

รายงานประจำปี 2559
บริษัท ทรัพย์ศรีไทย จำกัด (มหาชน)



2016
Annual Report
2016
SUB SRI THAI Plc.

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Message from the Chairman of the Board of Directors




(Mr. Sompoch Intranukul)

Chairman of the Board of Directors

The Thai economy in 2016 has been affected continually by the economic recession of the United States of America and China which are the major trading partners of Thailand including EU and ASEAN countries. The domestic economy has the spending and government investment both in the measures to expedite the small investment disbursement and investment on infrastructure projects. The tourism sector continually expands although it is affected by the decline of Chinese tourists from the organization of tourism, the expansion of household spending, and the measures to stimulate the government sector resulting in the economic growth rate to increase to 3.2 percent compared to 2015.

For the performance of our company in 2016, amid the prices competition and labor problems, the Company had net loss in consolidated financial statements at 173 million Baht which warehouse and wharf business had net loss of 6 million, food and beverage had net profit of 10 million Baht and apparel business had net loss 177 million Baht. The net loss of 173 million Baht resulting from impact of Financial reporting standard (TFRS) No. 3 regarding Business Combination which was the investment in food & beverage and apparel business in amount of 62 million Baht (Net of tax) and the impact of Accounting Standard No. 36 (revised 2015) regarding impairment in amount of 124 million Baht (Net of tax) and from Accounting Standard No. 40 (revised 2015) regarding investment properties in amount of 21 million Baht (Net of tax).

In future, the Company still believe in our potential for growth in food & beverage business and warehouse 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.

The Company also pays most attention to the business operation based on the correctness, legality, business ethics, honesty, and good governance with the consideration on the interests of shareholders and all groups of stakeholders including social and environmental responsibility regularly.

The Company's Board of Directors would like to thank all sponsors and stakeholders including all relevant parties, public and private agencies for always supporting and relying on the Company. The Company would like to promise in operating the business carefully, transparently, honestly, and fairly to all parties in accordance with the principles of good corporate governance. Moreover, the Company will continue to develop for producing the high quality products and services to the market.

Mission and Vision

Mission and Vision:

Vision

- Being the leader in the business of warehouse and document storage to be determined in developing the logistics business to international standards and encouraging the value addition to businesses in the group and investing in the business with opportunity of progress, increasing the continuous and sustainable growth as well as adhering on good corporate governance, social, and environmental responsibility.

Mission

- Focus on adding value to the organization, shareholders, customers, and stakeholders.
- Provide the service with efficiency and excellent standard with emphasis on safety, completeness, timeliness, to respond the customer expectations and satisfactions.
- Focus on developing and continually improving the work processes to reach international standards with state-of-the-art technology.
- Enhance the competence and the quality of life of staffs.
- Manage business in good governance, with responsibility community, society and environment and create relationship with stakeholders to realize the value of business.
- Invest in the future continuously for creating the opportunity of business expansion and for generating the worthy returns.

Core Value

SST •

Standard & Safety

- **Standard:** The storage location must be stable and strong with the standard and safety in storing and working.
- **Safety:** Safety of assets of the customers is the heart of service provision in the business of goods warehouse and document warehouse.

Smart & Service Mind

- **Smart:** Have the skills and expertise in the job (good at job) to deliver high quality products and services with state-of-the-art technology and modern technology.
- **Service mind:** Have the passion in service provision to provide the service following the Company's policy which is to provide services with quickness, timeliness, accuracy, courtesy, thoughtfulness and determination for the development continuously to provide maximum satisfaction to customers.

Trust & Transparency

- **Trust:** Treat all customers, employees, partners and stakeholders fairly with the determination in building the confidence and building trust, respect and support to the colleagues and partners as well as performing various tasks to gain the reliability.
- **Transparency:** Have transparency in corporate governance in accordance with the corporate governance and business ethics as well as appropriate risk management including the support in anti-corruption.

Teamwork & Together

- **Teamwork:** Pay attention to human resources and be determined in developing the staffs for the excellence of the team. Teamwork is important and essential for maximizing the effectiveness and efficiency of work that requires the cooperation of all employees.
- **Together:** The organization and the employees are ready to develop altogether with the society and stakeholders to achieve mutual value which will eventually lead to sustainability.

Report of Board of Director

In year 2016, projection of the country's economic growth rate expanded at the rate of 3.2% increasingly when compared to the year 2015, which expanded at the rate of 2.9%. For export, they were constant at the rate of 0%, increasingly when compared to the year 2015, which expanded at the rate of -5.6%. And import, they were expanded at the rate -4.7%, increasingly when compared to the year 2015, which expanded at rate -10.6% (Adjustment)*

In 2017, the forecast of economic growth rate of the country will expand at the rate 3.0% to 4.0% with the export and import volume will expand at the rate 2.9% and 5.5% respectively*.

In 2016 the food & beverage business with 4 well-known brands, "Au Bon Pain", "Dunkin Donuts", "Baskin-Robbins" and "Greyhound Café", including apparel business under the brand of "Greyhound". Four brands have continued to develop their potential of competition to create the sustainable growth.

The warehouse and wharf business has average rate on space use in increased from 86% in 2015 to be 90%. The company has regular customers both old and new using our services, especially with document storage services.

The performance of the company in the year 2016, 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, cheque, computer media for instance. Product typed chemical fertilizer annually deposited was 0.24 million tons, increasing at the rate of 9.10% when compared with quantity of 0.22 million tons in year 2015.

Warehouse Rental: Average area for rent was 29,137.29 square meters per month increasing at the rate of 6.18% when compared with amount of 27,440.49 square meters per month in year 2015. Types of goods stored were cassava starch, wheat, chemical products, chemical fertilizer, Animal feed, raw material for cooking food, shoes, office supplies, and publication for instance.

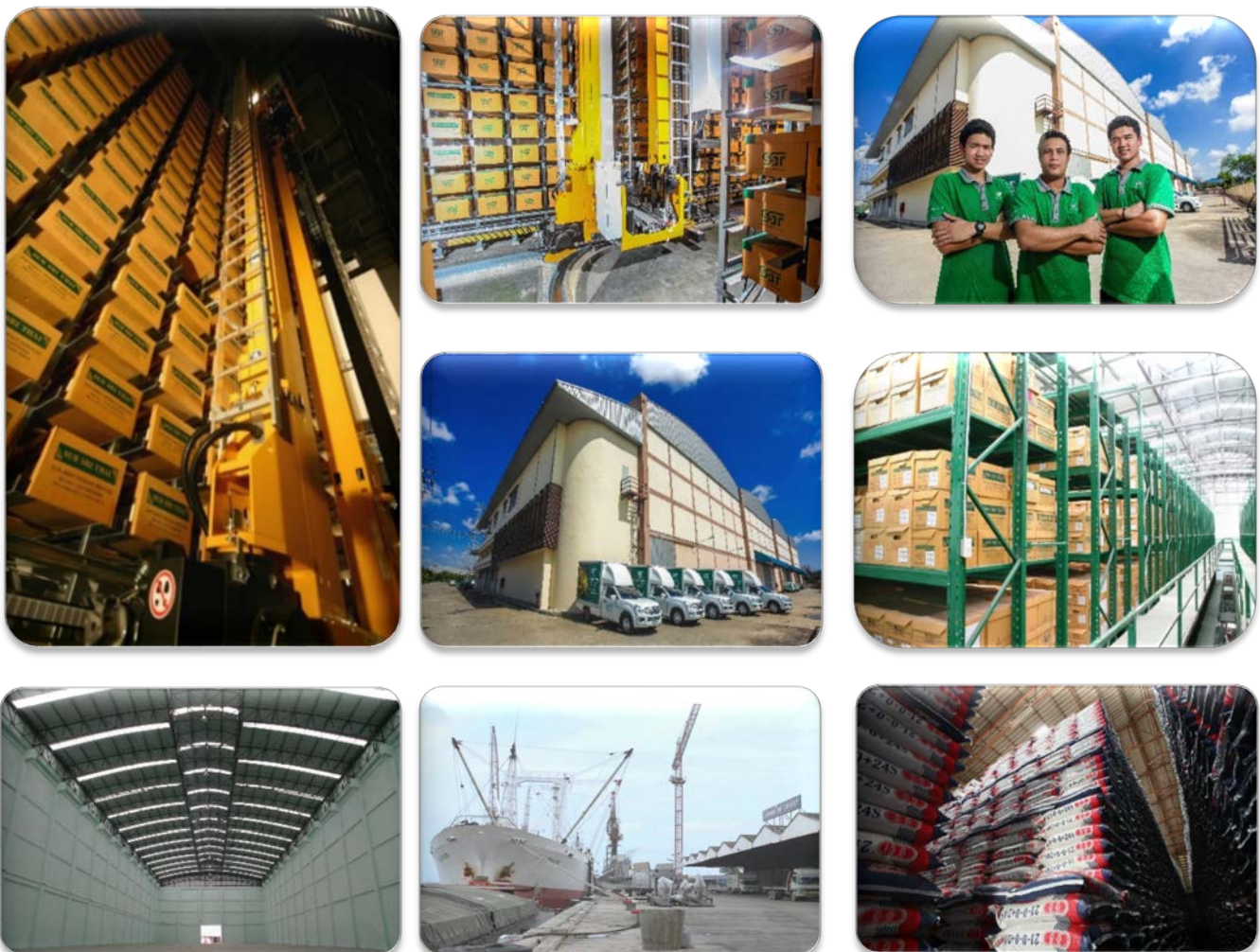
Wharf Rental: There were 58 sea-going vessels berthing at the port, an average of 19.46 days/wharf per month, increasing at the rate of 7.85% when compared with 57 sea-going vessels, and average of 18.04 days/wharf per month in year 2015.

Service of through cargoes: There was a total of 0.50 million tons of various through cargoes, such as iron, chemical fertilizer, frozen products, salt, and other goods increasing at the rate of 38.88% when compared with amount of 0.36 million tons in the year 2015.

The Company performance (consolidated financial statement) in 2016, we had net loss at 173 million baht. If we categorize our performance at business group, we found that warehouse and wharf business had total income 325 million Baht with net loss of 6 million Baht, food and beverage had total income 2,708 million baht with net profit of 10 million Baht and apparel business had total income 181 million Baht with net loss 177 million Baht. The net loss of 173 million Baht resulting from impact of Financial reporting standard (TFRS) No. 3 regarding Business Combination which was the investment in Food & Beverage and Apparel Business in amount of 62 million Baht (Net of tax) and the impact of TAS No. 36 (revised 2015) regarding impairment in amount of 124 million Baht (Net of tax) and from TAS No. 40 (revised 2015) regarding investment properties in amount of 21 million Baht (Net of tax).

In this 2017, 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 20, 2017



Report of the Audit and Corporate Governance Committee

To: The Company's shareholders

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

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

In cycle year of 2016, 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 2016 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 2016 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 2016 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 2016.

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 2017 by appointing Miss Sirirat Sricharoensup CPA. No. 5419 or Mr. Supachai Phanyawattano CPA. No.3930 or Miss Siraporn Ouaanunkun CPA. No. 3844 of EY Office Limited to be the company's auditors for the fiscal year 2017 with the recommendation of Audit Committee for the year 2017 at Baht 1,780,000.-

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 2016 Audit Committee to propose to the Board of Directors
- Reviewed the Information disclose to the Stock Exchange of Thailand (SET), Securities and Exchange Commission in Annual Report (Form 56-2) and Annual Information (Form 56-1) of the Company for the year 2016.
- Reported performance summary of the Audit Committee for the year 2016 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.



(Mr. Surapong Paisitpatnpong)
Chairman of the Audit Committee
Date: February 27, 2017

General Information

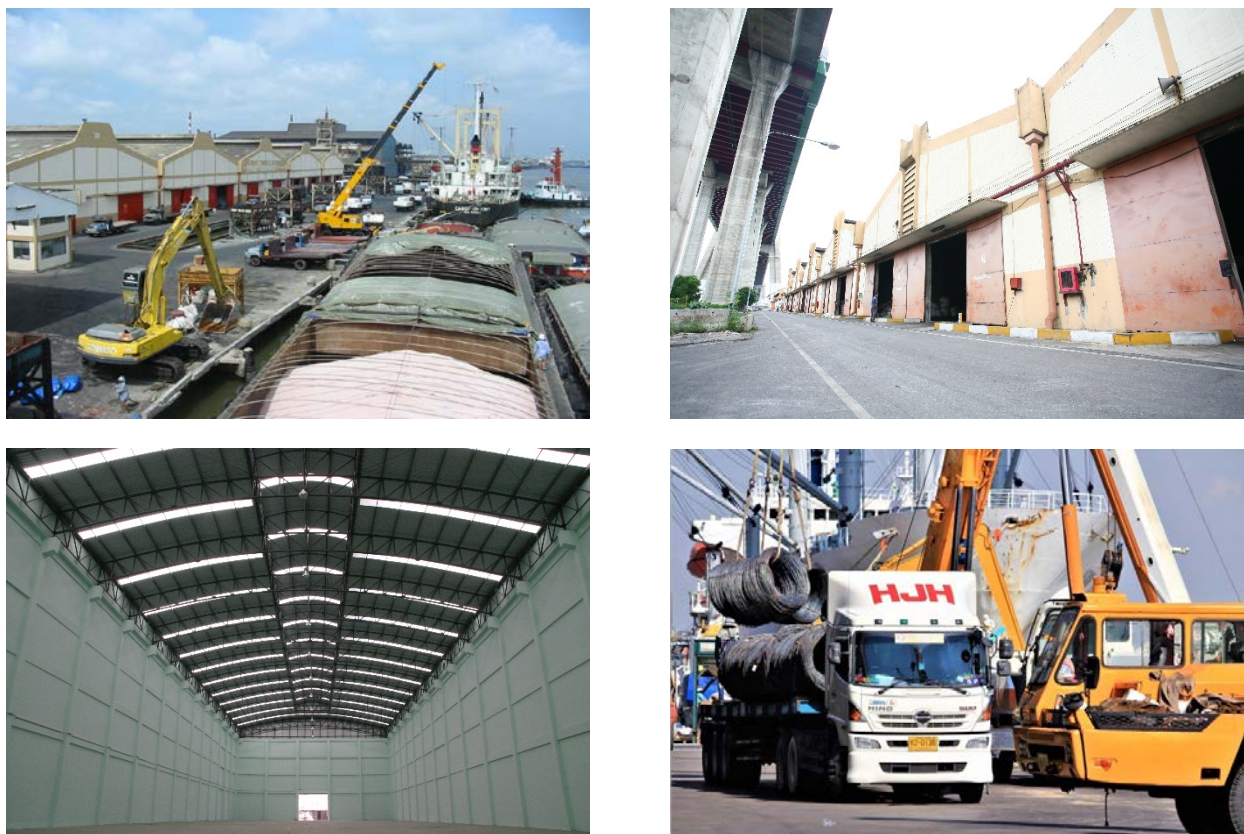
Sub Sri Thai Public Company Limited

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	640,393,352. 00 Baht (Six hundred and forty million, three hundred and ninety three thousand, three hundred and fifty two Baht) including 640,393,352 common shares (Six hundred and forty million, three hundred and ninety three thousand, three hundred and fifty two shares)
Par Value	1.00 (one) Baht per share
Paid-up Capital	414,371,348.00 Baht (Four hundred and fourteen million, three hundred and seventy one thousand, three hundred and forty eight 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, 71/1-9 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
Warehouse 2 and Document Warehouse	115, 115/7-10 Moo 6 Soi Suksawat 76 Tambon Bangchak, Amphoe Phrapradaeng, Samut Prakan Province 10130
Warehouse 3 and Document Warehouse	Telephone: 66 (0)-2463-0127, 66 (0)-2464-1502-9 66 (0)-2819-9322-3, 66 (0)-2819-9372-7, 66 (0)-2819-9379 Telefax: 66 (0)-2817-5190, 6 (0)-2819-9378
Website	www.subsrithai.co.th and www.subsrithai.com

Warehouse 2 and Document Warehouse



Warehouse 1



Subsidiary Company

Warehouse Business

SST Warehouse Company Limited

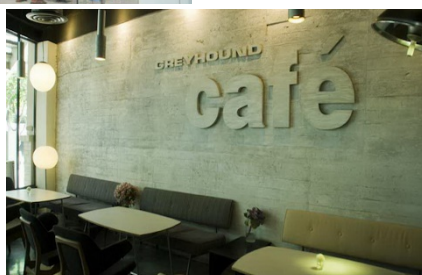
Registered Number	0105552067303
Type of Business	Warehouse business / Depositing of goods Service
Registered Capital	5,000,000.00 Baht (Five million Baht) including 50,000 common shares (Fifty thousand shares)
Par Value	100.00 (One hundred) Baht per share
Head Office	2044/25-27 New Phetchaburi Road, 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
Website:	-



Food & Beverage

Mudman Plc.

