Executive Committee No. 2 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[3]	Independent Director, Member of Nominating and Corporate Governance Committee and Member of Risk Management Committee
Prof. Rawat Chamchalerm	Independent Director
Mr. Sakchai Thanaboonchai	Director
Mr. Rangsan Thammaneewong	Director
Mr. Sithichai Chaikriangkrai	Director, Vice Chairman of Executive Committee No.1 and Member of Risk Management Committee
Mrs. Siripen Sitasuwan	Independent Director, Member of Audit Committee and Member of Risk Management Committee
Mrs. Tongjai Thanachanan[4]	Director
Mr. Lester Teck Chuan Tan[5]	Director, Member of Risk Management Committee, Member of Executive Committee and President
Mr. Michael Chye Hin Fah[6]	Director and Member of Executive Committee

Management Structure

Remark: Mr. Photipong Lamsam was appointed as a Honorary Chairman on January 23, 2017.
Mr. Vivek Chhabra resigned as Director, Member of Risk Management Committee, Executive Director and President on February 9, 2017 and Mr.Marut Buranasetkul resigned as Director and Executive Director.
Ms. Tientip Narach resigned as Director and Executive Director on August 1, 2017.
[1]Mr. Somchai Bulsook was appointed as a Chairman on January 23, 2017.
[2]Mr. Thapana Sirivadhanabhakdi was appointed as Chairman of Executive Committee, Chairman of Nominating and Corporate Governance Committee on January 23, 2017.
[3]Mr. Pramoad Phornprapha's status changed from Director to Independent Director on January 23, 2017 and was appointed as Member of Nominating and Corporate Governance Committee and Member of Risk Management Committee.
[4]Mrs. Tongjai Thanachanan was appointed as the Director on January 23, 2017.
[5]Mr. Lester Teck Chuan Tan was appointed as Director, Member of Executive Committee, Member of Risk Management, and President on February 9, 2017.
[6]Mr. Michael Chye Hin Fah was appointed as Director and Member of Executive Committee on August 9, 2017.

Names and Number of Authorized Directors

(1) Any of one the following, Mr. Somchai Bulsook, Mr. Thapana Sirivadhanabhakdi, Mr. Dhitivute Bulsook, Mr. Sakchai Thanaboonchai or Mr. Lester Teck Chuan Tan, jointly signs with any one of the following Mr. Chotipat Bijananda, Mr. Rangsan Thammaneewong, Mr. Sithichai Chaikriangkrai or Mr. Michael Chye Hin Fah, totaling two persons jointly sign with the Company's seal affixed.

(2) Mr. Somchai Bulsook, Mr. Thapana Sirivadhanabhakdi, Mr. Dhitivute Bulsook, Mr. Sakchai Thanaboonchai, Mr. Chotipat Bijananda, Mr. Rangsan Thammaneewong, Mr. Sithichai Chaikriangkrai, Mr. Lester Teck Chuan Tan, or Mr. Michael Chye Hin Fah any two of directors jointly sign with the Company's seal affixed on the application or the submission of documents to the Revenue Department, Customs Department, Department of Business Development of the Ministry of Commerce, Office of Foreign Workers Administration, Immigration Bureau, Department of Skill Development, Ministry of Industry, Ministry of Public Health, and other government agencies which relate to the submission of tax report, import and export documents and amendment of document concerning company registration, applications of extension for visa and work permit, and business licenses.

Management Structure

Board of Directors Meetings for the for the year period ended September 30, 2017

The Board of Directors

Name	Positions	Number of Board of Directors Meetings	Number of meetings attended
Mr. Somchai Bulsook	Chairman	6	6
Mr. Suchin Wanglee	Vice Chairman No. 1, Independent Director, Chairman of Compensation Committee and Member of Audit Committee	6	6
Mr. Chotiphat Bijananda	Vice Chairman No. 2, Member of Compensation Committee and Member of Nominating and Corporate Governance Committee	6	4
Mr. Thapana Sirivadhanabhakdi	Vice Chairman No. 3, Chairman of Executive Committee, Chairman of Nominating and Corporate Governance Committee, Member of Compensation Committee and Member of Risk Management Committee	6	6
Mr. Dhitivute Bulsook	Director, Vice Chairman of Executive Committee No. 2 and Member of Risk Management Committee	6	6
Prof. Dr. Khunying Suchada Kiranandana	Independent Director, Chairman of Audit Committee and Chairman of Risk Management Committee	6	6
Mr. Pramoad Phornprapha	Independent Director, Member of Nominating and Corporate Governance Committee and Member of Risk Management Committee	6	6
Prof. Rawat Chamchalerm	Independent Director	6	6
Mr. Sakchai Thanaboonchai	Director	6	6
Mr. Rangsan Thammaneewong	Director	6	6
Mr. Sithichai Chaikriangkrai	Director, Vice Chairman of Executive Committee No.1 and Member of Risk Management Committee	6	5
Mrs. Siripen Sitasuwan	Independent Director, Member of Audit Committee and Member of Risk Management Committee	6	6
Mrs. Tongjai Thanachanan[1]	Director	6	5
Mr. Lester Teck Chuan Tan[2]	Director, Member of Risk Management Committee, Member of Executive Committee and President	6	3
Mr. Michael Chye Hin Fah[3]	Director and Member of Executive Committee	6	1

Management Structure

Remark: *[1]Mrs. Tongjai Thanachanan was appointed as Director on January 23, 2017*
[2]Mr. Lester Teck Chuan Tan was appointed as Director, Member of Risk Management Committee, Member of Executive Committee and President on February 9, 2017
[3]Mr. Michael Chye Hin Fah was appointed as Director and Member of Executive Committee on August 9, 2017

The Non-Executive Director's Meeting in line with the principle of good corporate governance took place on Thursday, September 14, 2017.

7.2 The Company Executives

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

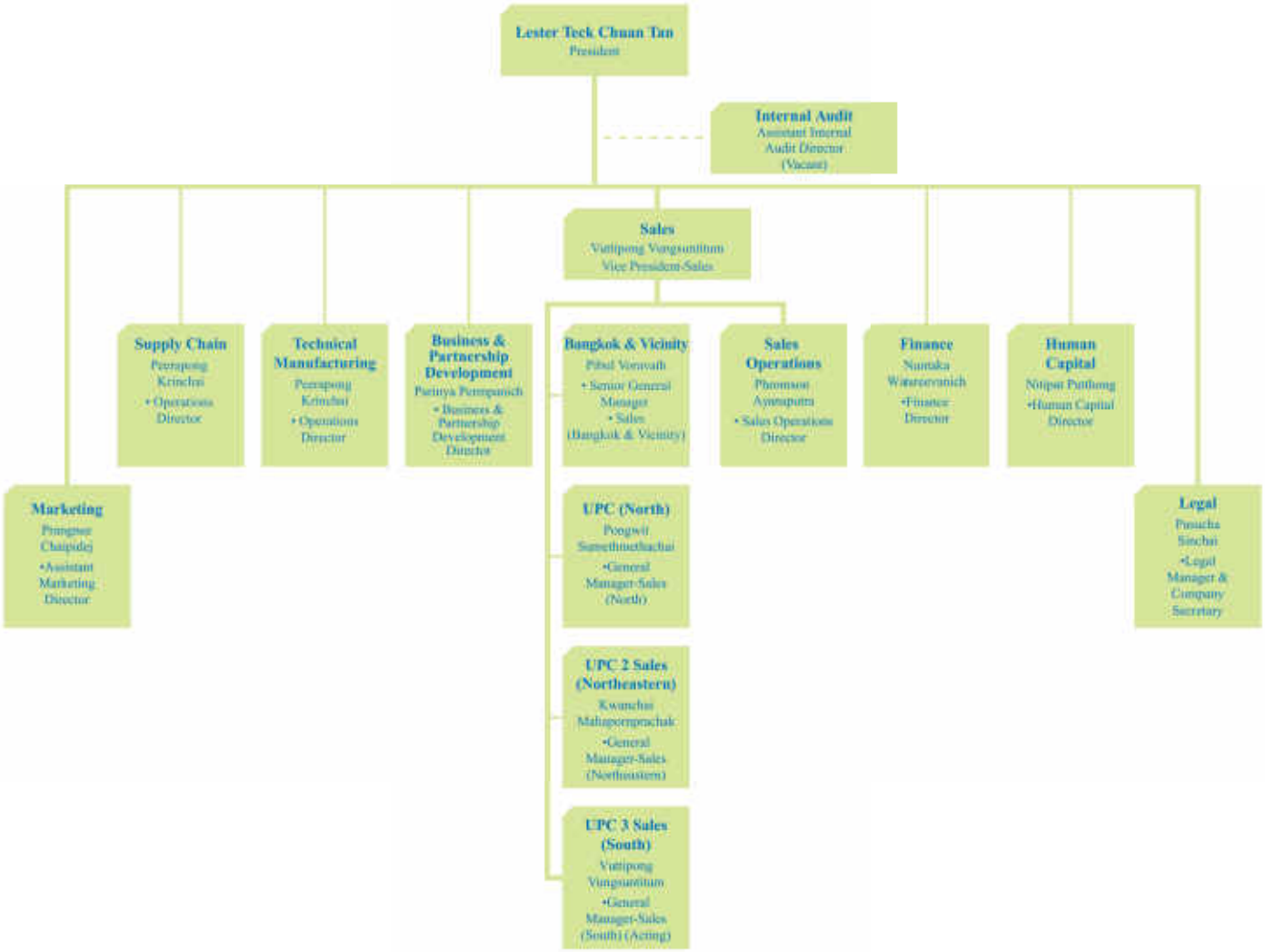
The 10 executives of the company for the year period ended September 30, 2017 are as follows:

Names	Positions
1. Mr. Lester Teck Chuan Tan[1]	President
2.Mr. Vuttipong Vungsuntitum[2]	Vice President-Sales and General Manager-Sales (South) (Acting)
3. Ms. Nuntaka Watsreevanich	Finance Director
4. Mr. Nitipat Putthong[3]	Human Capital Director
5. Mr. Parinya Permpanich	Business & Partnership Development Director
6. Mr. Phromson Ayanaputra	Sales Operations Director
7. Mr. Peerapong Krinchai	Operations Director
8. Mr. Pibul Voravath	Senior General Manager – Sales (Bangkok and Vicinity)
9. Mr. Kwanchai Mahapornprachak	General Manager – Sales (Northeastern)
10. Mr. Pongwit Sumethmethachai	General Manager – Sales (North)

Remark: *Mr. Vivek Chhabra resigned as President on February 9, 2017.*
[1]Mr. Lester Teck Chuan Tan was appointed as President on February 9, 2017.
[2]Mr. Vuttipong Vungsuntitum was appointed as Vice President-Sales on November 16, 2016.
[3]Mr. Nitipat Putthong was appointed as Human Capital Director on January 23, 2017.

Management Structure

Management Structure of Sermsuk Public Company Limited



Management Structure

Directors' Term of Position

No.	Name	Date of appointment as director	Last Election	Position	Subject to Re-appointment/Re-election in 2018	Next Appointment
1	Mr. Somchai Bulsook	January 3, 1996	2016	Chairman On Jannuary 23, 2017	No	2019
2	Mr. Suchin Wanglee	April 20, 2010	2016	Vice Chairman No.1, Independent Director	No	2019
3	Mr. Chotiphat Bijananda	September 14, 2011	2016	Vice Chairman No.2	No	2019
4	Mr. Thapana Sirivadhanabhakdi	September 14, 2011	2016	Vice Chairman No.3	No	2019
5	Mr. Dhitivute Bulsook	April 20, 2010	2016	Director	No	2019
6	Prof. Dr. Khunying Suchada Kiranandana	February 5, 2008	2017	Independent Director	No	2020
7	Mr. Pramoad Phornprapha	April 19, 2012	2015	Independent Director	Yes	2018
8	Prof. Rawat Chamchalerm	April 29, 2011	2017	Independent Director	No	2020
9	Mr. Sakchai Thanaboonchai	April 29, 2011	2017	Director	No	2020
10	Mr.Rangsan Thammaneewong	April 29, 2011	2015	Director	Yes	2018
11	Mr. Sithichai Chaikriangkrai	September 14, 2011	2015	Director	Yes	2018
12	Mrs. Siripen Sitasuwan	August 13, 2013	2015	Independent Director	Yes	2018
13	Mrs. Tongjai Thanachanan	January 23, 2017	2017	Director	No	2020
14	Mr. Lester Teck Chuan Tan	February 9, 2017	-	Director	No	2020
15	Mr. Michael Chye Hin Fah	August 9, 2017	-	Director	Yes	2018

Management Structure

7.3 The Company Secretary

The Board of Directors appointed Ms. Pasucha Sinchai, who possesses high competency and has taken courses for the Company Secretary at Thai Institute of Directors Association (IOD) as the Company Secretary effective in 2016. In compliance with the Securities and Exchange Act (B.E. 2535) Section 89/15, the Company Secretary has the following roles and responsibilities:

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

7.4 Fees and Remuneration

Director and Exeuctive Remuneratiom

7.4.1 Fees and Remuneration in the form of cash

a) Directors Fees

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

Remuneration	2017 (12 months)		2016 (9 months)	
	No. of Executives (Unit : Person)	Total Amount (Baht)	No. of Executives (Unit : Person)	Total Amount (Baht)
Annual fee		1,917,465		1,665,000
Meeting Allowance		1,840,000		1,270,000
Director's bonus		-		-
Total	15	3,757,465	15	2,935,000

Management Structure

Detail of Directors' remuneration paid in 2017 (For the year period ended September 30, 2017)

Names	Positions	Remuneration (Baht)								
		Director Fee	Meeting Allowance	2016 Director Bonus	Audit Committee	Compensation Committee	Risk Management Committee	Nominating and Corporate Governance Committee	Executive Committee	Total
Mr. Somchai Bulsook	Chairman	240,000	240,000	-	-	-	27,473	27,473	149,946	**684,892**
Mr. Sachin Wanglee	Vice Chairman No.1, Independent Director and Chairman of Compensation Committee and Member of Audit Committee	180,000	180,000	-	180,000	155,000	-	-	-	**695,000**
Mr. Chotigbat Bijananda	Vice Chairman No.2, Member of Compensation Committee and Member of Nominating and Corporate Governance Committee	180,000	120,000	-	-	70,000	-	70,000	-	**440,000**
Mr. Thapana Sirivadhanabhakdi	Vice Chairman No.3, Chairman of Executive Committee, Chairman of Nominating and Corporate Governance Committee, Member of Compensation Committee and Member of Risk Management Committee	180,000	180,000	-	-	85,000	100,000	155,000	403,817	**1,103,817**
Mr. Dhitivute Bulsook	Director, Vice Chairman of Executive Committee No. 2, Member of Risk Management Committee	120,000	120,000	-	-	-	100,000	-	340,000	**680,000**
Prof. Dr. Khunying Suchada Kiranandana	Independent Director, Chairman of Audit Committee and Chairman of Risk Management Committee	120,000	120,000		360,000	-	180,000	-	-	**780,000**
Mr. Pramond Phornprapha	Independent Director , Member of Nominating and Corporate Governance Committee and Member of Risk Management Committee	120,000	120,000	-	-	-	72,634	57,634	-	**370,268**
Prof. Ruwat Chanchalerm	Independent Director	120,000	120,000	-	-	-	-	-	-	**240,000**
Mr. Sakchai Thanaboonchai	Director	120,000	120,000	-	-	-	-	-	-	**240,000**
Mr. Rangsan Thammaneewong	Director	120,000	120,000	-	-	-	-	-	-	**240,000**
Mr. Sithichai Chaikriangkrai	Director, Vice Chairman of Executive Committee No.1 and Member of Risk Management Committee	120,000	100,000	-	-	-	85,000	-	340,000	**645,000**
Mrs. Siripen Sitasuwan	Independent Director ,Member of Audit Committee and Member of Risk Management Committee	120,000	120,000	-	180,000	-	100,000	-	-	**520,000**
Mrs. Tongjai Thanachanan	Director	82,903	100,000	-	-	-	-	-	-	**182,903**
Mr. Lester Teck Chuan Tan	Director, Member of Risk Management Committee, Executive Committee Member and President	77,143	60,000	-	-	-	55,714	-	160,714	**353,571**
Mr. Michael Chye Hin Fah	Director, Executive Committee Member	17,419	20,000	-	-	-	-	-	20,806	**58,225**
										7,233,676

b) Executive remuneration and compensation

Remuneration	2017 (12 months)		2016 (9 months)	
	No. of Executives	Total Amount (Baht)	No. of Executives	Total Amount (Baht)
Salary		59,274,669.47		63,838,941.46
Remuneration/Bonus		16,361,756.94		14,963,951.15
Total	12	75,636,426.41	11	78,802,892.61

7.4.2 Other Compensation

Provident Fund

Remuneration	2017 (12 months)		2016 (9 months)	
	No. of Executives	Total Amount (Baht)	No. of Executives	Total Amount (Baht)
Provident Fund		2,468,092.50		2,993,814.40
Total	12	2,468,092.50	11	2,993,814.40

7.5 Personnel

For the year period ended September 30, 2017, Sermsuk Public Company Limited had a total of 6,086 registered employees. The total employee cost paid by the Company last year was Baht 2,029 million. Numbers of personnel in each function were as follows:

- Production 1,123 persons
- General Administration 459 persons
- Fleet 335 persons
- Sales and Warehouses 4,169 persons

(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) The 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. Court ordered SSC to pay compensation of Baht 3.4 million.

(d) The Company had a contingent liability arising from a claim for compensation and unfair lay off of employees of Baht 14.38 million. The court case is pending judgment.

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 Board of Directors

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, the Chairman of Executive Committee and the President. The President is authorized to manage the Company's business under usual business norms and the direction from the Board of Directors.

A minimum of one 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 the year period ended September 30, 2017, there were 6 meetings in total 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 No. 6/2017 that is held on November 16, 2017, it approves self assessment forms for The Board of Directors which demonstrate 3 types of appraisal ranging from 1) Self Assessment for the Board of Directors as a whole, 2) Self Assessment of each of group committee and 3) Self Assessment of each individual in the committees group. 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.

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. The Board of Directors' Meeting determines the Policy and The Principles of Corporate Governance in writing

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. To operate with a consideration of the right and equitable treatment of shareholders

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' right to equally access to updated news and information, the Company consistently announces its operating results and important information to the shareholders via 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 accessible to adequate public transportation for the convenience of shareholders.

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 2018, the Annual General Meeting of Shareholders will be held on January 30, 2018.

3. To recognize the right of other stakeholders, other than the shareholders, and verify that such rights are well protected and conducted

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 to mass transport system. Also, the Company will ask shareholders to submit their documents registrated days prior to the date of the meeting in order to save 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 in the long run. 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. As for competitors, theCompany 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 Sermsuk to grow alongside a good environment in a sustainable manner.

