



รายงานประจำปี 2557

ANNUAL REPORT 2014

บริษัท ทรัพย์ศรีไทย จำกัด (มหาชน)

SUB SRI THAI PUBLIC COMPANY LIMITED



CONTENT

Message from Chairman of the Board of Director	2
Mission and Vision	3
Report of Board of Directors	4
Report of Audit Committee	6
General Information	9
Financial Highlights	16
Nature of Business Operation	17
Rick Factors	32
Shareholders and Capital Structure	34
Management	36
Director and Management Biography	47
Corporate Social Responsibility	61
Inter-Transactions	92
Explanation and Analysis of Financial and Operational Performance	93
Board of Director's Statement of Responsibility for Financial Reports	98
Report of Independent Auditor	99
Financial	101
Notes to Consolidate Financial Statements	110





Message from the Chairman of the Board of Directors



Mr. Keokhwan Vajarodaya

Chairman of the Board of Directors

In 2014 Thailand has continually been affected from the crisis of economic situations in United States, EU countries and Japan but the affect was lessened. However, due to protest and political unrest during the fourth quarter of 2013 continuously to the second quarter of 2014, economic growth rate was only 0.8%.

For the performance of our company in 2014, amid the prices competition and labor problems and political unrest, we had net profit in consolidated financial statements at 355 million Baht which warehouse and wharf business had net profit of 391 million, food and beverage had net profit of 34 million Baht and apparel business had net loss 7 million Baht and the impact from Financial Reporting Standard No. 3 regarding Business Combination after the Company has invested in food & beverage and apparel business in amount of 63 million Baht.

In future, the Company still believe in our potential for growth in food & beverage business and document storage business with high growth rate and in very good trend and we are determined to develop operation system to be modern and efficiency in order to have the company's edge in the competition, fast response to customers' needs and with more efficiency and at the same time reduce our operation costs in long term.

On organizational activities in and outside the company, we are aware that an organization can grow sustainably, the management and employees must be of vision and competence in association with virtue and ethics in performing their duties under the guideline of good governance including the responsibility to the society, community and environment. The Company attended the project on the development of good corporate governance for listed companies with the Stock Exchange of Thailand and applied several principles in the Company's management consistently.

On behalf of the Board of Directors, we thank the management, all employees who wholeheartedly developing the company grow continually throughout the time past and we wish to thank the shareholders, customers, business allies, stakeholders and both Public and private sectors in giving us their support and we will be adhered to business running in prudence, transparent, honest and fair to all parties under the good corporate governance forever.



Mission and Vision

Vision :

To become Thailand's business leader in warehouse, documentation storage by determining to develop automation and heading to food and beverage business by running the business with responsibility to the society and environment.

Mission :

- 1) Aims to elevate added value for the organization, shareholders, as well as its stakeholders.
- 2) Hand over products and services in quality and high standard from modern technology
- 3) Manage business in good governance, with responsibility to employees, community, society and environment and create relationship with stakeholders to realize the value of business.

Core Value

SST ^๑

Strong & Safety Safety in work place and safety servicing	Safety is the key factor in servicing of documents storage and warehouse business, the customer's property stored need to be safe and the place must be strong and safe in its storage and working.
Service Fast service, on time, correct, polite and goodwill and determined on continual development	Employees must be with service mind to provide services under the company's policy, fast service, on time, correct, polite, goodwill and determined to have continual development for the customer's maximum satisfaction.
Trust Create confidence and trust in business operation	Treat the customers, employees, partners and all stakeholders fairly with determination to create confidence and trust, with politeness and support for colleagues and allied parties including all performances to get mutual trust.
Teamwork Good teamwork for the same goal	Work as a team is important and necessary to enhance efficiency and effectiveness of work; success shall rely on the co-operation of all employees.



Report of Board of Director

In year 2014, projection of the country's economic growth rate expanded at the rate of 0.7% greatly decreasing when compared with year 2013, which expanded at the rate of 2.9%. For export, they were expanded at the rate of 0.3%, which were increased when compared with 2013, which expanded at the rate of 0.2%. And import, they were expanded at the rate (8.5)%, which were decreasing when compared with year 2013, which expanded at rate (0.4)%*

In 2015, the forecast of economic growth rate of the country will expand at the rate 3.5% to 4.5% with the export and import volume will expand at the rate 3.5% and 1.8% respectively*.

In 2014 the food & beverage business with 3 world-class franchised brands, "Au Bon Pain", "Dunkin Donuts" and "Baskin-Robbins". The company has trusted both in the growth potential and competitiveness in this high competition business. Moreover, the Company invested in Greyhound Group, so the Company has its own brand in both food & beverage and apparel businesses. And at the end of last year, the Company invested in premium bakery business that is one of world's famous brands, "COVA" which its business will start in 2015.

The warehouse and wharf business has average rate on space use in gradual increase from 88% in 2013 to be 90%. However, the company has regular customers both old and new using our services, especially with document storage services.

For the performance of the company in the year 2014, it can be summarized as follows:

Goods Deposit and Document Storage: Types of goods deposited were chemical fertilizer, animal feed ingredient, office furniture, a box and file containing document, computer media for instance. Product typed chemical fertilizer annually deposited was 0.160 million tons, decreasing at the rate of 40.74% when compared with quantity of 0.270 million tons in year 2013.

Warehouse Rental: Average area for rent was 30,793 square meters per month increasing at the rate of 1.71% when compared with amount of 30,274 square meters per month in year 2013. Types of goods stored were cassava starch, wheat, chemical, products, chemical fertilizer, vehicle parts and tire, iron, cotton, sawdust briquette, raw material for cooking food, machinery, cloth, shoes, office supplies, furniture, publication, and devices exhibitions for instance.

Wharf Rental: There were 55 sea-going vessels berthing at the port, an average of 16.23 days/wharf per month, increasing at the rate of 65.04% when compared with 56 sea-going vessels, and average of 9.83 days/wharf per month in year 2013.

Service of through cargoes: There was a total of 0.291 million tons of various through cargoes, such as iron, chemical fertilizer, frozen products, sugar, salt, and other goods decreasing at the rate of 49.04% when compared with amount of 0.571 million tons in the year 2013.

The Company performance in 2014, we had net profit at 355 million baht. If we categorize our performance at business group, we found that warehouse and wharf business had total income 271 million Baht with net profit of 391 million Baht which was included profit from selling assets to Sub Sri Thai Smart Storage Property Fund in amount of 487 million baht, food and beverage had total income 2,072 million baht with net profit of 34 million Baht and apparel business had total income 112 million Baht with net loss 7 million Baht due to the impact from Financial Reporting Standard No. 3 regarding Business Combination in amount of 63 million Baht.



In this 2015, the company is ready to make business growth via our core group of businesses with the intention to develop both product quality and service, to create confidence with our customers in long run and to be a part in enhancing social development with company activities. The company board has truly believed we have the potential for continual and sustainable growth and we can make good returns to all our shareholders in long term.

* Source: Office of the National Economic and Social Development Board, February 16, 2015





Report of the Audit Committee

To: The Company's shareholders

The Audit Committee consists of four independent directors with full qualifications which are:

- | | |
|---------------------------------|---------------------------------|
| 1. Mr. Sompoch Intranukul | Chairman of the Audit Committee |
| 2. Mr. Surapong Paisitpatnapong | Member of the Audit Committee |
| 3. Mrs. Chitra Thavara | Member of the Audit Committee |
| 4. Mr. Tosporn Simtrakan | Member of the Audit Committee |

In cycle year of 2014, the Audit Committee has performed its duties and responsible to the assignment from the company's board of directors and the Audit Committee has been with 4 meetings with following conclusions, as follow.

1. Reviewed to ensure that the Company had sufficient and accurate financial report

- Reviewed 2014 interim financial statement and annual financial statement with auditors, the Company's management, as well as a meeting with auditors without management. The auditors inquired, listened to, and gave advice and/or opinions on issues related to the Company's financial report before submitting for the Board of Directors' approval to reveal the information to The Stock Exchange of Thailand and The Securities and Exchange Commission.

Opinion: The Audit Committee's opinion is that the Company's financial report 2014 is accurate in essence and reliable in accordance with general certified accounting standard.

2. Reviewed to ensure the Company had appropriate internal control, and internal audit systems, and considered the independence of internal audit office

- Approved audit plan, considered audit result, and followed up with management to speed up compliance with internal auditors' suggested issues.

- Concluded opinion on the Company's 2014 internal control system based on internal audit sufficiency evaluation form of The Securities and Exchange Commission and self-evaluation result of the Audit Committee and the Board of Directors in accordance with good corporate governance guideline.

- Recruited internal auditors which are external units; evaluated internal auditors' performance in 2014.

Opinion: The Audit Committee's opinion is that the Company has sufficient and appropriate internal control and internal audit systems, and that its internal audit office is independent.

3. Reviewed to ensure that the Company complied with law on securities and stock exchange, and other legislation related to the company's business including rules, regulations, announcements, orders under the coverage of the law.

- Informed of the Company's report on compliance with law on securities and stock exchange and other laws related to the Company's business, and followed up the progress.

- Informed of auditors that there was neither issue nor remark needed to be reported to the Audit Committee in accordance with section 89/25 in Securities and Stock Exchange Act.



Opinion: The Audit Committee's opinion is that the Company complied with law and the committee was informed of law compliance on a quarterly basis.

4. Reviewed risk management system of the Company

- Reviewed the Company's risk management and be informed of risk management panel's progress of the Risk Management Working Group.

Opinion: The Audit Committee is informed of risk management panel's progress of the Risk Management Working Group and will continue to monitor the progress.

5. Consideration on Selection, Appointment and Remuneration Proposal for auditors and the Company's internal auditors

- To consider and to be presented to the board of directors of company for approval in General Meeting of Shareholders in 2015 by appointing Miss Suphannee Triyananthakul CPA. No. 4498 or Mr. Supachai Phanyawattano CPA. No.3930 or Miss Siraporn Ouuanunkun CPA. No. 3844 of EY Office Limited (Formerly known as Ernst & Young Office Limited) to be the company's auditors for the fiscal year 2015 with the recommendation of Audit Committee for the year 2015 at Baht 1,150,000.-

Opinion: The Audit Committee's opinion is that the Company's auditors had satisfactory performance; the standard of audit met the generally accepted audit criteria; the Company's auditors performed their professions to their full capacity, gave suggestions with regard to internal control system, and possessed independent operation. Thus, the Audit Committee viewed as appropriate to propose the appointment of auditors to the Board of Directors and thereafter to shareholder's meeting.

6. Considered relevant transactions or transactions with potential conflict of interest to ensure compliance with law on securities and stock exchange, and other laws related to the Company's business, including rules, regulations, announcements, orders under the coverage of the law.

- Informed of the Company's relevant transactions and defined criteria for future transactions of the Company that the said transactions are normal business transactions.

- Informed of practice in accordance with guideline established by the Board of Directors on criteria and reporting method of the Company's directors and executives as stakeholders, according to the announcement on registered companies' required action by The Securities and Exchange Commission

Opinion: The Audit Committee's opinion is that the Company already complied with relevant rules and law.



7. Others

- Followed up compliance with the Audit Committee's resolution
- Conducted self-evaluation of the 2014 Audit Committee to propose to the Board of Directors
- Reported performance summary of the Audit Committee for the year 2014 to the Board of Directors on a quarterly basis.

The Audit Committee performed its duties in its authority and responsibility towards the Board of Directors with independence. The Audit Committee's opinions are based on transparent, explainable, verifiable, and comply with good governance principle of the Stock Exchange of Thailand.

The Audit Committee

Mr. Sompoch Intranukul)
Chairman of the Audit Committee
Date: February 24, 2015



General Information

Sub Sri Thai Public Company Limited

Initial	SST
Registered Number	0107537002117
Type of Business	Providing document and property storage, rental service and space management for warehousing including the service of warehouse and stock management and business related with wharf.
Registered Capital	418,141,055.00 Baht (four hundred eighteen million one hundred forty-one thousand and fifty-five Baht) including 418,141,055.00 common shares (four hundred eighteen million one hundred forty-one thousand fifty-five shares)
Par Value	1.00 (one) Baht per share
Paid-up Capital	282,527,203.00 Baht (two hundred eighty-two million five hundred twenty-seven thousand two hundred and three Baht)
Head Office	2044/25-27 New Phetchaburi Road, Bangkapi, Huai Khwang, Bangkok 10310 Telephone: 66 (0)-2314-0412, 66 (0)-2314-3132, 66 (0)-2318-5514-5 Telefax: 66 (0)-2318-3490-1
Warehouse 1	71, 71/1-8 Moo 1 Soi Suksawat 49 Tambon Bangchak, Amphoe Phrapradaeng, Samut Prakan Province 10130 Telephone: 66 (0)-2463-4280-9 Telefax: 66 (0)-2463-4287, 66 (0)-2818-7847
Warehouse 2 and Document Warehouse	115 Moo 6 Soi Suksawat 76 Tambon Bangchak, Amphoe Phrapradaeng, Samut Prakan Province 10130 Telephone: 66 (0)-2463-0127, 66 (0)-2464-1502-9 Telefax: 66 (0)-2817-5190
Warehouse 3 and Document Warehouse	115/7-9 Moo 6 Soi Suksawat 76 Tambon Bangchak, Amphoe Phrapradaeng, Samut Prakan Province 10130 Telephone: 66 (0)-2819-9322-3, 66 (0)-2819-9372-7, 66 (0)-2819-9379 Telefax: 66 (0)-2819-9378
Website	www.subsrithai.co.th and www.subsrithai.com



Subsidiary Company

Warehouse Business

SST Warehouse Company Limited

Registered Number	0105552067303
Type of Business	Warehouse business / Depositing of goods Service
Registered Capital	5,000,000.00 Baht (Five million Baht) including 50,000 common shares (Fifty thousand shares)
Par Value	100.00 (One hundred) Baht per share
Head Office	2044/25-27 New Phetchaburi Road, Bangkapi, Huai Khwang, Bangkok 10310 Telephone: 66 (0)-2314-0412, 66 (0)-2314-3132, 66 (0)-2318-5514-5 Telefax: 66 (0)-2318-3490-1
Warehouse	71/9 Moo 1 Soi Suksawat 49 Tambon Bangchak, Amphoe Phrapradaeng, Samut Prakan Province 10130 Telephone: 66 (0)-2463-4280-9 Telefax: 66 (0)-2463-4287, 66 (0)-2818-7847





Food & Beverage

Mudman Co., Ltd.

Registered Number	0105549035749
Type of Business	Services as a consultant and provide advice about investment and management.
Registered Capital	525,000,000.00 Baht (Five hundred twenty five million Baht) including 5,250,000.00 common shares (Five million two hundred fifty thousand shares)
Par Value	100.00 Baht (one hundred) per share
Head Office	209/1 K Tower B Floor.25 Sukumvit Road (Asoke), North Klongtoey, Wattana, Bangkok 10110 Telephone: 66 (0)-2261-5370-75 Telefax: 66 (0)-2261-5360

Golden Donuts (Thailand) Co., Ltd.

Registered Number	0105548146423
Type of Business	Production and distribution of food, baked snacks and foods
Registered Capital	300,000,000.00 Baht (Three hundred million Baht)
Par Value	10.00 (Ten) Baht per share
Head Office and Manufactory	209/1 K Tower B, Floor.25, Sukhumvit 21 Road (Asoke), North Klongtoey, Wattana, Bangkok 10110 Telephone: 66 (0)-2261-5370-75 Telefax: 66 (0)-2261-5360
Website:	www.dunkindonuts.co.th





ABP cafe (Thailand) Co., Ltd

Registered Number	0105548146776
Type of Business	Production and distribution of food, baked snacks and foods
Registered Capital	40,000,000.00 Baht (Forty hundred million Baht)
Par Value	10.00 (Ten) Baht per share
Head Office	209/1 K Tower B, Floor.25, Sukhumvit 21 Road (Asoke), North Klongtoey, Wattana, Bangkok 10110 Telephone: 66 (0)-2261-5370-75 Telefax: 66 (0)-2261-5360
Website:	www.aubonpainthailand.com



Golden Scoop Co., Ltd.

Registered Number	0105555079990
Type of Business	Production, import and sale of ice cream, baked snacks and foods
Registered Capital	5,000,000.00 Baht (Five million Baht)
Par Value	10.00 (Ten) Baht per share
Head Office	209/1 K Tower B, Floor.25, Sukhumvit 21 Road (Asoke), North Klongtoey, Wattana, Bangkok 10110 Telephone: 66 (0)-2261-5370-75 Telefax: 66 (0)-2261-5360





Greyhound Cafe Co., Ltd.

Registered Number	0105539130528
Type of Business	Food and beverage
Registered Capital	10,784,300.00 Baht (ten million seven hundred eighty-four thousand and three hundred Baht)
Par Value	100.00 (One hundred) Baht per share
Head Office	27/1 Sukhumvit 53 Klongton Nua, Wattana Bangkok 10110 Telephone: 66 (0)-2260-7121 Telefax: 66 (0)-2260-7122
Website:	www.greyhound.co.th



Golden Gourmet Co., Ltd.

Registered Number	0105557152325
Type of Business	Production and distribution of food, baked snacks, foods and beverage
Registered Capital	1,000,000.00 Baht (one million Baht)
Par Value	10.00 (Ten) Baht per share
Head Office	209/1 K Tower B, Floor.25, Sukhumvit 21 Road (Asoke), North Klongtoey, Wattana, Bangkok 10110 Telephone: 66 (0)-2260-7121 Telefax: 66 (0)-2260-7122





Apparel Business

Greyhound Co., Ltd

Registered Number	0105539130528
Type of Business	Production and distribution of clothing and leather
Registered Capital	96,990,000.00 Baht (ninety-six million nine hundred ninety thousand Baht)
Par Value	100.00 (One hundred) Baht per share
Head Office	27/1 Sukhumvit 53 Klongton Nua, Wattana Bangkok 10110 Telephone: 66 (0)-2260-7121 Telefax: 66 (0)-2260-7122
Website:	www.greyhound.co.th





References

- Share Registrar
Thailand Securities Depository Company Limited
4th Floor, SET Building, 62 Ratchadapisek Road, Klongtoey,
Bangkok 10110 Thailand
Telephone: 66 (0)-2229-2800
Telefax: 66 (0)-2359-1259
- Auditor
 - Miss Suphannee Triyananthakul CPA. No.4498
 - Mr. Supachai Phanyawattano CPA. No.3930
 - Miss Siraporn Ouaanunkun CPA. No.3844EY Office Limited (Formerly known as Ernst & Young
Office Limited) 33rd Floor, Lake Rajada Office Complex,
193/136-137 Ratchadapisek Road, Klongtoey, Bangkok
10110 Thailand
Telephone: 66 (0)-2264-0777
Telefax: 66 (0)-2264-0789
- Internal Audit
IVL Auditing Co., Ltd.
77 Soi Supapong 1, Nongbon, Pravet, Bangkok 10250
Telephone: 66 (0)-2748-2332-4
Telefax: 66 (0)-2748-2331



Financial Highlights

(Unit : Thousand Baht)

Consolidated Financial	2012	2013	2014
Warehouse and Wharf business incomes	222,128	241,912	270,536
Food and Beverage business incomes	1,625,421	1,828,787	2,184,014
Animal feed business incomes	299,402	59,817	-
Total Revenues	2,204,178	2,187,657	3,006,148
Operating expenses (excluded interest and income Tax expenses)	2,255,845	2,197,627	2,473,354
Income from ordinary activities	(181,237)	(107,050)	354,798
Total Assets	4,516,644	4,360,696	5,595,070
Total Liabilities	2,960,975	2,917,101	2,865,581
Shareholders' equity	1,555,668	1,443,594	2,729,488
Issued and paid-up share capital (ordinary shares)	180,077,754	226,022,192	282,527,203
Earning per share from ordinary activities	(1.01)	(0.48)	1.40
Book value per share (Baht)	8.64	6.39	7.71
Liquidity ratio (Time)	0.33	0.33	0.46
Collection Period (Day)	9.33	11.99	13.40
Net profit Margin (%)	(8.22)	(4.89)	11.80
Return on Equity (%)	(11.69)	(7.42)	17.00
Return on Total Assets (%)	(4.73)	(2.45)	7.13
Debt-to Equity (Time)	1.90	2.02	1.05
Payout Ratio (%)	27.71	58.65	N/A



Nature of Business Operation

Sub Sri Thai Public Company Limited (“Parent company”) started operating business in warehouse and wharf in 1976, registered into a public company limited in 1994. With our long experience in warehouse business the company has expanded into document storage service in 1995 and with the development of document storage in AS/RS (AUTOMATED STORAGE AND RETRIEVAL SYSTEMS), BARCODE and COMPUTER into the application of storage and search with documents effectively with the storage of electronic media or any goods required to be stored in a temperature control room.

In October 2009, the company established a subsidiary, SST Warehouse Co., Ltd., to operate warehouse business instead while as the company has still operated marine wharf business, leasing space of warehouse, stock management and document storage service.

To make profits and income to the organization including the diversification the risks in the business without the dependence in warehouse business solely, the Company has invested in Industrial Enterprises Co., Ltd., the producer and distributor of vegetable oil and animal feed, in July 2011.

Later in January of 2012, the Company has moved on into food and beverage business by buying shares at 100% in Mudman Ltd., Golden Donuts (Thailand) Co., Ltd., and ABP Café (Thailand) Co., Ltd., The Golden Donuts (Thailand) Co., Ltd., is the company holding the franchise brand of “**Dunkin’ Donuts**” in Thailand while ABP Café (Thailand) Co., Ltd., holds the franchised brand, “**Au Bon Pain**” in Thailand. After that, the company has also expanded into food and beverage business by buying the assets used in the business of ice-cream, “**Baskin Robbins**” exclusively in Thailand through the subsidiary, Golden Scoop Co., Ltd.

In September 2014, the Company had disposed of all investments in Industrial Enterprises Co., Ltd., a subsidiary of the Company, in which the Company was holding including the trademarks and patents in relation to the business operation of Industrial Enterprises, to Sime Morakot Holdings (Thailand) Ltd. and Sime Darby Plantation Europe Ltd. By the year 2013, Industrial Enterprises Co., Ltd., had stopped manufacturing due to the high fluctuation of raw material price and also the continuously affected from crisis flooding in late 2011.

In order to expand more business opportunities for the Company and Mudman Limited (subsidiary) has acquired the shares of Greyhound Co., Ltd. and Greyhound Café Co., Ltd. on July 22, 2014. This acquisition allowed the Company can expand its the food and beverage business to more target group of customers, especially the opportunities in expanding to foreign country. Moreover, this acquisition enhanced our group of the Company have own brand and increased the potential to expand our business in the future to diversify the risk from the existing business to apparel business.

The Company has policy to collect money in order to increase capital for expansion its business and settle some of debts and used as our working capital and also giving an opportunity to investors and shareholders to invest in the Property Fund with the constant return rate at higher rate than the return from deposit money with bank. Therefore, the Company sold assets to Sub Sri Thai Smart Storage Property Fund which were certain plots of land (totaling 5 rai, 3 ngan, 52 sq.wah) together with 5 warehouses, with a total area of 9,277 sq.m., including racking for document storage and equipment on August 7, 2014



As of December 31, 2014, Sub Sri Thai Public Company Limited has operated in 3 major businesses which are warehouse and wharf, food and beverage and apparel business (vegetable oil and animal feed business was disposed all investments on September 11, 2014) with 8 subsidiary companies as following:

Warehouse and Wharf Business

1. SST Warehouse Co., Ltd.

SST Warehouse Co., Ltd., was established on July 10, 2009 with the registered and paid up capital is 5,000,000 Baht (Five million Baht). SST Warehouse Co., Ltd., has operated licensed warehouse with its main objective in depositing of goods with remuneration or benefits.

Food and Beverage Business

2. Mudman Ltd.

This company operates business as a Holding Company with the registered capital of 843,293,000 Baht. Mudman Ltd. holds ordinary shares at 100% in ABP Café (Thailand) Co., Ltd., Golden Donuts (Thailand) Co., Ltd., Golden Scoop Co., Ltd. and Golden Gourmet Co., Ltd. and holds ordinary shares and preference shares at 100% in Greyhound Co., Ltd. and Greyhound Cafe Co., Ltd.

3. ABP Café (Thailand) Co., Ltd.

This company is the franchise holder of Au Bon Pain solely in Thailand, with registered capital of 40,000,000 Baht. Au Bon Pain is a food outlet network in bakery and café with branches around the world. There are 65 branch outlets in Thailand at the end of 2014.

4. Golden Donuts (Thailand) Co., Ltd.

This company is the franchise holder of Dunkin' Donuts solely in Thailand with the registered capital of 300,000,000 Baht. Dunkin' Donuts is a outlet network of donuts and beverages with branches around the world. There are 261 branch outlets in Thailand at the end of 2014.

5. Golden Scoop Co., Ltd

This company is the company that operates ice-cream business under the brand “Baskin Robbins”, established by Mudman Ltd., with registered capital of 5,000,000 Baht, with the purchase of rights and properties in operating distribution business of ice-cream under the “Baskin Robbins” brand from Big Scoop Co., Ltd., in June 2012. At the end of 2014, Baskin-Robbins has totally 25 branch outlets in Thailand.

6. Greyhound Cafe Co., Ltd.

Greyhound Café Co., Ltd. operates restaurant business under the names of Greyhound Café, Another Hound Café, Sweet Hound and Ground-hey with registered capital of 10,784,300 Baht. The Company and Mudman Ltd. (subsidiary) have purchased all ordinary shares and preferred shares of Greyhound Café Co., Ltd. from the existing shareholders of Greyhound group on July 22, 2014. At the end of 2014, there are 9 branches in Thailand.



7. Golden Gourmet Co., Ltd.

Golden Gourmet Co., Ltd. operates premium bakery under the names of “COVA” from Italy. Mudman Ltd. has purchased 99,998 shares at 10 Baht per share in total of 999,980 Baht or 99.99 percent of all investment from the existing shareholders of Golden Gourmet Co., Ltd. on November 28, 2014. Golden Gourmet Co., Ltd. has its registered capital of 1,000,000 Baht. By the end of 2014, it is in the process of opening its first branch in Thailand.

Apparel Business

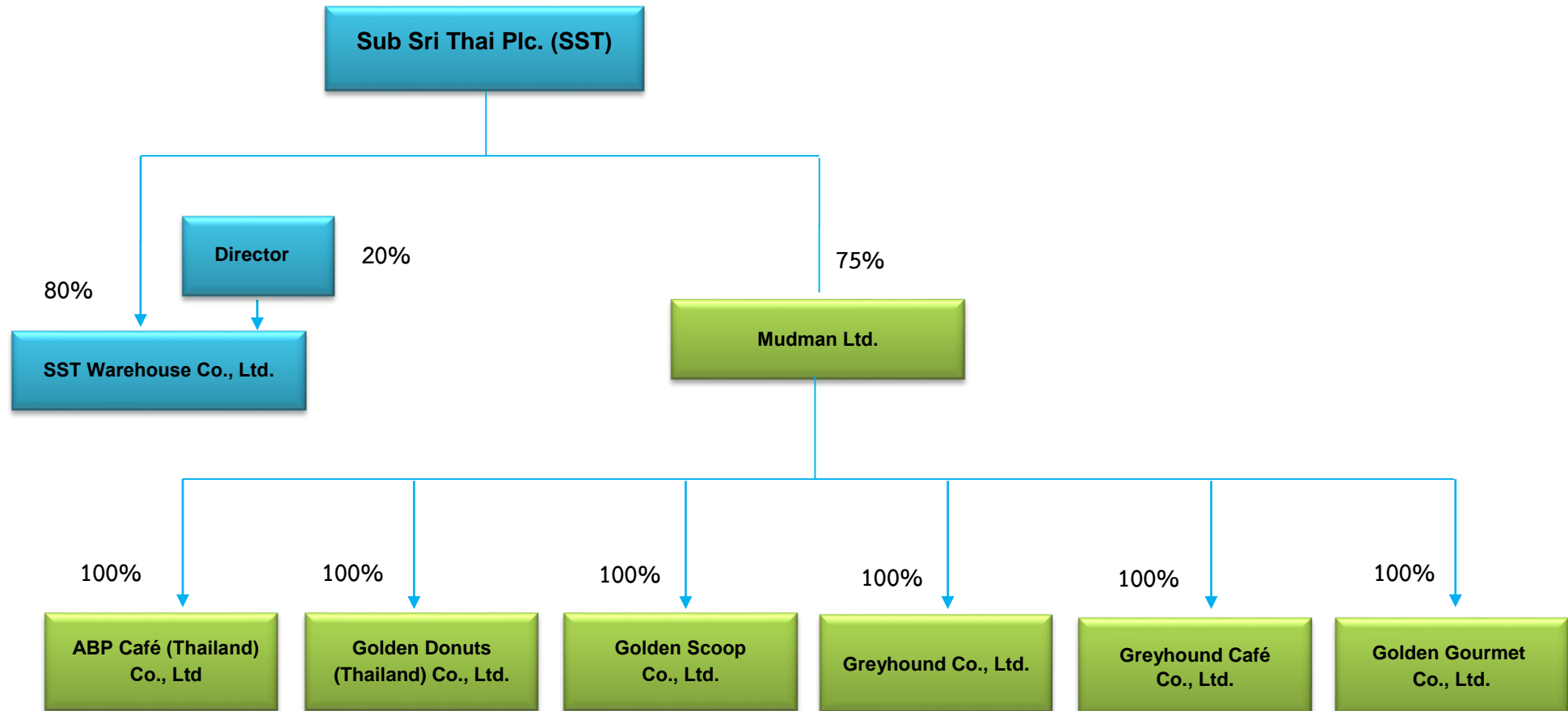
8. Greyhound Co., Ltd.

Greyhound Co., Ltd. operates business as a designer, manufacturer, and distributor of apparel under “Greyhound” with registered capital of 96,990,000 Baht. The Company and Mudman Ltd. (subsidiary) have purchased all ordinary shares of Greyhound Co., Ltd. from the existing shareholders of Greyhound group on July 22, 2014. At the end of 2014, there are 12 branches in Thailand and distribute to retailer in Asia such as Malaysia South Korea.





Holding Shares in Subsidiary Companies as at December 31, 2013



Sub Sri Thai Plc. has also invested in an Associated Company which are Sub Sri Thai Property Fund, details are as follows.



Property Fund

Sub Sri Thai Property Fund (Free Hold) (“SSTPF”) has been approved by The Securities and Exchange Commission Thailand for its incorporation into a property fund and registration of its property into mutual fund on 29 April 2011, with the objectives in mobilizing funds from general investors to invest commercially in the property. CIMB-Principal Asset Management Co., Ltd., was appointed as the fund manager. SSTPF has capital from the unit holders of Baht 675 million. On April 27, 2011, the Company has purchase 22,500,000 of the investment units of the Fund or equivalent to 33.33 percent of all investment units sold at the price of Baht 10 per investment unit, with the total price of 225,000,000 Baht.