Registered Number	0105549035749
Type of Business	Services as a consultant and provide advice about investment and management.
Registered Capital	1,054,903,750.00 Baht (One billion, fifty four million, nine hundred and three thousand, seven hundred and fifty Baht) including 1,054,903,750 common shares (One billion, fifty four million, nine hundred and three thousand, seven hundred and fifty shares)
Par Value	1.00 (one) Baht per share
Paid-up Capital	843,923,000.00 Baht (Eight hundred and forty three million nine hundred and twenty three thousand Baht)
Head Office	209/1 KKP Tower B, 25 th Fl., Sukhumvit Rd.21 (Asoke), Klongtoey Nua, Wattana, Bangkok 10110 Telephone: 66 (0)-2261-5363-75 Telefax: 66 (0)-2261-5359-60
Website:	www.mudman.co.th



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	209/1 KKP Tower B, 25 th Fl., Sukhumvit Rd.21 (Asoke), Klongtoey Nua, Wattana, Bangkok 10110 Telephone: 66 (0)-2261-5363-75 Telefax: 66 (0)-2261-5359-60
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 KKP Tower B, 25 th Fl., Sukhumvit Rd.21 (Asoke), Klongtoey Nua, Wattana, Bangkok 10110 Telephone: 66 (0)-2261-5363-75 Telefax: 66 (0)-2261-5359-60
Website:	www.aubonpainthailand.com



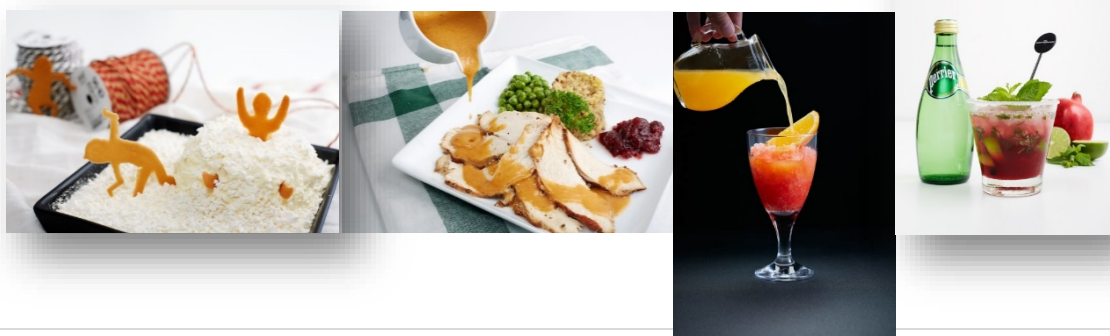
Golden Scoop Co., Ltd.

Registered Number	0105555079990
Type of Business	Production, import and sale of ice distribution, baked snacks and foods
Registered Capital	125,000,000.00 Baht (One hundred twenty five million Baht)
Par Value	10.00 (Ten) Baht per share
Head Office	209/1 KKP Tower B, 25 th Fl., Sukhumvit Rd.21 (Asoke), Klongtoey Nua, Wattana, Bangkok 10110 Telephone: 66 (0)-2261-5363-75 Telefax: 66 (0)-2261-5359-60
Website:	www.facebook.com/BaskinRobbins Thailand



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 Soi Sukhumvit 53, Sukhumvit Rd., Klongton Nua, Wattana, Bangkok 10110 Telephone: 66 (0)-2260-7178-9 Telefax: 66 (0)-2260-7149
Website:	www.greyhoundcafe.co.th



Apparel Business

Greyhound Co., Ltd.

Registered Number	0105523019789
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 Soi Sukhumvit 53, Sukhumvit Rd., 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 93, Ratchadaphisek Road, Dindaeng, Bangkok 10400 Thailand Telephone: 66 (0)-2009-9999 Telefax: 66 (0)-2009-9991
Auditor	<div> <div>- Miss Sirirat Sricharoensup</div> <div>CPA. No.5419</div> </div> <div> <div>- Mr. Supachai Phanyawattano</div> <div>CPA. No.3930</div> </div> <div> <div>- Miss Siraporn Ouaanunkun</div> <div>CPA. No.3844</div> </div> <div>EY Office Limited</div> <div>33rd Floor, Lake Rajada Office Complex, 193/136-137</div> <div>Ratchadapisek Road, Klongtoey, Bangkok 10110 Thailand</div> <div>Telephone: 66 (0)-2264-0777</div> <div>Telefax: 66 (0)-2264-0789</div>
Internal Audit	<div>IVL Auditing Co., Ltd.</div> <div>35 Soi Wachiradhammasatit 36, Bangchak, Prakanong,</div> <div>Bangkok 10260 Thailand</div> <div>Telephone: 66 (0)-2746-4861-3</div> <div>Telefax: 66 (0)-2746-4569</div>

Financial Highlights

(Unit : Thousand Baht)

Consolidated Financial	2014 (Revised)	2015	2016
Warehouse and Wharf business incomes	270,536	276,039	324,678
Food and Beverage business incomes	2,072,000	2,561,193	2,707,690
Apparel Business income	112,014	236,254	181,452
Total Revenues	3,006,148	3,187,577	3,337,366
Operating expenses (excluded interest and income Tax expenses)	2,460,041	3,155,204	3,259,589
Income from ordinary activities	389,548	(72,466)	(172,628)
Total Assets	5,595,070	5,496,116	5,223,509
Total Liabilities	2,865,581	3,062,523	2,990,861
Shareholders' equity	2,729,488	2,433,593	2,232,649
Issued and paid-up share capital (ordinary shares)	282,527,203	376,701,973	414,371,348
Earning per share from ordinary activities*	0.96	(0.15)	(0.34)
Book value per share (Baht)*	5.26	4.85	4.53
Liquidity ratio (Time)	0.46	0.49	0.42
Collection Period (Day)	13.30	12.66	12.30
Net profit Margin (%)	14.48	(2.36)	(5.37)
Return on Equity (%)	13.02	(2.98)	(7.73)
Return on Total Assets (%)	6.35	(1.32)	(3.30)
Debt-to Equity (Time)	1.05	1.26	1.34
Payout Ratio (%)	2.94	N/A	N/A

Note Adjust the number of ordinary shares in order to show the reflection on the impact of stock dividend

Nature of Business Operation

Sub Sri Thai Public Company Limited 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.

Later in January of 2012, the Company has moved on into food and beverage business by buying shares at 100% in Mudman Co., 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 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 it’s 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.

In year 2016, the Company has plan to list shares of Mudman Plc. on the Market for Alternative Investment (“MAI”) (the Spin-Off plan). Therefore, Mudman Plc. will be able to raise funds in the capital market by itself in order to support business expansion of Mudman Plc. and enhance the competitiveness in the future. In addition it will increase the financial strength of the Company and Mudman Plc. and reduce the burden of reliance on the source of fund from the Company.

The Company has expected that Mudman Plc. will be listed on the Market for Alternative Investment (MAI) in the second quarter of 2017.

As of December 31, 2016, Sub Sri Thai Public Company Limited has operated in 3 major businesses which are warehouse and wharf, food and beverage and apparel business with 7 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 Plc.

This company operates business as a Holding Company, registered as a public company on April 19, 2016, with the registered capital of 1,054,903,750 Baht. Mudman Plc. holds ordinary shares at 100% in ABP Café (Thailand) Co., Ltd., Golden Donuts (Thailand) Co., Ltd., Golden Scoop Co., Ltd. and holds ordinary shares and preference shares at 100% in Greyhound Co., Ltd. and Greyhound Café 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 72 branches outlets in Thailand at the end of 2016.

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 307 branches outlets in Thailand at the end of 2016.

5. Golden Scoop Co., Ltd

This company operates ice-cream business under the brand “Baskin Robbins”, established by Mudman Plc., with registered capital of 125,000,000 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 2016, Baskin-Robbins has totally 34 branch outlets in Thailand.

6. Greyhound Café 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 Plc. (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 2016, there are 14 branches in Thailand.

Remark

Golden Gourmet Co., Ltd.

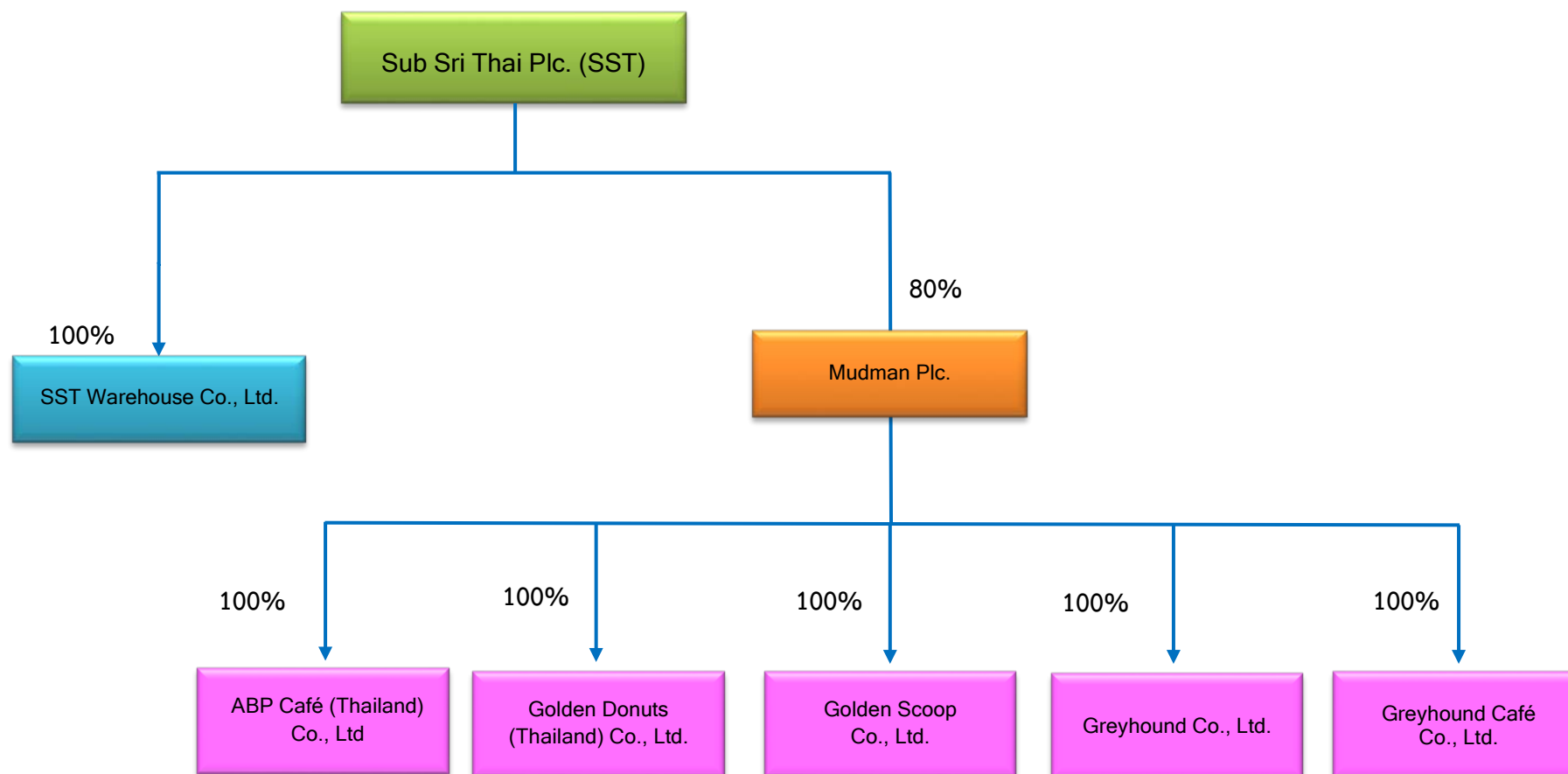
Golden Gourmet Company Limited dissolved its business (According to the Extraordinary General Shareholders’ Meeting held on May 31, 2016). Due to the adjusting its business plan in line with current economic conditions. Golden Gourmet Company Limited has not operated its business significantly since started its business and has terminated the Exclusive License Agreement for Thailand of brand “COVA”.

Apparel Business

7. 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 Plc. (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 2016, there are 14 branches in Thailand and distribute to retailer in Asia.

Holding Shares in Subsidiary Companies as at December 31, 2016



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 675 million Baht, 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 10 Baht per investment unit, with the total price of 225 million Baht. As October 31, 2016, SSTPF has decreased its capital and the remaining registered capital is 660.83 million Bath at the price of 9.79 Baht per investment unit or 220.28 million Bath of investment by the Company.

Moreover, The Company has invested in **Sub Sri Thai Smart Storage Property Fund (“SSTSS”)** which has been registered of its property into mutual fund on 5 August 2014, with Baht 820 million of from the unit holders. One Asset Management Co., Ltd., was appointed as the fund manager. The objectives to raise funds from investors and invest in purchasing and / or rental property and provide the benefits of such real estate. 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 million Baht.

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	2016		2015		2014	
			Million Baht	%	Million Baht	%	Million Baht	%
Sub Sri Thai Plc. SST Warehouse Co., Ltd.	Warehouse and Wharf	100	325	10	276	9	271	9
Mudman Plc. Golden Donuts (Thailand) Co., Ltd. ABP Café (Thailand) Co., Ltd. Golden Scoop Co., Ltd. Greyhound Cafe Co., Ltd.	Food & Beverage	80	2,708	81	2,562	80	2,072	69
Greyhound Co., Ltd.	Apparel Business	80	181	5	236	7	112	4
Gain on sales of fixed assets			-		-	-	487	16
Other income			123	4	114	4	64	2
Total Income			3,337	100	3,188	100	3,006	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, Animal feed, raw material for cooking food, shoes, office supplies, and publication for instance and use for making movie.

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: 2 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, 2016, SST Warehouse Co., Ltd has warehouse space for licensed warehouse at 10 buildings, covering 14,917 square meters.

Food and Beverage Business

ABP Café (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 72 outlets (data as of 31 December 2016) 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 307 outlets throughout Thailand (data as at 31 December 2016) 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 34 branches outlets (data as at December 31, 2016) mostly located in department stores and business areas with in-house and take away service.

Greyhound Café 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 14 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. Emphasis on atmosphere, good service and good taste.

Golden Gourmet Co., Ltd.

“**Golden Gourmet Co., Ltd.**” dissolved its business (According to the Extraordinary General Shareholders’ Meeting held on May 31, 2016). Due to the adjusting its business plan in line with current economic conditions. Golden Gourmet Company Limited has not operated its business significantly since started its business and has terminated the Exclusive License Agreement for Thailand of brand “COVA”.

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, 2016, there are 14 branches outlets in Thailand and it is also exported to overseas market.

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.

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

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 40 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
It is a type of warehouse required to be registered with the Ministry of Commerce, according to Warehouse, Silo and Cold storage Act, B.E. 2558. 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.

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

All 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, 71/1-9 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, 115/10 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.

Remark The Company is the owner of land approximate area of 17 rai close to Warehouse II and Warehouse III and the Company has attended to expand to be Warehouse IV when market demand increases and economic conditions are appropriate for expansion businesses.

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.

Apparel Business

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



Important Events in 2016

February 2016	<p>Restructure of shareholder in subsidiary (SST Warehouse Co., Ltd.)</p> <p>Whereas, The Warehouse, Silo and Cold Storage Act, B.E. 2558 was signed into the law and effected on December 25, 2015 which has no requirement for holding shares by the directors in aggregate at not less than one fifth of the registered shares.</p> <p>Therefore, the Meeting of Executive Board of Directors of Sub Sri Thai Public Company Limited No. 2/2016 held on February 24, 2016 has resolved the purchasing shares of SST Warehouse Co., Ltd. from the three directors totaling 9,998 shares at price value 100 Baht per share for total amount of 999,800.00 Baht. The structure of shareholder are as follow:</p> <p>New shareholding structure (the new capital of 5,000,000.00 Baht (five million baht)).</p> <table> <tr> <td>Sub Sri Thai Plc.</td><td>holds 49,998 shares valued 4,999,800 Baht (99.9960% of the share capital)</td></tr> <tr> <td>Mr. Supasith Sukhanindr</td><td>holds 1 share valued 100 Baht (0.0020% of share capital)</td></tr> <tr> <td>Mr. Pilanchai Pradubphong</td><td>holds 1 share valued 100 Baht (0.0020% of share capital)</td></tr> </table>	Sub Sri Thai Plc.	holds 49,998 shares valued 4,999,800 Baht (99.9960% of the share capital)	Mr. Supasith Sukhanindr	holds 1 share valued 100 Baht (0.0020% of share capital)	Mr. Pilanchai Pradubphong	holds 1 share valued 100 Baht (0.0020% of share capital)
Sub Sri Thai Plc.	holds 49,998 shares valued 4,999,800 Baht (99.9960% of the share capital)						
Mr. Supasith Sukhanindr	holds 1 share valued 100 Baht (0.0020% of share capital)						
Mr. Pilanchai Pradubphong	holds 1 share valued 100 Baht (0.0020% of share capital)						
March 2016	<p>Appointment Mr. Surapong Paisitpatnapong as the Chairman of the Audit and Corporate Governance Committee in the replacement of Mr. Sompoch Intranukul who resigned from position of Chairman of the Audit and Corporate Governance Committee, effective from March 10, 2016 onward.</p> <p>Approval the plan the offering newly issued ordinary shares of Mudman Public Company Limited to the general public (IPO)</p> <p>The Board of directors meeting of Sub Sri Thai Public Company Limited (“the Company”) No. 1/2016 held on March 10, 2016 resolved to agree and approve the plan to increase its capital and offer the newly issued ordinary shares of Mudman Public Company Limited (“MM”), which is a subsidiary of the Company to the general public and subsequently list its ordinary shares on the Market for Alternative Investment (“MAI”).</p> <p>Greyhound Café Co., Ltd., the indirect subsidiaries which the Company owns by holding shares through Mudman Co., Ltd. 80.33%, had invested in a new set up company in UK namely, GHC CAFE (UK) Co., Ltd. which 100% of shares held by Greyhound Café Co., Ltd.</p> <p>Registered Capital GBP 200,000 (Par GBP 1 with 200,000 ordinary shares)</p>						

April 2016	<p>The Annual General Meeting of Shareholders for the year 2016, hold on April 26, 2016, has significant resolved as follows:</p> <ol style="list-style-type: none"> 1. Approved the decrease of the Company's registered capital from 546,219,257 Baht to 376,701,973 Baht by reducing the number of remaining shares from the ordinary shares reserved for stock dividend payment in total of 964 shares and ordinary shares reserved for the increase of registered capital under a General Mandate which have been not allocated in year 2015 in the whole amount of 169,516,320 shares, totally 169,517,284 shares at a par value of 1 Baht per share totaling of 169,517,284 Baht. 2. Approved the increase of the Company's registered capital from 376,701,973 Baht to 640,393,352 Baht by issuing new ordinary share in total 263,691,379 shares at a par value of 1 Baht per share in order to support stock dividend payment 37,670,197 shares and to support the increase of registered capital under a General Mandate 226,021,182 shares. 				
May 2016	<p>As of May 19, 2016, the company has increased its registered paid-up capital from stock dividend 37,670,197 shares (remaining shares from reserving for stock dividend payment 822 shares). Therefore, the company's registered capital and paid-up capital are as follows:</p> <table data-bbox="491 943 1026 1032"> <tr> <td>Registered capital:</td><td>640,393,352 Baht</td></tr> <tr> <td>Paid-up capital:</td><td>414,371,348 Baht</td></tr> </table> <p>The Extraordinary General Shareholders' Meeting of Golden Gourmet Company Limited (Subsidiary Company that the Company holds 80.33% of shares, operated restaurant business under the names of "COVA"), held on May 31, 2016, approved to dissolve Golden Gourmet Company Limited ("GGC"). Due to the Company has adjusted business plan in line with current economic conditions. GGC has not operated its business significantly since started its business and GGC had terminated the Exclusive License Agreement for Thailand of brand "COVA".</p>	Registered capital:	640,393,352 Baht	Paid-up capital:	414,371,348 Baht
Registered capital:	640,393,352 Baht				
Paid-up capital:	414,371,348 Baht				

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 and changing in details and conditions

Food and beverage business brands "Dunkin Donuts", "Au Bon Pain" 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 in both 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, 2016, Sub Sri Thai's registered capital at 640,393,352.00 Baht (Six hundred and forty million, three hundred and ninety three thousand, three hundred and fifty two Baht) made up of 640,393,352 common shares at par valued of 1.00 Baht each. These consisted of 414,371,348.00 Baht (Four hundred and fourteen million, three hundred and seventy one thousand, three hundred and forty eight Baht) in paid-up capital.

