

# รายงานประจำปี 2561

บริษัท กรังฟรี่ย์ไทย จำกัด (มหาชน)

## ANNUAL REPORT 2018



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## 1. Message from the Chairman of the Board of Directors



( Mr. Sompoch Intranukul )

Chairman of the Board of Directors



During the year 2018, the growth of the world economy has continuously grown but not as much as the last year, due to a trade war between the United States and China, political tensions between the United States and Russia, US trade protectionist trade policies, the countermeasures from trading partners, Economic slowdown in both Europe and China as well as the interest rates has started rising, cause banks strictly to grant loans, etc.

For the performance of our company in 2018, amid the prices competition and labor problems, the Company had net profit in consolidated financial statements at 40 million Baht which warehouse and wharf business had net profit 52 million Baht and Lifestyle business had net profit 2 million Baht. Whereas, Food and beverage had net loss of 14 million Baht.

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's 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.





## 2. Report of Board of Directors

In year 2018, projection of the country's economic growth rate expanded at the rate of 4.1% increasingly when compared to the year 2017, which expanded at the rate of 4.0%. For export, they were expanded at the rate of 7.7%, decreasingly when compared to the year 2017, which expanded at the rate of 9.8%. And import, they were expanded at the rate 14.3%, increasingly when compared to the year 2017, which expanded at rate 13.2

In 2019, the forecast of economic growth rate of the country will expand at the rate 3.5% to 4.5% with the export and import volume will expand at the rate 4.1% and 6.1% respectively<sup>1</sup>.

In 2018 the food & beverage business with 4 well-known brands, "Au Bon Pain", "Dunkin Donuts", "Baskin-Robbins" and "Greyhound Café", including Lifestyle 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 87% in 2017 to be 91%. 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 2018, 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, car registration manual, computer media for instance. Product typed chemical fertilizer annually deposited was 0.35 million tons, increasing at the rate of 12.87% when compared with quantity of 0.31 million tons in year 2017.

**Warehouse Rental:** Average area for rent was 33,685.82 square meters per month increase at the rate of 16.48% when compared with amount of 28,919.13 square meters per month in year 2017. Types of goods stored were cassava starch, wheat, sugar, chemical products, chemical fertilizer, cereal grain, meat meal, kitchen appliances, electrical equipment, furniture, office supplies, publication, paper, packaging, paper product, textile, shoes for instance.

**Wharf Rental:** There were 82 sea-going vessels berthing at the port, an average of 22.46 days/wharf per month, increasing at the rate of 11.25% when compared with 73 sea-going vessels, and average of 20.19 days/wharf per month in year 2017.

**Service of through cargoes:** There was a total of 0.35 million tons of various through cargoes, such as iron, chemical fertilizer, frozen products, salt, vegetable oil, sugar, wheat, rice, sawdust and other goods decreases at the rate of 7.62% when compared with amount of 0.38 million tons in the year 2017.

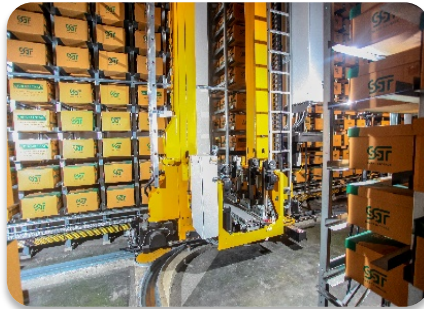
The Company performance (consolidated financial statement) in 2018, we had net profit at 40 million baht. If we categorize our performance at business group, we found that warehouse and wharf business had total income 394 million Baht with net profit of 52 million Baht, food and beverage had total income 2,935 million baht with net loss of 14 million Baht and Lifestyle business had total income 147 million Baht with net profit 2 million Baht.

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<sup>1</sup> Source: Office of the National Economic and Social Development Board, February 19, 2018



In this 2018, 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.



### 3. Vision and Mission

#### Vision and Mission:

- 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.



## 4. 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 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 its 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 the year 2017, Mudman Public Company Limited ("MM") has increased its capital by issuing ordinary shares for public offering and listing on the Market for Alternative Investment (MAI), so that MM could raise funds in the capital market to support future business expansion to enhance ability for competitiveness in the future. It also increases the strength in financial to the Company and MM as well as reduced the burden of relying on the Company's funding sources.

In September, 2017, the company expanded its business by entering to the hotel business which the first hotel is. A 4 - 5 star hotel named of "House of Tin Baron" located in centrally of Phuket province. There is a restaurant in the hotel named "Old Town". The construction period is 1-3 years. When restaurants and hotels start operation, it help the company earn more revenue and profit.

As of December 31, 2018, Sub Sri Thai Public Company Limited has operated in 3 major businesses which are warehouse and wharf, food and beverage and lifestyle business with 9 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 77 branches outlets in Thailand at the end of 2018.

### **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 301 branches outlets in Thailand at the end of 2018.

### **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 2018, Baskin-Robbins has totally 36 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”, “KIN HEY by Greyhound and “M-Kitchen” 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 2018, there are 38 branches in Thailand and oversea: 20 branches in Thailand and 18 branches oversea.

### **7. Mudman International Limited.**

On November 27, 2017, Mudman Public Company Limited, a subsidiary of the Company, invested in Mudman International Limited, a newly established company in the Republic of Mauritius with registered capital of Baht 975,525. The purpose of the establishment is to invest in other companies which located in foreign countries.



Subsequently, on December 21, 2017 Mudman International Limited purchased the ordinary shares of Societe Langonnaise des Vins et Hotelleries SAS ("SLVH"), which operates food and beverage in France under trademark "Le Grand Vefour". The registered capital is Baht 17,670,290. There is 1 branch at the end of 2018.

## Lifestyle Business

### **8. Greyhound Co., Ltd.**

Greyhound Co., Ltd. operates business as produce and distribute fashions and accessories 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 2018, there are 11 branches in Thailand in various brands in order to reach the target customers which have different styles. The significant brands are Greyhound Original and Smileyhound and there are daily appliances products sold in shop Everything-Hound.

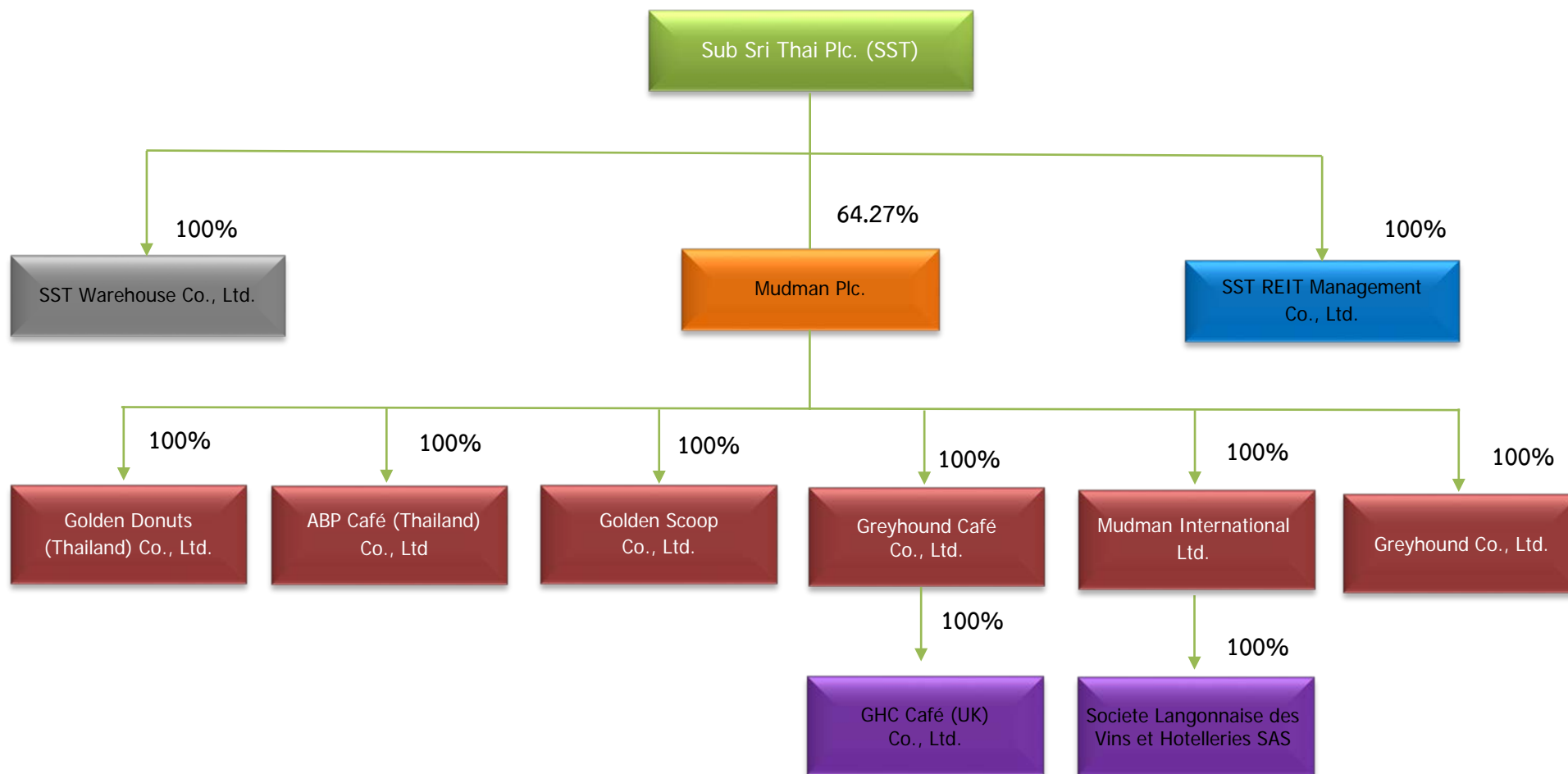
## Other Business

### **9. SST REIT Management Co., Ltd.**

SST REIT Management Co., Ltd., was established on September 29, 2017 with a paid-up capital of Baht 10,000,000, with 100,000 common shares at the par value of Baht 100 per share and the main objective to manage business as a REIT Manager for Real Estate Investment Trust. A major shareholder is Sub Sri Thai Plc. with holding 100%. SST REIT Management Co., Ltd., received the REIT Manager license from the SEC on 1<sup>st</sup> December 2017. Currently, SST REIT Management Co., Ltd., manages Sub Sri Thai Real Estate Investment Trust.



## Holding Shares in Subsidiary Companies as at December 31, 2018



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

## Property Fund and Real Estate Investment Trust (REIT)

Sub Sri Thai Property Fund (Free Hold) (“SSTPF”) has been registered of its property into mutual fund on 29 April 2011, with 675 million Baht from the unit holders and CIMB-Principal Asset Management Co., Ltd. was appointed as the fund manager. The objective is to mobilize funds from general investors to invest commercially in the property. The Company has purchased 22,500,000 of the investment units of the Fund or equivalent to 33.33 % 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 Baht at the price of 9.79 Baht per investment unit or 220.28 million Baht of investment by the Company.

Moreover, The Company has invested in Sub Sri Thai Real Estate Investment Trust (“SSTRT”) that converted from Sub Sri Thai Smart Storage Property Fund (“SSTSS”) which its objective is to raise funds from investors and invest in purchasing and / or rental property and provide the benefits of such real estate. SSTRT has One Asset Management Limited as trustee and SST REIT Management Co., Ltd. is a REIT Manager. The conversion had reduced the registered capital at par value Baht 10.00 to Baht 7.7007 per unit on 13 December 2017 and the Company has still held 12.3 million units of SSTRT, valued at 94.72 million Baht or 15% of total investment units.

## 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.





## 4.1 Income Structure in each Type of Business

Company's Name	Type of Business	% of Share	2018		2017		2016	
			Million Baht	%	Million Baht	%	Million Baht	%
Sub Sri Thai Plc. SST Warehouse Co., Ltd.	Warehouse and Wharf	100	390	11	328	10	325	10
Mudman Plc. Golden Donuts (Thailand) Co., Ltd. ABP Café (Thailand) Co., Ltd Golden Scoop Co., Ltd. Greyhound Café Co., Ltd. Mudman International Ltd.	Food & Beverage	64.27	2,935	80	2,694	81	2,708	81
Greyhound Co., Ltd.	Apparel Business	64.27	147	4	137	4	181	5
SST REIT Management Co., Ltd.	REIT Management	100	4	-	-	-	-	-
Other income			180	5	166	5	123	4
Total Income			3,656	100	3,325	100	3,337	100



## 4.2 Products and services classified by business type

### 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, sugar, chemical products, chemical fertilizer, cereal grain, meat meal, kitchen appliances, electrical equipment, furniture, office supplies, publication, paper, packaging, paper product, textile, shoes 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, 2018, SST Warehouse Co., Ltd has warehouse space for licensed warehouse at 9 buildings, covering 13,273 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 77 outlets (data as of 31 December 2018) 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 301 outlets throughout Thailand (data as at 31 December 2018) 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 36 branches outlets (data as at December 31, 2018) mostly located in department stores and business areas with in-house and take away service.



### Greyhound Café Co., Ltd.

Greyhound Café / Another-Hound Café / KIN HEY by Greyhound / M-Kitchen is a full service restaurant with fashion café concept, operated by Greyhound Café Company Limited (“GHC”). Greyhound Café / Another-Hound Café has been creating its unique concepts in not only stylish menu and outstanding decoration, but also impressed services and premium food & beverage quality in every single stores.

As of December 31, 2018, GHC had 38 stores in Thailand and oversea: 20 branches in Thailand under Greyhound Café / Another-Hound Café / KIN HEY by Greyhound / M-Kitchen and 18 branches oversea (Republic of China, Hong Kong, Malaysia, Singapore, and Indonesia) under Greyhound Café brand.

### Societe Langonnaise des Vins et Hotelleries SAS (“SLVH”)

SLVH operates full-service restaurant under the trademark of “*Le Grand Vefour*” which is a historic restaurant (since 1784) with more than 230 years of operation. Currently, SLVH has only one restaurant located in the area of The Palais Royal’s Gardens in Paris, France with two Michelin stars.

The targets customer of Le Grand Vefour is businessmen, top executives, politicians, and tourists with high income level who are fascinated in French gastronomy. In addition, Le Grand Vefour carefully selects premium raw materials and professionally serves quality cuisine to represent customers’ personality, taste of food and the value of the price to create customer satisfaction.

Le Grand Vefour is a restaurant offering splendid French gastronomy, presenting French luxury in 18<sup>th</sup> century and modern & vibrant fashion that are reflected through the various food menus and desserts.

### Lifestyle Business

#### Greyhound Co., Ltd.

“Greyhound Co., Ltd.” operates business as produce and distribute fashions and accessories under “Greyhound” brands, targeting mid-to-high customer group. As of December 31, 2018, there are 11 branches outlets in Thailand and it is also exported to overseas market in Asia such as Korean, Indonesia, Singapore., and 1 branche of Greyhound Coffee.

### Other Business

#### REIT Manager

#### SST REIT Management Co.,Ltd.

To conduct business as a REIT Manager for Real Estate Investment Trust governed by Trustee. SST REIT Management Co., Ltd., received the REIT Manager license from the SEC on 1st December 2017. Currently, SST REIT Management Co., Ltd., manages Sub Sri Thai Real Estate Investment Trust.





## 4.3 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 chemical fertilizer, frozen product, sawn timber, soybean and wheat, the exporter of goods in the type of flour, Palm oil, sugar and steel, etc. and manufacturer of goods in type of textile, paper, shoes, 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 42 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” / “KIN HEY by Greyhound” / “M-Kitchen” 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.

### **Lifestyle Business**

Operates business produce and distribute fashions and accessories under brands “Greyhound”, 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 lifestyle 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.

### **Other Business**

#### **Management Trust as a REIT Manager**

To conduct business as a REIT Manager is a particular business and low competition due to the strictly rules and regulations governed by government sectors and has to obtain the SEC's approval for REIT Manager license before operate this business. However, this business has a good perpetual income and low risk because of management for high value of assets.



## 4.4 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.

### Lifestyle Business

Produce and distribute fashions and accessories under brands "**Greyhound**" uses raw material produced in Thailand.





## Other Business

### Management Trust as a REIT Manager

To manage Sub Sri Thai Real Estate Investment Trust (SSTRT) as a REIT Manager.

## Important Events in 2018

<b>April 2018</b>	<p>The Annual General Meeting of Shareholders for the year 2018, hold on April 26, 2018, has significant resolved as follows:</p> <ol style="list-style-type: none"> <li>1. Approved the decrease of the Company's registered capital from 704,431,290 Baht to 455,807,823 Baht by reducing the number of remaining shares from the ordinary shares reserved for stock dividend payment in total of 660 shares and ordinary shares reserved for the increase of registered capital under a General Mandate which have been not allocated in year 2017 in the whole amount of 248,622,807 shares, totally 248,623,467 shares at a par value of 1 Baht per share totaling of 248,623,467Baht.</li> <li>2. Approved the issuance and offering of warrants No. 2 (SST-W2) to purchase ordinary shares of the Company to the existing shareholders of the Company not exceeding 30,387,188 units according to the proportion of their shareholding at Offering Price Baht 0 (zero Baht). Allocation to the existing shareholders of the Company is at the ratio of 15 existing ordinary shares for 1 unit of the Warrants. Exercise price will be at Baht 10 per one newly issued ordinary share. Term of the Warrants is 3 years.</li> <li>3. Approved the increase of register capital of the Company from Baht 455,807,823 to Baht 759,679,703 by issuing new ordinary share in total 303,871,880 shares at a par value of Baht 1 per share in order to accommodate the exercise of warrant to purchase the ordinary shares of the Company No. 2 (SST-W2) 30,387,188 shares and to accommodate the capital increase under a General Mandate 273,484,692 shares.</li> </ol>
<b>May 2018</b>	<p>As of May 24, 2018, the company's registered capital and paid-up capital are as follows:</p> <p>Registered capital: 759,679,703 Baht</p> <p>Paid-up capital: 455,807,823 Baht</p>



## 5. Financial Highlights

( Unit : Thousand Baht )

Consolidated Financial	2016	2017 (Revised)	2018
Warehouse and Wharf business incomes	324,678	327,772	393,549
Food and Beverage business incomes	2,707,690	2,686,338	2,935,011
Apparel Business income / Lifestyle business	181,452	136,962	147,026
Total Revenues	3,337,366	3,317,385	3,655,214
Operating expenses (excluded interest and income Tax expenses)	3,259,589	3,274,133	3,549,702
Income from ordinary activities	(172,628)	(36,870)	40,428
Total Assets	5,223,509	6,217,413	5,706,785
Total Liabilities	2,990,861	2,948,183	2,416,376
Shareholders' equity	2,232,649	3,269,229	3,290,409
Issued and paid-up share capital (ordinary shares)	414,371,348	455,807,823	455,807,823
Earning per share from ordinary activities*	(0.31)	(0.05)	0.10
Book value per share (Baht)*	4.11	4.94	5.03
Liquidity ratio (Time)	0.39	0.66	0.86
Collection Period (Day)	12.03	12.27	13.26
Net profit Margin (%)	(5.37)	(1.17)	1.16
Return on Equity (%)	(7.73)	(1.13)	1.23
Return on Total Assets (%)	(3.30)	(0.60)	0.71
Debt-to Equity	1.34	0.90	0.73
Payout Ratio (%)	N/A	N/A	N/A

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



## 6. 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:

### 6.1 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.

### 6.2 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.

### 6.3 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 lifestyle business. Those businesses would reduce the risk of the Company from not getting franchised license extension.

### 6.4 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.

### 6.5 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 lifestyle Business that caters for major income to us it has very little risk as it may be compared equivalent to cash.



## 6.6 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.

## 6.7 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.





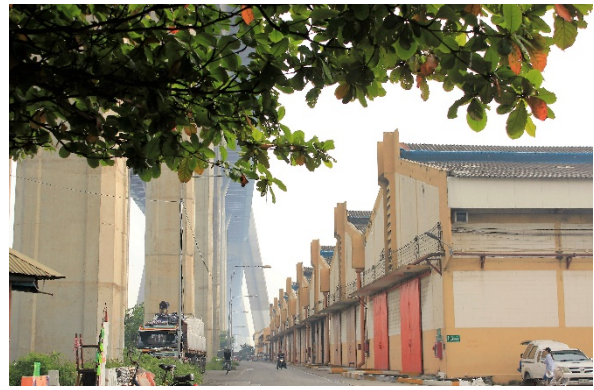
## 7. General Information

### Sub Sri Thai Public Company Limited

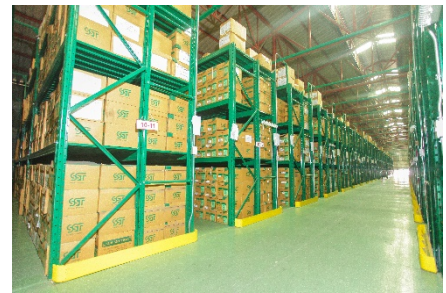
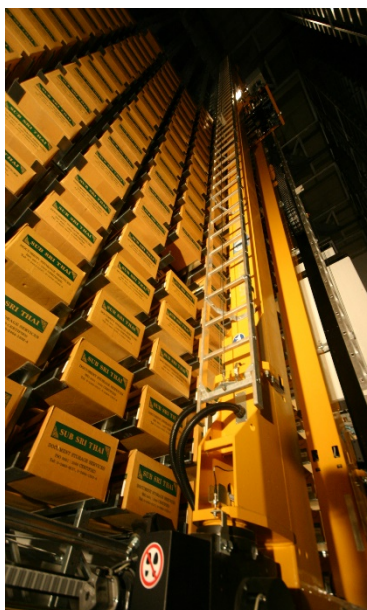
Initial	SST
Registered Number	0107537002117
Type of Business	Providing document and property storage, rental service and space management for warehousing including the service of warehouse and stock management and business related with wharf.
Registered Capital	759,679,703.00 Baht (Seven hundred fifty nine million six hundred seventy nine thousand seven hundred three Baht)
Par Value	1.00 (one) Baht per share
Paid-up Capital	455,807,823.00 Baht (Four hundred fifty-five million eight hundred seven thousand eight hundred twenty-three Baht)
Head Office	2044/25-27 New Phetchaburi Road, Bangkok, 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 and wharf



## Warehouse 2-3 and Document Warehouse





## 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)
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	010759000141
Type of Business	Investment and management in other companies (Holding Company)
Registered Capital	1,054,903,750.00 Baht (One billion fifty-four million nine hundred and three thousand seven hundred fifty Baht)
Par Value	1.00 (One) Baht per share
Paid-up Capital	1,054,903,750.00 Baht (One billion fifty-four million nine hundred and three thousand seven hundred fifty Baht)
Head Office	33/4 The 9 <sup>th</sup> Towers Grand Rama 9, 18 <sup>th</sup> Fl., Tower A, Rama 9 Road, Huaykwang, Huaykwang, Bangkok 10310  Telephone: 66 (0)-2079-9765 Telefax: 66 (0)-2079-9755
Website:	www.mudman.co.th

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

Registered Number	0105548146423
Type of Business	Produce and distribute donuts and beverage under “Dunkin’ Donuts” or “DD” brand.
Registered Capital	300,000,000.00 Baht (Three hundred million Baht)
Par Value	10.00 (Ten) Baht per share
Head Office	33/4 The 9 <sup>th</sup> Towers Grand Rama 9, 18 <sup>th</sup> Fl., Tower A, Rama 9 Road, Huaykwang, Huaykwang, Bangkok 10310  Telephone: 66 (0)-2079-9765 Telefax: 66 (0)-2079-9755
Website:	www.dunkindonuts.co.th



## ABP café (Thailand) Co., Ltd

Registered Number	0105548146776
Type of Business	Produce and distribute bakery and beverage under “Au Bon Pain” brand.
Registered Capital	40,000,000.00 Baht (Forty million Baht)
Par Value	10.00 (Ten) Baht per share
Head Office	33/4 The 9 <sup>th</sup> Towers Grand Rama 9, 18 <sup>th</sup> Fl., Tower A, Rama 9 Road, Huaykwang, Huaykwang, Bangkok 10310
	Telephone: 66 (0)-2079-9765
	Telefax: 66 (0)-2079-9755
Website:	<a href="http://www.aubonpainthailand.com">www.aubonpainthailand.com</a>

## Golden Scoop Co., Ltd.

Registered Number	0105555079990
Type of Business	Import and distribute premium ice-cream under “Baskin Robbins” brand.
Registered Capital	125,000,000.00 Baht (One hundred twenty five million Baht)
Par Value	10.00 (Ten) Baht per share
Head Office	33/4 The 9 <sup>th</sup> Towers Grand Rama 9, 18 <sup>th</sup> Fl., Tower A, Rama 9 Road, Huaykwang, Huaykwang, Bangkok 10310
	Telephone: 66 (0)-2079-9765
	Telefax: 66 (0)-2079-9755
Website:	<a href="http://www.facebook.com/BaskinRobbins Thailand">www.facebook.com/BaskinRobbins Thailand</a>





## Greyhound Café Co., Ltd.

Registered Number	0105539130528
Type of Business	Operating full-service restaurant
Registered Capital	10,784,300.00 Baht (Ten million seven hundred eighty-four thousand 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

## GHC Café (UK) Co., Limited

Registered Number	10049145
Type of Business	Operating full-service restaurant with GHC concept of “Basic with a Creative Twist” in international markets
Registered Capital	200,000 Pound sterling (Approximate 9.09 million Baht <sup>/1</sup> )
Par Value	1.00 Pound sterling per share (Approximate 44.45 Baht <sup>/1</sup> )
Head Office	Sutherland House, 1759 London Road, Leigh On Sea, Essex, United Kingdom, SS9 2RZ
Website	www.greyhoundcafe.uk

Note /1 At the exchange rate of 44.4531 Baht per Pound sterling publicized by Bank of Thailand on Friday December 29, 2017



**Mudman International Limited**

Registered Number	152010
Type of Business	Investment in other companies (Holding Company)
Registered Capital	30,000 USD (Approximate 985,416 Baht <sup>/1</sup> )
Par Value	1.00 USD per share (Approximate 32.85 Baht <sup>/1</sup> )
Head Office	Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius
Website:	-

Note /1 At the exchange rate of 32.8472 Baht per US Dollar publicized by Bank of Thailand on Friday December 29, 2017

**Societe Langonnaise des Vins et Hotelleries SAS**

Registered Number	592066047
Type of Business	Operating premium gastronomical restaurant under "Le Grand Vefour" brand
Registered Capital	452,768 Euro (Approximate 17.84 mm Baht <sup>/1</sup> )
Par Value	16.00 Euro per share (Approximate 630.30 Baht <sup>/1</sup> )
Head Office	17 rue de Beaujolais in Paris 75001, France
Website:	<a href="http://www.grand-vefour.com">www.grand-vefour.com</a>

Note /1 At the exchange rate of 39.3938 Baht per Euro publicized by Bank of Thailand on Friday December 29, 2017



## Lifestyle Business

### Greyhound Co., Ltd.

Registered Number	0105523019789
Type of Business	Produce and distribute fashions and accessories
Registered Capital	96,990,000.00 Baht (Ninety-six million nine hundred and 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:	<a href="http://www.greyhound.co.th">www.greyhound.co.th</a>

## Other Business

### SST REIT Management Co., Ltd.

Registered Number	0105560165432
Type of Business	REIT manager real estate investment trust
Registered Capital	10,000,000.00 Baht (Ten million Baht)
Par Value	100.00 (One hundred) Baht per share
Head Office	2044/25-27 New Phetchaburi Road, Bangkok, Huai Khwang, Bangkok 10310
	Telephone: 66 (0)-2314-0412, 66 (0)-2314-3132, 66 (0)-2318-5514-5
	Telefax: 66 (0)-2318-3490-1
Website:	<a href="http://www.sstrm.co.th">www.sstrm.co.th</a>



## 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	<ul style="list-style-type: none"> <li>- Ms. Wimolporn Boonyusthian CPA. No.4067</li> <li>- Ms. Juntira Juntrachaichoat CPA. No.6326</li> <li>- Mr. Choopong Surachutikarn CPA. No.4325</li> <li>- Mr. Yongyuth Lertsurapibul CPA. No.6770</li> </ul> <p>Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.  AIA Sathorn Tower, 23rd – 27th Floor 11/1 South Sathorn Road, Yannawa, Sathorn Bangkok 10120, Thailand  Telephone: 66 (0)-2034-0000  Telefax: 66 (0)-2034-0100</p>
Internal Audit	<p>IVL Auditing Co., Ltd.  35 Soi Wachiradhammasatit 36, Bangchak, Prakanong, Bangkok 10260 Thailand  Telephone: 66 (0)-2746-4861-3  Telefax: 66 (0)-2746-4569</p>



## 8. Securities and Shareholders

### 8.1 Sub Sri Thai Securities

As of December 31, 2018, Sub Sri Thai's registered capital at 759,679,703.00 Baht (Seven hundred fifty nine million six hundred seventy nine thousand seven hundred and three Baht) made up of 759,679,703 common shares at par valued of 1.00 Baht each. These consisted of 455,807,823.00 Baht (Four hundred fifty five million eight hundred seven thousand eight hundred and twenty three Baht) in paid-up capital.

