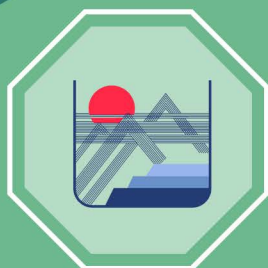


ANNUAL REPORT 2019 SUB SRI THAI Plc.



รายงานประจำปี 2562
บริษัท ทรีพีศรีไทย จำกัด (มหาชน)

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 :	<ul style="list-style-type: none"> - 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 ²

Standard & Safety	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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.

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1. Message from the Chairman of the Board of Directors



During the year 2019, the growth of the world economy is continuing slowdown from the ongoing trade war between the United States and China. For, Thai economy is still affected by the drought, baht appreciation and the delay in the issuance of annual budgets. This does not include the estimated impact of the damage caused by the outbreak of the covid-19 virus, which began in China in December 2019. Currently, it has been impacted on the economies of all countries around the world.

The performance of the Company in the year 2019, amid the price, service competition and labor problems. The company's operating results according to the consolidated financial statements showed net loss of Baht 7 million. The warehouse and wharf business had net profit of Baht 19 million while the food and beverage businesses including the lifestyle business had net loss of Baht 26 million.

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

Mr. Surapong Paisitpatnong
Chairman of the Board of Directors

2. Report of Board of Directors

In year 2019, projection of the country's economic growth rate expanded at the rate of 2.4% decreasingly when compared to the year 2018, which expanded at the rate of 4.2%. For export, they were expanded at the rate of 3.2%, decreasingly when compared to the year 2018, which expanded at the rate of 7.5%. And import, they were expanded at the rate 5.4%, decreasingly when compared to the year 2018, which expanded at rate 13.7%

In 2020, the forecast of economic growth rate of the country will expand at the rate 1.5% to 2.5% with the export and import volume will expand at the rate 1.4% and 2.7% respectively¹.

In 2019 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” 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 91% in 2018 to be 93%. 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 2019, 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 0.33 million tons, decreasing at the rate of 6.94% when compared with quantity of 0.35 million tons in year 2018.

Warehouse Rental: Average area for rent was 36,527.85 square meters per month increase at the rate of 8.44% when compared with amount of 33,685.82 square meters per month in year 2018. Types of goods stored were cassava starch, wheat, sugar, chemical products, chemical fertilizer, cereal grain, kitchen appliances, electrical equipment, furniture, office supplies, publication, paper, packaging, paper product, textile, shoes, miscellaneous goods for instance.

Wharf Rental: There were 73 sea-going vessels berthing at the port, an average of 22.88 days/wharf per month, increasing at the rate of 1.86% when compared with 82 sea-going vessels, and average of 22.46 days/wharf per month in year 2018.

Service of through cargoes: There was a total of 0.53 million tons of various through cargoes, such as iron, chemical fertilizer, animal feed, frozen products, salt, vegetable oil, sugar, wheat, increasingly at the rate of 52.30% when compared with amount of 0.35 million tons in the year 2018.

¹ Source: Office of the National Economic and Social Development Board, February 17, 2019

The Company performance (consolidated financial statement) in 2019, we had net loss at 7 million baht. If we categorize our performance at business group, we found that warehouse and wharf business had total income 400 million Baht with net profit of 19 million Baht, food and beverage had total income 2,768 million baht with net loss of 24 million Baht and Lifestyle business had total income 145 million Baht with net loss 2 million Baht.

In this 2020, 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. Policy and Business Overview

3.1 Business goals

The Board of Directors has reviewed the vision and mission of the company by agreeing to maintain it the same as follows:

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.

In this regard, the Executive Committee has set goals for the management to achieve the main objectives and goals of the business by conducting the innovation and technology appropriately and safely as well as the expansion of the business in logistics, restaurant and hotel services.

Short-term goals 1-2 years

- To develop the digital document storage and management system (Document Management Service) to support the change of document storage from keeping archive document to digital file.
- To promote business operations and transactions with electronic systems through various digital devices.
- To develop a convenient and speedy loading and unloading goods (stevedore services) and transfer goods service to customers in order to provide services to the customers who bring various types of goods to use our service.