Debentures

The company has issued its debentures, 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 May 10, 2016, the last date for closing the share register, total the company's shares being sold are 376,701,973 shares. Value of share: 1.00 Baht

No.	Name of Shareholder	Number of Shares	% of Shares being sold
1.	Mr. Supasith Sukhanindr	73,911,866	19.621
2.	Mr. Supachai Sukhanindr	39,610,040	10.515
3.	Mrs. Intira Sukhanindr	39,034,528	10.362
4.	Miss Duangkae Chinthammit	21,033,111	5.583
5.	Miss Duangdao Chinthammit	20,603,461	5.469
6.	Mr. Chamroon Chinthammit	18,333,333	4.867
7.	Mr. Somchai Chinthammit	13,755,824	3.652
8.	Mrs. Kamalee Patchimsawat	11,596,208	3.08
9.	Miss Kamolludee Patchimsawat	10,862,457	2.884
10.	Mr. Sompong Cholkadeedumrungkul	10,020,000	2.660

No.	Name of Shareholder	Number of Shares	% of Shares being sold
11.	Mrs. Montanat Tamsirichai	9,462,500	2.512
12.	Thai NVDR Co., Ltd.	6,199,989	1.646
13.	Mr. Pornprasong Tamsirichai	5,055,874	1.342
14.	Mr. Supparith Sukhanindr	3,247,915	0.862
15.	Mr. Supadej Sukhanindr	3,247,915	0.862
Total		285,975,021	75.915

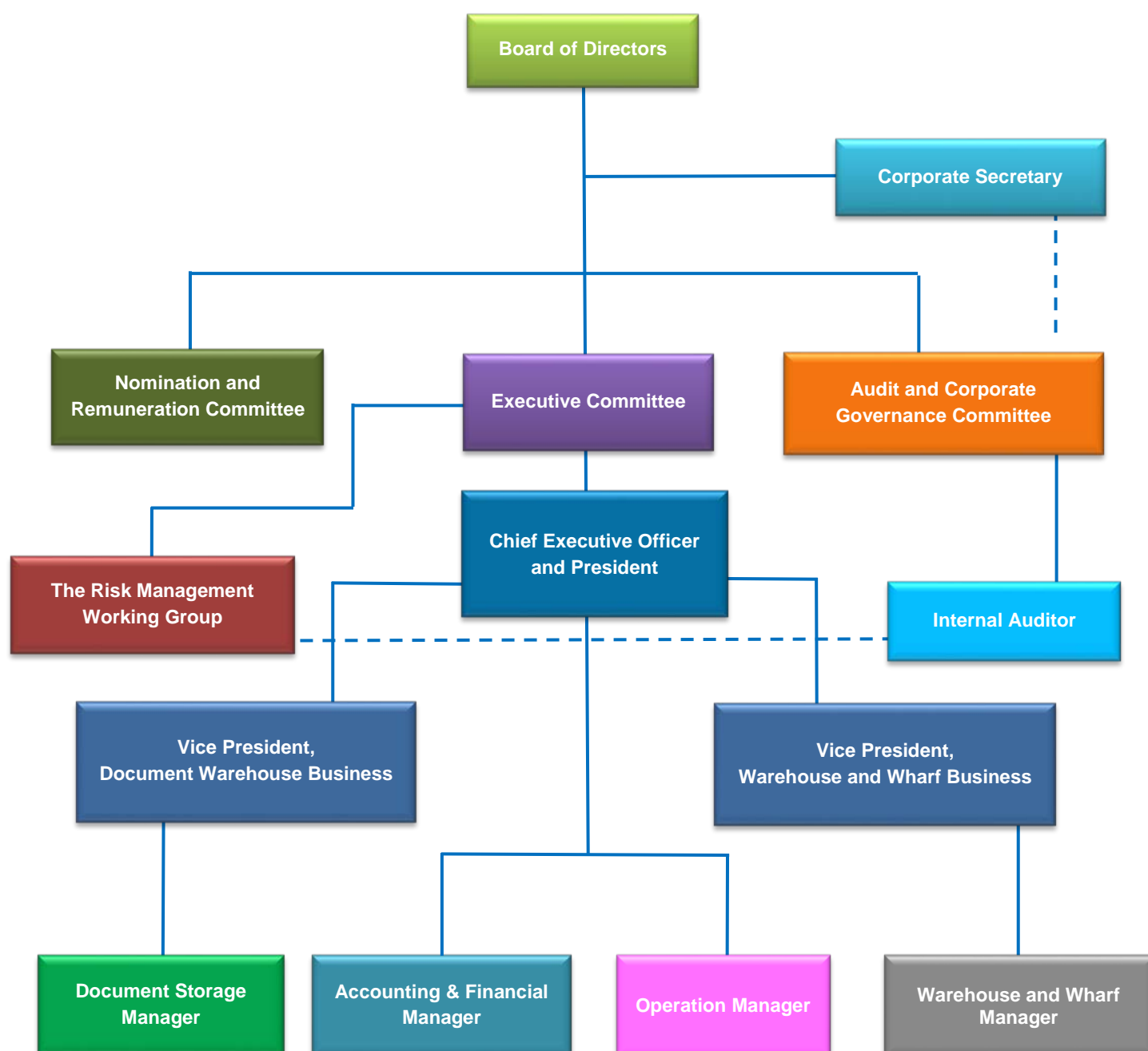
3 Payment Dividend Policy

The Company has a dividend payment policy to pay dividends to shareholders at least 50 percent 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. Sompoch Intranukul *	Chairman and Independent Director, Chairman of the Nomination and Remuneration committee
2. Mr. Surapong Paisitpatnapong*	Director and Independent Director, Chairman of the Audit and Corporate Governance Committee, Member of the Nomination and Remuneration committee
3. Mrs. Chitra Thavara*	Director and Independent Director, Member of the Audit and Corporate Governance Committee
4. Mr. Tosporn Simtrakan*	Director and Independent Director, Member of the Audit and Corporate Governance Committee
5. Mr. Supasith Sukhanindr **	Vice - Chairman Director, Chairman of the Board of Executive Director, Member of the Nomination and Remuneration committee
6. Mr. Pilanchai Pradubphong**	Director, Vice - Chairman of the Board of Executive Director and Corporate Secretary
7. Mrs. Intira Sukhanindr **	Director
8. Miss Duangdao Chinthammit	Director
9. 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 69

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

*** **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 72

Component and Appointment

The Board of the company 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 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 (including any amendment) 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. Surapong Paisitpatnapong	Chairman of the 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 the Audit and Corporate Governance Committee	Independent Director with adequate expertise and experience to review creditability of the financial reports
3. Mr. Tosporn Simtrakan	Member of the 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 or 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 of Directors, and to review and improve that policy 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
Mr. Supasith Sukhanindr	Chairman of the Board of Executive Director
Mr. Pilanchai Pradubphong	Vice-Chairman of the Board of 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 2016, the Board of Executive Directors has convened a number of meetings to follow up the management's implementations in 12 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 Risk Management:

1. 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.
2. 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.
3. 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.
4. To impose measures or methods against the stated risks.
5. To have the report on risks and its assessment on risks.
6. To follow up and revise the policy and risk management system sufficiently to be effective and with its continual compliance.

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. Supasith Sukhanindr	Chief Executive Officer and President
2. Mr. Bjorn P. Karlsson *	Vice President, Warehouse and Wharf Business
3. Mr. Rodney Charles Kimber *	Vice President, Document Warehouse Business
4. Mr. Kasidit Thavisin	Document Storage Manager
5. Mr. Panya Soonsap	Warehouse and Wharf Manager
6. Mrs. Patcharee Boonnak	Senior Operation Manager
7. Miss Manusawee Pakornchaikul	Accounting and Finance Manager

* The Company has appointed Mr. Bjorn P. Karlsson as the Vice President, Warehouse and Wharf Business, Mr. Rodney Charles Kimber as the Vice President, Document Warehouse Business from January 16, 2017

The Board's resolution shall impose the Chief Executive Officer and President 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 Chief Executive Officer and President

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.

The scope of duties and responsibilities of the Vice President

1. Manage the daily operation on their responsible division to comply with the policy and business strategy as assigned by the Board of Executive Director.
2. Develop and implement effective business planning as well as effective budgets to propose to the Board of Executive Director and follow the instructions from the Board of Executive Director and also report to the Board of Executive Director on the progress according to the plan and budget proposed.
3. Seek new business opportunities to increase profitability of the company. It must be obtained approval from the Board of Director for investment or entering into new business which is not approved in annual operation planning business and budget.
4. Monitor and control operations to ensure that revenues and cost comply with the strategy and marketing plan.
5. Develop new products and services concepts to meet market demand for continuity success in business.
6. Create good relationships with both present and new customers by coordinating with the company's sales department.
7. Consider and negotiate to establish agreement with subcontractors and vendors. (Including sub agency agreements) in related to the day-to-day operations in order to perform various tasks to serve the customer. Such a process, need to process under the procurement procedure and approve by the authorized person of the company.
8. Analyze, evaluate and report the performance of their responsible division and have the power to make corrective action to achieve the company's objective and budgets.
9. Determine the manpower plan and consider the employment, termination or dismissal of employees and also, determination a suitable benefit and compensation for employees by proposing to the Board of Executive Director for approval of the guidelines and cost limits.
10. Present to the Executive Board for approval regarding the organization or rearrangement of the company's operations that will involve a major change or reallocation of the work force.
11. Develop knowledge and skills of employees to increase their potential and motivate employees properly.

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 for the managing director and for remunerations of directors and sub-committee, the Board of Directors has to submitted to the Shareholders' Meeting for approval.
5. Other missions as assigned by the Board of Directors.

Director and Management Biography



MR. SOMPOCH INTRANUKUL

Chairman of the Board of Director and Independent Director / Chairman of the Nomination and Remuneration Committee

Age 78

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 and Security Guards Co., Ltd.

1999 - Present

- Chairman of Audit Committee Deves Insurance Pcl.

2003 - 2013

- Chairman Raimon Land Pcl.

2003 - 2016

- Chairman SCMB Co., Ltd.

2008 - Present

- Chairman of Audit Committee Hifi Orient (Thai) Pcl.

2013 - Present

- Chairman of the Board Mudman Plc.*

Positions in the Present

In listed Companies

- None -

In non-listed Companies

4 Companies

1. President The Siam Administrative Management and Security Guards Co., Ltd.
2. Chairman of Audit Committee Deves Insurance Pcl.
3. Chairman of Audit Committee Hifi Orient (Thai) Pcl.
4. Chairman of the Board Mudman Plc.*

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, 2016: 175,247 (0.04%)



MR. SURAPONG PAISITPATNAPONG

Director and Independent Director / Chairman of the Audit and Corporate Governance Committee / Member of the Nomination and Remuneration Committee

Age 76

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 (Matchon Program)
- Applied Political Science by political Science Association of Thailand

Working experiences

- 1991 - Present
 - Spokesman of Automotive Industry Club The Federation of Thai Industries (FTI)
- 1998 - Present
 - Member of Committee, Economics Committee The Federation of Thai Industries (FTI)
- 2005 - Present
 - Advisor to Grand Prix International Co., Ltd.

2006 - Present

- Member of Committee, Academics Committee The 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 The Federation of Thai Industries (FTI)

2012 - Present

- Vice Chairman of Automotive Industry Club The 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, 2016: 168,830 (0.04%)



MRS. CHITRA THAVARA

Director and Independent Director / Member of
the Audit and Corporate Governance Committee

Age 76

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 Oil Co., Ltd.
 - President IRPC Polyol 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 - 2014
- 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, 2016: 124,856 (0.03%)



MR. TOSPORN SIMTRAKAN

Director and Independent Director / Member of the
Audit and Corporate Governance Committee

Age 65

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

- Director Certification Program (DCP) Class 198/2014

Number of Share as of December

31, 2016: 93,350 (0.02%)



MR. SUPASITH SUKHANINDR

Authority Director to Sign on Behalf of the Company /
Vice - Chairman Director / Chairman of the Board of Executive
Director / Member of the Nomination and Remuneration
Committee / Chief Executive Officer and President

Age 41

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.*

2011 - 2014

- Director Industrial Enterprises Co., Ltd.

2012 - 2014

- Director Thai Livestock Promotion Co., Ltd

2012 - Present

- Chairman of The Board of Executive Director Mudman Plc.*
- 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.*

2016

- Director Tinbaron Co., Ltd.

(* Subsidiary Company)

Positions in the Present

In listed Companies

- None -

In non-listed Companies

9 Companies

1. Executive Director Super Enterprises Co., Ltd.
2. Director SST Warehouse Co., Ltd.*
3. Chairman of The Board of Executive Director Mudman Plc.*
4. Chairman ABP Cafe (Thailand) Co., Ltd.*
5. Chairman Golden Donuts (Thailand) Co., Ltd.*
6. Director Golden Scoop Co., Ltd.*
7. Director Greyhound Co., Ltd *
8. Director Greyhound Cafe Co., Ltd.*
9. Director Tinbaron Co., Ltd.

IOD Certifier

- Director Accreditation Program (DAP) Class 50/2006

Number of Share as of December

31, 2016: 80,072,870 (19.32%)



MR. PILANCHAI PRADUBPHONG

Authority Director to Sign on Behalf of the Company /
Vice - Chairman of the Board of Executive Directors /
Corporate Secretary

Age 61

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 *

2011 - 2014

- Director Industrial Enterprises Co., Ltd

2012 - 2014

- Director Thai Livestock Promotion Co.,
Ltd

2015 - Present

- Director Mudman Plc.*
- Director ABP Cafe (Thailand) Co., Ltd.*
- Director Golden Donuts (Thailand)
Co., Ltd.*
- Director Golden Scoop Co., Ltd.*

(* Subsidiary Company)

Positions in the Present

In listed Companies

- None -

In non-listed Companies

5 Companies

1. Director SST Warehouse Co., Ltd *
2. Director Mudman Plc.*
3. Director ABP Cafe (Thailand) Co., Ltd.*
4. Director Golden Donuts (Thailand)
Co., Ltd.*
5. Director Golden Scoop Co., Ltd.*

IOD Certifier

- Director Accreditation Program (DAP)
Class 49/2005

Number of Share as of December

31, 2016: 17,643 (0.00%)



MRS. INTIRA SUKHANINDR

Authority Director to Sign on Behalf of the Company

Age 69

Education / Training

- Certificate of Secretary, Melbourne, Australia

Working experiences

2003 - Present

- Director Champion Fermentation Co., Ltd.

2004 - Present

- Director Thai Fermentation 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

1. Director and Senior Vice President Khon Kaen Sugar Industry Plc.

In non-listed Companies 6 Companies

1. Director Thai Fermentation Industry Co., Ltd.
2. Director KSL AGRO & Trading Co., Ltd.
3. Director Khon kaen Sugar Power Plant Co., Ltd.
4. Director and Senior Vice President New Krung Thai Sugar Factory Co., Ltd.
5. Director and Senior Vice President New Kwang Soon Lee Sugar Factory Co., Ltd.
6. 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, 2016: 42,967,798 (10.37%)



MISS DUANGDAO CHINTHAMMIT

Authority Director to Sign on Behalf of the Company

Age 58

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

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

2006 - 2016

- Director KSL Material Supplies Co., Ltd.