The Fund has its policy in dividend payment at its profit under the rules to be able to pay dividend; the Property Fund will pay dividend to unit holders not more than 2 times a year at the rate not less than 90% of the net profit for the year but not including the unrealized gain in value assessment.

Major shareholder of the Company

In the past, Sub Sri Thai Plc. was a subsidiary of Siam Commercial Bank Public Plc. On November 17, 2005, the major shareholder of the Company has changed from Siam Commercial Bank Public Plc. to group of investors which led by Mr. Supasith Sukhanindr. Therefore, since 2006 Mr. Supasith Sukhanindr and related persons hold the Company's shares more than 50% of total company shares being sold.

Income Structure in each Type of Business

Company's Name	Type of Business	% of Share	2014		2013		2012	
			Million Baht	%	Million Baht	%	Million Baht	%
Sub Sri Thai Plc. SST Warehouse Co., Ltd.	Warehouse and Wharf	80	271	9	242	11	222	10
Industrial Enterprises Co., Ltd. Thai Livestock Promotion Co., Ltd.	Vegetable Oil and Animal feed	0	0	-	60	3	299	13
Mudman Ltd. Golden Donuts (Thailand) Co., Ltd. ABP Café (Thailand) Co., Ltd. Golden Scoop Co., Ltd. Greyhound Cafe Co., Ltd. Golden Gourmet Co., Ltd.	Food & Beverage	75	2,072	69	1,829	83	1,625	74
Greyhound Co., Ltd.	Apparel Business	75	112	4	-	-	-	-
Gain on sales of fixed assets			487	16	1	0	1	0
Other income			64	2	56	3	57	3
Total Income			3,006	100	2,188	100	2,204	100



Classified Business Operation in Each Segment

1. Products and services

Warehouse and Wharf Business

Sub Sri Thai Plc.

● **Document Storage Services**

Deposit of documents in cartons/files using the system of AS/RS (AUTOMATED STORAGE AND RETRIEVAL SYSTEMS), together with bar-coding and computer systems in the storage and search for relevant services, for instance, transportation for delivery, packing, searching or photocopying, destruction, provision of standard carton to contain documents and room for inspection at the Document Storage Services Center, service of electronic media in temperature room and humidity and Scanning service and storage in Server.

● **Warehouse for Rent**

The company has rental business of warehousing in full rent of total building and in space sharing from 100 square meters up, using wire fencing to separate rental area inside each warehouse, so we can respond more to our customers' demand.

Types of goods stored were cassava starch, wheat, chemical products, chemical fertilizer, vehicle parts and tire, iron, cotton, sawdust briquette, raw material for cooking food, machinery, cloth, shoes, office supplies, furniture, publication, and devices exhibitions for instance.

● **Management of Warehouse**

The company provides service in the management of inventory in integrated manner with report of inventory monthly and inventory balance to issue invoice, issuing of invoice and collection for the customer.

● **Other Services**

- Lending money with security that are the deposited goods in its subsidiary which operation licensed warehouse.
- Wharfing Service: providing wharfs for two ocean vessels together with mooring for a number of lighters.
- Providing wharfs for cargo loading and unloading to transfer goods that are not deposited in warehouse to destination.
- Weighing Service: 3 modern and accurate weighing machines with the platform measured 18 m. x 3 m. for 60 metric ton weight available.
- Stevedoring Service: providing readily and sufficiently labor and all kinds of cargo loading and unloading equipment.
- Insurance Service: provided according to the desire of each depositor.
- Security Service: deployment of security guards in the warehouse area for 24 hours.



SST Warehouse Co., Ltd.

Our warehouse can provide service for the deposit of crops and agricultural products to be exported, for instance, rice, coffee bean, maize, sugar, etc. and deposit of general goods produced and in circulation in the country, for instance, chemical, products, and other agricultural products by issuing warehouse receipt for evidence and the depository can do Packing Stock with a commercial bank for the guarantee on loan with other finance institutions and deposit of goods imported from abroad, for instance, chemical fertilizer, wheat, animal feed ingredient, etc. including the goods in Trust Receipt with a commercial bank or in guarantee on loan from other finance institutions.

As of December 31, 2014, SST Warehouse Co., Ltd has warehouse space for licensed warehouse at 12 buildings, covering 17,764 square meters.

Vegetable oil and animal feed Business (Disposal of all investments on September 11, 2014)

In year 2014, Industrial Enterprises Co., Ltd. and Thai Livestock Promotion Co., Ltd. have not any activities in the year 2014. The Company has sold all investments in which the Company holds 100 percent of the shares in Industrial Enterprises Co., Ltd. and Thai Livestock Promotion Co., Ltd., including the trademarks and patents in relation to the business operation to Sime Morakot Holdings (Thailand) Ltd. and Sime Darby Plantation Europe Ltd., on September 11, 2014

Food and Beverage Business

ABP cafe (Thailand) Co., Ltd

Au Bon Pain is the trademark of food outlet in the form of bakery café with its retail outlets around the world, offering with identity products and services for the satisfaction of customers.

The company is the franchised holder of trademark, “**Au Bon Pain**” exclusively in Thailand and this franchise held by ABP Café (Thailand) Co., Ltd. Now Au Bon Pain has total of 65 outlets (data as of 31 December 2014) with service in the outlet, take away, delivery service to home and office including outside party for customers.

Golden Donuts (Thailand) Co., Ltd.

Dunkin’ Donuts is the trademark of coffee and bakery that has been popular with Americans continuously over 60 years.

The company holds the right of trademark “**Dunkin’ Donuts**” exclusively in Thailand and this right belongs to Golden Donuts (Thailand) Co., Ltd. Currently it has 261 outlets throughout Thailand (data as at 31 December 2014) with service in the outlet and take away including delivery to home and office. Dunkin’ Donuts has snack box service for meeting and party including outside party for customers.

Golden Scoop Co., Ltd.

Baskin Robbins is the trademark of the largest ice-cream network in the world (The World’s Largest Chain of Ice Cream Specialty Stores), established in 1945 in USA. with continual development and expansion until the present time. The company holds trademark right of “**Baskin Robbins**” in Thailand and it was in the hand of Golden Scoop Co., Ltd. Now Baskin Robbins has 25 branch outlets (data as at December 31, 2014) mostly located in department stores and business areas with in-house and take away service.



Greyhound Cafe Co., Ltd.

Greyhound Café operates trendy and stylish restaurant business under the names of Greyhound Café, Another Hound Café, Sweet Hound and Ground-hey. Currently, there are 9 branches in Thailand. Moreover, there are franchised branches in Hong Kong, and in the People's Republic of China and it will sell franchise to extend its business in the future. The concept of the restaurants targets mid-to-high customer group.

Golden Gourmet Co., Ltd.

Golden Gourmet Co., Ltd. operates restaurant business under the names of "COVA" from Italy. Mudman Limited, a direct subsidiary of Sub Sri Thai Public Company Limited has purchased shares of Golden Gourmet Co., Ltd. 99,998 shares at value of share THB 10 per share, total amount THB 999,980.00 which is an investment in that company is 99.99% from the existing shareholder of Golden Gourmet Co., Ltd. on November 28, 2014. As of December 31, 2014, it is in the process of opening its first branch in Thailand.

Apparel Business

Greyhound Co., Ltd.

Greyhound Co., Ltd. operates apparel business under "Greyhound" and "Playhound" brands, targeting mid-to-high customer group. As of December 31, 2014, there are 12 branch outlets in Thailand and it is also exported to overseas market such as South Korea, Indonesia, and Singapore.

2. Marketing and Competition

Warehouse and Wharf Business

The Company's customers can be classified in two groups which are directly deals with the company, mostly are our rental customers and with long and good record in business with us. The target group will be exporters, importers and industrial operators, etc. Another group of customer is directly approached by the company, mostly will be depositor of documents. The company is necessary to have its marketing team to approach the customers in an integrated approach, with structuring of Booths at different locations and distribution of Brochure to the target customers.

Most customers of the company were depositors who deposit boxes and file containing documents, the importer of goods in the type sawn timber, cotton, soybean and wheat, the exporter of goods in the type of sugar and rice, etc. and manufacturer of goods in type of shoes, raw material for food processing, chemical products etc. Most customers approximately 89 percent are depositors who deposit goods or deposit boxes and file containing documents and other minority customers approximately 11 percent as rental warehouse.

- **Strategy in Competition:**

1. Emphasize efficient service, convenient, fast and accurate to meet the needs of the customers.
2. Location of warehouse and wharf conveniently accessed both on land and waterway.
3. Giving importance to the safety of the goods stored including the safety of relevant personnel both our employees and customers.



- **Competition within the Industry:**

Normally the business of warehouse and wharf is not in hectic competition and with only a few competitors for instance, the listed companies in SET in the category of transportation and logistics. Now, it comes up with more interested companies in this business due to economic expansion and Asean Economic Community (AEC) in 2015.

On the service of documentation deposit, even with not so many competitors in the market but still with high competition, the company must speed up its development in service and with our marketing team and customer relations both before and after sale to investigate their needs and satisfaction in order to make us to develop continually.

In addition, the company can create confidence with our customers in 3 prominent features, as follow:

1. Good reputation gained during more than 35 years of services, well known of good reliability by Services Users and Financial Institutions.
2. The company has ownership on standard warehouse with stability and safety and in ideal location with good accessibility, on the bank of Chao-Phraya River, close to Suksawat Road, connected to Industrial Ring Road.
3. Good services provided:
 - 3.1 Qualified operators to facilitate accurate checking, receiving and issuing of goods in shortest time possible.
 - 3.2 Packing and Transferring Equipment are of high efficiency, together with qualified operators help in speedy movement of goods without loss or damage.
 - 3.3 Flexibility in our operations and development services with the advanced technology to meet customers' need

Growth Trends of the Industry

Warehouses in Thailand can be separated into three major types as follows:

1. **Warehouse use solely for the benefits of the owner**

Such as warehouse of Factory, Department Stores, Importers, and Exporters for example. Whenever space left available may be rented out to others.

2. **Warehouse the owner planned especially for rent**

That is not to use for their own benefits, but aim to be rented out to business operators such as those shown in (1), who does not have a warehouse of their own.

3. **Registered Warehouse**

Is a type of warehouse required to be registered with the Ministry of Commerce, and entitled to attach the word "Warehouse" to their registered company's name. The warehouse can be rented out or receiving goods deposit by issuing warehouse receipt and warehouse warrant to depositor. Such receipt and warehouse warrant issued, the depositor can use as document qualified for juristic actions regarding transfer of ownership of the goods and to mortgage such goods.

For more than ten years, requirements for warehouse spaces were increasing all the time, that is increasing in accordance with the growth of National Economy and the trend that warehouse with good standard and docking ports for large sea-going vessel along the Chao-Phraya



River shall be more important increasingly, due to many of the old style warehouses have turned to other businesses with better returns, such as hotels, condominium and office buildings.

For intermediate term and long term, Warehousing business with high standard tended to continue its growth in line with the Gross National product, increasing quantity of goods for both imports and exporters, results in increasing demands for warehouse area, while the total warehouse area in Bangkok and perimeter along the Chao-Phraya River tended to be decreasing, while opportunity to start new warehouses with wharf are having limitations on location, high cost of land and construction, therefore, the likely sites tended to be located in outside Bangkok and up-country areas, such as Ayudhya, Angthong, Chon-Buri and Chachoengsao, for example, and it is warehouse without wharf (Inland Warehouse).

Food & Beverage Business

- **Channel of Distribution:**

Au Bon Pain emphasizes in offering a diversity of identity products for the customers, original sandwich recipe of Au Bon Pain, bread and bakery over 30 kinds in zero-gram trans fat, without any trans fat which is good for health and soup menu, salad with nutritious and the customers can pick for sandwich of his own formula mix with special drinks in the atmosphere of cozy eating from Au Bon Pain employees.

Au Bon Pain provides service in its outlet and take away or delivery service to your home and office including a party as you require.

Au Bon Pain locations are chiefly in well-known business area, department store, hospital or any area with our targeted group who are office employees, new businessmen, students with good taste for their lifestyle.

Dunkin' Donuts open its retail outlet to serve all kind of customer in department stores or general departments, business area or communities for convenience to everyone. The services comprise in the outlet and take away including snack box service for meeting, party and moreover with parties as required by the customers.

Baskin Robbins this is world-class US ice-cream brand, a premium ice cream with retail sale at large department stores, business areas, emphasizing on target up to the middle class group of customers. We have different marketing strategies in each year that are suitable to the needs of customer and public to relate relations program with Fan page on internet, window display advertisement, for instance, poster stand and discount coupon attached with the Postcard. In future we intend to do more communications to create new customers using radio and television such the strategies need preparedness and appropriateness.

Greyhound Café a restaurant under brands names of Greyhound Café, Another Hound Café, Sweet Hound and Ground-hey to serve mid-to-high customer group. The restaurants are located in the area that can serve these customers with facilitation such as large shopping malls. Greyhound branded emphasis on atmosphere, good service and good taste. Also, focus on creating new things, to cope with the change in the food market and increase the competitiveness with new brands in the food business both in the country and abroad at the present and in the future.

Restaurant under “COVA” brands

Its target groups are mid-high customer group. The restaurant categorizes in Bakery Café. The restaurant is located in the large central business area and emphasizes in atmosphere, good taste and uses good quality of raw materials.



Apparel Business

An apparel under brands “Greyhound” and “Playhound”, are available in its branch outlets, department stores and distributed to dealers in Asian countries such as Indonesia, South Korea, Hong Kong, with the upper middle class customers. Focus on working both in front store and internal teams to understanding targeted customers group and adapted to meet the needs of the customers. Adding a product line that is inexpensive and easy access to communication campaigns that reach a new generation of various online media

Any Brand under Greyhound group emphasis in understanding on lifestyle of target customers group in each brand to create products to meet the target.

- **Competition within the Industry:**

The food and beverage business and apparel Business are with high potential for growth and in good trend inducing more operators in this business and the competition is therefore hectic by each operator must introduce new products and sales promotion all the time. However, we trust in the strength of our quality and brand and also our marketing strategy of each brands, so we expect a continual growth.

3. Procurement of Products or Service

Warehouse and Wharf Business

Sub Sri Thai Plc., has three locations of warehouses for service as follows:

1. Warehouse I and Wharf located at No. 71, 71/1-8 Moo 1, Soi Suksawat 49, Suksawat Road, Tambon Bangchak, Amphoe Phrapradaeng, Samutprakarn Province, Tel : 02-463-4280-9 Fax : 02-463-4287, 02-818-7847 comprises the main structures which are 28 warehouses for storage of goods of 210,000 metric tons, two wharfs for ocean vessels, a roofed transit shed for the placement of goods of 12,000 metric tons , the parking spaces for 150 trucks and service facilities for the Company’s official and staff concerned

2. Warehouse II and Document Storage located at No. 115 Moo 6 Soi Suksawat 76, Suksawat Road., Tambon Bangchak, Amphoe Phrapradaeng, Samutprakarn Province, Tel: 02-463-0127, 02-464-1502-9 Fax : 02-817-5190-1 comprises the main structures which are 4 warehouses for storage of goods of 35,325 metric tons, 10 document storage warehouses total area 17,463 square meters, controlled temperature and humidity room total area is 96 square meters, the parking spaces for 100 trucks and service facilities for the Company’s official and staff concerned.

3. Warehouse III - Document Storage located at No. 115/7-9 Moo 6 Soi Suksawat 76, Suksawat Road., Tambon Bangchak, Amphoe Phrapradaeng, Samutprakarn Province, Tel: 02-819-9322-3, 02-819-9372-7, 02-819-9379 Fax: 02-819-9378 comprises the main structures which are 7 warehouses total area 12,709 square meters, 1 strong room with Automation warehouse, AS/RS (Automated Storage and Retrieval System), which total area 1,445 square meters, racking for storing documents including fire protection and infrared alarms, in case someone intrudes and CCTV monitoring all over the area, controlled temperature and humidity which total area is 156 square meters, offices and service facilities for the Company’s official and staff concerned.

Food and Beverage Business:

Dunkin’ Donuts uses raw material produced in Thailand with 22 production kitchens located in Bangkok for 4 kitchens and 18 kitchens in the provinces.



Au Bon Pain has production factory for frozen food at Bangpu, Mueang District of Samutprakarn Province and with 2 bakery kitchens at Praram 3 and Pattaya. In addition, we have production kitchen in certain outlets for distribution to nearby areas. Main raw material is flour for bakery which is under Au Bon Pain Standard all over the world.

Baskin Robbins directly imports ice cream from the United States without any production in Thailand and it is the same standard all over the world.

Greyhound Café uses raw material produced in Thailand.

Bakery Café “COVA” uses raw material produced in Thailand and import from foreign country which are the same standard all over the world.

Apparel Business

Apparel under brands “Greyhound” and “Playhound” uses raw material produced in Thailand.





Important Events in 2014

April 2014	<p>The Annual General Meeting of Shareholders for the year 2014, hold on April 28, 2014, has significant resolved as follows:</p> <ol style="list-style-type: none"> 1. Approved the decrease of the Company's registered capital from 334,513,122 Baht to 226,022,192 Baht by reducing the number of remaining shares from the ordinary shares reserved for stock dividend payment in total of 188 shares and ordinary shares reserved for the increase of registered capital under a General Mandate which have been not allocated in the whole amount of 108,490,742 shares, in total 108,490,930 shares at a par value of 1 Baht per share totaling of 108,490,930 Baht. 2. Approved the increase of the Company's registered capital from 226,022,192 Baht to 418,141,055 Baht by issuing new ordinary share in total 192,118,863 shares at a par value of 1 Baht per share in order to support stock dividend payment 56,505,548 shares and to support the increase of registered capital under a General Mandate 135,613,315 shares.
May 2014	<p>As of May 21, 2014, the company has increased its registered paid-up capital from stock dividend 56,505,011 shares (remaining shares from reserving for stock dividend payment 537 shares). Therefore, the company's registered capital and paid-up capital are as follows:</p> <p>Registered capital: 418,141,055 Baht</p> <p>Paid-up Capital: 282,527,203 Baht</p>
June 2014	<p>The Board of Directors' Meeting No. 2/2014 of Sub Sri Thai Public Company Limited which was held on June 10, 2014 had approved the disposal of all investments in Industrial Enterprises, a subsidiary of the Company, in which the Company was holding 99.9995% of the total shares sold and the trademarks and patents in relation to the business operation of Industrial Enterprises, to Sime Morakot Holdings (Thailand) Ltd. and Sime Darby Plantation Europe Ltd., companies under Sime Darby Group, Malaysia at approximately Baht 75 million. The Company had signed Contract of the buying and selling shares under the material conditions precedent in June 20, 2014.</p>
June 2014	<p>The Board of Directors' Meeting No. 4/2013 of Sub Sri Thai Public Company Limited which was held on December 13, 2013 had approved the transaction with the newly established Sub Sri Thai Smart Storage Fund which the Securities and Exchange Commission has approved the establishment on June 20, 2014.</p> <p>The Company enter into 3 transactions with Sub Sri Thai Smart Storage Fund which are:</p> <ol style="list-style-type: none"> 1. Dispose of asset with the transaction value THB 818 million (after deduction of expenses) which were certain 4 plots of land (totaling 5 rai, 3 ngan, 52 sq.wah) together with 5 warehouses, including racking for document



	<p>storage and equipment located at No. 115 and 115/7-9 Moo 6, Soi Suksawat 76, Suksawat Rd., Bangchak, Phrapradaeng, Samutprakan.</p> <ol style="list-style-type: none"> 2. Lease the disposal of asset from the fund for 10 years 3. Purchase investment units of the Fund with the total price of 123 million Baht or equivalent to 15 percent of all investment units sold.
July 2014	<p>On 22 July 2014, Mudman Co., Ltd. which is a subsidiary of the Company, issued new shares worth 350 million Baht and 588 million Baht to Khon Kaen Sugar Industry Public Company Limited ("KSL") in amount of 350 million Baht and the existing shareholders of Greyhound Co., Ltd. and Greyhound Cafe Co., Ltd. (the existing shareholders of Greyhound and Greyhound Café) in amount of 588 million Baht, the total value of 938 million Baht as approved by the Board of Directors Meeting of Sub Sri Thai Public Co., Ltd. No. 2/2014 held on 10 June 2014. KSL and the existing shareholders of Greyhound and Greyhound Café hold 9.33% and 15.67% of Mudman's fully paid-up capital post-Transaction respectively.</p> <p>On the same day, the Company and Mudman Ltd. entered into a transaction to acquire all of the ordinary shares and preference shares of Greyhound Co., Ltd. 969,900 shares at par value 100 Baht per shares and of the ordinary shares and preference shares of Greyhound Café Co., Ltd. 107,843 shares at par value 100 Baht per shares from the existing shareholders for total consideration of 1,853.80 million Baht.</p>
September 2014	<p>Reference is made to the fact that on June 20, 2014, Sub Sri Thai Public Company Limited (the "Company") had signed Contract of the buying and selling shares all investments in Industrial Enterprises Co., Ltd., a subsidiary of the Company, and the trademarks and patents in relation to the business operation of Industrial Enterprises under the material conditions precedent, to Sime Morakot Holdings (Thailand) Ltd. and Sime Darby Plantation Europe Ltd. The material conditions precedent specified in the Share Purchase Agreement between the Company and The Buyer has been satisfied and the Company has already transferred the shares held in Industrial Enterprises to the Buyer on September 11, 2014. Therefore, Industrial Enterprises will no longer be a subsidiary of the Company.</p> <p>In this regard, the previous consideration price is 75 million Baht was change to 90 million Baht due to the change of consideration price from the adjustment of purchased price under the Sell and Purchase Agreement between the Company and the Buyer.</p>
November 2014	<p>The Board of Directors of Mudman Limited's Meeting No. 6/2557 on November 18, 2014 has approved to purchase shares of Golden Gourmet Co., Ltd. 99,998 shares at value of 10 Baht per share, total amount 999,980 Baht which is an investment in that company 99.99% from the existing shareholder of Golden Gourmet Co., Ltd. on November 28, 2014.</p> <p>On November 28, 2014, Golden Gourmet Co., Ltd. had purchased franchise premium bakery brand "COVA" solely in Thailand from PASTICCERIA CONFETTERIA COVA, Italy and COVA MONTENAPOLINE S.r.l., Italy</p>





Risk Factors

In running a business it is common to face with risk factors that could affect significant impacts to the business; the company has carefully paid the attention on the risk management by implementing it with the internal control and inspection under the best practice to be able to adapt under the risk situations strongly. The risk factors that may happen to the company are as following:

1. The Company has its major shareholders > 50%

Mr. Supasith Sukhanindr and related persons hold the Company's shares more than 50% of total company shares being sold. In this regard, Mr. Supasith and related persons was able to control of the shareholders' meeting in its resolution whether on appointing of directors or resolution in other matter that seeks majority of votes in the shareholders' meeting, except for the matter that the law or regulations of the company has imposed to get three fourths (3/4) of the shareholders' meeting. Therefore, other shareholders cannot have enough voting power to inspect and balance on the matters proposed by the major shareholder.

2. High Competitions

At present there is high competition between companies as it has more new comers into business all the time while the existing sellers and providers have to adjust strategies in developing products and services. The company has prepared to respond this issue by developing our service and product quality, management training and personnel to be able to improve along with various aspects of development for the best satisfaction of our customers and related persons.

3. Risks in Franchise Extension

Our food and beverage business brands "Au Bon Pain", "Dunkin Donuts" and "Baskin-Robbins" run under the franchised brands oversea under the terms and conditions stipulated in the contract of franchise, therefore it may face with the risk in not getting license extension or in the change of details and conditions. However, the company has continually marketed these brands and with good turnover and growing market respectively, the risks should then be minimal. In addition, the company increased its own brand by investment in Greyhound brands on July 22, 2014. Greyhound brands are brand which have restaurants business and apparel business. Those businesses would reduce the risk of the Company from not getting franchised license extension.

4. Interest rate risk

The company has risk in interest rate which arises from financial assets and liabilities. Such as interest rate fluctuate, or an interest rate that close to the current market rate, the interest rate risk is so minimum.

5. Risk in Debt Collection from Account Receivables

Within the Warehouse and Wharf business granted credit in relation with account receivables the company has imposed its policy that covers the implementation, follow-up and credit control suitable and in addition our customers are diversified and therefore the risk in not able to collect payment is low.

For the food and beverage business and Apparel Business that caters for major income to us it has very little risk as it may be compared equivalent to cash.



6. Risk in Compliance with Long-term Loan Contract

The Company and its subsidiaries must comply with certain financial conditions as stated in the agreement of debentures and loan agreements, respectively, for instance, the debt to equity ratio, the debt settlement ability and limitations in distribution, pay, transfer or causing charges to land, construction, equipment and certain investment money to comply with the agreement, etc. The Company must be careful or define restrictions when inter into any transactions.

7. Risk in Shortage of Labor

Thailand is now under labor shortage in every business segment and it leads to scrambling for labor. We pay attention to this risk by providing with good welfare and reasonable remunerations, develop knowledge to our employees continually including the arrangement of proper environment for working to enhance them to yield best efficiency and satisfaction to work with the company in long term.





Shareholders and Capital Structure

1. Sub Sri Thai Securities

Common shares

As of December 31, 2014, Sub Sri Thai's registered capital at 418,141,055.00 Baht (Four hundred eighteen million one hundred forty one thousand and fifty five Baht) made up of 418,141,055.00 common shares at par valued of 1.00 Baht each. These consisted of Baht 282,527,203.00 (Two hundred eighty two million five hundred twenty seven thousand two hundred and three Baht) in paid-up capital.

Debentures

The company has issued its debentures for 2 times, as follow:

1. Issuing of debentures, No. 1/2556, on March 15, 2013;

Senior Debt, non-secured debt No. 1/2556 with its yield to maturity (YTM) on March 15, 2015, fixed interest rate at 5.00% per annum, interest to be payable every 3 months throughout the debenture period at 140,000 units, par value at 1,000 Baht, totaling 140,000,000 Baht.

2. Issuing of debentures, No. 2/2556, on August 7, 2013;

Senior Debt, non-secured debt No. 2/2556 with its yield to maturity (YTM) on February 6, 2015, fixed interest rate at 5.25% per annum, interest to be payable every 3 months throughout the debenture period at 350,000 units, par value at 1,000 Baht, totaling 350,000,000 Baht

Remark: According to the debentures as mentioning above will be maturity on February 6, 2015, and March 15, 2015. Therefore, the Company has issued debenture which is specify name of the holder, unsubordinated debentures, unsecured debentures and no debenture holder representatives No. 1/2558, on January 15, 2015 with its yield to maturity (YTM) on January 15, 2018, fixed interest rate at 5.50% per annum, interest to be payable every 3 months throughout the debenture period at 500,000 units, par value at 1,000 Baht, totaling 500,000,000 Baht.

2. Structure of Shareholders

Major Shareholders as of December 30, 2014, the last date for closing the share register, total the company's shares being sold are 282,527,203 shares. Value of share: 1.00 Baht



No.	Name of Shareholder	Number of Shares	% of Shares being sold
1.	Mr. Supasith Sukhanindr	57,832,082	20.47
2.	Mr. Supachai Sukhanindr	29,704,625	10.51
3.	Mrs. Intira Sukhanindr	29,238,143	10.35
4.	Miss Duangkae Chinthammit	15,737,080	5.57
5.	Miss Duangdao Chinthammit	15,414,842	5.46
6.	Mr. Chamroon Chinthammit	13,750,000	4.87
7.	Mr. Somchai Chinthammit	10,316,868	3.65
8.	Mrs. Kamalee Patchimsawat	8,697,156	3.08
9.	Miss Kamolludee Patchimsawat	8,071,343	2.86
10.	Mrs. Montanat Tamsirichai	7,096,875	2.51
11.	Thai NVDR Co., Ltd.	4,611,911	1.63
12.	Mr. Pornprasong Tamsirichai	3,791,906	1.34
13.	Mr. Supparith Sukhanindr	2,395,937	0.85
Total		206,658,768	73.15

3. Payment Dividend Policy

The Company has a dividend payment policy to pay dividends to shareholders at least 50 per cent of net profit of the company consolidated statements after corporate taxes and the allocation of all legal reserves. This dividend payment shall not contrary to the Public Companies Act. However, dividend payment depends on cash flow, business expansion for the Company's projects and other essential requirement in the future.

The dividend payment policy of subsidiaries or joint company to pay dividends to Sub Sri Thai Plc., depends on their cash flow, financial liquidity, appropriateness and their need to use money.



Management

Management Structure of Sub Sri Thai Public Company Limited





Board of Directors of the Company

Name	Position
1. Mr. Keokhwan Vajarodaya *	Chairman and Independent Director
2. Mr. Sompoch Intranukul *	Director, Chairman of the Audit Committee and Independent Director, Chairman of the Nomination and Remuneration committee
3. Mrs. Chitra Thavara	Director, Member of the Audit Committee and Independent Director
4. Mr. Surapong Paisitpatnapong	Director, Member of the Audit Committee and Independent Director, Member of the Nomination and Remuneration committee
5. Mr. Tosporn Simtrakan (appointment on April 28, 2014)	Director, Member of the Audit Committee and Independent
6. Mr. Supasith Sukhanindr **	Director and Chairman of the Board of Executive Director Member of the Nomination and Remuneration committee
7. Mr. Pilanchai Pradubphong	Director and Vice - Chairman of the Board of Executive Director
8. Mr. Sumrit Tantidilokkul **	Director, Executive Director and Corporate Secretary***
9. Mrs. Intira Sukhanindr **	Director
10. Miss Duangdao Chinthammit **	Director
11. Miss Duangkae Chinthammit	Director

* **The Independent Directors** are the outside professionals and who are not employees or staff being paid by the company or related company, and free from the major shareholder and hold the company or related company not exceeding director 0.5% of paid up registered capital and able to oversee the benefit of minor shareholders with the details shown on Page 70

** **The Director authorized to sign on behalf of the company** are Mr. Supasith Sukhanindr, Mr. Sumrit Tantidilokkul, Mrs. Intira Sukhanindr, Miss Duangdao Chinthammit any 2 of 4 those directors are co-sign and affix with the company seal.

*** **The Secretary Company's** has been in charge of advising on legal issues and rules that the committee shall be required to acknowledge and to comply with its details shown on Page 73



Component and Appointment

The Board of Executives comprises the president and a number of directors as chosen by shareholders to suit the size of company's business to efficiently perform business. In all it must be of not less than 5 directors and not more than 12 directors, with its president as an independent director. In the board, it shall be certain directors who are not executives to be not less than half of it and with actual independent directors without any business relation or other relation that may pose influence not less than one thirds of the total directorship.