4. To arrange the annual general meeting by allocating the time for shareholder to have a chance to comment and ask a question by entire directors and chairman of all sub-committee attending the meeting to answer the questions

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. The Board of Directors' Meeting should have leadership, vision, and independence in making decisions for the best interests of the company and all shareholders

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. Shareholders, the Board of Directors and the management should eliminate a problem of conflict of interests thoroughly

The Company believes in the need for the independence of the Board of 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. To promote the procedure of ethical and honesty of business operation in order to all directors and employees acknowledgement

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 and Corruption Risk Management Analysis by identify the risks and cause of misappropriation then initiate protection mechanism by strategize and limit timeframe to follow up with Corruption Risk, including continue to operate under Anti-Corruption Policy.
2. Initiate the follow up protocol to analyze the result of operation under Anti-Corruption Policy.
3. Enhancing reliability by acting professionally to ensure bribery and corruption does not take place, and making a strong commitment to anti-corruption prevention policies.
4. Promoting standards, awareness, values and attitudes to employees to act fairly and with integrity, including arrange anti-corruption seminar.
5. 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.
6. Facilitating employees, business partners and stakeholders in exposing any illegal or unjust practices via the company's channel of disclosure at Sermsuk Public Company Limited, Legal Office, No. 90 CW Tower, 31st – 32nd Floor, Ratchadapisek Road, Huai Khwang Sub-District, Huai Khwang District, Bangkok 10310, Telephone No. 02-783-9000
7. Commitment to anti-corruption efforts by supporting or forming alliances with other anti-corruption prevention activities, bodies and approaches.

8. The balance of non-executive directors by proposing that the proportion of independent directors of the board cannot be less than one-third is useful

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 relatives 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 necessity of appointment the non-executive and independent directors to balancing the power of executive directors. Therefore, The Board of Directors for the year period ended September 30, 2017 consisted of 6 executive directors, 4 non-executive directors and 5 independent directors

9. To separate or specify the roles of chairman or management clearly prevent concentration of management powers in the hands of one individual

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. To specify Director and executive remuneration properly reflect duty and responsibility by determining the approval process appropriately

Directors' remuneration consists of directors' fees, meeting allowance and directors' bonuses as approved by the the 2017 Annual General Meeting of shareholder held on January 23, 2017.

Director and Sub-committee's remuneration	2017 (proposed year)		2016 (previous)	
	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
• 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 Member	40,000	15,000	40,000	15,000

Director and Sub-committee's remuneration	2017 (proposed year)		2016 (previous)	
	Per Year	Meeting Allowance/ Per Meeting	Per Year	Meeting Allowance/ Per Meeting
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
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 Directors	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-	

Remark: *On February 9, 2017 The Company's had changed organization chart to cancel position of Chief Executive Officer.*

11. To set the meeting schedule in advance, manage sufficient meeting time, and disclose attendance or non-attendance of each director in the annual report

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 year period ended September 30, 2017, there were 6 Board of Directors meetings. Other sub-committee meetings were held as appropriate. For the aforementioned period, there were 4 Audit Committee meetings, 3 compensation Committee meetings, 3 Nominating and Corporate Governance Committee meetings, 4 Risk Management Committee meetings and 15 Executive Committee meetings with the record of attendance of directors and members of committees.

In the past year, there was 1 meeting of non-executive directors to discuss management issues of concern without the presence of the management.

Before a board meeting can conduct business a minimum quorum - which is two-thirds of voters - must be present at the meeting for business to be legally transacted.

12. To provide the Sub-Committees to screen work for the Board of Directors such as Audit Committee, Nominating and Good Governance Committee and 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 — Member
- Mrs. Siripen Sitasuwan — Member

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 year period ended September 30, 2017, there were 4 regular Audit Committee meetings. The meetings were held to review and examine the operations of the Company and its subsidiaries. The areas of review were the sufficiency and effectiveness of the internal control system, internal audit plan, audit report, while monitoring amendments made based on comments made and proposing solutions to significant issues as featured in the audit report. The meetings also facilitated proper risk management and reviewed quarterly and annual financial statements, together with the management as well as external and internal auditors. The emphasis was on the correctness of the balance sheet, its compliance with Generally Accepted Accounting Principles, sufficient disclosure of the financial statements, comments on connected transactions, or transactions that would cause a conflict of interest, reviews of operations to ensure compliance with relevant laws.

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

Corporate Governance

Nominating and Corporate Governance Committee

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

- Mr. Thapana Sirivadhanabhakdi — Chairman
- Mr. Chotiphat Bijananda — Member
- Mr. Pramoad Phornprapha — Member

Remark : *On January 23, 2017 Mr. Thapana Sirivadhanabhakdi was appointed as Chairman of Nominating and Corporate Governance Committee and Mr. Pramoad Phornprapha was appointed as Member of Nominating and Corporate Governance Committee in place of Mr. Somchai Bulsook.*

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 year period ended September 30, 2017, there were three 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 — Member
- Mr. Chotiphat Bijananda — Member

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 year period ended September 30, 2017, there were three meetings to review and approve the merit increase and bonus payment for the Chairman of the Executive Committee & CEO for 2017 and to review and approve the annual bonus payment for employees.

Corporate Governance

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. Thapana Sirivadhanabhakdi — Member
- Mr. Sithichai Chaikriangkrai — Member
- Mr. Dhitivute Bulsook — Member
- Mrs. Siripen Sitasuwan — Member
- Mr. Pramoad Phornprapha — Member
- Mr. Lester Teck Chuan Tan — Member

Remark : *Mr. Pramoad Phornprapha was appointed as Member of Risk Management Committee on January 23, 2017 in place of Mr. Somchai Bulsook..*

Mr. Lester Teck Chuan Tan was appointed as Member of Risk Management Committee on February 9, 2017 in place of Mr. Vivek Chhabra.

The Risk Management Committee also includes four members by positions including Vice President-Sales, Finance Director, Sales Director, Human Capital 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 year period ended September 30, 2017, there were four 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. Thapana Sirivadhanabhakdi — Chairman
- Mr. Sithichai Chaikriangkrai — Vice Chairman of Executive Committee No.1
- Mr. Dhitivute Bulsook — Vice Chairman of Executive Committee No.2
- Mr. Lester Teck Chuan Tan — Member
- Mr. Michael Chye Hin Fah — Member
- Mr. Vuttipong Vungsuntitum — Member

Remark : *On January 23, 2017 Mr. Thapana Sirivadhanabhakdi was appointed as Chairman of Executive Committee, and on February 9, 2017 Mr. Sithichai Chaikriangkrai was appointed as Vice Chairman of Executive Committee No.1.*
Mr. Dhitivute Bulsook was appointed as Vice Chairman of Executive Committee No.2,
Mr. Lester Teck Chuan Tan was appointed as Member of Executive Committee place of Mr. Vivek Chhabra.
Mr. Vuttipong Vungsuntitum was appointed as Director.
Mr. Michael Chye Hin Fah in place of Ms. Tientip Narach as Member of Executive Committee on August 9, 2017.

Corporate Governance

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' meeting.
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.
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 positions.
6. To approve of business transaction and other activities of the Company and its subsidiary companies as follows:

   6.1 To approve loan or credit from financial institution, including entering into guarantor, making payment or paying for general business expenses of the Company, such as, investment capital, expanding branches and other business activities, etc.

   6.2 To approve the loan or 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 together with Finance Director jointly, 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 Executive Committees is authorized for payment approval of the purchasing of main raw material not exceeding 2,000,000,000 Baht (Two Billion Baht) per time.

(2) The Executive Committees is authorized for payment approval of Purchasing, not including the purchasing of main raw material, not exceeding Baht 200,000,000 (Two-Hundred Million Baht) per time, or equivalent, or in accordance with the authorization from the Board of Directors. Except for asset write off, in such case the Executive Committees is authorized for write off not exceeding Baht 50,000,000 (Fifty Million Baht) per time, and except entertainment, charity expenses, and advertisement material which the Executive Committees is authorized for payment approval not exceeding Baht 3,000,000 (Three Million Baht) per time. However, such payment approval may changed by Board of Directors' approval if it is appropriate.

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 Executive Committees or its authorized representative approved their own or any person who may,

directly or indirectly, have conflict of interest (in accordance with articles of association and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand) with the Company or its subsidiary companies, except such approval has been done under approved policy and regulation of the Board of Directors. Any members of Executive Committee who may, directly or indirectly, have interest in such affair shall be prohibited from voting in such affair and the Board of Directors has the power to change the scope of power of the Executive Committees as necessary or deemed as proper.

For the year period ended September 30, 2017, there were fifteenth meetings for the Executive Committee.

13. To provide control and internal audit system for supporting Corporate Governance, Risk Protection and concerning to fraud transaction and warning sign which may occur

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 Chairman of Executive Committeeafter 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. To provide the Board of Director's report that specifies the responsibilities of the Board of Directors related to financial 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. The Chairman of Executive Committee 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. To ensure that the Company discloses the correct, punctual and transparent of important information by providing a person to responsible for "Investor Relations"

The Company reports its performance and important information precisely and timely to the Securities and Exchange Commission, Stock Exchange of Thailand, and investor shareholders 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 submitted to the Security and Exchange Commission and the Stock Exchange of Thailand.

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 subsidiaries.

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 submitted to the Security and Exchange Commission (SEC) and the Stock Exchange of Thailand.

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 submitted to the SEC and the Stock Exchange of Thailand.

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 submitted to the SEC and the Stock Exchange of Thailand.

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 subsidiaries.

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.

2. Nomination of directors and top executives:

Nomination and appointment of the directors

The Board of 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 President 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 Chairman of the meeting 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 is no 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 and the Stock Exchange 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.

Corporate Governance

For the year period ended September 30, 2017, 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 to the intellectual property policy, all employees are committed to sign the act not to committing computer and intellectual property infringement. Consequently, 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 infringement 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.

Corporate Governance

8.6 Auditor's Remuneration

8.6.1 Audit fee for the year period ended September 30, 2017

- Sermsuk Public Company Limited 1,558,000 Baht
- Sermsuk Beverage Co., Ltd. 646,000 Baht
- Sermsuk Holdings Co., Ltd. 93,500 Baht
- Sermsuk Training Co., Ltd. 142,000 Baht
- Wrangyer Beverage (2008) Co., Ltd. 630,000 Baht
- Great Brands Limited 25,000 HKD

8.6.2 Non-audit Fee

- 500,000 Baht

8.7 Other activities in compliance with Good Corporate Governance principles

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

Directors (number of meetings attended /number of total meetings)	Audit Committee	Compensation Committee	Risk Management Committee	Nominating and Corporate Governance Committee	Executive Committee	Annual General Shareholders Meeting
Mr.Somchai Bulsook[1]	-	-	1/4	1/3	5/15	1/1
Mr. Suchin Wanglee	4/4	3/3	-	-	-	1/1
Mr. Chotiphat Bijananda	-	2/3	-	2/3	-	0/1
Mr. Thapana Sirivadhanabhakdi	-	3/3	4/4	3/3	14/15	1/1
Mr. Dhitivute Bulsook	-	-	4/4	-	14/15	1/1
Prof. Dr. Khunying Suchada Kiranandana	4/4	-	4/4	-	-	1/1
Mr. Pramoad Phornprapha[2]	-	-	3/4	2/3	-	1/1
Professor Rawat Chamchalerm	-	-	-	-	-	1/1
Mr. Sakchai Thanaboonchai	-	-	-	-	-	1/1
Mr. Rangsan Thammaneewong	-	-	-	-	-	1/1
Mr. Sithichai Chaikriangkrai	-	-	3/4	-	14/15	1/1
Mrs. Siripen Sitasuwan	4/4	-	4/4	-	-	1/1
Mrs. Tongjai Thanachanan[3]	-	-	-	-	-	-
Mr. Lester Teck Chuan Tan[4]	-	-	2/4	-	9/15	-
Mr. Michael Chye Hin Fah[5]	-	-	-	-	1/15	-

Remark: *[1]Mr. Somchai Bulsook was appointed as Chairman on January 23, 2017.*
[2]On January 23, 2017 Mr. Pramoad Phornprapha's status changed from Director to Independent Director and was appointed as a Member of Nominating and Corporate Governance Committee and Member of Risk Management Committee.
[3]Mrs. Tongjai Thanachanan was appointed as a Director on January 23, 2017.
[4]Mr. Lester Teck Chuan Tan was appointed as Director, Member of Executive Committee, Member of Risk Management, and President on February 9, 2017.
[5]Mr. Michael Chye Hin Fah was appointed as a Director and Member of Executive Committee on August 9, 2017.

Corporate Social Responsibilities (CSR)

9. Corporate Social Responsibilities (CSR)

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 Public Company Limited 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 business logic guided by appropriate ethical and legal principles. The Company will 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:

  a. An act that is in line with good governance practices
  b. An act that is not deemed to be motivated by business
  c. Gifts of little value or inappropriate to the employee's status
  d. An act that does not damage the Company's good image if such transaction is disclosed to the public.
  e. 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

The company 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.

Employee's 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 the Company's top priority. It's a major part of our business and a key element in everybody's lives. Over the past 60 years, the Company has been focusing on water conservation. the Company was among the first companies in Thailand to introduce an innovative water treatment system to treat wastewater before releasing it from our production facilities. the Company 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.

The Company expanded its 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.

The Company monitors its wastewater treatment system 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 4 times cleaner than typical wastewater from residential households.

Since 2006, the company 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.

In 2017, the Company participated in the Water Footprint Assessment project organized by the Water Institute for Sustainability, the Federation of Thai Industries, and the Department of Groundwater Resources.

Corporate Social Responsibilities (CSR)

The objectives were to promote and support factories to assess surface and groundwater consumption in compliance with the ISO 14046 Water Footprint principles, the new standard for water foot printing used to evaluate the water footprint both directly and indirectly for the assessment of water consumption in the production process.

The Second Dimension: Packaging

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

1. To reduce packaging material usage, the Company is committed to designing packaging that reduces the use of materials. In 2017, a lighter and newly designed PET bottle was developed to ensure maximum resource efficiency. Moreover, the Company cooperated with the government sector by getting rid of the plastic cap seal to minimize environmental impacts.
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, the Company 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 Public Company Limited realized the importance of greenhouse gas emissions. In 2017, Sermsuk joined the **Corporate Carbon Footprint** and **Carbon Footprint Reduction Labelng 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.

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The Fourth and Fifth Dimensions: Environment and Human Resources

Human resources are a key element for the success of environmental sustainability programs. The 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.

The Company 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 the Company's operations.

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

For employees' health and safety, the Company has set out an occupational health and safety policy designed to ensure a better quality of life in the workplace as well as provide guidelines and best practices on occupational health and working environment, especially the production line in compliance with the Occupational Safety, Health and Environment Act B.E. 2554 (A.D. 2011).

The Company 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. The Company has shared knowledge about anaerobic wastewater management with many organizations to spread awareness about environmental protection. The Company 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

The Company 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.

The Company 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. Innovation and promotion from the Corporate Socail responsibilities

The Company has driven its business operation with multiple innovations and publicise the knowledge as a model of a socially-responsible business. In 2017, the Company provided as follows:

The Establishment of Factory Model and Expanding the Network of Efficient Groundwater Management in the Industrial Sector Project - In 2017, three of Sermsuk's plants, including Nakhon Ratchasima Plant, Nakhon Sawan Plant, and the Surat Thani Plant, were awarded "Model Factory for Efficient Water Management" by Water Institute for Sustainability, The Federation of Thai Industries, and

Corporate Social Responsibilities (CSR)

the Department of Groundwater Resources. The Company shared its innovation and know-how in water management at Wis Forum 2017 on January 24, 2017 at the Queen Sirikit National Convention Center.

CSR – DIW: Corporate Social Responsibility – Department of Industrial Works: The Company 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 of 7 major topics: corporate governance, human rights, labor treatment, environment, fair operation, consumer issues, and involvement in community development. The Company initiated the CSR-DIW project since 2009. On August 17, 2017, The Company representatives from headquarters and five plants, received the plaque of recognition for its CSR – DIW standard from the Department of Industrial Works' Executive. The Company is the only Beverage Manufacturer receiving constant certification of CSR-DIW standards which applied to all five plants. This award shows that the Company has been operating based on the sustainable model, which include economic, social, and environmental aspects, in order to raise acceptance and sustainable collaboration.

Operations and reporting

1) Reporting process

The Company 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 the Company 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 Company 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

The Company 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.

The Company 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 operates business with commitment to both CSR in process and CSR after process. Throughout 2017, Sermsuk carried out a wide range of socially beneficial activities and initiatives at the headquarters as well as its plants across the country. The commitment to CSR in process and after process

Corporate Social Responsibilities (CSR)

has resulted in the Company gaining a good corporate image, wide acceptance from the community and society as well as consumers' trust, employees' pride, and greater business opportunities. In addition to the CSR projects and activities that have directly benefited the community and society directly, the Company also rolled out the following initiatives:

Customer Accountability

- FDA Quality Award 2017
- The Healthier Choice project
- Innovations in manufacturing process
- Most Selected Brand at the 2016 Brand Footprint Award (Kantar Award)

Environmental Stewardship

- A project dedicated to building a model plant and expanding the network in effective well water supply management in the industrial sector
- A pilot project dedicated to reducing water pollution, restoring rivers to health
- Carbon Footprint project

Human Resources Management

- Training for human resources development

Corporate Engagement in Social and Community Development

- Training for careers in growing hydroponics and raising egg-laying hens for the disabled and caretakers
- Contribution of funding to Thailand Institute of Packaging and Recycling Management for Sustainable Environment for the year 2016-2017
- Sermsuk social responsibility projects
- Sermsuk Helps Fight Flooding project
- National Children's Day 2017
- Pathumthani Plant Helps Keep the Province Clean project
- Activity of Surat Thani Plant
- CSR-DIW: Corporate Social Responsibility, Department of Industrial Works

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.