### 8.2 Shareholders

(a) First 10 major shareholders as of May 7, 2018, the last date for closing the share register for the year 2018, total the company's shares being sold are 455,807,823 shares and value of share 1.00 Baht

No.	Name of Shareholder	Number of Shares	% of Shares being sold
1.	Mr. Supasith Sukhanindr	89,523,732	19.64
2.	Mr. Supachai Sukhanindr	47,928,147	10.52
3.	Mrs. Intira Sukhanindr	47,322,152	10.38
4.	Mr. Taweecat Chulangkul	30,300,000	6.65
5.	Miss Duangkae Chinthammit	25,540,437	5.60
6.	Miss Duangdao Chinthammit	25,020,563	5.49
7.	Mr. Chamroon Chinthammit	22,183,332	4.87
8.	Mr. Somchai Chinthammit	16,644,546	3.65
9.	Mrs. Kamalee Patchimsawat	14,031,410	3.08
10.	Miss Kamolludee Patchimsawat	13,143,572	2.88
11.	Others	124,169,932	27.24
<b>Total</b>		<b>455,807,823</b>	<b>100.00</b>





## (b) The Board of Directors' Securities Holding (As of December 2018)

No.	Name	Number of Shares	% of Shares being sold
1.	Mr. Sompoch Intranukul	286,360	0.06
2.	Mrs. Chitra Thavara	230,929	0.05
3.	Mr. Surapong Paisitpatnapong	279,301	0.06
4.	Mr. Tosporn Simtrakan	168,173	0.04
5.	Mr. Supasith Sukhanindr	89,559,745	19.65
6.	Mr. Pilanchai Pradubphong	112,995	0.02
7.	Mrs. Intira Sukhanindr	47,358,165	10.39
8.	Miss Duangdao Chinthammit	25,056,576	5.50
9.	Miss Duangkae Chinthammit	25,576,450	5.61

## (C) Minority shareholders (As of March 27, 2018)

The number of minority shareholders (Free Float) amounted to 2,220 persons (36.48%)

**8.3 Issuance of Other Securities****8.3.1 Debentures**

The company has issued its debentures, No. 1/2017 of 600,000 units, value at 1,000 Baht per unit, totaling 600,000,000 Baht on September 21, 2017 which is unsubordinated debentures, unsecured debentures and there are no debenture holder representatives, fixed interest rate at 5.00% per annum and to be payable every 3 months. Its yield to maturity (YTM) is on September 21, 2020.

**8.3.2 Warrant**

The Annual General Meeting of Shareholders for the year 2018, hold on April 26, 2018, has approved the issuance and offering the warrant to purchase ordinary shares of Sub Sri Thai Public Company Limited No. 2 (SST-W2) to allocate to existing shareholders of the Company according to the proportion of their shareholding at Offering Price Baht 0 (zero Baht) at the ratio of 15 existing ordinary shares for 1 unit of the Warrants. The Warrant shall be allocated to the shareholders whose names appear on list of shareholders who entitled to receive the Warrants (Record Date) on May 7, 2018.



**Summary of SSTW-2**

<b>Number of the Warrants</b>	30,368,062 unit
<b>Term of the Warrants</b>	3 years from the issuance and offering date of the Warrants
<b>Issuance Date</b>	1 October 2018
<b>Exercise Price</b>	10.00 Baht per unit (at par value of 1.00 Baht per share) ( subject to adjustment as specified in adjustment conditions)
<b>Exercise Period</b>	On the last business day of every June and December of each calendar year throughout the term of the Warrants.
<b>Last Exercise Date</b>	30 September 2021

**8.4 Dividend Policy**

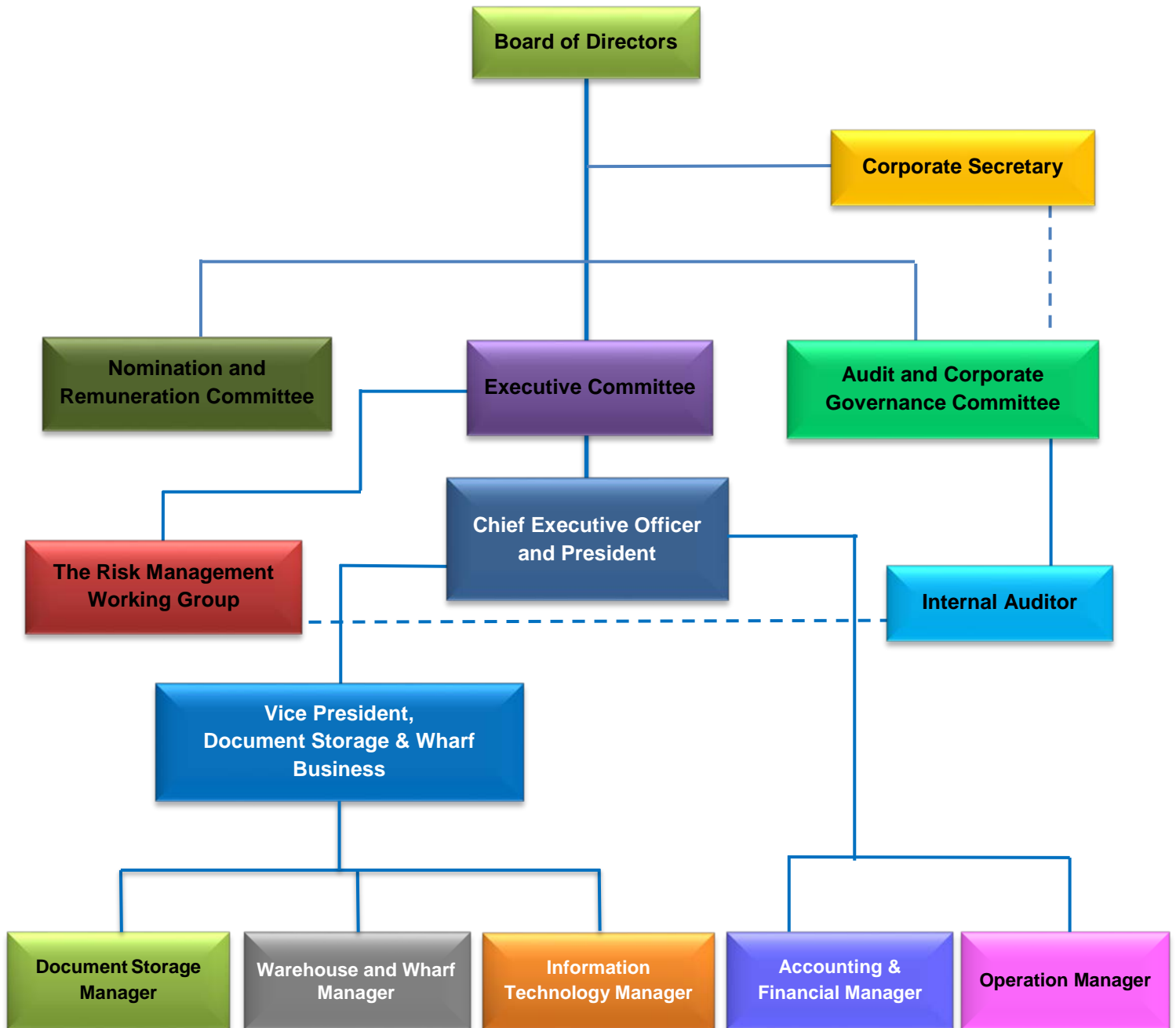
The Company has a dividend payment policy to pay dividends to shareholders at least 50 % of net profit of the company consolidated statements after corporate taxes and the allocation of all legal reserves. This dividend payment shall not contrary to the Public Companies Act. However, dividend payment 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.



## 9. Management Structure about Director and Executive

Management Structure



## 9.1 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 nine members of the Board of Directors have qualification pursuant to the requirements set forth in the Public Limited Company Act and Company's Articles of Association, and possess no prohibited characteristics set forth in the Decree of the Securities Exchange Commission regarding stipulations pertaining to qualifications of executives of listed companies.

### Composition of the Board of Directors

The Board of Directors of the company shall consists of qualified persons with various experiences in various fields 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.

### The Board of Directors consists as follows

1. There are 4 Independent Directors\* 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. ( Qualification of Independent Directors of the Company presented on Page 76

2. There are 2 Executive Directors

3. There are 7 Non-Executive Director



4. There are 4 Authorized director\*\* 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.

5. The Company Secretary\*\*\* 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 44

### 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	✓	✓		
<b>Total</b>	<b>9</b>	<b>7</b>	<b>4</b>	<b>2</b>

The Company separates the duties and responsibilities of the Chairman of the Board of Directors and President and Managing Director in order to balance the power by separating their roles and responsibilities the from each other

### Chairman of the Board

The Board of Directors shall elect one of independent directors who has appropriate knowledge, experience and qualifications to be the Chairman of the Board.

Chairman of the Board 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. Ensure that all directors contribute to the company's ethical culture and good corporate governance.
3. Set the board meeting agenda by discussing with the chief executive officer which important matters should be included.



4. To chair in the board's meeting and shareholders' meeting of the company.
5. Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly.
6. To be the final vote in board's meeting when it comes up with equivalent voting,
7. Promote a culture of openness and debate through ensuring constructive relations between the board and management.

### **Election of directors and term of office**

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 Limited 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. 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 in good faith and with care, prudence, and integrity (Duty of Care and Duty of Loyalty) to preserve the highest interests of 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. Directing and review the vision, mission and business policy and strategy in business plan of the company and budget with the objective for sustainable value creation, conducting business with responsibility and being a leader in good citizenship.
6. Determine structure of the board of directors regarding the number of directors, proportion of independent directors as well as various qualifications to suit the business operations of the company.





7. 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 with considering to social and environmental responsibility.
8. Overseeing and monitoring to ensure the selection and nomination process of a director is carried out transparently and the remunerations for directors and Sub-committee members are determined appropriately.
9. Assessing the performance of the Board of Directors annually and assessing the performance of the managing director together with monitoring the assessment results of the Board and its Sub-committees which will be jointly deliberated by the Board of Directors as well as reviewing the assessment results of the Board and Sub-committees on a regular basis.
10. Reviewing top executive development plans and the succession plan for the President & CEO while overseeing to ensure the effective performance assessment of top executives on an annual basis.
11. Overseeing and monitoring to ensure the determining remuneration process of management appropriately and transparently in line with the Company's operating results to provide both short-term and long-term incentives.
12. Developing their knowledge and competency related to their duties consistently through courses or curricula related to directorial duties or seminars that enhance their knowledge.
13. 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.
14. 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.
15. 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.
16. To consider and approve the connected transactions of the subsidiaries and related persons to comply with relevant notifications and guidelines of the Stock Exchange of Thailand.
17. 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.



18. Encouraging staff at all levels to be conscious of ethics and morality and comply with the Company's principles of corporate governance, Code of Conduct and Anti-corruption policy while promoting awareness of the importance of internal control system and internal audits to reduce the risk of fraud and abuse of authority and prevent any illegal act.
19. Overseeing and supporting the creation of innovations that create value for the Company as well as all stakeholders.
20. Overseeing and monitoring IT management and the implementation of the IT security system.
21. 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.

### Meetings of the Board of Directors

- 1 Meeting of the Board of Directors in accordance with the Company's Articles of Association, Article 31, requires the Board of Directors to meet at least 3 months per 1 time, but in order for the Board of Directors to be able to perform their duties effectively, the board should meet at least 6 times per year and may have additional special meeting as necessary. In the event that the Board of Directors does not have a meeting every month, the board of directors should require the management to report the performance to the board of directors in the month that the meeting is not held.
- 2 The appointment on meeting shall have its Corporate Secretary doing co-ordination on appointments in advance by made year schedule 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.

### Quorum

The quorum of the Board of Directors in accordance with Article 34 of the Company's Articles of Association requires that in the quorum of the Board's meeting shall be of not less than half of all directors. To enhance the Board of Directors to carefully consider important issues, the quorum of the Board of Directors should be attended by at least two-thirds of the total number of directors and there are two-thirds of the total number of directors during voiting.

- 1) 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.
- 2) In any consideration, the directors have the right for checking of the matter with the explanation in details from the management in such matter.
- 3) 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.
- 4) Each director should attend not less than 75 % of all board meetings in any whole financial reporting year.



In the past 2018, The Board of Directors had regular meetings for 4 times with all all directors attended the meeting except one meeting, there were 77.77% of directors attending the meeting due to they had to go abroad. The Company Secretary has already summarized the meeting agenda for the directors who did not attend the meeting when they returned to Thailand. The Board of Directors had considered and followed 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. All directors attended the meeting not less than 75% of the total number of the board meetings held in the year. The detail of Directors' attendance at the meeting are as follow:

**Directors' attendance at the meeting in each committee for year 2018  
(1 January-31 December 2018)**

Name	Position	Board of Directors' Meeting in 2018			
		Board of Directors (Total 4)	Board of Executive Directors (Total 5)	Audit Committee (Total 4)	Nomination/Remuneration committee (Total 2)
1. Mr. Sompoch Intranukul	Chairman and Independent Director/ Chairman of Nomination and Remuneration Committee	4/4	-	-	2/2
2. Mr. Surapong Paisitpatnapong	Director and Independent Director/ Chairman of the Audit and Corporate Governance Committee/ Nomination and Remuneration Committee	4/4	-	4/4	2/2
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	4/4	-	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	5/5	-	2/2
6. Mr. Pilanchai Pradubphong	Director and Vice-Chairman Executive Director	4/4	5/5	-	-
7. Mrs. Intira Sukhanindr	Director	3/4	-	-	-
8. Miss Duangdao Chinthammit	Director	4/4	-	-	-
9. Miss Duangkae Chinthammit	Director	3/4	-	-	-



## 9.2 Executive Officers

The list of executives as of 31 December 2018 are as follows:

Name	Position
1. Mr. Supasith Sukhanindr	Chief Executive Officer and President
2. Mr. Rodney Charles Kimber	Vice President, Document Storage, Wharf Business
3. Mr. Kasidit Thavisin	Document Manager
4. Mr. Panya Soonsap	Warehouse and Wharf Manager
5. Mrs. Patcharee Boonnak	Senior Operation Manager
6. Mr. Somsak Tangprakob*	Accounting and Finance Manager

\* **Miss Manusawee Pakornchaikul**, Accounting and Finance Manager resigned effective from January 1, 2018 and Mr. Somsak Tangprakob was appointed as the Accounting and Finance Manager instead. Effective January 1, 2018.

Chief Executive Officer and President is the top executive position of the company and is the leader of the company's management. The Chief Executive Officer and the President are responsible to the Board of Directors for the management to achieve the goals and objectives of the company, as well as being responsible for the business management of the company and daily management of the company under the scope of authority and duties assigned by the Board of Directors to create long-term value for the company and shareholders, taking into account the interests of all stakeholders

### 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. The supervisor orders about the normal operation of the company. as well as entering into any legal act, contract, order document, notification or letter Used to contact the agency or other person In order to achieve the efficiency and effectiveness of the company's operations
10. Supervise employees and worker as well as employ permanently, appointment, promotion Disciplinary and dismissal in accordant with the regulations of the company
11. Other assignments from the Board and the Executive Board.

However, the use of the power of the Managing Director mentioned above cannot be done if the Managing Director has an interest or may have conflicts of interest in any manner with the company.

### 9.3 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.

At present, the company secretary is Mr. Pilanyachai Praduphong, who graduated with a LL.B. Ramkhamhaeng university and received a diploma in business administration National Institute of Development Administration. He have relevant knowledge and understand the business of the company and the role of the company secretary including understanding the law, Regulations of the SEC and the Stock Exchange of Thailand are well. He also have experiences in various fields and he preform duties with morality, ethics, honesty and transparency.

### 9.4 Remuneration for Directors and Management

#### 9.4.1 Remuneration for directors:

The Annual General Meeting of Shareholders for the year 2018, held on 26 April 2018, approved remuneration for the Board of Directors in the amount not exceeding 18,000,000 baht per year as follows:



Board	Remuneration		Other Benefit		Total
	Yearly	Meeting allowance	EJIP	Bonus	
The Board of Directors	3,060,000.00	-	2,592,000.00	4,530,000.00	10,182,000.00
The Executive Committee	6,798,000.00	-	-	-	6,798,000.00
The Audit and Corporate Governance Committee	660,000.00	-	-	-	660,000.00
The Nomination and Remuneration Committee	300,000.00	60,000.00	-	-	360,000.00
<b>Total</b>	<b>10,818,000.00</b>	<b>60,000.00</b>	<b>2,592,000.00</b>	<b>4,530,000.00</b>	<b>18,000,000.00</b>

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 2018

Directors	2018		2017	
	No. Total	Allowance (Baht)	No. Total	Allowance (Baht)
The Board of Directors (Remuneration)	9	3,060,000	9	3,060,000
The Board of Executive Directors (Remuneration)	2	6,798,000	2	6,798,000
Audit Committee (Remuneration)	3	660,000	3	660,000
Nomination and Remuneration committee (Remuneration or Allowance)	3	320,000	3	320,000
Contribution to EJIP Program	9	2,592,000	9	2,592,000
Bonus	-	-	-	-
Other Benefit	-	-	-	-
<b>Total</b>		<b>13,430,000.00</b>		<b>13,430,000.00</b>





#### 9.4.2 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 2018 including Managing Director

Managements	2018		2017	
	No. Total	Allowance (Baht)	No. Total	Allowance (Baht)
Salary and living expenses	6	10,880,400.00	7	12,612,500.00
Bonus	5	2,478,650.00	6	1,579,881
Contribution to EJIP Program	4	332,220.00	4	316,967
Contribution to provident fund	2	219,780.00	2	213,795
<b>Total</b>		<b>13,911,050</b>		<b>14,723,143</b>

#### 9.4.3 Other Compensation

The Company has rules and regulations for benefits to executives in other type of remuneration as they are the employee of the Company

## 9.5 Employees

#### Number of Employees

Department	Number of Employee	
	December 31, 2018	December 31, 2017
Warehouse and Wharf	29	22
Document Storage	229	196
Accounting & Financial	17	16
Operation	20	21
Information Technology	5	5
<b>Total</b>	<b>300</b>	<b>260</b>



## Employees Compensation

Compensation	Year 2018	Year 2017
Salary, Commissions, Allowances Overtime and Bonus	77,608,821.38	77,029,049.02
Social Security	1,941,957.00	1,752,445.00
Contribution to provident fund	2,184,375.62	2,063,996.51
Contribution to EJIP Program	1,899,725.66	1,821,750.14
<b>Total</b>	<b>83,634,879.66</b>	<b>82,667,240.67</b>

## Personnel Development Policy

The Company recognizes the importance of personnel development to enhance knowledge and abilities for employees in order to increase their work capabilities and efficiency. A personnel development plan has been established as an annual training plan for training so as to increase work skills, including internal training and sending employees to get trained in the courses of external agencies to regularly educate employees.

Besides, in 2018, the Company provided the courses to educate executives, supervisors and employees continuously, namely the courses on working safety, warehouse management and supervisor development, etc.



## Director and Management Biography



MR. SOMPOCH INTRANUKUL

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

Age. 80

### Year of Director

- Since 1999, total 20 years

### 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
- Certified Public Accountant

### Working experiences

1995 – Present

- President The Siam Administrative Management and Security Guards Co., Ltd.

(\* Subsidiary Company)

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 1 Company

1. Chairman of the Board Mudman Plc.\*

In non-listed Companies 3 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.

### 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, 2018** : 286,360 shares (0.06 %)





MR. SURAPONG PAISITPATNAPONG

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

Age 78



#### Year of Director

- Since 2010, total 9 years



#### Education / Training

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



#### Working experiences

1991 – Present

- Spokesman of Automotive Industry Club The Federation of Thai Industries (FTI)

1998 – 2018

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

2006 – 2018

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

2009 – Present

- Member of Committee, Trand Environment, 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)

2008 – Present

- Member of Committee, Economics and Academics Committee 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, 2018** : 279,301 shares (0.06%)





MRS. CHITRA THAVARA

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

Age 78



#### Year of Director

- Since 2005, total 14 years



#### 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 Corporate  
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, 2018 :** 230,929 shares (0.05%)





MR. TOSPORN SIMTRAKAN

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

Age 67

#### Year of Director

- Since 2014, total 5 years

#### 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.

2012 - 2016

- Advisor to the Commissioner (Asst. Prof. Dr. Thawatchai Jittrapranun Ph.D.) Office of The National Broadcasting and Telecommunications Commission (Kingdom of Thailand)

Present

- Associate Justice, Intellectual Property and International Trade Court

#### 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, 2018** : 168,173 shares (0.04%)







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 43

#### Year of Director

- Since 2005, total 13 years

#### Education / Training

- B.A. Business Administration Program in Marketing, Thammasat University
- 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.

(\* Subsidiary Company)

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 - Present

- Director Tinbaron Co., Ltd.

Present

- Chairman SST REIT Management Co., Ltd.\*
- Director Mudman International Ltd.\*

#### Positions in the Present

In listed Companies 1 Company

1. Chairman of The Board of Executive Director Mudman Plc.\*

In non-listed Companies 10 Companies

1. Executive Director Super Enterprises Co., Ltd.
2. Director SST Warehouse Co., Ltd.\*
3. Chairman ABP Cafe (Thailand) Co., Ltd.\*
4. Chairman Golden Donuts (Thailand) Co., Ltd.\*
5. Director Golden Scoop Co., Ltd.\*
6. Director Greyhound Co., Ltd \*
7. Director Greyhound Cafe Co., Ltd.\*
8. Director Tinbaron Co., Ltd.
9. Chairman SST REIT Management Co., Ltd.\*
10. Director Mudman International Ltd.\*

#### IOD Certifier

- Director Accreditation Program (DAP) Class 50/2006

#### Number of Share as of December

**31, 2018 : 89,559,745 (19.65%)**





MR. PILANCHAI PRADUBPHONG

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

Age 63



#### Year of Director

- Since 2005, total 13 years



#### Education / Training

- B.A. Law, Ramkhamhaeng University
- 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.