2007 - Present

- Director KSL AGRO & Trading Co., Ltd.

Positions in the Present

In listed Companies 1 Company

1. Executive Director and Vice President Khon Kaen Sugar Industry Plc.

In non-listed Companies 6 Companies

1. Director Onnuch Construction Co., Ltd.
2. Director KSL Real Estate Co., Ltd.
3. Executive Director and Vice President New Kwang Soon Lee Sugar Factory Co., Ltd.
4. Executive Director and Vice President New Krung Thai Sugar Factory Co., Ltd.
5. Executive Director and Vice President Tamaka Sugar Industry Co., Ltd.
6. 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, 2016: 22,693,625 (5.48%)



MISS DUANGKAE CHINTHAMMIT

Director

Age 61

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

1. Director and Assistant Vice President Khon Kaen Sugar Industry Plc.

In non-listed Companies 3 Companies

1. Director and Assistant Vice President New Kwang Soon Lee Sugar Factory Co., Ltd.
2. Director and Assistant Vice President New Krung Thai Sugar Factory Co., Ltd.
3. 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, 2016: 23,166,239 (5.59%)



MR. BJORN P. KARLSSON

Vice President, Warehouse and Wharf Business

Age 59



Education / Training

- Sales and Marketing, Sallama Gothenburg, Sweden
- Chartering, Gothenburg Shipping Academy, Sweden
- Shipping, Gothenburg Shipping Academy, Sweden
- Mechanical Engineer, Konghalla Gymnasium, Sweden
- Economics, Gothenburg University, Sweden



Working experiences

1997 - 1999	Commercial Manager Wilhelmsen Lines Inc., USA
1999 - 2004	General Manager Barwil Agencies Ltd., Saudi Arabia
2004 - 2006	General Manager Barwil Tirta Samudera Cara., Indonesia
2006 - 2013	General Manager Wilhelmsen Ships Services., Thailand
2013 - 2016	General Manager Wallenius Wilhelmsen AS., Indonesia
2016	General Manager Wallenius Wilhelmsen Logistics (Thailand) Co., Ltd.



Number of Share as of December 31, 2016 : -

MR. RODNEY CHARLES KIMBER

Vice President, Document Warehouse Business

Age 64



Education / Training

- O.N.C in Business Studies - Solent University Southampton
- International Certificate of Professional Competence - R.T.I.T.B Road Transport Industry Training Board



Working experiences

1996 - 2001	Project Manager Exel Logistics Thailand Ltd.
2001 - 2005	Regional Implementation Manager Exel Singapore Pte Ltd.
2005 - 2007	General Manager - Bangkok Logistics Centre Exel Singapore Pte Ltd.
2007 - 2008	Country Director - Vietnam and Cambodia DHL Exel Supply Chain Ltd.
2008 - 2016	Senior Partner McErvel Pte Ltd.



Number of Share as of December 31, 2016 : -

(The Company has appointed Mr. Bjorn P. Karlsson and Mr. Rodney Charles Kimber from January 16, 2017)

MRS. PATCHAREE BOONNAK

Senior Operation Manager

Age 59

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 Stenghtening Practical skills in CSR Sustainable Business Development Institute, Stock Exchange of Thailand
- Fundamental Practice for Corporate Secretary (FPCS 30)

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, 2016: 230,867 (0.055%)

MISS. MANUSAWEE PAKORNCHAIKUL

Accounting and Finance Manager

Age 45

Education / Training

- BBA of Accounting, Ramkhamhaeng University
- MBA of General Management, Ramkhamhaeng University

Working experiences

2011 - 2013	Accounting Manager Ratchaburi Electricity Generating Holding PCL. (Xe-Pian Xe-Namnoy Power Company Limited. - (Laos Company).
2013-2015	Senior Accountant PTT Green Energy (Thailand) Co., Ltd.

Number of Share as of December 31, 2016: 4,478 (0.00%)

MR. KASIDIT THAVISIN

Document Storage Manager

Age 61


Education / Training

- Banking & Financial / Thai Banker Association (Certificate)
- Marking Strategic Re-Direction for A Crisis Survival and Profit Growth
- Executive Professional Marketing
- Information Security Branch Operation Control Improvement
- Leadership & Riding the Wave of Change
- Managerial Development Program
- Managing & Coaching for Performance
- Coaching for Service Excellence
- Achieving Service Excellence
- Master Card Orientation
- Visa Orientation


Working experiences

2005 - 2007	AVP. Centralized Operations Dept. AIG Retail Bank Plc.
2007 - 2009	AVP. Customer Fulfillment Division AIG Retail Bank Plc.
2009 - 2013	Project Manager Chanwanich Security Printing Co., Ltd.


Number of Share as of December 31, 2016: 5,268 (0.00%)

MR. PANYA SOONSAP

Warehouse Manager

Age 59


Education / Training

- Master of Business Administration Burapa University
- B.A. In Law Ramkhamhaeng University
- Management Problem Solving and Decision Making Program (PSDM)


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, 2016: 4,478 (0.00%)

Name of Directors in Subsidiaries of Sub Sri Thai Plc.

As of 31st December 2016

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

Remark ● = Chairman ■ = Director ◆ = Executive director

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 2016 that was held on April 26, 2016 (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, including shareholders and their proxies who attended meeting in the total of 66 persons and in the total of 204,135,673 shares or 54.19% 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 2016 during October 1, 2015 to December 31, 2015. 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 21 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 2016, 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 2016, 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 2016 organized by the Thai Investors Association, the company has been rated 100% 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" and "Whistleblower Policy".
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 9 directors which is suitable for its business with directorship term at 3 years a time, and it is composed of:

- Independent Board : 4 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 : 2 persons
- Non-Executive Board : 7 persons
- Authorized director : 4 persons (signed 2/4)

Resume details, qualifications, experience, shareholding, can be read in the sub-heading of Details in relation with Director and Executive on Page 48 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 39-40

Independent Directors

Chairman of the Board

Chairman of the Board is independent director, who is not the same person with the Chairman of the Board of Executive 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:
 - A. 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.

- B. 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. Sompoch Intranukul	✓	✓	✓	
2. Mr. Surapong Paisitpatnapong	✓	✓	✓	
3. Mrs. Chitra Thavara	✓	✓	✓	
4. Mr. Tosporn Simtrakan	✓	✓	✓	
5. Mr. Supasith Sukhanindr	✓			✓
6. Mr. Pilanchai Pradubphong	✓			✓
7. Mrs. Intira Sukhanindr	✓	✓		
8. Miss Duangdao Chinthammit	✓	✓		
9. Miss Duangkae Chinthammit	✓	✓		
Total	9	7	4	2

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 Secretary 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 2016, The Board of Directors had regular meetings for 4 times and in each meeting, there were over 85% 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 2016
(1 January-31 December 2016)**

Name	Position	Board of Directors' Meeting in 2016			
		Board of Directors (Total 4)	Board of Executive Directors (Total 12)	Audit Committee (Total 4)	Nomination/ Remuneration committee (Total 1)
1. Mr. Sompoch Intranukul	Chairman and Independent Director/ Chairman of Nomination and Remuneration Committee	4/4		1/4*	1/1
2. Mr. Surapong Paisitpatnapong	Director and Independent Director/ Chairman of the Audit and Corporate Governance Committee/ Nomination and Remuneration Committee	4/4		4/4	1/1
3. Mrs. Chitra Thavara	Director and Independent Director/ Member of the Audit and Corporate Governance Committee	4/4		3/4	
4. Mr. Tosporn Simtrakan	Director and Independent Director/ Member of the Audit and Corporate Governance Committee	3/4		4/4	
5. Mr. Supasith Sukhanindr	Vice-Chairman Director / Chairman of Board Executive Director/ Nomination and Remuneration Committee/ Chief Executive Officer and President	4/4	12/12		1/1
6. Mr. Pilanchai Pradubphong	Director and Vice-Chairman Executive Director	4/4	12/12		
7. Mrs. Intira Sukhanindr	Director	4/4			
8. Miss Duangdao Chinthammit	Director	4/4			
9. Miss Duangkae Chinthammit	Director	4/4			

* Mr. Sompoch Intranukul Resigned Chairman of the Audit and Corporate Governance Committee on March 1, 2016

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 2016

Directors	2016		2015	
	No. Total	Allowance (Baht)	No. Total	Allowance (Baht)
The Board of Directors (Remuneration)	9	3,085,000	10	3,460,000
The Board of Executive Directors (Remuneration)	2	6,798,000	3	7,290,000
Audit Committee (Remuneration)	3	690,000	4	840,000
Nomination and Remuneration committee (Remuneration)	3	285,000	3	105,000
Contribution to EJIP Program	9	2,616,000	10	2,976,000
Bonus	-	-	-	-
Other Benefit	-	-	-	-
Total	9	13,474,000	11	14,671,000

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 2016 including Managing Director

Managements	2016		2015	
	No. Total	Allowance (Baht)	No. Total	Allowance (Baht)
Salary	5	5,714,400	5	8,673,134.00
Bonus	4	1,025,000	5	3,321,555.00
Contribution to EJIP Program	4	174,300	5	427,132.00
Other Benefit such as contribution to provident fund and employee benefit	4	1,063,653	5	4,616,422.00
Total	5	7,977,353	5	17,038,243.00

**Holding the Company's Shares of the Board of Directors and managements
(December 31, 2016)**

Name	Ordinary Share					
	As of Dec 31, 2016 (Paid-up Capital 414,371,348 Baht)	%	As of Dec 31, 2015 (Paid-up Capital 376,701,973 Baht)	%	Acquisition During the year	Disposition During the year
1. Mr. Sompoch Intranukul	175,247	0.04	115,013	0.03	-	-
2. Mrs. Chitra Thavara	124,856	0.03	69,203	0.02	-	-
3. Mr. Surapong Paisitpatnapong	168,830	0.04	109,179	0.03	-	-
4. Mr. Tosporn Simtrakan	93,350	0.02	40,561	0.01	-	-
5. Mr. Supasith Sukhanindr	80,072,870	19.32	72,930,279	19.36	-	-
6. Mr. Pilanchai Pradubphong	17,643	0.00	36,646	0.01	-	71,400
7. Mrs. Intira Sukhanindr	42,967,798	10.37	39,017,332	10.36	-	-
8. Miss Duangdao Chinthammit	22,693,625	5.48	20,586,265	5.46	-	-
9. Miss Duangkae Chinthammit	23,166,239	5.59	21,015,915	5.58	-	-
10. Mr. Kasidit Thavisin	5,268	0.00	-	-	-	-
11. Mrs. Patcharee Boonnak	230,867	0.06	160,928	0.04	40,000	-
12. Miss. Manusawee Pakornchaikul	4,478	0.00	-	-	-	-
13. Mr. Panya Soonsap	4,478	0.00	-	-	-	-

- 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 2016.

	2014		2015		2016	
	Average Score	%	Average Score	%	Average Score	%
The self-assessment of the Board of Directors	3.71	92.75%	3.66	91.50	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 97.00% in year 2016.

	2014		2015		2016	
	Average Score	%	Average Score	%	Average Score	%
Evaluation of the performance of the Managing Director	3.67	91.75%	3.59	89.75	3.88	97

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 2016, there was not new director.

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 2016, the Company continuously arranged courses to teach management, supervisor, and officer about good corporate management and Sustainable Development. Apart from that, the Company also sent the employees to attend the workshops on Corporate Social Responsibility (CSR) and CG Management continuously.

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 from March 1, 2016

1.1 Independent Director

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

1.2 Corporate Secretary

- | | |
|------------------------------|--|
| 1) Mr. Pilanchai Pradubphong | E-mail address: pilanchai@subsriThai.co.th |
|------------------------------|--|

1.3 Send by mail to

- | | |
|---------------------------------|---|
| 1) Mr. Surapong Paisitpatnapong | Chairman of the Audit and Corporate Governance Committee and Independent Director |
| 2) Mrs. Chitra Thavara | Member of the Audit and Corporate Governance Committee and Independent Director |
| 3) Mr. Pilanchai Pradubphong | 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.

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 2016

As of 31 December 2016, the Company had relevant transactions according to the footnote to financial statement No.6 the additional significant detail are as follow:

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 2016, the Company and subsidiaries had total revenues of 3,337 million baht increasing to 150 million baht or 4.7% compared to the previous year supplementary with the revenue of the business of warehouses and wharf increasing by 18%, business of food and beverage increasing by 6% while Apparel Business decreasing by 23%. The Company and subsidiaries had earnings before interest, taxes, depreciation and amortization (EBITDA) of 343 million baht increasing for 49 million baht or 17% (not including the loss from Impairment of assets and loss from revaluation on the real estate for investment) compared to the year 2015 with net profit before interest, tax, depreciation and amortization (EBITDA) of 294 million baht. The net loss was 173 million baht resulting from the warehouse business with the net loss of 6 million baht. The business of food and beverages had the net profit of 10 million baht and the apparel business had the loss of 177 million baht which the net loss of 173 million Baht is from impact of Accounting Standard No. 3 regarding Business Combination which was the investment in food & beverage and apparel business in amount of 62 million Baht (net of tax) and the impact of Accounting Standard No. 36 (revised 2015) regarding impairment in amount of 124 million Baht (net of tax) and from Accounting Standard No. 40 (revised 2015) regarding investment properties in amount of 21 million Baht (net of tax).

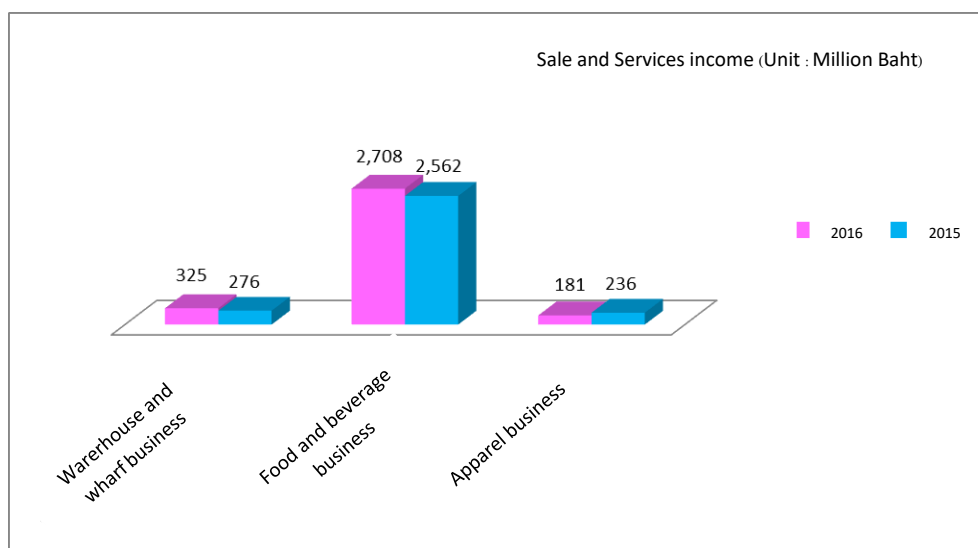
Although the economy is affected by external factors such as the economic recession of the United States, China, the European Union and ASEAN countries, the Company still grows continually. Meanwhile, the domestic economy has the measures to stimulate the economy of the government sector resulting in the increase in economic growth. Most of the revenue will be generated from the food and beverage business from opening more shops and branches including the sale promotion in various forms. The revenue from the business of warehouses and wharf also increases with the increasing number of deposited documents and the adjustment of service fees for some customers.

Operational

Results of operation in the past as considered from the financial statement as at 31 December 2016 and 31 December 2015 details as follows:

1 Income

In 2016, the company and subsidiaries has total income at 3,214 million baht which was increased by 5% compared to the same period of the previous year, of which the income was 3,074 million Baht. The income can be classified as follow:



Income from warehouse and wharf business was 325 million Baht, an increase of 18% compared to the same period of the previous year of which the revenue was 276 million Baht due to the increase in quantity of storage documents and the Company can increase service price in some of customers.

Sale revenue in food and beverage business was for 2,708 million Baht, an increase of 6% compared to the same period of the previous year of which the sale revenue was 2,562 million Baht. The reason was from open more shop and branches.

Revenue from apparel business was 181 million Baht decreasing 23% from the same period of the previous year with the income from sale of 236 million baht.

2 Expenses

In 2016, the Company and subsidiaries has the cost of sale and service at the total of 1,414 million Baht compared with the year 2015 at 1,348 million Baht increased by 66 million Baht. Because the sale cost increased from rising in sales and service income.

The sale expense and administrative expenses of 2016 of the Company and subsidiaries was totally 1,845 million baht increasing for 38 million baht compared to 1,807 million baht in 2015. The main reason was from depreciation and amortization from food and beverage business and apparel business according to Financial reporting standards No. 3 regarding Business Combination (in section of sale expense) and from open more shop and branches.

3 Annual Loss

In 2016, the net loss of the Company was 173 million baht compared to 2015 with the net loss of 72 million baht increasing for 101 million baht calculated as 140.28 percent. The main reason was from Financial reporting standards No. 3 Business Combination after investment in food and beverage business and apparel business of 78 million baht, the impact from Accounting Standard (TAS) No. 36 (revised 2015) regarding impairment of Assets of 155 million baht and the impact from Thai Accounting Standard (TAS) No. 40 (revised 2015) regarding investment properties in amount of 26 million baht.