Connected Transactions

11. Connected Transactions

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship
Key management personnel	Singapore /Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group
Thai Beverage 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 until 31 March 2017
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
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
Thipchalothorn Co., Ltd	Thailand	Direct subsidiary of the ultimate parent company
United Products 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

Connected Transactions

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship
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
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
Thai Beverage Training 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
CAC 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
Food of Asia Co.,Ltd.	Thailand	Indirect subsidiary of the ultimate parent company
Agent Management Co., Ltd	Thailand	Indirect subsidiary of the ultimate parent company
ASM Management Co., Ltd	Thailand	Indirect subsidiary of the ultimate parent company
Super Brands Company Pte Ltd.	Singapore	Indirect subsidiary of the ultimate parent company
F&N Interflavine Pte Ltd.	Singapore	Affiliated company in associate of the ultimate parent company

Connected Transactions

Name of Entities	Country of Incorporation/ Nationality	Nature of Relationship
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.
F & B International Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
T.C.C. Technology Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
BJC Specialties Co., Ltd.	Thailand	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly.
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 Company hold ordinary shares and common director
Phatra-leasing PLC.	Thailand	Common directors
Berli Jucker PLC.	Thailand	Common directors
Thai Malaya Glass Co., Ltd.	Thailand	Common directors
Gaew Grung Thai Co., Ltd.	Thailand	Controlling equity holder of the ultimate parent company holds substantial shares indirectly
TCC Hotel Asset Management Co., Ltd.	Thailand	Controlling equity holder of the ultimate parent company holds substantial shares indirectly

Connected Transactions

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
Revenue for consultancy service	Contractual prices
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
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

In 2017, Company and Subsidiaries operated business together due to conflict significant transactions with related parties were as follows:

Sales to related companies

(Amount : Million Baht)

Ref	Name	Relationship	Sale for the year end September 30, 2017	Balance as at September 30, 2017
1	Thai Beverage PLC.	Parent company and common director	1.11	0.14
2	Sura Bangyikhan Co., Ltd.	Direct subsidiary of the ultimate parent company	0.01	-
3	Surathip Co., Ltd.	Direct subsidiary of the ultimate parent company	10.55	11.43
4	Sunthronpirom Co., Ltd.	Direct subsidiary of the ultimate parent company	17.26	18.47
5	Piromsurang Co., Ltd.	Direct subsidiary of the ultimate parent company	123.42	12.24

Connected Transactions

(Amount : Million Baht)

Ref	Name	Relationship	Sale for the year end September 30, 2017	Balance as at September 30, 2017
6	Num Yuk Co., Ltd.	Direct subsidiary of the ultimate parent company	3.68	8.97
7	Cash Van Management Co., Ltd.	Direct subsidiary of the ultimate parent company	122.37	8.29
8	Beer Thai (1991) PLC.	Direct subsidiary of the ultimate parent company	0.02	-
9	Beer Thip Brewery (1991) Co., Ltd.	Direct subsidiary of the ultimate parent company	0.01	-
10	Krittayabun Co., Ltd.	Direct subsidiary of the ultimate parent company	7.49	8.01
11	Modern Trade Management Co., Ltd.	Direct subsidiary of the ultimate parent company	3,182.54	313.06
12	Thai Drinks Co., Ltd.	Direct subsidiary of the ultimate parent company	9.34	-
13	Oishi Group PLC.	Direct subsidiary of the ultimate parent company	18.57	3.71
14	Dhospaak Co., Ltd	Direct subsidiary of the ultimate parent company	0.09	-
15	CAC Co., Ltd	Direct subsidiary of the ultimate parent company	0.01	-
16	Thai Beverage Marketing Co., Ltd.	Direct subsidiary of the ultimate parent company	0.32	0.05
17	Chang International Co., Ltd.	Direct subsidiary of the ultimate parent company	1.08	0.43
18	Agent Management Co., Ltd.	Indirect subsidiary of the ultimate parent company	5.42	1.99
19	Oishi Ramen Co., Ltd.	Indirect subsidiary of the ultimate parent company	8.02	1.70
20	Food of Asia Co.,Ltd.	Indirect subsidiary of the ultimate parent company	2.65	0.58
21	Big C Supercenter PLC.	Directors and controlling equity holder of the ultimate parent company hold substantial shares indirectly and common directors	-	0.40
22	F&N Interflavine Pte Ltd.	Affiliated company in associate of the ultimate parent company	19.73	4.05
Total			**3,533.69**	**393.52**

Connected Transactions

Purchase from related parties

(Amount : Million Baht)

Ref	Name	Relationship	Purchase for the year end September 30, 2017	Balance as at September 30, 2017
1	Surathip Co., Ltd.	Purchase Finished Goods	11.36	-
2	Sunthronpirom Co., Ltd	Purchase Finished Goods	31.08	-
3	Piromsurang Co., Ltd.	Purchase Finished Goods	7.65	-
4	Num Yuk Co., Ltd.	Purchase Finished Goods	47.03	10.93
5	Beer Thai (1991) PLC.	Purchase Finished Goods	35.29	3.08
6	Beer Thip Brewery (1991) Co., Ltd.	Purchase Finished Goods	226.55	29.68
7	Thipchalothorn Co., Ltd	Purchase Finished Goods	0.67	-
8	Krittayabun Co., Ltd.	Purchase Finished Goods	11.18	-
9	Thai Drinks Co., Ltd.	Purchase Raw Materials	878.27	127.25
10	Oishi Group PLC.	Purchase Finished Goods	19.05	3.21
11	Oishi Trading Co., Ltd.	Purchase Finished Goods	1,373.20	158.19
12	Thai Beverage Can Co., Ltd.	Purchase Raw Materials	108.38	14.19
13	Berli Jucker PLC.	Purchase Raw Materials	6.24	0.02
14	Thai Malaya Glass Co., Ltd.	Purchase Raw Materials	132.66	27.30
15	Petform (Thailand) Co., Ltd.	Purchase Raw Materials	811.03	142.19
16	Crown Seal PLC.	Purchase Raw Materials	95.59	19.58
17	The Pet Co., Ltd	Purchase Raw Materials	247.34	45.25
18	Bangkok Glass PLC.	Purchase Raw Materials	-	0.01
19	The Southeast Insurance PLC.	Insurance Premiums	1.17	-
20	BJC Specialties Co., Ltd.	Purchase Raw Materials	1.37	-
Total			**4,045.11**	**580.88**

Connected Transactions

Other Income

(Amount: Million Baht)

Ref	Name	Type of Other income	Other Income for the year end September 30, 2017	Other Receivables at September 30, 2017
1	Surathip Co., Ltd.	Trade Subsidies	1.19	1.27
2	Sunthronpirom Co., Ltd	Trade Subsidies	2.49	2.66
3	Piromsurang Co., Ltd.	Trade Subsidies	0.86	0.92
4	Thipchalothorn Co., Ltd	Trade Subsidies	0.01	0.03
5	Krittayabun Co., Ltd.	Trade Subsidies	0.89	0.95
6	Thai Drinks Co., Ltd.	Trade Subsidies	347.10	269.65
7	Oishi Group PLC.	Trade Subsidies	0.26	0.05
8	Oishi Trading Co., Ltd.	Trade Subsidies	29.59	15.53
9	Thai Beverage Recycle Co., Ltd.	Other Income - Scrap sales	0.01	-
10	Thai Beverage Logistic Co., Ltd.	Other Income – Claims	0.01	-
11	Super Brands Company Pte. Ltd.	Other Income -Consultancy	43.33	-
12	Petform (Thailand) Co., Ltd.	Other Income - Utilities	4.41	3.64
13	Bangkok Glass PLC.	Other Income - Scrap sales	-	1.00
14	Gaew Grung Thai Co., Ltd.	Other Income - Scrap sales	2.24	0.82
15	F&N Interflavine Pte Ltd.	Miscellaneous Income	0.32	0.35
16	T.C.C. Technology Co., Ltd.	Miscellaneous Income	-	0.01
Total			**432.71**	**296.88**

Connected Transactions

Dividend Incomes

(Amount : Million Baht)

Ref	Name	Relationship	Dividend income for the year end September 30, 2017	Balance at September 30, 2017
1	Crown Seal PLC.	The Company hold ordinary shares and common director	2.64	-
2	Bangkok Glass PLC.	The Company hold ordinary shares	2.15	-
3	Petform (Thailand) Co.,Ltd.	The Company hold ordinary shares and common director	61.50	-
4	The Pet Co., Ltd.	The nCompany and directors hold ordinary shares and common directors	0.70	-
Total			66.99	-

Selling Expenses:

(Amount: Million Baht)

Ref	Name	Type of Selling Expenses	Expense for the year end September 30, 2017	Other Payables at September 30, 2017
1	Modern Trade Management Co., Ltd.	Sales supporting Expenses	193.19	163.05
2	Dhospaak Co., Ltd	Advertising Expenses	44.51	-
3	Oishi Group PLC.	Sales supporting Expenses	4.50	1.13
4	Oishi Ramen Co., Ltd.	Sales supporting Expenses	2.25	0.52
5	Food of Asia Co.,Ltd	Sales supporting Expenses	0.48	0.48
6	Crown Seal PLC.	Sales Promotion Expenses	4.11	-
7	The Southeast Insurance PLC.	Insurance Premiums	13.45	7.11
8	F & B International Co., Ltd.	Sales supporting Expenses	2.42	-
9	Bangkok Glass PLC .	Other Expenses	0.04	-
10	The Pet Co., Ltd.	Damaged Product Claims	0.91	-
Total			**265.86**	**172.29**

Connected Transactions

Administrative expenses:

(Amount: Million Baht)

Ref	Name	Type	Expenses for the year end September 30, 2017	Balance Due as at September 30, 2017
1	United Products Co., Ltd.	Miscellaneous Expenses	0.03	-
2	Num Yuk Co., Ltd..	Deposit	-	42.15
3	Beer Thip Brewery (1991) Co., Ltd.	Miscellaneous Expenses	0.59	0.10
4	Thai Drinks Co., Ltd.	Management Fee	14.17	8.12
5	CAC Co., Ltd	Miscellaneous Expenses	0.06	0.04
6	ASM Management Co.,Ltd.	Office Rental	2.77	7.94
7	Thai Beverage Logistics Co., Ltd.	Distribution Cost	28.67	4.51
8	Muangthai Insurance PLC.	Insurance Premiums	0.02	0.02
9	The Southeast Insurance PLC.	Insurance Premiums	16.76	-
10	The Southeast Capital Co., Ltd.	Car Rental	15.07	1.27
11	Muangthai Life Insurance PLC.	Insurance Premiums	0.98	-
12	T.C.C. Technology Co., Ltd.	IT System Services	21.20	3.80
13	Thai Beverage Can Co., Ltd.	Miscellaneous Expenses	2.02	-
14	Berli Jucker PLC.	Miscellaneous Expenses	0.04	-
15	F&N Beverages Manufacturing Sdn Bhd	Miscellaneous Expenses	0.10	-
16	TCC Hotel Asset Management Co., Ltd.	Miscellaneous Expenses	0.48	-
17	Big C Supercenter PLC.	Miscellaneous Expenses	0.23	-
18	Phatra-leasing PLC.	Car Rental	9.35	0.71
Total			**112.54**	**68.66**

Connected Transactions

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

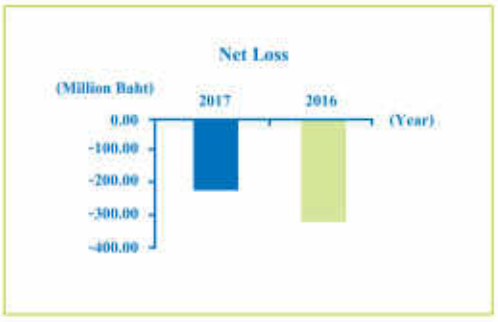
Financial Data and Financial Statements

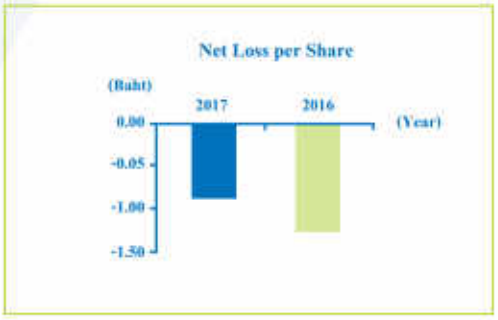
12 Financial Information and Financial Statements

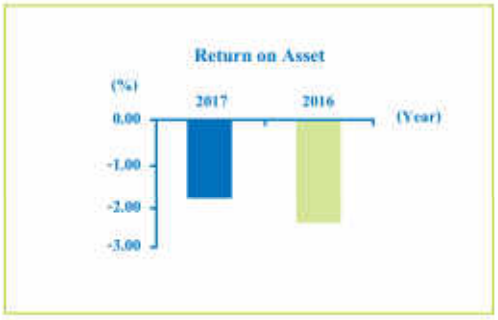
The financial statements have audited by KPMG and expressed unqualified opinion with emphasize of the use of going concern basis of accounting

12.1 Key Financial Data

รายการ	Consolidated	
	2017 (12 Months)	2016 (12 Months)
Revenue from Sales (Million Baht)	10,623.06	10,604.95
Net Loss (Million Baht)	(230.92)	(308.28)
Loss per share (Baht)	(0.87)	(1.16)
Loss per Total Revenue (%)	(2.12)	(2.82)
Return on Asset (%)	(1.9)	(2.3)
Return on Equity (%)	(2.6)	(3.6)







Financial Data and Financial Statements

12.2 Financial Ratio

12.2.1 Liquidity Ratio

Ratio	Consolidated			Separate		
	2017 (30 Sep 2017) (12Months)	2016 (30 Sep 2016) (9Months)	2015 (31 Dec 2015) (12Months)	2017 (30 Sep 2017) (12Months)	2016 (30 Sep 2016) (9Months)	2015 (31 Dec 2015) (12Months)
Current Ratio (Time)	1.0	0.9	0.9	0.9	0.8	0.8
Quick Ratio (Time)	0.5	0.3	0.4	0.4	0.3	0.4
-Operating Cash Flow to Current Liability Ratio (Time)	0.1	0.1	-	0.1	0.1	-
Receivable Turnover Ratio (Time)	19.4	15.9	15.5	18.6	15.7	15.0
Average Collection Period (Day)	18.8	17.2	23.5	19.6	17.4	24.3
Inventory Turnover Ratio (Time)	17.5	12.9	17.0	18.1	13.4	17.8
Average Inventory Period (Day)	20.9	21.2	21.5	20.2	20.4	20.5
Account Payable Ratio (Time)	8.4	6.1	9.1	6.0	4.7	7.2
Average Payment Period (Day)	43.5	44.8	40.1	60.8	58.1	50.7
Cash Cycle (Day)	(3.8)	(6.4)	4.9	(21.0)	(20.3)	(5.9)

12.2.2 Profitability Ratio

Ratio	Consolidated			Separate		
	2017	2016	2015	2017	2016	2015
	(30 Sep 2017) (12Months)	(30 Sep 2016) (9Months)	(31 Dec 2015) (12Months)	(30 Sep 2017) (12Months)	(30 Sep 2016) (9Months)	(31 Dec 2015) (12Months)
Gross Profit Margin (%)	27.2	26.4	20.7	26.8	26.0	20.1
Operating Profit Margin (%)	(6.8)	(5.7)	(11.6)	(7.2)	(5.9)	(12.1)
Non-operating Profit Margin (%)	3.7	3.8	3.2	3.1	3.9	2.7
Operating Cash Flow to Operating Profit (%)	(33.0)	(28.8)	2.7	(24.1)	(29.5)	8.7
Net Profit Margin (%)	(2.1)	(1.1)	(2.7)	(3.0)	(1.1)	(3.6)
Return on Equity (%)	(2.6)	(1.4)	(3.6)	(4.8)	(1.9)	(6.1)

Financial Data and Financial Statements

12.2.3 Efficiency Ratio

Ratio	Consolidated			Separate		
	2017 (30 Sep 2017) (12Months)	2016 (30 Sep 2016) (9Months)	2015 (31 Dec 2015) (12Months)	2017 (30 Sep 2017) (12Months)	2016 (30 Sep 2016) (9Months)	2015 (31 Dec 2015) (12Months)
Return on Assets (%)	(1.9)	(1.0)	(2.4)	(2.7)	(1.1)	(3.2)
Return on Fixed Assets (%)	(2.6)	(1.3)	(3.4)	(3.8)	(1.5)	(4.8)
Asset Turnover (Time)	0.9	0.8	0.9	0.9	0.9	0.9

12.2.4 Financial Policy Ratio

Ratio	Consolidated			Separate		
	2017 (30 Sep 2017) (12 Months)	2016 (30 Sep 2016) (9 Months)	2015 (30 Dec 2015) (12 Months)	2017 (30 Sep 2017) (12 Months)	2016 (30 Sep 2016) (9 Months)	2015 (30 Dec 2015) (12 Months)
Debt to Equity Ratio (Time)	0.4	0.4	0.4	0.8	0.8	0.8
Interest Coverage (Time)	-	-	(37.6)	-	-	(47.7)
Debt Service Coverage Ratio (Time)	-	-	(2.1)	-	-	(9.4)

Independent Auditor's Report

To the Shareholders of Sermsuk Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Sermsuk Public Company Limited and its subsidiaries (the "Group") and of Sermsuk Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 30 September 2017, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year ended as of that date, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 30 September 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Other matter

I draw attention to the following; describe in Note (2) the Company changed its financial year-end from 31 December to 30 September in 2016. Consequently, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the accounting period ended 30 September 2017 comprise only 12 months whereas the comparative information presented for the period ended 30 September 2016 comprise 9 months, which results in the periods presented being not comparable. Therefore, supplementary information in Note 34 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 year ended 30 September 2016. I have not audited the supplementary information and do not express any audit opinion on such information.

Independent Auditor's Report

Basis for Opinion

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

Key Audit Matters

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

Valuation of property, plant and equipment	
Refer to notes 3 and 13	
The key audit matter	**How the matter was addressed in the audit**
The Group and the Company incurred operating losses in the consolidated and separate financial statements for many years resulting from market competition. These would trigger possible impairment indicators. As a result, the carrying amounts of the property, plant and equipment may exceed the recoverable amount. In assessing the impairment issue, the management uses value in use to determine the recoverable amount. In this regard, the management applies significant judgment for estimate cash flows from operating from the discounted cash flow projections such as sales growth rate and discount rate, this is focus and of my audit.	My audit procedures are as follows: • Gain understanding of the process for estimating the recoverable amount including the value in use which derived from discounted cash flow along with business operating plans. • Evaluating key assumptions applied in the cash flow projections including discount rates and sales growth rate by reference to my knowledge of the industry and external market data. In determining appropriateness of discounted rate, KPMG valuation specialist compare the rate used with the weighted average cost of capital within the same industry which the Group operates in. • Evaluating the sensitivity of key assumptions used in future cash flows projection which affect to the recoverable amount of cash-generating unit; and • Evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

Independent Auditor's Report

Recoverability of deferred tax assets	
Refer to notes 3 and 15	
The key audit matter	**How the matter was addressed in the audit**
The Group and the Company has recognised deferred tax assets from loss carry forward. The recoverability of the deferred tax asset is dependent on future taxable profits and the ability of the Group and the Company to utilise those losses in the future. Management has to use their judgement in forecasting future taxable profits so as to determine the amount of the deferred tax asset. The achievement of such forecasts is inherently uncertain, this is focus and of my audit.	My audit procedures are as follows: • Gain understanding of the process for measuring deferred tax assets. • Evaluating the management's assumption used in projecting the Group's future taxable profits in relevant profit. I compare key inputs used by the Group to forecast future taxable profits to externally available data such as economic forecasts and the Group's own historical data and performance and assessed the sensitivity of the outcomes to reasonably possible changes in assumptions. • Test calculation of cash flow projections. • Evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

Other Information

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

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

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

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

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

Independent Auditor's Report

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Independent Auditor's Report

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

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

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

(Sureerat Thongarunsang)
Certified Public Accountant
Registration No. 4409

KPMG Phoomchai Audit Ltd.
Bangkok
16 November 2017

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		30 September		30 September	
Assets	*Note*	2017	2016	2017	2016
		(in Baht)			
Current assets					
Cash and cash equivalents	*5*	445,708,681	430,537,868	359,564,090	353,167,957
Trade accounts receivable	*4, 6*	621,431,169	465,658,955	644,560,113	487,035,479
Other receivables from related parties	*4*	296,879,283	502,066,606	353,869,105	546,833,613
Other receivables	*7*	100,859,433	120,361,513	100,406,718	117,761,238
Short-term loans to related parties	*4*	-	-	125,000,000	125,000,000
Inventories	*8*	712,397,286	702,331,536	653,356,751	636,806,343
Prepaid excise taxes		20,855,612	118,102,643	20,541,205	108,614,975
Other current assets		41,580,787	113,083,516	39,698,756	112,186,477
Total current assets		**2,239,712,251**	**2,452,142,637**	**2,296,996,738**	**2,487,406,082**
Non-current assets					
Restricted deposits at financial institution		513,277	508,674	513,277	508,674
Investment in an associate	*9*	507,029,991	425,860,241	30,000,000	30,000,000
Investments in subsidiaries	*10*	-	-	606,634,068	606,634,068
Other long-term investments	*11*	141,297,364	179,999,461	141,297,364	179,999,461
Long-term loan to a related party	*4*	3,000,000	3,000,000	3,000,000	3,000,000
Investment properties	*12*	313,582,388	300,619,400	313,582,388	300,619,400
Property, plant and equipment	*13*	8,729,184,315	9,157,183,008	8,206,746,330	8,627,017,743
Intangible assets	*14*	21,376,519	22,865,089	17,745,320	19,134,917
Deferred tax assets	*15*	9,657,805	10,376,837	-	-
Other non-current assets		146,267,481	119,622,770	146,189,517	96,471,095
Total non-current assets		**9,871,909,140**	**10,220,035,480**	**9,465,708,264**	**9,863,385,358**
Total assets		**12,111,621,391**	**12,672,178,117**	**11,762,705,002**	**12,350,791,440**