(\* Subsidiary Company)

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. \*

Present

- Director SST REIT Management Co., Ltd. \*
- Director Mudman International Ltd. \*



#### Positions in the Present

In listed Companies 1 Company

1. Director Mudman Plc. \*

In non-listed Companies 6 Companies

1. Director SST Warehouse Co., Ltd. \*
2. Director ABP Cafe (Thailand) Co., Ltd. \*
3. Director Golden Donuts (Thailand) Co., Ltd. \*
4. Director Golden Scoop Co., Ltd. \*
5. Director SST REIT Management Co., Ltd. \*
6. Director Mudman International Ltd. \*



#### IOD Certifier

- Director Accreditation Program (DAP) Class 49/2005



#### Number of Share as of December

**31, 2018:** 112,995 shares (0.02%)





MRS. INTIRA SUKHANINDR

Authority Director to Sign on Behalf of the Company

Age 71



#### Year of Director

- Since 2005, total 13 years



#### Education / Training

- Certificate of Secretary, Melbourne, Australia



#### Working experiences

2003 - 2016

- 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, 2018** : 47,358,165 (10.39%)





MISS DUANGDAO CHINTHAMMIT

Authority Director to Sign on Behalf of the Company

Age 60



### Year of Director

- Since 2005, total 13 years



### 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, 2018 : 25,056,576 shares (5.50%)





MISS DUANGKAE CHINTHAMMIT

Director

Age 63



#### Year of Director

- Since 2005, total 13 years



#### 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, 2018** : 25,576,450 (5.61%)





MR. RODNEY CHARLES KIMBER

Vice President Document Storage and Wharf Business

Age 66



### Education / Training

- O.N.C in Business Studies – Solent University Southampton, England.
- 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, 2018 : -**





**MRS. PATCHAREE BOONNAK**

Senior Operation Manager

Age 61



**Education / Training**

- B.A. In Law Ramkhamhaeng University
- Corporate Secretary Development Program Faculty of Commerce and Accountancy, Chulalongkorn University
- Organizational Risk Management Program Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Entrepreneurs Development for Manufacturer program: Sustainable Innovation Management (SIM) Department of Industrial promotion, Ministry of Industry
- CSR for Corporate Sustainability Class 2
- Workshop for Stengthening Practical skills in CSR Sustainable Business Development Institute, Stock Exchange of Thailand
- Fundamental Practice for Corporate Secretary (FPCS 30)



**Working experiences**

- |             |  |
|-------------|--|
| 1994 – 1999 | Assistant Deputy<br>Operation Manager<br>Sub Sri Thai Plc. |
| 2000 – 2003 | Deputy Operation<br>Manager Sub Sri Thai Plc.              |
| 2004 – 2009 | Operation Manager<br>Sub Sri Thai Plc.                     |



**Number of Share as of December**

**31, 2018:** 40,811 shares (0.01%)

**MR. SOMSAK TANGPRAKOB**

Accounting and Finance Manager

Age 57



**Education / Training**

- B.A. of Accountancy, Chulalongkorn University
- Modern Marketing Management (MMM), Faculty of Commerce and Accountancy, Chulalongkorn University
- CFO Orientation Course, TSI, The Stock Exchange of Thailand (SET)



**Working experiences**

- |           |  |
|-----------|--|
| 1987-1997 | Cost Accounting Manager,<br>Jalaprathan Cement Public<br>Company Limited |
| 1998-2006 | Accounting Manager, United<br>Tactical Communication Ltd.<br>(UTC)       |
| 2007-2018 | Assistant Accounting and<br>Finance Manager,<br>Sub Sri Thai Plc.        |



**Number of Share as of December**

**31, 2018 :** 182,750 (0.04%)



**MR. KASIDIT THAVISIN**

Document Storage Manager

Age 63

**MR. PANYA SOONSAP**

Warehouse 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, 2018:** 35,359 shares (0.01%)**Education / Training**

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

**Working experiences**

- |             |  |
|-------------|--|
| 1999 – 2005 | Branch Manager<br>UOB Pcl.   |
| 2006 – 2009 | Region Manager<br>UOB Pcl.   |
| 2009 – 2014 | Vice President<br>Financial Consultant<br>Department Trinity<br>Securities co., Ltd. |

**Number of Share as of December****31, 2018:** 30,300 shares (0.01%)

## Name of Directors in Subsidiaries of Sub Sri Thai Plc.

As of 31<sup>st</sup> December 2018

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.	SST REIT Management Co.,Ltd.	Mudman International 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



## 10. Corporate Governance

The Board of Directors has established a corporate governance policy and the business ethics manual in writing since 2007 and has reviewed the corporate governance policy of the Company together with the business ethics manual continuously with revision No. 1 in 2011 and revision No. 2 in 2013. In 2018, the Board of Directors deemed it appropriate to review and update the corporate governance policy to be in line with the good corporate governance principles promulgated by the Securities and Exchange Commission, Thailand (SEC) for listed companies in 2017. The Board of Directors meeting No. 4/2561 on 12 December 2018 resolved to approve the corporate governance policy, 3<sup>rd</sup> revision, which shall be effective from 13 December 2018 onwards.

### 10.1 Corporate Governance Policy

The Board of Directors realizes the importance of good corporate governance so as to enhance transparency and efficiency in management, which will create confidence for the shareholders and all relevant parties and encourage the Company to grow steadily and sustainably. Therefore, the corporate governance policy has been established as practice standard for the Company, which covers the following important principles.

1. The Board of Directors will perform the duty of supervision and management with determination, dedication, integrity, morality, prudence and carefulness under the legal framework, business ethics in order to achieve the Company's goals for maximum benefits to the Company and shareholders as a whole.
2. The Board of Directors will provide a structure and a process for clearly determining the roles and responsibilities of the directors as directors, which are separate from the role of shareholders and management group and supervise so as to prevent conflict of interests.
3. The Board will take into account the rights of stakeholders in various groups by treating and communicating with the shareholders and stakeholders equally and fairly to all parties, including encouraging understanding and good cooperation with the Company.
4. The Board will take appropriate actions under the internal control and audit systems to ensure that the management group has disclosed financial information and reports of the Company accurately, punctually, transparently, verifiably and in accordance with government regulations.
5. The Board is responsible for supervising and ensuring the availability of risk management and internal control systems that are appropriate for the Company's business operation. The Board sets the policy and promotes innovation as well as business operation with social and environmental responsibility
6. The Board is responsible for determining the main objectives and goals of the business for sustainability, including organizing the consistent management structure between the Board of Directors, executives and shareholders and laying down the guidelines on management and conducting business appropriately.
7. Supervision to ensure that the recruitment and development of directors, chief executive officer and managing director as well as high-level executives to have knowledge, skills, experience and characteristics necessary for driving the organization towards the goals.
8. Requiring the Board of Directors to review the corporate governance policy of the Company to be suitable for the situation and evaluate the implementation of such policy
9. 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 guideline to comply with our corporate governance policy and Manual of Business Code of Conduct as the details follows:

## 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

For the year 2018, the company held a Meeting of Shareholders one time

The Annual General Meeting of Shareholders for the year 2018 that was held on April 26, 2018 (10.00 a.m) at Royal Golden Jubilee Building 2, Soi Soonvijai, New Phetchaburi Road, Bangkok, Huai Khwang, 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 and the issuance and offering of Warrants No.2 (SST-W2). There were 9 directors, including shareholders and their proxies who attended meeting in the total of 84 persons and in the total of 243,578,662 shares or 53.43% 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 2018 during October 1, 2017 to December 31, 2017. 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](http://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 2018, 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 2018, the company's Chairman of the Audit and Corporate Governance 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 2018 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.



## 2.1 Practice to minority shareholders

- 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) 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.

## 2.2 Supervision on the use of internal information

- 1) The Board of Directors shall impose 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.

In case of using internal information that has not been disclosed to the public in the trading of securities by taking advantage of the outsiders ( Insider Trading) , the person who performs such act must be liable under the Securities and Exchange Act 1992 by the SEC.

- 2) 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 Board of Directors has monitored the implementation of such measures. 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 and report on the Company's Annual Report.

## 2.3 Prevention of conflicts of interest

The Board of Directors has determined the policy and actions as follows.

- 1) Arranging a clear and transparent shareholding structure without cross shareholding with major shareholders in order not to cause conflict of interests for any party and disclosing the shareholding structure of the Company and its subsidiaries in the annual report



- 2) 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.
- 3) 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.

The Company prepared the sustainability report for the year 2018 with analysis of the impact, connection with stakeholders who play an important role in driving the Company's business to grow according to the vision and mission. Additionally, the projects and activities, which were prepared by the Company in 2018, were also reported and published by the Company on the Company's website.

### **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.

## 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 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.
- 7) 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.
- 8) 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.
- 9) The Company gives importance to all investors, both the minority of shareholders and institutional investors therefore the Company arrange the channels to provide information to investors via e-mail address: [ir-sst@subsrihai.co.th](mailto:ir-sst@subsrihai.co.th) and the Company has assigned the Accounting and Finance Department and the Operations Department to be responsible for "Investor Relations" and "Information Disclosure of the Company" Information of contacted person are as follows:

Name	Position	Telephone	Email Address
Mr. Somsak Tangprakob	Accounting and Finance Manager	02-318-5514-5	somsak@subsrihai.co.th
Mrs. Oranood Konggun	Deputy Operations Manager	02-318-5514-5	oinnajit@subsrihai.co.th

## 5. Responsibilities of the Board of Directors

The Board of Directors is the driving force of the organization with the role and duties to establish the vision, mission, policies and decision-making relating to the policies and important strategies of the Company, monitor the operations of the management group to be in accordance with the policies and the strategies laid down. The Board of Directors must perform their duties with responsibility, carefulness, prudence and integrity for maximum benefit of the Company and fairness to relevant persons under the principles of good corporate governance. So, the Board of Directors consists of experts with diverse knowledge, competencies and experience, who can bring experience to develop and formulate the policies to benefit the Company's business. Therefore, the Board of Directors has established the Board Charter so that all directors are aware of responsibilities to perform their duties correctly. The structure of the Board and duties as well as responsibilities of the Board of Directors are detailed in Clause 9: The above management structure. Also, the Company has published the Board of Directors Charter on the Company's website.





## 10.2 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.

### 10.2.1 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	-

#### Composition of the Audit and Corporate Governance Committee

- 1) Audit and Corporate Governance Committee shall be appointed by the Company Board of Director or the Meeting of Shareholders.
- 2) 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.
- 3) The members of the Audit Committee must be directors of the Company who are qualified as independent directors pursuant to the definition announced by to the Company and in accordance with the stipulations of the Capital Market Commission and the regulations of the Stock Exchange
- 4) The Audit Committee is to select one of its members to be the Chairman of the Audit Committee.

#### Term of Office

Audit and Corporate Governance Committee's 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 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 and performance, 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 risk management and 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) Reviewing to ensure the Company's available risk management system that covers all aspects and acknowledging the progress in risk management operation of the Risk Management Working Group, including communication with the Risk Management Working Group so as to understand major risks and link internal control.
- 8) Reviewing the conclusions of corruption audit and reviewing internal processes of the Company relating to whistle-blowing, offenses or complaints and jointly setting preventive measures in the organization with the management group, including presenting the cases to the Board of Directors to consider solving problems or punishments.

- 9) Review the Company's Anti-corruption procedures to ensure the effective compliance with the guidelines of the governance bodies including Collective Action Coalition Against Corruption (CAC), Thai Institute of Directors (IOD), and The National Anti-Corruption Commission. The efforts start from promoting and raising awareness, assessing the risks, internal controls, incorporating the proactive preventive system, reporting frauds, auditing as well as reviewing the self-assessment form regarding anti-corruption measures as audited and assessed by the Internal Audit Office.
- 10) 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
- 11) 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.
- 12) 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.
- 13) 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.
- 14) To perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee

### 10.2.2 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

#### Composition of the Nomination and Remuneration Committee

- 1) Shall be Company directors and must be appointed by the Board of Directors.
- 2) The Nomination and Remuneration Committee shall comprise at least 3 directors and 2 of 3 independent directors
- 3) The Nomination and Remuneration Committee shall select one of their members to be the Chairman.
- 4) The chairman of the selection committee must be independent director



## Term of Office

The Nomination and Remuneration Committee's 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

### The duties and responsibilities of Nomination and Remuneration Committee

- 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 Chief Executive officer and President and to present to the Board of Directors for appointment.
- 3) To consider fixing the rules, method of assessment and topics in the assessment of the performance of company directors, Chief Executive officer and President 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 Chief Executive officer and President together with its revision for the Board of Directors, sub-committee, and Chief Executive officer and President suitably and consistently with the responsibility and company's performance to be presented to the Board of Directors in approving the remunerations for the Chief Executive officer and President 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.

### 10.2.3 Executive Committee

Name	Position
Mr. Supasith Sukhanindr	Chairman of the Executive Committee
Mr. Pilanchai Pradubphong	Vice-Chairman of the Executive Committee

### Composition of the Executive Committee

- 1) Being appointed by the Board of Directors, with the number thereof being as deemed appropriated by the Board of Directors, comprising a number of directors and probably a number of the Company's executives and/or a number of outsiders.
- 2) The Executive Committee consists of Chairman of the Executive Committee and at least 1 executive committee member
- 3) The Board of Directors shall appoint one of the Executive Committee who is a director as the Chairman of the Executive Committee.
- 4) Executive Committee members shall have relevant knowledge, capability, and experience, being able to devote time to the Company, having adequate opinions in performing duties, knowledge and understanding in own qualifications, duties, and responsibilities, not possessing qualifications prohibited by law.



### Term of Office

- 1) Executive Committee member who are directors have the office term as their directorship term and Executive Committee members who are company executives have the same term in office as the term in office of their executive positions, unless resolved otherwise by the Board of Directors.
- 2) Executive Committee members who are outsiders, not being directors or executives of the Company, have the term in office as may be deemed appropriate by the Board of Directors, subject to change as maybe deemed by the Board of Directors.

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

Executive Directors to have authority as assigned by the Board of Company as follows:

- 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
- 8) Have authority in appointing, removing on executives lower than Chief Executive officer and President.
- 9) Other implementations as assigned by the Board on case by case.

In 2018, the Board of Executive Directors has convened a number of meetings to follow up the management's implementations in 5 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 Chief Executive officer and President, 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.

## **10.3 Recruitment and appointment of Directors and Executives**

### **10.3.1 Recruitment and appointment of directors**

- 1) Appointment of directors shall accord with the Company's articles of association and relevant laws. The selection must be transparent, clear and conducted through the Nomination and Remuneration Committee.
- 2) The Nomination and Remuneration Committee is responsible for recruiting, selecting qualified persons and propose to the Board of Directors to appoint, present to the shareholders' meeting for approval according to the Company's articles of association.
- 3) The Nomination and Remuneration Committee will review the Skill and Characteristics of directors and the overall composition of the Board of Directors compared with the business direction and strategies of the present and future and consider the diversity in terms of skills, experience, knowledge, expertise, independence, age and gender of the directors.
- 4) For considering proposing the reappointment of former directors as directors for another term, the Nomination and Remuneration Committee will consider various factors, including performance results, attendance history and participation in the meetings as well as support for the activities of the Board of Directors.

### **10.3.2 Recruitment and appointment of Independent Directors**

For recruitment and appointment of independent directors, the Company has a policy requiring independent directors to hold office continuously for no more than 9 years or 3 consecutive terms from the date of being appointed as independent directors for the first time. However, the Board of Directors may appoint independent directors to continue to hold office after considering the necessity reasonably. The independent directors must be fully qualified as required by the Capital Market Supervisory Board and must be able to oversee the interests of all shareholders equally and not to cause conflict of interests. Furthermore, they must be able to attend the Board of Directors' meeting by giving opinions independently.





### 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) Do not operate a business that has the same condition and significantly competes with the business of the Company or subsidiaries. Or do not be a partner of director involved in management, employee, consultant operating a business that has the same condition and significantly competes with the business of the Company or subsidiaries.
- 7) Without other characteristics that cannot give opinion independently.
- 8) After having been appointed as independent directors of the Company, the independent directors may be assigned by the Board of Directors to make decisions on business operations of the Company, parent company, subsidiaries, associates, subsidiaries in the same order, major shareholders or the control authorities of the Company by Collective Decision without considering that those independent directors are the directors involved in management.
- 9) The board establish the policy that the tenure of an independent director should not exceed a cumulative term of nine years from the first day of service. Upon completing nine years, an independent director may continue to serve on the board, subject to the board's rigorous review of his/her continued independence.

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%



### 10.3.3 Recruitment and appointment Executives

The Company has a policy to recruit senior executives by selecting the persons with knowledge, abilities and experience related to the business. The selection is based on the regulations concerning human resources management by recruiting employees in the organization with appropriate qualifications, knowledge, capabilities first in order to create morale for employees within the organization. After having passed the nomination process in the case of senior management, including the positions of chief executive officer and managing director, the Nomination and Remuneration Committee shall present to the Board of Directors for approval. The chief executive officer and managing director are assigned to appoint the persons with knowledge, abilities and experience in the Company's business as employees at various levels.

For senior management positions that are important to the Company's business operation, so the Company has determined a succession plan for recruitment and preparation of high-level executives and development of competent persons to hold important positions in management and business operation continuously and effectively.

#### Succession Plan Policy

Succession Plan Policy of the Company has been approved on September 20, 2017. The Board of Directors has assigned the Nomination and Remuneration Committee to determine the rules, criteria and procedures for selecting executives or top management of the company as well as reviewing succession plan annually in order to ensure that the succession plan of the Company is applied for the key management positions include Chief Executive Officer, Vice President and Manager level and the Company has operated continuously in the event of an emergency or retirement to prevent the impact on business. Furthermore, this succession plan enhances the development personnel who has high potential and good performance to grow to a higher position steadily in line with the rules, and to ensure that the company has a professional executive.

Chief Executive Officer and President has reported the progression report of Succession Plan for the year 2019 in the Meeting of Nomination and Remuneration Committee No. 1/2019 which held on February 25, 2019.

## 10.4 Performance Assessment and Development of Knowledge

### 10.4.1 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 **96.75 %** in year 2018.

	2016		2017		2018	
	Average Score	%	Average Score	%	Average Score	%
The self-assessment of the Board of Directors	3.71	92.75	3.78	94.50	3.87	96.75

#### 10.4.2 Self-Assessment of Sub-Committees

The assessment comprises of 3 topics, which are:

1. The structure and qualifications of the Board are appropriate to encourage them to perform duties effectively.
2. Effective conducting Sub-committees' meetings to support their roles and duties in the meeting.
3. Roles duties and responsibilities of Sub-committees are emphasize on consideration, reviewing and performing duties adequately.

	2017		2018	
	Average Score	%	Average Score	%
The self-assessment of Audit Committee	3.97	99.25	3.97	99.25

	2017		2018	
	Average Score	%	Average Score	%
The self-assessment of Nomination and Remuneration Committee	3.88	97.00	3.96	99.08

	2017		2018	
	Average Score	%	Average Score	%
The self-assessment of Board of Executive Directors	4.00	100	3.74	93.58



### 10.4.3 Self-Assessment of the Board and Sub-Committees (Individual)

The assessment comprises of 3 topics, which are:

1. Structure and qualifications of the Board.
2. Board Meetings
3. Roles duties and Responsibilities of the Board

	2017		2018	
	Average Score	%	Average Score	%
The self-assessment of the Board and Sub-Committees (Individual)	3.81	95.25	3.86	96.58

### 10.4.4 Assessment of the Chief Executive officer and President' Performance

The Board of Directors has imposed the assessment of the Chief Executive officer and President' s performance regularly every year. As the Chief Executive officer and President 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 Chief Executive officer and President, 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 Chief Executive officer and President and holds the opinion that it is in “**excellent**” criterion at the average score of **98.03%** in year 2018.

	2016		2017		2018	
	Average Score	%	Average Score	%	Average Score	%
Evaluation of the performance of the Managing Director	3.88	97	3.92	98	3.92	98

**Note:** The evaluation criteria for Self-assessment of the Board of Directors and Assessment of the Chief Executive officer and President are:

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

#### 10.4.5 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 Limited 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
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 2018, 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).

## 10.5 Supervision of operations of subsidiaries and associates

The Company has a policy to invest in other potential businesses that can generate profits for the Company in the long term. The Board of Directors has established a mechanism to supervise the subsidiaries so as to protect the investment benefits of the Company by sending the persons to represent the Company as directors, executives and control authorities in subsidiaries, including determining the scope of authority, duties and responsibilities for use as management guidelines. Additionally, a regulatory mechanism has been established through disclosure of financial reports and connected transactions with such subsidiaries by applying the rules related to information disclosure and transactions according to the criteria and requirements of relevant agencies. In addition, there is also the monitoring to evaluate and audit carefully through an adequate and appropriate internal control system.

## 10.6 Supervising the use of Internal Information

The Company has the policy and method to supervise the directors and executives for using internal information of the Company for personal gain that may affect changes in the trading price of securities, which are detailed in Clause 10.1: Corporate Governance Policy, Section 2: Equitable Practice to All Shareholders and are published by the Company in the corporate governance policy, 3rd revision on the Company's website.





## Holding the Company's Shares of the Board of Directors and Managements (December 31,2018)

Name	Ordinary Share						Warrant		
	As of Dec 31, 2018 (Paid-up Capital 455,807,823 Baht)	%	As of Dec 31, 2017 (Paid-up Capital 455,807,823 Baht)	%	Acquisition During the year	Disposition During the year	As of Oct 10, 2018	Acquisition During the year	Disposition During the year
1. Mr. Sompoch Intranukul	286,360	0.06	231,148	0.05	-	-	16,689	-	5,041
2. Mrs. Chitra Thavara	230,929	0.05	175,717	0.04	-	-	12,993	-	-
3. Mr. Surapong Paisitpatnapong	279,301	0.06	224,089	0.05	-	-	16,219	-	-
4. Mr. Tosporn Simtrakarn	168,173	0.04	141,061	0.03	-	28,100	10,684	-	-
5. Mr. Supasith Sukhanindr	89,559,745	19.65	89,504,533	19.64	-	-	5,968,248	-	-
6. Mr. Pilanchai Pradubphong	112,995	0.02	57,783	0.01	-	-	5,131	-	-
7. Mrs. Intira Sukhanindr	47,358,165	10.39	47,302,953	10.38	-	-	3,154,809	-	-
8. Miss Duangdao Chinthammit	25,056,576	5.50	25,001,364	5.49	-	-	1,668,037	-	117,135
9. Miss Duangkae Chinthammit	25,576,450	5.61	25,521,238	5.60	-	-	1,702,695	-	1,428,343
10. Mr. Kasidit Thavisin	35,359	0.01	17,525	0.00	-	-	1,579	-	-
11. Mrs. Patcharee Boonnak	40,811	0.01	23,601	0.01	-	-	1,968	-	-
12. Miss. Manusawee Pakornchaikul	29,629	0.01	15,056	0.00	-	-	1,341	-	-
13. Mr. Panya Soonsap	30,300	0.01	14,744	0.00	-	-	1,336	-	-

- 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.



## 10.7 Audit Fee

The Company appointed Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. to be the company's auditors for the fiscal year 2018 and the company has paid for Audit fee and / or review financial statements to the auditor as follows:

1. Audit Fee was Baht 1,580,000.00
2. Non Audit Fee in amount of 300,000 baht (Report of the facts that have been found according to the auditor service standards which related to the report of operating results of leased assets from the Sub Sri Thai Property Fund.)

## 10.8 Applying good corporate governance principles for listed companies in 2017 to be applied

The Board of Directors has reviewed and updated the corporate governance policy to be consistent with the principles of good corporate governance promulgated by the Securities and Exchange Commission, Thailand (SEC) for listed companies in the year 2017. The Board of Directors meeting No. 4/2561 on 12 December 2018 resolved to approve the corporate governance policy, 3rd revision, which shall be effective from 13 December 2018 onwards.

## 10.9 Compliance with the principles of good corporate governance on other matters

Apart from the corporate governance policy, the Company prepared a business ethics manual (2nd revision) 2013 that is required to be consistent with the corporate governance policy (2nd revision) 2013 and in line with the corporate governance policy (3rd revision) 2018. This business ethics manual applies to personnel of all groups of the Company. At present, the Company has published the corporate governance policy and the business ethics manual on the Company's website.



## 11. Corporate Social Responsibility

The Company has a policy to conduct business by focusing on creating 3 quality aspects to achieve balance in economic, social and environmental terms so as to achieve the goals based on the vision and mission of becoming a leading company in the warehouse, document storage and logistics business with a full range of services and responsibility to stakeholders and society. The framework of social responsibility operation is shown in a structured manner according to the policy, i.e. "Business progress meeting international standards, business operation by adhering to good governance principles and responsibility to society and the environment.

The operation related to social responsibility of Sub Sri Thai Public Company Limited starts from within the organization and expands to outside the organization. The Company believes that customer satisfaction comes from competent, expert employees ready to provide services, including new innovations in the service process that can respond to a wide range of customer needs. Moreover, the employees are an important part of driving responsibility to society, the environment and stakeholders in all sectors. This will affect the business operation of the Company to achieve sustainable growth in the long term.

**The main strategies for social responsibility operation are as follows.**

1. Business development alongside employee development, creating people of the Company according to corporate values

<b>S</b> mart	Having skills and expertise in the job of delivering quality products and services of high standards with advanced science and technology
<b>S</b> ervice mind	Possessing love and willingness to provide good services, focusing on excellence according to the Company policy, i.e. service with speed, punctuality, accuracy, politeness, generosity and commitment to continuous development for maximum satisfaction of customers.
<b>T</b> ogether	The organization, employees are ready to develop together with society and stakeholders so as to create mutual value, which will eventually lead to sustainability.

2. Developing the quality of work processes, products and services together with social and environmental responsibility in every operational step (In-Process).
3. Enhancing the abilities and quality of life of personnel, employee participation in order to live together happily, be ready to develop together sustainably
4. Promoting the efficient use of resources and promoting environmental protection both inside and outside the organization that has an impact on the overall environment.
5. Encouraging the employees to have good conscience for the public and perform good deeds for society, encouraging participation in the activities that are beneficial to the public.

The Company prepared a Sustainability Report of the year 2018 of SubsriThai Public Company Limited to communicate information to shareholders and all stakeholders of the Company to be informed of the sustainability concept, policy, sustainability operation and various management approaches so as to lead to future sustainability of the Company. This has been published on the Company's website.