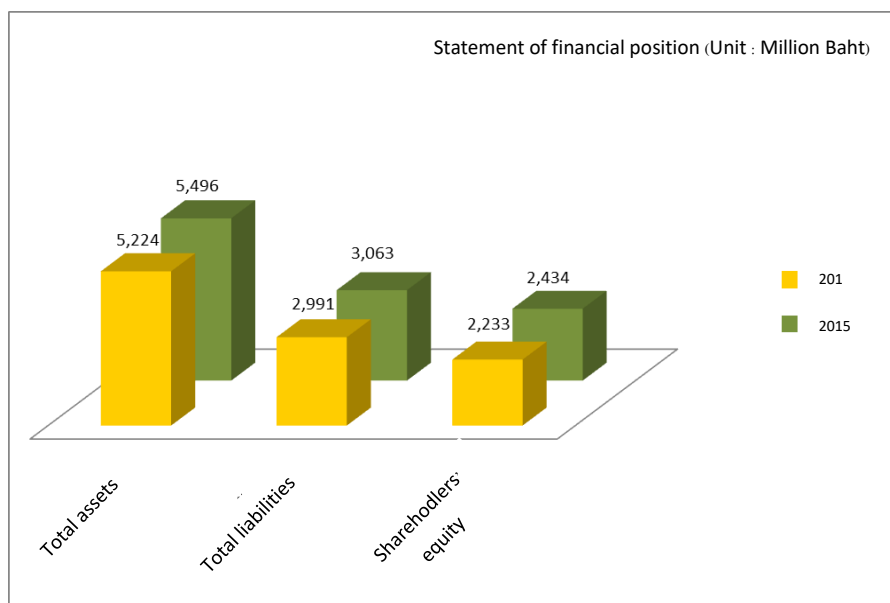
The operational performance can be summarized divided by business as follows:

- Warehouse and Wharf business had total service income of 325 million Baht and net profit before financial expenses and corporate income tax of 33 million Baht (this amount including loss from revaluation on the real estate for investment accounting to Accounting Standard (TAS) No. 40 (revised 2015) regarding investment properties in amount of 26 million baht).
- Food and Beverage business had total sale of 2,708 million Baht and net profit before financial expenses and corporate income tax of 77 million Baht (the reason from depreciation and increased in amortized cost in combining business including according to Accounting Standard No. 3 regarding Business Combination by investment in food and beverage business and apparel business of 76 million baht).
- Apparel Business had total sale of 181 million Baht and net loss before financial expenses and corporate income tax of 208 million Baht (this amount including loss from impairment of assets accounting to Accounting Standard (TAS) No. 36 (revised 2015) regarding impairment of Assets in amount of 155 million Baht)

Financial Status

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

1. Statement of financial position as at 31 December 2016 compared to Statement of financial position as at 31 December 2015



1.1 Total asset of 5,224 million Baht reduced for 273 million Baht calculated as 4.96 percent compared to the total asset as at 31 December, 2015. The details of significant increase and decrease were as follows:

- ▣ Cash and cash equivalents reduced for 21 million Baht calculated as 17.31 % from main activities which are:
 - Net cash received from operating activities was 292 million Baht from the increasing in sales and services revenue and the average repayment period increased which compared to the year 2015.
 - Net cash used in investing activities in amount of 144 million Baht from purchasing building, equipment and intangible assets.
 - Net cash used in financing activities of 169 million Baht from the repayment of long-term loan to financial institutions.
- ▣ Inventories decreased by 20 million baht or 8.72% due to the decrease in average selling time of the Apparel business.
- ▣ Investment properties reduced for 26 million Baht calculated as 6.65%. The loss was from revaluation on the real estate for investment accounting to Accounting Standard (TAS) No. 40 (revised 2015) regarding investment properties.
- ▣ Intangible assets reduced for 210 million Baht calculated as 19.13%. The loss was from the Accounting Standard No. 36 (revision of 2015) on the impairment of assets of 155 million baht and the record of amortization in intangible assets.

1.2 Total liabilities of 2,991 million Baht decreased for 72 million Baht calculated as 2.34% compared to the total liabilities on 31 December, 2015, with the details of significant increase and decrease as follows:

- ▣ Long- term loans decreased by 123 million baht from repayment to financial institutions.
- ▣ Deferred tax liabilities decreased by 51 million baht or 13.48% due to the reversal of deferred tax liabilities from the impairment of intangible assets during the year.
- ▣ Account payable and other payables increased for 77 million baht or 17.62% as the average repayment period increased compared to the year 2015.
- ▣ Accrued dividends increased by 31 million baht.

1.3 The shareholder's equity of the Company of 2,233 million Baht reduced for 201 million Baht calculated as 8.26% from net loss for the year in amount of 173 million baht and dividend payment to stakeholders without the authority power on the subsidiaries for 31 million Baht

2. Components of Assets:

2.1 Assets

In 2016, the Company assessed the fair value of real estate for investment by independent appraiser based on Income Approach (according to accounting standard volume 40 (revision of 2015)) on the real estate for investment). This resulted in the loss on revaluation of real estate for investment of 26.09 million baht. The assessment was on the value expected to return of the assets for the Apparel business in this year. (According to accounting standard volume 36 (revision of 2015) on the Impairment of Assets). The assessment revealed that the estimated value expected to return was lower than the book value. Therefore, the Company recorded the loss from the impairment of assets for 155 million baht resulting in the rate of return from assets of 2016 of the Company (3.30%) to decrease from 2015 with the return rate from assets (1.32%).

2.2 Receivable

If considering from the financial statements, it can be seen that the number of turnover ratio of account receivables increased from 2015 from 28.84 to 30.35 times in 2016. The average collection period slightly decreased. The average collection period in 2016 and 2015 was 12.03 and 12.66, respectively. The main reason came from collecting the franchise fees from overseas customers in food & beverage business and offered credited to some domestic customers.

3. Liquidity

3.1 Cash Flow

In 2016, cash used in investing activities was 144 million Baht, which was decreased when compared to 405 million Baht the year 2015 due to in year 2016, the Company has invested in subsidiary companies and bought building and equipment lower than year 2015.

3.2 Liquidity ratio

The liquidity ratio in 2016 was 0.42 decreasing when compared to 0.49 in 2015 current liability in year 2016 higher than year 2015 increasing such as account payable and other payables, long-term loans to become the long-term loans to be due for repayment in one year and other current liabilities.

3.3 Source of Fund

3.3.1 Suitability of capital structure

When considered from the liabilities and Shareholders' equity ratio in 2016 at the ratio of 1.34, higher than 2015 at the ratio of 1.26, showing the figure of increasing in amount of debts from the year 2015. The Company's capital structure remains in accordance with the terms of the Covenant.

3.3.2 Liabilities

The company and subsidiaries have current liability increasing 138 million Baht from 1,068 million Baht in 2015 to be 1,206 million Baht in 2016 from account payable and other payables, accrued dividends and other current liabilities.

Audit Fee

In 2016, the company and subsidiaries 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 1,700,000 Baht.
- The audit fee for Subsidiary Company at amount of 5,130,000 Baht.

Total 6,830,000 baht, which was increased 7% compared to the year 2015.

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, 2016, which are prepared according to Financial Reporting Standards. 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, 2016



(Mr. Sompoch Intranukul)
Chairman of the Board of Directors



(Mr. Supasith Sukhanindr)
Chief Executive Officer
and President

Independent Auditor's Report

To the Shareholders of Sub Sri Thai Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Sub Sri Thai Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Sub Sri Thai Public Company Limited for the same period.

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 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants* as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Goodwill and trademarks

As discussed in Note 17 and Note 19 to the financial statements, as at 31 December 2016, the Group has goodwill and trademarks amounting to Baht 1,896 million and Baht 326 million, respectively. I have focused on the consideration of the impairment of goodwill and trademarks because the assessment of impairment of goodwill and trademarks is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill and trademarks.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process to assess whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the weighted average cost of capital of the Group and of the industry and involving internal expert to assist in the assessment of this information by comparing it to external sources based on an expert's knowledge and past experience, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill and trademarks with indefinite useful lives, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

Revenue recognition for sales

Revenue from sales in the consolidated financial statement included revenue from sales of food and beverage of the subsidiaries, accounting for 81 percent of the total revenue. Such revenue is one of the Group's key accounts because the amounts recorded directly affect the Group's profit or loss. Moreover, there are a large number sales transactions and the subsidiaries have continually launched many sales promotion activities in order to boost sales. I therefore focused on the audit of the amount and timing of revenue recognition for sales of food and beverage.

I examined the revenue recognition for sales of food and beverage of the subsidiaries by assessing and testing the subsidiaries' internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. On a sampling basis, I also examined supporting documents for actual sales and cash receipt transactions occurring during the year. In addition, I performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of t

he Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

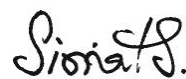
- ▮ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▮ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▮ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▮ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▮ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▮ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Miss Sirirat Sricharoensup.



Sirirat Sricharoensup

Certified Public Accountant (Thailand) No. 5419

EY Office Limited

Bangkok: 27 February 2017

Consolidated financial statements

Sub Sri Thai Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	7	100,445,239	121,465,037	9,668,953	10,754,595
Current investments		12,210,874	8,134,180	-	-
Trade and other receivables	8	113,039,904	103,040,902	44,918,978	42,584,957
Dividend receivable from related party	6, 13.2	-	-	128,808,410	-
Inventories	9	204,347,934	223,875,657	-	-
Other current assets		77,051,054	61,808,435	47,911,360	36,196,949
Total current assets		507,095,005	518,324,211	231,307,701	89,536,501
Non-current assets					
Restricted bank deposits	10	3,016,110	3,020,848	-	-
Investment in available-for-sale securities	11	118,695,000	114,390,000	118,695,000	114,390,000
Investment in associated company	12.1	230,781,085	237,974,647	220,275,000	225,000,000
Investments in subsidiaries	13	-	-	1,490,885,688	1,489,885,888
Investment properties	14	366,351,298	392,444,922	366,351,298	392,444,922
Property, plant and equipment	15	999,759,134	1,015,634,255	519,946,966	532,475,429
Goodwill	17	1,896,039,395	1,896,039,395	-	-
Leasehold rights	18	73,398,662	86,554,277	17,031,264	18,923,627
Intangible assets	17, 19	886,297,983	1,095,939,607	1,299,480	2,124,954
Rental deposit		129,768,464	124,792,030	31,500,000	31,500,000
Deferred tax assets	28.4	11,942,076	10,642,518	3,196,533	4,888,322
Other non-current assets		365,280	359,862	365,280	359,862
Total non-current assets		4,716,414,487	4,977,792,361	2,769,546,509	2,811,993,004
Total assets		5,223,509,492	5,496,116,572	3,000,854,210	2,901,529,505

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 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	408,800,000	445,000,000	384,000,000	410,000,000
Trade and other payables	21	515,225,458	438,037,717	91,563,405	88,642,853
Current portion of long-term loans					
from financial institutions	22	173,333,615	123,688,209	-	-
Income tax payable		11,540,021	12,608,411	-	-
Dividend payable	13.2	31,536,960	-	-	-
Other current liabilities		65,615,219	48,448,619	9,642,861	8,527,409
Total current liabilities		1,206,051,273	1,067,782,956	485,206,266	507,170,262
Non-current liabilities					
Long-term loans from financial institutions					
- net of current portion	22	871,754,810	1,045,230,100	-	-
Long-term debentures	23	499,052,635	498,190,982	499,052,635	498,190,982
Deferred tax liabilities	28.4	330,371,766	381,830,361	125,577,621	130,243,579
Provision for long-term employee benefits	24	51,987,654	51,200,946	11,092,653	14,651,540
Other non-current liabilities		31,642,833	18,287,795	5,000,000	5,000,000
Total non-current liabilities		1,784,809,698	1,994,740,184	640,722,909	648,086,101
Total liabilities		2,990,860,971	3,062,523,140	1,125,929,175	1,155,256,363

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Shareholders' equity					
Share capital	25				
Registered					
640,393,352 ordinary shares of Baht 1 each					
(2015: 546,219,257 ordinary shares of Baht 1 each)		640,393,352	546,219,257	640,393,352	546,219,257
Issued and fully paid					
414,371,348 ordinary shares of Baht 1 each					
(2015: 376,701,973 ordinary shares of Baht 1 each)		414,371,348	376,701,973	414,371,348	376,701,973
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	13.1	294,766,438	291,396,559	-	-
Retained earnings					
Appropriated - statutory reserve	26	41,224,612	35,003,009	41,224,612	35,003,009
Unappropriated		547,388,221	735,052,415	841,432,171	765,077,443
Other components of shareholders' equity		203,116,795	194,710,608	203,116,795	194,710,608
Equity attributable to owners of the Company		1,875,647,523	2,007,644,673	1,874,925,035	1,746,273,142
Non-controlling interests of the subsidiaries		357,000,998	425,948,759	-	-
Total shareholders' equity		2,232,648,521	2,433,593,432	1,874,925,035	1,746,273,142
Total liabilities and shareholders' equity		5,223,509,492	5,496,116,572	3,000,854,210	2,901,529,505
		-	-	-	-

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 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales		2,889,141,956	2,797,446,917	-	-
Service income		324,678,526	276,039,042	318,825,102	272,854,709
Other income					
Dividend income		8,384,910	7,503,000	145,133,570	23,253,000
Interest income		1,201,382	784,635	693,021	345,811
Others		113,959,370	105,803,555	11,946,154	14,491,737
Total revenues		3,337,366,144	3,187,577,149	476,597,847	310,945,257
Expenses					
Cost of sales		1,175,345,725	1,115,864,815	-	-
Cost of services		239,044,584	231,762,592	236,001,473	231,700,925
Selling expenses		1,488,589,574	1,445,588,354	-	-
Administrative expenses		356,609,287	361,988,695	51,588,511	66,517,885
Loss on fair value adjustment of investment properties	14	26,093,624	-	26,093,624	-
Impairment loss on assets	19	154,931,354	-	-	-
Total expenses		3,440,614,148	3,155,204,456	313,683,608	298,218,810
Profit (loss) before share of profit from investment in associated company, finance cost and income tax		(103,248,004)	32,372,693	162,914,239	12,726,447
Share of profit from investment in associated company	12.2	5,471,689	15,709,883	-	-
Profit (loss) before finance cost and income tax		(97,776,315)	48,082,576	162,914,239	12,726,447
Finance cost		(99,816,516)	(108,572,251)	(43,557,891)	(45,614,734)
Profit (loss) before income tax		(197,592,831)	(60,489,675)	119,356,348	(32,888,287)
Tax income (expense)	28.1	24,965,051	(11,976,199)	5,075,716	579,360
Profit (loss) for the year		(172,627,780)	(72,465,874)	124,432,064	(32,308,927)
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain (loss) on change in value of available-for-sale investment		4,305,000	(4,920,000)	4,305,000	(4,920,000)
Income tax effect	28.2	(861,000)	984,000	(861,000)	984,000
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		3,444,000	(3,936,000)	3,444,000	(3,936,000)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)		-	194,611	-	(137,096)
Gain on revaluation surplus on land		6,202,734	-	6,202,734	-
Income tax effect	28.2	(1,240,547)	(94,564)	(1,240,547)	27,419
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		4,962,187	100,047	4,962,187	(109,677)
Other comprehensive income for the year		8,406,187	(3,835,953)	8,406,187	(4,045,677)
Total comprehensive income for the year		(164,221,593)	(76,301,827)	132,838,251	(36,354,604)

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 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit (loss) attributable to:					
Equity holders of the Company		(139,586,858)	(63,989,938)	<u>124,432,064</u>	<u>(32,308,927)</u>
Non-controlling interests of the subsidiaries		<u>(33,040,922)</u>	<u>(8,475,936)</u>		
		<u>(172,627,780)</u>	<u>(72,465,874)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		(131,180,671)	(67,867,144)	<u>132,838,251</u>	<u>(36,354,604)</u>
Non-controlling interests of the subsidiaries		<u>(33,040,922)</u>	<u>(8,434,683)</u>		
		<u>(164,221,593)</u>	<u>(76,301,827)</u>		
Earnings per share	<i>30</i>		(Restated)		(Restated)
Basic earnings per share					
Equity holders of the Company		(0.34)	(0.15)	0.30	(0.08)

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 2016

(Unit: Baht)