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

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements 30 September 2017	2016	Separate financial statements 30 September 2017	2016
		(in Baht)			
Current liabilities					
Trade accounts payable	4, 16	838,391,310	996,461,145	1,253,228,214	1,328,006,620
Other payables to related parties	4	240,953,898	242,074,287	243,355,731	247,884,602
Other payables	17	641,958,474	712,135,101	605,202,709	692,204,522
Income tax payable		28,987	115,244	-	-
Dividends payable		73,455,863	73,456,268	73,455,863	73,456,268
Customers' deposits on bottles and cases		454,573,616	415,533,521	454,573,616	415,533,521
Other current liabilities		37,600,650	53,098,899	35,329,774	48,971,248
Total current liabilities		**2,286,962,798**	**2,492,874,465**	**2,665,145,907**	**2,806,056,781**
Non-current liabilities					
Long-term loans from a related party	4	-	-	1,530,968,165	1,530,968,165
Deferred tax liabilities	15	37,588,508	129,159,786	5,994,521	97,798,859
Employee benefit obligations	18	1,062,865,909	1,115,595,130	1,052,428,633	1,106,467,114
Total non-current liabilities		**1,100,454,417**	**1,244,754,916**	**2,589,391,319**	**2,735,234,138**
Total liabilities		**3,387,417,215**	**3,737,629,381**	**5,254,537,226**	**5,541,290,919**
Equity					
Share capital:	19				
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	19	1,342,448,425	1,342,448,425	1,342,448,425	1,342,448,425
Retained earnings					
Appropriated	20				
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 (Deficit)		1,798,926,772	2,006,202,207	(271,474,597)	26,789,023
Other components of equity	20	3,005,132,729	3,008,201,854	2,859,497,698	2,862,566,823
Total equity		**8,724,204,176**	**8,934,548,736**	**6,508,167,776**	**6,809,500,521**
Total liabilities and equity		**12,111,621,391**	**12,672,178,117**	**11,762,705,002**	**12,350,791,440**

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

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
	Note	2017	2016	2017	2016
		(in Baht)			
Income	*4, 21*				
Revenue from sale of goods and rendering of services		10,623,059,411	8,096,707,765	10,550,849,639	8,124,355,635
Other income	*22*	257,041,601	211,655,980	336,057,814	330,080,067
Total income		**10,880,101,012**	**8,308,363,745**	**10,886,907,453**	**8,454,435,702**
Expenses	*4,21*				
Cost of sales of goods and rendering of service	*8*	7,735,589,585	5,950,059,853	7,719,817,373	6,010,913,090
Selling expenses	*23*	2,501,971,739	1,761,496,578	2,488,313,121	1,752,584,874
Administrative expenses	*24*	1,110,179,844	846,578,070	1,097,798,502	841,114,967
Total expenses		**11,347,741,168**	**8,558,134,501**	**11,305,928,996**	**8,604,612,931**
Share of profit of an associate, net of income tax	*9*	142,669,752	105,586,085	-	-
Loss before income tax expense		**(324,970,404)**	**(144,184,671)**	**(419,021,543)**	**(150,177,229)**
Income tax benefit	*27*	94,048,320	55,444,645	96,981,231	58,956,681
Loss for the year / period		**(230,922,084)**	**(88,740,026)**	**(322,040,312)**	**(91,220,548)**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gain (loss) from revaluation of property, plant and equipment		(134,309)	722,112,967	(134,309)	658,575,967
Defined benefit plan actuarial gains (losses)	*18*	29,574,061	(11,026,245)	29,720,866	(10,318,505)
Income tax on other comprehensive income	*27*	(5,900,550)	(142,217,344)	(5,917,312)	(129,651,493)
		23,539,202	**568,869,378**	**23,669,245**	**518,605,969**
Items that are or may be reclassified to profit or loss					
Net change in fair value of available-for-sale investments	*11*	(3,702,098)	8,726,372	(3,702,098)	8,726,372
Income tax on other comprehensive income	*27*	740,420	(1,745,274)	740,420	(1,745,274)
		(2,961,678)	**6,981,098**	**(2,961,678)**	**6,981,098**
Other comprehensive income for the year / period net of income tax		**20,577,524**	**575,850,476**	**20,707,567**	**525,587,067**
Total comprehensive income for the year / period		**(210,344,560)**	**487,110,450**	**(301,332,745)**	**434,366,519**
Basic losses per share *(in Baht)*	*28*	**(0.87)**	**(0.33)**	**(1.21)**	**(0.34)**

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	**265,990,484**	**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	**265,990,484**	**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

	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 year ended 30 September 2017											
Balance at 1 October 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**
Comprehensive income for the year											
Loss	-	-	-	-	(230,922,084)	-	-	-	-	-	(230,922,084)
Other comprehensive income	-	-	-	-	23,646,649	-	(2,961,678)	(107,447)	-	(3,069,125)	20,577,524
Total comprehensive income for the year	-	-	-	-	**(207,275,435)**	-	**(2,961,678)**	**(107,447)**	-	**(3,069,125)**	**(210,344,560)**
Balance at 30 September 2017	**265,900,484**	**1,342,448,425**	**26,795,766**	**2,285,000,000**	**1,798,926,772**	**31,118,966**	**22,212,582**	**2,984,134,096**	**(32,332,915)**	**3,005,132,729**	**8,724,204,176**

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 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 year ended 30 September 2017									
Balance at 1 October 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**
Comprehensive income for the year									
Loss	-	-	-	-	(322,040,312)	-	-	-	(322,040,312)
Other comprehensive income	-	-	-	-	23,776,692	(2,961,678)	(107,447)	(3,069,125)	20,707,567
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(298,263,620)**	**(2,961,678)**	**(107,447)**	**(3,069,125)**	**(301,332,745)**
Balance at 30 September 2017	**265,900,484**	**1,342,448,425**	**26,795,766**	**2,285,000,000**	**(271,474,597)**	**22,212,582**	**2,837,285,116**	**2,859,497,698**	**6,508,167,776**

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

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
		(in Baht)			
Cash flows from operating activities					
Loss for the year / period		(230,922,084)	(88,740,026)	(322,040,312)	(91,220,548)
Adjustments for					
Depreciation and amortisation		664,452,722	524,914,368	673,977,404	486,779,309
Interest income		(3,412,385)	(4,388,460)	(6,706,927)	(4,134,332)
Dividends income	22	(5,498,919)	(4,983,794)	(66,998,919)	(115,983,794)
Unrealised loss on exchange		23,271	73,596	23,271	73,596
Reversal of allowance for doubtful accounts	6, 7	(9,160,028)	(24,982,702)	(9,160,028)	(24,982,702)
Reversal of allowance for decline in value of inventories	8	(31,203,213)	(100,176,212)	(24,983,805)	(96,568,436)
Gain on disposal of long term investment	11	(7,420,000)	-	(7,420,000)	-
Fair value changes in investment properties	12	(12,962,988)	(23,737,000)	(12,962,988)	(23,737,000)
Loss on disposal of plant, equipment and intangible assets		135,856,244	84,639,591	67,395,636	84,639,591
Reversal of impairment loss on equipment	13	(26,353,164)	(33,977,613)	(26,353,164)	(33,977,613)
Gain on reverse of loss from revaluation of property, plant and equipment		-	(8,865,691)	-	(8,865,691)
Employee benefit expenses		73,993,910	60,483,096	72,727,155	59,549,769
Share of profit of an associate, net of income tax	9	(142,669,752)	(105,586,085)	-	-
Income tax benefit	27	(94,048,320)	(55,444,645)	(96,981,231)	(58,956,681)
		310,675,294	219,228,423	240,516,092	172,615,468
Changes in operating assets and liabilities					
Trade accounts receivable		(143,202,562)	91,558,567	(144,954,983)	74,395,747
Other receivables from related parties		169,187,323	(354,816,972)	156,964,508	(395,884,373)
Other receivables		16,092,456	(11,444,735)	13,944,897	25,093,075
Inventories		21,137,463	61,818,580	8,433,397	68,380,568
Prepaid excise taxes		97,247,031	(20,882,354)	88,073,770	(24,503,632)
Other current assets		71,502,729	(1,164,952)	72,487,721	(1,526,391)
Other non-current assets		(27,518,828)	(4,781,081)	(50,592,538)	(5,693,172)
Trade accounts payable		(158,069,835)	74,404,722	(74,778,406)	134,215,302
Other payables to related parties		(1,120,389)	55,296,138	(4,528,872)	59,864,383
Other payables		(40,991,543)	73,206,923	(51,864,843)	81,427,018
Customers' deposits on bottles and cases		39,040,095	(19,669,084)	39,040,095	(19,669,084)
Other current liabilities		(15,561,249)	(772,327)	(13,641,474)	(3,004,414)
Employee benefit paid		(97,086,070)	(23,718,816)	(97,044,770)	(23,718,816)
Cash from operating activities		241,331,915	138,263,032	182,054,594	141,991,679
Income tax paid		(2,050,314)	(5,431,966)	-	(206,191)
Net cash from operating activities		**239,281,601**	**132,831,066**	**182,054,594**	**141,785,488**

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

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
		(in Baht)			
Cash flows from investing activities					
Interest received		3,407,782	4,386,165	6,702,324	4,132,037
Dividends received		102,998,919	79,983,794	102,998,919	79,983,794
Sale of long-term investment		42,420,000	-	42,420,000	-
Purchase of plant and equipment		(375,705,398)	(325,367,583)	(331,181,113)	(320,292,353)
Sale of plant, equipment and intangible assets		4,561,524	28,135,363	4,561,524	28,135,363
Purchase of intangible assets		(1,793,210)	(10,311,900)	(1,159,710)	(8,431,000)
Net cash used in investing activities		**(224,110,383)**	**(223,174,161)**	**(175,658,056)**	**(216,472,159)**
Cash flows from financing activities					
Dividend paid to the owners of the Company		(405)	(14,535)	(405)	(14,535)
Net cash used in financing activities		**(405)**	**(14,535)**	**(405)**	**(14,535)**
Net increase (decrease) in cash and cash equivalents		**15,170,813**	**(90,357,630)**	**6,396,133**	**(74,701,206)**
Cash and cash equivalents at 1 January and 1 October		430,537,868	520,895,498	353,167,957	427,869,163
Cash and cash equivalents at 30 September	5	**445,708,681**	**430,537,868**	**359,564,090**	**353,167,957**
Non-cash transactions					
Increase (decrease) in payables for acquisition of machinery and equipment		(29,208,355)	9,918,858	(35,160,241)	9,682,871

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

Note to the financial statements

For the year ended 30 September 2017

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Note to the financial statements

For the year ended 30 September 2017

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 2017.

1 General information

Sermsuk Public Company Limited, "the Company", is incorporated in Thailand and has its registered office at 90 CW Tower, 31st – 32nd Floor, Ratchadapisek Road, Huay Khwang Bangkok Thailand (Formerly was 252/35-36, Muang Thai-Phatra Complex, Tower 1, 27-28th Floor, Rachadapisek Road, Huay Kwang, Bangkok Thailand). 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, sport drinks, energy drinks and other beverages, including as distributor of soda, tea and other beverages. Details of the Company's subsidiaries as at 30 September 2017 and 2016 were as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%) 30 September	
			2017	2016
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, 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 33.

(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 (m)

(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 (r)	Current and deferred taxation
Note 12	Valuation of investment properties
Note 15	Utilisation of tax losses
Note 18	Measurement of defined benefit obligations: key actuarial assumptions; and
Notes 32	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

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 12 investment properties
- Note 13 property, plant and equipment
- Note 29 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 230.92 million for the year ended 30 September 2017 (*For the nine-month period ended 30 September 2016: Baht 88.74 million*) and the Company incurred a net loss of Baht 322.04 million for the year ended 30 September 2017 *(For the nine-month period ended 30 September 2016: Baht 91.22 million)* and the Company has deficit of Baht 271.47 million as of 30 September 2017. As of that date, the Group's and the Company's current liabilities exceeded current assets by Baht 47.25 million and 368.15 million, respectively *(30 September 2016: Baht 40.73 million and Baht 318.65 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) 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.

(g) Investment properties

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

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

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

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

(h) Property, plant and equipment

Recognition and measurement

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.

(i) Intangible assets

Trademarks

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

Other intangible assets

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

Subsequent expenditure

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

Amortisation

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licenses	3 - 10	years

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

(j) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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.

(k) Interest-bearing liabilities

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

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) 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.

(o) 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.

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.

(p) 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.

(q) 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.

(r) 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.

(s) 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.

(t) 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.

Note to the financial statements

For the year ended 30 September 2017

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, an associate and subsidiaries are described in notes 1, 9 and 10. Relationships with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationalit	Nature of relationships
Key management personnel	Singapore/ Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Thai Beverage 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 until 31 March 2017
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
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
Thipchalothorn Co., Ltd.	Thailand	Direct subsidiary of the ultimate parent company
United Products 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
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
Thai Beverage Training 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
C A C 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
Food of Asia Co.,Ltd.	Thailand	Indirect subsidiary of the ultimate parent company

Note to the financial statements

For the year ended 30 September 2017

Name of entities	Country of incorporation/ nationality	Nature of relationships
Agent Management Co.,Ltd.	Thailand	Indirect subsidiary of the ultimate parent company
ASM Management Co.,Ltd.	Thailand	Indirect subsidiary of the ultimate parent company
Super Brands Company Pte Ltd.	Singapore	Indirect subsidiary of the ultimate parent company
F&N Interflavine Pte Ltd.	Singapore	Affiliated company in associate of the ultimate parent company
F&N Beverages 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.
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.
Berli Jucker Specialties 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
Phatra-leasing PLC.	Thailand	Common directors
Berli Jucker PLC.	Thailand	Common directors
Thai Malaya Glass Co., Ltd.	Thailand	Common directors
Gaew Grung Thai Co., Ltd.	Thailand	Controlling equity holder of the ultimate parent company holds substantial shares indirectly
TCC Hotel Asset Management Co., Ltd.	Thailand	Controlling equity holder of the ultimate parent company holds substantial shares indirectly

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
Revenue for consultancy service	Contractual prices
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
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

Note to the financial statements

For the year ended 30 September 2017

Significant transactions for the year ended 30 September 2017 and for the nine-month period ended 30 September 2016 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(in thousand Baht)			
Subsidiaries				
Sale of goods and rendering of services	-	-	37,085	84,526
Other income	-	-	4,000	-
Purchase of finished goods and services	-	-	342,114	348,033
Interest income	-	-	3,876	2,909
Selling and administrative expenses	-	-	40,964	37,930
An associate				
Purchase of raw materials	811,026	552,711	811,026	552,711
Dividend income	61,500	111,000	61,500	111,000
Other income	4,412	2,025	4,412	2,025
Selling Expense	1,060	-	1,060	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	72,287	60,735	72,287	60,735
Post-employment benefits	2,908	2,673	2,908	2,673
Other long-term benefits	6	4	6	4
Directors' remunerations	8,279	5,590	8,279	5,590
Total key management personnel compensation	**83,480**	**69,002**	**83,480**	**69,002**
Other related parties				
Sale of goods and rendering of services	3,533,685	2,394,082	3,504,614	2,386,998
Other income	36,867	3,262	36,867	3,262
Revenue for consultancy service	43,333	86,667	43,333	86,667
Dividend income	5,499	4,984	5,499	4,984
Purchase of finished goods and raw materials	3,234,083	2,416,821	3,160,006	2,366,635
Subsidy for marketing expense	348,102	430,778	348,102	430,778
Selling expenses	264,801	229,828	264,801	229,822
Administrative expenses	112,543	70,831	111,907	70,573

Note to the financial statements

For the year ended 30 September 2017

Balances as at 30 September 2017 and 2016 with related parties were as follows:

Trade accounts receivable from related parties	**Consolidated financial statements**		**Separate financial statements**	
	2017	2016	2017	2016
	(in thousand Baht)			
Ultimate parent company	135	5	135	5
Subsidiaries	-	-	42,252	28,301
Other related parties	393,382	266,965	389,335	260,036
Total	**393,517**	**266,970**	**431,722**	**288,342**

Other receivables from related parties	**Consolidated financial statements**		**Separate financial statements**	
	2017	2016	2017	2016
	(in thousand Baht)			
Subsidiaries	-	-	57,035	44,767
An associate	3,639	37,288	3,639	37,288
Other related parties	293,240	464,779	293,195	464,779
Total	**296,879**	**502,067**	**353,869**	**546,834**

Loans to related parties	**Interest rate**		**Consolidated financial statements**		**Separate financial statements**	
	2017	2016	2017	2016	2017	2016
	(% per annum)		*(in thousand Baht)*			
Short-term loan						
Subsidiary	3.10	3.10	-	-	125,000	125,000
Long-term loan						
Other related party	4.44	4.44	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 for the year ended 30 September 2017 and during the nine-month period 30 September 2016.

Balance as at 30 September 2017 and 2016 with related parties were as followings:

Trade accounts payable to related parties	**Consolidated financial statements**		**Separate financial statements**	
	2017	2016	2017	2016
	(in thousand Baht)			
Subsidiaries	-	-	447,406	363,101
An associate	142,195	70,159	142,195	70,159
Other related parties	438,679	651,814	416,570	632,832
Total	**580,874**	**721,973**	**1,006,171**	**1,066,092**

Other payables to related parties	**Consolidated financial statements**		**Separate financial statements**	
	2017	2016	2017	2016
	(in thousand Baht)			
Subsidiaries	-	-	2,453	5,836
Other related parties	240,954	242,074	240,903	242,049
Total	**240,954**	**242,074**	**243,356**	**247,885**

Long-term loans from related parties	Interest rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	(% per annum)		*(in thousand Baht)*			
Subsidiary	-	-	-	-	**1,530,968**	**1,530,968**

There were no movements on the short-term and long-term loans to related parties for the year ended 30 September 2017 and during the nine-month period 30 September 2016.

Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Employee benefit obligations	41,771	88,920	41,771	88,920

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. The agreement shall continue to be in effect for another period of five years if there is no change at the maturity date. Interests are payable quarterly at the MRR of a financial institution at the beginning of each quarter. Subsequently on 1 January 2013, the Company and the Borrower agreed to change the interest rate to Money Market Rate of a financial institution at the beginning of each quarter.

On 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 2017, the Company had utilised loan facility totalling Baht 1,530.97 million. *(2016: 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. The agreement has not expired yet because sales volume has not reached the minimum as specified in the agreement.

The Company entered into an agreement with its related party in order to appoint to produce drinking water under "Crystal" trademark. The Company has to comply with conditions as specified in the agreement. The agreement is for three years and ends on 15 November 2018.

The Company entered into an agreement with its related party in order to appoint to produce drinking water under "Crystal" trademark. The Company has to comply with conditions as specified in the agreement. The agreement is for one year and effective from 1 January 2017 to 31 December 2017. Currently, the said agreement has been terminated.