Election of directors and/or independent directors of the Company was done by the shareholders' meeting or the Board of Directors in accordance with the company's Articles of Association and the Public Companies Act B.E. 2535 based on the standards and methods as follows:

- 1 One shareholder had one vote per one share
- 2 The election of director may conduct by mean of voting to elect only one individual, one person in one time or several persons in one time or by any other method as deemed appropriate by the shareholders' meeting but in each resolution, the shareholder shall cast its existing vote as mentioned in clause (1) and it was prohibited to separate their votes.
- 3 Voting for election of director was adhered to the majority vote, in case of equal votes, the chairman of the meeting shall have the final vote.
- 4 A company director shall hold office for 3 years a time and the directors who are expired on term may be re-elected and may assume the previous post again, if it is agreed by the shareholders

The duties and responsibilities of the Board of Directors

1. To conduct and follow the performance in all aspects to comply with the law, purpose, company's regulations and resolutions of the meeting of shareholders, ministerial regulation or Act related to business operation and rules and regulations of the Stock Exchange of Thailand (SET), Securities and Exchange Commission.
2. Perform your duty and manage efficiently with your full capacity with responsibility and honesty to create maximum benefits to the company and all Stakeholders.
3. Not seeking unfair benefits from work directly or indirectly.
4. Carefully manage your work and avoid conflict of interest in private benefits against the company's to administer it in full efficiency including,
 - Not seeking private benefits from directorship
 - Not using secret information illegally
 - Not being director in any company of same or similar competition to the company
 - Not having any benefit in making company's contract.
5. Imposing policy and strategy in business plan of the company and budget.
6. Follow and supervise management in implementing prescribed policy to be most efficient and effective to create maximum economic value for business and highest stability to shareholders.



7. Provide and supervise administration in rules of good supervision with internal control system and effective internal inspection including follow up of business regularly and covering the performance in all aspects, finance, operation, legal compliance, rules and related regulations and to have with mechanism in auditing and checking sufficient efficiency in the protection of investment of shareholders and company's property regularly, imposing written rules and regulations with independent internal auditing unit, reporting to auditing committee and auditing work at all units to comply with the stipulated regulations.
8. To arrange having with the risk management system in relation with all risks related to vision, target, business strategy, finance, service and other performances by taking into consideration on opportunity to happen and level of severity in its impact, imposing the measures in reporting and assessment follow up, by arranging to have a risk management committee at managerial level with the duty to propose plan and its performance to the executive committee regularly.
9. To account system, financial reporting and reliable auditing including supervision to have a process in evaluating sufficiency in internal control and internal inspection in managing risks and having with the process on financial reporting and follow up and its assessment.
10. Supervise and solve all conflicts of interest including use of company's property illegally and incorrect act among involved persons judiciously while as involved persons shall not involve in the decision making.
11. Appoint and assign a director or several or other person to act on behalf of the board, by imposing duties and responsibilities clearly to oversee financial report, internal control system and supervision system as stated in the policy.

Audit and Corporate Governance Committee

Name	Position	
1. Mr. Sompoch Intranukul	Chairman of Audit and Corporate Governance Committee	Independent Director with adequate expertise and experience to review creditability of the financial reports
2. Mrs. Chitra Thavara	Member of Audit and Corporate Governance Committee	Independent Director with adequate expertise and experience to review creditability of the financial reports
3. Mr. Surapong Paisitpatnapong	Member of Audit and Corporate Governance Committee	Independent Director with adequate expertise and experience to review creditability of the financial reports
4. Mr. Tosporn Simtrakan (appointment on April 28, 2014)	Member of Audit and Corporate Governance Committee	

The Audit and Corporate Governance Committee shall comprise with the company's director who has qualification as imposed by the company's regulations at least 3 independent directors and one of them shall have knowledge in accounting and financial and its term of office is 3 years. Any director in the Audit and Corporate Governance Committee who has been in expiration may be elected again to assume post if seen suitable by the Board. The Audit and Corporate Governance Committee has the scope of duties and responsibilities to the Board of Directors on the following matters:



The scope of duties and responsibilities of Audit and Corporate Governance Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the law and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report.
 - (b) an opinion on the adequacy of the Company's internal control system.
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business.
 - (d) an opinion on the suitability of an auditor.
 - (e) an opinion on the transactions that may lead to conflicts of interests;
 - (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member.
 - (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with charter.
 - (h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
7. To perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee.



8. To report to the Board of Directors in the event that the Audit Committee has found or suspects matters that may affect The Company's financial standings and its financial performance, i.e. conflict of interests, fraud or unusual transactions or major flaws in the internal audit system, or wrong doings relating to the Securities and Stock Exchange, rules and regulations of the Stock Exchange of Thailand as well as other laws applicable to the Company's business. The Board of Directors and/or Management have to resolve the issue within the timeframe as dictated by the Audit Committee. In the event that the issue cannot be resolved within the allotted timeframe, the Audit Committee has to report to The Securities and Exchange Commission and the Stock Exchange of Thailand
9. To study and follow the movements, trends, compliance on good governance to present to the Board for consideration in taking it into the guideline on the company's performance.
10. To develop and propose good governance policy of the company with the code of conduct to the Board regularly.
11. To oversee the compliance with the policy and the principles of conduct under ethical frame, according to the principles of corporate good governance with its assessment report to the Board of Directors.

Board of Executive Directors

Name	Position
1. Mr. Supasith Sukhanindr	Chairman of the Board of Executive Director
2. Mr. Pilanchai Pradubphong	Vice-Chairman of the Board of Executive Director
3. Mr. Sumrit Tantidilokkul	Executive Director

The Board of Executive Directors shall compose of chairman and not less than 2 executive directors to have authority as assigned by the Board of the Company as follows:

The scope of duties and responsibilities of the Board of Executive Directors

1. Impose the guidelines for development and business expansion to comply with the board of directors' policy with the risk evaluation that may be incurred to new product, or the risk related with new transactions including the guidelines to prevent risks related to transactions.
2. Impose business plan, budget and administrative authority in company to be submitted to the Board for approval.
3. Inspect, follow performances under the policy and guidelines to be effective and enhancing to the business operation.
4. Consider major investment projects of the company under the policy of the board of directors by analyzing investment project, risk and expected benefits to be submitted for approval from the board of directors.



5. Consider and screen the information or the facts of any matter to be submitted to the Board of Directors for accurate and full consideration.
6. Report to the Board of Directors regularly in relation with the management, operation and risk status of the company and changes including the matters to be improved to meet the imposed policy and strategy by arranging the Risk Management Working Group to consider risks involved in each department and in total as the organization's risks to impose the methods and guidelines to prevent these risks as stated and continually assess it.
7. Approve administration related to company's operation as follow:
 - Approve costs as expense to be not over 10.00 million baht
 - Approve costs as asset to be not over 50.00 million baht
 - Approve accepting of goods pledge to be not over 100.00 million baht
9. Have authority in appointing, removing on executives lower than managing director.
10. Other implementations as assigned by the Board on case by case.

Meeting of Executive Directors

1. The management shall conduct to have or call for its meeting as seen suitable.
2. The management's resolution shall take the majority voting in its directors attending with the quorum, however, any director with interest in any matter shall not attend in such meeting or in any voting.
3. A management meeting shall consist of not less than its half of the total directors to make its quorum.

In 2014, the Board of Executive Directors has convened a number of meetings to follow up the management's implementations in 3 meetings and it has been reported to the Board of Directors to acknowledge and approve it.

Apart from the above-mentioned programs, the Board of Executive Directors also has a special meeting unofficially to consult on various aspects of the administration regularly every month and in attending consultation meetings to provide suggestions to the management of the subsidiaries at least once a month to make follow-up on targets.

The Risk Management Working Group

The Risk Management Working Group shall comprise Managing Director, Department Manager and Deputy Manager and Assistant Manager to consider risks incurred in each department and to consider their connections in each department, in order to impose strategy and guideline in total risk management of the organization and to be consistent with the policy and purpose of the company, also with follow up to report the executive committee every 6 months. In addition it shall be with the handbook on risk management with full elements to be publicized to directors, employees at all level to be the guideline for practice.



Major Factors of Good Risk Management:

- To impose the policy, purpose and scope of operation, time and activities involved including fixing of the responsible personnel in its implementation in consistent with risk management.
- To specify risks by considering any risk involved with the organization's operation, for instance, finance, operation, administration, marketing including the risks that affect the image of the business, etc.
- To specify the level of damage that may be incurred from each risk, level of risk = level of severity x chance of risks and with risk priority from the analysis as mentioned.
- To impose measures or methods against the stated risks.
- To have the report on risks and its assessment on risks.
- To follow up and revise the policy and risk management system sufficiently to be effective and with its continual compliance.

In 2014 the Company operates the following risk management methods:

1. Establish risk management working group to consider on internal risk and guideline for overall risk management of the Company in order to comply with the policy and goal of the Company on 2 January 2014.
2. Employ consultant company for risk management project in order to give knowledge and suggest risk management procedure to risk management working group and relevant officers between February – June 2014
3. According to the operation of risk management project, risk management working group and relevant officers conducted risk assessment at organizational level and linked to relevant risk at activity level, which can be divided into 4 types, i.e. 1) Operation Risk; 2) Financial Risk; 3) Compliance Risk; and 4) Fraud Risk
4. Risk management working group collect and prepare guidebook for risk management and risk management policy of the Company, so that the employees can comply to. Risk management policy and guidebook for risk management were announced on 4 December 2014, so that the employees can apply and minimize risk of the organization, and the Company can securely develop and improve.

Risk management policy

Sub Sri Thai Public Company Limited pays attention to Good Governance in order to develop and make progress to the organization firmly, expand the business stably, maintain stable financial status, prevent and decrease damage from environment and threats that may occur and affect the personnel, asset, business operation, and corporate image.

Therefore, the Company sees that the risk management system should be applied. The operational framework and process of risk management conform to the principle of the Committee of Sponsoring Organizations of the Tread way Commission (COSO) which is an international standard in order to make relevant parties understand about risk management principle and to apply the principle suitably.



In view of that, Executive Board sets the risk management policy of the Company as follows:

1. The risk management shall be integrated all over the organization and it need to conform to and be included in strategic plan and operational process of the organization, including to consider risk management as one of the process in business plan preparation, budget setting, investment decision, and project management in order to achieve the objective.
2. The risk management must cover both external and internal risks, as well as the risks that are damages, uncertainty, and opportunity loss.
3. There shall be process to regularly indicate, analyze, manage, monitor, and report the risks. The process must be conducted all over the organization to keep the risk management process in the same standard all over the organization.
4. To support and develop risk management as one of the operational process according to Good Governance.
5. There shall be an effective communication process, including the training and seminar arrangement in order to make everyone realize about the importance of risk management.

Managing Director and Executive Officers

Name	Position
1. Mr. Sumrit Tantidilokkul	Managing Director
2. Mr. Kasidit Thavisin (appointment on January, 2015) Replacement Mr. Noppadol Leela-Arayasakul who was terminated of the employment on January 12, 2015	<ul style="list-style-type: none"> - Acting for Document Storage Manager - Advisor to Managing Director regarding Warehouse and Document Storage
3. Mr. Panya Soonsap	Warehouse Manager
4. Mrs. Patcharee Boonnak	Senior Operation Manager
5. Miss Jeerawan Thanantha	Accounting and Finance Manager

The Board's resolution shall impose the Managing Director to be of the authority in implementing normal business of the company and other matters, according to the Board and the Executive Resolution, including the following duties:



The scope of duties and responsibilities of the Managing Director

1. Take responsibility on all management work of the company to comply with company's board.
2. Approve administration related to company's operation as follow:
 - Approve costs as expense to be not over 2.00 million baht
 - Approve costs as asset to be not over 10.00 million baht
 - Approve accepting of goods pledge to be not over 20.00 million baht
3. Create vision and impose on missions to have its guideline and development in long term.
4. Take responsibility in business operation and integrated development to get suitable remuneration at appropriate rate in order to gain economic benefit at a reasonable rate.
5. Respond on market needs and customers' by developing quality and continual service to be in time of the situation at fair price.
6. Develop the Company to run business in good ethics, complying with laws, morality and good culture.
7. Develop organization and personnel to have knowledge at full capacity, create organizational culture and professional ethics.
8. Study and develop new technology, production process and continual business development using full capacity of resources.
9. Other assignments from the Board and the Executive Board.

Nomination and Remuneration committee

Name	Position
1. Mr. Sompoch Intranukul	Chairman of the Nomination and Remuneration committee
2. Mr. Surapong Paisitpatnapong	Member of the Nomination and Remuneration committee
3. Mr. Supasith Sukhanindr	Member of the Nomination and Remuneration committee

The Nomination and Remuneration committee has duties and responsibilities in selection qualified persons to be appointed as the company directors or to be member in the committee and propose to the company board of director to propose the Annual General Meeting of Shareholders or propose to the company board of director for appointment.



Nomination and Remuneration committee shall comprise 2 of 3 independent directors and the chairman of the selection committee must be independent director with term of office at 3 years a time. Any director in the nomination and remuneration committee who has been in expiration maybe elected again to assume post if seen suitable by the Board with following duties:

1. To consider the rules and selection process including the selection of suitable persons to hold directorship in the Board, sub-committee and to present to the Board of Directors for the nomination in the Shareholders' Meeting or to present to the Board of Directors for appointment.
2. To consider the selection of suitable persons to hold the position of managing director and to present to the Board of Directors for appointment.
3. To consider fixing the guideline and topics in the assessment of the performance of company directors, managing director annually, by thinking of the responsibility and risks involved.
4. To propose on remuneration policy and other benefits for the Board of Directors, sub-committee, and managing director together with its revision for the Board of Directors, sub-committee, and managing director suitably and consistently with the responsibility and company's performance to be presented to the Board of Directors in approving the remunerations and to be submitted to the Shareholders' Meeting for approval.
5. Other missions as assigned by the Board of Directors.



Director and Management Biography



MR. KEOKHWAN VAJARODAYA

Chairman and Independent Director

Age 86

Education / Training

- Honorary Doctor of Agricultural Technology (Landscape Technology), Maeijo Institute of Aricultural Technology
- Honorary Doctor of Science (Agricultural Extension) Kasetsart University
- Honorary Doctor of Education (Agricultural Technology) King Mongkut's Institute of Technology Ladkrabang
- Honorary Doctor of Philosophy (Environmental Science), Ramkhamhange University
- Honorary Degree of Doctor of Art (Community Development), Mahasarakham University
- Doctor of Business Administration program (Honor) In Management , Bundit Boriharnthurakit College
- Honorary Doctorate in Educational Administration, North Eastern University
- Honorary Doctor of Agricultural Technology, Songkhla Rajabhat University
- Honorary Doctor of Technology in Photography and Cinematography Technology, Rajamangala University of Technology Krungthep

Working experiences

1978 - 1986	Deputy Lord Chamberlain Bureau of Royal Hosusehold
1987 - Present	Lord Chamberlain Bureau of Royal Household / President of Office of the Privy Purse / Director of Royal Chitralada Agricultural Projects
1996	Director of Plant Genetic Conservation Project under The Royal Initiative of Her Royal Highness Princess Maha Chakri Sirindhorn
2009	Advisor to Phradabos Foundation
2011	Vice President of Plant Genetic Conservation Foundation under The Royal Initiative of Her Royal Highness Princess Maha Chakri Sirindhorn

Positions in the Present

- **In listed Companies** - None -
- **In non-listed Companies** - None -

IOD Certifier

- None -

Number of Share as of December 31, 2014: 754,503 (0.27 %)



MR. SOMPOCH INTRANUKUL

**Director / Chairman of the Audit Committee and
Independent Director / Chairman of the Nomination and
Remuneration Committee**

Age 76

Education / Training

- B.A. (Accounting) Chulalongkorn University
- Diploma National Defence College, Class 6/1993
- Senior Executive Program (SEP 1) Sasin Graduate Institute of Business Administration of Chulalongkorn University

Working experiences

1995 – Present	President The Siam Administrative Management Co., Ltd.
1999 – 2009	Chairman of Audit Committee Siam Commercial Leasing Pcl.
1999 – Present	Chairman of Audit Committee Deves Insurance Pcl.
2003 – 2013	Chairman Raimon Land Pcl.
2003 – Present	Chairman SCMB Co., Ltd.
2008 – Present	Chairman of Audit Committee Hifi Orient (Thai) Pcl.
2013 – Present	Chairman of the Board Mudman Co., Ltd.*

Positions in the Present

- **In listed Companies** - None -
- **In non-listed Companies** 5 Companies
 - President The Siam Administrative Management Co., Ltd.
 - Chairman of Audit Committee Deves Insurance Pcl.
 - Chairman SCMB Co., Ltd.
 - Chairman of Audit Committee Hifi Orient (Thai) Pcl.
 - Chairman of the Board Mudman Co., Ltd.*

IOD Certifier

- Effective Audit Committees & Best Practices
- Director Certification Program (DCP) Class 24/2002
- Director Accreditation Program (DAP) Class 63/2007
- Chartered Director Class (CDC) Class 3/2008

Number of Share as of December 31, 2014: 191,403 (0.07 %)

(* Subsidiary Company)



MRS. CHITRA THAVARA

**Director / Member of the Audit Committee and
Independent Director**

Age 74

Education / Training

- Bachelor Degree in Commerce, Thammasat University
- Senior Executive Program Class 12/1998 Sasin Graduate Institute of Business Administration of Chulalongkorn University

Working experiences

2005 - 2010	Independent Director Siamweb Plc.
2006 - 2009	President IRPC Polyol Co.,Ltd. / President IRPC Oil Co.,Ltd.
2006 - 2010	Advisor to CEO, Incharge of Acting Executive Vice President Coporate Planning Supply Feedstock & Trading IRPC Plc. / President Thai ABS Co.,Ltd.
2010 - 2013	Advisor of Corporate Commercial and Marketing. IRPC Plc

Positions in the Present

- **In listed Companies** - None -
- **In non-listed Companies** - None -

IOD Certifier

- Director Accreditation Program (DAP) Class 56/2006

Number of Share as of December 31, 2014: 27,046 (0.01 %)



MR. SURAPONG PAISITPATNAPONG

**Director / Member of the Audit Committee and
Independent Director / Member of the Nomination
and Remuneration Committee**

Age 74

Education / Training

- B.A. (Accounting) Thammasat University
- B.A. of Business Administration Thammasat University
- B.A. of Laws Thammasat University
- The New Accounting Standards by The Federation of Accounting Professions
- EPC/RFID for Logistics and Supply Chain Management by Department of primary Industries and Mines
- Logistics-Inventory by Department of Primary Industries and Mines
- Tax Auditor (Three days Training) by Revenue Department
- Mini MBA Thammasat University (Matichon Program)
- Applied Political Science by political Science Association of Thailand

Working experiences

- | | |
|----------------|---|
| 1991 - Present | Spokesman of Automotive Industry Club Federation of Thai Industries (FTI) |
| 1998 - Present | Member of Committee, Public Relation Committee Federation of Thai Industries (FTI) |
| 2002 - 2008 | Member of Committee, Human Capacity Building Institute Federation of Thai Industries (FTI) |
| 2005 - Present | Advisor to Grand Prix International Co., Ltd. |
| 2006 - 2008 | Director of Federation of Thai Industries (FTI) |
| 2006 - Present | Member of Committee, Academics Committee Federation of Thai Industries (FTI) |
| 2009 - Present | Member of Committee, Export promotion committee Thai National Shippers' Council |
| 2010 - Present | Member of Committee, Trade Promotion and Investment Committee Federation of Thai Industries (FTI) |
| 2012 - Present | Vice Chairman of Automotive Industry Club Federation of Thai Industries (FTI) |

Positions in the Present

- **In listed Companies** - None -
- **In non-listed Companies** - None -

IOD Certifier

- Director Certification Program (DCP) Class 142/2011

Number of Share as of December 31, 2014: 57,028 (0.02 %)



MR. SURAPONG PAISITPATNAPONG

Director / Member of the Audit Committee and Independent Director

Age 64

Education / Training

- Master of Science in Electrical Engineering (MSEE) in Digital Communication, Georgia Institute of Technology, USA.
- Bachelor of Science in Electrical Engineering (BSEE), Chulalongkorn University
- Bachelor in Economic (BE), Sukothai University
- Bachelor in Law (LLB), Sukothai University

Working experiences

2005 – 2007	Executive Vice-President (EVP) Information Technology at CAT Telecom Pcl.
2007 - 2009	Executive Vice-President (EVP) for Corporate Strategy at CAT Telecom Pcl.
Present	Advisor to the Commissioner (Asst. Prof. Dr. Thawatchai Jittrapanun Ph.D.) Office of The National Broadcasting and Telecommunications Commission (Kingdom of Thailand)

Positions in the Present

- **In listed Companies** - None -
- **In non-listed Companies** - None -

IOD Certifier

- None -

Number of Share as of December 31, 2014: 5,564 (0.00 %)



MR. SUPASITH SUKHANINDR

**Authority Director to Sign on Behalf of the Company
/ Chairman of the Board of Executive Director /
Member of the Nomination and Remuneration
Committee**

Age 39

Education / Training

- M.B.A. Specialised in Finance, Marketing and International Business, University of Miami U.S.A.

Working experiences

2001 - Present	Executive Director Super Enterprises Co., Ltd.
2009 - Present	Director SST Warehouse Co., Ltd.*
2010 - Present	Director Industrial Enterprises Co., Ltd.*
2011 - Present	Chairman of The Board of Executive Directors Mudman Co., Ltd.* / Chairman ABP Cafe (Thailand) Co., Ltd.* / Chairman Golden Donuts (Thailand) Co., Ltd.* / Director Golden Scoop Co., Ltd.* / Director Greyhound Co., Ltd.* / Director Greyhound Cafe Co., Ltd.* / Director Golden Gourmet Co., Ltd.*

Positions in the Present

- **In listed Companies** - None
- **In non-listed Companies** 9 Companies
 - Executive Director Super Enterprises Co., Ltd. / Director SST Warehouse Co., Ltd.*
 - Chairman of The Board of Executive Directors Mudman Co., Ltd.*
 - Chairman ABP Cafe (Thailand) Co., Ltd.* / Chairman Golden Donuts (Thailand) Co., Ltd.*
 - Director Golden Scoop Co., Ltd.* / Director Greyhound Co., Ltd.* / Director Greyhound Cafe Co., Ltd.* / Director Golden Gourmet Co., Ltd.*

IOD Certifier

- Director Accreditation Program (DAP) Class 50/2006

Number of Share as of December 31, 2014: 57,832,082 (20.47 %)

(* Subsidiary Company)



MR. PILANCHAI PRADUBPHONG

Director / Vice - chairman of The Board of Executive Directors

Age 59

Education / Training

- Certificate of Business Administration National Institute of Development Administration

Working experiences

2002 - 2014	Director Siamweb Plc.
2009 - Present	Director SST Warehouse Co., Ltd *
2010 - 2014	Director Industrial Enterprises Co., Ltd
2011 - 2014	Director Thai Livestock Promotion Co., Ltd

Positions in the Present

- **In listed Companies** - None
- **In non-listed Companies** 1 Companies
 - Director SST Warehouse Co., Ltd *

IOD Certifier

- Director Accreditation Program (DAP) Class 49/2005

Number of Share as of December 31, 2014: 32,553 (0.01 %)

(* Subsidiary Company)



MR. SUMRIT TANTIDILOKKUL

**Authority Director to Sign on Behalf of the Company
/ Executive Director and Corporate Secretary**

Age 62

Education / Training

- M.B.A. Chulalongkorn University
- Bachelor of Accountancy, Chulalongkorn University

Working experiences

2003 - 2009	Subcommittee The Agricultural Futures Exchange Thailand (Category : Rice)
2009 - Present	Director SST Warehouse Co., Ltd *
2011 - Present	Director Industrial Enterprises Co., Ltd
2012 - Present	Director Thai Livestock Promotion Co., Ltd.
2013 - Present	Vice - chairman of The Board of Executive Directors Mudman Co., Ltd.* / Director ABP Cafe (Thailand) Co., Ltd.* / Director Golden Donuts (Thailand) Co., Ltd.* / Director Golden Scoop Co., Ltd.*

Positions in the Present

- **In listed Companies** - None
- **In non-listed Companies** 5 Companies
 - Director SST Warehouse Co., Ltd *
 - Vice - chairman of The Board of Executive Directors Mudman Co., Ltd.*
 - Director ABP Cafe (Thailand) Co., Ltd.*
 - Director Golden Donuts (Thailand) Co., Ltd.*
 - Director Golden Scoop Co., Ltd.*

IOD Certifier

- Director Accreditation Program (DAP) Class 8/2004
- Director Certification Program (DCP) Class 51/2004
- Role of the Compensation Committee Program (RCC) Class 15/2012

Number of Share as of December 31, 2014: 198,427 (0.07 %)

(* Subsidiary Company)



MRS. INTIRA SUKHANINDR

Authority Director to Sign on Behalf of the Company

Age 67

Education / Training

- Certificate of Secretary, Melbourne, Australia

Working experiences

1968 - 2010	Vice President Business Development New Krung Thai Sugar Factory Co., Ltd. / Vice President Business Development New Kwang Soon Lee Sugar Factory Co., Ltd. / Vice President Business Development Tamaka Sugar Industry Co., Ltd.
1976 - 2010	Vice President Business Development Khon Kaen Sugar Industry Plc.
2003 - Present	Director Champion Fermentation Co., Ltd.
2004 - Present	Director Thai Fermentation Industry Co., Ltd.
2010 - 2011	Director and Vice President Khon Kaen Sugar Industry Plc. / Director and Vice President New Krung Thai Sugar Factory Co., Ltd. / Director and Vice President New Kwang Soon Lee Sugar Factory Co., Ltd. / Director and Vice President Tamaka Sugar Industry Co., Ltd.
2010 - Present	General Manager KSL Export Trading Co., Ltd. / Director KSL AGRO & Trading Co., Ltd / Director Khon kaen Sugar Power Plant co.,Ltd.
2011 - Present	Director and Senior Vice President Khon Kaen Sugar Industry Plc. / Director and Senior Vice President New Krung Thai Sugar Factory Co., Ltd. / Director and Senior Vice President New Kwang Soon Lee Sugar Factory Co., Ltd. / Director and Senior Vice President Tamaka Sugar Industry Co., Ltd.

Positions in the Present

- **In listed Companies** 1 Company
 - Director and Senior Vice President Khon Kaen Sugar Industry Plc.
- **In non-listed Companies** 7 Companies
 - Director Champion Fermentation Co., Ltd. / Director Thai Fermentation Industry Co., Ltd.
 - Director KSL AGRO & Trading Co., Ltd. / Director Khon kaen Sugar Power Plant co., Ltd.
 - Director and Senior Vice President New Krung Thai Sugar Factory Co., Ltd
 - Director and Senior Vice President New Kwang Soon Lee Sugar Factory Co., Ltd
 - Director and Senior Vice President Tamaka Sugar Industry Co., Ltd.

IOD Certifier

- Director Accreditation Program (DAP) Class 50/2006

Number of Share as of December 31, 2014: 29,238,143 (10.35 %)



MISS DUANGDAO CHINTHAMMIT

Authority Director to Sign on Behalf of the Company

Age 56

Education / Training

- Master of Science, Agricultural Economics, University of Saskatchewan, Canada
- Bachelor of Science, Computer Information System, Western Michigan University, USA.
- BBA in Business Administration, Kasetsart University

Working experiences

1996 - Present	Director Onnuch Construction Co., Ltd.
1999 - Present	Director KSL Real Estate Co., Ltd.
2004 - Present	Director and Vice President Khon Kaen Sugar Industry Plc. Director and Vice President New Kwang Soon Lee Sugar Factory Co., Ltd. / Director and Vice President New Krung Thai Sugar Factory Co., Ltd / Director and Vice President Tamaka Sugar Industry Co., Ltd. /
2006 - Present	Director KSL Material Supplies Co., Ltd.
2007 - Present	Director KSL AGRO & Trading Co., Ltd.

Positions in the Present

- **In listed Companies** 1 Company
 - Director and Vice President Khon Kaen Sugar Industry Plc.
- **In non-listed Companies** 7 Companies
 - Director Onnuch Construction Co., Ltd.
 - Director KSL Real Estate Co., Ltd.
 - Director and Vice President New Kwang Soon Lee Sugar Factory Co., Ltd
 - Director and Vice President New Krung Thai Sugar Factory Co., Ltd
 - Director and Vice President Tamaka Sugar Industry Co., Ltd.
 - Director KSL Material Supplies Co., Ltd.
 - Director KSL AGRO & Trading Co., Ltd.

IOD Certifier

- Director Accreditation Program (DAP) Class 17/2004
- Director Certification Program (DCP) Class 71/2006

Number of Share as of December 31, 2014: 15,414,842 (5.46 %)



MISS DUANGKAE CHINTHAMMIT

Director

Age 59

Education / Training

- Diploma from KATINKA School, England
- Certificate Modern Management Program (MMP), Chulalongkorn University

Working experiences

- 2004 - Present Director and Assistant Vice President Khon Kaen Sugar Industry Plc.
 Director and Assistant Vice President New Kwang Soon Lee Sugar Factory Co., Ltd.
 Director and Assistant Vice President New Krung Thai Sugar Factory Co., Ltd.
 Director and Assistant Vice President Tamaka Sugar Industry Co., Ltd.

Positions in the Present

- **In listed Companies** 1 Company
 - Director and Assistant Vice President Khon Kaen Sugar Industry Plc.
- **In non-listed Companies** 3 Companies
 - Director and Assistant Vice President New Kwang Soon Lee Sugar Factory Co., Ltd.
 - Director and Assistant Vice President New Krung Thai Sugar Factory Co., Ltd.
 - Director and Assistant Vice President Tamaka Sugar Industry Co., Ltd.

IOD Certifier

- Director Accreditation Program (DAP) Class 17/2004

Number of Share as of December 31, 2014: 15,737,080 (5.57 %)



MRS. PATCHAREE BOONNAK Senior Operation Manager Age 57

Education / Training

- B.A. In Law Ramkhamhaeng University
- Corporate Secretary Development Program Faculty of Commerce and Accountancy, Chulalongkorn University
- Organizational Risk Management Program Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Entrepreneurs Development for Manufacturer program : Sustainable Innovation Management (SIM) Department of Industrial promotion, Ministry of Industry
- CSR for Corporate Sustainability Class 2
- Workshop for Stengthening Practical skills in CSR Sustainable Business Development Institute, Stock Exchange of Thailand

Working experiences

1994 – 1999	Assistant Deputy Operation Manager Sub Sri Thai Plc.
2000 – 2003	Deputy Operation Manager Sub Sri Thai Plc.
2004 – 2009	Operation Manager Sub Sri Thai Plc.