Consolidated financial statements

Equity attributable to owners of the Company												
							Other components of shareholders' equity					
							Other comprehensive income			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and paid-up share capital	Ordinary share premium	Treasury share premium	Surplus from the change in the ownership interests in subsidiaries	Retained earnings		Gain (loss) on change in value of available-for-sale investment	Revaluation surplus on land	Total other components of shareholders' equity			
					Appropriated - Statutory reserve	Unappropriated						
Balance as at 1 January 2015	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
Loss for the year	-	-	-	-	-	(63,989,938)	-	-	-	(63,989,938)	(8,475,936)	(72,465,874)
Other comprehensive income for the year	-	-	-	-	-	58,794	(3,936,000)	-	(3,936,000)	(3,877,206)	41,253	(3,835,953)
Total comprehensive income for the year	-	-	-	-	-	(63,931,144)	(3,936,000)	-	(3,936,000)	(67,867,144)	(8,434,683)	(76,301,827)
Acquisition of investment in subsidiary (Note 13.3)	-	-	-	(93,158,488)	-	-	-	-	-	(93,158,488)	(115,970,279)	(209,128,767)
Dividend paid (Note 29)	-	-	-	-	-	(10,464,797)	-	-	-	(10,464,797)	-	(10,464,797)
Stock dividend (Note 29)	94,174,770	-	-	-	-	(94,174,770)	-	-	-	-	-	-
Balance as at 31 December 2015	376,701,973	337,773,202	37,006,907	291,396,559	35,003,009	735,052,415	(6,888,000)	201,598,608	194,710,608	2,007,644,673	425,948,759	2,433,593,432
												-
Balance as at 1 January 2016	376,701,973	337,773,202	37,006,907	291,396,559	35,003,009	735,052,415	(6,888,000)	201,598,608	194,710,608	2,007,644,673	425,948,759	2,433,593,432
Loss for the year	-	-	-	-	-	(139,586,858)	-	-	-	(139,586,858)	(33,040,922)	(172,627,780)
Other comprehensive income for the year	-	-	-	-	-	-	3,444,000	4,962,187	8,406,187	8,406,187	-	8,406,187
Total comprehensive income for the year	-	-	-	-	-	(139,586,858)	3,444,000	4,962,187	8,406,187	(131,180,671)	(33,040,922)	(164,221,593)
Acquisition of investment in subsidiary (Note 13.1)	-	-	-	3,369,879	-	-	-	-	-	3,369,879	(4,369,879)	(1,000,000)
Dividend paid (Note 29)	-	-	-	-	-	(4,186,358)	-	-	-	(4,186,358)	-	(4,186,358)
Stock dividend (Note 29)	37,669,375	-	-	-	-	(37,669,375)	-	-	-	-	-	-
Transfer unappropriated retained earnings to statutory reserve	-	-	-	-	6,221,603	(6,221,603)	-	-	-	-	-	-
Dividend paid to non-controlling interests of the subsidiary (Note 13.2)	-	-	-	-	-	-	-	-	-	-	(31,536,960)	(31,536,960)
Balance as at 31 December 2016	414,371,348	337,773,202	37,006,907	294,766,438	41,224,612	547,388,221	(3,444,000)	206,560,795	203,116,795	1,875,647,523	357,000,998	2,232,648,521
						-				-		

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 2016

(Unit: Baht)

Separate financial statements

						Other components of shareholders' equity			
						Other comprehensive income			
	Issued and paid-up share capital	Ordinary share premium	Treasury share premium	Retained earnings		Gain (loss) on change in value of available-for-sale investment	Revaluation surplus on land	Total other components of shareholders' equity	Total shareholders' equity
				Appropriated - Statutory reserve	Unappropriated				
Balance as at 1 January 2015	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
Loss for the year	-	-	-	-	(32,308,927)	-	-	-	(32,308,927)
Other comprehensive income for the year	-	-	-	-	(109,677)	(3,936,000)	-	(3,936,000)	(4,045,677)
Total comprehensive income for the year	-	-	-	-	(32,418,604)	(3,936,000)	-	(3,936,000)	(36,354,604)
Dividend paid (Note 29)	-	-	-	-	(10,464,797)	-	-	-	(10,464,797)
Stock dividend (Note 29)	94,174,770	-	-	-	(94,174,770)	-	-	-	-
Balance as at 31 December 2015	376,701,973	337,773,202	37,006,907	35,003,009	765,077,443	(6,888,000)	201,598,608	194,710,608	1,746,273,142
									-
Balance as at 1 January 2016	376,701,973	337,773,202	37,006,907	35,003,009	765,077,443	(6,888,000)	201,598,608	194,710,608	1,746,273,142
Profit for the year	-	-	-	-	124,432,064	-	-	-	124,432,064
Other comprehensive income for the year	-	-	-	-	-	3,444,000	4,962,187	8,406,187	8,406,187
Total comprehensive income for the year	-	-	-	-	124,432,064	3,444,000	4,962,187	8,406,187	132,838,251
Transfer unappropriated retained earnings									
to statutory reserve	-	-	-	6,221,603	(6,221,603)	-	-	-	-
Dividend paid (Note 29)	-	-	-	-	(4,186,358)	-	-	-	(4,186,358)
Stock dividend (Note 29)	37,669,375	-	-	-	(37,669,375)	-	-	-	-
Balance as at 31 December 2016	414,371,348	337,773,202	37,006,907	41,224,612	841,432,171	(3,444,000)	206,560,795	203,116,795	1,874,925,035

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 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit (loss) before tax	(197,592,831)	(60,489,675)	119,356,348	(32,888,287)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Bad debt and allowance for doubtful debt (reversal)	(288,420)	874,019	(288,420)	874,019
Reversal of allowance for diminution in value of inventories	(710,460)	(7,697,664)	-	-
Depreciation and amortisation	259,934,820	246,387,062	26,967,046	25,709,850
(Gain) loss on disposal/written-off of assets	12,817,069	9,425,858	2,308	(945,652)
Loss on fair value adjustment of investment properties	26,093,624	-	26,093,624	-
Impairment loss on assets	154,931,354	-	-	-
Amortisation of cost relating to the issuance of debentures	861,652	979,756	861,652	979,756
Share of profit from investment in associated company	(5,471,689)	(15,709,883)	-	-
Long-term employee benefit expenses	10,017,189	13,932,987	1,421,313	6,552,383
Dividend income	(8,384,910)	(7,503,000)	(145,133,570)	(23,253,000)
Interest expenses	99,816,516	107,572,251	43,557,891	44,614,734
Interest income	(1,201,382)	(784,635)	(693,021)	(345,811)
Profit from operating activities before change in operating assets and liabilities	350,822,532	286,987,076	72,145,171	21,297,992
Operating assets (increase) decrease				
Trade and other receivables	(9,710,582)	8,909,237	(1,388,820)	12,839,622
Inventories	20,238,183	5,072,024	-	-
Other current assets	976,272	(5,126,284)	(1,034,546)	(2,823,979)
Other non-current assets	(4,981,852)	(4,776,312)	(5,418)	748,636
Operating liabilities increase (decrease)				
Trade and other payables	63,000,580	2,670,178	5,298,939	32,910
Payment of long-term employee benefits	(9,230,481)	(8,269,849)	(4,980,200)	(669,000)
Other current liabilities	15,579,202	10,852,027	1,115,452	(639,748)
Other non-current liabilities	12,193,384	6,135,727	-	5,000,000
Cash flows from operating activities	438,887,238	302,453,824	71,150,578	35,786,433
Cash paid for interest expenses	(99,861,994)	(104,731,040)	(43,569,455)	(41,756,991)
Cash paid for income tax	(46,521,712)	(53,995,283)	(10,679,864)	(16,915,855)
Net cash flows from (used in) operating activities	292,503,532	143,727,501	16,901,259	(22,886,413)

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 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
(Increase) decrease in current investments	(4,076,694)	(4,071,526)	-	2,354
Decrease in restricted bank deposit	4,738	567,470	-	-
Cash paid for acquisition of investments in subsidiaries	(999,800)	(209,128,767)	(999,800)	(209,128,767)
Cash received from capital reduction of associated company	4,725,000	-	4,725,000	-
Acquisition of plant and equipment	(148,959,398)	(203,593,330)	(7,796,467)	(39,612,113)
Proceeds from sales of property, plant and equipment	1,391,045	3,292,685	935	2,449,194
Acquisition of intangible assets	(12,692,800)	(10,029,688)	(91,612)	(41,367)
Acquisition of leasehold rights	(645,600)	(6,600,000)	-	-
Dividend received	16,325,160	23,253,000	16,325,160	23,253,000
Cash received from interest income	540,966	795,973	36,241	345,811
Net cash flows from (used in) investing activities	(144,387,383)	(405,514,183)	12,199,457	(222,731,888)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(36,200,000)	276,000,000	(26,000,000)	241,000,000
Repayment of long-term loans from financial institutions	(123,829,884)	(79,123,238)	-	-
Cash received from long-term debentures	-	500,000,000	-	500,000,000
Repayment of long-term debentures	-	(490,000,000)	-	(490,000,000)
Transaction costs relating to the issuance of debentures	-	(2,600,000)	-	(2,600,000)
Cash paid for liabilities under finance lease agreements	(4,919,705)	(2,078,087)	-	-
Dividend paid	(4,186,358)	(10,464,797)	(4,186,358)	(10,464,797)
Net cash flows from (used in) financing activities	(169,135,947)	191,733,878	(30,186,358)	237,935,203
Net decrease in cash and cash equivalents	(21,019,798)	(70,052,804)	(1,085,642)	(7,683,098)
Cash and cash equivalents at beginning of year	121,465,037	191,517,841	10,754,595	18,437,693
Cash and cash equivalents at end of year	100,445,239	121,465,037	9,668,953	10,754,595
	-	-	-	-
Supplemental cash flows information:				
Non-cash items				
Payables from purchase of assets	36,397,486	22,164,847	164,813	2,531,637
Acquisition of assets under finance lease agreements	7,668,758	7,328,323	-	-
Dividend receivable from related party	-	-	128,808,410	-

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 2016

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	
			2016	2015
			Percent	Percent
<u>Subsidiaries directly owned by the Company</u>				
SST Warehouse Co., Ltd.	Warehouse	Thailand	100	80
Mudman Plc.	Holding Company	Thailand	80	80

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016	2015
			Percent	Percent

Subsidiaries indirectly owned by the Company

Held by Mudman Plc.

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.	Dissolution during 2016	Thailand	-	100
Greyhound Co., Ltd.	Produce and distribution of clothing and leather work	Thailand	100	100
Greyhound Café Co., Ltd.	Restaurant	Thailand	100	100

Held by Greyhound Cafe Co., Ltd.

GHC CAFE (UK) Co., Ltd.	Not started the operation	United Kingdom	100	-
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- b) The Company is deemed to have control over an investee or subsidiaries 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.
- c) 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.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- 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 of the financial statements, on 25 February 2016, the Company acquired 9,998 ordinary shares of SST Warehouse Company Limited (a subsidiary); as a result, the Company's shareholding in SST Warehouse Company Limited increased from 80 percent to 100 percent.
- h) On 8 March 2016, Greyhound Café Company Limited (a subsidiary held by Mudman Public Company Limited) invested in 100 percent shareholding of GHC CAFE (UK) Company Limited, a new company which was incorporated in United Kingdom with a registered share capital of GBP 200,000. The subsidiary is principally engaged in the distribution of food and beverage. During the current year, such company has not commenced its operations.

- i) On 31 May 2016, the Extraordinary General Meeting of shareholders of Golden Gourmet Company Limited (a subsidiary held by Mudman Public Company Limited) passed a special resolution to approve its dissolution. The subsidiary registered its dissolution with the Ministry of Commerce on 1 June 2016 and was liquidated on 30 December 2016.

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. 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 standards.

The management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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

Inventories are valued at the lower of cost and net realisable value. Cost is determined by First-in First-out method. Cost includes all production costs and attributable factory overheads.

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. The fair value of marketable securities is based on the latest bid price of the last working day of the year.
- 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 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	-	30	years
Factory	-	7 - 20	years
Office building	-	10, 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 and allowance for loss on impairment of assets (if any). 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>
Trademark	-	40 years
Franchise	-	7 - 20 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 individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises 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 and 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 and 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 the 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 and other employee benefit plan. 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 other comprehensive income.

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.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting 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:

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 to the financial statements.

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. 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.

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 financial statements		Separate financial statements		Pricing policies
	2016	2015	2016	2015	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Management fee income	-	-	13,129	14,213	Reciprocal agreement
Dividend income	-	-	128,808	-	Announced rate
<u>Transactions with associated company</u>					
Warehouse rentals (Note 34.2)	49,400	49,400	49,400	49,400	Contract rate
Dividend income	-	-	7,940	15,750	Announced rate
<u>Transactions with related companies</u>					
Warehouse rentals (Note 34.2)	65,400	65,400	65,400	65,400	Contract rate
Rental expenses	6,414	4,923	-	-	Contract rate
Dividend income	8,385	7,503	8,385	7,503	Announced rate
Dividend payment	14,957	-	-	-	Announced rate
<u>Transactions with directors, employees and related persons</u>					
Acquisitions of investments	1,000	-	1,000	-	At cost
Dividend payment	12,802	-	-	-	Announced rate

The balances of the accounts as at 31 December 2016 and 2015 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade receivables - related parties (Note 8)				
Subsidiaries	-	-	640	620
Dividend receivables- related parties				
Subsidiaries	-	-	128,808	-
Rental deposit - related parties				
Related companies	32,500	32,500	31,500	31,500
Trade payable - related parties (Note 21)				
Associated company	24,700	24,700	24,700	24,700
Related company	37,364	34,981	37,364	34,981
	<u>62,064</u>	<u>59,681</u>	<u>62,064</u>	<u>59,681</u>
Other payables - related parties (Note 21)				
Subsidiaries	-	-	6,042	6,042
Related company	2,510	466	-	-
	<u>2,510</u>	<u>466</u>	<u>6,042</u>	<u>6,042</u>
Dividend payable - related parties				
Related company	14,957	-	-	-
Directors, employees and related persons	12,802	-	-	-
	<u>27,759</u>	<u>-</u>	<u>-</u>	<u>-</u>

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. The agreement expired on 30 September 2015. On 15 September 2015, the Company renewed the agreement for a period of 3 years, from 1 October 2015 to 30 September 2018.

Directors and management's benefits

During the years ended 31 December 2016 and 2015, 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	112,891	115,119	22,776	27,709
Post-employment benefits	4,457	7,867	340	4,000
Total	<u>117,348</u>	<u>122,986</u>	<u>23,116</u>	<u>31,709</u>

Guarantee obligations with related parties

Subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 34.5 (a) and 34.5 (b) to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash	19,323	19,243	1,229	1,121
Bank deposits	81,122	102,222	8,440	9,634
Total	<u>100,445</u>	<u>121,465</u>	<u>9,669</u>	<u>10,755</u>

As at 31 December 2016, bank deposits in saving accounts and fixed deposits carried interests at the rates between 0.10 and 0.63 percent per annum (2015: between 0.10 and 0.65 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	638	584
Past due				
Up to 3 months	-	-	2	36
Total receivables - related parties	-	-	640	620
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	82,215	71,662	22,574	20,795
Past due				
Up to 3 months	23,492	25,424	15,579	17,130
3 - 6 months	4,316	2,597	4,287	2,550
6 - 12 months	1,171	827	1,121	777
Over 12 months	6,067	6,775	584	1,113
Total	117,261	107,285	44,145	42,365
Less: Allowance for doubtful debts	(6,068)	(6,678)	(585)	(1,180)
Total trade receivables - unrelated parties, net	111,193	100,607	43,560	41,185
Total trade receivable - net	111,193	100,607	44,200	41,805
<u>Other receivables</u>				
Other receivables - unrelated parties	1,847	2,434	719	780
Total other receivables	1,847	2,434	719	780
Trade and other receivables - net	113,040	103,041	44,919	42,585

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	97,332	105,106	(3,925)	(2,825)	93,407	102,281
Work in process	2,043	5,228	-	-	2,043	5,228
Raw materials	86,033	100,214	(5,627)	(7,438)	80,406	92,776
Packing materials	14,899	12,442	-	-	14,899	12,442
Goods in transit	723	435	-	-	723	435
Others	12,870	10,714	-	-	12,870	10,714
Total	<u>213,900</u>	<u>234,139</u>	<u>(9,552)</u>	<u>(10,263)</u>	<u>204,348</u>	<u>223,876</u>

During the current year, subsidiary reversed the write-down of cost of inventories by Baht 0.7 million (2015: 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.

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 is presented below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2016	2015
Cost	123,000	123,000
Less: Revaluation of available-for-sale securities	(4,305)	(8,610)
Net book value	<u>118,695</u>	<u>114,390</u>

The Company pledged all investment units of Subsrithai Smart Storage Property Fund as collateral against credit facilities granted by a financial institution.

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.

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	
			2016	2015	2016	2015	2016	2015
			(%)	(%)				
Sub Sri Thai Property Fund	Fund raising to invest in immovable properties, and seek benefits from those properties	Thailand	33.33	33.33	230,781	237,975	220,275	225,000

During the year, the associated company has reduced fund registered capital by decreasing value of investment units at the rate of Baht 0.21 per unit, and paid such capital reduction proceeds to the Company with a total value of Baht 4.7 million on 22 September 2016.

12.2 Share of comprehensive income and dividend received

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 statements as follows:

(Unit: Thousand Baht)

Fund	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate during the year		Dividend received during the year	
	2016	2015	2016	2015
Sub Sri Thai Property Fund	5,472	15,710	7,940	15,750

12.3 Fair value of investments in listed associates

As at 31 December 2016, 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 200 million (2015: Baht 209 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 as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit for the years ended 31 December	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Sub Sri Thai Property Fund	661	675	695	716	3	3	49	54	16	47

13. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements as at 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Separate financial statements					
			Shareholding percentage		Cost		Dividend received during the year	
	2016	2015	2016	2015	2016	2015	2016	2015
			(%)	(%)				
SST Warehouse Co., Ltd.	5,000	5,000	100	80	5,000	4,000	-	-
Mudman Plc.								
(Formerly known as "Mudman Limited")	843,923	843,923	80	80	1,485,886	1,485,886	128,808	-
Total					1,490,886	1,489,886	128,808	-

- 13.1 On 24 February 2016, the Executive Board of Directors Meeting of the Company passed a resolution to acquire additional share of SST Warehouse Company Limited (a subsidiary) from the Company's directors. Subsequently, on 25 February 2016, the Company acquired 9,998 ordinary shares of SST Warehouse Company Limited at a value of Baht 100 per share or totaling Baht 1 million; as a result, the Company's shareholding in SST Warehouse Company Limited increased from 80 percent to 100 percent. The Company therefore recorded the variance from such change amounting to Baht 3 million under the caption of "Surplus from the change in the ownership interests in subsidiaries" as a separate item in shareholders' equity in the consolidated statement of financial position.
- 13.2 On 14 December 2016, a meeting of the Board of Directors of the Mudman Public Company Limited (a subsidiary) passed a resolution approving an interim dividend payment of Baht 0.19 per share, totaling Baht 160 million which consist of dividend paid to the Company amounting to Baht 129 million and dividend paid to the non-controlling interests of the subsidiary amounting to Baht 31 million. Such dividend has been paid to its shareholders on 13 January 2017.