Appointment agreement

The Company entered into an agreement with a related company to be appointed to distribute bottled green tea. The Company has to comply with conditions as specified in the agreement for a period of three years and ends on 28 February 2018, with a renewal option to extend for a further period of one year from the expiration date.

The Company 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. If either party does not show the intention to renew the contract in advance for at least 30 days ahead, the existing contract will be extended for additional periods of 1 years.

The Company entered into 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. Currently, the said agreement has been terminated.

The Company entered into various agreements with related companies to act as a distributor for Soda products which the Company is a non-producer. The Company has to comply with conditions as specified in the agreement. The agreement is from 31 August 2016 to 31 December 2017. If either party does not show the intention to renew the contract in advance for at least 30 days ahead, the existing contract will be extended for additional periods of 1 years. The agreements have been terminated effective on 1 May 2017.

The Company entered into agreement with a related company to act as a distributor for Soda products which the Company is a non-producer. The Company has to comply with conditions as specified in the agreement. The agreement is from 1 May 2017 to 30 September 2018. If either party does not show the intention to renew the contract in advance for at least 30 days ahead, the existing contract will be extended for additional periods of 1 years.

Co-packing and distribution agreement

The Company and its subsidiary entered into a "Co-packing and Distribution" agreement with a related company to produce and distribute returnable glass bottled tea drinks. The Company and its subsidiary have to comply with certain conditions contained in the agreement for a period of five years which ends on 31 July 2017. Unless there is notification to terminate the agreement, this agreement continues to be in effect for the successive five years term.

The Company entered into a "Co-packing and Distribution" agreement with a related company to produce and distribute carbonated soft drink under "est" trademark. The Company has to comply with conditions as specified in the agreement for a period of three years, effective from 1 January 2015 to 31 December 2017. Unless there is notification from either party gives to other to terminate the agreement not later than 90 days prior to the expiration date, this agreement continues to be in effect for the successive three years term.

The Company entered into a "Co-packing" agreement with a related company to produce product under "est" trademark for the export purpose only. The Company has to comply with conditions as specified in the agreement for a period of one year, effective from 1 April 2016 to 31 March 2017. Unless there is notification from either party gives to other to terminate the agreement not later than 90 days prior to the expiration date, this agreement continues to be in effect for the successive one year term.

The Company entered into a "Co-packing and Distribution" agreement with a related company to produce and distribute product under "100 Plus" trademark. The Company has to comply with conditions as specified in the agreement for a period of three years, effective from 1 June 2015 to 31 May 2018. Unless there is notification from either party gives to other to terminate the agreement not later than six months prior to the expiration date, this agreement continues to be in effect for the successive three years term.

Consultancy 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 amount of Baht 130 million per year. Currently, the said agreement has been terminated.

The Company entered into a software licensing with a related company to manage the permission and maintenance the system. The agreement is for a period of three years ends on 31 August 2018 with service fee in amount of Bath 1.23 million per month.

Sublease agreement for office space and service agreement

On 16 July 2017, the Company entered into a sublease agreement for office space and service agreement with a related company. The agreement is for a period from 16 July 2017 to 22 May 2020. The Company is committed to pay rental and service fee on the rates as stipulated in the agreement. This agreement shall be renewed period by notify in advance at least 90 days and will be effected for another one year each from the expiration of the initial term or any renewal period. The said agreements are currently being reviewed and signed by the Company and the party.

Commitments with related parties

Operating lease commitments	**Consolidated financial statements**		**Separate financial statements**	
	2017	2016	2017	2016
	(in thousand Baht)			
Within one year	35,760	22,542	35,452	22,233
After one year but within five years	43,862	35,168	43,469	34,449
Total	**79,622**	**57,710**	**78,921**	**56,682**

Other commitments

As at 30 September 2017, the Company had commitments for purchase orders for goods with related parties amounting to Baht 23.04 million *(2016: 1.83 million)*.

Note to the financial statements

For the year ended 30 September 2017

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Cash on hand	45,395	24,247	45,364	24,217
Cash at banks - current accounts	49,563	111,487	48,392	110,436
Cash at banks - savings accounts	350,751	294,804	265,808	218,515
Total	**445,709**	**430,538**	**359,564**	**353,168**

The currency denomination of cash and cash equivalents as at 30 September was as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Thai Baht (THB)	415,183	398,407	359,564	353,168
Hong Kong Dollars (HKD)	30,526	32,131	-	-
Total	**445,709**	**430,538**	**359,564**	**353,168**

6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
Related parties	*4*	393,517	266,970	431,722	288,342
Other parties		248,011	231,355	232,935	231,359
Total		**641,528**	**498,325**	**664,657**	**519,701**
Less allowance for doubtful accounts		(20,097)	(32,666)	(20,097)	(32,666)
Net		**621,431**	**465,659**	**644,560**	**487,035**

	Consolidated financial statements		Separate financial statements	
	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(in thousand Baht)			
Reversal of bad and doubtful debts expenses	**(12,569)**	**(11,268)**	**(12,569)**	**(11,268)**

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Related parties				
Within credit terms	352,219	264,440	390,424	288,342
Overdue:				
Less than 1 month	-	2,530	-	-
1 - 3 months	41,298	-	41,298	-
	393,517	**266,970**	**431,722**	**288,342**
Other parties				
Within credit terms	177,105	127,084	162,104	127,088
Overdue:				
Less than 1 month	36,514	56,656	36,439	56,656
1 - 3 months	12,875	19,444	12,875	19,444
Over 3 months	21,517	28,171	21,517	28,171
	248,011	**231,355**	**232,935**	**231,359**
Less allowance for doubtful accounts	(20,097)	(32,666)	(20,097)	(32,666)
Net	**227,914**	**198,689**	**212,838**	**198,693**
Total	**621,431**	**465,659**	**644,560**	**487,035**

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 2017 and 2016 were denominated entirely in Thai Baht.

7 Other receivables

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Other receivables	29,151	41,423	29,007	40,399
Less allowance for doubtful accounts	(15,402)	(11,992)	(15,402)	(11,992)
Net	**13,749**	**29,431**	**13,605**	**28,407**
Prepaid expenses	66,921	79,848	66,670	78,994
Advance payment	2,439	3,890	2,381	3,167
Unearned revenue	17,751	7,193	17,751	7,193
Total	**100,860**	**120,362**	**100,407**	**117,761**

	Consolidated financial statements		Separate financial statements	
	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(in thousand Baht)			
Bad debts and doubtful debts expenses (reversal)	**3,410**	**(13,714)**	**3,410**	**(13,714)**

Note to the financial statements

For the year ended 30 September 2017

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Finished goods	462,808	417,370	448,123	402,400
Work in progress	17,151	3,026	4,516	3,026
Raw materials and supplies	225,557	300,878	197,152	247,507
Spare parts	109,370	114,708	105,556	110,844
Other supplies	3,195	3,237	2,575	2,578
	818,081	**839,219**	**757,922**	**766,355**
Less allowance for decline in value	(105,684)	(136,887)	(104,565)	(129,549)
Net	**712,397**	**702,332**	**653,357**	**636,806**

	Consolidated financial statements		Separate financial statements	
	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(in thousand Baht)			
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	7,687,781	5,888,652	7,713,720	5,975,663
- Write-down to net realisable value	15,694	43,105	14,575	42,318
- Reversal of write-down	(46,897)	(143,281)	(39,559)	(138,887)
Net	**7,656,578**	**5,788,476**	**7,688,736**	**5,879,094**

9 Investment in an associate

	Consolidated financial statements		Separate financial statements	
	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(in thousand Baht)			
At 1 October / 1 January	425,860	431,274	30,000	30,000
Share of net profit of an associate	142,670	105,586	-	-
Dividend income	(61,500)	(111,000)	-	-
At 30 September	**507,030**	**425,860**	**30,000**	**30,000**

Note to the financial statements

For the year ended 30 September 2017

Investment in an associate as at 30 September 2017 and 2016, and dividend income from this investment for the year ended 30 September 2017 and for the nine-month period ended 30 September 2016, were as follows:

Consolidated financial statements

	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(%)				*(in thousand Baht)*					
Petform (Thailand) Limited	40	40	75,000	75,000	**30,000**	**30,000**	**507,030**	**425,860**	**61,500**	**111,000**

Separate financial statements

	Ownership interest		Paid-up capital		Cost		Dividend income	
	2017	2016	2017	2016	2017	2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(%)				*(in thousand Baht)*			
Petform (Thailand) Limited	40	40	75,000	75,000	**30,000**	**30,000**	**61,500**	**111,000**

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.

Note to the financial statements

For the year ended 30 September 2017

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 year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(in thousand Baht)	
Revenue	2,889,841	2,146,016
Profit from continuing operations	356,284	268,215
Other comprehensive income	(70)	-
Total comprehensive income	**356,214**	**268,215**
Attributable to NCI	213,614	162,629
Group's share of total comprehensive income	142,670	105,586
Current assets	578,577	693,979
Non-current assets	1,901,497	1,786,389
Current liabilities	(812,670)	(775,534)
Non-current liabilities	(400,735)	(550,630)
Net assets	**1,266,669**	**1,154,204**
Attributable to NCI	760,001	692,522
Carrying amount of interest in associate	506,668	461,682

10 Investments in subsidiaries

Investments in subsidiaries as at 30 September 2017 and 2016, and dividend income from those investments for the year ended 30 September 2017 and for the nine-month period ended 30 September 2016, were as follows:

Subsidiaries	Type of business	Ownership interest		Separate financial statements					
				Paid-up capital		Cost		Dividend income	
		2017	2016	2017	2016	2017	2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
		(%)				(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.

11 Other long-term investments

Other long-term investments as at 30 September 2017 and 2016, and dividend income from those investments for the year ended 30 September 2017 and for nine-month period ended 30 September 2016, were as follows:

	Consolidated and Separate financial statements			
	Cost method		Dividend income	
	2017	2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(in thousand Baht)			
Equity securities available for sale				
Crown Seal Public Company Limited	59,498	63,200	2,644	1,851
Non marketable equity securities				
The Pet Company Limited	7,000	7,000	700	1,050
Bangkok Glass Public Company Limited	74,799	74,799	2,155	2,083
Petpack Company Limited	-	35,000	-	-
	81,799	116,799	2,855	3,133
Total	**141,297**	**179,999**	**5,499**	**4,984**

Movements during the year ended 30 September 2017 and for the nine-month period ended 30 September 2016 were as follows:

	Consolidated and Separate financial statements	
	2017	2016
	(in thousand Baht)	
Equity securities available for sale		
At 1 October / 1 January	63,200	54,474
Valuation adjustment	(3,702)	8,726
At 30 September	**59,498**	**63,200**
Investments-other related parties		
At 1 October / 1 January	116,799	116,799
Sales during the year / period	(35,000)	-
At 30 September	**81,799**	**116,799**
Total Other long-term investments		
At 1 October / 1 January	179,999	171,273
Valuation adjustment	(3,702)	8,726
Sales during the year / period	(35,000)	-
At 30 September	**141,297**	**179,999**

During the year 2017, the Company sold investment in Petpack Co., Ltd. of Baht 35 million to a related party for a consideration of Baht 42.4 million. The Company recognised gain of Baht 7.4 million in the statement of comprehensive income for the year ended 30 September 2017.

Other long-term investments of the Group and the Company as at 30 September 2017 and 2016 were denominated entirety in Thai Baht.

12 Investment properties

	Consolidated and Separate financial statements		
	Land	Building	Total
	(in thousand Baht)		
At 1 January 2016	271,782	5,100	276,882
Fair value adjustments	23,737	-	23,737
At 30 September 2016 and 1 October 2016	**295,519**	**5,100**	**300,619**
Fair value adjustments	12,963	-	12,963
At 30 September 2017	**308,482**	**5,100**	**313,582**

Investment properties were revalued as at 30 September 2017 and 2016 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 313.58 million *(2016: 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 October 2016	300,619
Gain included in "other income"	
Changes in fair value (unrealised)	12,963
Balance at 30 September 2017	**313,582**

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

Note to the financial statements

For the year ended 30 September 2017

13 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 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 September2016 and 1 October 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**
Additions	-	-	34,912	-	98,246	9,110	23,258	2,970	40,588	36,108	101,575	346,767
Transfers	-	(134)	19,562	(347)	108,616	1,081	1,302	-	-	2,285	(132,499)	(134)
Disposals	-	-	(160)	-	(11,685)	(19,624)	(14,562)	(2)	(261,177)	-	-	(307,210)
At 30 September 2017	**500,266**	**3,730,168**	**2,649,175**	**172,100**	**6,627,108**	**1,739,577**	**339,637**	**361,539**	**1,376,668**	**3,948,095**	**69,516**	**21,513,849**

Note to the financial statements

For the year ended 30 September 2017

	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 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 and 1 October 2016	**-**	**-**	**1,390,962**	**138,919**	**4,717,829**	**1,548,369**	**291,056**	**341,087**	**291,595**	**3,592,096**	**-**	**12,311,913**
Depreciation charge for the year	-	-	83,682	3,400	286,831	44,863	19,950	6,349	108,975	106,518	-	660,568
Loss on impairment	-	-	-	-	-	-	-	-	(26,353)	-	-	(26,353)
Disposals	-	-	(105)	-	(11,658)	(19,578)	(14,504)	-	(120,948)	-	-	(166,793)
At 30 September 2017	**-**	**-**	**1,474,539**	**142,319**	**4,993,002**	**1,573,654**	**296,502**	**347,436**	**253,269**	**3,698,614**	**-**	**12,779,335**
Allowance for loss of marketing promotion equipments												
At 1 January 2016	-	-	-	-	-	-	-	-	-	5,330	-	5,330
At 30 September 2016 and 1 October 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,330**	**-**	**5,330**
At 30 September 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,330**	**-**	**5,330**
Net book value												
At 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 and 1 October 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**
At 30 September 2017	**500,266**	**3,730,168**	**1,174,636**	**29,781**	**1,634,106**	**165,923**	**43,135**	**14,103**	**1,123,399**	**244,151**	**69,516**	**8,729,184**

Note to the financial statements

For the year ended 30 September 2017

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 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 and 1 October 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**
Additions	-	-	29,421	-	80,109	9,110	22,554	2,970	34,468	36,108	81,551	296,291
Transfers	-	(134)	19,262	(347)	101,888	1,081	1,302	-	-	2,285	(125,471)	(134)
Disposals	-	-	-	-	(10,804)	(19,625)	(12,915)	-	(107,573)	-	-	(150,917)
At 30 September 2017	**375,763**	**3,546,607**	**2,332,529**	**172,100**	**6,022,763**	**1,731,677**	**330,321**	**337,681**	**1,492,574**	**3,948,096**	**55,673**	**20,345,784**
Depreciation and impairment losses												
At 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 and 1 October 2016	**-**	**-**	**1,189,538**	**138,919**	**4,220,260**	**1,541,362**	**281,866**	**317,228**	**286,926**	**3,592,097**	**-**	**11,568,196**
Depreciation charge for the year	-	-	67,734	3,400	253,571	44,538	19,392	6,348	169,324	106,517	-	670,824
Loss on impairment	-	-	-	-	-	-	-	-	(26,353)	-	-	(26,353)
Disposals	-	-	-	-	(10,783)	(19,578)	(12,869)	-	(35,729)	-	-	(78,959)
At 30 September 2017	**-**	**-**	**1,257,272**	**142,319**	**4,463,048**	**1,566,322**	**288,389**	**323,576**	**394,168**	**3,698,614**	**-**	**12,133,708**

Note to the financial statements

For the year ended 30 September 2017

	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
Allowance for loss of marketing promotion equipments												
At 1 January 2016	-	-	-	-	-	-	-	-	-	5,330	-	5,330
At 30 September 2016 and 1 October 2016	-	-	-	-	-	-	-	-	-	**5,330**	-	**5,330**
At 30 September 2017	-	-	-	-	-	-	-	-	-	**5,330**	-	**5,330**
Net book value												
At 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 and 1 October 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**
At 30 September 2017	**375,763**	**3,546,607**	**1,075,257**	**29,781**	**1,559,715**	**165,355**	**41,932**	**14,105**	**1,098,406**	**244,152**	**55,673**	**8,206,746**

The gross amount of the Group's fully depreciated buildings and equipment that was still in use as at 30 September 2017 and 2016 are summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Buildings and equipment	**10,187,285**	**9,433,676**	**9,861,693**	**9,110,821**

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 4,230.43 million and separate financial statements of Baht 3,922.37 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 October 2016	4,230,568	3,922,504
Gain included in "Other comprehensive income"		
Adjust loss on revaluation on land	(134)	(134)
Gain included in "Profit or loss for the period"		
Gain on revaluation on land	-	-
Balance at 30 September 2017	**4,230,434**	**3,922,370**

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

Note to the financial statements

For the year ended 30 September 2017

14 Intangible assets

	Consolidated financial statements		
	Trademark	Software licenses	Total
	(in thousand Baht)		
Cost			
At 1 January 2016	2,000	44,063	46,063
Additions	-	4,640	4,640
Transfer in	-	1,875	1,875
At 30 September 2016 and 1 October 2016	**2,000**	**50,578**	**52,578**
Additions	-	1,522	1,522
At 30 September 2017	**2,000**	**52,100**	**54,100**
Amortisation			
At 1 January 2016	-	28,144	28,144
Amortisation for the period	-	1,569	1,569
At 30 September 2016 and 1 October 2016	**-**	**29,713**	**29,713**
Amortisation for the year	-	3,010	3,010
At 30 September 2017	**-**	**32,723**	**32,723**
Net book value			
At 1 January 2016	**2,000**	**15,919**	**17,919**
At 30 September 2016 and 1 October 2016	**2,000**	**20,865**	**22,865**
At 30 September 2017	**2,000**	**19,377**	**21,377**

	Separate financial statements
	Software licenses
	(in thousand Baht)
Cost	
At 1 January 2016	42,813
Additions	4,635
At 30 September 2016 and 1 October 2016	**47,448**
Additions	888
At 30 September 2017	**48,336**
Amortisation	
At 1 January 2016	26,977
Amortisation for the period	1,337
At 30 September 2016 and 1 October 2016	**28,314**
Amortisation for the year	2,277
At 30 September 2017	**30,591**
Net book value	
At 1 January 2016	**15,836**
At 30 September 2016 and 1 October 2016	**19,134**
At 30 September 2017	**17,745**

15 Deferred tax

Deferred tax assets and liabilities as at 30 September were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
	(in thousand Baht)			
Total	860,316	767,520	(888,247)	(886,303)
Set off of tax	(850,658)	(757,143)	850,658	757,143
Net deferred tax assets (liabilities)	**9,658**	**10,377**	**(37,589)**	**(129,160)**

	Separate financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
	(in thousand Baht)			
Total	845,540	751,792	(851,535)	(849,591)
Set off of tax	(845,540)	(751,792)	845,540	751,792
Net deferred tax liabilities	**-**	**-**	**(5,995)**	**(97,799)**

Movements in total deferred tax assets and liabilities for the year ended 30 September 2017 and for the nine-month period ended 30 September 2016 were as follows:

	Consolidated financial statements			
		(Charged) / Credited to:		
	At 1 October 2016	Profit or loss *(Note 27)*	Other comprehensive income	**At 30 September 2017**
	(in thousand Baht)			
Deferred tax assets				
Inventories	28,480	(6,954)	-	21,526
Employee benefit obligations	225,024	(8,147)	(5,927)	210,950
Loss carry forward	487,143	125,073	-	612,216
Others	26,873	(11,249)	-	15,624
Total	**767,520**	**98,723**	**(5,927)**	**860,316**
Deferred tax liabilities				
Property, plant and equipment	(746,060)	-	27	(746,033)
Investment properties	(22,736)	(2,593)	-	(25,329)
Long-term investments	(6,294)	-	740	(5,554)
Others	(111,213)	(118)	-	(111,331)
Total	**(886,303)**	**(2,711)**	**767**	**(888,247)**
Net	**(118,783)**	**96,012**	**(5,160)**	**(27,931)**

Note to the financial statements

For the year ended 30 September 2017

	Consolidated financial statements			
		(Charged) / Credited to:		
	At 1 January 2016	Profit or loss *(Note 27)*	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)**

	Separate financial statements			
		(Charged) / Credited to:		
	At 1 October 2016	Profit or loss *(Note 27)*	Other comprehensive income	At 30 September 2017
		(in thousand Baht)		
Deferred tax assets				
Inventories	26,110	(4,997)	-	21,113
Employee benefit obligations	223,478	(8,355)	(5,944)	209,179
Loss carry forward	475,332	124,293	-	599,625
Others	26,872	(11,249)	-	15,623
Total	**751,792**	**99,692**	**(5,944)**	**845,540**
Deferred tax liabilities				
Property, plant and equipment	(709,348)	-	27	(709,321)
Investment properties	(22,736)	(2,593)	-	(25,329)
Long-term investments	(6,294)	-	740	(5,554)
Others	(111,213)	(118)	-	(111,331)
Total	**(849,591)**	**(2,711)**	**767**	(851,535)
Net	**(97,799)**	**96,981**	**(5,177)**	**(5,995)**

	Separate financial statements			
		(Charged) / Credited to:		
	At 1 January 2016	Profit or loss (Note 27)	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	(4,548)	-	(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)**

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.