For this annual report, the Company has reported social responsibility according to the framework of the Securities and Exchange Commission, Thailand in 8 topics, namely fair business operation, anti-corruption, respect for human rights, fair treatment of labor, responsibility to consumers, participation in community or social development, environmental protection as well as innovation and dissemination of innovations derived from operation with responsibility to society, the environment and stakeholders

## 1. Business operations with fairness

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

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

## 2. Anti-corruption

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

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

The Board of Director's meeting No. 4/2015 which held on December 15, 2015 has approved an anti-corruption policy, and has promulgate the policy on January 4, 2016, which is published on the website of the Company, and the year 2017, the company has announced its intentions alignment to Private Sector Collective Action Coalition Against Corruption Council. Now, the Company is in the process of applying for certification.

## 3. Respect for Human Rights

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



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

#### 4. Fair Treatment to labor

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

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

#### 5. Responsibility to consumers

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

In over the past years, our old customers still entrust with our services until now, as the company has delivered with good product and services in efficient manner with convenience, fastness and integrity in our servicing flexibility, under fair conditions and with full completion of agreements made with the customers under the regulations and laws related with business operation of the company and no violation or contract default with the customers. The company always thinks of the customers’ satisfaction by conducting on the satisfaction evaluation of our customers annually and with our improvements to meet ISO 9001:2015 as accredited to the company including the arrangement of the system and process for the customers to make complaints on the quality, volume and safety of the goods and service.

#### 6. Development of community and society

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



In 2018, the Company created the projects or activities for society and the community, including granting scholarships to various schools in Phra Pradaeng District and Phra Samut Chedi District as the area where the Company is located as well as the blood donation project organized by the Company annually.

Furthermore, the Company has promoted education by educating various educational institutions, including public and private agencies that are interested in AS / RS automated warehouse system by allowing them to visit and observe automated document storage business of the Company.

## 7. Environmental Operation

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

From this policy, so the Company oversees the discharge of wastewater into the river of wharf and warehouse business located along the Chao Phraya River. In document storage business, the Company has ordered environmentally- friendly paper boxes, including supplying paper box product of using less paper pulp, but the strength remains the same or the boxes of using paper pulp from planted forest to help reduce deforestation and protect the environment.

Additionally, the Company has organized reforestation activities to let employees realize the importance of forest resources conservation and restoration so as to reduce the crisis of forest resources, water resources, global warming and natural disasters.

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

The Board of Directors set forth the organization's 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", to build up organizational added value in the long run by developing and increasing new knowledge in order to effect changes in idea, production, and work process, for worthwhile utilization of resources with appropriate cost, and to build up competitiveness continuously.

The Company has continuously studied and surveyed modern warehouse automation system in both local and abroad to apply and expand warehouse automation in order to meet customers' need and to increase efficiency, speed, and accuracy, which also helped employees to work with ease and reduced the employees' illnesses from moving heavy box.





## 12. Internal Control and Risk Management

### 12.1 Internal Control

The Audit and Good Governance Committee is responsible for supervising the Company to have an appropriate and effective internal control system and internal audit system, reviewing to ensure that the Company has accurate and adequate financial reports, examining connected transactions or transactions with potential conflict of interests to conform to the laws on securities and exchange and the regulations of the Stock Exchange of Thailand as well as the laws related to the business and informing the management group to rectify the defects found within the time deemed appropriate by the Audit Committee.

Therefore, the Company has arranged for the internal auditor to report directly and operate under supervision of the Audit and Good Governance Committee that oversees the works of internal auditor to be independent, fair, ethical and professional according to professional standards of internal auditing. The internal auditor will audit and monitor the internal control system of the Company periodically at least twice a year to improve control measures so as to be suitable for the changing situation and risks. Thus, in order for the control system to achieve the goals, so practice guidelines are established as follows.

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 and reduce the risk of fraud and misuse of power to prevent illegal actions.
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. Availability of a system to receive complaints and a fact-checking system for various employees and stakeholders to be a channel of asking questions or reporting the cases considered incorrect as well as mechanisms for protecting people involved in complaints. The objectives are to create confidence and fairness for employees and all other stakeholders according to the approach of Whistleblowing Policy.
7. All levels of staffs shall pay attention in complying internal control measures as imposed by the company strictly and continually.
8. Every employee is to support, give accurate and true information to internal audit unit and external auditors.



### Opinion of the Board of Director regarding Internal Control

The Audit Committee Meeting No. 1/2019 held on February 25, 2019, the Audit Committee evaluated the sufficiency of the internal control system covering all five components which are:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information & Communication
5. Monitoring Activities

The Audit Committee considered that the Company has internal control system of the company to monitor and perform the work properly and appropriately and has reported to the Board of Directors at the Board of Directors' Meeting No. 1/2019 held on March 13, 2019.

In addition, Ms. Wimolporn Boonyusthian, the Auditor of the Company (from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.) who is the Auditor for the financial statements year 2018, expressed her opinion on the Company's financial statements the accordance with Thai Financial Reporting Standards.

#### In Charge of Internal Audit Unit:

The Audit Committee has appointed IVL Auditing Company Limited to perform the duties of the Company's internal auditor from January 1, 2018 to December 31, 2018. IVL auditing assigned Ms. Valdee Sibunruang is primarily responsible for the Company's internal auditor.

The Audit Committee has considered the qualifications of IVL Auditing and Ms. Valdee Sibunruang as well as considered that they are suitable for performing such duties as they are independent and experience in performing internal audits in the same business of the company for a long time.

The Audit Committee has responsibilities to consider for approval the appointment, transfer and dismissal of the chief of an internal audit unit.

## 12.2 Risk Management

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.



### **Risk management policy**

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.

The company has set up a risk management working group in order to oversee the risk management of the organization, which will be reported to the Executive Committee.

### **The Risk Management Working Group**

The Risk Management Working Group shall comprise Chief Executive Officer and President, 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 quarter. 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.



## 13 Inter - Transactions

During the past year, Sub Sri Thai Plc., its subsidiaries and related person 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 2018

As of 31 December 2018, the Company had relevant transactions according to the footnote to financial statement No.5 the additional significant detail are as follow:

### 2. Necessity and reasonableness of inter-company transactions

Transactions between the Company and related companies or persons were deemed necessary in the normal course of business with a highly competitive. To have an alliance or a network of business will promote more economic flexibility than depending on outsiders. The Company will consider the best benefits to the Company.

### 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. The Board of Directors must comply with the Securities and Exchange Act including rules, regulation, provision and notices of the Securities and Exchange Commission as well as comply with regulations of information disclosure concerning related transaction and acquisition and disposition of assets. Upon approval, common directors, member of the Board of Directors, Executive Directors and/or member of other committees who involve in any transactions. In event the size of the connected transactions exceeding criteria approved by the Board of Directors, they must propose to the shareholders' meeting for approval.

Connected transactions with persons that may have conflict of interest, the will appoint an Audit Committee to review and consider whether it is necessary or rational to carry out such transactions and it is also necessary for the independent expert to give an opinion on those transactions to be used for the decision of the Board of Directors or shareholders upon the conditions. The related transactions should be beneficial to the Company.

### 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 it



## 14 Board of Directors' Statement of Responsibility for Financial Reports

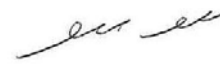
The Board of Director of Sub Sri Thai Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance. The Board of Directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2018, 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, 2018



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



(Mr. Supasith Sukhanindr)  
Chief Executive Officer  
and President



## 15 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 2018, 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 2018 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 2018 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 2018 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 2018.

**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 2019 by appointing Miss Wimolporn Boonyusthian CPA. No. 4067 or Miss Juntira Juntrachaichaoat CPA. No.6326 or Mr. Choopong Surachutikarn CPA. No. 4325 or Mr.Yongyuth Lertsurapibul CPA. No. 6770 of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. to be the company's auditors for the fiscal year 2019 with the recommendation of Audit Committee for the year 2019 at Baht 1,610,000.- (excluding other services)

The Audit Committee has appointed IVL Auditing Company Limited to perform the duties of the Company's internal auditor from January 1, 2019 to December 31, 2019. IVL auditing assigned Ms. Valdee Sibunruang is primarily responsible for the Company's internal auditor. The Audit Committee has considered the qualifications of IVL Auditing and Ms. Valdee Sibunruang as well as considered that they are suitable for performing such duties as they are independent and experience in performing internal audits in the same business of the company for a long time.

**Opinion:** The Audit Committee's opinion is that the Auditors who have been appointed are in the top audit firm and performance; the standard of audit met the generally accepted audit criteria. They can give suggestions with regard to internal control system, and possessed independent operation as well as the appropriateness of the audit fee. 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 2018 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 2018.
- Reported performance summary of the Audit Committee for the year 2018 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 Paisitpatnapong)  
Chairman of the Audit Committee

Date: February 27, 2019

## 16 Explanation and Analysis of Financial and Operational Performance

### 1. Overview

In 2018, the Company and its subsidiaries had total revenues of 3,655 million baht, an increase of 338 million baht or 10 % when compared to the previous year. This consisted of major incomes, namely revenue from warehouse and wharf business that increased by 66 million baht or 20%. The main factors included the increased volume of deposited documents, the adjustment of service fees for some customers and increasing the loading and unloading services in the wharf area. The revenue from food and beverage business increased by 249 million baht or 9 %. The main factors were revenue recognition of Le Grand Véfour Restaurant in Paris, France and Greyhound Cafe, London branch, England as well as the opening of Kin Hey by Greyhound and Greyhound Coffee. The income from Apparel business increased by 10 million baht or 7%. The main factors were product model adjustment and more distribution channels. Other incomes increased by 13 million baht or 8 %, mainly due to revenue from membership card sales, revenue from Premium products sales, revenue from franchise sales and dividend income. The Company and subsidiaries had the profit before deducting interest payable, tax, depreciation cost and amortization cost (EBITDA) totaling 382 million baht, an increase of 60 million baht or 19 % when compared to 2017, which had the profit before deducting interest payable, tax, depreciation cost and amortization cost (EBITDA) totaling 322 million baht and the net profit of 40 million baht. This net profit came from the warehouse business of 52 million baht and ready-made garment business with a net profit of 2 million baht. Meanwhile, the food and beverage business had a net loss of 14 million baht.

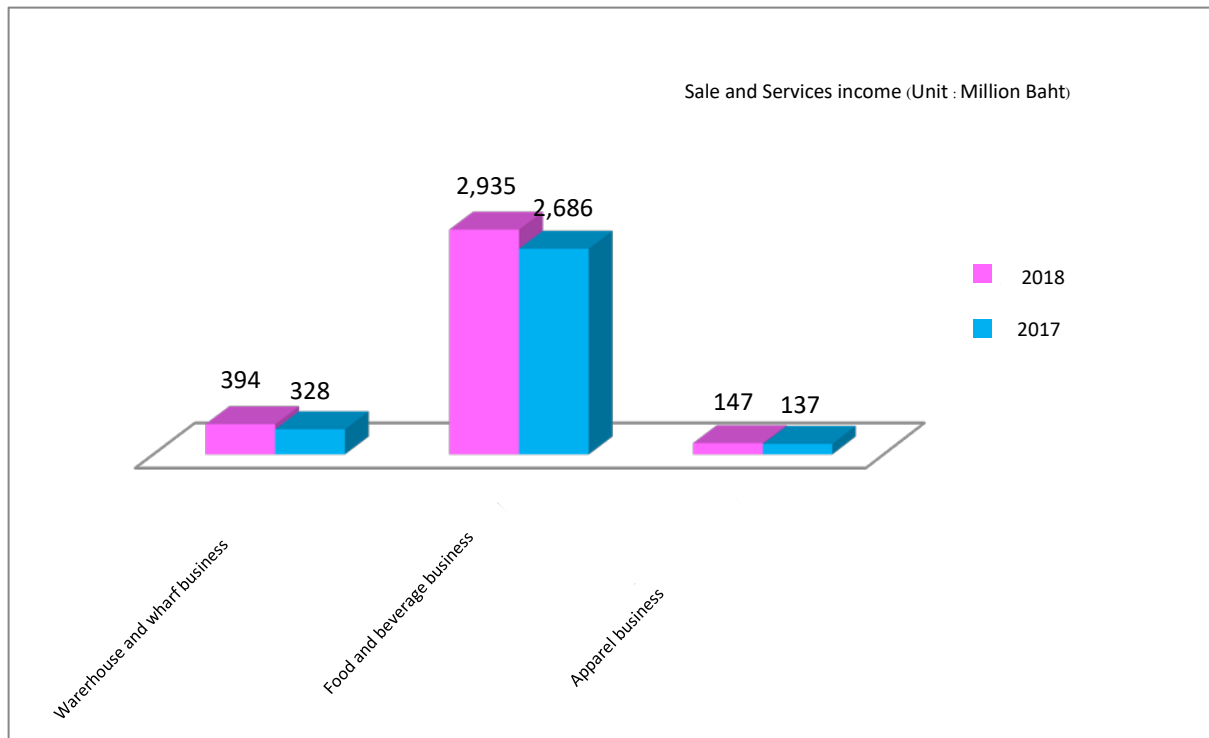
### 2. Operational

Results of operation in the past as considered from the financial statement as at 31 December 2018 and 31 December 2017 details as follows:



## 2.1 Income

In 2018, the company and subsidiaries has sales and service income in total 3,655 million baht which was increased by 10% compared to sales and service income the same period of the previous year, of which the income was 3,317 million Baht. The income can be classified as follow:



For service revenue, (warehouse and wharf business) had service revenue of 394 million baht, an increase of 66 million baht or 20 % from the same period of the previous year with service revenue of 328 million baht due to the increased volume of products and documents deposited as well as the adjustment of service fees for some customers.

For sales income, (food, beverage and apparel business) had sales revenue of 3,082 million baht, an increase of 259 million baht or 9 % from the same period of the previous year with sales revenue of 2,823 million baht. In 2018 and 2017, food and beverage business had sales revenues of 2935 million baht and 2,686 million baht, respectively and ready-made garment business had sales revenues of 147 million baht and 137 million baht, respectively. This sales growth was due to continuous expansion of branches both domestically and abroad despite higher competition from many new traders and consumer behavior that has changed rapidly.

## 2.2 Expenses

In 2018, the Company and subsidiaries has the cost of sale and service at the total of 1,541 million Baht compared to the year 2017 of which the cost of sale and service was 1,401 million Baht, increasing 140 million Baht. The costs of sales and services increased due to increased revenues from selling products and services. The proportions of total sales costs and service costs to total revenues in 2018 and 2017 were close to the previous ones, equaling 42.16% and 42.24%, respectively.



The sale expense and administrative expenses for the year 2018 of the Company and subsidiaries amounted to 2,009 million baht, an increase of 136 million baht when compared to 2017, which had the total of 1,873 million baht. The proportions of selling and administrative expenses to total revenues in 2018 and 2017 decreased slightly, equaling 54.97% and 56.48%, respectively.

### 2.3 Annual Profit (Loss)

In 2018, the Company had a net profit of 40 million baht. The net profit increased by 77 million baht, representing an increase of 208.11% when compared to the year 2017, which had a net loss of 37 million baht. The main reason was because in 2018, the Company had a total revenue that increased by 338 million baht while the total cost and expenses increased by 261 million baht.

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

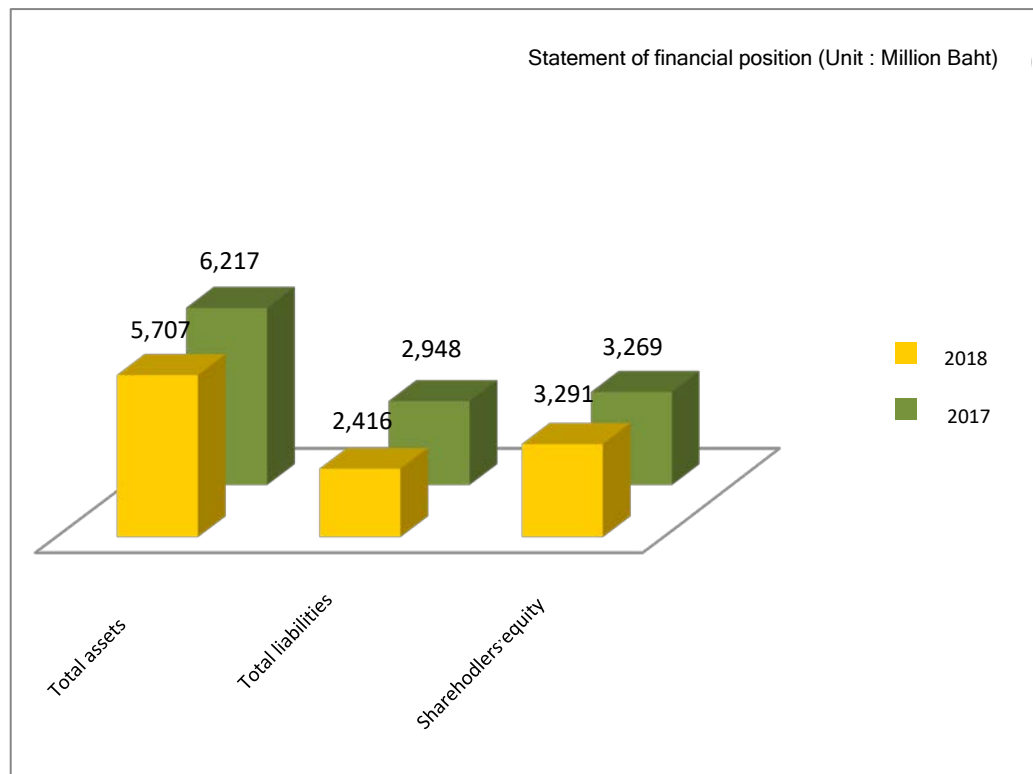
- Warehouse and wharf business had the revenue from services totaling 394 million baht when compared to 2017, which had service revenue totaling 328 million baht, an increase of 66 million baht or 20 %. The operational profit before financial expenses and income tax totaled 49 million baht, an increase of 24 million baht or 96 % when compared to 2017, which had 25 million baht.
- Food and beverage business had a total sales revenue of 2,935 million baht, an increase of 249 million baht or 9 % when compared to 2017, which had the total sales of 2,686 million baht and an operational loss before financial expenses and income tax of 84 million baht. The loss decreased by 22 million baht or 21 % when compared to the year 2017 with a loss of 106 million baht.
- Apparel Business had the total sales revenue of 147 million baht, an increase of 10 million baht or 7 % when compared to 2017, which had the total sales of 137 million baht and an operational loss before finance expenses and income tax of 40 million baht. The loss decreased by 2 million baht or 5 percent when compared to the year 2017, which had a loss of 42 million baht.



### 3. Financial Status

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

#### 3.1 Statement of financial position as at 31 December 2018 compared to Statement of financial position as at 31 December 2017



- Total asset of the Company is 5,707 million Baht, decreasing for 510 million Baht or 8% compared to the total asset as at 31 December, 2017, which amounted to 6,217 million Baht. The details of significant increase and decrease were as follows:
  - Cash and cash equivalents increased by 17 million baht, accounting for 8%.
  - Temporary investments decreased by 485 million baht , accounting for 98% from the sale of temporary investments that were used to finance the issuance of debentures during the end of 2017 to pay back the debentures due in January 2018.
  - Land, building and equipment increased by 37 million baht, representing 3% from the purchase of equipment and building improvements.



- Other intangible assets decreased by 68 million baht, representing 7% due to the revision of financial statements for the year 2017 regarding the cost of purchasing business not yet allocated of 310 million baht due to the Company's acquisition of shares of Societe Langonnaise des Vins et Hotelleries SAS ("SLVH"), which operates food and beverage business under Le Grand Vefour trademark, causing difference in the cost of buying investments and the net value of subsidiaries. In 2018, upon having information on this matter (PPA), therefore financial statements of the year 2017 were revised by allocating the cost of buying business not yet allocated amounting to 310 million baht to be goodwill of 244 million baht and intangible assets of 66 million baht.

2. Total liabilities were 2,416 million Baht decreased of 532 million Baht or 18% compared to the total liabilities as of 31 December 2017, with the details of significant increase and decrease as follows:

- Short-term loans from financial institutions decreased by 337 million baht, representing 74 % from the issuance of debentures to restructure the loans to be more long-term.
- Trade accounts payable and payables from the purchase of investments in subsidiaries decreased by 87 million baht, accounting for 15%.
- Long-term loans from financial institutions - The portion due for payment within one year decreased by 38 million baht, representing 44 % because the Company repaid some loans to financial institutions after receiving money from the initial public offering (IPO).
- The portion of long-term debentures due for payment in one year decreased by 500 million baht or 100 % from the return of debentures due in 2018.
- Long-term loans decreased by 96 million baht or 41 % because the Company repaid some loans to financial institutions after receiving money from the initial public offering (IPO).
- Long-term debentures increased by 500 million baht or 84% from the issuance of debentures in 2018 to repay short-term loans from financial institutions.

3. Shareholders' Equity was to 3,290 million Baht, increased of 21 million Baht or 1% from total comprehensive income for the year 2018, an increase of 41 million baht and the non-controlling interests of the subsidiary decreased by 20 million baht

### 3.2 Components of Assets:

#### 1) Assets

In 2018, the Company had the rate of return on assets of 0.71%, an increase from the year 2017 with the rate of return on assets of 0.59 % because the Company's business profits greatly improved, changing from a net loss in 2017 of 37 million baht to net profit in 2018 of 40 million baht or an increase of 77 million baht, representing 208 %



## 2) Receivable

If considering from the financial statements, it can be seen that the number of turnover ratio of account receivables decreased from year 2017 from 29.75 to 27.52 times in year 2018. The average collection period increased from the past and the collection period in 2018 and 2017 was 13.26 and 12.27, respectively. The main reason is that some customers are extending the credit term and offered credited to some customers in abroad (Societe Langonnaise des Vins et SAS Hotelleries ("SLVH" operates food and beverage business in France).

## 3.3 Liquidity

### 1. Cash Flow

In 2018, the Company had the increased cash of 17 million baht, an increase from operating activities of 52 million baht, an increase from investment activities of 1,291 million baht, an increase from cash at the beginning of the period and exchange rate of 120 million baht, meanwhile a decrease from financing activities was 1,446 million baht. The increased and decreased funds were due to the sale of investments in available-for-sale securities, investments in subsidiaries, the issuance of long-term debentures, the sale of capital increase ordinary shares to existing shareholders of the Company and the general public in March and April 2017 while there was payment of short-term and long-term loans from financial institutions, the return of long-term debentures due.

### 2. Liquidity ratio

The liquidity ratio for the year 2018 was 0.86 times, increased from 0.66 times in 2017. Current liabilities, including short-term loans, trade accounts payable and the portion of long-term debentures due for payment within one year significantly decreased. The funds that were used to repay debts came from bringing shares into IPO Stock Exchange and the issuance of long-term debentures.

### 3. Source of funds

#### - Suitability of capital structure

Considering the liabilities and Shareholders' equity ratio for the year 2018, the ratio was 0.73, lower than the year 2017 with a ratio of 0.90 as the company's ability to pay more debt. The Company's capital structure remains in accordance with the terms of the Covenant.

#### - Liabilities

The Company and its subsidiaries had liabilities in 2018 amounting to 2,416 million baht, a decrease of 532 million baht from 2017, which had 2,948 million baht, accounting for 18 % because short-term loans from financial institutions decreased by 337 million baht, trade account payable, payables from purchase of investments in subsidiaries, the portion of liabilities due in one year decreased by 125 million baht and long-term loans decreased by 96 million baht. When considering the growth rate of total liabilities in 2018, the ratio (18.04) was lower than the year 2017 with the ratio (1.43), meaning that the growth of the Company's total liabilities was negative. That is to say, debt repayment was higher than creating more debts.



## 17 Independent Auditor's Report

To the Shareholders of Sub Sri Thai Public Company Limited

### Opinion

We have audited the consolidated financial statements of Sub Sri Thai Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Sub Sri Thai Public Company Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at December 31, 2018, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements 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 December 31, 2018, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

### Basis for Opinion

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

### Emphasis of matter

Without modifying our opinion, we draw attention to Note 4 to the financial statements, a subsidiary of Mudman Public Company Limited, a subsidiary of the Company, acquired the shares of Societe Langonnaise des Vins et Hotelleries SAS ("SLVH") on December 21, 2017. Subsequently, in 2018, such subsidiary then updated the fair values of the identifiable assets acquired and liabilities assumed and the fair value allocation at the business acquisition date based upon the final appraisal report dated September 10, 2018 obtained from the independent appraiser and other necessary information obtained since the business acquisition date in accordance with Thai Financial Reporting Standard No. 3 (revised 2017) "Business Combination". As a result, the consolidated statement of financial position as at December 31, 2017, which is presented as comparative information, have been restated accordingly, to reflect new information obtained about facts and circumstances that existed as of the business acquisition date.



## Other Matter

The consolidated financial statements of Sub Sri Thai Public Company Limited and its subsidiaries and the separate financial statements of Sub Sri Thai Public Company Limited for the year ended December 31, 2017 (before restatement and reclassifications as described in Notes 4 and 38 to the financial statements), presented herein as comparative information, were audited by another auditor, whose report thereon dated February 27, 2018 expressed an unmodified opinion with an emphasis paragraph regarding the acquisition of investment in a subsidiary on those statements.