Number of Share as of December 31, 2014: 114,114 (0.04 %)

MISS JEERAWAN THANANTHA Accounting and Finance Manager Age 48

Education / Training

- University of the Thai Chamber of Commerce MBA in Accounting
- Bachelor of Arts (Accounting) Chiang Mai University

Working experiences

2001 - 2009	Management Accounting Manager Siam City Cement Plc.
2009 – 2010	Deputy Accounting Manager Toyota Leasing Thailand Co., Ltd.
2010 – 2012	Accounting Manager Standard Can Co., Ltd.

Number of Share as of December 31, 2014: 1,265 (0.00%)



Mr. Panya Soonsap Warehouse Manager Age 56

Education / Training

- Master of Business Administration Burapa University
- B.A. In Law Ramkhamhaeng University
- Management Problem Solving and Decision Making Program (PSDM)
- Business English Conservation, Negotiation and Public Relation

Working experiences

2002 – 2005	Branch Manager UOB Pcl.
2006 – 2009	Region Manager UOB Pcl.
2009 – 2013	Vice President Financial Consultant Department Trinity Securities co.,Ltd.

Number of Share as of December 31, 2014: -



**Name of Directors in Subsidiaries of Sub Sri Thai Plc.****As of 31st December 2014**

Directors' name	Subsidiary Company							
	SST Warehouse Co., Ltd.	Mudman Ltd.	ABP cafe (Thailand) Co., Ltd.	Golden Donuts (Thailand) Co., Ltd.	Golden Scoop Co., Ltd.	Greyhound Co., Ltd.	Greyhound Café Co., Ltd.	Golden Gourmet Co., Ltd.
1. Mr. Keokhwan Vajarodaya								
2. Mr. Sompoch Intranukul		●						
3. Mrs. Chitra Thavara								
4. Mr. Surapong Paisitpatnapong								
5. Mr. Tosporn Simtrakan								
6. Mr. Supasith Sukhanindr	■	◆	●	●	■	■	■	■
7. Mr. Pilanchai Pradubphong	■							
8. Mr. Sumrit Tantidilokkul	■	◆	■	■	■			
9. Mrs. Intira Sukhanindr								
10. Miss Duangdao Chinthammit								
11. Miss Duangkae Chinthammit								

Remark ● = Chairman ■ = Director ◆ = Executive director



Corporate Social Responsibility



The Company Board of Directors is firmly determined to develop the Organization for sustainable growth; to become a transparent Organization and to have a true corporate governance, responsibility and maintain the benefits of the stakeholders and society in the overall, development personnel to become good people with righteousness, promote knowledge in order to head for developing a foundation of the corporate social responsibility continuously and sustainably as follows:

1. Corporate Governance

The Board of Directors has been fully aware of the importance of good governance so it has imposed the policy all-inclusive in the principle of rights and equality of all shareholders and stakeholders, role and duty and independence of the Board, information disclosure and transparency, control and risk management and business ethics by the supervision that all directors, executives and employees follow the policy, as following:

1. The Board of Directors shall perform and communicate with shareholders fairly and equitably.
2. The Board of Directors shall think of the rights of all stakeholders and support on understanding and co-operation with the company.
3. The Board of Directors shall perform the duties by thinking of the benefits of the company and shareholders more importantly and to have the structure and process in fixing the role and duty with a clear responsibility of the board as directors separately from the role of shareholders and the management.
4. The Board of Directors shall implement appropriately to create the confidence that the management has disclosed information and report of the company correctly, on time and transparently, and consistently with the official rules.
5. The Board of Directors shall have the responsibility to impose the structure on management's ability on policy, administration and suitability in the control system.
6. The Board of Directors shall impose the ethical rules in doing business for directors, management and employees to comply with and to be working guideline in consistent with the related legislations and standard code of conduct generally accepted.



The Company's corporate governance policy and Manual of Business Code of Conduct had been revised as the second edition in 2013 and the Company has guideline to comply with our corporate governance policy and Manual of Business Code of Conduct. Details are as follow:

1. Right of the Shareholders

The Board of the Director is aware and gives the importance on the right of shareholders, no matter the basic right in law comprising the selling or transferring of shares, profit sharing of business, sufficient information on business, attending for exercising of right in the shareholders' meeting to appoint or remove directors, appointment of auditor, and matter affecting the company, such as, apportion of dividend, imposing or amending regulations and memorandum of association, decrease or increase of capital, and approval on special items and right of proxy for other person to attend on behalf, right of ownership in appointing The Board of Directors to function on behalf, and the right to make decision on company's major changes, etc.,

1.1 Shareholders' Meetings

The Annual General Meeting of Shareholders for the year 2014 that was held on April 28, 2014 (9.30 a.m.) at Vajiravej-Vitayalai Chalermprakiert Foundation, Royal Golden Jubilee Building 2, Soi Soonvijai, New Phetchaburi Road, Bangkok, to consider the agenda in compliant with the law and under the guidelines of The Stock Exchange of Thailand and to consider the increase of registered capital of the Company under a General Mandate. There were 9 directors and 1 directors authorized to attorney attending meeting, including shareholders and their proxies who attended meeting in the total of 64 persons and in the total of 134,287,840 shares or 59.41% of total shares.

Prior implementation before meeting

- 1) The Company had given opportunity to our shareholders to propose Shareholders Meeting Agenda as well as to nominate persons to be elected as the Company Directors in Annual General Meeting of shareholders for the year 2014 during October 1, 2013 to December 31, 2013. The criteria, procedures, submission channel and other related details are announced on the Company's website: <http://www.subsrithai.co.th>.
- 2) Inviting the shareholders by the company has entrusted the Thailand Securities Depository Co., Ltd., the company's registrar of shares, to invite with the meeting documents to the shareholders before the convening date for 22 days and publicize in the website: www.subsrithai.co.th in advance 30 days before the convening date and publishes the notice of shareholders' meeting in newspapers for three consecutive days in advance 27 days to shareholders' meeting for the shareholders to have enough time to study the information and data before the meeting
- 3) The company's invitation letter has with the information, the date, time and venue including the agendas and all information related to the matters for decision making to the shareholders inclusive of the proxy letter, form gaw and khor, in the standardized forms imposed by the ministry of commerce, the company's regulations in relation with the shareholders' meeting, rules and methods in voting for each agenda and evidence details necessary for the shareholders on the convening date and in addition, with the list of names and background of independent directors. The shareholders may choose to make proxies to attend.



- 4) Each agenda of the invitation letter has clearly prescribed its proposal for acknowledgment or consideration including the facts, objectives and reasons, The Board of Director's opinions, including the voting amount to be the resolution, for instance, a special resolution will require three fourths of the votes, etc.
- 5) The agenda on the appointment of directors has with the name and background of the proposed director. In 2014, it has the proposal on former directors to retain the position again so it is given with data on previous meetings and number of years together with the holding ratio of securities in the company.
- 6) For the election of independent directors, the company has added information about the directors proposed on their independence, for instance, stake holding in the company, subsidiary or the juristic person that may be in conflict, etc.
- 7) Set the agenda on the remuneration of directors on yearly basis to be considered and approved by the shareholders, the company has provided detailed explanation on Annual Registration Statement (Report form 56-1) including policies and rules in the consideration.
- 8) The agenda for the appointment of the auditor, with the auditor's name, the related company and experience and expertise and independence of the auditor, including the auditing service fee.
- 9) The agenda for the dividend payment, it has been with the notice on dividend payment, dividend rate, together with the reason and accompanying information.

Implementation of Shareholders' Meeting

- 1) In the annual general meeting of shareholders, the chairperson has instructed the meeting criterions, resolution voting and counting and use of voting card.
- 2) The chairperson has given the shareholders with the session on questioning and opinions with the record of these issues in the Minutes of Meeting for those who did not attend to acknowledge it.
- 3) At the appointment of director agenda, the company has given the shareholders with voting right on persons.
- 4) Voting cards were used by shareholders to fill if they disagree and suspend vote to be deducted from the total votes.
- 5) In the annual general meeting of shareholders 2014, the company's Chairman of the Audit Committee, Chairman of the Board of Executive Director and Managing Director are present and the company has invited the auditor and the company's management to attend to fully give information or answer on shareholders' question.



- 6) In each agenda, it has been conducted by the company in the manner of resolution voting and record on each voting count clearly: yes, no, suspended at what amount of votes.
- 7) The company has granted the shareholders who attended after the meeting started with right to vote or voting in the agenda in discussion and no resolution yet.
- 8) The company does not add agendas and without any prompt notice on information or major change of information.

Implementation after the Shareholders' Meeting

After the shareholders' meeting, the company has prepared with the shareholders' minute of meeting comprising following details which are the notification on voting method and counting, voting resolution and record of votes gained in each agenda clearly: yes, no, suspended at what amount of votes, including the explanation on major points, exposing with question and answer or opinion in conclusion and the company has submitted its minute to the SET within 14 days as scheduled and upload to website within 30 days from the convening date for shareholders who are interested and need to review.

From the implementation of quality evaluation project of the annual general meeting 2014 organized by the Thai Investors Association, the company has been rated 96% in the level of "Excellent".

1.2 Promote the shareholders to fully exercise their right and voting:

- 1) Separate the closing of register of shares transfer suspension for the right in attending the annual general meeting for the shareholders to consider approving the apportion of profit and dividend for the year; before the closure of the register again for the right of dividend payment to maintain the shareholders' right to choose to keep the shares for dividend or not.
- 2) Locate the meeting venue to be convenient, which is convened at the Royal Golden Jubilee Building, Soi Soonvijai, New Phetchaburi Road, Huai Khwang District, in nearby vicinity of Head Office, convenient transportation and suitable conference room, can support the number of participants sufficiently and with facility for shareholders to register in advance one hour before attending the meeting.
- 3) In case a shareholder cannot attend, he/she may assign proxy to attend or authorize an independent director to attend and vote by downloading the form of proxy and information, for instance, financial data, and meeting info from the company's website.

1.3 The Right of the Shareholders in acknowledging the company's information

The Board of Directors gives vital attention for information disclosure that is accurate, transparent, and comprehensive on its financial and general information, including the information that may affect its price by disseminating such information for all investors through the mediums of the SET and the website of the company.



2. Equal Practice to All Shareholders

The company must create confidence with shareholders who will invest with the company. Therefore, The Board of Directors should oversee the company's spending that will suitably create maximum benefits to the company and the shareholders and to supervise that all shareholders are treated and protected in exercising their basic rights as mentioned above.

The Board of Directors has its policy in processing the procedure of shareholders' meeting in the manner to promote equal treatment to all by allowing the minority of shareholders to propose to add meeting agenda before annual shareholders' meeting, to propose personnel to assume directorship in advance, to establish measures to prevent directors and executives from abusive self-dealing such as insider trading and revelation of inside information to outsiders related to directors and executives, which is taking advantage of or causing damage to shareholders. Besides, it is obligatory that The Board of Directors and executives disclose information on their and related person's stakeholders so that The Board of Directors can consider the Company's transactions with potential conflict of interest and that the Company can make a decision on the Company's overall benefits where the directors and the executives who are stakeholders should not participate in the decision to do such transactions. Thus, a set of guidelines are established as follow:

1. The Board of Directors shall impose the rules for minority shareholders to be able to put added agendas and the nomination of persons to be elected into The Board of Directors in advance before the Annual General Meeting together with its clear process and method in transparent manner for the shareholders to acknowledge, for instance, qualifications of shareholders to present agendas or nomination of directors, steps in proposing agendas and/or nomination of directors, fixing of qualifications and prohibited qualities for directors and independent directors, consent of nominated persons, sending of related documents and procedure of The Board of Director's consideration, etc., by publicizing in company's website in advance 3-4 months before the date of Annual General Meeting on agendas approved by The Board of Directors for next year's Annual General Meeting.
2. The Board of Directors must give information and time to shareholders sufficiently to consider each agenda and therefore it should be without any added agenda not instructed in advance especially important agendas that the shareholders need time to study it before making decision.
3. Imposing Independent Directors to oversee the minor shareholders by they can propose suggestions to independent directors via e-mail: sompoch@subsriThai.co.th and independent directors shall consider each case and in any important case with effect to all shareholders or business it will be submitted to The Board of Directors to be put for consideration at next general meeting of shareholders.
4. Imposing measures to prevent any illegal use of Insider Trading by any related person, the board, management, employees on internal information, including their spouse and minor children by assigning the Corporate Secretary to inform these persons to acknowledge the guidelines and to impose punishments and to have follow up as prescribed and to conclude report to the Audit Committee for acknowledgment and further consideration.



5. To Impose Directors with interest in the consideration of any agenda or transaction to report on it before its undertaking and if any director with the interest significantly that director should refrain in that consideration or voting in that transaction.

3. Roles of the Stakeholders

The stakeholders who are shareholders or investor, employees, customers, trade partners, creditors and community that the company is located, society or government including, competitor and Independent Auditors should be treated and overseen from the company according to the rights stated in the law and agreement with the company, therefore, The Board of Directors promotes the co-operation between the company and the stakeholders. In order to build a sustainable business, the company shall disclose important information related to those stakeholders adequately. It is therefore imposed into guidelines and into a document, "Manual of Business Code of Conduct" to make clarity that can be accurately performed and enhance behavior and organizational culture in business ethics. So, it should be clearly stated on these guidelines and The Board of Directors shall follow on its serious performance as follow:

1. To separate the groups of stakeholders under the rights and responsibility of the company, for instance, shareholders, employees, customers, partners /creditors, competitive operators, community society and environment, etc., including the development of continuing internal process regularly in order to comply with the company's policy
2. To impose strict compliance with the overseeing of environment and society that may directly affect the business to ensure all involved persons to be confident the company shall operate business with its care to environment and society for the sustainable development by arranging CSR Report under the rules imposed by The Stock Exchange of Thailand and The Securities Exchange Commission to be the guideline of compliance with its dissemination in annual report or in the organization's publications or in website including other channels.
3. To impose having with the policy in raising the quality of life in the workplace for all employees to be with better living and safety in work.
4. To impose having with the policy and guideline in relation with remunerations and welfare of the employees.
5. To impose having with the policy and guideline in relation with the knowledge development and ability of the employees by revealing the number of hours in average in training of the employees annually.
6. To impose having with the policy in not involving with and violation of human rights and to disclose on the performance methods to be generally informed.
7. To impose having with the policy and fairly good procedure in responsibility with the customers, partners and creditors, competitor clearly in real manner and to be generally informed to everyone.
8. To impose having with the policy against corruption and prohibition in giving or taking bribes for company's benefits, by imposing the guideline and follow-up on the assessment of policy performance.



9. To impose having with the policy or guideline to prevent employees or informants on any wrong doing and to impose the channels for informants. And also impose the responsible person to examine information clearly in "Codes of Conduct"
10. To impose having with the mechanism in complying with the guideline stated in "Code of Conduct" to create sustainable growth to the business and to open for employees, stakeholders and related persons to have channels in informing and suggesting to The Audit Committee or independent directors.

4. Disclosure of Information and Transparency

The information disclosure should be accurate, complete, timely, and transparent including the information access in time and in equality as the principle to comply with and confidence in the trust from shareholders, investors including all related persons as the supporting factors on added value in long term and short term. The Board of Directors therefore must impose and oversee the good practice for communications and present the information and news easily, with equality and accountability, as follow:

1. Apart from the dissemination of information through the stipulated rules and channels of the Stock Exchange of Thailand in Annual Registration Statement (Form 56-1) and Annual Report (56-2), it should be made in Thai and English through other channels, like, website of the company and with regular update of the information.
2. Arrange to have the report of responsibility on the financial report shown together with the auditor's report, with the contents supporting the compliance with generally accepted accounting principles and financial report with accurate information according to accounting standards, to be signed by the Chairman of The Board of Directors and the managing director.
3. To prepare the explanation and analysis of management, (Management Discussion and Analysis or MD&A) for the disclosure of quarterly financial statements for investors to know the information and understand on changes to financial status and company's performance, apart from the only information in financial figures.
4. To prepare the performance report under the company's policy in corporate governance, code of conduct, risk management, supervision and responsibility on environment and society including the non-performance under the mentioned policy with the reasons involved to disseminate to relevant persons through channels, such as, annual report and company's website, etc.
5. To disclose the role and duties of The Board of Directors and committees, number of meetings and attending number of each director in the previous year and opinions for directors' performance.
6. To impose having with the policy for directors and executives, with their duty to report the holding of securities and its changes under the rules of the Securities and Exchange Commission, and its copies to the company via the Corporate secretary on the same day or next day from such reporting to be presented to the Chairman of The Board of Directors or the Chairman of Audit Committee and its storage. However, the company's secretary shall prepare the conclusion report on



transactions of shares/holding of securities of directors and executives, if it is with any change to the Board's meeting every time.

7. Directors and Management must report their stakes and other related persons in relation with the company and subsidiaries under the rules imposed in Public Company Act and Act Governing Securities and Stock Market for company's acknowledgment through its Corporate secretary to be submitted to The Chairman of The Board of Directors and The Chairman of The Audit Committee within 7 days from the date the company has received it and collect them properly. The Corporate Secretary shall have the duty in preparing the conclusion report on stake-holding of the directors and executives, if it is with any change to the Board's meeting every time.
8. To report the policy of corporate good governance and performance under the policy, including its supervision on environment and society and its performance by spreading it via channels, such as, in the Form Showing Annual Information (Form 56-1), Annual Report (Form 56-2) and company's website.
9. To reveal the policy on payment of remuneration to directors and senior executives, reflecting their roles and responsibilities including the forms or remuneration patterns inclusive of the remuneration earned from directorship in subsidiaries and to present the shareholders for approval annually and if none in any year please state as such.
10. To impose the personnel for co-ordination in giving information to be disclosed with the Stock Exchange of Thailand (Contact Person), as following:
 - (1) Disclosure of information at accounting cycles: annual financial statement and quarterly financial statement, Form Showing Annual Information (Form 56-1) and Annual Report (Form 56-2) by the Accounting and Finance Manager.
 - (2) Disclosure of information at incidents: Items acquired/distributed of properties, connecting items, date of shareholders' meeting, change of directors and auditor, Board resolutions or Shareholders' Meeting, Minutes of Shareholders' Meeting, investment project, by the Operation Manager or Accounting and Finance Manager.



5. Responsibilities of the Board of Directors

5.1 Component and Appointment

The Board of Directors comprises The Chairman and a number of directors as chosen by shareholders to suit the size of company's business to efficiently perform business. In all it must be of not less than 5 directors, but not more than 12 directors, with its Chairman as an independent director. In The Board of Directors, it shall be certain directors who are not executives to be not less than half of it and with actual independent directors without any business relation or other relation that may pose influence not less than one thirds of the total directorship.

Director shall hold office for 3 years a time and the directors who are expired on term may be re-elected and may assume the previous post again, if it is agreed by the shareholders.

In order to enhance efficiency in the performance of company directors, our directors should not hold portfolio in any listed company including its subsidiary not listed with the listed company more than five companies and to disclose the information on directorship of each director to the shareholders.

The Board of Directors

The Board of Directors of the Company comprises of 11 directors which is suitable for its business with directorship term at 3 years a time, and it is composed of:

- Independent Board: 5 persons with full qualifications under the rules of the SEC, calculated at one third of the total directors and one independent director is the company president and who is not the same person with the managing director to separate the division of duties on governance and regular management.
- Executive Board: 3 persons
- Non-Executive Board: 8 persons
- Authorized director: 4 persons (signed 2/4)

Resume details, qualifications, experience, share holding, can be read in the sub-heading of Details in relation with Executive Director and Executive on Page 47-59 and the details of role, duties and responsibilities of the Board of Directors have been shown in Section Management, heading, **"The duties and responsibilities of the Board of Directors"** page 38-46

Independent Directors

Chairman of the Board

Chairman of the Board is independent director, who is not the same person with the Managing Director and is not an employees or management of the Company.

The duties and responsibilities of Chairman of the Board

1. To be responsible in leadership role for The Board of Directors in the supervision, follow-up, overseeing the performance of The Board of Executive Directors and other sub-committees to attain the objectives as planned.
2. To chair in the board's meeting and shareholders' meeting of the company.
3. To be the final vote in board's meeting when it comes up with equivalent voting,



Audit Committee

The member of Audit Committee is independent director under the meaning of The Stock Exchange of Thailand and the Securities and Exchange Commission, with the independence from major shareholders and the management and without any relationship with the management.

The Independent Directors who is appointed shall have full qualifications under the rules of The Capital Market Supervisory Board. The company has revised the definition of independent directors to be stricter than the definition imposed by The Securities and Exchange Commission (SEC), as following:

Qualifications of Independent Directors

1. To hold shares not over 0.5% in paid up shares of the company, subsidiary, joint venture or any corporate with conflicting interest, by totally counting the shares held by related persons and to impose other qualifications as imposed by SEC.
2. No participation in management, not being staff/employee/consultant with regular salary or control person of the company, subsidiary, joint venture or any corporate with conflicting interest, at present and past 2 years before appointment.
3. No relation in bloodline or any registration as father, mother, spouse, family member and child including spouse of child with the management who is major shareholder, control person or person to be nominated into management or control person of the company or subsidiary.
4. No business relation with the company, subsidiary, joint venture or any corporate with conflicting interest, at present and past 2 years before appointment in the following manner:
 - No relation in the manner giving professional service, for instance, auditor, other professional service with over 2 million baht remuneration per year, such as, legal counsel, financial counsel, property appraiser, etc.
 - No relation in trade/business with its value from 20 million baht up or from 3% of total tangible assets value of the company, any amount lower. However, in the consideration of values to include with any item incurred during 6 months before the latest transaction.
5. Not being a director appointed for representation of company directors, major shareholders or shareholder related with the major shareholder of the company.
6. Without other characteristics that cannot give opinion independently.

Therefore, the qualities of “independent Directors” are stricter than minimum requirements imposed by SEC and the Stock Exchange of Thailand on shares holding of the company fixed at not over 1%.



Category of Director

Name of Directors	Category of Director			
	Representative Shareholders	Non-Executive Director	Independent Director	Executive Director
1. Mr. Keokhwan Vajarodaya	✓	✓	✓	
2. Mr. Sompoch Intranukul	✓	✓	✓	
3. Mrs. Chitra Thavara	✓	✓	✓	
4. Mr. Surapong Paisitpatnapong	✓	✓	✓	
5. Mr. Tosporn Simtrakan	✓	✓	✓	
6. Mr. Supasith Sukhanindr	✓			✓
7. Mr. Pilanchai Pradubphong	✓			✓
8. Mr. Sumrit Tantidilokkul	✓			✓
9. Mrs. Intira Sukhanindr	✓	✓		
10. Miss Duangdao Chinthammit	✓	✓		
11. Miss Duangkae Chinthammit	✓	✓		
Total	11	8	5	3

5.2 Committees

The Board of Directors may be appointed from a group of directors in the Board, having the qualification and knowledge in proper expertise, being a director in a sub-committee appointed by The Board of Directors to do duty in finding out and checking on its importance and regular occurrence which must be closely watched to enhance effectiveness in follow-up and control of work on behalf of the Board which are Board of Executive Directors, Audit and Corporate Governance Committee and Nomination and Remuneration Committee.

For the details of role, function, responsibility, component, qualification and reports submitted to the Board of Directors are in the topic Management on Board of Executive Directors and Audit and Corporate Governance Committee and Nomination and Remuneration Committee.



5.3 Board of Directors' Meetings

The Board may impose its meeting at least every 3 months and shall have additional special meeting as necessary.

The appointment on meeting shall have its Corporate doing co-ordination on appointments in advance to be not less than 1 month and shall be in letter on meeting with agenda and date/time and venue of meeting with documents related. It must be informed in advance not less than 7 days to let directors to have time for consideration on information and in urgent case it must be notified in other method as acknowledged by the directors.

The appointment on meeting shall have its Corporate doing co-ordination on appointments in advance to be not less than 1 month and shall be in letter on meeting with agenda and date/time and venue of meeting with documents related. It must be informed in advance not less than 7 days to let directors to have time for consideration on information and in urgent case it must be notified in other method as acknowledged by the directors.

The quorum of the Board's meeting shall be of not less than half of all directors.

In the meeting, the chairperson shall be as stated and conclusion of issues to be discussed by directors and assessment of opinions and meeting resolution, by opening the opportunity for each director to express opinion, except for directors who have stake in that matter and the chairperson must request his/her vacancy in the matter under consideration.

In any consideration, the directors have the right for checking of the matter with the explanation in details from the management in such matter.

Voting shall be in majority and if it has any objection it must be recorded in the Minutes and any director having interest or stake in that matter must abstain.

In the past 2014, The Board of Directors had regular meetings for 5 times and in each meeting, there were over 75% of directors attending the meeting in order to consider and follow the management's implementations under the given policy, following up on company's business plan and budget, including in joint consideration of the major development projects as proposed by the management, the detail of Directors' attendance at the meeting are as follow:



Directors' attendance at the meeting in each committee for year 2014 (1 January-31 December 2014)

Name	Position	Board of Directors' Meeting in 2014			
		Board of Directors (Total 5)	Board of Executive Directors (Total 3)	Audit Committee (Total 4)	Nomination/ Remuneration committee (Total 3)
1. Mr. Keokhwan Vajarodaya	Chairman and Independent Director	2/5			
2. Mr. Sompoch Intranukul	Director and Independent Director/ Chairman of the Audit Committee/ Chairman of Nomination and Remuneration Committee	5/5		4/4	3/3
3. Mrs. Chitra Thavara	Director and Independent Director/ Audit Committee	5/5		3/4	
4. Mr. Surapong Paisitpatnapong	Director and Independent Director/ Audit Committee/ Nomination and Remuneration Committee	5/5		4/4	3/3
5. Mr. Tosporn Simtrakon (appointment on April 28, 2014)	Director and Independent Director/ Audit Committee	4/5		3/4	
6. Mr. Supasith Sukhanindr	Director and Chairman of Board Executive Director/ Nomination and Remuneration Committee	4/5	3/3		3/3
7. Mr. Pilanchai Pradubphong	Director and Vice-Chairman Executive Director	5/5	3/3		
8. Mr. Sumrit Tantidilokkul	Managing Director and Executive Director	4/5	3/3		
9. Mrs. Intira Sukhanindr	Director	5/5			
10. Miss Duangdao Chinthammit	Director	5/5			
11. Miss Duangkhae Chinthammit	Director	5/5			

5.4 Corporate's Secretary

The Board of Directors has arranged to have its own secretary to perform in giving information and instructions on law and rules that The Board of Directors must comply, co-ordinate and prepare meeting agendas, to prepare and maintain register of directors, preparing invitations, meeting documents, advance notice giving enough for the study and consideration of the agendas to give opinion and voting, to oversee and conduct meeting in good order and according to the laws and rules of the company, minutes taking and filing, meeting report and or related meeting documents, annual report and report on stake holding to be reported by directors and the management, with its copy to The Chairman of The Board of Directors and Chairman of The Audit Committee to review it within 7 official days from the date that the company has received it, co-ordination to have the compliance under the governance policy announced by the company with other implementations as stipulated by the Capital Market Supervisory Board.

However, the corporate secretary shall perform duty with responsibility, carefulness and integrity including in complying with the laws, objectives, and regulations of company, The Board of director's resolutions and resolutions from the shareholders' meeting.



5.5 Remuneration for Directors and Management

5.5.1 Remuneration for directors:

As the remuneration is directly related to the directors, therefore, The Directors cannot approve its own remuneration. The Board of Directors shall provide with remuneration process which is transparent at a suitable level and sufficient to motivate and maintain a required amount of directors with its approval from shareholders every year. The consideration on Board of director's remuneration, The Board of Directors shall compare with the same business, company's performance and directors' responsibility and the consideration shall come under approval of Shareholders' Meeting. Directors in sub-committees shall get remuneration under their role and responsibility.

However, the remuneration for the directors should be high enough to maintain the directors who have qualities as required

Remuneration of The Board of Directors and Committee for the year 2014

Directors	2014		2013	
	No. Total	Allowance (Baht)	No. Total	Allowance (Baht)
The Board of Directors (Remuneration)	11	3,560,000	10	2,986,000
The Board of Executive Directors (Remuneration)	3	6,090,000	3	5,428,500
Audit Committee (Remuneration)	4	780,000	3	630,000
Nomination and Remuneration committee (Remuneration)	3	105,000	-	-
Contribution to EJIP Program	11	3,000,000	10	2,880,000
Bonus	11	3,200,000	10	-
Other Benefit	11	-	10	-
Total	11	16,735,000	10	11,924,500

5.5.2 Remuneration for Executive:

The remuneration for the executive is in compliance with the principle and policy imposed by the Board of Directors. The Board of Executive Directors shall consider and present the appropriate remuneration to the Board of Directors for consideration and final approval. The remuneration for the executive should be in the good incentives to maintain the managing director and the management who have knowledge and capability to work for the company in connecting with the company's performance and assessment of the managing director and each executive



Remuneration for Managements for the year 2014, including Managing Director

Managing Director and Managements	2014		2013	
	No. Total	Allowance (Baht)	No. Total	Allowance (Baht)
Salary	5	8,634,000	5	8,784,290
Bonus	5	4,312,541	5	3,764,810
Contribution to EJIP Program	5	490,630	5	556,030
Other Benefit such as contribution to provident fund and employee benefit	5	1,795,278.30	5	1,612,320
Total	5	15,232,449.30	5	14,717,450

Holding the Company's Shares of the Board of Directors and managements (December 31, 2014)

Name	Ordinary Share					
	As of Dec 31, 2014 (Paid-up Capital 282,527,203 Baht)	%	As of Dec 31, 2013 (Paid-up Capital 226,022,192 Baht)	%	Acquisition During the year	Disposition During the year
1. Mr. Keokhwan Vajarodaya	754,503	0.27	583,045	0.26	-	-
2. Mr. Sompoch Intranukul	191,403	0.07	132,565	0.06	-	-
3. Mrs. Chitra Thavara	27,046	0.01	145,080	0.06	-	180,000
4. Mr. Surapong Paisitpatnapong	57,028	0.02	145,065	0.06	-	150,000
5. Mr. Tosporn Simtrakan	5,564	0.00	-	-	-	-
6. Mr. Supasith Sukhanindr	57,832,082	20.47	46,245,108	20.46	-	-
7. Mr. Pilanchai Pradubphong	32,553	0.01	45,486	0.02	-	50,000
8. Mr. Sumrit Tantidilokkul	198,427	0.07	114,963	0.05	-	-
8. Mrs. Intira Sukhanindr	29,238,143	10.35	23,369,957	10.34	-	-
9. Miss Duangdao Chinthammit	15,414,842	5.46	12,311,316	5.45	-	-
10. Miss Duangkae Chinthammit	15,737,080	5.57	12,569,107	5.56	-	-
11. Mr. Noppadol Leela-arayasakul	52,605	0.02	52,227	0.02	-	20,000
13. Mrs. Patcharee Boonnak	114,114	0.04	39,876	0.02	97,600	45,800
15. Miss. Jeerawan Thanantha	1,265	0.00	-	-	-	-
16. Mr. Panya Soonsap	-	-	-	-	-	-

- Note**
- The above number of shares which the director and managements are included shares from EJIP Program
 - The proportion of holding company's shares is calculated from the number of shares with issued and fully paid-up Capital.