16 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
Related parties	*4*	580,874	721,973	1,006,171	1,066,092
Other parties		257,517	274,488	247,057	261,915
Total		**838,391**	**996,461**	**1,253,228**	**1,328,007**

Trade accounts payable of the Group and the Company as at 30 September 2017 and 2016 were denominated entirety in Thai Baht.

Note to the financial statements

For the year ended 30 September 2017

17 Other payables

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Accrued employee benefit	204,374	152,501	201,327	150,615
Other payables	236,287	277,662	210,763	265,172
Excise taxes payable	90,774	80,799	85,812	80,799
Accrued employee expense	48,180	62,993	48,180	62,863
Accrued marketing expense	33,338	60,392	30,902	60,392
Others	29,005	77,788	28,219	72,364
Total	**641,958**	**712,135**	**605,203**	**692,205**

The currency denomination of other payables as at 30 September was as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Thai Baht (THB)	636,550	681,015	599,888	661,178
Euro (EUR)	3,660	31,027	3,660	31,027
United States Dollars (USD)	1,702	47	1,655	-
Hongkong Dollar (HKD)	28	28	-	-
Pound Sterling (GBP)	18	18	-	-
Total	**641,958**	**712,135**	**605,203**	**692,205**

18 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Statement of financial position				
Obligations for:				
Long-term employee benefit				
- long service award	39,114	47,668	39,039	47,558
Post-employment benefit				
- retirement benefit	1,023,752	1,067,927	1,013,390	1,058,909
Total	**1,062,866**	**1,115,595**	**1,052,429**	**1,106,467**
Statement of financial position				
Non-current				
Employee benefit obligations	1,062,866	1,115,595	1,052,429	1,106,467
Total	**1,062,866**	**1,115,595**	**1,052,429**	**1,106,467**

Note to the financial statements

For the year ended 30 September 2017

	Consolidated financial statements		Separate financial statements	
	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(in thousand Baht)			
Statement of comprehensive income:				
Recognised in profit or loss:				
Long-term employee benefits				
- long service award	(1,296)	4,307	(1,302)	4,299
- Actuarial gains	-	(1,890)	-	(1,916)
Post-employment benefit				
- retirement benefit	74,757	58,066	73,586	57,166
Total	**73,461**	**60,483**	**72,284**	**59,549**
Recognised in other comprehensive income:				
Actuarial losses (gains) recognised in the year / period	(29,574)	11,026	(29,721)	10,318
Cumulative actuarial gains recognised	(309,037)	(279,463)	(310,074)	(280,353)

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	
	2017	2016	2017	2016
	(in thousand Baht)			
Present value of unfunded obligations	1,023,752	1,067,927	1,013,390	1,058,909
The statement of financial position obligation was determined	**1,023,752**	**1,067,927**	**1,013,390**	**1,058,909**

Note to the financial statements

For the year ended 30 September 2017

Movement of present value of defined benefit obligation were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Defined benefit obligations at 1 January and 1 October	1,067,927	1,022,554	1,058,909	1,015,144
Benefits paid by the plan	(89,828)	(23,719)	(89,828)	(23,719)
	978,099	998,835	969,081	991,425
Include in profit or loss:				
Current service costs	54,062	39,305	53,063	38,558
Interest on obligation	20,695	18,761	20,523	18,608
	74,757	58,066	73,586	57,166
Included in other comprehensive income				
Actuarial (gains) losses	(29,574)	11,026	(29,721)	10,318
Others				
Transfer in from the related company	26	-	-	-
Transfer out to the related company	(26)	-	(26)	-
Adjust during the year	470	-	470	-
	470	-	444	-
Defined benefit obligations at 30 September	**1,023,752**	**1,067,927**	**1,013,390**	**1,058,909**

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Financial assumptions	19,672	(13,882)	19,463	(13,882)
Demography assumptions	(21,143)	11,729	(20,845)	11,215
Experience adjustment	(28,103)	13,179	(28,339)	12,985
Total	**(29,574)**	**11,026**	**(29,721)**	**10,318**

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	%			
Discount rate	2.50	2.25	2.50	2.25
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 2017, the weighted-average duration of the defined benefit obligation was 8 years *(2016:7 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 2017	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(40,210)	43,018	(39,652)	42,410
Future salary growth (1% movement)	141,396	(96,318)	140,059	(95,173)

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.

19 Share capital

		Consolidated / Separate financial statements			
	Par value	2017		2016	
	per share	Number	Baht	Number	Baht
	(in Baht)	*(thousand shares / thousand Baht)*			
Authorised					
At 1 October/ 1 January					
- ordinary shares	1	265,900	265,900	265,900	265,900
At 30 September					
- ordinary shares	**1**	**265,900**	**265,900**	**265,900**	**265,900**
Issued and paid-up					
At 1 October/ 1 January					
- ordinary shares	1	265,900	265,900	265,900	265,900
At 30 September					
- 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.

20 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.

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

None of the other operations segments meets the quantitative thresholds for determining reportable segments in 2017 or 2016.

Note to the financial statements

For the year ended 30 September 2017

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 year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
			(in million Baht)			
External revenue	4,379	3,388	6,244	4,709	10,623	8,097
Segment profit before income tax	523	437	2,364	1,710	2,887	2,147
Depreciation and amortisation recorded in selling and administrative expenses	111	135	162	84	273	219
Selling expenses	958	571	1,366	1,049	2,324	1,620

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

	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(in million Baht)	
Profit or loss		
Profit for reportable segments	2,887	2,147
Depreciation and amortisation recorded in selling and administrative expenses	(273)	(219)
Selling expenses	(2,324)	(1,620)
	290	**308**
Unallocated revenue and expenses		
- Other income	257	212
- Administrative expenses	(1,015)	(770)
Share of profit of investment in an associate, net of income tax	143	106
Consolidated loss before income tax	**(325)**	**(144)**

Geographical segments

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

Major customer

Revenue from one customer of the group's 1 and 2 segments represents approximately for the year ended 30 September 2017 Baht 3,182.54 million *(for the nine-month period ended 30 September 2016: Baht 2,156.63 million)* of the group's total revenue.

Note to the financial statements

For the year ended 30 September 2017

22 Other income

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
		(in thousand Baht)			
Consultancy service income		43,333	86,667	43,333	86,667
Sale of scrap		44,747	71,136	43,442	67,022
Fair value adjustments on investment properties	*12*	12,963	23,737	12,963	23,737
Gain on disposal of long term investment	*11*	7,420	-	7,420	-
Dividend income	*9, 11*	5,499	4,984	66,999	115,984
Gain on disposal of buildings equipment and intangible assets		4,449	-	4,449	-
Interest income		3,412	1,480	6,707	4,134
Subsidy for sales support		44,178	-	44,178	-
Others		91,041	23,652	106,567	32,536
Total		**257,042**	**211,656**	**336,058**	**330,080**

23 Selling expenses

	Consolidated financial statements		Separate financial statements	
	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(in thousand Baht)			
Personnel expenses	1,066,069	791,592	1,064,464	791,004
Marketing expenses	427,515	253,296	427,515	253,296
Distribution	359,281	233,296	350,498	226,969
Depreciation and amortisation	177,701	141,159	176,773	140,462
Fuel	176,850	122,922	176,850	122,922
Others	294,555	219,232	292,213	217,932
Total	**2,501,971**	**1,761,497**	**2,488,313**	**1,752,585**

Note to the financial statements

For the year ended 30 September 2017

24 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(in thousand Baht)			
Personnel expenses	503,618	454,273	491,511	445,800
Depreciation and amortisation	94,971	77,631	92,725	76,051
Management benefit expenses	75,201	63,417	75,201	63,417
Fuel	81,653	58,703	81,368	58,450
Others	354,737	192,554	356,994	197,397
Total	**1,110,180**	**846,578**	**1,097,799**	**841,115**

25 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
		(in thousand Baht)			
Salaries and wages		1,372,501	1,015,915	1,325,847	982,389
Overtime and allowance expense		126,378	103,490	121,918	100,908
Bonus		132,485	81,915	127,802	79,414
Pension costs - defined contribution plans		81,796	67,465	81,618	67,214
Pension costs - defined benefit plans	*18*	74,757	58,066	73,586	57,166
Others		240,660	176,774	235,873	172,431
Total		**2,028,577**	**1,503,625**	**1,966,644**	**1,459,522**

Defined benefit plans

Details of the defined benefit plans are given in note 18.

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.

26 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:

		Consolidated financial statements		Separate financial statements	
	Note	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
		(in thousand Baht)			
Changes in inventories of finished goods and work in progress		1,833,287	1,002,343	1,838,483	1,279,400
Raw materials and consumables used		4,963,112	4,079,773	4,783,429	3,889,525
Employee benefit expenses	25	2,028,577	1,503,625	1,966,444	1,459,522
Depreciation and amortisation		667,416	524,914	615,592	486,779
Marketing expenses	23	427,515	253,296	427,515	253,296
Distribution	23	359,281	233,296	350,498	226,969
Fuel		258,503	192,431	258,218	182,317
Others		810,050	768,457	1,065,750	826,805
Total expenses		**11,347,741**	**8,558,135**	**11,305,929**	**8,604,613**

27 Income tax benefit

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
		(in thousand Baht)			
Current tax expense					
Current year		1,964	2,131	-	-
Adjustment for prior years		-	206	-	206
		1,964	**2,337**	-	**206**
Deferred tax expense					
Movements in temporary differences	15	(96,012)	(57,782)	(96,981)	(59,163)
Income tax benefit		**(94,048)**	**(55,445)**	**(96,981)**	**(58,957)**

Note to the financial statements

For the year ended 30 September 2017

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	For the year ended 30 September 2017			For the nine-month period ended 30 September 2016		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
	(in thousand Baht)					
Net change in fair value of available-for-sale investments	(3,702)	740	(2,962)	8,726	(1,745)	6,981
Defined benefit plan actuarial gains (losses)	29,574	(5,927)	23,647	(11,026)	2,205	(8,821)
Revaluation of property, plant and equipment	(134)	27	(107)	722,113	(144,422)	577,691
Total	**25,738**	**(5,160)**	**20,578**	**719,813**	**(143,962)**	**575,851**

	Separate financial statements					
	For the year ended 30 September 2017			For the nine-month period ended 30 September 2016		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
	(in thousand Baht)					
Net change in fair value of available-for-sale investments	(3,702)	740	(2,962)	8,726	(1,745)	6,981
Defined benefit plan actuarial gains (losses)	29,721	(5,944)	23,777	(10,318)	2,063	(8,255)
Revaluation of property, plant and equipment	(134)	27	(107)	658,576	(131,715)	526,861
Total	**25,885**	**(5,177)**	**20,708**	**656,984**	**(131,397)**	**525,587**

Note to the financial statements

For the year ended 30 September 2017

Reconciliation of effective tax rate

	Consolidated financial statements			
	For the year ended 30 September 2017		For the nine-month period ended 30 September 2016	
	Rate (%)	*(in thousand Baht)*	*Rate (%)*	*(in thousand Baht)*
Loss before income tax expense		(324,970)		(144,185)
Income tax using the Thai corporation tax rate	20.00	(64,994)	20.00	(28,837)
Income not subject to tax		(29,685)		(22,114)
Expenses not deductible for tax purposes		4,642		3,622
Expenses for tax incentives		(11,039)		(2,981)
Reversal of previously recognised deferred tax assets		7,028		-
Adjustment for prior period		-		(5,135)
Total	**28.94**	**(94,048)**	**38.45**	**(55,445)**

	Separate financial statements			
	For the year ended 30 September 2017		For the nine-month period ended 30 September 2016	
	Rate (%)	*(in thousand Baht)*	*Rate (%)*	*(in thousand Baht)*
Loss before income tax expense		(419,022)		(150,177)
Income tax using the Thai corporation tax rate	20.00	(83,804)	20.00	(30,035)
Income not subject to tax		(13,400)		(23,197)
Expenses not deductible for tax purposes		4,185		2,377
Expenses for tax incentives		(10,990)		(2,967)
Reversal of previously recognised deferred tax assets		7,028		-
Adjustment for prior period		-		(5,135)
Total	**23.14**	**(96,981)**	**39.26**	**(58,957)**

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.

28 Basic losses per share

The calculations of basic loss per share for the year ended 30 September 2017 and for the nine-month period ended 30 September 2016 were based on the loss for the year/period 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 year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
	(in thousand Baht/thousand shares)			
Loss attributable to ordinary shareholders of the Company (basic)	(230,922)	(88,740)	(322,040)	(91,221)
Number of ordinary shares outstanding	265,900	265,900	265,900	265,900
Loss per share (basic) ***(in Baht)***	**(0.87)**	**(0.33)**	**(1.21)**	**(0.34)**

29 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 2017 and 2016 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 2017				
Non-current				
Long-term loan to a related party	4.44	-	3,000	3,000
At 30 September 2016				
Non-current				
Long-term loan to a related party	4.44	-	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 2017				
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 30 September 2016				
Current				
Short-term loan to 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**

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.

Note to the financial statements

For the year ended 30 September 2017

At 30 September 2017 and 2016, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
United States Dollars					
Other payables	*17*	(1,702)	(47)	(1,655)	-
Gross statement of financial position exposure		**(1,702)**	**(47)**	**(1,655)**	**-**

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
Euro					
Other payables	*17*	(3,660)	(31,027)	(3,660)	(31,027)
Gross statement of financial position exposure		**(3,660)**	**(31,027)**	**(3,660)**	**(31,027)**

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
Hong Kong Dollars					
Cash and cash equivalents	*5*	30,526	32,131	-	-
Other payables	*17*	(28)	(28)	-	-
Gross statement of financial position exposure		**30,498**	**32,103**	**-**	**-**

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
Pound Sterling					
Other payables	*17*	(18)	(18)	-	-
Gross statement of financial position exposure		**(18)**	**(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 2017		
Financial assets measured at fair value		
Equity securities available for sale	59,498	59,498
30 September 2016		
Financial assets measured at fair value		
Equity securities available for sale	63,200	63,200

	Separate financial statements		
	Carrying amount	Fair value	
		Level 1	Total
		(in thousand Baht)	
30 September 2017			
Financial assets measured at fair value			
Equity securities available for sale	59,498	59,498	59,498
Financial liabilities not measured at fair value			
Long-term loans from related parties	1,530,968	-	1,530,968
30 September 2016			
Financial assets measured at fair value			
Equity securities available for sale	63,200	63,200	63,200
Financial liabilities not measured at fair value			
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 security available for sale is an investment in equity shares of Crown Seal Public Company Limited which listed its equity shares on an exchange and is currently actively traded in the market. The fair value of the investment is determined to be Level 1 under the fair value hierarchy because the equity shares have a published price quotation in an active market at the measurement date.

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

30 Commitments with non-related parties

	Consolidate financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Capital commitments				
Contracted but not provided for:				
Buildings, warehouses and improvement	599	7,697	599	7,697
Machinery, equipment and tools	19,759	56,647	19,759	56,647
Intangible assets	-	625	-	-
Total	**20,358**	**64,969**	**20,358**	**64,344**

	Consolidate financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Future minimum lease payments under non-cancellable operating leases				
Within one year	42,023	72,871	40,716	70,592
After one year but within five years	47,014	90,155	45,694	86,858
After five years	65,053	70,131	65,053	70,131
Total	**154,090**	**233,157**	**151,463**	**227,581**

	Consolidate financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Other commitments				
Thai Baht				
Unused letters of credit for goods and supplies	-	3,457	-	3,457
Bank guarantees	50,525	42,608	46,249	38,332
Total	**50,525**	**46,065**	**46,249**	**41,789**
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 2017.

Co-packing agreement

A subsidiary entered into a "Co-packing agreement" with International Refreshment (Thailand) Co., Ltd. ("the parties") to produce bottled tea drink. The subsidiary has to comply with certain conditions contained in the agreement. The agreement is for one year period effective from 1 January 2017 to 31 December 2017.

31 Credit facilities

As at 30 September 2017 the Group and the Company had unutilised credit facilities totalling Baht 7,983 million and Baht 7,881 million, respectively *(2016: Baht 8,982 million and Baht 8,877 million, respectively).*

32 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) The 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. Court ordered SSC to pay compensation of Baht 3.4 million. However, the Company submitted further to appeal court.

(d) The Company had a contingent liability arising from a claim for compensation and unfair lay off of employees of Baht 14.38 million. The court case is pending judgment.

33 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
TSIC 32 (revised 2016)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2016)	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.

34 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.