- 13.3 On 9 March 2015, the Board of Directors Meeting of the Company passed a resolution to acquire additional share of Mudman Public Company Limited (a subsidiary) from the former shareholders of Greyhound Group. Subsequently, on 17 March 2015, the Company acquired 449,821 ordinary shares of Mudman Public Company Limited at a value of Baht 464.92 per share or totaling Baht 209 million; as a result, the Company's shareholding in Mudman Public Company Limited increased from 75 percent to 80 percent. The Company therefore recorded the variance from such change amounting to Baht 93 million under the caption of "Surplus from the change in the ownership interests in subsidiaries" as a separate item in shareholders' equity in the consolidated statement of financial position.
- 13.4 The Company and its subsidiary pledged partial share certificates of Mudman Public Company Limited and all share certificates of Golden Donuts (Thailand) Company Limited and ABP Café (Thailand) Company Limited, as collateral against credit facilities granted by financial institutions.

14. Investment properties

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2016	2015
Net book value at beginning of year	392,445	435,260
Loss from a fair value adjustment	(26,094)	-
Changes in classification of property (Note 15)	-	(42,815)
Net book value at end of year	366,351	392,445

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.

In 2015, 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 2014) Property, plant and equipment.

Key assumptions used in the valuation are summarised below:

	Consolidated / Separate financial statements		Result to fair value where as an increase in assumption value
	2016	2015	
Occupancy rate (%)	50 - 92	85 - 95	Increase in fair value
Discount rate (%)	10.5 - 16.0	10.5 - 13.0	Decrease in fair value
Rental rate (Baht/square meter/month)	105 - 160	120 - 160	Increase in fair value

15. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis	Cost basis						Total
	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	
Cost / Revalued amount:								
1 January 2015	371,928	168,091	388,343	230,819	166,552	32,581	22,883	1,381,197
Additions	-	363	46,550	45,643	32,469	1,064	61,797	187,886
Disposals/written-off	-	-	(7,032)	(1,107)	(2,929)	(11,275)	(961)	(23,304)
Transfers	-	530	36,339	26,365	9,166	-	(72,400)	-
Transferred in from investment properties (Note 14)	29,744	13,071	-	-	-	-	-	42,815
31 December 2015	401,672	182,055	464,200	301,720	205,258	22,370	11,319	1,588,594
Additions	-	397	51,427	38,477	32,148	903	45,210	168,562
Disposals/written-off	(396)	(93)	(17,169)	(7,532)	(7,812)	(230)	(371)	(33,603)
Transfers	-	-	32,575	2,363	4,429	-	(39,367)	-
Revaluations (Note 16)	6,203	-	-	-	-	-	-	6,203
31 December 2016	407,479	182,359	531,033	335,028	234,023	23,043	16,791	1,729,756

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis	Cost basis						Total
	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	
Accumulated depreciation:								
1 January 2015	-	108,950	124,212	100,397	84,319	19,334	-	437,212
Depreciation for the year	-	9,978	66,653	36,946	33,772	4,432	-	151,781
Depreciation on disposals/written-off	-	-	(3,737)	(574)	(1,919)	(9,803)	-	(16,033)
31 December 2015	-	118,928	187,128	136,769	116,172	13,963	-	572,960
Depreciation for the year	-	10,985	79,349	40,848	32,719	3,378	-	167,279
Depreciation on disposals/written-off	-	(93)	(9,510)	(3,142)	(6,576)	(90)	-	(19,411)
31 December 2016	-	129,820	256,967	174,475	142,315	17,251	-	720,828
Allowance for impairment loss:								
1 January 2015	-	-	-	-	-	-	-	-
31 December 2015	-	-	-	-	-	-	-	-
Increase during the year	-	-	9,161	8	-	-	-	9,169
31 December 2016	-	-	9,161	8	-	-	-	9,169
Net book value:								
31 December 2015	401,672	63,127	277,072	164,951	89,086	8,407	11,319	1,015,634
31 December 2016	407,479	52,539	264,905	160,545	91,708	5,792	16,791	999,759
Depreciation for the year								
2015 (Baht 39 million included in service and manufacturing cost, and the balance in selling and administrative expenses)								151,781
2016 (Baht 42 million included in service and manufacturing cost, and the balance in selling and administrative expenses)								167,279

(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
Cost / Revalued amount:								
1 January 2015	369,734	167,723	16,731	71,783	23,340	24,832	519	674,662
Additions	-	363	-	18,177	874	1,064	20,167	40,645
Disposals/written-off	-	-	-	(46)	(513)	(11,276)	-	(11,835)
Transfers	-	530	-	18,518	-	-	(19,048)	-
Transferred in from investment properties (Note 14)	29,744	13,071	-	-	-	-	-	42,815
31 December 2015	399,478	181,687	16,731	108,432	23,701	14,620	1,638	746,287
Additions	-	397	-	2,945	1,184	903	-	5,429
Disposals/written-off	-	(93)	-	(2,225)	(1,698)	-	-	(4,016)
Transfers	-	-	-	1,638	-	-	(1,638)	-
Revaluations (Note 16)	6,203	-	-	-	-	-	-	6,203
31 December 2016	405,681	181,991	16,731	110,790	23,187	15,523	-	753,903



(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	
Accumulated depreciation:								
1 January 2015	-	108,851	13,754	44,009	18,878	16,077	-	201,569
Depreciation for the year	-	9,960	1,320	6,916	1,505	2,873	-	22,574
Depreciation on disposals/written-off	-	-	-	(19)	(509)	(9,803)	-	(10,331)
31 December 2015		118,811	15,074	50,906	19,874	9,147	-	213,812
Depreciation for the year	-	10,966	794	8,948	1,583	1,866	-	24,157
Depreciation on disposals/written-off	-	(93)	-	(2,223)	(1,697)	-	-	(4,013)
31 December 2016	-	129,684	15,868	57,631	19,760	11,013	-	233,956
Net book value:								
31 December 2015	399,478	62,876	1,657	57,526	3,827	5,473	1,638	532,475
31 December 2016	405,681	52,307	863	53,159	3,427	4,510	-	519,947
Depreciation for the year								
2015 (Baht 19 million included in service cost, and the balance in administrative expenses)								22,574
2016 (Baht 22 million included in service cost, and the balance in administrative expenses)								24,157

- a) As at 31 December 2016, 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 256 million (2015: Baht 214 million) (The Company only: Baht 168 million, 2015: Baht 147 million).
- b) As at 31 December 2016, subsidiaries had assets with net book value of Baht 5 million (2015: Baht 3 million) which were acquired under finance lease agreements.
- c) In December 2016, 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 6 million (net of income tax amounting to Baht 5 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 2016.

Key assumptions used in the valuation are summarised below:

	Consolidated / Separate financial statements		Result to fair value where as an increase in assumption value
	<u>2016</u>	<u>2015</u>	
Price per square wah (Baht)	14,000 - 275,000	12,500 - 250,000	Increase in fair value

The land had been presented at cost in the financial statements, the book value as of 31 December 2016 and 2015 on the cost basis would have been as follows:

(Unit: Thousand Baht)

As at	Consolidated financial statements	Separate financial statements
31 December 2016	149,278	147,480
31 December 2015	149,674	147,480

16. Revaluation surplus on land

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	<u>2016</u>	<u>2015</u>
Balance as at beginning of year	251,999	251,999
Increase during the year (Note 15)	6,203	-
Balance as at ending of year	258,202	251,999
Less: Deferred tax liabilities (20% of tax)	(51,641)	(50,400)
Revaluation surplus on land - net of tax	206,561	201,599

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

17. Goodwill and intangible assets with indefinite useful lives

Goodwill from the business combination principally comprises the expected synergy from combining operations of the acquirer and the acquiree.

For the purpose of impairment testing, the Company allocated goodwill acquired in business combinations and trademarks with indefinite useful lives to each of the cash generating units (CGUs), as presented below:

(Unit: Thousand Baht)

	Donuts unit	Bakery unit	Restaurant unit	Total
Goodwill	484,370	298,192	1,113,477	1,896,039
Trademarks with indefinite useful lives	-	-	325,690	325,690

The recoverable amount of each CGU is determined based on a value-in-use calculation, using cash flow projections extracted from financial budgets approved by the management. The cash flow projections cover a five-year period for Donuts and Bakery units and an eight-year period for Restaurant unit because the Company acquired the Restaurant unit in 2014, and needs a period of 10 years to manage and grow the business in order to create synergies from the business combination.

Key assumptions used in value in use calculations are summarised below:

(Unit: percent per annum)

	Donuts unit	Bakery unit	Restaurant unit
Earnings before interests and taxes margin (excluded franchise income)	7%	5% - 6%	5% - 8%
Growth rate	3% - 4%	3% - 5%	8% - 15%
Pre-tax discount rate	13%	13%	13%

The management determined the budget earnings before interests and taxes margin and growth rate based on past performance and its expectations of market development. The discount rate used is pre-tax and reflect specific risks relating to the relevant segments.

The growth rate used to extrapolate cash flow projections beyond the period covered by the most recent forecasts does not exceed the long-term average growth rate for the industry in which the CGU operates.

Increase in the discount rate of 1% - 3% per annum would result in recoverable amounts that are equal to the carrying amounts.

The management did not identify indications of impairment for goodwill and trademarks with indefinite useful lives.

18. Leasehold rights

The balance of leasehold rights as at 31 December 2016 and 2015 is as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Leasehold rights - cost	136,215	135,569	34,918	34,918
Less: Accumulated amortisation	(59,767)	(49,015)	(17,887)	(15,994)
Allowance for impairment loss	(3,049)	-	-	-
Net book value	<u>73,399</u>	<u>86,554</u>	<u>17,031</u>	<u>18,924</u>

A reconciliation of the net book value of leasehold rights for the years 2016 and 2015 is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net book value at beginning of year	86,554	91,262	18,924	20,816
Increase during the year	646	6,600	-	-
Amortisation for the year	(10,752)	(11,308)	(1,893)	(1,892)
Allowance for impairment loss made during the year	(3,049)	-	-	-
Net book value at end of year	<u>73,399</u>	<u>86,554</u>	<u>17,031</u>	<u>18,924</u>

Subsidiaries have mortgaged a part of leasehold rights, net book value as at 31 December 2016 approximately of Baht 36 million (2015: Baht 43 million) as collateral against credit facilities received from financial institutions.

19. Intangible assets

The net book value of intangible assets as at 31 December 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements					Separate financial statements
	Trademarks	Franchise	Computer software	Others	Total	Computer software
As at 31 December 2016:						
Cost	474,522	790,087	55,361	14,368	1,334,338	9,582
Less: Accumulated amortisation	(6,511)	(256,075)	(35,171)	(7,570)	(305,327)	(8,283)
Allowance for impairment loss	(142,321)	-	-	(392)	(142,713)	-
Net book value	<u>325,690</u>	<u>534,012</u>	<u>20,190</u>	<u>6,406</u>	<u>886,298</u>	<u>1,299</u>
As at 31 December 2015:						
Cost	474,523	796,058	64,726	14,388	1,349,695	9,491
Less: Accumulated amortisation	(3,721)	(198,885)	(46,142)	(5,007)	(253,755)	(7,366)
Net book value	<u>470,802</u>	<u>597,173</u>	<u>18,584</u>	<u>9,381</u>	<u>1,095,940</u>	<u>2,125</u>

A reconciliation of the net book value of intangible assets for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book value at beginning of year	1,095,940	1,167,327	2,125	3,327
Increase during the year	14,990	17,358	91	41
Disposals / written-off during the year	(16)	(5,447)	-	-
Amortisation for the year	(81,903)	(83,298)	(917)	(1,243)
Allowance for impairment loss made during the year	(142,713)	-	-	-
Net book value at end of year	<u>886,298</u>	<u>1,095,940</u>	<u>1,299</u>	<u>2,125</u>

During this year, the Company assessed the recoverable amount of trademark for the garment business based on a value-in-use calculation using cash flow projections. The pre-tax discount rate applied to the cash flow projections was 14 percent per annum and it was concluded that the recoverable amount is lower than the carrying amount. The Company therefore recognised allowance for impairment loss on such trademark amounting to Baht 142 million in profit or loss in the consolidated financial statements in the current year.

As at 31 December 2016, subsidiaries had intangible assets with net book value of Baht 9 million (2015: Baht 7 million) which were acquired under finance lease agreements.

20. Short-term loans from financial institutions

	(Unit: Thousand Baht)					
	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term loans from financial institutions	3.53 - 3.65, MLR-2.5	3.50 - 3.89, MLR-2.5	408,800	445,000	384,000	410,000

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

Short-term loans are secured by the pledge of partial share certificates of Mudman Public Company Limited and all investment units of SubsriThai Smart Storage Property Fund and guaranteed by its subsidiaries.

As at 31 December 2016, the short-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 143 million (2015: Baht 172 million) (The Company only: Baht 123 million, 2015: Baht 147 million).

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables - related parties	62,064	59,681	62,064	59,681
Trade payables - unrelated parties	204,897	197,994	454	575
Other payables - related parties	2,510	466	6,042	6,042
Other payables - unrelated parties	57,829	29,528	4,071	2,986
Customer deposits	11,183	9,508	11,182	9,478
Payable from purchase of assets	36,397	22,165	165	2,532
Accrued salaries and bonuses	43,529	25,979	-	-
Accrued rental and service fee	33,861	30,747	-	-
Accrued franchise fee	11,654	12,725	-	-
Accrued property tax	14,929	17,873	-	-
Other accrued expenses	36,372	31,372	7,585	7,349
Total trade and other payables	<u>515,225</u>	<u>438,038</u>	<u>91,563</u>	<u>88,643</u>

22. Long-term loans from financial institutions

			(Unit: Thousand Baht)	
			Consolidated	
			financial statements	
Loans	Interest rate (%)	Repayment schedule	2016	2015
Golden Donuts (Thailand) Company Limited				
1.	MLR-1.75 to 2.00	Monthly installments as from April 2013 to March 2021	13,736	16,792
2.	MLR-1.50	Quarterly installments as from December 2014 to September 2021	444,360	491,970
ABP Café (Thailand) Company Limited				
1.	MLR-1.50	Quarterly installments as from December 2014 to September 2021	198,433	228,012
Greyhound Café Company Limited				
1.	MLR-1.50	Quarterly installments as from December 2014 to September 2021	386,400	427,800
Greyhound Company Limited				
1.	MLR	Monthly installments as from December 2007 to December 2017	2,160	4,344
Total			1,045,089	1,168,918
Less: Current portion			(173,334)	(123,688)
Long-term loans from financial institutions, net of current portion			871,755	1,045,230

The loan agreement contains certain covenants which, among other things, require a 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 the subsidiaries in Mudman Group and by subsidiary's directors.

23. Long-term debentures

			(Unit: Thousand Baht)	
			Consolidated / Separate	
			financial statements	
			2016	2015
Face value			500,000	500,000
Less: Unamortised costs relating to the issuance of debentures			(947)	(1,809)
Long-term debentures, net			499,053	498,191

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.

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	
	2016	2015	2016	2015
Provision for long-term employee benefits at beginning of year	51,201	45,732	14,652	8,631
Included in profit or loss:				
Current service cost	8,399	12,534	1,154	6,311
Interest cost	1,618	1,400	267	242
Included in other comprehensive income:				
Actuarial (gains) losses resulting from				
Changes in demographic assumptions	-	(415)	-	-
Changes in financial assumptions	-	682	-	137
Experience adjustments	-	(462)	-	-
Benefits paid during the year	(9,230)	(8,270)	(4,980)	(669)
Provision for long-term employee benefits at end of year	51,988	51,201	11,093	14,652

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cost of sales	1,287	2,582	874	2,234
Selling and administrative expenses	8,730	11,351	547	4,318
Total expenses recognised in profit or loss	10,017	13,933	1,421	6,552

The Company and its subsidiaries expect to pay Baht 4 million of long-term employee benefits during the next year (2015: Baht 9 million) (The Company only: Baht 2 million, 2015: Baht 5 million).

As at 31 December 2016, the weighted average duration of the long-term employee benefit liabilities is 7.4 - 12.6 years (2015: 7.4 - 12.6 years) (The Company only: 10.2 years, 2015: 10.2 years)

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	2.4 - 3.9	2.4 - 3.9	2.8	2.8
Salary increase rate	3.0 - 6.0	3.0 - 6.0	6.0	6.0
Turnover rate	0 - 71.0	0 - 71.0	0 - 13.0	0 - 13.0

The effects of sensitivity analysis for significant assumptions on the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
<u>As at 31 December 2016:</u>				
Discount rate	(5,117)	5,994	(973)	1,154
Salary increase rate	6,381	(5,522)	1,165	(1,001)
Turnover rate	(5,508)	2,091	(1,033)	438
<u>As at 31 December 2015:</u>				
Discount rate	(4,638)	5,426	(881)	1,041
Salary increase rate	5,369	(4,670)	953	(825)
Turnover rate	(4,991)	1,867	(935)	376

25. Share capital

On 26 April 2016, the 2016 Annual General Meeting of the Company's shareholders approved the followings significant transactions.