## Key Audit Matters

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

Key Audit Matters	Audit Responses
<p><b>Business acquisition</b></p> <p>During the year ended December 31, 2017, a subsidiary of Mudman Public Company Limited, a subsidiary of the Company, acquired a subsidiary for a total of Baht 301 million. As at December 31, 2017, such subsidiary provisionally recorded the acquisition using a best estimate of the values of the assets acquired and liabilities assumed, determined by applying the acquisition method. Subsequently in 2018, such subsidiary then updated the fair values of the identifiable assets acquired and liabilities assumed and the fair values allocation at the business acquisition date based upon the final appraisal report dated September 10, 2018 from the independent appraiser and other necessary information obtained from the business acquisition date in accordance with Thai Financial Reporting Standard No. 3 (revised 2017) "Business Combination".</p> <p>We have focused on this business acquisition since it is material to the financial statements as a whole, and management was required to exercise substantial judgment when appraising the fair values of the assets acquired and liabilities assumed, including recognized goodwill.</p> <p>Details of the business acquisition were disclosed in the Note 4 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>- Examining the terms and conditions of the agreement and inquire with management as to the nature and objectives of the acquisition.</li> <li>- Reviewing the final appraisal report of assessing the calculation of the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method as prepared by an independent valuation specialist, by considering the methods and significant assumptions used by the independent valuation specialist in calculating the fair value of assets and liabilities and evaluating the expertise, ability and integrity of the independent valuation specialist.</li> <li>- Involving our valuation specialist to evaluate the financial parameter applied to the discount rate, identification of the intangible assets, valuation methodology and mathematical accuracy.</li> <li>- Assessing the rationale of goodwill recognized from the business combination.</li> <li>- Considering the presentation and related disclosures.</li> </ul>



Key Audit Matters	Audit Responses
<p><b>Goodwill and trademarks</b></p> <p>The Group has goodwill and trademarks of Baht 2,140 million and Baht 378 million, respectively, as at December 31, 2018. We 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 as at the end of reporting period.</p> <p>Accounting policies of goodwill and trademarks and details of goodwill and trademarks were disclosed in the Notes 3. 7, 3. 8, 16 and 17 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>- Testing the significant assumptions applied by management in preparing estimates of the cash flows expected to be realized 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.</li> <li>- Evaluating 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 specialist to assist in the assessment of this information by comparing it to external sources based on the specialist's knowledge and past experience, tested the calculation of the realizable values of the assets using the selected financial model.</li> <li>- Considering the presentation and related disclosures.</li> </ul>

### Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Group.



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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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.

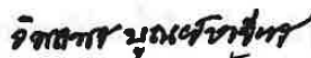


- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

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



Wimolporn Boonyusthian

Certified Public Accountant (Thailand)

BANGKOK

Registration No. 4067

February 25, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.





## 18. Consolidated financial statements

Sub Sri Thai Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2018	2017 "Restated"	2018	2017
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6.1	228,763,506	211,548,724	17,658,659	10,206,933
Current investments	7	11,762,592	496,652,874	-	494,139,094
Trade and other current receivables	8	165,998,300	175,975,732	69,159,667	68,300,682
Short-term loans	5	-	-	20,000,000	-
Inventories	9	181,292,917	200,578,587	-	-
Other current assets		36,700,906	26,547,448	1,617,071	1,553,803
Total Current Assets		624,518,221	1,111,303,365	108,435,397	574,200,512
<b>NON-CURRENT ASSETS</b>					
Restricted bank deposits	10	2,427,980	2,675,804	-	-
Investment held as available-for-sale	11	75,030,000	86,715,000	75,030,000	86,715,000
Investment in an associate	12	225,538,144	224,784,079	220,275,000	220,275,000
Investments in subsidiaries	13	-	-	1,500,885,388	1,500,885,388
Investment properties	14	377,525,277	366,351,298	377,525,277	+366,351,298
Property, plant and equipment	15	1,119,359,660	1,081,999,318	519,831,063	526,258,441
Goodwill	16	2,139,883,533	2,139,883,533	-	-
Other intangible assets	17	933,211,398	1,001,051,142	14,216,286	15,948,153
Deferred tax assets	24	81,903	10,143,950	-	3,891,542
Other non-current assets	18	209,209,061	192,505,061	66,347,454	65,143,432
Total Non-Current Assets		5,082,266,956	5,106,109,185	2,774,110,468	2,785,468,254
<b>TOTAL ASSETS</b>		<b>5,706,785,177</b>	<b>6,217,412,550</b>	<b>2,882,545,865</b>	<b>3,359,668,766</b>

Notes to the financial statements form an integral part of these statements



Sub Sri Thai Public Company Limited and its subsidiaries  
Statement of financial position (continued)  
As at 31 December 2018

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2018	2017	2018	2017
			"Restated"		
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	19	120,000,000	457,500,000	50,000,000	100,000,000
Trade and other current payables	20	502,039,624	550,861,660	109,945,302	114,846,527
Payable for acquisition of investment in a subsidiary	4, 5	-	39,393,800	-	-
Current portion of liabilities under finance leases	23	11,023,784	11,443,505	248,128	234,477
Current portion of long-term borrowings	21	49,470,580	87,164,222	-	-
Current portion of long-term debentures	22	-	499,964,612	-	499,964,612
Income tax payable		6,652,912	10,034,467	-	-
Other current liabilities		34,308,381	36,561,417	6,000,480	5,396,989
Total Current Liabilities		723,495,281	1,692,923,683	166,193,910	720,442,605
NON-CURRENT LIABILITIES					
Liabilities under finance leases	23	10,900,930	13,450,711	810,052	1,058,180
Long-term borrowings	21	141,752,141	237,625,741	-	-
Long-term debentures	22	1,094,985,985	596,559,750	597,767,123	596,559,750
Deferred tax liabilities	24	315,769,417	340,340,534	119,713,930	124,786,366
Non-current provisions for employee benefit	25	36,815,385	38,592,741	8,978,666	12,432,417
Other non-current provisions	26	67,495,650	-	15,591,650	-
Other non-current liabilities		25,161,580	28,690,182	-	5,000,000
Total Non-Current liabilities		1,692,881,088	1,255,259,659	742,861,421	739,836,713
TOTAL LIABILITIES		2,416,376,369	2,948,183,342	909,055,331	1,460,279,318



Sub Sri Thai Public Company Limited and its subsidiaries  
Statement of financial position (continued)  
As at 31 December 2018

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2018	2017	2018	2017
			"Restated"		
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital	27				
759,679,703 ordinary shares of Baht 1 each		759,679,703		759,679,703	
704,431,290 ordinary shares of Baht 1 each			704,431,290		704,431,290
Issued and paid, share capital					
455,807,823 ordinary shares of Baht 1 each, fully paid		455,807,823	455,807,823	455,807,823	455,807,823
Premium on ordinary shares	27	337,773,202	337,773,202	337,773,202	337,773,202
Premium on treasury shares	27	37,006,907	37,006,907	37,006,907	37,006,907
Surplus from changes in ownership interests					
in subsidiaries		690,258,290	690,258,290	-	-
Retained earnings					
Appropriated - Legal reserve	28	46,876,429	42,780,450	46,876,429	42,780,450
Unappropriated		531,517,850	488,151,355	902,775,476	824,951,883
Other components of shareholders' equity		194,867,707	200,858,895	193,250,697	201,069,183
Total equity attributable to owners of the parent		2,294,108,208	2,252,636,922	1,973,490,534	1,899,389,448
Non-controlling interest		996,300,600	1,016,592,286	-	-
TOTAL SHAREHOLDERS' EQUITY		3,290,408,808	3,269,229,208	1,973,490,534	1,899,389,448
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,706,785,177	6,217,412,550	2,882,545,865	3,359,668,766

Notes to the financial statements form an integral part of these statements



Sub Sri Thai Public Company Limited and its subsidiaries  
Statement of comprehensive income  
For the year ended 31 December 2018

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2018	2017	2018	2017
<b>REVENUES</b>					
Sales		3,082,037,025	2,823,267,608	-	-
Service income		393,549,326	327,771,573	386,751,536	324,552,394
Other income					
Dividend income	5	3,408,330	13,108,110	44,715,585	36,188,880
Others		176,219,677	153,237,622	25,743,112	15,096,486
Total revenues		3,655,214,358	3,317,384,913	457,210,233	375,837,760
<b>EXPENSES</b>					
Cost of sales		1,258,209,588	1,152,916,762	-	-
Cost of services		282,684,452	247,775,141	280,028,058	247,028,883
Selling expenses		1,589,619,766	1,470,946,681	-	-
Administrative expenses		419,187,992	402,494,011	61,575,384	52,404,936
Total expenses		3,549,701,798	3,274,132,595	341,603,442	299,433,819
Profit before share of profit from investment in an associate		105,512,560	43,252,318	115,606,791	76,403,941
Share of profit from investment in an associate	12.2	11,554,065	5,084,244	-	-
Profit before finance cost and income tax (expenses) income		117,066,625	48,336,562	115,606,791	76,403,941
Finance cost		(69,756,713)	(80,032,602)	(36,252,875)	(46,261,543)
Profit (loss) before income tax (expenses) income		47,309,912	(31,696,040)	79,353,916	30,142,398
Income tax (expense) income	24	(6,882,277)	(5,174,180)	(117,647)	974,361
<b>PROFIT (LOSS) FOR THE YEAR</b>		40,427,635	(36,870,220)	79,236,269	31,116,759
<b>OTHER COMPREHENSIVE INCOME (EXPENSE)</b>					
Items that may be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of financial statements					
in foreign currencies		1,827,298	(288,221)	-	-
Loss on changes in value of available-for-sale investments					
- net of income tax		(7,818,486)	(2,047,612)	(7,818,486)	(2,047,612)
Items that may not be reclassified to profit or loss in subsequent periods					
Actuarial gain - net of income tax		2,683,303	15,139,685	2,683,303	-
<b>Other comprehensive income (expense) for the year</b>		(3,307,885)	12,803,852	(5,135,183)	(2,047,612)
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR</b>		37,119,750	(24,066,368)	74,101,086	29,069,147



Sub Sri Thai Public Company Limited and its subsidiaries  
Statement of comprehensive income (continued)  
For the year ended 31 December 2018

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2018	2017	2018	2017
PROFIT (LOSS) ATTRIBUTABLE TO:					
Equity holders of the parent		44,779,171	(21,369,411)	79,236,269	31,116,759
Non-controlling interests		(4,351,536)	(15,500,809)		
		40,427,635	(36,870,220)		
TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO:					
Equity holders of the parent		40,455,226	(13,897,720)	74,101,086	29,069,147
Non-controlling interests		(3,335,476)	(10,168,648)		
		37,119,750	(24,066,368)		
Basic earnings (loss) per share					
Basic earnings (loss) per share (Baht)	30	0.10	(0.05)	0.17	0.07
Weighted average number of ordinary shares (Thousand Shares)	30	455,807,823	455,807,823	455,807,823	455,807,823



Sub Sri Thai Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the year ended 31 December 2018

UNIT : BAHT

	Notes	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Premium on Treasury Shares	Surplus from Changes in Ownership Interests in Subsidiaries	Retained Earnings		Other Components of Shareholders' Equity				Total Equity	Equity Attributable	Total
						Appropriated	Unappropriated	Other Comprehensive Income			Total Other	Attributable	to Non-controlling	Shareholders'
						Legal Reserve		Exchange Differences	Loss on Change	Revaluation	Components of	to Owners	Interests of	Equity
								on Translation of	in Value of	Surplus on Land	Shareholders' Equity	of the Company	the Subsidiaries	
								Financial Statements	Available-for-sale					
								in Foreign Currencies	Investments					
<b>Balance as at January 1, 2017</b>		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
Total comprehensive expense for the year		-	-	-	-	-	(11,639,819)	(210,288)	(2,047,612)	-	(2,257,900)	(13,897,719)	(10,168,649)	(24,066,368)
Change in the ownership interests in subsidiary	13.1	-	-	-	395,491,852	-	-	-	-	-	-	395,491,852	(395,491,852)	-
A subsidiary made an initial public offering														
of ordinary shares		-	-	-	-	-	-	-	-	-	-	-	1,065,251,789	1,065,251,789
Dividends paid	28	-	-	-	-	-	(4,604,734)	-	-	-	-	(4,604,734)	-	(4,604,734)
Stock dividends	28	41,436,475	-	-	-	-	(41,436,475)	-	-	-	-	-	-	-
Transfer unappropriated retained earnings														
to legal reserve	28	-	-	-	-	1,555,838	(1,555,838)	-	-	-	-	-	-	-
<b>Balance as at December 31, 2017</b>		455,807,823	337,773,202	37,006,907	690,258,290	42,780,450	488,151,355	(210,288)	(5,491,612)	206,560,795	200,858,895	2,252,636,922	1,016,592,286	3,269,229,208
<b>Balance as at January 1, 2018</b>		455,807,823	337,773,202	37,006,907	690,258,290	42,780,450	488,151,355	(210,288)	(5,491,612)	206,560,795	200,858,895	2,252,636,922	1,016,592,286	3,269,229,208
Total comprehensive income (expense) for the year		-	-	-	-	-	47,462,474	1,827,298	(7,818,486)	-	(5,991,188)	41,471,286	(3,335,476)	38,135,810
Dividends of the Company's subsidiary														
paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(16,956,210)	(16,956,210)
Transfer unappropriated retained earnings														
to legal reserve	28	-	-	-	-	4,095,979	(4,095,979)	-	-	-	-	-	-	-
<b>Balance as at December 31, 2018</b>		455,807,823	337,773,202	37,006,907	690,258,290	46,876,429	531,517,850	1,617,010	(13,310,098)	206,560,795	194,867,707	2,294,108,208	996,300,600	3,290,408,808

Notes to the financial statements form an integral part of these statements



Sub Sri Thai Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity (continued)  
For the year ended 31 December 2018

UNIT : BAHT									
	Notes	Issued and	Premium on	Premium on	Retained Earnings		Other Components of Shareholders' Equity		
		Paid-up	Ordinary	Treasury	Appropriated	Unappropriated	Other Comprehensive Income		Total Other
		Share Capital	Shares	Shares	Legal Reserve		Loss on Change	Revaluation	Components of
							in Value of	Surplus on Land	Shareholders' Equity
							Available-for-sale		
							Investments		
Balance as at January 1, 2017		414,371,348	337,773,202	37,006,907	41,224,612	841,432,171	(3,444,000)	206,560,795	203,116,795
Total comprehensive income (expense) for the year		-	-	-	-	31,116,759	(2,047,612)	-	(2,047,612)
Dividends paid	28	-	-	-	-	(4,604,734)	-	-	-
Stock dividends	28	41,436,475	-	-	-	(41,436,475)	-	-	-
Transfer unappropriated retained earnings									
to legal reserve	28	-	-	-	1,555,838	(1,555,838)	-	-	-
Balance as at December 31, 2017		455,807,823	337,773,202	37,006,907	42,780,450	824,951,883	(5,491,612)	206,560,795	201,069,183
Balance as at January 1, 2018		455,807,823	337,773,202	37,006,907	42,780,450	824,951,883	(5,491,612)	206,560,795	201,069,183
Total comprehensive income (expense) for the year		-	-	-	-	81,919,572	(7,818,486)	-	(7,818,486)
Transfer unappropriated retained earnings	28								
to legal reserve		-	-	-	4,095,979	(4,095,979)	-	-	-
Balance as at December 31, 2018		455,807,823	337,773,202	37,006,907	46,876,429	902,775,476	(13,310,098)	206,560,795	193,250,697

Notes to the financial statements form an integral part of these statements



Sub Sri Thai Public Company Limited and its subsidiaries  
Cash flow statement  
For the year ended 31 December 2018

	Notes	UNIT : BAHT			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
		2018	2017	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit (loss) before income tax (expense) income		47,309,912	(31,696,040)	79,353,916	30,142,398
Adjustments to reconcile profit (loss) before income tax (expense) income to net cash provided by (paid from) operating activities					
Depreciation and amortisation		249,182,628	273,306,991	24,195,057	24,900,615
Loss on write-off assets		20,534,713	11,227,414	157,184	(553,038)
Doubtful debts expense (reversal)		(54,330)	(307,316)	(24,330)	(307,316)
Loss on diminution in value of inventories		3,739,487	4,375,726	-	-
Gain on fair value adjustment of investment properties		(11,173,979)	-	(11,173,979)	-
Impairment loss on assets (reversal)		-	(1,493,884)	-	-
Share of profit from investment in an associate		(11,554,065)	(5,084,244)	(1,362,991)	-
Long-term employee benefit expenses		8,102,559	4,682,933	1,644,528	1,580,164
Gain on sales of investments		(1,362,991)	-	-	-
Unrealized gain on change in values of investment held as available-for-sale		(48,812)	-	-	-
Dividends income		(3,408,330)	(13,108,110)	(44,715,585)	(36,188,880)
Amortization of deferred costs relating to the issuance of debentures		1,711,624	1,241,727	1,242,762	1,241,727
Interest expenses		68,513,951	76,023,875	35,010,113	45,019,816
Front-end fees		-	2,767,000	-	-
Interest income		(926,038)	(1,517,518)	(274,645)	(561,435)
Profit from operating activities before changes in operating assets and liabilities		370,566,329	320,418,554	84,052,030	65,274,051
Operating assets (increase) decrease					
Trade and other current receivables		9,942,055	(16,086,171)	(909,572)	(12,266,346)
Inventories		15,546,183	24,354,785	-	-
Other current assets		(10,153,747)	(9,825,145)	(63,268)	2,351,677
Restricted bank deposits		247,824	340,306	-	-
Other non-current assets		(27,383,892)	(13,363,318)	(11,883,913)	128,436
Operating liabilities increase (decrease)					
Trade and other current payables		(47,283,158)	(27,225,683)	(58,683)	3,318,527
Other current liabilities		(2,252,996)	4,394,097	603,491	2,011,198
Non-current provisions for employee benefit		(6,525,786)	(2,812,706)	(1,744,150)	(240,400)
Other non-current provisions		15,591,650	-	15,591,650	-
Other non-current liabilities		(3,528,602)	3,189,292	(5,000,000)	-
Cash received for operating activities		314,765,860	283,384,011	80,587,585	60,577,143
Cash paid for interest expenses		(69,537,199)	(75,095,524)	(40,891,635)	(44,148,896)
Cash paid for income tax		(23,773,878)	(37,348,766)	(299,518)	(9,852,852)
Cash received from withholding tax refundable		10,679,891	9,545,242	10,679,891	9,298,533
Net cash provided by operating activities		232,134,674	180,484,963	50,076,323	15,873,928



Sub Sri Thai Public Company Limited and its subsidiaries  
Cash flow statement (continued)  
For the year ended 31 December 2018

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2018	2017	2018	2017
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Decrease in current investments		485,162,991	9,697,094	494,362,991	-
Increase short-term loans to related party		-	-	(20,000,000)	-
Cash paid for acquisition of investment held as available-for-sale		-	(493,000,000)	-	(493,000,000)
Cash received from investment held as available-for-sale securities		3,335,760	28,281,390	3,335,760	28,281,390
Cash paid for acquisition of investments in subsidiaries		(39,393,800)	(256,155,981)	-	(9,999,700)
Cash paid for short-term borrowings to existing shareholder of a subsidiary		-	(49,618,022)	-	-
Cash paid for acquisition of building improvement and equipment		(180,841,983)	(247,425,309)	(14,950,809)	(14,700,865)
Proceeds from sales of equipment		2,776,315	3,233,241	507,955	629,799
Proceeds from franchise termination		1,727,000	-	-	-
Increase in intangible assets and leasehold rights		(8,374,127)	(33,517,895)	(711,163)	(175,029)
Dividends received		14,208,330	24,189,360	44,715,585	164,997,290
Interest received		1,016,034	1,946,157	349,561	1,005,901
Net cash provided by (used in) investing activities		279,616,520	(1,012,369,965)	507,609,880	(322,961,214)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
(Decrease) increase in short-term borrowings from financial institutions	6.3	(337,500,000)	48,700,000	(50,000,000)	(284,000,000)
Repayments of long-term borrowings	6.3	(317,567,243)	(720,298,462)	-	-
Proceeds from long-term borrowings	6.3	184,000,000	-	-	-
Repayments of long-term debentures	6.3	(500,000,000)	-	(500,000,000)	-
Proceeds from issuance of debentures	6.3	500,000,000	600,000,000	-	600,000,000
Cash paid for front-end fees		-	(2,767,000)	-	-
Cash paid for direct costs related to the issuance of debentures	6.3	(3,250,000)	(3,770,000)	-	(3,770,000)
Cash paid for liabilities under finance leases	6.3	(11,712,003)	(8,106,783)	(234,477)	-
Dividends paid to equity holders of the Company		-	(4,604,734)	-	(4,604,734)
Dividends paid to non-controlling interests of the subsidiary		(16,947,033)	(31,536,960)	-	-
Cash received from non-controlling interests from issuance of ordinary shares of a subsidiary		-	1,107,648,937	-	-
Cash paid for direct costs related to the share offering of a subsidiary		-	(42,397,148)	-	-
Net cash flows (used in) provided by financing activities		(502,976,279)	942,867,850	(550,234,477)	307,625,266
Difference in translation adjustments of financial statements in foreign currencies		8,439,867	120,637	-	-
Net increase in cash and cash equivalents		17,214,782	111,103,485	7,451,726	537,980
Cash and cash equivalents as at January 1,		211,548,724	100,445,239	10,206,933	9,668,953
Cash and cash equivalents as at December 31,		228,763,506	211,548,724	17,658,659	10,206,933

Notes to the financial statements form an integral part of these statements



## Notes to consolidated financial statements

### Sub Sri Thai Public Company Limited and its subsidiaries

For the year ended 31 December 2018

#### 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 and wharf services. The registered office of the Company is located at 2044/ 25- 27, New Petchaburi Road, Bangkok, Huai Kwang, Bangkok and its warehouses and wharfs are located in Samutprakarn.

#### 2. Basis of preparation

2.1 The Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2017) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2018 onwards, and the Regulations of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding “The Preparation and Submission of Financial Statements and Reports for the Financial Position and Results of Operations of the Listed Companies B.E. 2560” and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements (No. 2) B.E. 2559” dated October 11, 2016.

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 under the historical cost basis except as disclosed in the significant accounting policies.

2.2 The consolidated financial statements include the financial statements of Sub Sri Thai Public Company Limited ( the “ Company” ) and the following subsidiaries ( the “subsidiaries”):

Company's name	Nature of business	Country of incorporation	% of shareholding	
			As at	As at
			December 31, 2018	December 31, 2017
			%	%
<u>Subsidiaries directly owned by the Company</u>				
SST Warehouse Co., Ltd.	Warehouse	Thailand	100	100
Mudman Public Company Limited	Holding Company	Thailand	64	64
SST REIT Management Co., Ltd.	Trust fund management	Thailand	100	100
<u>Subsidiaries indirectly owned by the Company</u>				
<u>Held by Mudman Public Company Limited</u>				
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
Greyhound Co., Ltd.	Production and distribution of ready-made clothing and leather goods	Thailand	100	100
Greyhound Café Co., Ltd.	Restaurant	Thailand	100	100
Mudman International Limited	Holding Company	Republic of Mauritius	100	100



Company's name	Nature of business	Country of incorporation	% of shareholding	
			As at	As at
			December 31, 2018	December 31, 2017
			%	%
Held by Greyhound Café Co., Ltd.				
GHC CAFÉ (UK) Co., Ltd.	Restaurant	United Kingdom	100	100
Held by Mudman International Limited				
Societe Langonnaise des Vinset Hotelleries SAS	Restaurant	France	100	100

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.

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.

The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

The assets and liabilities in the financial statements of overseas subsidiaries are translated to Thai Baht using the exchange rates prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currencies" in the statements of changes in shareholders' equity.

Significant balances and transactions between the Company and its subsidiaries including investments in subsidiaries and subsidiaries' share capital were eliminated from the consolidated financial statements.

## 2.3 New or revised Thai Financial Reporting Standards

### 2.3.1 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group has adopted the revised and new Thai Financial Reporting Standards ("TFRSs") including Thai Financial Reporting Standard Interpretation issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. 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 Group's financial statements, except the following financial reporting standards:



### Thai Accounting Standard No. 7 (Revised 2017) “Statement of Cash Flows”

This revised accounting standard requires the disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This accounting standard requires prospective method for such amendment (see Note 6.3).

### Thai Accounting Standard No.12 (Revised 2017) “Income Tax”

This revised accounting standard clarifies about the recognition of deferred tax assets in case an entity has unrealized loss. This Standard clarifies whether the assessment of future taxable income profits is sufficient to use for reversal of deductible temporary differences (e.g. 5-year loss carry forward). The future tax profits used for comparing should not include tax deductions. In addition, the assessment of future tax profits should include gain which may incur from the increasing of entity's assets value in the future. This accounting standard requires retrospective method for such amendment.

## 2.3.2 Thai Financial Reporting Standards (“TFRS”) announced in the Royal Gazette but not yet effective

### 2.3.2.1 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2019

#### New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

#### **Thai Financial Reporting Standards (“TFRS”)**

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers

#### **Thai Financial Reporting Standard Interpretation (“TFRIC”)**

TFRIC 22	Foreign Currency Transactions and Advance Consideration
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### Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. 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 reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

#### **Thai Accounting Standards ("TAS")**

TAS 28 (Revised 2018)	Investment in Associates and Joint Ventures
TAS 40 (Revised 2018)	Investment Property

#### **Thai Financial Reporting Standards ("TFRS")**

TFRS 2 (Revised 2018)	Share-based Payment
TFRS 4 (Revised 2018)	Insurance Contracts

#### 2.3.2.2 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard Group of Financial Instruments which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

#### **Thai Accounting Standards ("TAS")**

TAS 32	Financial Instruments: Presentation
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#### **Thai Financial Reporting Standards ("TFRS")**

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

#### **Thai Financial Reporting Standard Interpretations ("TFRIC")**

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when they become effective. The Group's management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.



### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Cash and cash equivalents

Cash and cash equivalents includes cash, savings account deposits, current account deposits and not exceeding 3 months fixed deposits, and short-term investments which are not exceeding 3 months duration for repayment with no obligation commitment.

#### 3.2 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.

#### 3.3 Inventories

Inventories are carried at the lower of cost or net realizable value, and adjusted by allowance for deteriorated or obsolete inventories and for diminution in value of inventories. The cost of inventories are calculated by using the first-in, first-out method.