Note to the financial statements

For the year ended 30 September 2017

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 year ended 30 September 2016, as details below:

Statement of comprehensive income	**Consolidated financial statements** For the year ended 30 September		**Separate financial statements** For the year ended 30 September	
	2017	2016	2017	2016
	(in thousand Baht)			
Income				
Revenue from sale of goods and rendering of services	10,623,059	10,604,950	10,550,850	10,601,303
Other income	257,042	324,885	336,057	439,545
Total income	**10,880,101**	**10,929,835**	**10,886,907**	**11,040,848**
Expenses				
Cost of sales of goods and rendering of services	7,735,589	8,012,482	7,719,817	8,062,058
Selling expenses	2,501,972	2,289,845	2,488,313	2,263,396
Administrative expenses	1,110,180	1,180,930	1,097,798	1,183,877
Total expenses	**11,347,741**	**11,483,257**	**11,305,928**	**11,509,331**
Share of profit of an associate, net of income tax	142,670	131,009	-	-
Loss before income tax expense	**(324,970)**	**(422,413)**	**(419,021)**	**(468,483)**
Income tax benefit	94,048	114,129	96,981	120,712
Loss for the period	**(230,922)**	**(308,284)**	**(322,040)**	**(347,771)**

Statement of comprehensive income	**Consolidated financial statements** For the year ended 30 September		**Separate financial statements** For the year ended 30 September	
	2017	2016	2017	2016
	(in thousand Baht)			
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Gain from revaluation of property, plant and equipment	(134)	722,113	(134)	658,576
Defined benefit plan actuarial losses	29,574	(1,584)	29,721	(749)
Income tax on other comprehensive income	(5,901)	(144,124)	(5,918)	(131,565)
	23,539	**576,405**	**23,669**	**526,262**

Note to the financial statements

For the year ended 30 September 2017

Statement of comprehensive income	Consolidated financial statements For the year ended 30 September		Separate financial statements For the year ended 30 September	
	2017	2016	2017	2016
	(in thousand Baht)			
Items that are or may be reclassified to profit or loss				
Net change in fair value of available-for-sale investments	(3,702)	10,312	(3,702)	10,312
Income tax on other comprehensive income	740	(2,062)	740	(2,062)
	(2,962)	**8,250**	**(2,962)**	**8,250**
Other comprehensive income for the period, net of income tax	**20,577**	**584,655**	**20,707**	**534,512**
Total comprehensive income	**(210,345)**	**276,371**	**(301,333)**	**186,741**
Basic losses per share *(in Baht)*	**(0.87)**	**(1.16)**	**(1.21)**	**(1.31)**

Statement of cash flows	Consolidated financial statements For the year ended 30 September		Separate financial statements For the year ended 30 September	
	2017	2016	2017	2016
	(in thousand Baht)			
Cash flows from operating activities				
Loss for the period	(230,922)	(308,285)	(322,040)	(347,772)
Adjustments for				
Depreciation and amortisation	664,453	709,789	673,977	659,545
Interest income	(3,412)	(5,936)	(6,707)	(6,446)
Dividends income	(5,499)	(4,984)	(66,999)	(115,984)
Unrealised (gain) loss on exchange	23	3,124	23	727
(Reversal of) allowance for doubtful accounts	(9,160)	(32,131)	(9,160)	(32,131)
(Reversal of) allowance for decline in value	(31,203)	7,965	(24,984)	10,605
Gain on disposal of long term investment	(7,420)	-	(7,420)	-
Fair value changes in investment properties	(12,963)	(30,318)	(12,963)	(30,318)
Loss (gain) on disposal of plant, equipment and intangible assets	135,855	70,849	67,396	70,849
Reversal of impairment losses on equipment	(26,353)	31,148	(26,353)	31,148
Reversal of revaluation from property, plant	-	(8,866)	-	(8,866)
Employee benefit expenses	73,994	81,550	72,727	80,309
Provision for liabilities	-	27,244	-	24,579
Share of profit of an associate, net of	(142,670)	(131,009)	-	-
Income tax benefit	(94,048)	(114,129)	(96,981)	(120,712)
	310,675	296,011	240,516	215,533

Note to the financial statements

For the year ended 30 September 2017

Statement of cash flows	Consolidated financial statements For the year ended 30 September		Separate financial statements For the year ended 30 September	
	(in thousand Baht)			
Changes in operating assets and liabilities				
Trade accounts receivable	(143,203)	44,992	(144,955)	48,127
Other receivables from related parties	169,188	(136,740)	156,965	(169,977)
Other receivables	16,093	(11,127)	13,945	26,259
Inventories	21,137	50,677	8,433	34,068
Prepaid excise taxes	97,247	(32,176)	88,074	(34,933)
Other current assets	71,503	21,245	72,488	18,985
Other non-current assets	(27,519)	(5,940)	(50,593)	(6,852)
Trade accounts payable	(158,070)	(7,312)	(74,778)	55,894
Other payables to related parties	(1,120)	(34,549)	(4,529)	(63,533)
Other payables	(40,992)	(37,297)	(51,865)	(20,015)
Customers' deposits on bottles and cases	39,040	(27,147)	39,040	(27,147)
Other current liabilities	(15,561)	157,185	(13,641)	158,940
Employee benefit paid	(97,086)	(33,712)	(97,045)	(42,010)
Cash from operating activities	241,332	244,110	182,055	193,339
Income tax paid	(2,050)	(26,037)	-	(14,127)
Net cash from operating activities	**239,282**	**218,073**	**182,055**	**179,212**
Cash flows from investing activities				
Interest received	3,407	5,934	6,702	6,444
Dividends received	102,999	79,984	102,999	79,984
Sale of long-term investment	42,420	-	42,420	-
Purchase of plant and equipment	(375,705)	(425,689)	(331,181)	(416,769)
Sale of plant, equipment and intangible assets	4,562	15,810	4,562	15,810
Purchase of intangible assets	(1,793)	(10,793)	(1,160)	(8,899)
Net cash used in investing activities	**(224,110)**	**(334,754)**	**(175,658)**	**(323,430)**
Cash flows from financing activities				
Dividend paid to the owners of the Company	(1)	(15)	(1)	(15)
Net cash used in financing activities	**(1)**	**(15)**	**(1)**	**(15)**
Net increase (decrease) in cash and cash equivalents	**15,171**	**(116,696)**	**6,396**	**(144,233)**
Cash and cash equivalents at 1 January	430,538	547,234	353,168	497,401
Cash and cash equivalents at 30 September	**445,709**	**430,538**	**359,564**	**353,168**
Non-cash transactions				
Increase (decrease) in payables for acquisition of machinery and equipment	(29,208)	(15,879)	(35,160)	(15,992)

Note to the financial statements

For the year ended 30 September 2017

Information about reportable segments

For the year ended 30 September	Carbonated soft drink		Non-Carbonated soft drink		Total reportable segments	
	2017	2016	2017	2016	2017	2016
			(in million Baht)			
External revenue	4,379	4,294	6,244	6,311	10,623	10,605
Segment profit before income tax	523	465	2,364	2,128	2,887	2,593
Depreciation and amortisation recorded in selling and administrative expenses	111	181	162	117	273	298
Selling expenses	958	706	1,366	1,394	2,324	2,100

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

For the year ended 30 September	2017	2016
	(in million Baht)	
Profit or loss		
Profit for reportable segments	2,887	2,593
Depreciation and amortisation recorded in selling and administrative expenses	(273)	(298)
Selling expenses	(2,324)	(2,100)
	290	**195**
Unallocated revenue and expenses		
- Other income	257	325
- Administrative expenses	(1,015)	(1,073)
Share of profit of an associate, net of income tax	143	131
Consolidated loss before income tax	**(325)**	**(422)**

Note to the financial statements

For the year ended 30 September 2017

35 Reclassification of accounts

Certain accounts in the 2016 financial statements have been reclassified to conform to the presentation in the 2017 financial statements as follows:

	2016					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
			(in thousand Baht)			
Statement of financial position as at 30 September						
Other payable	869,735	(157,600)	712,135	848,448	(156,244)	692,204
Employee benefit obligation	957,995	157,600	1,115,595	950,223	156,244	1,106,467
		-			-	
Statement of comprehensive income for the nine-month period ended 30 September 2016						
Cost of sales of goods and rendering of services	5,958,148	(8,088)	5,950,060	-	-	-
Administrative expenses	838,490	8,088	846,578	-	-	-
		-			-	

The reclassifications have been made in order to comply with the classification adopted by the parent company.

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 under the "Crystal" trademark

2. **Manufacturer and Distributor of non-carbonated soft drinks**

   Ready-to-drink green tea in returnable bottles: Honey lemon flavor and Lychee 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 "Rock Mountain" trademark

   Herbal drink under the "Jubjai" trademark

4. **Manufacturer and Distributor of carbonated soft drinks**

   Carbonated soft drinks under the "est" trademark

   Healthier 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.

The 2017 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.

Management Discussion and Analysis: MD&A

Annual Performance

(Unit : Million Baht)

Transactions	2017 (12 months)	2016 (12 months)	Change	%
Revenue from sales and services	10,623.1	10,604.9	18.1	0.2
Cost of sales and services	7,735.6	8,012.5	(276.9)	(3.5)
Gross profit	2,887.5	2,592.5	295.0	11.4
Selling and administrative expenses	3,612.2	3,470.8	141.4	4.1
Other income	257.0	324.9	(67.8)	(20.9)
Income tax benefit	94.0	114.1	(20.1)	(17.6)
Net loss	(230.9)	(308.3)	77.4	25.1
Loss per share (Baht)	(0.87)	(1.16)	0.29	25.1

Sermsuk Public Company Limited's performance for the year ended September 30, 2017 as reported in the consolidated financial statements show net loss of Baht 230.9 million, a decrease of Baht 77.4 million compared to net loss of Baht 308.3 million at the same period of prior year. The significant factors are as follows:

1. Revenue from sales and services was Baht 10,623.1 million, an increase of 0.2% because the Company has continued to strengthen its growth of Crystal and Oishi green tea including launched new product such as Rock Mountain soda while Gatorade was discontinued.
2. Cost of sales and services was Baht 7,735.6 million, a decrease of 3.5% due to change in product mix and lower cost of packaging due to product development.
3. Selling and administrative expenses was Baht 3,612.2 million, an increase of 4.1% due to higher both sales and marketing expenses and higher transportation due to an increase in sales in modern trade.
4. Other income of Baht 257.0 million was mainly from gain on charge free drink of Baht 43.8 million, revenue recognition on consultancy fee of est in the other countries of Baht 43.3 million, claimable income of Baht 33.4 million and gain on investment property revaluation of Baht 12.9 million. The remaining was sales of scrap and others.

The performance for the year period ended September 30, 2017, reflected to the basis net losses per share of Baht 0.87, a decrease in loss of Baht 0.29 per share compared to basic losses per share of Baht 1.16 at the same period of prior year.

Management Discussion and Analysis: MD&A

Dividend policy

The Company has a policy to pay dividends with a payout ratio of not less than 40% of its net profit of each fiscal year of separate financial statements 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.

Statement of financial position

(Unit : Million Baht)

Transactions	2017 30 Sep 2017	2016 30 Sep 2016	Change	%
Assets				
Current assets	2,239.7	2,452.2	(212.5)	(8.7)
Non – current assets	9,871.9	10,220.0	(348.1)	(3.4)
Total assets	12,111.6	12,672.2	(560.6)	(4.4)
Liabilities				
Current liabilities	2,287.0	2,492.9	(205.9)	(8.3)
Non – current liabilities	1,100.4	1,244.7	(144.3)	(11.6)
Total liabilities	3,387.4	3,737.6	(350.2)	(9.4)
Equity				
Total equity	8,724.2	8,934.6	(210.4)	(2.4)
Total liabilities and equity	12,111.6	12,672.2	(560.6)	(4.4)

The Company's total assets in the consolidated financial statement was reported in Baht 12,111.6 million, a decrease of Baht 560.6 million or 4.4%. Significant changes were from other receivables from related parties decrease of Baht 205.2 million due to collecting money for marketing expense claims. Property, plant and equipments was Baht 8,729.2 million, a decrease of Baht 428.0 million mainly due to depreciation.

The Company's total liabilities in the consolidated financial statement was in Baht 3,387.4 million, a decrease of Baht 350.2 million or 9.4% from last year. It mainly decreased from to trade account payable of Baht 158.1 million due to payment for raw material and deferred tax liabilities of Baht 91.6 million, mainly due to an increase in taxable loss for the year.

The Company's shareholders' equity in the consolidated financial statement was in Baht 8,724.2 million, a decrease of Baht 210.4 million or 2.4%, mainly due to operating loss for the year.

Management Discussion and Analysis: MD&A

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.

Information of the Company's Director, Management, Controlling Person and Company Secretary

14. Information of the Company's Directors, Management, Controlling Person 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 Position 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. Somchai Bulsook Chairman Date Appointed : 3 January 1996	75	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 7/2014 Commerce Academy, The University of the Thai Chamber of Commerce Certificate of Senior Executive Program in Energy Literacy, Class 7/2015 Thailand Energy Academy	- shares	Relative of Vice Chairman of Executive Committee No.1	Registered positions 2009-Present 2015-Present 2013-2015 2013-2015 1993-2015 Positions in other unlisted companies July 2017 - Present 2016 - Present 2016 - Present 2014-Present 2013-Present 2008-Present 2002-Present 1997-Present 2003-Present 2003-Present 1995-Present 1995-Present	Independent Director Chairman Vice Chairman Independent Chairman Director Director Director Director Vice Chairman No1 Chairman Chairman Chairman Chairman Director Director Director Director Director	Royal Orchid Hotel (Thailand) Plc Royal Orchid Hotel (Thailand) Plc Kasikornbank PCL Kasikornbank PCL Kasikornbank PCL Pregame Life Science Co., Ltd. P. Chemitech Co.,Ltd. Thai Herbicide Co., Ltd. Thai Drinks Co., Ltd. Wuangyu Beverage (2000) Co., Ltd. Sermsuk Holding Co., Ltd. Podistro (Thailand) Co., Ltd. Sermsuk Beverage Co., Ltd. Royal Orchid Sheraton Hotel Co., Ltd. Thai Royal Orchid Real Estate Co., Ltd. Ngow Buck Co., Ltd. Ngow Buck Agency Co., Ltd. Panjarotr Holding Co., Ltd.

Information of the Company's Director, Management, Controlling Person 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. Sachin Wanglee	52	B.S. Electrical Engineering, Northrop Institute of Technology, U.S.A	- shares	-None-	Registered positions		
					2014-Present	Advisor	The Falcon Insurance Public Company Limited
Vice Chairman No.1, Independent Director,		Role of the Chairman Program (RCP) 2001			2007-2014	Chairman	Falcon Insurance Plc.
Chairman of Compensation Committee		Thai Institute of Directors			2010-Present	Member of Audit Committee	BTS Group Holdings Public Company Limited
and Member of Audit Committee						Independent Director	
		Directors Certification Program (DCP) 2002, Thai Institute of Directors			2010-Present	Nominating and Compensation Committee	BTS Group Holdings Public Company Limited
Date Appointed : 20 April 2010					2010-Present	Vice Chairman	Thai Metal Drum MFG. Public Co.,Ltd.
		Senior Executive Program (CMA 9) 2009 Capital Market Academy			2009-Present	Chairman of Compensation and Nominating Committee	Thai Metal Drum MFG. Public Co.,Ltd.
					2001-Present	Chairman	The Navakij Insurance Public Company Limited
		Senior Executive Program in Trade and Commerce, Commerce Academy 2010			1999-Present	Chairman	Thaire Life Assurance Public Company Limited
					1994-Present	Independent Director	Vongpaiboon Public Co., Ltd.
		Senior Executive Program in Urban Development Administration, "Mahanakorn" Institute of Metropolitan Development 2011			1989-2011	Independent Director	Thai-German Ceramic Industry Plc.
					1978-2014	Chairman, Independent Director	Thai Rotrosarun Public Company Limited
		Advanced Insurance Program (IAC 2) 2012, Office of Insurance Commission			Positions in other related companies		
		Director Accreditation Program (DAP) 2013, Thai Institute of Directors			2017 - Present	Director	Pram Phol Co., Ltd.
					2017 - Present	Chairman	C.R.S. Co., Ltd.
					2017 - Present	Director	Pipatanasin Co.,Ltd.
					2007-Present	Director	Aqua Infinite Co., Ltd.
					2006-Present	Director	Wanglee Pattana Co., Ltd.
					2005-Present	Director	Rajadamri Hotel Public Company Limited
					1991-Present	Chairman	Rangsit Plaza Co., Ltd.
					1988-Present	Director	Pet Co.,Ltd.
					1982-Present	Chairman	Sahora Thani Co., Ltd.
					1968-Present	Director	Wanglee Co., Ltd.
Mr. Chaliphat Bijasanda	54	MBA in Finance And Banking University of Missouri, USA	- shares	-None-	Registered positions		
					2008-Present	Chairman of Executive Committee	Southeast Insurance Plc.
Vice Chairman No.2,		Director Certification Program (DCP)			2008-Present	Chairman of Executive Committee	Southeast Life Insurance Plc.
Member of Compensation Committee and					2013-Present	Director	Unlimited Property Development Plc.
Member of Nomination and Corporate					Positions in other related companies		
Governance Committee					2007-Present	Advisor	TCC Holding Co., Ltd.
					2006-Present	President	Southeast Group Co., Ltd.
Date Appointed : 14 September 2011					2000-Present	Chairman of Executive Committee	Southeast Capital Co., Ltd.
					2009-Present	Director	TCC Technology Co., Ltd.
					2016 - Present	Director	Big C Supercenter Public Company Limited

Information of the Company's Director, Management, Controlling Person 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. Thapana Sirivadhanabhakdi Vice Chairman No.3, Chairman of Executive Committee, Chairman of Nomination and Corporate Governance Committee Member of Compensation Committee and Member of Risk Management Committee Date Appointed : 14 September 2011	42	Bachelor of Business Administration (Finance), Boston University, USA Master of Science Administration in Financial Economics, Boston University, USA Honorary Doctoral Degree of Philosophy in General Management, Ramkhamhaeng University Honorary Doctoral Degree of Business Administration in Strategic Logistic and Supply Chain Management, Suan Sunandha Rajabhat University Honorary Doctoral Degree in Community Development, Chiang Mai Rajabhat University Honorary Doctoral Degree in Hospitality, Rajamangala University of Technology Krungthap Honorary Doctoral Degree of Arts Rajamangala University of Technology Phra Nakhon Director Accreditation Program (DAP) 2004, Thai Institution Of Directors Association (IOD)	- shares	-None-	Registered positions 2008 - Present 2006 - Present 2011 - Present 2007 - Present 2013 - Present 2013 - Present 2007 - August 2015 2001 - February 2017 Positions in other unlisted companies 2008 - Present 2004 - Present 2004 - Present 2013 - Present	President and CEO Vice Chairman Executive Chairman Vice Chairman of the Board Director Director Vice Chairman Director Vice Chairman Vice Chairman Director and Executive Vice Chairman Vice Chairman	Thai Beverage Public Company Limited Oishi Group Public Company Limited Oishi Group Public Company Limited Universities Public Company Limited Golden Land Property Development Public Company Limited Fraser and Neave, Limited Siam Food Products Public Company Limited Berli Jucker Public Company Limited South East Group of Companies Red Bull Distillery Group of Companies Beer Thai (1991) Public Company Limited Tenas Publishing Limited
Mr. Dhitivate Babook Director, Vice Chairman of Executive Committee No.2 and Member of Risk Management Committee Date Appointed : 20 April 2010	49	MBA, Babson College,USA Certificate of Directors Certification Program (DCP) Class 78/2006 The Thai Institute of Directors Association (IOD)	- shares	Relative of Chairman	Registered positions Positions in other unlisted companies Job experience of previous 5 years 2011 - 2015 2008 - 2011	Director Director Director Director Director Director Director Director and Vice Chairman of Executive Committee No.2 President General Manager of Pathumthani Plant	Crown Seal Public Company Limited Perform (Thailand) Co., Ltd Sermsuk Holding Co., Ltd. Sermsuk Beverage Co., Ltd. Wrangyer Beverage (2000) Co., Ltd. Sermsuk Training Co., Ltd. Great Brands Limited Thai Drinks Co., Ltd. Sermsuk Plc. Sermsuk Plc.
Prof. Dr. Khanying Suchada Kirananda Independent Director,	72	Master and Ph.D (Statistics) Harvard University, USA Bachelor of Commerce (First Honor),	- shares	-None-	Registered positions (April 2000-November 2011) (November 2011-March 2013)	Independent Director and Member of Audit Committee Independent Director and Chairman of Audit Committee	Kasikornbank PCL Kasikornbank PCL