5.6 Performance Assessment and Development of Knowledge

5.6.1 Assessment of the Board:

The Board of Directors have assessed the performance in group once a year to comply with the policy of good governance of the company and to revise that the supervision is according to the schedule and/or sufficient actions and to be the information for the management to improve/develop its efficiency by applying the assessment form of the Good Governance Development Center of The Stock Exchange of Thailand as the criterion with the details in assessment topics and results, as following:

Self-assessment of the Board of Directors, comprising 6 topics, which are:

1. Structure and qualifications of the Board
2. Role, duty and responsibility of the Board
3. Board meeting
4. Function of directors
5. Relation with the administration
6. Self-development of directors and the management's development

The Board of Directors has conducted its assessment of the board in group and holds the opinion that it is in “**excellent**” criterion at the average score of 92.75% in year 2014.

	2012		2013		2014	
	Average Score	%	Average Score	%	Average Score	%
The self-assessment of the Board of Directors	3.75	93.75%	3.74	93.50%	3.71	92.75%

5.6.2 Assessment of the Managing Director's Performance

The Board of Directors has imposed the assessment of the managing director's performance regularly every year. As the managing director is responsible for the administration to comply with the policies of the Board, by having each director assesses under the target and rules in the assessment linking with the success of the strategies of the company to consider the remuneration and suitable incentive reward using the assessment form of the Good Governance Development Center of the Stock Exchange of Thailand as the criterion with the details in assessment topics and results, as following:



Assessment of the Managing Director, comprising 10 topics, which are:

1. Leadership
2. Imposing strategies
3. Complying with strategies
4. Planning and Finance Results
5. Relationship with the Board
6. Outside Relationship
7. Management and Personnel Relationship
8. Succession
9. Knowledge on Products and Services
10. Personal Traits

The Board of Directors has conducted its assessment of the Managing Director and holds the opinion that it is in “**excellent**” criterion at the average score of 91.75% in year 2014.

	2012		2013		2014	
	Average Score	%	Average Score	%	Average Score	%
Evaluation of the performance of the Managing Director	3.83	95.75%	3.84	96.00%	3.67	91.75%

Note: The evaluation criteria for Self-assessment of the Board of Directors and Assessment of the Managing Director are:

90-100% = "Excellent"	80-89% = "Very good"
70-79% = "Good"	60-69% = "Quite good"
50-59% = "Pass"	Less than 50% = "Shall be improved"

5.6.3 Development of Directors and Executive

Orientation of New Directors

Upon accepting the positions as directors and / or independent directors of the company, each director shall obtain then important information about the company and shall realize the regulations mentioning the scope, duties, and responsibilities of the Board of Directors. Such persons shall obtain the recommendations about the laws, rules, and conditions about holding the “director” position in the registered company in The Stock Exchange of Thailand and shall understand the company’s businesses.

The company shall provide the new directors with orientation by attending the training program provided by the Thai Institute of Directors in order to realize information with coordinating by the corporate secretary in any matters the following:

- (1) Importance of Directors
- (2) Roles, duty of Directors according to Good Corporate Governance principles.
- (3) Duties and Responsibilities of the Directors according to the Law
- (4) Guidelines for Directors to Follow the Law and guideline of The Stock Exchange of Thailand and The Securities and Exchange Commission.



For the new directors who hold the positions in the Board of Directors, the company shall provide the documents for new directors in order to realize the business policies and the relevant information such as capital structure, shareholders, performance, including the laws and rules, and shall submit the directors' manual, which is beneficial for the directors of the company, to the directors. The directors' manual shall consist of:-

1. Public Company Act B.E.2551 (adjusted copy)
2. Guideline for Being the Directors of Registered Company
3. Business Ethics
4. Memorandum of Association, Objective, and Regulation
5. SEC's Manuals for Directors of the Registered Company
6. Related Transactions of Registered Company
7. Principle of Good Corporate Governance of Registered Company in 2012
8. Annual Registration Statement (Report form 56-1) (Latest Version)

The company will arrange the Committee Training by Thai Institute of Directors (IOD) to the committee who has not yet been trained.

Remark: by the year 2014, there was new directors, Mr. Tosporn Simtrakan which the Company assigned him to attend class Director Certification Program (DCP) class 198/2014, training by Thai Institute of Directors Association (IOD).

Knowledge Development

The Board of Directors promotes and provides directors, executives and corporate secretary to attend trainings and seminars organized by Thai Institute of Directors, The Stock Exchange of Thailand, Office of The Securities and Stock Exchange Commission, or other independent entities, to enhance knowledge, improve efficiency of performance and operations. Nowadays, all directors have joined Director Accreditation Program (DAP) and/or Director Certification Program (DCP) of the Thai Institute of Directors Association (IOD).

In 2014, the Company continuously arranged courses to teach management, supervisor, and officer about risk management and Sustainable Development by hiring Consultant Company which is an expert in risk management to train the employees about the preparation of policy and guidebook for risk management for the organization. Apart from that, the Company also sent the employees to attend the workshops on Corporate Social Responsibility (CSR) Management continuously. In addition, the Office of the Securities and Exchange Commission focuses on anti-corruption, so the Company sent employees to attend the training course on Anti-Corruption: The Practical Guide ACPG14/2014 with Thai Institute of Directors Association (IOD).



2. Business operations with fairness

1. Fair competition

The company complies with bona fide frame of trade competition, adhering in business operation under the fair covenants, under the law and ethics of the company, without any ill practice on each other and no seeking of trade secrets of the competitor through any illegitimate method or breaching of agreement in not disclosing the competitor's information whether from the customer or other person. In the previous year, the company does not have any dispute in relation with the trade competitors.

2. To promote the social responsibility in trading partners and/or Creditors

The company has its policy to implement its treatment and responsibility with all trade partners and/or creditors in equal term and fairness by considering on the maximum benefits of the company, basing on the fair returns to both parties, as follow:

2.1 The company has suitable treatment to its trade partner appropriately, fairly, and equally, without demand or taking or paying any interest illegally in trading with partners and without any judgment or personal relationship to build confidence in all partners to get the fair treatment, complying with agreements or conditions as agreed strictly.

2.2 The Company sets the qualification of the partners of the company that they must operate their business according to international ethical guidelines. Company's partner must comply with **Sustainable Guideline for Partners of Sub Sri Thai Plc.** in 4 areas as follows:

- 1) Business Ethics
- 2) Human rights
- 3) Occupational health and safety
- 4) Environmental management

2.3 The company has always treated our creditors under the conditions or trade agreements and duties towards the creditors by creating trust throughout management in good ethics and facility in providing information for the good understanding in the company's finance.

3. Respect the right in property

3.1 The Company established respect for property rights in the topic "ethical non-violation of intellectual property" in its Manual of Business Code of Conduct to encourage its employees to strictly comply with property rights, intellectual rights, copyrights, and patents.

3.2 The Company encouraged its executives and employees to use resources and assets efficiently. They are also encouraged to use copyrighted products and services and discouraged from using products that breach intellectual property.



3. Anti-corruption

The Board of Directors has set forth anti-corruption policy in the topic “anti-fraud and anti-corruption” in the Company’s Manual of Business Code of Conduct as follow:

1. Employees are not allowed to give or offer objects or other benefits to outsiders such as governmental officials, brokers, trading partners whether such objects or benefits are intended to persuade the person to take action or abstain from taking action which is against the law.
2. Employees are not allowed to accept objects or other benefits for themselves or for others to persuade the person to take action which is wrongful.
3. Conducting business with both domestic and foreign governmental units, state enterprises, and private sectors, transparently, fairly, and legally. The Company’s business must not violate Thai law and foreign law which the Company does business with.

The company has strictly complied with all related laws on quality of life, environment, safety, labor, accounting and tax administration, copyright and intellectual property from any dishonest act and we comply with official notifications in relation with our business. For example; the National Anti-Corruption Commission has announced the rules and methods in the preparation and statement of accounts of the project that person or juristic entity is contract party with the government agencies, B.E. 2554, effective from 1 April 2012,

Create an opportunity for stakeholders so that they can notify the clue via E-mail of independent directors directly and specify a measure to protect the informant which has been specified in the Code of Conduct of the company.

In 2014, the Company sent its managerial staff to attend the program Anti-Corruption: The Practical Guide ACPG14/2014 with Thai Institute of Directors Association (IOD) to reinforce their knowledge and understanding to establish anti-corruption policy for further practice and enforcement.

4. Respect for Human Rights

The Board of Directors has placed importance and considers it as the policy by considering the respect for human right and respect the dignity of human, privacy, and individual right to employees when interact during doing their duties, and avoidance of violation or encouragement to violate human right of all forms.

In addition, the Company values political neutralism, non-participation, and non-partisanship for any political parties or politicians. The Company holds on to democracy and encourages its employees to vote in an election which has been specified in the Code of Conduct of the company.



5. Fair Treatment to labor

The company is fully aware that “the employees” are our most vital resource for the company’s success and achieving the set targets at maximum efficiency. The company is therefore determined to make our employees proud and confident in the Company including with the fair remuneration which has been specified in the Code of Conduct of the company as following:.

1. Promote employment equality. Discourage direct or indirect discrimination against race, color, gender, sexual preference, age, disability, religion, and political expression.
2. Provide benefits and welfare employees deserve such as holidays, overtime payment, medical expense support.
3. Arrange process and method of filing complaint is in place. Consider the complaint appropriately and fairly.
4. In case the employee has guilty regulations or discipline, the company shall hold an investigation for a fair punishment on a case by case basis.
5. Promote health and hygiene, safety of employees to achieve sound and hygienic work environment. Prevent work-related threats, dangers, accidents, and diseases.
6. Open an opportunity for employee and stakeholders in every group to complaints, express opinions, or make an inquiry via email to the corporate secretary, The Audit committee or independent director.

In order to comply with the company policy, the company organized projects to support and promote the joint working atmosphere including the boosting of morale and will power in working, for instance:

- The company has set up the provident fund for our employees since 1986, before the promulgation of the Provident Fund Act, B.E. 2530, with the objectives in supporting and giving welfare to the employees in saving and creating security for their future. The scheme has brought our employees who may have to resign to have a lump sum of money or at retirement and it also creates incentive to them to work with the company in long run. At present, we have contributed at the rate of 3-15% of the wage at working period of the employees.
- The company has set up the Employee Joint Investment Program – EJIP which is the second EJIP Program of the Company consecutively. EJIP Program is a form of giving return to employees, creating Ownership participation, incentive for loyalty to the company, and working for long term incentives by the employees pay at 5% of salary and the company’s contribution at 7% of the salary (see detail on page 90 , Employee Joint Investment Program). For the third Employee Joint Investment Program – EJIP, the Company has invited the executives of our subsidiaries company to join this project.
- The company has established Welfare Committee in Workplace as the medium for relaying welfare needs of employees to the employer and in consultation for the suggestions including the supervision on welfare inside workplace and the company sees that the employees will benefit and morale in work. Therefore, the company has supported in the provision of equipment, tools and appliances, facilities in working and good environment as proposed by the Welfare Committee.



- The company has established a safety committee and we also have safety policy. In recent years, there were report an accident but those were not serious accidents, such the accidents, our employees had to stop working for a few days but not had to admit in the hospital.
- The company has arranged life insurance, accident insurance and health insurance to all employees, especially those employees who are on travel to provinces. We are aware in travel safety, so we have additional travel insurance for these employees on duty and we have revised insurance programs to have suitable coverage with economic situation and present cost of living continually including conducting annual health inspection for all employees.
- The company gives importance in overseeing the employees' safety, with the plan and training on fire protection and fire drill for employees annually at least once a year. Moreover, the company has employed an engineering team on control according to the law to look after the training and register as the building inspector to inspect our building on annual basis.
- The company also aims to develop and enhance on knowledge and skill of our employees continuously in order to support the growth of the Company. In the previous year, the Company has conducted training for skill development for our employees with intention to enhance on knowledge, skill and attitude under the state policy.
- Organized recreational activities, such as sports day in order to give opportunity for the employees in three different locations can come and do activities together.

6. Responsibility to consumers

The Company pays great attention to our customers' satisfaction, determining to develop continual servicing system to respond our customers' need to be most effect at all the time. The company has prescribed its policy on fair treatment and responsibility towards the customers in its Manual of Business Code of Conduct, as following:

1. Provide quality products and services which meet or exceed customers' expectation under fair conditions and prices. Give advice on efficient use of the Company's products and services so that customers gain ultimate benefits.
2. Provide accurate, sufficient, and up-to-date information related to products and services to customers so that customers have enough information to make a decision. The information provided by the Company should not be exaggerated and misleading in terms of quality, quantity, or any conditions of products and services.
3. Comply with the agreement entered into with customers, rules and regulation concerning the Company's business. Avoid any deeds that violate or breach the agreement.
4. There is a system of keeping customer data security and confidentiality and have policy to keep customers' data confidential. Do not pass information without customers' consent and do not disclose customer's information or use of customers' information for benefits to themselves or others.



5. Ensure system and process for customers' complaint on quality, quantity, products and service safety, speed of response or delivery, and best effort to provide customers with fastest response.
6. Arrange a customer satisfaction survey annually to know customer's actual needs and to improve the Company's services.
7. Treat customers politely, efficiently, and dependably under the company's policy, fast service, on time, correct, polite, goodwill and determined to have continual development for the customer's maximum satisfaction at all times.
8. Never ask for or give customer corrupt benefits.

In over the past 10 years, our old customers still entrust with our services until now, as the company has delivered with good product and services in efficient manner with convenience, fastness and integrity in our servicing flexibility, under fair conditions and with full completion of agreements made with the customers under the regulations and laws related with business operation of the company and no violation or contract default with the customers. The company always thinks of the customers' satisfaction by conducting on the satisfaction evaluation of our customers annually and with our improvements to meet ISO 9001:2008 as accredited to the company including the arrangement of the system and process for the customers to make complaints on the quality, volume and safety of the goods and service.

7. Development of community and society

The company has the policy to make ourselves to have with, Corporate Social Responsibility – CSR, through internal and external activities with the consideration on its impact to the society, by using the resources inside and outside the organization, in order to promote harmonious in the society with normal peace. The Company thus has a policy on interaction with the society and the communities in its business ethics manual as follow:

1. Coordinate with governmental and private sectors, relevant organizations, and the communities where the Company is located to support and improve environmental quality continuously. Respond swiftly and efficiently to incidents impacting the environment and the communities due to the Company's operations.
2. Cultivate corporate social, environmental, and traditional responsibility in employees of all levels seriously and continuously.
3. Place importance to participation and good relationship between the communities where the Company is located by cooperating with the government and the communities consistently.

In 2014, the Company organized projects or activities for society and communities as follow:

Donation

In 2014, the Company provided with education funds and Children's Day Fund to the schools in Phra Padaeng District and Phra Samut Jedi District continually every year. Moreover, the company has organized with the funds for social donations and for our religion, Buddhism continually every year. In 2014, the company has contributed supporting donations to temples, schools and the Foundation / Association at the amount of Baht 107,500.-



Storage Box Donation

Since the storage box of the Company is designed to keep the document in warehouse and to keep document in the office because they are strong, convenient to use, and good looking. Therefore, there are private companies and government organizations that purchase the box for the documentation at their office. For the government organizations located in the surrounding area of the 2 warehouses, e.g. school, which is where the children of the employees are studying at and having good relationship with the Company, we provide the storage boxed to the school, which is Suksawat Kindergarten School, Bangchak, Phra Pradaeng, Samut Prakarn for keeping their documents at the school.

To participate in the various agencies

The company have co-operated in supporting activities of the government agencies in seminar and proposing our opinion as an operator in warehouse and wharf business to Warehouse, Silo and Cold Storage Business Association for the official benefit in improving the rules and regulations and administration to enhance efficiency in the industrial sector of the country.

Educational promotion

The company has contributed with knowledge to education institutions including public or private agencies that are interested in company's business on Automated Warehouse, by visiting to learn our Automated Storage and Retrieval System, the most modern technology in Asia and the first and only in Thailand. In 2014, it has organizations and institutions interested in making visit on AS/RS system, for instance, Extension and Training Office, Kasetsart University, Rajamangala University of Technology Tawan-Ok: Chakrabongse Bhuvanarth Campus, Maharaj Nakorn Chiang Mai Hospital, Government Savings Bank, Co-operative Save up Thai Airways International, Medical Records and Statistics Section, Faculty of Medicine Ching Mai University, Graduate School of Applied Statistics, National Institute of Development Administration.

Co-operated with government agencies in community

The company has co-operated with government agencies in their implementation, for instance, granting the Ladluang City Municipality to use the area of Warehouse II for the local election and general election

Participation in community's activities

The Company sends employees to attend Nang Nopphamat Beauty Contest in Loy Kratong Festival 2014 at Wat Traimitr Withayaram, Laem Fah Pah Subdistrict, Phra Samut Chedi District, Samut Prakarn in order to support Thai tradition and culture and local festival.

8. Environmental Operation

The company has its policy in running business by giving importance and dedication to the maintenance of environment and safety, occupational health in the company's business activities to create benefits to economic, social and our society which has been specified in the Code of Conduct of the company, as follow:

1. Cooperate and monitor compliance with law, announcement, and regulations related to environment, safety, and health and occupational health.
2. Maintain environment in work place to be safe for the lives and properties to employees, customers, and all visitor regularly.



3. Arrange for accident prevention and control emissions to lower than acceptable standards levels.
4. Executives and employees must pay particular attention to all activities promoting safety, occupational health and environment.
5. Promote conservation of natural resources and environment by reinforcing consciousness of worthwhile use of resources such as water, electricity, paper, etc. and educate employees about environmental conservation.
6. Clearly disclose information regarding safe, hygienic, occupational health and environmental operations.
7. Promote procurement of products or services by considering the safety, environmental and energy conservation.

From above policy, the company has overseen the release of waste water into the river of warehouse and wharf business which located at the bank of the Chao Phya River by constructing the grease trap for treating fat and waste water, taking the sample of water from various points in order to verify the quality under the standard by measuring Ph, BOD, Suspended Solids, Oil & Grease, Nitrate-Nitrogen, Phosphate and other for every 3 months with relevant report to the state authorities.

Green Carton Box

In the process of document storage of the Company, we use carton boxes to keep the documents and the Company purchase carton boxes in hundred thousand boxes each year. However, since the raw material using for the manufacturing is paper pulp from trees, we have an idea to procure the paper box product that use less paper pulp in order to save the trees and environment.

The new innovation can decrease the use of paper pulp while the strength remains the same or even better. In the production process of the paper box, the use of paper pulp can be decreased by 25-75 g./sqm. which results in less deforestation.

After the Company started to publicize and persuade the customers to use Green Carton and many of them are interested to use Green Carton because the quality is similar to the standard box of the Company and they can participate in forest and environment saving.

The Company aims to continuously develop the products. The supplier and the Company improve the product together when there are any errors in the usage or any complaint from the customers in order to make the Green Carton widely used in the group of our customer.

Occupational Health and Safety

On occupational health and safety, the company oversees the working environment to be safe for life and property of the employees, customers and contact persons at all time, so it has been improved with the checking system on fire and water safety regularly. We have planned and trained on fire prevention to the employees annually, including the hiring of engineering control team trained and registered as the building inspector to check the building stability including lift system, electricity and air-conditioning, health and environment, prevention and extinguishing of fire, capacity of equipment and systems in the building, safety management of the building annually and the company has been accredited with the certificates from the state authorities until the present time.



9. The innovation and disclose of innovations from operations with responsibility to social.

The Board of Directors set forth the organization's vision "To be a leader of warehouse business and document storage business, to develop automation warehouse system, to head for food and beverage business, by conducting business with social and environmental responsibility", to build up organizational added value in the long run by developing and increasing new knowledge in order to effect changes in idea, production, and work process, for worthwhile utilization of resources with appropriate cost, and to build up competitiveness continuously.

In 2014, the Company extended its automation warehouse Phase II to meet customers' need and to increase efficiency, speed, and accuracy, which also helped employees to work with ease and reduced the employees' illnesses from moving heavy box.

10. Corporate sustainability report

To comply with the Office of The Securities and Exchange Commission's guideline, by the year 2013, the Company has disclosed its 8 principles of corporate social responsibilities as stated above:

1. Business operations with fairness
2. Anti-corruption
3. Respect for Human Rights
4. Fair Treatment to labor
5. Responsibility to consumers
6. Environmental Operation
7. Development of community and society
8. The innovation and disclose of innovations from operations with responsibility to social, environment and stakeholders.

In 2014, the Company has not issued Sustainability Development Report under GRI framework, however, the Company has developed CSR in the production process (In process) continuously and the Company continue to send employees attending the program of social responsibility for sustainable development, which organized by the Stock Exchange of Thailand, Corporate Social Responsibility Institute (CSRI) and the Sustainable Business Development Institute (SBDI) as well.



กล่องใส่เอกสารมีความปลอดภัย จากเปียก หนูกับหมีน้อย จำกัด (มหาชน)





Internal control and internal audit policy

The Company had a strict policy requiring efficient internal control and internal audit to ensure that the Company complies with relevant standards and laws. Thus, the Company hires internal auditors under the review of the Audit Committee in order to audit and monitor the Company's internal control on a quarterly basis, which will lead to the improvement of control measures fit for changing situations and risks. To achieve the goals of internal control system, guidelines are set forth as follow:

1. The executives should be aware on the significance of internal control and should create internal control procedure at every level of company's work.
2. To impose measures, formats and methods of internal control to be suitable to the situations and environment in work, level of risks and risk management continually to be efficient.
3. Require that **"The Risk Management Working Group"** be directly responsible for the assessment and management of risk, the evaluation of internal control, system compliance audit, and improvement of control measures suitable for changing circumstances, environment, and risk factors. High and middle level executives must give cooperation.
4. The Audit Committee must review to ensure sufficient internal control, internal risk management, and internal audit systems, and the result to the Board of Directors and shareholders.
5. Financial Report: The executives have the duty and responsibility in making full and valid reports under generally-accepted principles.
6. All levels of staffs shall pay attention in complying internal control measures as imposed by the company strictly and continually.
7. Every employee is to support, give accurate and true information to internal audit unit and external auditors.

Making complaints and suggestions

The Company provides employees, stakeholders, and relevant persons with channels to make complaints, express opinions, ask questions, or report unethical conducts directly to supervisors or the corporate secretary, which will then be submitted to the Audit Committee. Such complaint may be made directly to independent directors or auditors, as follow:



1. Channel to make complaints and suggestions

1.1 Independent Director

- 1) Mr. Sompoch Intranukul E-mail address: sompoch@subsritai.co.th or
- 2) Mrs. Chitra Thavara E-mail address: chitra@subsritai.co.th

1.2 Corporate Secretary

- 1) Mr. Sumrit Tantidilokkul E-mail address: sumrit@subsritai.co.th

1.3 Send by mail to

- 1) Mr. Sompoch Intranukul Chairman of the Audit Committee and Independent Director
- 2) Mrs. Chitra Thavara Member of Audit Committee and Independent Director
- 3) Mr. Sumrit Tantidilokkul Corporate Secretary

Sub Sri Thai Plc.

2044/25-27 New Phetchaburi Road, Bangkok,
Huai Khwang, Bangkok 10310

2. Execution process after complaint is received

The Company allows its employees to make complaints and express opinions freely to develop and create organizational sustainability as follow:

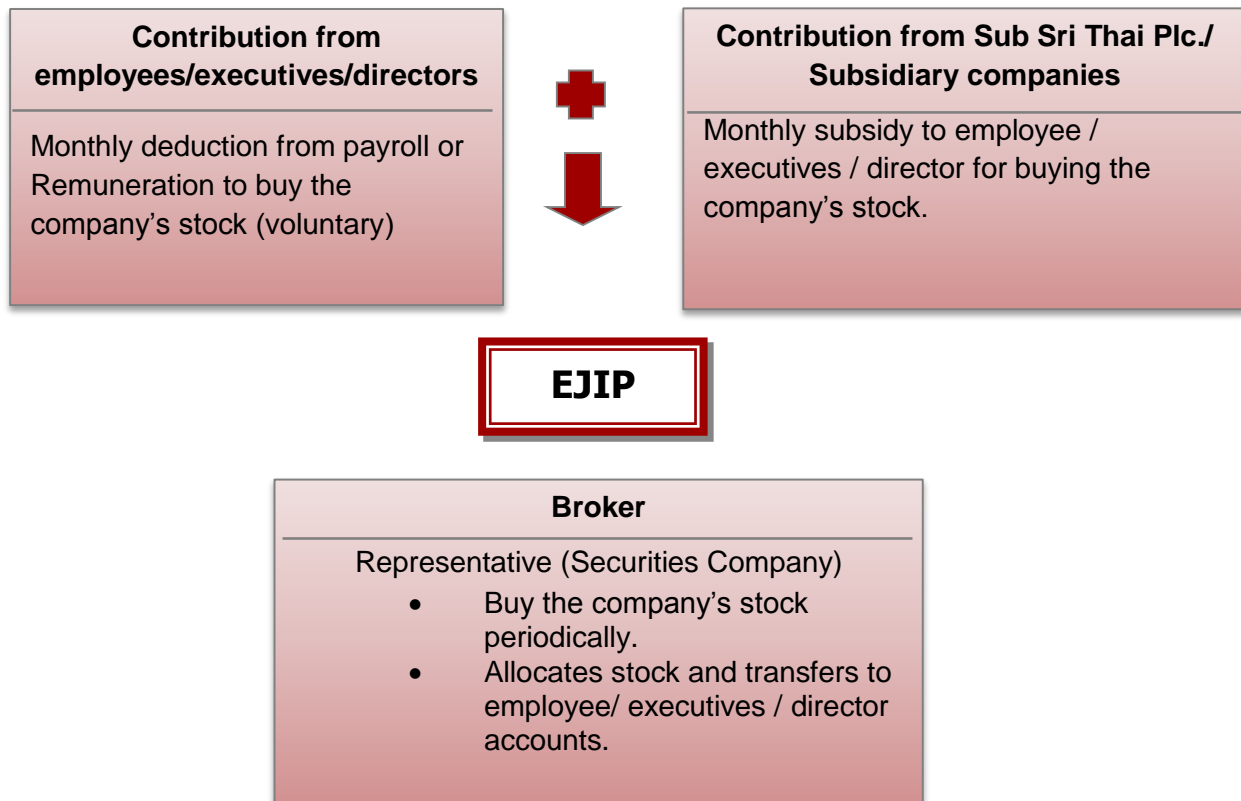
- 2.1 Complaint receiver compiles facts regarding violation or non-compliance with ethics
- 2.2 Complaint receiver reports the facts to independent directors who conduct investigation to consider complaints and define measures to cease violation or non-compliance with law

3. Protective measures for a person who makes complaints

- 3.1 A person who makes a complaint can choose to conceal himself if revelation is unsafe.
- 3.2 Complaint receivers will keep data confidential. A person who makes complaint will be immunized against unfair treatment such as change in job, type of job, suspension, intimidation, distraction, termination, due to filing complaint.



Employee Joint Investment Program: “EJIP”



Object of the program

Employee Joint Investment Program (EJIP) is an investment program for the voluntary employees, executives and directors of the listed companies in the Stock Exchange of Thailand upon accumulative buying of their Company's shares on a period basis (i.e. monthly or quarterly) using the Dollar Cost Average.

EJIP is a means of compensating to employees, executives and directors of the Company and creating a sense of ownership to employees, executives and directors of the Company. It is also an incentive for loyalty to the organization and working with the Company in the long run (Long-term Incentives)



The Company has established EJIP for 3 times with approved by the shareholders' meeting.

- 1st EJIP: Starting from 1 August 2010 until 31 July 2012 Total duration: 2 years
- 2nd EJIP: Starting from 1 August 2012 until 31 July 2014 Total duration: 2 years
- 3rd EJIP: Starting from 1 August 2014 until 31 July 2016 Total duration: 2 years

Details of the second Employee Joint Investment Program

The period of the program	The Program will start from August 1, 2014 until July 31, 2016, the total duration of two (2) years.
Companies entering into the program	Sub Sri Thai Public Company Limited and subsidiary companies which are: <ol style="list-style-type: none"> 1. Mudman Co., Ltd. 2. ABP cafe (Thailand) Co., Ltd. 3. Golden Donuts (Thailand) Co., Ltd. 4. Golden Scoop Co., Ltd.
Qualifications of the EJIP Members	<ol style="list-style-type: none"> 1. <u>Sub Sri Thai Public Company Limited</u> Employees and executives (full-time staff and work with the Company for one year up) and directors on the voluntary basis. 2. <u>Subsidiary companies which entering into the program</u> The executives position from senior department manager up who work with their Company for one year up total 11 person.
Attributes of the EJIP for Sub Sri Thai Plc.	<ul style="list-style-type: none"> - Employees and executives shall contribute five (5) percent of their monthly base salary on every month to put into the program. - The Company shall additionally contribute seven (7) percent of employees and executives monthly base salary on every month. - Directors shall contribute 16,000 Baht on every month to put into the program. - The Company shall additionally contribute of 24,000 Baht on every month to put into the program.
Attributes of the EJIP for Subsidiary companies	<ul style="list-style-type: none"> - Employees as the executives in four Subsidiaries who participate under EJIP shall contribute five (5) percent of their monthly base salary on every month to put into the program. - Four Subsidiaries contribute to its employees for seven (7) percent of their monthly base salary on every month to put into the program.
Buying date	On specified date in every month (Automatic purchase as stated in the contract between the Company and employees / executives / directors/ executives of Subsidiaries)
Securities company	Phillip Securities (Thailand) Public Company Limited (Securities company will open trading account in the name of the employees, executives and directors who joint EJIP program. After completion of buying the Company's stocks, the stocks will be transfer to the account of such employees, executives, directors and executives of Subsidiaries)
Conditions for securities holding	After the EJIP period is ended, EJIP participants can sell of the Company share's starting from August 15, 2016 onwards.
Benefits to EJIP Members	<ul style="list-style-type: none"> - Dividend Gain as direct owner. - Capital Gain when employees / executives / directors / executives of Subsidiaries sell their share - Other rights such rights Issue, Warrant, Shareholders' Meeting
Tax	<ul style="list-style-type: none"> - Employee, executives, directors and executives of Subsidiaries must pay personal income tax on the contribution amount received from the Company. - Company can claim tax deductible on the contribution amount.



Inter – Transactions

During the past year, Sub Sri Thai Plc. and its subsidiaries had inter-company transactions, which are normal business transactions. The majority of the transactions are purchase and sale transactions, service fees, loans. In case of loans, interest rate was based on interest rate of commercial banks at the time the transaction occurred.