#### 3.4 Investments

3.4.1 Investments in an associate in the consolidated financial statements are recorded by the equity method and in the separate financial statements are recorded under the cost method net by the allowance for impairment. The change in the investment is recognized in the statement of profit or loss and other comprehensive income when the investment is disposed or the impairment of the investment incurred.

3.4.2 Investments in subsidiaries in the separate financial statements are recorded under the cost method net by the allowance for impairment. The change in the investment is recognized in the statement of profit or loss and other comprehensive income when the investment is disposed or the impairment of the investment incurred.

3.4.3 Investments in marketable debts and equity instruments which are recorded as investments held as available-for-sale are those held for an unspecified period which might be sold in need of liquidity and shown in total under of non-current assets except the management has intention to hold them less than 12 months from the statement of financial position date or the management is to sell them to increase the working capital. In the latter case, they will be classified as current asset. Normally, the management will fix the appropriate classification at the time of investing and will review the classification regularly. These investments are stated at fair values which are calculated from the latest quote of purchase price as of the reporting period and recognized the change in value in the other comprehensive income. When these investments are sold or impaired in value, the recognition will be made through the statement of profit or loss and other comprehensive income.





### 3.5 Investment properties

Investment properties consist of building and warehouse leased out that is held for rental yields or for capital appreciation or both, and that is not use in the operation by the companies in the Group.

Investment properties are carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets replacement value or discounted cash flow projections. Valuation is performed as of the financial position date by independent professional appraisers.

Changes in fair values are recognised in the statement profit or loss and other comprehensive income. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

### 3.6 Property, plant and equipment

Land is stated at the revalued amount less allowance for impairment (if any). The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation. Plant and equipment are stated at cost less accumulated depreciation and the allowance for impairment (if any).

Revaluation is performed by independent professional appraisers, which the Company has the policy that the independent professional appraisers will be requested to perform the appraisal for the said assets at sufficient regularity to ensure that the book value of these assets does not differ materially from their fair values at the statement of financial position date. Increase from appraisal value will be recorded in the shareholders' equity under "gain on asset revaluation", and decrease from cost recorded as loss from decrease in revaluation of assets in the statement of profit or loss and other comprehensive income.

Depreciation of building and equipment is calculated by costs using the straight-line method over their estimated useful lives, as follows:

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 - 15 years
Machinery and equipment	3 - 10 years
Furniture, fixtures and office equipment	3 - 5 years
Motor vehicles	5 years



No depreciation is provided on assets under installation and construction.

Dismantling, moving and renovating assets location cost in which the Company obligates when receiving such asset. The Company recognizes them at the cost of assets and depreciated them.

### 3.7 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 the statement of profit or loss and other comprehensive income.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually or 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 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 the statement of profit or loss and other comprehensive income. Impairment losses relating to goodwill cannot be reversed in future periods.

### 3.8 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 the statement of profit or loss and other comprehensive income.

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

Franchise	7 - 28 years
Trademark	40 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.

#### Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation and allowance for loss on impairment on assets. Amortisation is calculated by reference to its cost on a straight-line basis over the lease period. The amortisation expense is charged to the statement of profit or loss and other comprehensive income.

### 3.9 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the building improvement 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 the statement of profit or loss and other comprehensive income.

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 immediately 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.



### 3.10 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 their 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 plan

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits plan are recognised immediately in other comprehensive income.

### 3.11 Provisions

The Company and its subsidiaries will record provisions when it is highly certain that obligations will occur at present legally or reliable estimate as a result of past events. These obligations are expected to cause an outflow of resources embodying economics benefits resulting to settle such obligations and these amounts to be paid can be estimated reliably. If there is expectation to recover payment toward estimated liabilities certainly by all or part, the returned payment will be recognized as separate asset but its amount must not be more than related estimated liabilities and the expense related to liability estimates is shown in the statement of profit or loss and other comprehensive income at amount net by recognized amount of expense to be recovered.

### 3.12 Leases

#### Operating lease

Lease in which substantially the risks and ownership of assets remain with the lessor is accounted for as operating lease. Rental applicable to such operating leases are charged in the statement of profit or loss and other comprehensive income using the straight-line method over the lease period.



## Finance lease

Lease in which substantially all the risk and reward of ownership, other than legal title is transferred to the Company and its subsidiaries is accounted for as a finance lease. The Company and its subsidiaries capitalized the asset and recorded liabilities in the statements of financial position of lessee in the amount at the lower of estimated present value of the underlying lease payments or at the fair value of the leased asset at the contractual date. The leased assets are depreciated using the straight-line method over their estimated useful lives. Financial charge is calculated by the effective interest rate method over the term of contracts. Financial charge and depreciation are recognized as expenses in the statement of profit or loss and other comprehensive income.

### 3.13 Finance costs

Finance costs such as interest expenses and similar costs are charged in the statement of profit or loss and other comprehensive income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

### 3.14 Foreign currency transactions

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities in foreign currencies outstanding at the statement of financial position date are translated into Baht at the exchange rates ruling on that date. Exchange gains or losses either realized or unrealized are included as incomes or expenses in the statement of profit or loss and other comprehensive income for the year.

The financial statements of overseas subsidiaries are translated to Thai Baht in preparation of the consolidated financial statements as follows:

- a. Assets and liabilities are translated to Thai Baht at the foreign exchange rates ruling at statement of financial position date.
- b. Shareholders' equity is translated to Thai Baht at the foreign exchange rates on the transaction date.
- c. Revenues and expenses are translated to Thai Baht at average foreign exchange rates for the year.

Gain (loss) on translation of the financial statements prepared in foreign currencies are presented as other components of equity under shareholders' equity.



### 3.15 Related parties

Related parties with the Company and its subsidiaries represent individuals or enterprises which have the controlling power over the Company and its subsidiaries or are controlled by the Company and its subsidiaries either directly or indirectly, or under the common control with the Company and its subsidiaries. Furthermore, the related parties also represent the associates and the parties who hold the shares with voting rights, either directly or indirectly, and have significant influence to the Company, important managers, directors or employees of the Company and its subsidiaries who have power to plan and control the operations of the Company and its subsidiaries, including the close family members who can persuade or have power to persuade to act in compliance with said persons and businesses that said persons who have control power or significant influence, either directly or indirectly.

### 3.16 Revenue recognition

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.

Revenues from services is recognised when services have been rendered.

Dividend income is recognized when entitled to receive such dividend.

Other incomes are recognized on an accrual basis.

### 3.17 Expense recognition

Expenses are recognized on an accrual basis.

### 3.18 Income tax expense

Income tax expenses represents the sum of the current tax and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.



## Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). The Company and its subsidiaries recognize deferred tax liabilities for all temporary differences, and recognize deferred tax assets for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amounts of deferred tax assets are reviewed at each statement of financial position date. Deferred tax assets shall be reduced to the extent that utilized taxable profits decreased. Any such reduction shall be reversed to the extent that it becomes probable that the Company and its subsidiaries have sufficient taxable profit to allow total or part of the asset to be recovered.

The Company and its subsidiaries measures deferred tax assets and deferred tax liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

In the consolidated financial statements, deferred tax assets and deferred tax liabilities are recognized by each company in the Group, and deferred tax asset of one company in the Group is offset against deferred tax liability of another company in the Group if, and only if, the companies concerned have a legally enforceable right to make or receive a single net payment and the companies intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously.

### 3.19 Earnings (loss) per share

The calculations of basic earnings (loss) per share were based on the profit (loss) for the year attributable to equity holders divided by the weighted average number of ordinary shares held by outsiders outstanding during the year net of treasury stocks. The calculations of diluted earnings per share (if any) were based on the weighted average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

### 3.20 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 market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company and its subsidiaries take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.





In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3.21 Use of accounting estimates

#### Use of management's judgements

The preparation of consolidated and separate financial statements in conformity with Thai Financial Reporting Standards also requires the Company's and its subsidiaries' management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

#### Building improvement and equipment/Depreciation

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

In May 2018, the subsidiary's management reviewed the estimated economic useful lives of building improvement and considered changing the estimated economic useful lives of certain building improvement to reflect the current usage condition and the future economic benefits from 5 years to 10 years which the subsidiary has been permitted by the Director General of the Revenue Department on May 11, 2018 which was effective for the accounting period beginning or after January 1, 2018. The subsidiary adjusted the change in such accounting estimate using the prospective method. However, such change results in changes in future depreciation to be recognized in the statements of profit or loss and other comprehensive income for the years as follows:

	Unit : Thousand Baht			
	2019	2020	2021	Later
<b>Consolidated financial statements</b>				
Increase (Decrease) in depreciation	(16,055)	(9,085)	(5,894)	49,064



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.

In January 2018, the subsidiary's management reviewed the estimated economic useful lives of franchises and considered changing the estimated economic useful lives of certain franchises from 10 years to 20 years, to reflect the current usage condition and the future economic benefits because the subsidiary extended the period of the franchises agreement. The subsidiary adjusted the change in such accounting estimate using the prospective method. However, such change results in changes in future amortization to be recognized in the statements of profit or loss and other comprehensive income for the years as follows:

	Unit : Thousand Baht			
	2019	2020	2021	Later
<b>Consolidated financial statements</b>				
Increase (Decrease) in amortization	(12,722)	(12,722)	(12,722)	50,888

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plan

The obligation under the defined benefit plan 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.

Past service cost related to the plan amendment is recognized as an expense in the income statement when the plan amendment is effective.

#### 4. ACQUISITION OF BUSINESS AND ACQUISITION OF ASSETS

On October 12, 2017, the Board of Directors' Meeting of Mudman Public Company Limited, a subsidiary, passed a resolution to acquire shares of Societe Langonnaies des Vins et Hotelleries SAS ("SLVH") which operates food and beverage business under the trademark of Le Grand Vefour. On December 21, 2017, Mudman International Limited (a subsidiary of Mudman Public Company Limited.) acquired 28,298 ordinary shares (par value Euro 16 each) of SLVH from existing shareholder for a total consideration of Euro 7,812,247 which payment was divided into two installments. The first installment amounting to Euro 6,812,247 was paid by cash on December 21, 2017 and the second installment amounting to Euro 1,000,000 or equivalent to Baht 39,393,800 has already paid by cash on December 21, 2018.



Subsequently in 2018, the subsidiary engaged an independent appraiser to appropriate the fair value of identifiable assets acquired and liabilities assumed and allocation of fair value at the acquisition date. The subsidiary received the final purchase price allocation report dated September 10, 2018 from the independent appraiser. The subsidiary has applied Thai Financial Reporting Standard No. 3 (revised 2017) “Business Combinations” to recognize this business combination transaction. The following summarizes the major classes of consideration transferred and the recognized fair value of assets acquired and liabilities assumed at the business acquisition date:

	Unit : Thousand Baht (Restated)
Cash and cash equivalents	5,265
Trade and other current receivables	22,853
Inventories	24,961
Other current assets	5,272
Building improvements and equipment	7,148
Intangible assets	98,792
Other non-current assets	3,039
Short-term borrowings	(49,618)
Trade and other current payables	(23,520)
Other current liabilities	(8,331)
Deferred tax liabilities	(26,966)
Non-current provision for employee benefits	(1,924)
<b>Identifiable assets and liabilities - net</b>	<b>56,971</b>
Consideration transferred	300,815
<b>Goodwill</b>	<b>243,844</b>

Based on the information from the final purchase price allocation report of an independent appraiser dated September 10, 2018 and other relevant factors obtained since the business acquisition date. The Group considered the fair values of assets acquired and liabilities assumed from the business acquisition and recorded the difference amount between the purchase price and the value of consideration received in the account “Goodwill” in the amount of Baht 243.84 million. The Group retrospectively adjusted the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and would have affected the measurement of the amounts recognized as of that date. Therefore, the consolidated statement of financial position as at December 31, 2017, has been restated accordingly.

The effects of the restatement on the consolidated statement of financial position as at December 31, 2017 were as follows:

	Balances as previously reported	Effect of the restatement	Balances as restated
<b>Consolidated statement of financial position as at December 31, 2017</b>			
<b>Assets</b>			
Inventory	192,954	7,625	200,579
Goodwill	1,896,039	243,844	2,139,883
Unallocated costs of business acquisition	309,502	(309,502)	-
Other intangible assets	916,053	84,999	1,001,052
Total assets	6,190,446	26,966	6,217,412
<b>Liabilities and shareholders' equity</b>			
Deferred tax liabilities	313,375	26,966	340,341
Total liabilities and shareholders' equity	6,190,446	26,966	6,217,412



## 5. RELATED PARTY TRANSACTIONS

The Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarized 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.

Significant transactions with related parties for the years ended December 31, are as follows:

	Consolidated Financial Statements		Separate Financial Statements		Unit : Thousand Baht Pricing policy
	2018	2017	2018	2017	
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)					
Dividend income	-	-	30,507	12,000	Announced rate
Management service income	-	-	14,588	14,143	Reciprocal agreement
<u>Transactions with an associate</u>					
Warehouse rentals	49,400	49,400	49,400	49,400	Contract rate
Dividend income	-	-	10,800	11,081	Announced rate
<u>Transactions with related parties</u>					
Warehouse rentals	66,897	65,614	66,897	65,614	Contract rate
Rental expenses	-	1,200	-	-	Contract rate
Dividend income	3,408	13,108	3,408	13,108	Announced rate

As at December 31, significant balances of the accounts between the Company and those related parties are as follows:

	Consolidated Financial Statements		Separate Financial Statements		Unit : Thousand Baht
	2018	2017	2018	2017	
<b>Trade receivables</b> (see Note 8)					
Subsidiaries	-	-	16	151	
Related parties	1,956	139	-	-	
	<u>1,956</u>	<u>139</u>	<u>16</u>	<u>151</u>	
<b>Other current receivables</b> (see Note 8)					
Subsidiaries	-	-	137	851	
Related parties	113	3,394	-	-	
	<u>113</u>	<u>3,394</u>	<u>137</u>	<u>851</u>	
<b>Short-term loans</b>					
Subsidiaries	-	-	20,000	-	
<b>Rental deposit</b>					
Related parties	<u>32,500</u>	<u>32,500</u>	<u>32,500</u>	<u>32,500</u>	
<b>Trade payables</b> (see Note 20)					
Associate	-	24,700	-	24,700	
Related parties	66,795	36,543	66,795	36,543	
Directors	-	1,114	-	1,114	
	<u>66,795</u>	<u>62,357</u>	<u>66,795</u>	<u>62,357</u>	



Unit : Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>Other current payables</b> (see Note 20)				
Subsidiaries	-	-	6,042	6,049
Related parties	-	12,960	-	12,960
Directors	5,480	-	5,480	-
	<u>5,480</u>	<u>12,960</u>	<u>11,522</u>	<u>19,009</u>
<b>Payables for acquisition of investment in a subsidiary</b>				
Related party (director of subsidiary) (see Note 13.4)	-	39,394	-	-

Short-term loans

As at December 31, 2018, short-term loans represent promissory notes in Thai Baht. Interest is charged at 4% per annum. Such loans have no collateral and are repayable within 1 month which maturity date on January 21, 2019. (2017 : Nil)

Movements for the year ended December 31, 2018 of loans to related party is as follows:

		Unit : Thousand Baht			
		Separate Financial Statements			
Loans to	Relationship	Balance as at December 31, 2017	Increase during the year	Decrease during the year	Balance as at December 31, 2018
<u>Short-term loans</u>					
SST REIT Management Co., Ltd.	Subsidiary	-	20,000	-	20,000
Total		-	20,000	-	20,000

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% of the goods storage revenue of the subsidiary. The agreement expired on September 30, 2018. On September 4, 2018, the Company renewed the agreement for a period of 3 years, from October 1, 2018 to September 30, 2021.

Directors and management's benefits

During the years ended December 31, 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	
	2018	2017	2018	2017
Short-term employee benefits	124,015	125,523	30,109	33,662
Post-employment benefits	2,560	3,122	256	378
Total	<u>126,575</u>	<u>128,645</u>	<u>30,365</u>	<u>34,040</u>



Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Notes 34.6.1.

**6. ADDITIONAL CASH FLOW INFORMATION**

6.1 Cash and cash equivalent as at December 31, are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2018	2017	2018	2017
Cash on hand	24,954	24,649	841	560
Deposits at financial institutions				
- Current accounts	54,945	47,948	127	58
- Savings accounts	115,558	116,846	13,713	7,483
Bills of exchange	30,009	20,000	-	-
Cheques on hand	3,298	2,106	2,978	2,106
Total	<u>228,764</u>	<u>211,549</u>	<u>17,659</u>	<u>10,207</u>

6.2 Non-cash items as at December 31, are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2018	2017	2018	2017
Payables from purchases of assets	23,264	25,240	1,061	22
Other non-current provision	67,496	-	15,592	-
Liabilities under finance leases	8,743	21,592	-	1,293
Amortization of deferred cost relating to the issuance of debentures	1,711	1,242	1,243	1,242

6.3 Changing in liabilities from financing activities

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	Balance as at January 1, 2018	Financing cash flows	Non-cash changes	Balance As at December 31, 2018
Short-term borrowings from financial institutions	457,500	(337,500)	-	120,000
Long-term borrowings	324,790	(133,567)	-	191,223
Liabilities under finance leases	24,894	(11,712)	8,743	21,925
Debentures	1,096,524	-	-	1,096,524
Transaction costs relating to the issuance of debentures	-	(3,250)	1,711	(1,539)
Total	<u>1,903,708</u>	<u>(486,029)</u>	<u>10,454</u>	<u>1,428,133</u>

	Unit : Thousand Baht			
	Separate Financial Statements			
	Balance as at January 1, 2018	Financing cash flows	Non-cash changes	Balance As at December 31, 2018
Short-term borrowings from financial institutions	100,000	(50,000)	-	50,000
Liabilities under finance leases	1,292	(234)	-	1,058
Debentures	1,096,524	(500,000)	1,243	597,767
Total	<u>1,197,816</u>	<u>(550,234)</u>	<u>1,243</u>	<u>648,825</u>



## 7. TEMPORARY INVESTMENTS

Temporary investments as at December 31, consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements 2018	2017	Financial Statements 2018	2017
Investments in trading securities - fair value	-	2,514	-	-
Investments in available-for-sale securities - cost	11,700	493,000	-	493,000
Add: Surplus on changes in value of investments	63	1,139	-	1,139
Investment in available-for-sale securities - fair value	11,763	494,139	-	494,139
Total temporary investments	11,763	496,653	-	494,139

## 8. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements 2018	2017	Financial Statements 2018	2017
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,956	139	7	145
Past due				
Up to 3 months	-	-	9	6
Total trade receivables - related parties (see Note 5)	1,956	139	16	151
<u>Trade receivables - others</u>				
Aged on the basis of due dates				
Not yet due	87,715	104,076	28,476	27,096
Past due				
Up to 3 months	38,920	29,287	26,859	21,557
3 - 6 months	3,315	6,186	3,316	5,605
6 - 12 months	1,012	1,592	991	1,007
Over 12 months	6,320	5,718	136	161
Total	137,282	146,859	59,778	55,426
Less: Allowance for doubtful debts	(5,590)	(5,643)	(136)	(161)
Total trade receivables - others	131,692	141,216	59,642	55,265
Total trade receivables	133,648	141,355	59,658	55,416
<u>Other receivables</u>				
Other receivables - related parties (see Note 5)	113	3,394	137	851
Other receivables - others	11,231	7,538	371	781
Prepaid expenses	21,006	23,689	8,994	11,253
Total other receivables	32,350	34,621	9,502	12,885
Total trade and other current receivables	165,998	175,976	69,160	68,301





## 9. INVENTORIES

Inventories as at December 31, consisted of:

	Unit : Thousand Baht	
	Consolidated	
	Financial Statements	
	2018	2017
		"Restated"
Finished goods	68,065	79,601
Work in process	1,679	1,382
Raw materials	95,805	97,392
Packing materials	16,397	12,635
Goods in transit	130	5,233
Others	16,885	18,264
Total	198,961	214,507
<u>Less: Allowance on diminution in value</u>	<u>(17,668)</u>	<u>(13,928)</u>
Total inventories	181,293	200,579

The costs of inventories recognized as expenses in the consolidated financial statements for the years ended December 31, 2018 and 2017 are Baht 1,254.47 million and Baht 1,148.56 million, respectively.

The Company recognized expenses in respect of write-downs of inventory to net realizable value in the consolidated financial statements for the years ended December 31, 2018 and 2017 of Baht 3.74 million and Baht 4.36 million, respectively.

## 10. RESTRICTED BANK DEPOSITS

These represent fixed deposits of the subsidiaries which were pledged with the banks to secure the letters of guarantee issued by the banks on behalf of the subsidiaries (see Note 34.6.2).

## 11. INVESTMENT HELD AS AVAILABLE-FOR-SALE

Investment held as available-for-sale represents investment in Sub Sri Thai Real Estate Investment Trust (the "Trust").

The Company held the investments in the trust at 15% of total units.

The net book value of the investments held as available-for-sale securities as at December 31, is presented below.

	Unit : Thousand Baht	
	Consolidated / Separate	
	Financial Statements	
	2018	2017
Cost	94,719	123,000
<u>Less: Repayment of capital</u>	<u>(3,336)</u>	<u>(28,281)</u>
<u>Less: Revaluation of available-for-sale securities</u>	<u>(16,353)</u>	<u>(8,004)</u>
Net book value	75,030	86,715



## 12. INVESTMENT IN AN ASSOCIATE

### 12.1 Details of investment in an associate as at December 31, are as follows:

Fund	Nature of business	Country of incorporation	Percentage of shareholding		Consolidated		Separate	
					Financial Statements		Financial Statements	
					Carrying amounts based on equity method		Cost method	
			2018	2017	2018	2017	2018	2017
Sub Sri Thai	Fund raising to invest in	Thailand	33.33	33.33	225,538	224,784	220,275	220,275
Property Fund	immovable properties, and seek benefits from those properties							

### 12.2 Share of profit and dividends income from investment in an associate

The Company recognized its share of profit from investment in an associate in the consolidated financial statements and dividends income in the separate financial statements for the years ended December 31, as follows:

Fund	Consolidated		Separate	
	Financial Statements		Financial Statements	
	Share of profit from investment in an associate		Dividends received	
	2018	2017	2018	2017
Sub Sri Thai Property Fund	11,554	5,084	10,800	11,081

### 12.3 Fair value of investment in a listed associate

As at December 31, 2018 and 2017, the fair value of investment in Sub Sri Thai Property Fund that is a listed company on the Stock Exchange of Thailand is amounting to Baht 142 million and Baht 161 million, respectively.

### 12.4 Summarised financial information of an associate

Financial information of an associate as at December 31, as follow:

Fund	Paid-up capital		Total assets		Total liabilities		Total revenues for		Profit for the	
							the years		years	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Sub Sri Thai Property Fund	661	661	679	678	2	4	47	47	35	15



### 13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as presented in the separate financial statements as at December 31, are as follows:

Company's name	Paid-up capital		Percentage of shareholding		Unit : Thousand Baht Cost	
	2018	2017	2018	2017	2018	2017
SST Warehouse Co., Ltd.	5,000	5,000	100	100	5,000	5,000
Mudman Public Company Limited	1,054,904	1,054,904	64	64	1,485,886	1,485,886
SST REIT Management Co., Ltd.	10,000	10,000	100	100	10,000	10,000
Total investments in subsidiaries					<u>1,500,886</u>	<u>1,500,886</u>

The Company recognized dividend income from its subsidiaries in the separate financial statements for year ended December 31, as follows.

Company's name	Unit : Thousand Baht	
	2018	2017
SST Warehouse Co., Ltd	-	12,000
Mudman Public Company Limited	<u>30,507</u>	<u>-</u>
Total	<u>30,507</u>	<u>12,000</u>

- 13.1 During March 29-31, 2017, Mudman Public Company Limited, a subsidiary, made an offer to the existing shareholders of the Company to purchase 41 million ordinary shares with a par value of Baht 1 each, at a price of Baht 5.25 per share, or for a total of Baht 217 million. In addition, during April 3-5, 2017, the subsidiary made an Initial Public Offering of 170 million ordinary shares with a par value of Baht 1 each, at a price of Baht 5.25 per share, or for a total of Baht 890 million. The subsidiary received payment of this share capital increment and registered the increase of its issued and paid-up share capital from Baht 844 million (844 million ordinary shares with a par value of Baht 1 per share) to Baht 1,055 million (1,055 million ordinary shares with a par value of Baht 1 per share) with the Ministry of Commerce on April 7, 2017.

The Market for Alternative Investment (“mai”) has approved the listing of the subsidiary’s 1,055 million ordinary shares with a par value of Baht 1 each as securities to be traded on the mai, effective from April 11, 2017.

The public offering by the subsidiary resulted in a reduction in the Company’s shareholding in the subsidiary from 80 percent to 64 percent. However, the Company still has control over the operating policies of Mudman Public Company Limited and therefore continues to present Mudman Public Company Limited as a subsidiary. The Company recognised the differences of Baht 395 million between the cost and book value of its interest in this subsidiary 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 In September 2017, the Company invested in SST REIT Management Company Limited, a newly established company. An objective for the establishment is trust fund management for property investment. This company has registered share capital of Baht 10 million (100,000 ordinary shares with a par value of Baht 100 each). The Company had 100% holding in such company. This company registered its incorporation with the Ministry of Commerce on September 29, 2017. The Company already paid for the investment amounting to Baht 10 million on October 18, 2017.
- 13.3 On November 27, 2017, Mudman Public Company Limited, a subsidiary, invested in a new subsidiary named Mudman International Limited, incorporate in Republic of Mauritius. An objective for the investment is investing in foreign companies. This company has a registered capital of USD 30,000 (30,000 ordinary shares with a par value of USD 1 each) which 100 percent of its ordinary shares was held by the subsidiary. The subsidiary made payment of Baht 0.8 million for shares subscription.
- 13.4 On October 12, 2017, the Board of Directors' Meeting of Mudman Public Company Limited, the subsidiary, passed a resolution to acquire shares of Societe Langonnaies des Vins et Hotelleries SAS ("SLVH") which operates food and beverage business under the trademark of Le Grand Vefour. On December 21, 2017, Mudman International Limited (a subsidiary) acquired 28,298 ordinary shares (par value Euro 16 each) of SLVH from the existing shareholder for a total consideration of Euro 7,812,247 which payment was divided into two installments. The first installment amounting to Euro 6,812,247 was paid by cash on December 21, 2017 and the second installment amounting to Euro 1,000,000 or equivalents to Baht 39,393,800 has already paid by cash on December 21, 2018 (see Note 4 and Note 5).