- 25.1 The reduction of the Company's registered share capital from Baht 546,219,257 to Baht 376,701,973, or a decrease of 169,517,284 shares with a par value of Baht 1 per share, to eliminate the shares remaining after the distribution of the share dividend for the year 2014 and the registered share capital under the general mandate for the year 2015, for which share offering has not been made. The Company registered the reduction of its share capital with the Ministry of Commerce on 4 May 2016.

25.2 The increase in the share capital of the Company from Baht 376,701,973 to Baht 640,393,352 by issuing 263,691,379 new ordinary shares with a par value of Baht 1 per share to support the payment of share dividend for 37,670,197 shares for the year 2015 and the increase of 226,021,182 shares under the general mandate for the year 2016. The Company registered the increase in its share capital with the Ministry of Commerce on 10 May 2016.

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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Salaries, wages and other employee benefits	946,074	902,406	85,863	94,174
Depreciation	167,279	151,781	24,157	22,574
Amortisation expenses	93,517	95,586	3,671	4,116
Rental expenses from operating lease agreements	689,392	639,792	114,800	114,800
Franchise fees	73,189	72,935	-	-
Transportation expenses	60,722	56,397	5,180	5,992
Electricity expenses	80,998	80,805	4,592	4,781
Marketing expenses	40,072	44,384	-	-
Raw materials and consumables used	800,345	837,388	8,347	9,596
Changes in inventories of finished goods and work in progress	10,959	16,284	-	-

28. Income tax

28.1 Tax income (expenses) for the years ended 31 December 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	(29,895)	(24,926)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	54,860	12,950	5,076	579
Tax income (expense) reported in the statements of comprehensive income	24,965	(11,976)	5,076	579

28.2 The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax on (gain) loss from the change in value of available-for-sale investments	(861)	984	(861)	984
Deferred tax on gain from revaluation of land	(1,241)	-	(1,241)	-
Deferred tax on actuarial (gain) loss	-	(95)	-	27
	(2,102)	889	(2,102)	1,011

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit (loss) before tax	(197,593)	(60,490)	119,356	(32,888)
Applicable tax rate	10 - 20 percent	10 - 20 percent	20 percent	20 percent
Accounting profit (loss) before tax multiplied by				
income tax rate	39,796	12,453	(23,871)	6,578
Share of profit from investment in associated company	1,094	3,142	-	-
Dividend income	-	-	27,350	3,150
Tax loss for the year which unrecognised to deferred tax asset	(23,076)	(26,855)	-	(7,805)
Others	7,151	(716)	1,597	(1,344)
Tax income (expense) reported in the statements of comprehensive income	24,965	(11,976)	5,076	579

28.4 The components of deferred tax assets and deferred tax liabilities as at 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax assets				
Provision for long-term employee benefits	7,092	7,436	2,219	2,930
Unearned revenues	3,626	1,149	-	-
Revaluation of available-for-sale investment	861	1,722	861	1,722
Others	363	336	117	236
Total	<u>11,942</u>	<u>10,643</u>	<u>3,197</u>	<u>4,888</u>
Deferred tax liabilities				
Fair value of intangible assets arise in business acquisition	192,814	234,839	-	-
Fair value of building improvement and equipment arise in business acquisition	11,980	16,747	-	-
Revaluation surplus on land	51,641	50,400	51,641	50,400
Revaluation of investment properties to fair value	63,361	68,108	63,361	68,108
Fair value adjustment of investment properties for transferred to property-in-use	9,431	9,860	9,431	9,860
Others	1,145	1,876	1,145	1,876
Total	<u>330,372</u>	<u>381,830</u>	<u>125,578</u>	<u>130,244</u>

As at 31 December 2016, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 488 million (2015: Baht 403 million) (The Company only: Baht 35 million, 2015: Baht 44 million). No deferred tax assets have been recognised on these amounts as the management of the Company and its subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The Company and its subsidiaries have unused tax losses amounting to Baht 441 million (the Company only: Baht 30 million) will expire by 2021.

29. Dividend paid

	Approved by	Total dividends	Dividend per share
		(Unit: Thousand Baht)	(Unit: Baht)
Final dividend for 2014	Annual General Meeting of the shareholders on 21 April 2015		
- Cash dividend		10,465	0.04
- Stock dividend of 94,174,770 ordinary shares		94,175	0.33
Total dividend paid in 2015		104,640	0.37
Final dividend for 2015	Annual General Meeting of the shareholders on 26 April 2016		
- Cash dividend		4,187	0.01
- Stock dividend of 37,669,375 ordinary shares		37,669	0.10
Total dividend paid in 2016		41,856	0.11

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 years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
		(Restated)		(Restated)
Profit (loss) for the year (Thousand Baht)	(139,587)	(63,990)	124,432	(32,309)
Weighted average number of ordinary shares (Thousand shares)	414,371	414,371	414,371	414,371
Earnings (loss) per share (Baht/share)	(0.34)	(0.15)	0.30	(0.08)

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 three 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. Garment segment produces and distributes clothing and leather work

The Company and its subsidiaries operate in Thailand only. 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 on a basis consistent with that used to measure operating profit or loss in the financial statements.

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

For the years 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

The following tables present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2016 and 2015.

(Unit: Million Baht)

	Food and beverage segment		Warehouse and wharf segment		Garment segment		Consolidated financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue								
Sales and services income	2,708	2,562	325	276	181	236	3,214	3,074
Operating result:								
Segment profit (loss)	(24)	(26)	33	(22)	(54)	(33)	(45)	(81)
Other income							123	114
Share of profit of investment in associated company							5	16
Loss on fair value adjustment of investment properties							(26)	-
Impairment loss on assets							(155)	-
Finance cost							(100)	(109)
Loss before income tax							(198)	(60)
Tax incomes (expenses)							25	(12)
Loss for the year							<u>(173)</u>	<u>(72)</u>

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 to 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. The contributions for the year 2016 amounting to approximately Baht 9 million (2015: Baht 9 million) (The Company only: Baht 2 million, 2015: Baht 3 million) were recognised as expenses.

33. Employee Joint Investment Program

Details of Employee Joint Investment Program are as follows:

1) Approved by	The Annual General Meeting of the shareholders in 2014	The Annual General Meeting of the shareholders in 2016
2) Duration of the scheme	2 years, from 1 August 2014 to 31 July 2016	2 years, from 1 August 2016 to 31 July 2018
3) Detail of contributions	<p>Employees contribute 5 percent of their monthly base salary and the Company and its subsidiaries additionally contribute 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 contribute 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 2016, the Company and its subsidiaries contributed Baht 3 million (2015: Baht 7 million) (The Company only: Baht 2 million, 2015: Baht 5 million) to the program.

34. Commitments and contingent liabilities

34.1 Capital commitments

As at 31 December 2016, the Company and its subsidiaries had capital commitments of approximately Baht 21 million (2015: Baht 18 million) (The Company only: none, 2015: Baht 1 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.

As at 31 December 2016 and 2015, future minimum lease payments required under these lease agreements were as follows:

(Unit: Million Baht)		
	Consolidated / Separate financial statements	
	<u>2016</u>	<u>2015</u>
Payable:		
In up to 1 year	111	112
In over 1 and up to 5 years	420	448
In over 5 years	176	259

34.3 Operating lease commitments and service agreements

The Company and its subsidiaries have entered into several lease agreements is 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.

As at 31 December 2016 and 2015, the Company and its subsidiaries have future minimum lease payments required under these operating leases contracts were as follows.

(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Payable:				
In up to 1 year	279	253	7	9
In over 1 and up to 5 years	421	287	9	11
In over 5 years	162	105	-	-

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.

34.5 Guarantees

- (a) Subsidiaries in Mudman Group have guaranteed bank credit facilities of three subsidiaries amounting to Baht 1,235 million.
- (b) Subsidiaries in Mudman Group have guaranteed short-term credit facilities of Mudman Public Company Limited and its subsidiaries amounting to Baht 80 million.
- (c) As at 31 December 2016, there were outstanding bank guarantees of approximately Baht 50 million (2015: Baht 104 million) issued by banks on behalf of the Company and its subsidiaries. These included letters of guarantee amounting to Baht 36 million (2015: Baht 97 million) to rental payment and Baht 14 million (2015: Baht 7 million) to guarantee electricity use, among others.

34.6 Commitment on financial advisory service fee

The subsidiary entered into a financial advisory service and underwriting agreement to appoint a securities company as its financial advisor for the purpose of its application to the Office of the Securities and Exchange Commission for permission to make an initial public offering of its shares, to list the subsidiary's new shares on the Stock Exchange of Thailand, and as underwriter for the sale of its shares through the initial public offering. As at 31 December 2016, under the agreement the subsidiary was committed to paying financial advisory service fee and underwriting fee at the rates stipulated in the agreement.

34.7 Litigation

In April 2015, five former employees sued the Company for unfair dismissal through the Central Labor Court, seeking compensation from the Company. Currently, the cases are being heard by the Central Labor Court. The Company's management believes that these former employees violated the Company's rules and disobeyed the employer's orders; as a result, the Company can lay off these former employees without compensation. Therefore, the Company's management believes that it will not suffer any significant loss as a result of this litigation.

35. Fair value hierarchy

As at 31 December 2016 and 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets measured at fair value								
Investment in available-for-sale securities - Equity instruments	119	114	-	-	-	-	119	114
Investment properties	-	-	-	-	366	392	366	392
Land	-	-	408	402	-	-	408	402

(Unit: Million Baht)

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets measured at fair value								
Investment in available-for-sale securities - Equity instruments	119	114	-	-	-	-	119	114
Investment properties	-	-	-	-	366	392	366	392
Land	-	-	406	402	-	-	406	402

During the current year, there were no transfers within the fair value hierarchy.

36. Financial instruments

36.1 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, investment in available-for-sale securities, 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					
	2016					
	Fixed interest rates			Non-interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Floating interest rate			
Financial assets						
Cash and cash equivalents	-	-	64	36	100	0.10 - 0.63
Current investments	-	-	-	12	12	-
Trade and other receivables	-	-	-	113	113	-
Restricted bank deposits	3	-	-	-	3	1.30 - 1.75
Investment in available-for-sale securities	-	-	-	119	119	-
Rental deposit	-	-	-	130	130	-
Financial liabilities						
Short-term loans from financial institutions	209	-	200	-	409	3.53 - 3.65, MLR-2.5
Trade and other payables	-	-	-	515	515	-
Long-term loans from financial institutions	-	-	1,045	-	1,045	MLR-2 to MLR
Long-term debentures	-	499	-	-	499	5.50

(Unit: Million Baht)

Consolidated financial statements						
2015						
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	72	49	121	0.10 - 0.65
Current investments	-	-	-	8	8	-
Trade and other receivables	-	-	-	103	103	-
Restricted bank deposits	3	-	-	-	3	0.50 - 1.75
Investment in available-for-sale securities	-	-	-	114	114	-
Rental deposit	-	-	-	125	125	-
Financial liabilities						
Short-term loans from financial institutions	245	-	200	-	445	3.50 - 3.89, MLR-2.5
Trade and other payables	-	-	-	438	438	-
Long-term loans from financial institutions	-	-	1,169	-	1,169	MLR-2 to MLR
Long-term debentures	-	498	-	-	498	5.50

(Unit: Million Baht)

Separate financial statements						
2016						
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	9	1	10	0.10 - 0.38
Trade and other receivables	-	-	-	45	45	-
Dividend receivable from related party	-	-	-	129	129	-
Investment in available-for-sale securities	-	-	-	119	119	-
Rental deposit	-	-	-	32	32	-
Financial liabilities						
Short-term loans from financial institutions	184	-	200	-	384	3.53 - 3.65, MLR-2.5
Trade and other payables	-	-	-	92	92	-
Long-term debentures	-	499	-	-	499	5.50

(Unit: Million Baht)

	Separate financial statements					
	2015					
	Fixed interest rates			Non-		
	Within	1-5	Floating	interest		
	1 year	years	interest rate	bearing	Total	Interest rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	10	1	11	0.10 - 0.38
Trade and other receivables	-	-	-	43	43	-
Investment in available-for-sale securities	-	-	-	114	114	-
Rental deposit	-	-	-	32	32	-
Financial liabilities						
Short-term loans from financial institutions	210	-	200	-	410	3.50 - 3.89, MLR-2.5
Trade and other payables	-	-	-	89	89	-
Long-term debentures	-	498	-	-	498	5.50

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 low 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.

36.2 Fair values of financial instruments

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

37. 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 2016, the Group's debt-to-equity ratio was 1.34:1 (2015: 1.26:1) and the Company's debt-to-equity ratio was 0.60:1 (2015: 0.66:1).

38. Events after the reporting period

- 38.1 On 13 January 2017, Mudman Public Company Limited (a subsidiary) received a loan under promissory note from a financial institution amounting to Baht 160 million for the purpose of dividend payment to its shareholders. The promissory note carries interest at the rate of 3.55 per annum and is repayable in July 2017. This credit facility is guaranteed by the Company, its subsidiaries and its director and is secured by the Company's bank deposits.
- 38.2 On 18 January 2017, the Board of Directors Meeting of SST Warehouse Company Limited (a subsidiary) passed a resolution approving payment of interim dividend of Baht 240 per share, totaling Baht 12 million to its shareholders. Such dividend has been paid to its shareholders on 2 February 2017.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 27 February 2017.



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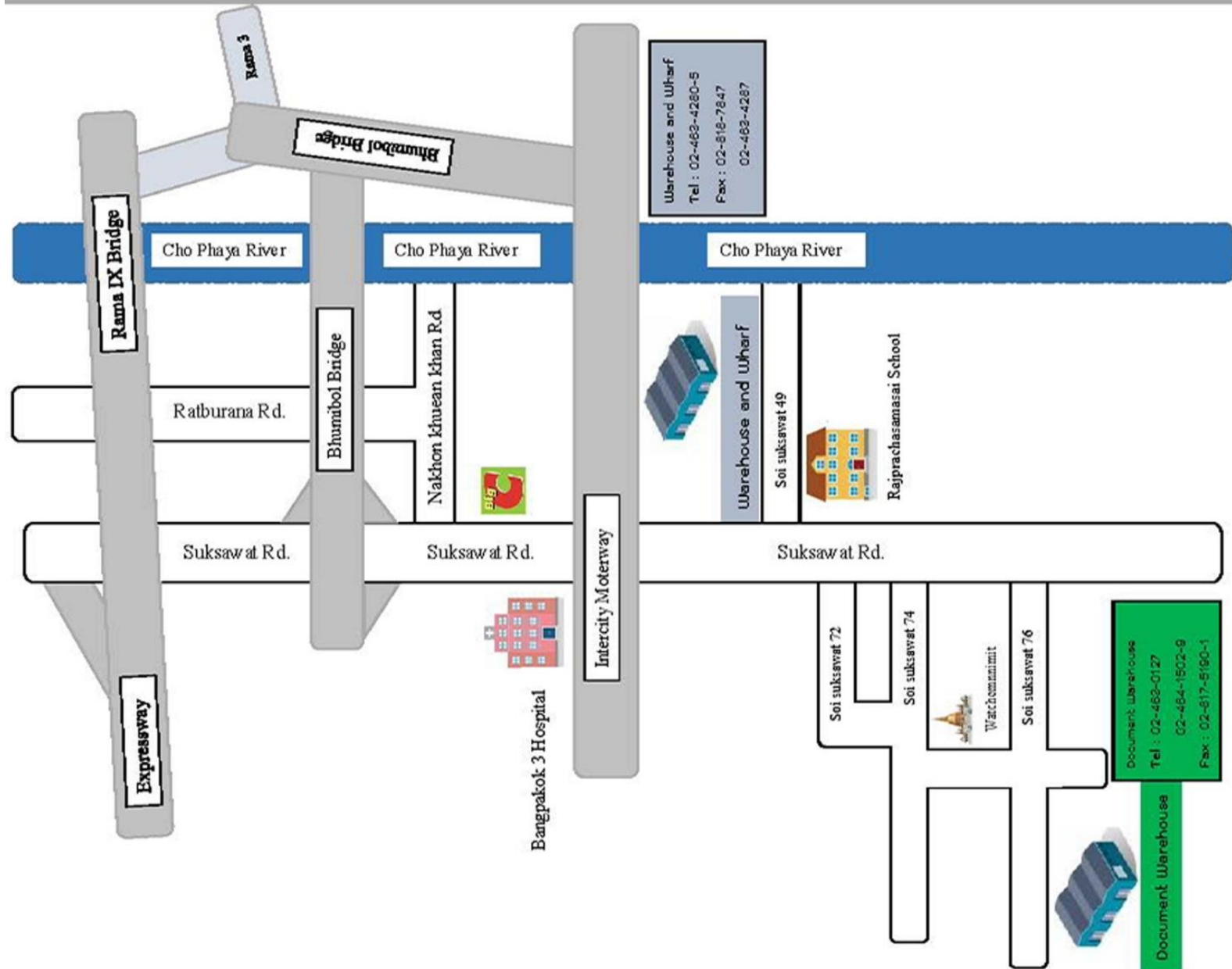
โทรศัพท์ : 0-2463-4280-9 โทรสาร : 0-2463-4287, 0-2818-7847

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