1. For inter-company transactions in 2014

As of 31 December 2014, the Company had relevant transactions according to the footnote to financial statement No.6

2. Necessity and reasonableness of inter-company transactions

In a highly competitive business, having an alliance or a network of business will promote more economic flexibility than depending on outsiders.

3. Process of the approval of inter transactions

Inter-company transactions which are not purchase or sale or normal service provision must receive prior consideration from the Board of Executives, and if the size of a transaction is beyond the authority of the Board of Executives, the Board of Executives will conclude its resolution and propose to the Board of Directors for further consideration.

4. Policy and tendency of future inter-company transactions

Inter-company transactions between the Company and its subsidiaries are normal transactions; therefore, purchase, sale, or service transactions will still remain in the future. The Company will operate for its benefit and the prices will follow market price. For inter-company loans, the Company will do only as necessary and as appropriate based on its benefit too.



Explanation and Analysis of Financial and Operational Performance

Overview

In 2014, income from warehouse and wharf business, and food and beverage business continued to grow. In July 2014, the Company and our subsidiary had invested in Greyhound group, so the Company has its own brand in both food & beverage and fashion & clothing businesses to create business opportunities and mitigate risks in business. On November 2014, the Company's subsidiary had acquired premium bakery café brand "COVA" from Italy additionally one more brand.

On September 2014, the Company sold all investments in vegetable oil and animal feed to Sime Morakot Holdings (Thailand) Ltd. and Sime Darby Plantation Europe Ltd. with the loss from that disposal showed in financial statement 12.62 million baht and the loss from discontinued operation in the consolidated financial statements amounting to 34.19 million Baht.

In addition, on August 2014, the Company disposed some part of assets to Sub Sri Thai Smart Storage Fund and the Company gain profit from selling those assets amount of 486.87 million Baht. Also The Company has purchase 12,300,000 of the investment units of the Fund or equivalent to 15 percent of all investment units sold at the price of Baht 10 per investment unit, with the total price of 123,000,000 Baht.

Operational

Results of operation in the past as considered from the financial statement details as follows:

1. Income

In 2014, the company and subsidiaries has total income at 3,006 million baht which was increased by 42.53% compared to the same period of the previous year, of which the income was 2,109 million Baht. The income can be classified as follow:

Income from warehouse and wharf business was 271 million Baht, an increase of 11.98% compared to the same period of the previous year of which the revenue was 242 million Baht due to the increase in new customers.

Sale revenue in food and beverage business was for 2,072 million Baht, an increase of 13.29% compared to the same period of the previous year of which the sale revenue was 1,829 million Baht. The increase was due to the Company expand its investment in restaurant business under Greyhound brand and the increase in branches of the "Dunkin' Donuts" "Au Bon Pain" and Baskin Robbins brands.

Revenue from apparel business was 112 million Baht which the Company and its subsidiary has invested in July 2014, therefore, the company recognized its income from July 22, 2014.

For vegetable oil and animal feed business, the Company has disposed all of investment shares and all trademarks and patents related to its business in September 2014. (See details on Notes to consolidated financial statements No. 13.1)



2. Expenses

In 2014, the Company and subsidiaries has the cost of sale and service at the total of 1,005 million Baht compared with the year 2013 at 821 million Baht increased by 184 million Baht. Because the Company had cost in apparel business and restaurant brand Greyhound which the Company and its subsidiary has invested on July 22, 2014. Due to business combinations, the Company also have to comply with Thai Financial Reporting Standard No. 3 (revised 2012) regarding business combinations that the Company have to measure their assets or liabilities at fair value as of acquisition date (See details on Notes to consolidated financial statements No. 13.2). To apply of such a cause of increasing the difference of depreciation of assets from the acquisition cost and the fair value for fiscal year 2014 in apparel business was 16 million Baht, depreciation which was in the cost of sales as a result, cost of sales increased.

The Company and its subsidiaries has cost of sales for the year 2014 in total of 1,156 million Baht, an increase of 172 million Baht compared to the year 2013, which was 984 million Baht. The main reasons were expenses in food & beverage business and apparel business brand Greyhound which the Company had invested in July 2014 and also cost of sell regarding business combination, the Company is required to measure fair value of the assets and liabilities at the date of acquisition. (See details on Notes to consolidated financial statements No. 13.2). When assessing the property regarding sale was increased, the depreciation in sale was increased too. Such an effects caused the difference between depreciation of assets that were increased from acquisition and fair value,. Including cost of sales of 12 million Baht.

The Dunkin' Donuts, Au Bon Pain. Opal and Baskin Robbins brand which the Company had invested in 2013 were effected from the business combination that caused increasing in the depreciation of assets from the acquisition cost and the fair value which Included in the expenses of three brands in the amount of 35 million Baht in 2014.

The Company and its subsidiaries have Administrative expenses in 2014 in amount of 298 million Baht, an increase of 113 million Baht compared to the year 2013, which was 185 million Baht which were increased mainly from Greyhound brand in both food & beverage business and apparel business.

And in September 2014, the Company has sold its all investment in Industrial Enterprises Co., Ltd. (subsidiary) in which the Company holds 100 percent of the ordinary shares in the subsidiary and the trademarks and patents in relation to the business operation of Industrial Enterprises as well that caused the Company loss from discontinued operation in total amount of 34 million Baht in fiscal year 2014.

3. Annual Profit

In 2014, the Company's net profit was 355 million Baht compared to the year 2013 which was net loss 107 million Baht, an increase of 462 million Baht or 431.78 percent. Because the Company had sold some part of assets to Sub Sri Thai Smart Storage Property Fund in amount of 486 million Baht which can be categorize our performance at business group as follow:



- Warehouse and Wharf business had total service income of 271 million Baht and net profit before financial expenses and corporate income tax of 500 million Baht (Included gain on sales of property, plant, and equipment amount 487 million Baht).
- Food and Beverage business had total sale of 2,072 million Baht and net profit before financial expenses and corporate income tax of 68 million Baht (Included the business acquisition expenses of Greyhound group amount 13 million Baht).
- Apparel Business had total sale of 112 million Baht and net loss before financial expenses and corporate income tax of 20 million Baht

Financial Status

Consideration the financial status of the company from change of financial statement details in several aspects as follows:

1. Components of Assets:

In 2014, the company has current asset at 572 million Baht, compared to 2013 with the current asset at 273 million baht, increasing 299 million Baht. The main reason was the investment in Greyhound group with including food & beverage, and clothing. As a result, the inventories in year 2014 was 221 million Baht which was increased 154 million Baht when compared to year 2013 at 67 million Baht. Cash and cash equivalents in year 2014 was 191 million Baht which was increased 92 million Baht when compared to year 2013 at 99 million Baht due to the expansion of food & beverage business brand Dunkin' Donuts, Au Bon Pain and Baskin Robbins. In addition, the investment in Greyhound group both food & beverage business and apparel business and trade and other receivables in year 2014 was 112 million Baht which was increased 43 million Baht when compared to year 2013 at 69 million Baht caused by the debtor of apparel business and food & beverage business brands Greyhound.

Current assets in the year 2014, the Company had investment in properties which was Sub Sri Thai Smart Storage Property Fund and the Company purchased 12,300,000 of the investment units of the Fund at the price of Baht 10 per investment unit, with the total price of 123 million Baht.

In 2014, the Company disposed all investment in vegetable oil business (Industrial Enterprises Co., Ltd.) that caused decreasing net value in the consolidated financial of property, plant and equipment in amount of 806 million Baht, disposal of property, plant and equipment to Sub Sri Thai Smart Storage Property Fund in net worth 289 million Baht and in the same year, the Company had invested in the Greyhound so, the value of property, plant and equipment increased by 115 million Baht.

Goodwill of the company was increased from 949 million Baht in year 2013 to 1,896 million Baht in year 2014 due to the investment in the Greyhound. Goodwill of 1,113 million Baht from the business combination of Greyhound Group principally comprises the expected synergy from combining operations of the acquirer and the acquiree. Decreasing in goodwill from sale of investments in Industrial Enterprises Co., Ltd. in amount of 166 million Baht and intangible assets was increased from 452 million Baht in year 2013 to 1,167 million Baht in year 2014 because of the investment in the Greyhound group, mainly comprised of the franchise of 283 million Baht and trade Mark 475 million Baht.



2. Quality of Assets

2.1 Assets

On December 2014, the Company organized an evaluation of land fair value by independent assessors using Market Approach method. The outcome revealed that fair value was increased from previous evaluation approximately 3 million Baht (net value after income tax approximately 2 million Baht)

When considering return on assets, the Company found that its return on assets in year 2014 was 7.13% higher than that in 2013, in which the return on assets was (2.41%).

2.2 Receivable

If we consider at the consolidated financial statement it shows the equivalent amount in the ratio of current debtors decreasing from 2013 at 31.15 to be 26.85 times in 2014 and average debt collection period slightly increased when considered with average time in debt collection at 2014 and 2013 at 13.4 and 11.7 respectively. The reason was the investment in Greyhound group cause increasing in trade receivables in amount of 43 million Baht.

3. Liquidity

3.1 Cash Flow

In 2014, cash used in investing activities was 653 million Baht, which was increased 268 million Baht when compared to the year 2013 due to in year 2014, the Company has invested in Greyhound group.

3.2 Liquidity ratio

The liquidity ratio in 2014 was 0.46 increasing when compared to 0.33 in 2013. Because the increasing in current assets from investment in Greyhound group. Quick liquidity ratio in 2014 was 0.25 equal to that in 2013.

3.3 Investment expense

In 2014, warehouse and wharf business's had an expense on machinery for automated warehouse and improvement of warehouse and document warehouse to support customers' growing needs, while food and beverage business had major investment in new brand and expansion branch of the existing brands.

3.4 Source of Fund

3.4.1 Suitability of capital structure

When considered from the liabilities and Shareholders' equity ratio in 2014 at the ratio of 1.05, lower than 2013 at the ratio of 2.02, showing the figure of decreasing in amount of debts from the year 2013.



3.4.2 Liabilities

The company and subsidiaries have current liability increasing from 832 million Baht in 2013 to be 1,249 in 2014, increased by 417 million Baht due to the long term debentures amount of 490 million Baht was mature by year 2015, therefore, the Company has issued debenture which is specify name of the holder, unsubordinated debentures, unsecured debentures and no debenture holder representatives for investors in amount of 500,000 units, par value at 1,000 Baht, totaling 500,000,000 Baht, fixed interest rate at 5.50% per annum, with its yield to maturity (YTM) on January 15, 2018 (three years period).

Fee for Auditor

1. Audit Fee

For the fiscal year ended 2014, the company paid the audit fees to the company's auditors, EY Office Limited, details as follow:

- The audit fee for Sub Sri Thai Plc. at amount of 1,150,000 Baht.
- The audit fee for Subsidiary Company at amount of 3,840,000 Baht.

2. Non - Audit Fee

In 2014, the Company had paid for non-audit fee to EY Corporate Services Co., Ltd., subsidiary company of EY Office Limited in total amount of 200,000 Baht.

Factor and Influence Which May affect to the Business Operation or Financial Status in the future

One important factor that can affect the operation, income and profit of the company is the needs of customers with their regular changes, the company and subsidiary has therefore developed the products and services to meet their needs including the attempt to create difference in products and services to be distinguished from the competitors plus with service efficiency to increase income for the company and our future growth.

In addition, for our business workforce in packaging and delivery of goods or employees in food and beverage that require a large number of employees and hard to find at the present situation, another factor affecting the company's operation. However, the company has paid attention in this matter by stressing on knowledge development and capability with reasonable income to make our employees growing with us at the same time with business progress and improve work procedures and systems to increase the efficiency and effectiveness of operations.



Board of Directors' Statement of Responsibility for Financial Reports

The Board of Director of Sub Sri Thai Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance. The Board of Directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2014, which are prepared according to Generally Accepted Accounting Standards of Thailand. The Board of Directors has selected and consistently followed an appropriate accounting policy. The aforementioned financial statements are prepared using careful judgment and the best estimation. In addition, important information is adequately disclosed in the Notes to the Financial Statements. The financial statements have been examined by an independent external auditor. Therefore, the financial statements are transparently and can be used for the benefit of shareholders and investors.

The Board of Directors has appointed the Audit Committee, which comprises of independent directors, to review the quality of the financial reports and to evaluate the internal control system, risk management system, and various systems to support effective financial documentation to ensure that accounting records are correct, complete, timely. The Audit Committee's opinion is presented in the Audit Committee's Report which is a part of this annual report.

The Board of Directors believes that the Company's overall internal control system is able to create credibility and reliability for the financial statements of Sri Thai Public Company Limited and subsidiaries for the period ended December 31, 2014

.....
(Mr. Keokhwan Vajarodaya)
Chairman

.....
(Mr. Sumrit Tantidilokkul)
Managing Director



Independent Auditor's Report

To the Shareholders of Sub Sri Thai Public Company Limited

I have audited the accompanying consolidated financial statements of Sub Sri Thai Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Sub Sri Thai Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sub Sri Thai Public Company Limited and its subsidiaries and of Sub Sri Thai Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 13 to the financial statements that on 22 July 2014, the Company and Mudman Limited (a subsidiary) acquired 100 percent of ordinary shares and preferred shares in Greyhound Company Limited and Greyhound Café Company Limited (collectively referred to as “Greyhound Group”) from their former shareholders. The Company has assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date and the assessment process has been completed in the fourth quarter of 2014 within the period of twelve months from the acquisition date allowed by Thai Financial Reporting Standard No.3 (revised 2012). During this measurement period, the Company obtained further information on the fair value of part of the assets and liabilities and has retrospectively adjusted the provisional amount recognised at the acquisition date, as mentioned in the notes to financial statements. My opinion is not qualified in respect of this matter.

Supanee Triyanantakul

Certified Public Accountant (Thailand) No. 4498

EY Office Limited

Bangkok: 24 February 2015



Consolidated financial statements

Sub Sri Thai Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

				(Unit: Baht)	
		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	191,517,841	99,594,516	18,437,693	12,339,455
Current investments		4,062,654	2,316	2,354	2,316
Trade and other receivables	8	112,824,158	69,965,625	56,298,598	52,281,483
Short-term loans to and interest receivable from related parties	6	-	-	-	28,815,368
Inventories	9	221,250,017	67,285,173	-	-
Other current assets		42,519,354	36,283,869	22,958,389	22,028,825
Total current assets		572,174,024	273,131,499	97,697,034	115,467,447
Non-current assets					
Restricted bank deposits	10	3,588,318	3,726,136	-	-
Investment in available-for-sale securities	11	119,310,000	-	119,310,000	-
Investment in associated company	12.1	238,014,764	237,599,510	225,000,000	225,000,000
Investments in subsidiaries	13	-	-	1,280,757,121	833,962,253
Investment properties	14	435,260,381	454,379,569	435,260,381	454,379,569
Property, plant and equipment	15	943,985,209	1,835,179,969	473,093,043	721,557,339
Goodwill	17	1,896,039,395	949,204,167	-	-
Leasehold rights	18	91,262,103	76,091,591	20,815,989	22,708,352
Intangible assets	19	1,167,327,188	452,690,816	3,327,172	17,571,930
Rental deposit		119,267,082	52,295,568	31,500,000	-
Deferred tax assets	28.4	7,733,284	16,838,955	2,551,797	64,665,733
Other non-current assets		1,108,498	9,558,229	1,108,498	148,359
Total non-current assets		5,022,896,222	4,087,564,510	2,592,724,001	2,339,993,535
Total assets		5,595,070,246	4,360,696,009	2,690,421,035	2,455,460,982

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



Sub Sri Thai Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	169,000,000	356,000,149	169,000,000	63,000,149
Trade and other payables	21	448,233,884	300,877,250	84,719,941	57,448,929
Current portion of long-term loans					
from financial institutions	22	79,038,351	143,889,232	-	52,000,000
Current portion of long-term debentures	23	489,811,226	-	489,811,226	-
Income tax payable		27,503,390	9,502,689	6,501,274	-
Other current liabilities		36,199,303	21,761,082	9,167,157	6,630,151
Total current liabilities		1,249,786,154	832,030,402	759,199,598	179,079,229
Non-current liabilities					
Long-term loans from financial institutions					
- net of current portion	22	1,169,003,196	1,172,470,155	-	184,000,000
Long-term debentures - net of current portion	23	-	488,353,655	-	488,353,655
Deferred tax liabilities	28.4	392,760,533	390,868,272	129,497,833	134,276,489
Provision for long-term employee benefits	24	45,732,419	28,385,181	8,631,061	8,179,326
Other non-current liabilities		8,299,121	4,993,600	-	-
Total non-current liabilities		1,615,795,269	2,085,070,863	138,128,894	814,809,470
Total liabilities		2,865,581,423	2,917,101,265	897,328,492	993,888,699

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



Sub Sri Thai Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2014

		(Unit: Baht)			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Shareholders' equity					
Share capital	25				
Registered					
418,141,055 ordinary shares of Baht 1 each					
(2013: 334,513,122 ordinary shares of Baht 1 each)		<u>418,141,055</u>	<u>334,513,122</u>	<u>418,141,055</u>	<u>334,513,122</u>
Issued and fully paid					
282,527,203 ordinary shares of Baht 1 each					
(2013: 226,022,192 ordinary shares of Baht 1 each)		282,527,203	226,022,192	282,527,203	226,022,192
Share premium					
Ordinary share premium		337,773,202	337,773,202	337,773,202	337,773,202
Treasury share premium		37,006,907	37,006,907	37,006,907	37,006,907
Surplus from the change in the ownership interests					
in subsidiaries	13.2	384,555,047	-	-	-
Retained earnings					
Appropriated - statutory reserve	26	35,003,009	18,081,790	35,003,009	18,081,790
Unappropriated		903,623,126	615,983,498	902,135,614	37,088,877
Other components of shareholders' equity		<u>198,646,608</u>	<u>205,599,315</u>	<u>198,646,608</u>	<u>205,599,315</u>
Equity attributable to owners of the Company		2,179,135,102	1,440,466,904	1,793,092,543	1,461,572,283
Non-controlling interests of the subsidiaries		<u>550,353,721</u>	<u>3,127,840</u>	-	-
Total shareholders' equity		<u>2,729,488,823</u>	<u>1,443,594,744</u>	<u>1,793,092,543</u>	<u>1,461,572,283</u>
Total liabilities and shareholders' equity		<u>5,595,070,246</u>	<u>4,360,696,009</u>	<u>2,690,421,035</u>	<u>2,455,460,982</u>

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



Sub Sri Thai Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2014

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Profit or loss:					
Revenues					
Sales		2,184,014,207	1,828,787,149	-	-
Service income		270,536,459	241,912,138	267,246,695	237,657,268
Other income					
Gain on sales of property, plant and equipment	15	486,877,660	-	486,877,660	94,619
Gain on revaluation surplus on investment properties		2,062,758	-	2,062,758	-
Dividend income	12.2	-	-	15,187,500	15,444,000
Interest income		851,280	635,541	1,775,308	4,288,049
Others		61,806,338	37,918,382	11,241,633	12,201,878
Total revenues		3,006,148,702	2,109,253,210	784,391,554	269,685,814
Expenses					
Cost of sales		800,426,482	655,496,150	-	-
Cost of services		205,405,532	166,367,293	205,367,855	166,567,667
Selling expenses		1,156,634,739	984,826,523	-	-
Administrative expenses		298,266,765	185,012,247	68,459,853	58,805,936
Loss on sales of investment in a subsidiary	13.1	12,620,588	-	19,533,584	-
Impairment loss on investment in a subsidiary		-	-	28,747,247	99,573,076
Impairment loss on assets		-	51,000,000	-	51,000,000
Total expenses		2,473,354,106	2,042,702,213	322,108,539	375,946,679
Profit (loss) before share of profit from investment in associated company, finance cost and income tax					
		532,794,596	66,550,997	462,283,015	(106,260,865)
Share of profit from investment in associated company	12.2	15,602,754	13,462,441	-	-
Profit (loss) before finance cost and income tax		548,397,350	80,013,438	462,283,015	(106,260,865)
Finance cost		(110,158,673)	(72,443,717)	(41,920,837)	(37,889,983)
Profit (loss) before income tax		438,238,677	7,569,721	420,362,178	(144,150,848)
Current income tax	28.1	(50,826,389)	(22,863,770)	(24,446,209)	-
Deferred income tax	28.1	1,582,231	14,367,397	(57,491,600)	31,820,958
Profit (loss) from continuing operations for the year		388,994,519	(926,652)	338,424,369	(112,329,890)
Discontinued operations					
Loss from discontinued operations	13.1	(34,196,331)	(106,124,032)	-	-
Profit (loss) for the year		354,798,188	(107,050,684)	338,424,369	(112,329,890)
Other comprehensive income:					
Loss on change in value of available-for-sale investments		(3,690,000)	-	(3,690,000)	-
Gain on revaluation surplus on land		2,908,400	-	2,908,400	-
Income tax effect	28.2	156,320	-	156,320	-
Other comprehensive income for the year		(625,280)	-	(625,280)	-
Total comprehensive income for the year		354,172,908	(107,050,684)	337,799,089	(112,329,890)

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



Sub Sri Thai Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2014

				(Unit: Baht)	
		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Profit (loss) attributable to:					
Equity holders of the Company					
Profit (loss) from continuing operation		395,213,591	(1,578,839)	338,424,369	(112,329,890)
Loss from discontinued operation		(34,196,331)	(106,124,032)	-	-
		<u>361,017,260</u>	<u>(107,702,871)</u>	<u>338,424,369</u>	<u>(112,329,890)</u>
Non-controlling interests of the subsidiaries					
Profit (loss) from continuing operation		(6,219,072)	652,187		
		<u>354,798,188</u>	<u>(107,050,684)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company					
Profit (loss) from continuing operation		394,588,311	(1,578,839)	337,799,089	(112,329,890)
Loss from discontinued operation		(34,196,331)	(106,124,032)	-	-
		<u>360,391,980</u>	<u>(107,702,871)</u>	<u>337,799,089</u>	<u>(112,329,890)</u>
Non-controlling interests of the subsidiaries					
Profit (loss) from continuing operation		(6,219,072)	652,187		
		<u>354,172,908</u>	<u>(107,050,684)</u>		
Earnings per share					
	30		(Restated)		(Restated)
Basic earnings per share					
Equity holders of the Company					
Profit (loss) from continuing operation		1.40	(0.01)	1.20	(0.40)
Loss from discontinued operation		(0.12)	(0.37)	-	-
		<u>1.28</u>	<u>(0.38)</u>	<u>1.20</u>	<u>(0.40)</u>

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



Sub Sri Thai Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statement											
	Equity attributable to owners of the Company											
							Other components of equity					
							Other comprehensive income					
	Issued and			Surplus from the	Retained earnings		Deficit on changes			Total equity	Equity	
	paid-up	Ordinary	Treasury	change in the	Appropriated -		in value of		Total other	attributable	attributable	Total
	share capital	share premium	share premium	ownership interests	Statutory reserve	Unappropriated	available-for-sale	Revaluation	components of	to owners	to non-controlling	shareholders'
				in subsidiaries			investment	surplus on land	shareholders'	of the Company	interest of	equity
									equity		the subsidiaries	
Balance as at 1 January 2013	180,817,904	337,773,202	37,006,907	-	18,081,790	773,913,463	-	205,599,315	205,599,315	1,553,192,581	2,475,653	1,555,668,234
Profit (loss) for the year	-	-	-	-	-	(107,702,871)	-	-	-	(107,702,871)	652,187	(107,050,684)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	(107,702,871)	-	-	-	(107,702,871)	652,187	(107,050,684)
Dividend paid (Note 29)	-	-	-	-	-	(5,022,806)	-	-	-	(5,022,806)	-	(5,022,806)
Stock dividends (Note 29)	45,204,288	-	-	-	-	(45,204,288)	-	-	-	-	-	-
Balance as at 31 December 2013	226,022,192	337,773,202	37,006,907	-	18,081,790	615,983,498	-	205,599,315	205,599,315	1,440,466,904	3,127,840	1,443,594,744
												-
Balance as at 1 January 2014	226,022,192	337,773,202	37,006,907	-	18,081,790	615,983,498	-	205,599,315	205,599,315	1,440,466,904	3,127,840	1,443,594,744
Profit (loss) for the year	-	-	-	-	-	361,017,260	-	-	-	361,017,260	(6,219,072)	354,798,188
Other comprehensive income for the year	-	-	-	-	-	-	(2,952,000)	2,326,720	(625,280)	(625,280)	-	(625,280)
Total comprehensive income for the year	-	-	-	-	-	361,017,260	(2,952,000)	2,326,720	(625,280)	360,391,980	(6,219,072)	354,172,908
Dividend paid (Note 29)	-	-	-	-	-	(6,278,829)	-	-	-	(6,278,829)	-	(6,278,829)
Stock dividends (Note 29)	56,505,011	-	-	-	-	(56,505,011)	-	-	-	-	-	-
Transfer unappropriated retained earnings												
to statutory reserve	-	-	-	-	16,921,219	(16,921,219)	-	-	-	-	-	-
Transfer revaluation surplus on land to												
retained earnings (Note 16)	-	-	-	-	-	6,327,427	-	(6,327,427)	(6,327,427)	-	-	-
Issuance of ordinary shares of subsidiary	-	-	-	384,555,047	-	-	-	-	-	384,555,047	553,444,953	938,000,000
Balance as at 31 December 2014	282,527,203	337,773,202	37,006,907	384,555,047	35,003,009	903,623,126	(2,952,000)	201,598,608	198,646,608	2,179,135,102	550,353,721	2,729,488,823

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



Sub Sri Thai Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2014

(Unit: Baht)

	Separate financial statements								
						Other components of equity			
						Other comprehensive income			
						Deficit on changes			
	Issued and			Retained earnings		in value of		Total other	Total
	paid-up	Ordinary	Treasury	Appropriated -		available-for-sale	Revaluation	components of	shareholders'
	share capital	share premium	share premium	Statutory reserve	Unappropriated	investment	surplus on land	shareholders' equity	equity
Balance as at 1 January 2013	180,817,904	337,773,202	37,006,907	18,081,790	799,645,861	-	205,599,315	205,599,315	1,578,924,979
Loss for the year	-	-	-	-	(112,329,890)	-	-	-	(112,329,890)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(112,329,890)	-	-	-	(112,329,890)
Dividend paid (Note 29)	-	-	-	-	(5,022,806)	-	-	-	(5,022,806)
Stock dividends (Note 29)	45,204,288	-	-	-	(45,204,288)	-	-	-	-
Balance as at 31 December 2013	226,022,192	337,773,202	37,006,907	18,081,790	637,088,877	-	205,599,315	205,599,315	1,461,572,283
									-
Balance as at 1 January 2014	226,022,192	337,773,202	37,006,907	18,081,790	637,088,877	-	205,599,315	05,599,315	1,461,572,283
Profit for the year	-	-	-	-	338,424,369	-	-	-	338,424,369
Other comprehensive income for the year	-	-	-	-	-	(2,952,000)	2,326,720	(625,280)	(625,280)
Total comprehensive income for the year	-	-	-	-	338,424,369	(2,952,000)	2,326,720	(625,280)	337,799,089
Dividend paid (Note 29)	-	-	-	-	(6,278,829)	-	-	-	(6,278,829)
Stock dividends (Note 29)	56,505,011	-	-	-	(56,505,011)	-	-	-	-
Transfer unappropriated retained earnings									
to statutory reserve	-	-	-	16,921,219	(16,921,219)	-	-	-	-
Transfer revaluation surplus on land to									
retained earnings (Note 16)	-	-	-	-	6,327,427	-	(6,327,427)	(6,327,427)	-
Balance as at 31 December 2014	282,527,203	337,773,202	37,006,907	35,003,009	902,135,614	(2,952,000)	201,598,608	198,646,608	1,793,092,543

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



Sub Sri Thai Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2014

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit (loss) from continuing operation before income tax	438,238,677	7,569,721	420,362,178	(144,150,848)
Loss before tax from discontinued operation	(37,336,503)	(114,632,966)	-	-
Profit (loss) before income tax	400,902,174	(107,063,245)	420,362,178	(144,150,848)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Bad debt and allowance for doubtful debt	470,514	150,279	470,514	135,620
Reversal of allowance for diminution in value of inventories	(2,189,239)	(7,546,318)	-	-
Depreciation and amortisation	221,318,529	217,764,982	35,140,837	43,160,708
(Gain) loss on sales of property, plant and equipment	(488,156,021)	6,834,554	(486,877,660)	(94,619)
Gain on revaluation surplus on investment properties	(2,062,758)	-	(2,062,758)	-
Loss on written-off fixed asset	6,865,965	8,684,704	594,893	-
Impairment loss on assets	-	60,000,000	-	51,000,000
Amortisation relating to the issuance cost of debentures	1,457,571	1,244,835	1,457,571	1,244,835
Loss on sale of investment in a subsidiary	12,620,588	-	19,533,584	-
Impairment loss on investment in a subsidiary	-	-	28,747,247	99,573,076
Impairment loss on goodwill	-	2,653,412	-	-
Share of profit from investment in associated company	(15,602,754)	(13,462,441)	-	-
Long-term employee benefit expenses	6,408,075	1,689,510	1,382,135	1,435,253
Dividend income	-	-	(15,187,500)	(15,444,000)
Interest expenses	115,275,764	110,555,474	41,920,837	37,889,983
Interest income	(865,900)	(701,321)	(1,775,308)	(4,288,049)
Profit from operating activities before change in operating assets and liabilities	256,442,508	280,804,425	43,706,570	70,461,959
Operating assets (increase) decrease				
Trade and other receivables	(4,338,784)	(3,323,943)	(4,487,629)	(13,667,855)
Insurance receivable	-	76,129,442	-	-
Inventories	90,237	79,936,903	-	-
Other current assets	642,794	(3,996,258)	(929,564)	(6,080,150)
Other non-current assets	(40,830,890)	(6,524,867)	(32,460,139)	60,203
Operating liabilities increase (decrease)				
Trade and other payables	23,465,164	(4,909,542)	28,232,482	1,064,480
Payment of provision for long-term employee benefits	(2,169,090)	(4,556,904)	(930,400)	(3,901,000)
Other current liabilities	5,724,952	2,100,874	2,537,006	1,051,939
Other non-current liabilities	1,402,418	139,837	-	-
Cash flows from operating activities	240,429,309	415,799,967	35,668,326	48,989,576
Cash paid for interest expenses	116,573,117	(109,809,489)	(42,151,658)	(37,683,575)
Cash paid for income tax	(43,049,403)	(39,852,348)	(17,944,935)	(9,012,087)
Net cash flows from (used in) operating activities	80,806,789	266,138,130	(24,428,267)	2,293,914

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



Sub Sri Thai Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2014

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
(Unit: Baht)				
Cash flows from investing activities				
(Increase) decrease in current investments	(4,060,338)	3,009,312	(38)	3,009,312
Decrease in restricted bank deposit	6,084,423	2,734,734	-	-
Cash paid for acquisition of investment in available-for-sale securities	(123,000,000)	-	(123,000,000)	-
Cash paid for acquisition of investments in subsidiaries	(1,216,665,944)	-	-	-
Cash paid for acquisition of new ordinary shares in subsidiary	-	-	(480,000,000)	(225,000,000)
Cash receipt (paid) from sale of investments in subsidiaries	75,247,831	-	(1,717,745)	-
Cash paid for payable under business acquisition agreement	-	(21,000,000)	-	(21,000,000)
Acquisition of property, plant and equipment	(165,877,575)	(223,164,959)	(48,329,490)	(91,510,501)
Proceeds from sales of property, plant and equipment	778,727,855	2,223,584	775,488,179	580,654
Acquisition of intangible assets	(16,577,980)	(12,609,460)	(1,413,599)	(1,135,591)
Acquisition of leasehold rights	(3,000,000)	(35,184,710)	-	-
Dividend received	15,187,500	15,444,000	15,187,500	15,444,000
Cash received from interest income	884,954	752,854	1,834,374	4,736,418
Net cash flows from (used in) investing activities	(653,049,274)	(267,794,645)	138,049,181	(314,875,708)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	87,999,851	21,929,341	105,999,851	13,000,149
Decrease in short-term loans from related party	(141,305,289)	-	-	-
Decrease in inventory-secured loans to related party	-	-	-	83,401,573
Decrease in short-term loans to related party	-	-	28,756,302	214,066,523
Cash received from long-term loans from financial institutions	1,239,500,000	65,166,800	4,000,000	41,000,000
Repayment of long-term loans from financial institutions	(865,749,923)	(88,932,413)	(240,000,000)	(29,500,000)
Cash received from long-term debentures	-	490,000,000	-	490,000,000
Repayment of long-term debentures	-	(490,000,000)	-	(490,000,000)
Transaction costs relating to the issuance of debentures	-	(2,298,000)	-	(2,298,000)
Cash received from non-controlling interests for issuance of ordinary shares of subsidiaries	350,000,000	-	-	-
Dividend paid	(6,278,829)	(5,022,806)	(6,278,829)	(5,022,806)
Net cash flows from (used in) financing activities	664,165,810	(9,157,078)	(107,522,676)	314,647,439
Net increase (decrease) in cash and cash equivalents	91,923,325	(10,813,593)	6,098,238	2,065,645
Cash and cash equivalents at beginning of year	99,594,516	110,408,109	12,339,455	10,273,810
Cash and cash equivalents at end of year	191,517,841	99,594,516	18,437,693	12,339,455
	-	-	-	-
Supplemental cash flows information:				
Non-cash items				
Payables from purchase of assets	37,872,403	26,966,596	1,499,378	2,230,027
Acquisition of investments in subsidiaries by issuance of ordinary shares	588,000,000	-	-	-

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



Notes to consolidated financial statements

Sub Sri Thai Public Company Limited and its subsidiaries

For the year ended 31 December 2014

1. General information

Sub Sri Thai Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in warehouse rental, storage of document and electronic media, wharf services and its registered address is 2044/25-27 New Petchaburi Road, Bangkok, and its warehouses and wharfs are located in Samutprakarn.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Sub Sri Thai Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2014</u>	<u>2013</u>
			Percent	Percent
<u>Subsidiaries directly owned by the Company</u>				
SST Warehouse Co., Ltd.	Warehouse	Thailand	80	80
Industrial Enterprises Co., Ltd.	Production of vegetable oil and animal feed	Thailand	-	100
Mudman Limited	Holding Company	Thailand	75	100



Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2014</u>	<u>2013</u>
			Percent	Percent

Subsidiaries indirectly owned by the Company

Held by Mudman Limited

Golden Donuts (Thailand) Co., Ltd.	Distribution of food and beverage	Thailand	100	100
ABP Café (Thailand) Co., Ltd.	Distribution of food and beverage	Thailand	100	100
Golden Scoop Co., Ltd.	Distribution of food and beverage	Thailand	100	100
Golden Gourmet Co., Ltd.	Distribution of food and beverage	Thailand	100	-
Greyhound Co., Ltd.	Produce and distribution of clothing and leather work	Thailand	100	-
Greyhound Café Co., Ltd.	Restaurant	Thailand	100	-

Held by Industrial Enterprises Company Limited

Tip Vegetable Oil Co., Ltd.	Cease operation	Thailand	-	100
Thai Livestock Promotion Co., Ltd.	Distribution of animal feed	Thailand	-	100

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- e) The excess of the fair value of net assets at the date of the acquisition of the subsidiaries over related cost of investment is accounted as "Goodwill" in the consolidated statement of financial positions.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.