#### 14. INVESTMENT PROPERTIES

Investment properties as at December 31, consisted of:

	Unit : Thousand Baht	
	Consolidated / Separate	
	Financial Statements	
	2018	2017
Net book value at beginning of year	366,351	366,351
Gain on a fair value adjustment	11,174	-
Net book value at end of year	<u>377,525</u>	<u>366,351</u>

The Company's investment properties represent the building and warehouses held for rent. Their fair value has been determined based on valuations performed by an independent appraiser, using the income approach.



Key assumptions used in the valuation are summarised below:

	Consolidated / Separate Financial Statements		Result to fair value where as an increase in assumption value
	2018	2017	
Occupancy rate (%)	50 - 92	50 - 92	Increase in fair value
Discount rate (%)	10.5 - 18.0	10.5 - 16.0	Decrease in fair value
Rental rate (Baht/square meter/month)	120 - 160	105 - 160	Increase in fair value

## 15. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the years ended December 31, are as follows:

2018

Unit : Thousand Baht

	Consolidated Financial Statements							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	
<b>Cost</b>								
As at January 1, 2018	401,276	184,983	667,721	372,977	273,860	31,123	18,795	1,950,735
Additions	-	-	148,779	45,234	34,419	-	16,090	244,522
Disposals/written off	-	-	(38,435)	(12,984)	(7,259)	(787)	-	(59,465)
Transfer in (out)	-	-	3,875	130	626	-	(4,631)	-
Translation adjustment	-	-	(3,028)	(193)	(793)	-	-	(4,014)
As at December 31, 2018	401,276	184,983	778,912	405,164	300,853	30,336	30,254	2,131,778
<b>Accumulated depreciation</b>								
As at January 1, 2018	-	(140,002)	(335,136)	(212,554)	(166,222)	(13,349)	-	(867,263)
Depreciation for the year	-	(9,643)	(77,789)	(41,587)	(42,696)	(4,636)	-	(176,351)
Disposals/written off	-	-	17,316	9,048	6,164	141	-	32,669
As at December 31, 2018	-	(149,645)	(395,609)	(245,093)	(202,754)	(17,844)	-	(1,010,945)
<b>Differences on revaluation of assets</b>								
As at January 1, 2018	6,203	-	-	-	-	-	-	6,203
As at December 31, 2018	6,203	-	-	-	-	-	-	6,203
<b>Allowance for impairment loss</b>								
As at January 1, 2018	-	-	(7,668)	(8)	-	-	-	(7,676)
As at December 31, 2018	-	-	(7,668)	(8)	-	-	-	(7,676)
<b>Net book value</b>								
As at December 31, 2018	407,479	35,338	375,635	160,063	98,099	12,492	30,254	1,119,360



2017

Unit : Thousand Baht

Consolidated Financial Statements								
	Land and Land Improvement	Warehouses, Factory, Wharf and Improvements	Office Building and Improvements	Machinery and Equipment	Furniture, Fixtures and Office Equipment	Motor Vehicles	Assets under Construction and Installation	Total
<b>Cost</b>								
As at January 1, 2017	401,276	182,359	531,033	335,028	234,023	23,043	16,791	1,723,553
Additions	-	1,767	80,548	29,084	41,753	15,196	102,471	270,819
Disposals/written off	-	-	(17,470)	(3,636)	(16,307)	(7,116)	(6,472)	(51,001)
Transfer in (out)	-	1,225	66,926	11,579	14,266	-	(93,996)	-
Acquisitions of subsidiary during the year	-	-	5,991	959	198	-	-	7,148
Translation adjustment	-	-	(219)	(36)	(73)	-	-	(328)
As at December 31, 2017	401,276	185,351	666,809	372,978	273,860	31,123	18,794	1,950,191
<b>Accumulated depreciation</b>								
As at January 1, 2017	-	(129,820)	(256,967)	(174,475)	(142,315)	(17,251)	-	(720,828)
Depreciation for the year	-	(10,336)	(89,895)	(40,949)	(38,189)	(3,213)	-	(182,582)
Disposals/written off	-	-	12,422	2,869	14,280	7,116	-	36,687
Translation of financial statements differences	-	-	1	1	1	-	-	3
As at December 31, 2017	-	(140,156)	(334,439)	(212,554)	(166,223)	(13,348)	-	(866,720)
<b>Differences on revaluation of assets</b>								
As at January 1, 2017	6,203	-	-	-	-	-	-	6,203
As at December 31, 2017	6,203	-	-	-	-	-	-	6,203
<b>Allowance for impairment loss</b>								
As at January 1, 2017	-	-	(9,161)	(8)	-	-	-	(9,169)
(Increase) decrease	-	-	1,494	-	-	-	-	1,494
As at December 31, 2017	-	-	(7,667)	(8)	-	-	-	(7,675)
<b>Net book value</b>								
As at December 31, 2017	407,479	45,195	324,703	160,416	107,637	17,775	18,794	1,081,999

Depreciation for the years ended December 31, 2018

2017

Thousand Baht 176,351

Thousand Baht 182,582



2018

Unit : Thousand Baht

	Separate Financial Statements							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	
<b>Cost</b>								
As at January 1, 2018	399,478	184,983	16,731	115,283	21,416	19,777	13,453	771,121
Additions	-	-	-	2,770	1,427	-	11,792	15,989
Disposals/written off	-	-	-	(1,128)	(705)	(787)	-	(2,620)
Transfer in (out)	-	-	-	36	-	-	(36)	-
As at December 31, 2018	399,478	184,983	16,731	116,961	22,138	18,990	25,209	784,490
<b>Accumulated depreciation</b>								
As at January 1, 2018	-	(140,002)	(16,277)	(65,658)	(18,518)	(10,611)	-	(251,066)
Depreciation for the year	-	(9,643)	(409)	(7,839)	(1,232)	(2,629)	-	(21,752)
Disposals/written off	-	-	-	1,128	687	141	-	1,956
As at December 31, 2018	-	(149,645)	(16,686)	(72,369)	(19,063)	(13,099)	-	(270,862)
<b>Differences on revaluation of assets</b>								
As at January 1, 2018	6,203	-	-	-	-	-	-	6,203
As at December 31, 2018	6,203	-	-	-	-	-	-	6,203
<b>Net book value</b>								
As at December 31, 2018	405,681	35,338	45	44,592	3,075	5,891	25,209	519,831

2017

Unit : Thousand Baht

	Separate Financial Statements							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	
<b>Cost</b>								
As at January 1, 2017	399,478	181,991	16,731	110,790	23,187	15,523	-	747,700
Additions	-	1,767	-	4,732	1,041	6,513	14,678	28,731
Disposals/written off	-	-	-	(239)	(2,812)	(2,259)	-	(5,310)
Transfer in (out)	-	1,225	-	-	-	-	(1,225)	-
As at December 31, 2017	399,478	184,983	16,731	115,283	21,416	19,777	13,453	771,121
<b>Accumulated depreciation</b>								
As at January 1, 2017	-	(129,684)	(15,868)	(57,631)	(19,760)	(11,013)	-	(233,956)
Depreciation for the year	-	(10,318)	(409)	(8,248)	(1,545)	(1,856)	-	(22,376)
Disposals/written off	-	-	-	221	2,787	2,258	-	5,266
As at December 31, 2017	-	(140,002)	(16,277)	(65,658)	(18,518)	(10,611)	-	(251,066)
<b>Differences on revaluation of assets</b>								
As at January 1, 2017	6,203	-	-	-	-	-	-	6,203
As at December 31, 2017	6,203	-	-	-	-	-	-	6,203
<b>Net book value</b>								
As at December 31, 2017	405,681	44,981	454	49,625	2,898	9,166	13,453	526,258

Depreciation for the years ended December 31,  
2018  
2017

Thousand Baht 21,752  
Thousand Baht 22,376





As at December 31, 2018 and 2017, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment) of those assets amounted to approximately Baht 356 million and Baht 360 million, respectively. (The Company only 2018: Baht 200 million and 2017: Baht 178 million).

As at December 31, 2018 and 2017, the Company and its subsidiaries had assets with net book value of Baht 26 million and Baht 23 million, respectively, which were acquired under finance leases. (The Company only 2018: Baht 1 million and 2017: Baht 2 million).

As at December 31, 2018 and 2017, land, which is recorded at revaluation method with the net value of Baht 407.48 million, in the consolidated and separate financial statements, represented fair value of land which was determined by an independent appraiser using the market approach which is hierarchy level 3. As at December 31, 2018 and 2017, land net book value at the cost method of Baht 401.28 million in the consolidated and separate financial statements.

## 16. GOODWILL

Goodwill presented in the consolidated financial statements as at December 31, consisted of:

	Unit : Thousand Baht							
	Donuts unit		Bakery unit		Restaurant unit		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
						"Restated"		"Restated"
Cost as at January 1,	484,370	484,370	298,192	298,192	1,357,321	1,113,477	2,139,883	1,896,039
Acquired through								
business combinations	-	-	-	-	-	243,844	-	243,844
Cost as at December 31,	484,370	484,370	298,192	298,192	1,357,321	1,357,321	2,139,883	2,139,883

## 17. OTHER INTANGIBLE ASSETS

Other intangible assets as at December 31, consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2018	2017	2018	2017
		"Restated"		
Intangible assets - others	815,914	869,991	970	809
Leasehold rights	117,297	131,060	13,246	15,139
Total other intangible assets	933,211	1,001,051	14,216	15,948

### Intangible assets - others

Intangible assets - others include franchise, trademarks, computer software and others.



Movements of the intangible assets - others for the years ended December 31, are as follows:

	Consolidated financial statements					Unit : Thousand Baht
						Separate
	Franchise	Trademark	Computer software	Others	Total	Financial Statements Computer software
<b>2018</b>						
Net book value as at January 1,	469,974	380,469	15,623	3,926	869,992	809
Increase	2,905	-	3,869	-	6,774	711
Dispose during the year	-	(1,727)	(64)	-	(1,791)	-
Amortization for the year	(49,294)	(479)	(6,255)	(2,480)	(58,508)	(550)
Exchange differences on translation of financial statements	-	(666)	113	-	(553)	-
Net book value as at December 31,	423,585	377,597	13,286	1,446	815,914	970
<b>2017</b>						
Net book value as at January 1,	534,404	325,298	20,190	6,406	886,298	1,299
Increase	4,382	4,794	2,221	-	11,397	134
Acquisitions/adjustments through business combination	-	50,520	134	-	50,654	-
Dispose during the year	-	-	(114)	-	(114)	-
Amortization for the year	(68,812)	(143)	(6,808)	(2,480)	(78,243)	(624)
Net book value as at December 31,	469,974	380,469	15,623	3,926	869,992	809

As at December 31, 2018 and 2017, the Company and its subsidiaries had intangible assets with net book value of Baht 8.34 million and Baht 8.16 million, respectively, which were acquired under finance leases.

### Leasehold rights

Movements of the leasehold rights accounts for the years ended December 31, are summarized below.

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
	"Restated"			
Net book value as at January 1,	131,061	93,324	15,139	17,031
<u>Add:</u> Increase during the year	1,600	2,070	-	-
Acquisitions/adjustments through business combination	-	48,137	-	-
<u>Less:</u> Amortization for the year	(14,324)	(12,471)	(1,893)	(1,892)
Exchange differences on translation of financial statements	(1,040)	-	-	-
Net book value as at December 31,	117,297	131,060	13,246	15,139

The subsidiaries have mortgaged leasehold rights with a total net book value as at December 31, 2018 and 2017 amounting to Baht 12.59 million and Baht 15.61 million, respectively, as collateral for long-term borrowings from the financial institutions (see Note 21).



**18. OTHER NON-CURRENT ASSETS**

Other non-current assets as at December 31, consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2018	2017	2018	2017
Rental deposits	160,256	148,113	32,553	32,500
Corporate income tax awaiting for refund	48,736	34,187	33,577	22,438
Other non-current assets	217	10,205	217	10,205
Total other non-current assets	209,209	192,505	66,347	65,143

**19. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS**

Short-term borrowings from financial institutions as at December 31, are as follows:

	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2018	2017	2018	2017
Short-term borrowings from financial institutions	120.00	457.50	50.00	100.00

As at December 31, 2018 and 2017, short-term credit facilities from financial institutions of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 285 million and Baht 275 million, respectively, (The Company only 2018: Baht 157 million and 2017: Baht 107 million) which is guaranteed by the Company and its subsidiaries (see Note 34.6.1).

The interest rates of short-term borrowings as at December 31, are as follows:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2018	2017	2018	2017
	%	%	%	%
Short-term borrowings from financial institutions	3.50 - 3.85	3.50 - 3.75	3.55	3.53



## 20. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2018	2017	2018	2017
Trade payables - related parties (see Note 5)	66,795	62,357	66,795	62,357
Trade payables - others	160,384	174,654	473	1,772
Other payables - related parties (see Note 5)	5,480	12,960	11,522	19,009
Other payables - others	67,944	74,570	10,149	4,367
Deferred income	31,127	36,592	-	6,257
Customer deposits	14,295	12,848	14,295	12,848
Payables from purchases of assets	23,264	25,240	1,061	22
Accrued expenses	132,751	151,641	5,650	8,215
Total trade and other current payables	<u>502,040</u>	<u>550,862</u>	<u>109,945</u>	<u>114,847</u>

## 21. LONG-TERM BORROWINGS

Details of long-term borrowings as at December 31, are as follows:

		Unit : Thousand Baht	
Interest rate (%)	Repayment schedule	2018	2017
<u>Subsidiaries</u>			
MLR-1.00 to 1.50	Quarterly installments as from February 2019 to November 2022	184,000	-
MLR-1.75 to 2.00	Monthly installments as from April 2013 to March 2021	7,223	10,549
MLR-1.50	Quarterly installments as from December 2014 to September 2021	-	314,241
Total		<u>191,223</u>	<u>324,790</u>
<u>Less:</u> Current portion		<u>(49,471)</u>	<u>(87,164)</u>
Long-term borrowings - net of current portion		<u>141,752</u>	<u>237,626</u>

The borrowings facilities of subsidiaries are partially secured by the mortgage of leasehold rights of subsidiaries (see Note 17).

The borrowings agreements contain 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.



## 22. LONG-TERM DEBENTURES

Long-term debentures as at December 31, consisted of:

Unit : Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Face value	1,100,000	1,100,000	600,000	1,100,000
<u>Less:</u> Unamortized deferred costs relating to the issuance of debentures	<u>(5,014)</u>	<u>(3,475)</u>	<u>(2,233)</u>	<u>(3,475)</u>
Net balance	1,094,986	1,096,525	597,767	1,096,525
<u>Less:</u> Current portion	<u>-</u>	<u>(499,965)</u>	<u>-</u>	<u>(499,965)</u>
Long-term debentures	<u>1,094,986</u>	<u>596,560</u>	<u>597,767</u>	<u>596,560</u>

The Company and its subsidiary issued Thai Baht currency debentures which are holder specified, non-subordinated and unsecured bonds at par value of Baht 1,000 per unit to a limited number of investors, with the following details:

Symbol	Unit	Total value (Thousand Baht)	Issued date	Term	Maturity date	Interest rate (% per annum)	Interest payment	Fair Value (Thousand Baht)
SST209A	600,000	600,000	September 21,	3 years	September 21,	5.00	Every 3 months	597,743
MM217A	500,000	500,000	July 26, 2018	3 years	July 26, 2021	5.00	Every 3 months	501,176

The Company and its subsidiary are required to comply with certain financial conditions stipulated in the debenture agreements such as maintaining certain financial ratios.

## 23. LIABILITIES UNDER FINANCE LEASES

Liabilities under finance leases as at December 31, consisted of:

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Liabilities under finance leases	23,255	26,712	1,184	1,486
<u>Less:</u> Deferred interest expenses	<u>(1,330)</u>	<u>(1,817)</u>	<u>(126)</u>	<u>(194)</u>
Total	21,925	24,895	1,058	1,292
<u>Less:</u> Current portion	<u>(11,024)</u>	<u>(11,444)</u>	<u>(248)</u>	<u>(234)</u>
Liabilities under finance leases - net of current portion	<u>10,901</u>	<u>13,451</u>	<u>810</u>	<u>1,058</u>

The Company and its subsidiaries entered into the finance leases with leasing companies for rental of equipment and motor vehicles for use in their operations, whereby they committed to pay rental on a monthly basis. The terms of the agreements are generally 3 years.



Future minimum lease payments required under the finance leases were as follows:

Unit : Thousand Baht			
Consolidated Financial Statements			
As at 31 December 2018			
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	11,881	11,374	23,255
Deferred interest expenses	(857)	(473)	(1,330)
Present value of future minimum lease payments	<u>11,024</u>	<u>10,901</u>	<u>21,925</u>

Unit : Thousand Baht			
Consolidated Financial Statements			
As at 31 December 2017			
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	12,345	14,367	26,712
Deferred interest expenses	(901)	(916)	(1,817)
Present value of future minimum lease payments	<u>11,444</u>	<u>13,451</u>	<u>24,895</u>

Unit : Thousand Baht			
Separate Financial Statements			
As at 31 December 2018			
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	302	882	1,184
Deferred interest expenses	(54)	(72)	(126)
Present value of future minimum lease payments	<u>248</u>	<u>810</u>	<u>1,058</u>

Unit : Thousand Baht			
Separate Financial Statements			
As at 31 December 2017			
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	302	1,184	1,486
Deferred interest expenses	(68)	(126)	(194)
Present value of future minimum lease payments	<u>234</u>	<u>1,058</u>	<u>1,292</u>

## 24. INCOME TAX (EXPENSE) INCOME, DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

### 24.1 Income tax (expense) income

Income tax (expense) income for the years ended December 31, consisted of:

Unit : Thousand Baht				
Separate		Consolidated		
Financial Statements		Financial Statements		
2018	2017	2018	2017	
<b>Current income tax</b>				
Current income tax charge	(20,392)	(21,911)	300	-
<b>Deferred tax</b>				
Deferred income tax and temporary differences	13,510	16,737	(182)	974
<b>Income tax (expense) income</b>	<u>(6,882)</u>	<u>(5,174)</u>	<u>(118)</u>	<u>974</u>



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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Profit (loss) before income tax expense	47,310	(31,696)	79,354	30,142
Statutory tax rate (%)	20%	20%	20%	20%
Income tax income (expenses) before effect on income tax (income) expense	9,462	(6,339)	15,871	6,028
Effect on income tax from exempted taxable (income) expense	(29,854)	(15,572)	(16,171)	(6,028)
Deferred income tax expense	13,510	16,737	182	974
Income tax (expense) income	(6,882)	(5,174)	(118)	974

## 24.2 Deferred tax assets - net as at December 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
<b>Deferred tax assets</b>				
Non-current provisions for employee benefit	6	5,164	-	2,487
Unearned revenues	-	3,416	-	-
Provision for dismantling and restoring costs	76	-	-	-
Revaluation of available-for-sale investment	-	1,373	-	1,373
Others	-	191	-	32
Total	82	10,144	-	3,892

The movements of deferred tax assets for the years ended December 31, are as follows:

### 2018

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at January 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2018
<b>Deferred tax assets - net</b>				
Non-current provisions for employee benefit	5,164	(5,158)	-	6
Deferred income	3,416	(3,416)	-	-
Revaluation of available-for-sale investment	1,373	(1,373)	-	-
Provision for dismantling and restoring costs	-	76	-	76
Others	191	(191)	-	-
Deferred tax assets - net	10,144	(10,062)	-	82





2017

Unit : Thousand Baht

	Consolidated Financial Statements			
	As at January 1, 2017	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2017
<b>Deferred tax assets - net</b>				
Non-current provisions for employee benefit	7,092	-	(1,928)	5,164
Deferred income	3,626	(210)	-	3,416
Revaluation of available-for-sale investment	861	512	-	1,373
Others	363	(172)	-	191
Deferred tax assets - net	11,942	130	(1,928)	10,144

2018

Unit : Thousand Baht

	Separate Financial Statements			
	As at January 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2018
<b>Deferred tax assets - net</b>				
Non-current provisions for employee benefit	2,487	(2,487)	-	-
Revaluation of available-for-sale investment	1,373	(1,373)	-	-
Others	32	(32)	-	-
Deferred tax assets - net	3,892	(3,892)	-	-

2017

Unit : Thousand Baht

	Separate Financial Statements			
	As at January 1, 2017	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2017
<b>Deferred tax assets - net</b>				
Non-current provisions for employee benefit	2,219	268	-	2,487
Revaluation of available-for-sale investment	861	512	-	1,373
Others	117	(85)	-	32
Deferred tax assets - net	3,197	695	-	3,892



## 24.3 Deferred tax liabilities - net as at December 31 are as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2018	2017	2018	2017
	"Restated"			
<b>Deferred tax liabilities</b>				
Non-current provisions for employee benefit	(5,102)	-	(2,145)	-
Revaluation of available-for-sale investment	(3,042)	-	(3,042)	-
Fair value of intangible assets arise in business acquisition	197,415	206,835	-	-
Fair value of building improvement and equipment arise in business acquisition	5,546	8,720	-	-
Revaluation surplus on land	51,641	51,641	51,641	51,641
Revaluation of investment properties to fair value	65,793	63,558	65,793	63,558
Fair value adjustment of investment properties for transferred to property-in-use	7,345	9,002	7,345	9,002
Others	(3,827)	585	122	585
<b>Total</b>	<b>315,769</b>	<b>340,341</b>	<b>119,714</b>	<b>124,786</b>

The movements of deferred tax liabilities for the years ended December 31, are as follows:

## 2018

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at January 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2018
<b>Deferred tax liabilities - net</b>				
Non-current provisions for employee benefit	-	(5,773)	671	(5,102)
Revaluation of available-for-sale investment	-	(3,042)	-	(3,042)
Fair value of intangible assets arise in business acquisition	206,835	(9,420)	-	197,415
Fair value of building improvement and equipment arise in business acquisition	8,720	(3,174)	-	5,546
Revaluation surplus on land	51,641	-	-	51,641
Revaluation of investment properties to fair value	63,558	2,235	-	65,793
Fair value adjustment of investment properties for transferred to property-in-use	9,002	(1,657)	-	7,345
Others	585	(4,412)	-	(3,827)
<b>Deferred tax liabilities - net</b>	<b>340,341</b>	<b>(25,243)</b>	<b>671</b>	<b>315,769</b>



2017

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at January 1, 2017	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2017 "Restated"
<b>Deferred tax liabilities - net</b>				
Fair value of intangible assets arise in business acquisition	192,841	13,994	-	206,835
Fair value of building improvement and equipment arise in business acquisition	11,980	(3,260)	-	8,720
Revaluation surplus on land	51,641	-	-	51,641
Revaluation of investment properties to fair value	63,361	197	-	63,558
Fair value adjustment of investment properties for transferred to property-in-use	9,431	(429)	-	9,002
Others	1,145	(560)	-	585
Deferred tax liabilities - net	330,399	9,942	-	340,341

2018

	Unit : Thousand Baht			
	Separate Financial Statements			
	As at January 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2018
<b>Deferred tax liabilities - net</b>				
Non-current provisions for employee benefit	-	(2,816)	671	(2,145)
Revaluation of available-for-sale investment	-	(3,042)	-	(3,042)
Revaluation surplus on land	51,641	-	-	51,641
Revaluation of investment properties to fair value	63,558	2,235	-	65,793
Fair value adjustment of investment properties for transferred to property-in-use	9,002	(1,657)	-	7,345
Others	585	(463)	-	122
Deferred tax liabilities - net	124,786	(5,743)	671	119,714

2017

	Unit : Thousand Baht			
	Separate Financial Statements			
	As at January 1, 2017	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2017
<b>Deferred tax liabilities - net</b>				
Revaluation surplus on land	51,641	-	-	51,641
Revaluation of investment properties to fair value	63,361	197	-	63,558
Fair value adjustment of investment properties for transferred to property-in-use	9,431	(429)	-	9,002
Others	1,145	(560)	-	585
Deferred tax liabilities - net	125,578	(792)	-	124,786



As at December 31, 2018 and 2017, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 708 million and Baht 514 million, respectively, and the Company only amounts of Baht 9 million and Baht 42 million, respectively. 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 subsidiaries have unused tax losses amounting to Baht 451.64 million which will expire by 2022.

## 25. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movement in the present value of non-current provisions for employee benefit for the years ended December 31, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Unit : Thousand Baht				
<b>Non-current provisions for employee benefit brought forward</b>	38,593	51,988	12,432	11,093
Included in profit or loss:				
Current service cost	7,116	3,639	1,350	1,280
Interest cost	986	1,044	295	299
Included in other comprehensive income:				
Actuarial (gains) losses resulting from				
Changes in demographic assumptions	(3,028)	(28,191)	(3,028)	-
Changes in financial assumptions	74	15,626	74	-
Experience adjustments	(400)	(4,624)	(400)	-
Benefits paid during the year	(6,526)	(2,813)	(1,744)	(240)
Increase from acquisition of a subsidiary (see Note 4)	-	1,924	-	-
<b>Non-current provisions for employee benefit carried forward</b>	<b>36,815</b>	<b>38,593</b>	<b>8,979</b>	<b>12,432</b>

Long-term employee benefit expenses recognized in the statement of profit or loss and other comprehensive income for the years ended December 31, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Unit : Thousand Baht				
Cost of sales	1,422	1,314	1,052	951
Selling and administrative expenses	6,680	3,369	593	628
Total expenses recognised in the statement of profit or loss and other comprehensive income	<b>8,102</b>	<b>4,683</b>	<b>1,645</b>	<b>1,579</b>



As at December 31, 2018 and 2017, the Company and its subsidiaries expect to pay Baht 0.42 million and Baht 6.00 million, respectively, of long-term employee benefits during the next year (The Company only 2018: Baht 0.1 million and 2017: Baht 1.0 million).