Information of the Company's Director, Management, Controlling Person 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
Chairman of Audit Committee and Chairman of Risk Management Committee Date Appointed : 5 February 2009		Chulalongkorn University Directors Certification Program (DCP), Year 2000 Thai Institute of Directors			(April 2015-Present) Positions in other unlisted companies (February 2012-Present) (August 2001-Present) (2006-Present) (October 2013-Present) (July 2009-July 2013)	Vice Chairman, Chairman of Independent Committee and Chairman of Human Resource and Nominating Committee Chairman of Chulalongkorn University Council Chairman of Corporate Governance Committee of Pha Tub Director and Member of Audit Committee Chairman of Human Resource Committee Chairman of Executive Committee	Kasikornbank PCL Chulalongkorn University Funds for Development of Children and Youth in Remote Areas under the initiative of Princess Maha Chakri Sirindhorn The Thai Red Cross Society The Thai Red Cross Society Mahidol Wittayanusorn School
Mr. Pramual Pharapraphu Independent Director, Member of Nominating and Corporate Governance Committee and Member of Risk Management Committee Date Appointed : 19 April 2012	52	MBA (Marketing) Kellogg School of Management, Northwestern University, USA MPA, Kennedy School of Government, Harvard University, USA Directors Certificate Program Class 55/2005, Thai Institute of Directors (IOD) Senior Executive Program, Capital Market Academy (CMA) Class 10	- shares	-None-	Registered positions 2015-Present 2017 - Present Positions in other unlisted companies 2004-Present 2002-Present 1999-Present 1997-Present 2011-Present 2010-Present	Independent Director Independent Director Managing Director Managing Director Director Director Director Director Managing Director Chairman	Thai Summit Harness PCL. Amarin Printing and Publishing PCL Claris Co., Ltd. Wan Warin & Associates Co., Ltd. Premier Co., Ltd. Plinkwordback Co., Ltd. Plankinope Co., Ltd. Pattana Cloth Co., Ltd. My DNA Co., Ltd. Takaya Natural Products Co., Ltd.
Prof. Banar Chanchalerm Independent Director Date Appointed : 29 April 2011	71	(1965) Bachelor of Laws, Thammasat University (1966) Thai Barrister at Law (1970) Master of Laws, Chulalongkorn University Diploma 1988, National Defence College, The Joint State - Private Sector Course Class 1 Directors Accreditation Program Class 7/2004 Thai Institute of Directors (IOD)	- shares	-None-	Registered positions 2010-Present 2017 - Present Positions in other unlisted companies 2004-Present	Chairman 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	Siam-Thai Engineering & Construction PLC. Don Muang Tollway PLC. Sukonlaang Leasing - Factoring Public Company Limited Loxley PLC. Tree Corporation 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 Department of Special Investigation

Information of the Company's Director, Management, Controlling Person 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
						Lecturer of Institute of Administration Development	Ministry of Interior
						Guest Lecturer of Office of the Attorney-General	Office of the Attorney-General
						Quality Committee	Ministry of Public Health
						Quality Committee	The Office of SMEs Promotion
						Executive Director	National Science and Technology Development Agency
						Advisor	Athletic Association of Thailand
						Member of the Council of State	Office of the Council of State
						Committee of the Council of State (Special Affairs Section)	Office of the Council of State
						Member	Committee of Agriculture Commodity and Food Standard
						Advisor	Office for National Education Standard
Mr. Sakchai Thanthonnchai Director Date Appointed : 29 April 2011	61	Certificate in Applied Social Sciences, Thammasat University Honorary Doctorate Degree in Management from the United States of America (2009) Top Executive Program Class 2, Commerce and Trade (TEPCoT) (2009) Certificate of Chief Executive, Class 9 Capital Market Academy (2004) Directors Certification Program (DCP), Class 12/2004 Thai Institute of Directors	- shares	None	Registered positions Present Present Positions in other unlisted companies 2003-Present 2008-Present 2017 2014-Present 2014-Present 2014-Present 2014-Present 2014-Present 2014-Present 2017 2007-2014	Vice Chairman of Executive Committee Director Advisor Advisory Board Committee Secretary General and Committee Politics Secretary-General Secretary General Member Chairman of Executive Committee Chairman Chairman Politics Member of the National Legislative Assembly Chairman of Welfare Committee Chairman of Vietnam-Thailand Parliamentary Friendship Group Committee on Foreign Affairs Committee of Council Affairs Committee on Mass Communication, Science, Technology and Information Vice Chairman of Thailand - China Parliamentary Friendship State Enterprise Executive Director	Sikarin PLC MILLICON STEEL PLC Thailand-Vietnam Friendship Association S.A.S. CTAMAD CO.,LTD. The Melia Hanoi, Vietnam Meechai-Khanyong Aunpuri Rachapat Foundation Rattanbhodi Foundation Association of the Senate 1943 and Registrar National Legislative Assembly 3-party joint committee S.A.S. WEAVING CO.,LTD. S.A.S. TRADING CO.,LTD. S.A.S. CTAMAD CO.,LTD. , The Melia Hanoi, Vietnam The National Legislative Assembly The National Legislative Assembly King Prajadhipok's Institute

Information of the Company's Director, Management, Controlling Person 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. Rungran Thanomsoowong Director Date Appointed : 29 April 2014	54	1987-1989 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 Positions in other unlisted company 1998-Present 2000-Present 2004-Present	 Director Chairman Director Founder	 Pafuel PLC. Prudent Advisory Limited Prudent Capital Limited Chartered, Society of Advancement for Consulting USA
Mr. Sitiekai Chaikriangkrai Director Vice Chairman of Executive Committee No.1 Member of Risk Management Committee Date Appointed : 14 September 2011	63	Bachelor of Accountance (1st Class Honours), Thammasat University Diploma in Company Management, Chulalongkorn University Certification of the Mini MBA in Leadership Management Kasetsart University Director Certification Program (DCP) Class 26/2003, Thai Institute of Directors DCP Refresher Course (DCP-Re) Class 2/2006, Thai Institute of Directors	- shares	-None-	Registered positions August 2013-Present February 2013-Present December 2012-Present May 2010-Present July 2007-Present April 2007-Present January 2006-Present 2001-Present Positions in other unlisted company September 2007 - Present March 2004 - Present March 2016 – Present	 Director Director Director and Executive Director Director and Senior Executive Vice President Director and Executive Director Director and Executive Director Director and Vice Chairman of Executive Committee Director , Executive Director and Member of Risk Management Committee Director Director and Vice Chairman of Executive Committee Director, Executive Director and Member of Risk Management Committee	 Frasers Centrepoint Limited (Singapore Exchange: SGX) Fraser and Neave, Limited (Singapore Exchange: SGX) Golden Property Development PLC. Thai Beverage PLC. (Singapore Exchange: SGX) Universeus PLC. Siam Food PLC. Dohki Group PLC. Bioli Jacket PLC. Eastern Seaboard Industrial Estate (Rayong) PLC. Beer Thip Brewery (1991) Co., Ltd. Big C Supercenter Public Company Limited
Mrs. Siripen Sitasuwan Independent Director, Member of Audit Committee, and Member of Risk Management Committee Date Appointed : 13 August 2013	69	Master of Business Administration, 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	- shares	-None-	Positions in other unlisted company Registered positions 2000-Present 2009-Present 2009-Present May 2013-Present January 2014-Present January 2014-Present June 2013-Present August 2013 - Present 2008-April 2017	 Director Chairperson of the Audit Committee Member of the Nomination, Remuneration and Corporate Governance Committee Director Chairman of Audit Committee Member of 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 Sciric Asset Management Co., Ltd. (Changed name from Sermsuk Securities Public Company Limited)
Mrs. Tongjai Thanchinnee Director Date Appointed : 23 January 2017	50	Master of Management, Kellogg Graduate School of Management, Northwestern University, U.S.A Bachelor of Arts (Magna Cum Laude),	- shares	-None-	Positions in other unlisted company 2016-Present 2014-2016 2014-Present	 Managing Director Speaker Senior Advisor	 Prachanth Rak Sunakhon Thailand (Social Enterprise) Co., Ltd. Thai Institute of Directors Association (IOD) The Boston Consulting Group (Thailand) Co., Ltd.

Information of the Company's Director, Management, Controlling Person and Company Secretary

Name Position Date Approved (1)	Age	Educational Credentials Training Experience (2)	Share Holding (%) (3)	Relation to the Management (4)	Working History (5)		
					Year	Position	Company / Business Type
Mr. Lester Tock ChuanTan Director, Member of Risk Management, Member of Executive Committee and the President Date Approved: 9 February 2016	51	MSc in Marketing from City University of New York, New York, USA BA in Political Science and Economics from Willamette University, Oregon, USA Heineken Leadership Campus, INSEAD, Fontainebleau, France Heineken Leadership Campus, Harvard University, Boston, USA	- shares	-None-	**Work Experience (Current)** February 2017 - Present 16 November 2016 November 2016 - Present November 2016 - Present January 2016 - October 2016 July 2012 - December 2013	 Senior Vice President Vice President Operations Deputy Chief Executive Officer Deputy Chief Executive Officer - Operation Managing Director Managing Director	 Non - Alcoholic Beverage Business (Thailand) Thai Beverage Public Company Limited Sermsuk Public Company Limited Non - Alcoholic Beverage, Thailand Fraser and Neave, Limited Thai Drinks Co., Ltd. APB Alliance Brewery Company Limited (based in Myanmar) Mongolian Beverage Company LLC (based in Myanmar)
Mr. Michael Chye Hin Fah Director and Member of Executive Committee Date Approved: 9 August 2017	59	Bachelor of Business Studies with First Class Honours in Accounting and Finance, Massey University, New Zealand Master of Business Studies with Distinction in Accounting and Finance, Massey University, New Zealand Fellow of the Institute of Singapore Chartered Accountants (FCA) Associate Member of the Institute of Chartered Secretaries & Administrators (ACIS) Member of the Singapore Institute of Directors (SID) Associate Member of Chartered Secretaries Institute of Singapore (CSIS) 24 August 2016 LCD Module 3: Remuneration Committee Essentials Singapore Institute of Directors (SID) 8 March 2011 LCD Module 1: Listed Company Director Essentials Understanding the Regulatory Environment in Singapore - What Every Director Ought to Know Singapore Institute of Directors (SID) 25 March 2011 LCD Module 2: Audit Committee Essentials Singapore Institute of Directors (SID) 7 April 2011 LCD Module 4: Nominating Committee Essentials Singapore Institute of Directors (SID) 22 November 2011 LCD Module 5: Risk Management Essentials Singapore Institute of Directors (SID)	- shares	-None-	**Position in Other Listed Company** in other countries April 2017 - Present February 2017 - Present February 2017- Present May 2014 - Present Positions in Non-Listed Companies September 2017 - Present August 2017 - Present August 2017 - Present August 2017 - Present July 2017 - Present July 2017 - Present July 2017 - Present July 2017 - Present May 2017 - Present April 2017 - Present April 2017 - Present January 2017 - Present January 2017 - Present January 2017 - Present January 2017 - Present June 2012 - Present September 2011 - Present October 2002 - Present Experience January 2012 - January 2017 January 2012 - January 2017 September 2005 - January 2012 September 2005 - January 2012	 Non-Executive Director Alternate Director Executive Vice President - Bond Investment Management Non-Executive Director Director Director Director Director Director Director Director Director Director Director Non-Executive Director Non-Executive Director Executive Director Group Chief Financial Officer Non-Executive Director Non-Executive Director Non-Executive Director Managing Director Head Group Corporate Office Director / Chief Financial Officer Director, Corporate Services	 Vietnam Dairy Products Joint Stock Company (Listed in Vietnam) Fraser and Neave, Limited (Listed in Singapore) Thai Beverage Public Company Limited (Listed in Singapore) Millennium Minerals Limited (Listed in Australia) BeerCo Limited Sermsuk Beverage Company Limited Wrangyat Beverage (2000) Company Limited Sermsuk Holdings Company Limited International Beverage Trading Limited International Beverage Holdings (Singapore) Pte. Limited InterRev (Singapore) Limited Super Brands Company Pte. Ltd. BeerCo Limited International Beverage Holdings Limited Wellcome Limited IMC Pan Asia Alliance Corporation Prudence Holdings Limited InterRev (Singapore) Limited International Beverage Holdings Limited Hotline Capital Management Pte Ltd DECCO 234 Marketing Magic Pte Ltd IMC Investments Group IMC Pan Asia Alliance Pte. Ltd. International Beverage Holdings Limited Group InterRev (Singapore) Limited

Information of the Company's Director, Management, Controlling Person 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.Vattipong Vangsanittam Vice President-Sales and General Manager Sales (South) (Acting) Date Appointed: 16 November 2016	33	Master Degree in Business Administration Chulalongkorn University	- shares	-None-	Job experience of previous 5 years 2017-Present 2016-Present 2015 - Present 2013 - Present 2009 - 2013	Director Vice President-Sales and General Manager-Sales (South) (Acting) Senior President NAB-Route to Markets Director Managing Director	Agent Management Co., Ltd. Sermsuk Plc. Thai Drinks Co., Ltd. Terragro Fertilizer Co., Ltd. Terragro Fertilizer Co., Ltd.
Ms.Nuntaka Wanmeranich Finance Director Date appointed: 1 May 2016	45	Master of Science in Finance, Chulalongkorn University (International Program) Master degree in Accounting , Thammasat University Bachelor of Business Administration in Accounting, Thammasat University	- shares	-None-	Job experience of previous 5 years 1 May 2016-Present 27 February 2015- 30 April 2016 1 March 2014-30 April 2016 16 December 2008- 28 February 2014 1 November 1993 - 15 December 2008	Finance Director Committee Deputy Director Accounting and Budget GM - Accounting Assistant Director	Sermsuk Plc. Food of Asia Co., Ltd. Thai Beverage Public Company Limited Charoen Pokphand Foods Public Company Limited KPMG Phoomchai Audit Ltd. and S.G.V-Na Thalang Co., Ltd.
Mr.Nitipat Patthong Human Capital Director Date appointed: 23 January 2017	42	Master's degree, majoring in Marketing Eastern Michigan University, USA	- shares	-None-	Job experience of previous 5 years 23 January 2017 - Present	Human Capital Director	Sermsuk Plc.
Mr. Pachiya Permpanich Business & Partnership Development Director Date Appointed: 16 November 2016	60	Bachelor of Business Administration, Kasetsart University	- shares	-None-	Job experience of previous 5 years 16 November 2016-Present 16 September 2014- 15 November 2016 27 November 2007- 15 September 2014	Business & Partnership Development Director Sales Director Marketing and Sales Operations Director Sales Operations Director Marketing Manager	Sermsuk Plc. Sermsuk Plc. Sermsuk Plc. Sermsuk Plc. Sermsuk Plc.
Mr. Phromson Ayanapatra Sales Operations Director Date Appointed: 9 February 2014	48	University of Sheffield, UK M.SC Engineering Management / MBA	- shares	-None-	Job experience of previous 5 years 9 February 2017-Present 13 May 2013-8 February 2017 August 2011-January 2013 May 2007-July 2011	Sales Operations Director Business Development Director Sales Director Marketing Director	Sermsuk Plc. Sermsuk Plc. Thai Asia Pacific Brewery Co., Ltd. Thai Asia Pacific Brewery Co., Ltd.

Information of the Company's Director, Management, Controlling Person 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	Position	Company / Business Type
Mr. Peerapong Krinchai Operations Director Date Appointed : 23 April 2012	52	Master of Engineering, Cornell University, USA	- shares	-None-	Job experience of previous 5 years 23 April 2012 - Present Feb 2011 -March 2012 Feb 2006 - Jan 2011	Operations Director Factory & Supply Chain Director Director-QA/KOS	Sermsuk Plc. DSG International (Thailand) Plc. (Previous) Kohler Asia Pacific Co., Ltd. (Previous)
Mr. Pilad Varavath Senior General Manager - Sales (Bangkok and Vicinity) Date Appointed: 16 September 2017	70	Bachelor of Administration in Marketing, Rajamangala Institute of Technology	- shares	-None-	Job experience of previous 5 years 9 February 2017 - Present 16 September 2014- 8 February 2017 1 December 2011- 15 September 2014 1 December 1996-2011	Senior General Manager - Sales (Bangkok and Vicinity) 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. Sermsuk Plc.
Mr. Kwanchai Makapornprachak General Manager - Sales (Northeastern) Date Appointed : 16 November 2016	58	BA in Marketing, Assumption Business Administration College	- shares	-None-	Job experience of previous 5 years 16 November 2016 - Present 1 January 2009 - 15 November 2016	General Manager - Sales (Northeastern) General Manager - Nakhonratchasima	Sermsuk Plc. Sermsuk Plc.
Mr. Pongwit Sumuthanthachai General Manager - Sales (North) Date appointed : 16 November 2016	53	MBA, Mahidol University	- shares	-None-	Job experience of previous 5 years 16 November 2016 - Present 17 February 2015- 15 November 2016 2011-2015 2008-2011	General Manager - Sales (North) General Manager - Nakorinsawan General Sales Manager Sales Division Manager	Sermsuk Plc. Sermsuk Plc. Friesland Campina (Thailand) Co., Ltd. Green Spot Co., Ltd.
Ms. Pamche Sinchai 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	42	Indiana University School of Law – Bloomington, IN, LL.M., Practicum Program Thammasat University, Bangkok, Thailand, LL.M	- 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. Southern Advance Technology Public Company Limited

Information of the Company's Director, Management, Controlling Person and Company Secretary

Name Position Date Appointed (1)	Age	Educational Qualifications Training Experience (2)	Share Holding (%) (3)	Relation to the Management (4)	Working History (5)		
					Year	Positions	Company / Business Type
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 auditors 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 ensure 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.							

Report of the Board of Director's 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 provide an 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 year period ended September 30, 2017.

Report of the Audit Committee

16. REPORT OF THE AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE

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 2017, the Audit Committee held 4 meetings.

The four ordinary meetings reviewed the operations of the Company and its subsidiaries, including the assessment of the adequacy and efficiency of the internal control system, the review of the internal audit plan and audit reports, following-up on issues raised by the auditors and providing corrective suggestions; ensuring adequate risk management; approving the quarterly and annual financial statements by working with the management, the auditor and the internal auditor, to ensure the adequacy and correctness of the financial statements and the disclosures according to the generally accepted accounting principles, including the review of connected transactions or transactions which could possibly lead to conflict of interest; the execution to 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 2017 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.

Suchada Kiranandana

Professor Dr. Khunying Suchada Kiranandana
Chairperson of Audit Committee
November 15, 2017

Report or the Risk Management Committee

17. REPORT OF THE RISK MANAGEMENT COMMITTEE

REPORT OF THE RISK MANAGEMENT COMMITTEE

To: The shareholders

Sermsuk Public Company Limited

The Risk Management Committee appointed by the Board of Directors Meeting Resolution consists of 7 committee members and 4 Executive members, namely, Vice President -Sales, Finance Director, Human Resources Director and Operations Director.

The Risk Management Committee performed the duties assigned by the Company's Board of Directors. In 2017, the Risk Management Committee held four meetings, developed the principles and guidelines to undertake more efficient risk management on a continual basis and reviewed risk factors 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 2017, 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

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