- g) As discussed in Note 13 to the financial statements, on 22 July 2014, the Company and Mudman Limited (a subsidiary) acquired all ordinary shares and preferred shares of Greyhound Company Limited and Greyhound Café Company Limited. In this regard, Mudman Limited has issued new ordinary shares; as a result, the Company's shareholding in Mudman Limited decreased from 100 percent to 75 percent.
- h) As discussed in Note 13 to the financial statements, on 11 September 2014, the Company disposed all investments in Industrial Enterprises Company Limited (a subsidiary). The Company has excluded the financial statements of this subsidiary from the consolidated financial statements since 11 September 2014.
- i) On 28 November 2014, Mudman Limited (a subsidiary) invested in a subsidiary named Golden Gourmet Co., Ltd., to engage in the distribution of food and beverages. This company has a registered capital of Baht 1 million (fully paid) and Mudman Limited holds 100 percent of the ordinary shares.

2.3 The separate financial statements, which present investments in subsidiaries, and associates under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets



Financial Reporting Standards:

- TFRS 2 (revised 2012) Share-based Payment
- TFRS 3 (revised 2012) Business Combinations
- TFRS 5 (revised 2012) Non-current Assets Held for Sale and Discontinued Operations
- TFRS 8 (revised 2012) Operating Segments

Accounting Standard Interpretations:

- TSIC 15 Operating Leases - Incentives
- TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- TSIC 29 Service Concession Arrangements: Disclosures
- TSIC 32 Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- TFRIC 4 Determining whether an Arrangement contains a Lease
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- TFRIC 7 Applying the Restatement Approach under TAS 29 *Financial Reporting in Hyperinflationary Economies*
- TFRIC 10 Interim Financial Reporting and Impairment
- TFRIC 12 Service Concession Arrangements
- TFRIC 13 Customer Loyalty Programmes
- TFRIC 17 Distributions of Non-cash Assets to Owners
- TFRIC 18 Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.



(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company and its subsidiaries believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognise actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognising those gains and losses is changed to immediately recognise them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.



The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

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

Interest income

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

Dividends

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

4.2 Cash and cash equivalents

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



4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the first-in, first-out method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials and other material supplies are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Investment properties

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

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



4.7 Property, plant and equipment/ Depreciation

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

The surplus arising from the revaluation of land is credited directly to the other comprehensive income and the cumulative is recognised equity under the heading of “Revaluation surplus on land” in shareholders’ equity. Revaluation will be made with sufficient regularity to ensure that the carrying amount of the land will not differ materially from its fair value.

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

Warehouses and wharf	-	20, 30 years
Factory	-	8, 13 years
Office building	-	8, 20 years
Warehouse and wharf improvements	-	5, 10 years
Office building improvements	-	5 - 10 years
Machinery and equipment	-	3 - 10 years
Furniture, fixtures and office equipment	-	3 - 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and installation.

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

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



4.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's and its subsidiaries' cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.10 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation. Amortisation is calculated by reference to cost on a straight-line basis over the lease period.

The amortisation is included in determining to profit or loss.

4.11 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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



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

		<u>Useful lives</u>
Franchise	-	7 - 16 years
Computer software	-	3 - 5 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.12 Related party transactions

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

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

4.13 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

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

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.



4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

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

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



4.16 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company's and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by the Company's and its subsidiaries' managements and a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

4.17 Provisions

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

4.18 Income tax

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

Current tax

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



Deferred tax

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

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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



Net realisable value of inventories

The management uses judgement to estimate the net realisable value of inventories based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of reporting date. In addition, the management makes judgement and estimates expected loss from stock obsolescence based upon past sales history and the prevailing economic condition.

Investment property

The Company presents investment property at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment property using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 14.

Property plant and equipment / Depreciation

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

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land. The valuation involves certain assumptions and estimates.

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

Goodwill and intangible assets

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to



determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit

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

6. Related party transactions

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

(Unit: Thousand Baht)

	For the years ended 31 December				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policies
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Management fee income	-	-	14,379	17,019	Reciprocal agreement
Interest income	-	-	1,474	4,141	MMR and 4.20 - 5.75 percent per annum
<u>Transactions with associated company</u>					
Warehouse rentals (Note 34.2)	49,400	49,400	49,400	49,400	Contract rate
Dividend income	-	-	15,188	15,444	Announced rate
<u>Transactions with related companies</u>					
Sales of assets	818,000	-	818,000	-	Contract price
Warehouse rentals (Note 34.2)	26,195	-	26,195	-	Contract rate
Rental expenses	4,636	-	-	-	Contract rate
<u>Transaction with management</u>					
Acquisition of investment	1,000	-	-	-	At cost



The balances of the accounts as at 31 December 2014 and 2013 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Trade receivables - related parties (Note 8)				
Subsidiaries	-	-	574	1,091
Short-term loan to and interest receivable from related parties				
Subsidiaries	-	-	-	28,815
Rental deposit - related parties				
Related companies	32,500	-	31,500	-
Trade payable - related parties (Note 21)				
Associated company	24,700	24,700	24,700	24,700
Related company	26,195	-	26,195	-
	50,895	24,700	50,895	24,700
Other payables - related parties (Note 21)				
Subsidiaries	-	-	6,081	6,042
Directors	3,200	-	3,200	-
	3,200	-	9,281	6,042

Reciprocal agreement

In September 2009, the Company entered into a reciprocal agreement with SST Warehouse Co., Ltd. (a subsidiary), whereby the latter will be provided with warehouse space, stock management and other related services for a consideration calculated at 80 percent of the goods storage revenue of the subsidiary (amended on 1 July 2010). The agreement is for a period of 3 years and expired on 30 September 2012. On 20 September 2012, the Company entered renewed the agreement for a period of 3 years, from 1 October 2012 to 30 September 2015.

Short-term loan to and interest receivable

As at 31 December 2013, these represent a short-term loan to and interest receivable from Industrial Enterprises Co., Ltd. and Mudman Limited (subsidiaries) under promissory note. Interest is charged at 4.20 - 4.35 percent per annum and the loan is repayable at call.

Movement for the year ended 31 December 2014 of loan to related parties are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
Loan to related parties	Related by	Balance as at 31 December 2013	Increase during the year	Decrease during the year	Balance as at 31 December 2014
<u>Short-term loan to and interest receivable from</u>					
Industrial Enterprises Co., Ltd	Subsidiary	26,985	53,516	(80,501)	-
Mudman Limited	Subsidiary	1,830	10	(1,840)	-
		<u>28,815</u>	<u>53,526</u>	<u>(82,341)</u>	<u>-</u>

Directors and management's benefits

During the year ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	76,131	53,579	30,678	25,235
Post-employment benefits	<u>3,377</u>	<u>2,749</u>	<u>1,289</u>	<u>1,407</u>
Total	<u>79,508</u>	<u>56,328</u>	<u>31,967</u>	<u>26,642</u>



7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash	19,675	32,968	1,083	3,984
Bank deposits	171,843	66,627	17,355	8,355
Total	191,518	99,595	18,438	12,339

As at 31 December 2014, bank deposits in saving accounts and fixed deposits carried interests at the rates between 0.30 and 0.75 percent per annum (2013: between 0.40 and 3.00 percent per annum).



**8. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	574	1,049
Past due				
Up to 3 months	-	-	-	37
Over 3 months	-	-	-	5
Total receivables - related parties	-	-	574	1,091
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	81,528	36,156	35,170	24,430
Past due				
Up to 3 months	25,930	25,403	15,789	18,423
3 - 6 months	1,500	2,492	1,487	2,492
6 - 12 months	2,331	2,106	1,424	2,046
Over 12 months	7,216	2,772	2,038	529
Total	118,505	68,929	55,908	47,920
Less: Allowance for doubtful debts	(5,936)	(2,581)	(438)	(338)
Total trade receivables - unrelated parties, net	112,569	66,348	55,470	47,582
Total trade receivable - net	112,569	66,348	56,044	48,673
<u>Other receivables</u>				
Other receivables - unrelated parties	255	3,618	255	3,608
Total other receivables	255	3,618	255	3,608
Trade and other receivables - net	112,824	69,966	56,299	52,281



9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods	109,160	214	(12,060)	-	97,100	214
Work in process	17,458	-	-	-	17,458	-
Raw materials	90,152	37,618	(5,901)	-	84,251	37,618
Packing materials	10,215	10,409	-	(860)	10,215	9,549
Spare parts and factory supplies	12,226	19,904	-	-	12,226	19,904
Total	239,211	68,145	(17,961)	(860)	221,250	67,285

During the current year, its subsidiaries reversed the write-down of cost of inventories by Baht 2 million (2013: Baht 8 million), and reduced the amount of inventories recognised as expenses during the year.

10. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure the letter of guarantee issued by a bank on behalf of the subsidiaries.

11. Investment in available-for-sale securities

Investment in available-for-sale securities is investment in Subsrithai Smart Storage Property Fund ("the Fund") which has been granted as a property fund by the Securities and Exchange Commission on 5 August 2014.

On 15 August 2014, the Company invested in 12.3 million units of the Fund at the price of Baht 10 each, representing an investment of Baht 123 million, or 15 percent of total value of the Fund.

The net book value of investment in available-for-sale securities as at 31 December 2014 is presented below.

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
Cost	123,000
Less: Revaluation of available-for-sale securities	(3,690)
Net book value	119,310



12. Investment in associated company

Investment in associated company is an investment in Sub Sri Thai Property Fund (“the Fund”) which has been granted as a property fund by the Securities and Exchange Commission on 29 April 2011.

The Company has pledged all of investment units of the Fund as collateral against credit facilities received from a financial institution.

12.1 Details of investment in associated company

(Unit: Thousand Baht)

Fund	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
					Carrying amounts based on equity method		Cost	
					2014	2013	2014	2013
			2014	2013	2014	2013	2014	2013
			(%)	(%)				
Sub Sri Thai Property Fund	Fund raising to invest in immovable properties, and seek benefits from those properties	Thailand	33.33	33.33	238,015	237,600	225,000	225,000

12.2 Share of profit and dividend received from investment in associated company

During the year, the Company has recognised its share of income from investment in associated company in the consolidated financial statements and dividend income in separate financial statement as follows:

(Unit: Thousand Baht)

Fund	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in associated company		Dividend received during the year	
	2014	2013	2014	2013
Sub Sri Thai Property Fund	15,603	13,462	15,188	15,444



12.3 Fair value of investments in listed associates

As at 31 December 2014, the fair value of investment in Sub Sri Thai Property Fund that is listed company on the Stock Exchange of Thailand is amounting to Baht 211.5 million (2013: Baht 220.5 million).

12.4 Summarised financial information of associated company

Financial information of the associated company is summarised below.

(Unit: Million Baht)

Fund	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit for the	
	as at		as at		as at		for the year		year ended	
	31 December		31 December		31 December		31 December		31 December	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Sub Sri Thai Property Fund	675	675	717	716	3	3	54	54	47	40

13. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements as at 31 December 2014 and 2013 are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Separate financial statements			
			Shareholding		Cost	
			percentage			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
			(%)	(%)		
SST Warehouse Co., Ltd.	5,000	5,000	80	80	4,000	4,000
Industrial Enterprises Co., Ltd.	-	200,000	-	100	-	277,999
Mudman Limited	843,923	525,000	75	100	1,276,757	796,757
Total					1,280,757	1,078,756
Less: Allowance for impairment loss						
on investment					-	(244,794)
Investments in subsidiaries - net					1,280,757	833,962



13.1 Disposal of investment in Industrial Enterprises Co., Ltd.

On 10 June 2014, the Board of Directors meeting of the Company passed a resolution to dispose of all of the Company's 100 percent shareholding in the ordinary shares of Industrial Enterprises Co., Ltd. (a subsidiary), and all trademarks and patents related to the subsidiary's business, to Sime Morakot Holding (Thailand) Ltd. and Sime Darby Plantation Europe Ltd. of Baht 815 million (this amount excluded total liabilities of a subsidiary). The Company has already disposed such investments on 11 September 2014, with details as at the disposal date as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Selling price before deduction of subsidiary's liabilities	815,000	815,000
Less: Liabilities of subsidiary	(800,218)	(800,218)
Expenses related to sales of investment in subsidiary	(16,500)	(16,500)
Add: Loan repayment from subsidiary	76,966	-
Cash receipt (paid) from sales of investment in subsidiary	75,248	(1,718)
Less: Cost of investment in subsidiary / Net assets of subsidiary in consolidated financial statement	(74,511)	(4,458)
Cost of trademarks and patents	(13,358)	(13,358)
Loss on sales of investment in subsidiary	(12,621)	(19,534)

Revenues and expenses relating to the discontinued operation as mention above for the year ended 31 December 2014 and 2013 were detailed below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2014	2013
Sales and other income	19,829	78,404
Cost of sales	-	(125,366)
Selling expenses	-	(2,078)
Administrative expenses	(32,048)	(15,828)
Impairment loss on assets	-	(9,000)
Impairment loss on goodwill	-	(2,653)
Finance cost	(25,117)	(38,112)
Deferred tax income	3,140	8,509
Loss from discontinued operation for the year	(34,196)	(106,124)



The revenues and expenses were allocated in accordance with bases and assumptions determined by the Company's management.

The Company did not present separate cash flows from the discontinued operation since the subsidiary was unable to clearly distinguish these cash flows.

13.2 Acquisition of investment in Greyhound Co., Ltd. and Greyhound Café Co., Ltd.

On 10 June 2014, the Board of Directors Meeting of the Company passed a resolution to acquire shares of Greyhound Company Limited and Greyhound Café Company Limited (collectively referred to as "Greyhound Group"). On 22 July 2014 (acquisition date), the Company and Mudman Limited (a subsidiary) acquired 969,900 ordinary shares (par value Baht 100 each) of Greyhound Company Limited and 107,843 ordinary and preferred shares (par value Baht 100 each) of Greyhound Café Company Limited from the existing shareholders for a total consideration of Baht 1,853.8 million, of which Baht 1,265.8 million was paid in cash and Baht 588 million was paid by share swap in shares of Mudman Limited (1,322,473 ordinary shares with Baht 444.622 each). The Company has been granted a two-year option to buy back the 449,821 ordinary shares of Mudman Limited from the existing shareholders of Greyhound Group at the exercise price.

On 22 July 2014, Mudman Limited (a subsidiary) increased its share capital from 5,250,000 shares to 8,439,230 shares by issuing 3,189,230 additional ordinary shares with a value of Baht 444.622 each. The details of allocation shares are as follows.

- (a) 1,079,571 shares allocated to the Company with a total value of Baht 480 million
- (b) 787,186 shares allocated to Khon Kaen Sugar Public Company Limited with a total value of Baht 350 million
- (c) 1,322,473 shares allocated to the existing shareholders of Greyhound Group with a total value of Baht 588 million, for share swap as mentioned above.

As a result of issuance of additional ordinary shares of such subsidiary mentioned above, the Company's interest in the subsidiary has decreased from 100 percent to 75 percent. The Company recorded surplus from the changes in the ownership interests in subsidiary amounting to Baht 385 million under the shareholders' equity in the consolidated statements of financial position.



The subsidiary assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment was completed in the fourth quarter of 2014 and within the period of twelve months from the acquisition date allowed by Thai Financial Reporting Standard No.3 (revised 2012). During the measurement period, the Company obtained further information on the fair value of part of the assets and liabilities and has retrospectively adjusted the provisional amount recognised at the acquisition date. The adjustments caused inventory to increase by approximately Baht 19 million, building improvement and equipment to increase by approximately Baht 16 million, intangible assets to increase by approximately Baht 771 million, deferred tax assets to increase by approximately 3 million, other assets to increase by approximately Baht 4 million and deferred tax liabilities to increase by approximately Baht 162 million.

The financial statements of Greyhound Group have been included in the consolidated financial statement of the Company since the Company gained controlling authority on 22 July 2014. The details of the acquisition are as follows:

	(Unit: Thousand Baht)
Cost of acquisition of investments in subsidiaries	1,853,800
Less: Fair value of net assets	<u>(740,323)</u>
Goodwill	<u><u>1,113,477</u></u>
Cost of acquisition of investments in subsidiaries	1,853,800
Less: Issuance of ordinary shares of Mudman Limited for acquisition of subsidiaries	<u>(588,000)</u>
Less: Cash and cash equivalents of subsidiaries	<u>(49,134)</u>
Net cash paid for acquisition of investments in subsidiaries	<u><u>1,216,666</u></u>



Fair values of the identifiable assets acquired and liabilities assumed from Greyhound Group as at the acquisition date (22 July 2014) were summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	49,134
Trade and other receivables	39,009
Inventories	168,686
Other current assets	6,985
Restricted bank deposits	7,601
Building improvement and equipment	115,240
Intangible assets	773,373
Leasehold rights	23,376
Rental deposit	17,799
Deferred tax assets	3,097
Short-term loans	(141,305)
Trade and other payables	(117,568)
Income tax payable	(8,277)
Other current liabilities	(9,185)
Long-term loans	(7,932)
Provision for long-term employee benefits	(15,484)
Deferred tax liabilities	(162,048)
Other non-current liabilities	(2,178)
Net assets	740,323
Goodwill (Note 17)	1,113,477
Cost of acquisition of investments in subsidiaries	1,853,800

The subsidiary recorded expenses related to business acquisition of Baht 12 million as administrative expenses and Baht 20 million as finance cost in the consolidated statement of comprehensive income in the current year.

The consolidated statements of comprehensive income for the year ended 31 December 2014 include revenue and loss of Greyhound Group as from the acquisition date, amounting to Baht 350 million and Baht 4 million, respectively. If the business combination had taken place at the beginning of the period, revenue and loss of Greyhound Group amounting to Baht 809 million and Baht 66 million, respectively, would have been included in the consolidated statements of comprehensive income for the year ended 31 December 2014.

The subsidiary pledged share certificates of Golden Donuts (Thailand) Co., Ltd. and ABP Café (Thailand) Co., Ltd., as collateral against credit facilities granted by a financial institution.

**14. Investment properties**

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	<u>2014</u>	<u>2013</u>
Net book value at beginning of year	454,379	547,178
Net gain from a fair value adjustment	2,063	-
Changes in classification of property (Note 15)	(21,182)	(92,799)
Net book value at end of year	<u>435,260</u>	<u>454,379</u>

The Company's investment properties represent the warehouses held for rent. Their fair value has been determined based on valuations performed by an accredited independent valuer, using the income approach. Key assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in rental rates.

In 2014 and 2013, the Company has transferred some of investment properties classified as warehouse for rental to property-in-use for storage services and documents storages. In transferring these investment properties, which were previously recorded at fair value, to property-in-use, the Company used the fair value as of transfer date as the cost of the property, in accordance with Thai Accounting Standard No. 16 (revised 2009) Property, plant and equipment.



15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Revaluation basis	Cost basis						
	Land and land	Warehouses, factory,	Office building	Machinery	Furniture, fixtures and	Motor	Assets under construction	
	improvement	wharf and improvements	and improvements	and equipment	office equipment	vehicles	and installation	Total
Cost / Revalued amount:								
1 January 2013	983,561	272,010	212,293	478,880	89,811	31,263	40,612	2,108,430
Additions	-	1,191	62,341	64,230	32,870	1,861	63,604	226,097
Disposals/written-off	-	-	(10,759)	(8,151)	(2,764)	(3,025)	-	(24,699)
Transfers	-	3,321	3,320	19,908	373	-	(26,922)	-
Transferred in from investment properties (Note 14)	49,010	43,789	-	-	-	-	-	92,799
31 December 2013	1,032,571	320,311	267,195	554,867	120,290	30,099	77,294	2,402,627
Additions	2,194	5,891	45,667	59,495	27,847	5,202	30,427	176,723
Disposals/written-off	(63,094)	(94,241)	(10,149)	(232,944)	(2,986)	(2,058)	(571)	(406,043)
Transfers	-	1,509	6,055	47,173	5,836	-	(60,573)	-
Revaluations (Note 16)	2,909	-	-	-	-	-	-	2,909
Transferred in from investment properties (Note 14)	14,715	6,467	-	-	-	-	-	21,182
Acquisitions of subsidiaries during the year (Note 13)	-	-	82,764	9,372	16,579	1,580	4,945	115,240
Disposals of subsidiaries during the year	(617,367)	(71,846)	(3,189)	(207,144)	(1,014)	(2,242)	(28,639)	(931,441)
31 December 2014	371,928	168,091	388,343	230,819	166,552	32,581	22,883	1,381,197



(Unit: Thousand Baht)

Consolidated financial statements

Revaluation basis	Cost basis						
Land and land improvement	Warehouses, factory, wharf and improvements	Office building and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
-	114,413	44,986	157,458	36,575	15,544	-	368,976
-	19,280	39,232	72,801	24,312	4,164	-	159,789
-	-	(2,755)	(649)	(1,879)	(1,672)	-	(6,955)
-	133,693	81,463	229,610	59,008	18,036	-	521,810
-	15,467	48,541	53,303	28,197	4,247	-	149,755
-	(15,205)	(4,708)	(84,467)	(2,227)	(2,058)	-	(108,665)
-	(25,005)	(1,084)	(98,049)	(659)	(891)	-	(125,688)
-	108,950	124,212	100,397	84,319	19,334	-	437,212
34,367	-	-	2,270	-	-	-	36,637
-	-	-	-	-	-	9,000	9,000
34,367	-	-	2,270	-	-	9,000	45,637
(34,367)	-	-	(2,270)	-	-	(9,000)	(45,637)
-	-	-	-	-	-	-	-
998,204	186,618	185,732	322,987	61,282	12,063	68,294	1,835,180
371,928	59,141	264,131	130,422	82,233	13,247	22,883	943,985

Depreciation for the year

2013 (Baht 85 million included in service and manufacturing cost, and the balance in selling and administrative expenses)

159,789

2014 (Baht 62 million included in service and manufacturing cost, and the balance in selling and administrative expenses)

149,755



(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis		Cost basis					Total
	Land and land improvement	Warehouses, wharf and improvements	Office building and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	
Cost / Revalued amount:								
1 January 2013	364,534	203,118	14,684	184,081	21,102	21,849	3,274	812,642
Additions	-	1,191	-	25,897	2,174	1,861	60,808	91,931
Disposals	-	-	-	-	(470)	(2,022)	-	(2,492)
Transfers	-	-	-	16,725	-	-	(16,725)	-
Transferred in from investment properties (Note 14)	49,010	43,789	-	-	-	-	-	92,799
31 December 2013	413,544	248,098	14,684	226,703	22,806	21,688	47,357	994,880
Additions	-	5,891	-	33,341	1,678	5,202	1,486	47,598
Disposals/written-off	(61,434)	(94,241)	-	(232,458)	(1,144)	(2,058)	(572)	(391,907)
Transfers	-	1,508	2,047	44,197	-	-	(47,752)	-
Revaluations (Note 16)	2,909	-	-	-	-	-	-	2,909
Transferred in from investment properties (Note 14)	14,715	6,467	-	-	-	-	-	21,182
31 December 2014	369,734	167,723	16,731	71,783	23,340	24,832	519	674,662



(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis	Cost basis						
	Land and land improvement	Warehouses, wharf and improvements	Office building and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
Accumulated depreciation:								
1 January 2013	-	102,668	11,477	96,133	17,126	14,433	-	241,837
Depreciation for the year	-	10,317	956	17,973	1,689	2,557	-	33,492
Depreciation on disposals	-	-	-	-	(470)	(1,536)	-	(2,006)
31 December 2013	-	112,985	12,433	114,106	18,345	15,454	-	273,323
Depreciation for the year	-	11,071	1,321	14,218	1,657	2,681	-	30,948
Depreciation on disposals/written-off	-	(15,205)	-	(84,315)	(1,124)	(2,058)	-	(102,702)
31 December 2014	-	108,851	13,754	44,009	18,878	16,077	-	201,569
Net book value:								
31 December 2013	413,544	135,113	2,251	112,597	4,461	6,234	47,357	721,557
31 December 2014	369,734	58,872	2,977	27,774	4,462	8,755	519	473,093
Depreciation for the year								
2013 (Baht 31 million included in service cost, and the balance in administrative expenses)								33,492
2014 (Baht 28 million included in service cost, and the balance in administrative expenses)								30,948



- a) As at 31 December 2014, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 179 million (2013: Baht 164 million) (The Company only: Baht 145 million, 2013: Baht 145 million).
- b) As at 31 December 2014, its subsidiaries had vehicles and equipment with net book value of Baht 5 million (2013: Baht 6 million) which were acquired under finance lease agreements.
- c) In December 2014, the Company arranged for an independent professional valuer to appraise the fair value of its land, using the Comparative Method of Valuation. The result of appraisal was to increase the value of land by approximately Baht 3 million (net of income tax amounting to Baht 2 million) from the previously appraised value. The Company recorded the increase in the revaluation surplus on the land in other comprehensive income in the year 2014.

The land had been presented at cost in the financial statements, the book value as of 31 December 2014 and 2013 on the cost basis would have been as follows:

(Unit: Thousand Baht)		
As at	Consolidated financial statements	Separate financial statements
31 December 2014	119,930	117,736
31 December 2013	775,573	156,546

- d) On 7 August 2014, the Company sold certain plots of land (totaling 5 rai, 3 ngan, 52 sq.wah) together with 5 warehouses, with a total area of 9,277 sq.m., including racking for document storage and equipment amounting to Baht 818 million (before net-off related expenses), to Subsrithai Smart Storage Property Fund. The net book value of those assets at disposal date amounted to Baht 289 million. The Company recognised gain on disposal of such assets in the consolidated and separate financial statements for the year ended 31 December 2014 amounted to Baht 486 million.

**16. Revaluation surplus on land**

(Unit: Thousand Baht)

	Consolidated / Separate financial statements		
	Revaluation surplus on land	Deferred tax liabilities	Net
Balance as at 31 December 2013	256,998	(51,399)	205,599
Disposal during the year - transfer to retained earnings	(7,908)	1,581	(6,327)
Increase during the year (Note 15)	2,909	(582)	2,327
Balance as at 31 December 2014	251,999	(50,400)	201,599

The revaluation surplus on land can neither be offset against deficit nor used for dividend payment.