As at December 31, 2018 and 2017, the weighted average duration of the liabilities for long-term employee benefits of the Company and its subsidiaries is 8 - 21 years (The Company only 2018: 9 years and 2017: 10 years).

Significant actuarial assumptions as at December 31, are summarised below:

	Consolidated		Unit : Percent per annum	
	Financial Statements		Separate	
	2018	2017	2018	2017
Discount rate	2.69 - 3.51	2.70 - 3.50	2.70	2.80
Salary increase rate	6.00 - 12.33	6.00 - 12.33	6.00	6.00
Turnover rate	0 - 82	0 - 82	0 - 15	0 - 13

The result of sensitivity analysis for significant assumptions that affect the present value of the non-current provisions for employee benefit as at December 31, are summarised below:

Unit : Thousand Baht

	Mudman Group		Separate Financial Statements	
	Increase 0.5%	Decrease 0.5%	Increase 1%	Decrease 1%
<b>2018</b>				
Discount rate	(833)	893	(628)	1,882
Salary increase rate	1,044	(980)	669	562
Turnover rate	(1,107)	1,192	(684)	1,616

	Mudman Group		Separate Financial Statements	
	Increase 0.5%	Decrease 0.5%	Increase 1%	Decrease 1%
<b>2017</b>				
Discount rate	(819)	879	(1,070)	1,275
Salary increase rate	922	(867)	1,383	(1,176)
Turnover rate	(977)	1,050	(1,136)	502

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process of being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered an amendment to post-employment benefits plan. The Company and its subsidiaries will reflect the effect of such change by recognizing past service cost as an expense in the statement of profit or loss of the period in which the law is effective.



## 26. OTHER NON-CURRENT PROVISIONS

Other non-current provisions are provision for dismantling and restoring cost.

Movement in the provision for dismantling and restoring cost for the years ended December 31, are as follows:

	Unit : Thousand Baht			
	Consolidated Financial Statements		Seperate Financial Statements	
	2561	2560	2561	2560
Balance as at January 1,	-	-	-	-
<u>Add:</u> Increase during the years	68,839	-	15,592	-
<u>Less:</u> Disposal/written-off during the years	(1,343)	-	-	-
Balance as at December 31,	<u>67,496</u>	<u>-</u>	<u>15,592</u>	<u>-</u>

## 27. SHARE CAPITAL

The 2018 Annual General Meeting of Shareholders held on April 26, 2018, passed the resolutions as follows:

- 1) The decrease of the Company's registered capital from Baht 704,431,290 to Baht 455,807,823 by reducing the number of remaining shares from the ordinary shares reserved for stock dividend payment of 660 shares and ordinary shares reserved for the increase of registered capital under a General Mandate which have been not allocated in the whole amount of 248,622,807 shares, totaling 248,623,467 shares at a par value of Baht 1 per share in total of Baht 248,623,467. The Company registered the reduction of its share capital with the Ministry of Commerce on May 23, 2018.
- 2) The issuance and offering of the Warrants No. 2 (SST-W2) to purchase the Company's newly issued ordinary shares to the existing shareholders not exceeding 30,387,188 units at Offering Price Baht 0 (zero Baht) according to the proportion of their shareholding at the ratio of 15 existing ordinary shares for 1 unit of the warrants. As at September 30, 2018, the exercise price is higher than the market price of the ordinary share. Therefore, there is no shareholders exercising their rights to purchase such ordinary shares
- 3) The increase of the Company's registered capital from Baht 455,807,823 to Baht 759,679,703 by issuing new ordinary share in total 303,871,880 shares at a par value of Baht 1 per share in order to
  - (1) Accommodate the capital increase under a General Mandate in the amount of 273,484,692 shares and
  - (2) Accommodate the exercise of warrant to purchase the ordinary shares of the Company No. 2 (SST-W2) in the amount of 30,387,188 shares

The Company registered the reduction of its share capital with the Ministry of Commerce on May 24, 2018.



The 2017 Annual General Meeting of Shareholders held on April 27, 2017, passed the resolutions as follows:

- 1) The reduction of the Company's registered share capital from Baht 640,393,352 to Baht 414,371,348, or a decrease of 226,022,004 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 2015 and the registered share capital under the general mandate for the year 2016, for which share offering has not been made. The Company registered the reduction of its share capital with the Ministry of Commerce on May 16, 2017.
- 2) The increase in the share capital of the Company from Baht 414,371,348 to Baht 704,431,290 by issuing 290,059,942 new ordinary shares with a par value of Baht 1 per share to support the payment of share dividend for 41,437,135 shares for the year 2016 and the increase of 248,622,807 shares under the general mandate for the year 2017. The Company registered the increase in its share capital with the Ministry of Commerce on May 19, 2017.

## 28. DIVIDENDS PAID AND LEGAL 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 legal reserve is not available for dividend distribution.

	Approved by	Total dividends	Dividend per share
		Unit : Thousand Baht	Unit : Baht
<b>Final dividend for 2017</b>	Annual General Meeting of the shareholders on 27 April 2017		
- Cash dividend		4,605	0.01
- Stock dividend of 41,436,475 ordinary shares		41,437	0.10
<b>Total dividend paid in 2017</b>		<u>46,042</u>	<u>0.11</u>





## 29. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, are as follows:

Unit : Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Salaries, wages and other employee benefits	1,106,276	927,388	122,626	106,112
Depreciation and amortisation expenses	249,183	273,307	24,195	24,901
Rental expenses from operating lease agreements	624,194	610,243	126,649	119,708
Franchise fees	116,997	116,038	-	-
Transportation expenses	65,009	55,474	12,553	6,123
Utility expenses	109,836	85,116	5,483	4,798
Marketing expenses	67,089	52,859	528	523
Repair and maintenance expenses	35,094	22,059	7,205	5,597
Raw materials and consumables used	893,368	815,529	10,365	9,215
Changes in inventories of finished goods and work in progress	(19,286)	17,886	-	-
Finance cost	69,757	80,033	36,253	46,262
Other operating expenses	301,942	312,442	31,999	22,456
Total	3,619,459	3,368,374	377,856	345,695

## 30. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) 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.

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

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Profit (loss) for the years (Thousand Baht)	44,779	(21,369)	79,236	31,117
Weighted average number of ordinary shares (Thousand shares)	455,808	455,808	455,808	455,808
Earnings (loss) per share (Baht/share)	0.10	(0.05)	0.17	0.07

As the exercise price of the warrants is higher than the market price (see Note 27), the diluted earnings per share is not presented.



### 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.

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 restaurants.
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, the United Kingdom and France. However, revenues and assets in the United Kingdom and France are not material in the financial statements for the year ended December 31, 2018.

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

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

For the years 2018 and 2017, 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 December 31, 2018 and 2017.

Unit : Million Baht

	Food and beverage		Warehouse and wharf		Garment		Consolidated Financial Statements	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Revenue</b>								
Sales and services income	2,935	2,686	394	328	147	137	3,476	3,151
<b>Operating result</b>								
<b>Segment profit (loss)</b>	(84)	(106)	49	25	(40)	(42)	(75)	(123)
Other income							180	166
Share of profit from investment in an associate							12	5
Finance cost							(70)	(80)
<b>Profit (loss) before income tax</b>							47	(32)
Income tax expense							(7)	(5)
<b>Profit (loss) for the year</b>							40	(37)



## Geographic Area Information

Financial information by geographic area for the years ended December 31, of the Company and the subsidiaries are as follows:

Unit : Million Baht

	Domestic		Overseas		Total	
	2018	2017	2018	2017	2018	2017
Revenue from external customers	3,262	3,149	214	2	3,476	3,151

### 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 2018 and 2017 amounting to approximately Baht 10 million and Baht 9 million, respectively, (The Company only 2018 and 2017: Baht 2 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 Company's shareholders in 2016	The Board of Director Meeting of Mudman Public Company Limited, a subsidiary No.5/2017
2) Duration of the scheme	2 years, from August 1, 2016 to July 31, 2018	2 years, from May 1, 2018 to April 30, 2020
3) Detail of contributions	Employees contribute 5 percent of their monthly base salary and the Company and its subsidiaries additionally contribute 7 percent of employees' monthly base salary	Employees contribute 5 percent of their monthly base salary and the subsidiaries additionally contribute 7 percent of employees' monthly base salary
4) Program management	Phillip Securities (Thailand) Public Company Limited	Phillip Securities (Thailand) Public Company Limited

The Company and its subsidiaries contributed Baht 6 million and Baht 4 million, respectively, (The Company only 2018 and 2017: Baht 2 million) to The Employee Joint Investment Program for the years 2018 and 2017.



### 34. COMMITMENTS AND CONTINGENT LIABILITIES

#### 34.1 Capital commitments

As at December 31, 2018 and 2017, the Company and its subsidiaries had capital commitments of Baht 100 million and Baht 71 million, respective. (The Company only 2018: Baht 87 million and 2017: Baht 51 million) relating to the improvement of buildings and acquisition of equipment.

#### 34.2 Rental property agreements for storage of document business

The Company entered into lease agreements of assets with an associate and a related party which assets are consisted of land with warehouse including racking for document storage and equipment, for the period of 10 years and 14 years.

As at December 31, future minimum lease payments required under these leases were as follows:

Unit : Million Baht

	Consolidated / Separate Financial Statements	
	2018	2017
Payable		
up to 1 year	112	112
over 1 year and up to 5 years	330	330
over 5 years	285	285

#### 34.3 Land and building rental agreement

The Company entered into a land and building lease agreement in Phuket with the Company's managing director relating to the purpose for construction and operation of restaurant and hotel, for the period of 30 years.

As at December 31, future minimum lease payments required under these lease agreements are as follows:

Unit : Million Baht

	Consolidated / Separate Financial Statements	
	2018	2017
Payable		
up to 1 year	2	1
over 1 year and up to 5 years	12	11
over 5 years	117	121



### 34.4 Operating lease and service commitments

The Company and its subsidiaries entered into several lease agreements in respect of lease of building spaces and related services. The terms of the agreements are generally between 6 months to 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 December 31, the Company and its subsidiaries have future minimum leases required under these operating leases and services contracts were as follows:

	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Payable				
Up to 1 year	324	276	10	6
Over 1 year and up to 5 years	400	423	8	8
Over 5 years	11	54	-	-

The above future payments do not include certain long-term lease agreements with rental fees based on the percentage of sales.

### 34.5 Franchise agreements

- 34.5.1 On March 10, 1981, a subsidiary entered into a master franchise agreement with Dunkin' Donuts of America Inc. Later on January 9, 2012, the Company renewed the agreement for the period of 20 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.
- 34.5.2 On April 1, 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.
- 34.5.3 On July 2, 2012 a subsidiary entered into a master franchise agreement with Baskin-Robbins Franchising LLC. in the United States. Under the agreement, the subsidiary has been granted the franchise to operate ice cream shops in Thailand.



### 34.6 Guarantees

- 34.6.1 As at December 31, 2018 and 2017, the subsidiaries of Mudman Group have jointly guaranteed the revolving credit facilities of Mudman Group amounting to Baht 373 million and Baht 560 million, respectively (see Note 19).
- 34.6.2 As at December 31, 2018 and 2017, there were outstanding bank guarantees of approximately Baht 60 million and Baht 54 million, respectively, issued by banks on behalf of the subsidiaries to guarantee for rental payment and electricity use. Such amounts included the letters of guarantee of Baht 33 million and Baht 27 million, respectively, which the deposits at bank were used as collateral (see Note 10).

### 34.7 Litigations

- 34.7.1 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.

On April 3, 2018, the Court of First Instance announced that the Company has to pay the compensation for advance notice, unfair dismissal and provident fund together with interest in the estimated compensation amount of Baht 14.77 million. On October 31, 2018, the Company filed an Appeal against the Appeal Court. However, as at December 31, 2018, the Company has set the provision for compensation to former employees in the amount of Baht 15.59 million which is included in other non-current provisions.

- 34.7.2 In March 2017, a former employee of the subsidiary sued a subsidiary for unfair dismissal through the Central Labor Court, seeking compensation from the subsidiary.

On April 19, 2018, the Central Labor Court announced that the Company has to pay for legal compensation to the former employee in the amount of Baht 0.6 million which the Company has paid on April 25, 2018 and the court case is finalized.



### 35. FINANCIAL INSTRUMENTS

#### Financial risk management

The Company's and the subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, investment held as available-for sale, trade and other current receivables, loans restricted bank deposits, rental deposits, trade and other current payables, short-term borrowings, long-term borrowings 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 and other current receivables and loans. 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. The maximum exposure to credit risk is limited to the carrying amounts of trade and other current receivables and loans as stated in the statement of financial position.

#### Interest rate risk

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

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

Unit : Million Baht

Consolidated financial statements as at December 31, 2018						
	Fixed interest rates		Floating	Non - interest	Total	Interest rate
	Within	1-5	interest rate	bearing		(% per annum)
	1 year	years				
<b>Financial assets</b>						
Cash and cash equivalents	30	-	110	89	229	0.10 - 0.95
Investment in debt instruments	-	-	-	12	12	-
Trade and other current receivables	-	-	-	166	166	-
Restricted bank deposits	2	-	-	-	2	0.90 - 1.38
Investment in equity instruments	-	-	-	75	75	-
<b>Financial liabilities</b>						
Short-term borrowings from						
financial institutions	120	-	-	-	120	3.55 - 3.70
Trade and other current payables	-	-	-	502	502	-
Long-term borrowings from						
financial institutions	-	-	191	-	191	MLR - 2 to MLR - 1.50
Long-term debentures	-	1,095	-	-	1,095	5.00





Unit : Million Baht

## Consolidated financial statements as at December 31, 2017

	Fixed interest rates		Floating	Non - interest	Total	Interest rate
	Within	1-5	interest rate	bearing		(% per annum)
	1 year	years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	116	96	212	0.10 - 0.78
Investment in debt instruments	-	-	-	497	497	-
Trade and other current receivables	-	-	-	176	176	-
Restricted bank deposits	3	-	-	-	3	1.30 - 1.38
Investment in equity instruments	-	-	-	87	87	-
<b>Financial liabilities</b>						
Short-term borrowings from financial institutions	438	-	20	-	458	3.50 - 3.75, MLR-2.5
Trade and other current payables	-	-	-	551	551	-
Long-term borrowings from financial institutions	-	-	325	-	325	MLR-2.0 to MLR-1.5
Long-term debentures	500	597	-	-	1,097	5.00 - 5.50

Unit : Million Baht

## Separate financial statements as at December 31, 2018

	Fixed interest rates		Floating	Non - interest	Total	Interest rate
	Within	1-5	interest rate	bearing		(% per annum)
	1 year	years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	14	4	18	0.70 - 0.95
Trade and other current receivables	-	-	-	69	69	-
Short-term loans	20	-	-	-	20	4.00
Investment in equity instruments	-	-	-	75	75	-
<b>Financial liabilities</b>						
Short-term borrowings from financial institutions	50	-	-	-	50	3.55
Trade and other current payables	-	-	-	110	110	-
Long-term debentures	-	598	-	-	598	5.00

Unit : Million Baht

## Separate financial statements as at December 31, 2017

	Fixed interest rates		Floating	Non - interest	Total	Interest rate
	Within	1-5	interest rate	bearing		(% per annum)
	1 year	years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	7	3	10	0.10 - 0.38
Investment in debt instruments	-	-	-	494	494	-
Trade and other current receivables	-	-	-	68	68	-
Investment in equity instruments	-	-	-	87	87	-
<b>Financial liabilities</b>						
Short-term borrowings from financial institutions	100	-	-	-	100	3.53
Trade and other current payables	-	-	-	115	115	-
Long-term debentures	500	597	-	-	1,097	5.00 - 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.

## Fair values

Cash and cash equivalents, trade and other current receivables, short-term loans, other current assets, short-term borrowings from financial institutions, trade and other current payables, short-term borrowings, current income tax payable and other current liabilities, the carrying values approximate their fair values due to the relatively short period to maturity. The carrying amounts of long-term borrowings approximate their fair values due to floating interest rates.

The transactions disclosed in the following table, are considered that the book value of financial assets and liabilities recognized in the consolidated and separate financial statements are different from their fair values.

Unit : Million Baht

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Financial Assets</b>								
Investment in debt instruments	-	-	-	497	-	-	-	497
Investment in equity instruments	75	87	-	-	-	-	75	87
Investment properties	-	-	-	-	378	366	378	366
Land	-	-	408	408	-	-	408	408
<b>Financial Liabilities</b>								
Long-term debentures	-	-	1,099	597	-	-	1,099	597

Unit : Million Baht

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Financial Assets</b>								
Investment in debt instruments	-	-	-	494	-	-	-	494
Investment in equity instruments	75	87	-	-	-	-	75	87
Investment properties	-	-	-	-	378	366	378	366
Land	-	-	406	406	-	-	406	406
<b>Financial Liabilities</b>								
Long-term debentures	-	-	598	597	-	-	598	597

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



### 36. CAPITAL MANAGEMENT

The primary objective of the Company's and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

### 37. EVENTS AFTER THE REPORTING PERIOD

37.1 On January 8, 2019, the Company's Board of Directors meeting No. 1/2019, passed resolutions as follows:

- 1) Approved the establishment of a subsidiary in France to support business expansion with a registered capital of Euro 24,000 which will be held by Mudman International Limited at a 67%.
- 2) Approved investment in France in accordance with the Share sale and purchase agreement (SPA) terms for Societe Langonnaise des Vins et Hotelleries SAS, a restaurant in France.

37.2 On February 21, 2019, the Board of Directors meeting No. 2/2019 of Mudman Public Company Limited, the subsidiary, passed a resolution of the distribution of dividends for the year 2018 totaling Baht 58 million. The above dividend distribution shall be payable to the shareholders entitled to receive the dividends in accordance with the subsidiary's Articles of Association and who are listed on the record date on May 7, 2019. The dividend payments will be made on May 21, 2019.

### 38. RECLASSIFICATIONS

Certain transactions in the financial statements for the year ended December 31, 2017 have been reclassified in conformity with the presentation in the financial statements for the year ended December 31, 2018. The reclassifications have not affected to net profit, total comprehensive income and shareholders' equity previously reported. Such reclassifications are as follows:

Items	Previous presentation	Reclassified to	Unit : Thousand Baht	
			Consolidated	Separate
			Financial Statements	Financial Statements
STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2017				
Prepaid expenses	Other current assets	Trade and other current receivables	23,689	11,253
Leasehold rights	Leasehold rights	Other Intangible asset	82,922	15,139
Deposit	Deposit	Other non-current assets	148,112	32,500
Deferred income	Other current liabilities	Trade and other current payables	36,592	6,257
Current portion of liabilities under finance leases	Other current liabilities	Current portion of liabilities under finance leases	11,444	234
Liabilities under finance leases	Other non-current liabilities	Liabilities under finance leases	13,451	1,058
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2017				
Reduction of inventories to net realizable value	Administrative expense	Cost of sales	8,625	-
Revenue from sales	Cost of sales and services	Sales	8,032	-
Depreciation expense and amortization expense	Administrative expenses	Selling expenses	7,655	-

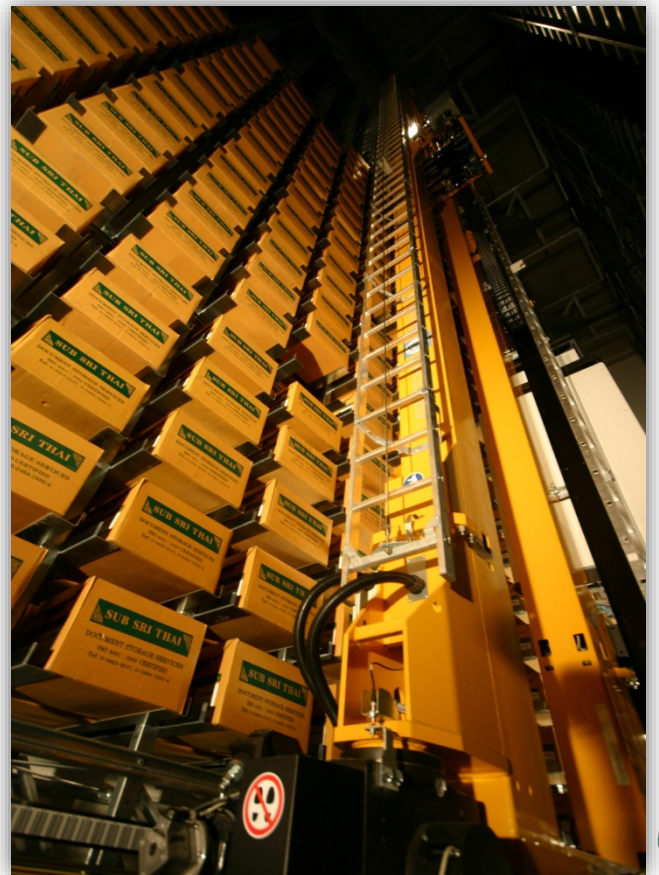


### 39. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's authorised directors on February 25, 2019.









สำนักงาน : 2044/25-27 ถ.เพชรบุรีตัดใหม่ บางกะปิ ห้วยขวาง กรุงเทพมหานคร 10310

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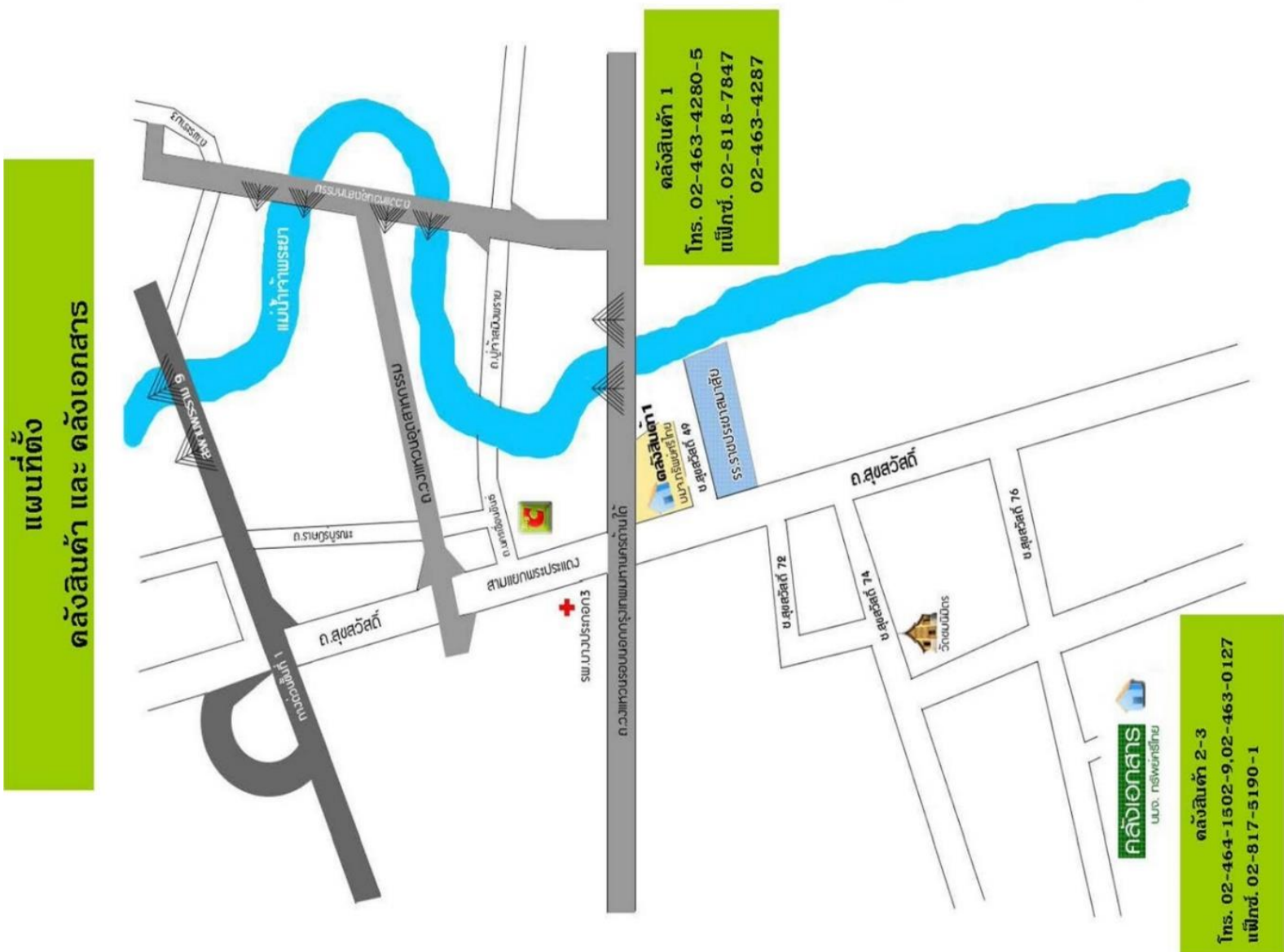
โทรศัพท์ : 0-2463-4280-9 โทรสาร : 0-2463-4287, 0-2818-7847

คลังสินค้า 2 และคลังเอกสาร, คลังสินค้า 3 และคลังเอกสาร :

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