17. Goodwill

(Unit: Thousand Baht)

	Consolidated financial statements
Net book value as at 1 January 2013	951,857
Less: increase in allowance for impairment loss on goodwill during the year	(2,653)
Net book value as at 31 December 2013	949,204
Add: Increase from acquisition of investment in subsidiaries (Note 13.2)	1,113,477
Less: Decrease from sale of investments in subsidiaries	(166,642)
Net book value as at 31 December 2014	1,896,039

Goodwill of Baht 1,113 million from the business combination of Greyhound Group principally comprises the expected synergy from combining operations of the acquirer and the acquiree.



18. Leasehold rights

The balance of leasehold rights as at 31 December 2014 and 2013 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Leasehold rights - cost	128,969	102,593	34,918	34,918
Less: Accumulated amortisation	(37,707)	(26,501)	(14,102)	(12,210)
Net book value	<u>91,262</u>	<u>76,092</u>	<u>20,816</u>	<u>22,708</u>

A reconciliation of the net book value of leasehold rights for the years 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net book value at beginning of year	76,092	50,186	22,708	24,601
Increase from acquisition of subsidiaries	23,376	-	-	-
Increase during the year	3,000	35,185	-	-
Amortisation for the year	(11,206)	(9,279)	(1,892)	(1,893)
Net book value at end of year	<u>91,262</u>	<u>76,092</u>	<u>20,816</u>	<u>22,708</u>

Subsidiaries have mortgaged a part of leasehold rights, net book value as at 31 December 2014 approximately of Baht 47 million (2013: Baht 28 million) as collateral against credit facilities received from financial institutions.



19. Intangible assets

The net book value of intangible assets as at 31 December 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				
	Trademarks	Franchise	Software license	Other	Total
As at 31 December 2014:					
Cost	474,523	785,602	34,699	14,372	1,309,196
Less: Accumulated amortisation	-	(118,680)	(20,844)	(2,345)	(141,869)
Net book value	474,523	666,922	13,855	12,027	1,167,327
As at 31 December 2013:					
Cost	90,000	492,859	31,503	-	614,362
Less: Accumulated amortisation	(24,682)	(70,077)	(15,912)	-	(110,671)
Less: Impairment loss	(51,000)	-	-	-	(51,000)
Net book value	14,318	422,782	15,591	-	452,691

(Unit: Thousand Baht)
Separate financial statements

	Software		
	Trademarks	license	Total
As at 31 December 2014:			
Cost	-	9,449	9,449
Less: Accumulated amortisation	-	(6,122)	(6,122)
Net book value	-	3,327	3,327
As at 31 December 2013:			
Cost	90,000	8,313	98,313
Less: Accumulated amortisation	(24,682)	(5,059)	(29,741)
Less: Impairment loss	(51,000)	-	(51,000)
Net book value	14,318	3,254	17,572



A reconciliation of the net book value of intangible assets for the years 2014 and 2013 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	452,691	539,778	17,572	75,214
Increase from acquisition of subsidiaries	773,373	-	-	-
Increase during the year	16,578	12,609	1,413	1,135
Decrease from sale of investments in subsidiaries	(1,598)	-	-	-
Disposals during the year	(13,358)	-	(13,358)	-
Amortisation for the year	(60,359)	(48,696)	(2,300)	(7,777)
Impairment loss of trademarks	-	(51,000)	-	(51,000)
Net book value at end of year	<u>1,167,327</u>	<u>452,691</u>	<u>3,327</u>	<u>17,572</u>

Intangible assets acquired from the business combination in 2014 mainly consisted of franchise amounting to Baht 283 million and trademark amounting to Baht 475 million. The subsidiary amortised franchise based on contract period (approximately 7 to 16 years). No amortisation is provided on trademark because these intangible assets have an indefinite useful life.

20. Short-term loans from financial institutions

	Interest rate (percent per annum)	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term loans from financial institutions	3.80 - 4.65	169,000	356,000	169,000	63,000

As at 31 December 2014, the short-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 93 million (2013: Baht 559 million).

**21. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Trade payables - related parties	50,895	24,700	50,895	24,700
Trade payables - unrelated parties	188,611	110,486	541	812
Other payables - related parties	3,200	-	9,281	6,042
Other payables - unrelated parties	63,245	41,881	5,895	2,659
Customer deposits	11,335	14,970	11,305	14,970
Payable from purchase of assets	37,872	26,966	1,499	2,230
Accrued rental and service fee	19,361	18,038	-	-
Accrued franchise fee	12,167	11,040	-	-
Accrued property tax	18,277	19,193	-	-
Other accrued expenses	43,271	33,603	5,304	6,036
Total trade and other payables	<u>448,234</u>	<u>300,877</u>	<u>84,720</u>	<u>57,449</u>

22. Long-term loans from financial institutions

			(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
Loans	Interest rate (%)	Repayment schedule	2014	2013	2014	2013
Sub Sri Thai Public Company Limited						
1.	MLR-1.00 to 1.50	Quarterly installment as from April 2012 to January 2020	-	195,000	-	195,000
2.	MLR-1.00	Quarterly installment as from March 2014 to March 2015	-	41,000	-	41,000
Industrial Enterprises Company Limited						
1.	MLR-1.00 to 1.50	Semi-annually installment as from December 2012 to December 2023	-	465,000	-	-
Golden Donuts (Thailand) Company Limited						
1.	MLR-1.00 to 1.50	Quarterly installment as from April 2012 to January 2020	-	492,750	-	-
2.	MLR-1.75 to 2.00	Monthly installment as from April 2013 to March 2021	19,600	22,234	-	-
3.	MLR-1.50	Quarterly installment as from December 2014 to September 2021	523,710	-	-	-



			(Unit: Thousand Baht)			
			Consolidated		Separate	
	Interest rate		financial statements		financial statements	
Loans	(%)	Repayment schedule	2014	2013	2014	2013
ABP Café (Thailand) Company Limited						
1.	MLR-1.00 to 1.50	Quarterly installment as from April 2012 to January 2020	-	100,375	-	-
2.	MLR-1.50	Quarterly installment as from December 2014 to September 2021	242,803	-	-	-
Greyhound Café Company Limited						
1.	MLR-1.50	Quarterly installment as from December 2014 to September 2021	455,400	-	-	-
Greyhound Company Limited						
1.	MLR	Monthly installment as from December 2007 to December 2017	6,528	-	-	-
Total			1,248,041	1,316,359	-	236,000
Less: Current portion			(79,038)	(143,889)	-	(52,000)
Long-term loans from financial institutions, net of current portion			1,169,003	1,172,470	-	184,000

The loan agreement contains certain covenants which, among other things, require its subsidiary to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

Long-term loans are secured by the pledge of share certificates of Golden Donuts (Thailand) Company Limited and ABP Café (Thailand) Company Limited, mortgaged leasehold rights of subsidiaries and guarantee provided by its subsidiaries in Mudman Group and by subsidiary's directors.



23. Long-term debentures

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	<u>2014</u>	<u>2013</u>
Face value	490,000	490,000
Less: Unamortised costs relating to the issuance of debentures	(189)	(1,646)
Net balance	489,811	488,354
Less: Current portion	(489,811)	-
Long-term debentures, net of current portion	-	488,354

On 15 March 2013, the Company issued 140,000 unsubordinated and unsecured debentures with a face value of Baht 1,000, or a total of Baht 140 million, to high net worth investors. The debentures bear interest at a fixed rate of 5.0 percent per annum, with interest payable every 3 months and have a term of 2 years. They mature on 16 March 2015.

On 7 August 2013, the Company issued 350,000 unsubordinated and unsecured debentures with a face value of Baht 1,000, or a total of Baht 350 million, to high net worth investors. The debentures bear interest at a fixed rate of 5.25 percent per annum, with interest payable every 3 months and have a term of 1 year 6 months. They mature on 6 February 2015.

The Company is required to comply with certain financial conditions, such as maintaining certain financial ratios.

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Defined benefit obligation at beginning of year	28,385	31,253	8,179	10,645
Increase from acquisitions of subsidiaries	15,484	-	-	-
Decrease from sales of subsidiary	(2,376)	-	-	-
Current service cost	4,643	5,783	527	1,169
Interest cost	1,073	1,537	163	394
Actuarial (gain) loss	692	(5,631)	692	(128)
Benefits paid during the year	(2,169)	(4,557)	(930)	(3,901)
Provisions for long-term employee				
benefits at end of year	<u>45,732</u>	<u>28,385</u>	<u>8,631</u>	<u>8,179</u>



Long-term employee benefit expenses included in the profit or loss consist of the following:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2014	2013	2014	2013
Current service cost	4,643	5,783	527	1,169
Interest cost	1,073	1,537	163	394
Actuarial (gain) loss recognised during the year	692	(5,631)	692	(128)
Total expense recognised in profit or loss	6,408	1,689	1,382	1,435
Line items in profit or loss under which such expenses are included				
Cost of sales	1,387	502	1,118	510
Selling and administrative expenses	5,021	1,187	264	925

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.4 - 4.6	3.7 - 4.6	2.4	3.7
Future salary increase rate	3.0 - 6.0	3.0 - 6.0	6.0	6.0
Staff turnover rate				
(depending on age)	0.0 - 66.0	0.0 - 66.0	9.7	9.7

The amounts of defined benefit obligations and experience adjustments for the current year and the past four years are as follows:

	Defined benefit obligation		(Unit: Thousand Baht)	
	Experience adjustments		on the plan obligation	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
Year 2014	45,732	8,631	-	-
Year 2013	28,385	8,179	(1,061)	-
Year 2012	31,253	10,645	(1,033)	-
Year 2011	10,152	8,547	-	-
Year 2010	6,356	6,356	-	-



25. Share capital

On 28 April 2014, the 2014 Annual General Meeting of the Company's shareholders approved the followings transactions.

25.1 To approve the reduction of the registered share capital from Baht 334,513,122 to Baht 226,022,192, or by 108,490,930 shares with a par value of Baht 1 per share, in order to eliminate the shares remaining after the distribution of the share dividend for the year 2012 and eliminate the registered share capital under the general mandate approval for the year 2013.

25.2 To approve an increase in the share capital of the Company from Baht 226,022,192 to Baht 418,141,055 by issuing 192,118,863 new ordinary shares with a par value of Baht 1 to support the distribution of a share dividend of 56,505,548 shares and the share capital increase of 135,613,315 shares under the general mandate for the year 2014.

The Company registered the reduction and the increase in its share capital with the Ministry of Commerce on 21 May 2014.

26. Statutory reserve

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

27. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Salaries, wages and other employee benefits	670,777	519,132	84,763	69,670
Depreciation	149,755	159,789	30,948	33,492
Amortisation expenses	73,022	59,221	5,650	10,915
Rental expenses from operating lease agreements	501,280	408,111	75,595	49,400
Franchise fees	70,611	70,023	-	-
Transportation expenses	57,661	55,125	6,754	6,628
Electricity expenses	67,524	57,342	5,509	4,792
Marketing expenses	49,798	45,347	-	-
Raw materials and consumables used	644,855	531,753	9,277	10,210
Changes in inventories of finished goods and work in progress	9,567	64,868	-	-



28. Income tax

28.1 Tax income (expenses) for the years ended 31 December 2014 and 2013 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Current income tax charge	(50,826)	(22,864)	(24,446)	-
Deferred tax:				
Relating to origination and reversal of temporary differences	4,722	22,876	(57,492)	31,821
Less: Deferred tax income of discontinued operation	(3,140)	(8,509)	-	-
Total deferred tax	1,582	14,367	(57,492)	31,821
Tax income (expense)	<u>(49,244)</u>	<u>(8,497)</u>	<u>(81,938)</u>	<u>31,821</u>

28.2 The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax on loss from the change in value of available-for-sale investments	738	-	738	-
Deferred tax on gain from revaluation of land	(582)	-	(582)	-
	<u>156</u>	<u>-</u>	<u>156</u>	<u>-</u>



28.3 The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Accounting profit (loss) before tax	438,239	7,570	420,362	(144,151)
Applicable tax rate	15 - 20 percent	15 - 20 percent	20 percent	20 percent
Accounting profit (loss) before tax multiplied by				
income tax rate	(87,553)	(1,472)	(84,072)	28,830
Share of profit from investment in associated				
company	3,121	2,692	-	-
Dividend income from associated company	-	-	3,038	3,089
Tax loss for the year which unrecognised to				
deferred tax asset	(22,895)	(8,128)	-	-
Previously unrecognised deferred tax assets on				
loss of a subsidiary disposed during the year	56,091	-	-	-
Others	1,992	(1,589)	(904)	(98)
Tax income (expense)	<u>(49,244)</u>	<u>(8,497)</u>	<u>(81,938)</u>	<u>31,821</u>

28.4 The components of deferred tax assets and deferred tax liabilities as at 31 December 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax assets				
Provision for long-term employee benefits	6,718	2,768	1,726	1,636
Allowance for impairment loss on investment	-	-	-	48,959
Deficit on changes in value of available-for-sale				
investment	738	-	738	-
Allowance for impairment loss on trademarks	-	10,200	-	10,200
Unused tax loss	-	3,804	-	3,804
Others	277	67	88	67
Total	<u>7,733</u>	<u>16,839</u>	<u>2,552</u>	<u>64,666</u>



	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax liabilities				
Fair value of intangible assets arise in business acquisition	245,720	96,977	-	-
Fair value of building improvement and equipment arise in business acquisition	16,934	159,615	-	-
Revaluation surplus on land	50,400	51,399	50,400	51,399
Revaluation of investment properties to fair value	73,193	74,465	73,193	74,465
Fair value adjustment of investment properties for transferred to property-in-use	4,577	7,219	4,577	7,219
Others	1,937	1,193	1,328	1,193
Total	<u>392,761</u>	<u>390,868</u>	<u>129,498</u>	<u>134,276</u>

As at 31 December 2014, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 279 million (2013: Baht 1,271 million). No deferred tax assets have been recognised on these amounts as the management of the subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

29. Dividend paid

	Approved by	Total dividends	Dividend per share
		(Unit: Thousand Baht)	(Unit: Baht)
Final dividend for 2012	Annual General Meeting of the shareholders on 22 April 2013		
- Cash dividend		5,023	0.03
- Stock dividend of 45,204,288 ordinary shares		45,204	0.25
Total dividend paid in 2013		<u>50,227</u>	<u>0.28</u>
Final dividend for 2013	Annual General Meeting of the shareholders on 28 April 2014		
- Cash dividend		6,279	0.03
- Stock dividend of 56,505,011 ordinary shares		56,505	0.25
Total dividend paid in 2014		<u>62,784</u>	<u>0.28</u>



30. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares to reflect the impact of stock dividend as discussed in note 29 to the financial statements. The prior year's basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of earliest year reported.

The following table sets forth the computation of basic earnings per share:

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u> (Restated)	<u>2014</u>	<u>2013</u> (Restated)
Profit (loss) for the year (Thousand Baht)				
From continuing operation	395,213	(1,579)	338,424	(112,330)
From discontinued operation	(34,196)	(106,124)	-	-
Total	<u>361,017</u>	<u>(107,703)</u>	<u>338,424</u>	<u>(112,330)</u>
Weighted average number of ordinary shares (Thousand shares)	<u>282,527</u>	<u>282,527</u>	<u>282,527</u>	<u>282,527</u>
Earnings (loss) per share (Baht/share)				
From continuing operation	1.40	(0.01)	1.20	(0.40)
From discontinued operation	(0.12)	(0.37)	-	-
Total	<u>1.28</u>	<u>(0.38)</u>	<u>1.20</u>	<u>(0.40)</u>

31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on their products and services. The Company and its subsidiaries have the following four reportable segments:



1. The food and beverage segment produces and distributes snacks, drinks, ice cream and restaurant.
2. The warehouse and wharf segment provides warehouse rental, document and electronic media storage and wharf services.
3. The vegetable oil and animal feed meal segment produces and distributes vegetable oil and soy bean by-products used for animal feed meal.
4. Garment segment produces and distributes clothing and leather work

No operating segments have been aggregated to form the above reportable operating segments. Its operations are carried on only in Thailand. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

For the year 2014 and 2013, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.



The following table's present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2014 and 2013.

	(Unit: Million Baht)								Consolidated	
	Food and beverage segment		Warehouse and wharf segment		Vegetable oil and animal feed meal segment		Garment segment		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenue										
Sales and services income	2,072	1,829	271	242	-	-	112	-	2,455	2,071
Operating result:										
Segment profit (loss)	17	63	(3)	16	-	-	(20)	-	(6)	79
Gain on sale of property, plant and equipment									487	-
Gain on fair value adjustment of investment properties									2	-
Other income									62	39
Share of profit of investment in associated company									16	13
Loss on sale of investment in a subsidiary									(13)	-
Impairment loss on assets									-	(51)
Finance cost									(110)	(72)
Profit before income tax									438	8
Tax expenses									(49)	(9)
Profit (loss) from continuing operation for the year									389	(1)
Loss from discontinued operation for the year	-	-	-	-	(34)	(106)	-	-	(34)	(106)
Profit (loss) for the year									355	(107)



32. Provident fund

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees and the Company and its subsidiaries contribute to the fund monthly at rates of 2 and 15 percent of basic salary. The fund, which is managed by Siam Commercial Bank Asset Management Company Limited, BBL Asset Management Company Limited and Tisco Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2014 and 2013, the Company and its subsidiaries contributed Baht 7 million and Baht 5 million, respectively (the Company only: Baht 3 million and Baht 3 million, respectively) to the fund.

33. Employee Joint Investment Program

Detail of Employee Joint Investment Program	<u>No. 2</u>	<u>No.3</u>
1) Approved by	The Ordinary General Meeting of the shareholders in 2012	The Ordinary General Meeting of the shareholders in 2014
2) Duration of the scheme	2 years, from 1 August 2012 to 31 July 2014.	2 years, from 1 August 2014 to 31 July 2016.
3) Detail of contributions	<p>Employees contribute 5 percent of their monthly base salary and the Company additionally contributes 7 percent of employees' monthly base salary</p> <p>Directors contribute Baht 16,000 per month to the program, with the Company contributing an additional Baht 24,000</p>	<p>Employees contribute 5 percent of their monthly base salary and the Company and its subsidiaries additionally contributes 7 percent of employees' monthly base salary</p> <p>Directors contribute Baht 16,000 per month to the program, with the Company contributing an additional Baht 24,000</p>
4) Program management	Phillip Securities (Thailand) Public Company Limited	Phillip Securities (Thailand) Public Company Limited

Employee Joint Investment Program for the year 2014, the Company and its subsidiaries contributed Baht 5 million (2013: Baht 4 million) to the program.



34. Commitments and contingent liabilities

34.1 Capital commitments

As at 31 December 2014, the Company and its subsidiaries had capital commitments of approximately Baht 16 million (2013: Baht 23 million) relating to the improvement of buildings and acquisition of equipment and fixtures.

34.2 Rental property agreement for storage of document businesses

The Company entered into lease agreements of assets with an associated company and a related company which assets are consist of land with warehouse including racking for document storage and equipment, for the period of 10 years.

Future minimum lease payments required under these lease agreements were as follows:

	(Unit: Million Baht)	
	As at 31 December	
	<u>2014</u>	<u>2013</u>
Payable:		
in up to 1 year	116	52
In over 1 and up to 5 years	447	196
In over 5 years	372	110

34.3 Operating lease commitments and service agreements

The Company and its subsidiaries have entered into several lease agreements in respect of building space and other services. The terms of the agreements are generally between 1 and 28 years. Certain rental and service charges are calculated at a percentage of actual sales which have a minimum guaranteed amount as stipulated in the agreements.

The Company and its subsidiaries have future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)	
	As at 31 December	
	<u>2014</u>	<u>2013</u>
Payable:		
in up to 1 year	195	145
In over 1 and up to 5 years	228	172
In over 5 years	97	17



34.4 Franchise agreement

- (a) On 10 March 1981, a subsidiary entered into a master franchise agreement with Dunkin' Donuts of America Inc. Under the agreement, the subsidiary, which has been granted the franchise to operate bakery shops in Thailand, is obliged to pay the franchisor a franchise fee calculated at a percentage of sales as stipulated in the agreement.
- (b) On 1 April 2006, a subsidiary entered into a master franchise agreement with ABP Corporation for a period of 28 years. Under the agreement, the subsidiary, which has been granted the franchise to operate bakery shops in Thailand, is obliged to pay the franchisor a franchise fee calculated at a percentage of sales as stipulated in the agreement.
- (c) On 2 July 2012, a subsidiary entered into a master franchise agreement with Baskin-Robbins Franchising LLC. Under the agreement, the subsidiary has been granted the franchise to operate ice cream shops in Thailand.
- (d) On 28 November 2014, a subsidiary entered into a license agreement with Pasticceria Confetteria Cova Srl and Cova Montenapoleone Srl. Under the agreement, the subsidiary, which has been granted the franchise to operate bakery shops brand "COVA" in Thailand, is obliged to pay the franchisor a franchise fee calculate at a percentage of sales which have a minimum guaranteed amount as stipulated in the agreement.

34.5 Bank guarantees

- (a) Subsidiaries in Mudman Group have guaranteed bank credit facilities of three subsidiaries amounting to Baht 1,236 million.
- (b) As at 31 December 2014, there were outstanding bank guarantees of approximately Baht 104 million (2013: Baht 89 million) issued by banks on behalf of the Company and its subsidiaries. These included letters of guarantee amounting to Baht 97 million (2013: Baht 78 million) to rental payment and Baht 7 million (2013: Baht 11 million) to guarantee electricity use, among others.



35. Financial instruments

35.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, restricted bank deposits, rental deposit, trade and other payables, short-term loans, long-term loans and long-term debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade account receivable as stated in the statement of financial position.

Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, short-term borrowings, long-term borrowings and long-term debentures. Most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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



(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2014

	Fixed interest rates			Non-		
	Within	1-5	Floating	interest		
	1 year	years	interest rate	bearing	Total	Interest rate
						(% per annum)
<u>Financial assets</u>						
Cash and cash at banks	-	-	125	67	192	0.30 - 0.75
Current investments	-	-	-	4	4	-
Trade and other receivables	-	-	-	113	113	-
Restricted bank deposits	4	-	-	-	4	0.75 - 3.00
Rental deposit	-	-	-	119	119	-
<u>Financial liabilities</u>						
Short-term loans from						
financial institutions	169	-	-	-	169	3.80 - 4.65
Trade and other payables	-	-	-	448	448	-
Long-term loans from						
financial institutions	-	-	1,248	-	1,248	MLR-2 to MLR
Long-term debentures	490	-	-	-	490	5.00 - 5.25

As at 31 December 2013

	Fixed interest rates			Non-		
	Within	1-5	Floating	interest		
	1 year	years	interest rate	bearing	Total	Interest rate
						(% per annum)
<u>Financial assets</u>						
Cash and cash at banks	4	-	41	55	100	0.40 - 3.00
Trade and other receivables	-	-	-	70	70	-
Restricted bank deposits	4	-	-	-	4	1.80 - 2.50
Rental deposit	-	-	-	52	52	-
<u>Financial liabilities</u>						
Short-term loans from						
financial institutions	356	-	-	-	356	3.95 - 4.20
Trade and other payables	-	-	-	301	301	-
Long-term loans from						MLR-1.00
financial institutions	-	-	1,316	-	1,316	to 2.00
Long-term debentures	-	488	-	-	488	5.00 - 5.25



(Unit: Million Baht)

Separate financial statements

As at 31 December 2014

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years				
<u>Financial assets</u>						
Cash and cash at banks	-	-	17	1	18	0.30 - 0.50
Trade and other receivables	-	-	-	56	56	-
Rental deposit	-	-	-	32	32	-
<u>Financial liabilities</u>						
Short-term loans from financial institutions	169	-	-	-	169	3.80 - 4.65
Trade and other payables	-	-	-	85	85	-
Long-term debentures	490	-	-	-	490	5.00 - 5.25

As at 31 December 2013

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years				
<u>Financial assets</u>						
Cash and cash at banks	-	-	8	4	12	0.40 - 0.63
Trade and other receivables	-	-	-	52	52	-
Short term loan to related parties	29	-	-	-	29	4.20 - 4.35
<u>Financial liabilities</u>						
Short-term loans from financial institutions	63	-	-	-	63	3.95 - 4.20
Trade and other payables	-	-	-	57	57	-
Long-term loans from financial institutions	-	-	236	-	236	MLR-1.00 to 1.50
Long-term debentures	-	488	-	-	488	5.00 - 5.25



Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company and its subsidiaries consider themselves no foreign currency risk because they have low foreign currency transactions, and no significant financial assets and liabilities denominated in foreign currencies outstanding at the end of reporting period.

35.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature and loans bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

36. Capital management

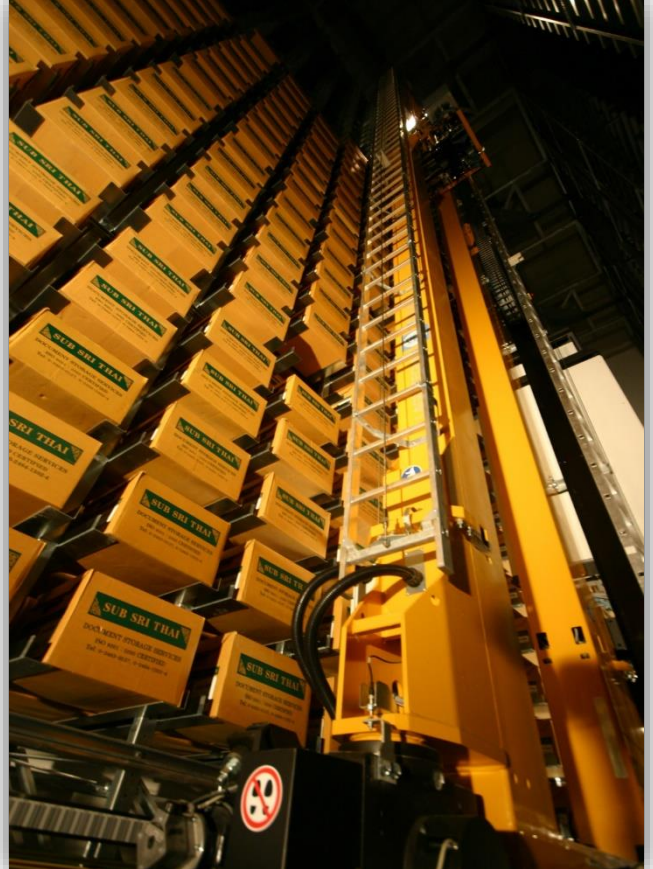
The primary objective of the Company's and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Group's debt-to-equity ratio was 1.05:1 (2013: 2.02:1) and the Company's was 0.50:1 (2013: 0.68:1).

37. Events after the reporting period

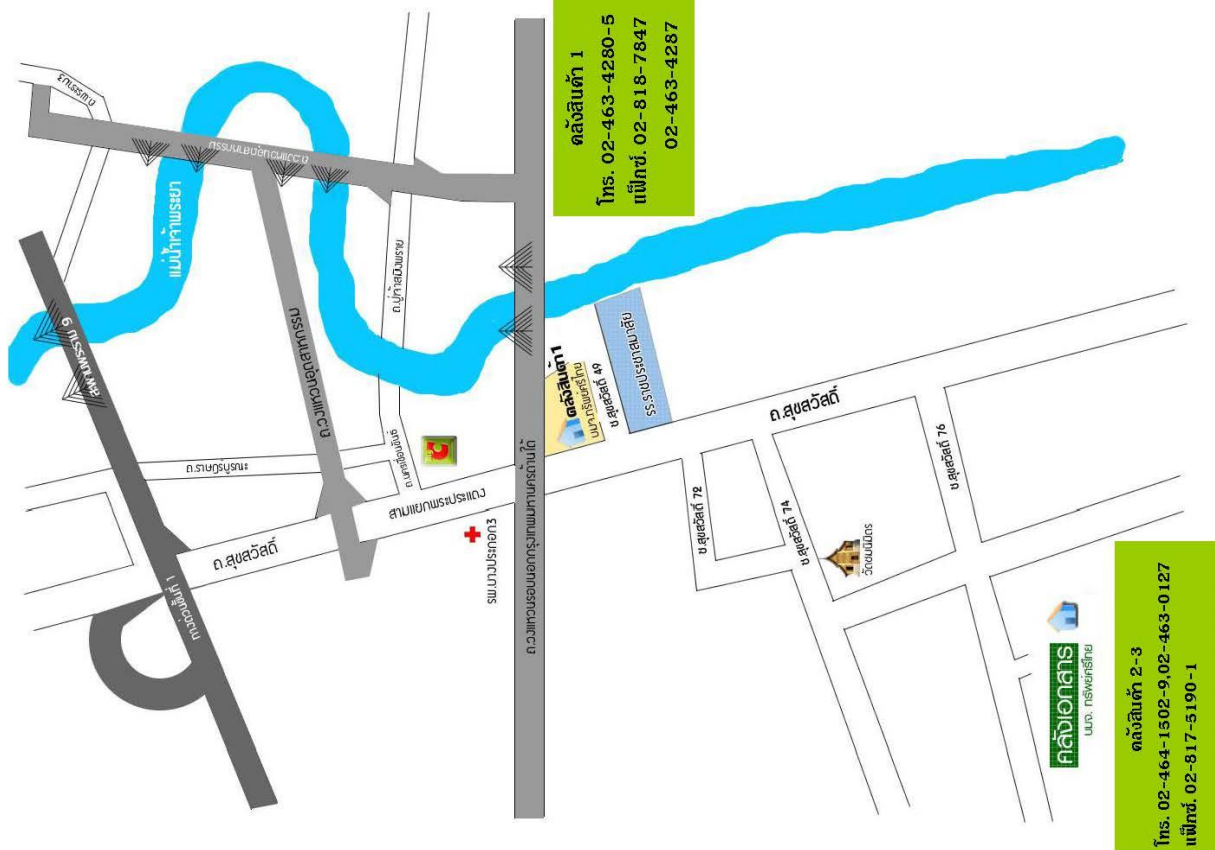
- 37.1 On 15 January 2015, the Company issued 500,000 unsubordinated and unsecured debentures with a face value of Baht 1,000, or a total of Baht 500 million, to high net worth investors. The debentures bear interest at a fixed rate of 5.50 percent per annum, with interest payable every 3 months and have a term of 3 years. They mature on 15 January 2018.
- 37.2 On 12 January 2015, the Extraordinary General Meeting of Shareholders of Golden Gourmet Company Limited (a subsidiary) approved the increase of registered share capital from Baht 1 million to Baht 5 million through the issuance of 400,000 additional ordinary shares with a par value of Baht 10 each. The subsidiary registered the increase of its capital with the Ministry of Commerce on 13 January 2015.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 24 February 2015.



**แผนที่ตั้ง
คลังสินค้า และ คลังเอกสาร**



บริษัท หัรพ์ศรีไทย จำกัด (มหาชน)
SUB SRI THAI PUBLIC COMPANY LIMITED

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