Mid-term goals 3-5 years

- - To develop restaurant and hotel business after the restaurant and hotel have been completely constructed and ready for operation.
- Increase the warehouse area to support the expansion on warehouse and logistics business by considering on the market demand and the economic condition that suitable for the expansion of such business

3.2 Changes and Development

Sub Sri Thai Public Company Limited, formerly named Sub Sri Thai Warehouse Public Company Limited, was established around the end of 1976 with registered capital of 2 million baht. The company's objective is to operate a warehouse business which was the warehouse operator who has been licensed from the Ministry of Commerce to undertake the goods with premium and offer the loan by accepting the pledging of the undertaken goods. The company is able to issue dock warrant and warehouse receipt as the warehouseman, looking after the undertaken goods which the person who put the goods in the warehouse can use such document as security to apply for the loan from other financial institution.

The Company saw that the warehouse business was important components of financial business and the demand to use the warehouse with wharf tends to be higher due to the increase of domestic agricultural and industrial products or the order of such products for consumption in the country is higher each year and the policy on agricultural product price guarantee has stimulated the demand of warehouse rapidly. Therefore, to respond to the government policy and to respond to such requirement, the Company has created the construction project for warehouse and harbor at the Chao Phraya River on the area about 43 Rai at Soi Suksawat 49, Bang Chak Sub-district, Phra Pradaeng District, Samut Prakarn Province and has constructed the Warehouse No. 2 and 3 at Soi Suksawat 76.

The Company has been allowed to be a registered company in the Stock Exchange of Thailand in 1987 and converted to public company in 1994.

With the 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. The Company has continuously expanded the business by investing in various businesses such as food business

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 it’s the food and beverage business to more target group of customers, especially the opportunities in expanding to foreign country. Moreover, this acquisition enhanced our group of the Company have own brand and increased the potential to expand our business in the future to diversify the risk from the existing business to apparel business.

In 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.

Currently, the part of the restaurants is under construction with about 70 percent has been constructed that is expected to be completed and will be operated by the end of 2020.

For the hotels section, the Company hire architect to design the architectural design of the hotel building in Court Yard style with a two-storey steel-reinforced concrete building, approximately 22 rooms, approximately 2,160 square meters of utility space that is Phase 1 of the "The House of Tin Baron" project in Phuket. Currently, the Company hire an experts to prepare report, Initial Environmental Examination (IEE) to submit and be approved from the Office of Natural Resources and Environmental Policy and Planning. When the Company receives a certificate of IEE, the Company will submit permission construction application and start construction.

4. Nature of Business Operation

4.1 The Group of Company's Business Overview

Sub Sri Thai Public Company Limited started operating business in warehouse and wharf in 1976, providing cargo handling services wharf service warehouse for rent and deposit goods which was operated by a subsidiary. The company has expanded into document storage service and development document storage system to automated storage and retrieval systems (AS/RS) with barcode and computer systems and store electronic media or any goods that required to keep in a temperature and humidity control room. In addition, the Company has invested in food and beverage businesses and Lifestyle business.

As of December 31, 2019, Sub Sri Thai Public Company Limited has operated in 4 major businesses which are warehouse and wharf, food and beverage, lifestyle business and real estate investment trusts management 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.

Mudman Public Company Limited operates its business by holding shares in other companies (Holding Company) with core business of Food and Beverage business and other businesses of lifestyle business, 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. and GHC Café (UK) Company Limited and Mudman International Limited etc.

Mudman has the brand "M-Kitchen", a brand that has been developed by Mudman Plc. to operate cafeteria business in a hospital, comprising of two business divisions including cafeteria business and in-patient department (IPD) food services.

3. 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.

4. 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.

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.

6. Greyhound Café Co., Ltd.

Greyhound Café Co., Ltd. operates restaurant business under the names of “Greyhound Café”, “Another Hound Café”, “KIN HEY” and “Gai Hound” 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,

The Greyhound Cafe Company Limited established GHC Café (UK) Company Limited in England by holding 100% of shares in GHC Café (UK) with the objective is for the production and selling food and beverages in international market with a registered capital of 200,000 pounds sterling (approximately Baht 9.09 million, referring to the exchange rate announced by the Bank of Thailand on December, 29 2017, equivalent to Baht 44.4531 per pound sterling)

7. Mudman International Limited.

On November 27, 2017, Madman 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 (Holding Company) with a registered capital of USD 30,000 (approximately Baht 985,416, referring to the exchange rate announced by the Bank of Thailand on December 29, 2017, equal to 32.8472 baht per USD)

On December 21, 2017 Mudman International Limited acquired all of the ordinary shares of Societe Langonnaise des Vins et Hotelleries SAS ("SLVH"), with a registered capital of 452,768 Euro (approximately Baht 17,670,290). SLVH operates food and beverage business under trademark “Le Grand Vefour”, a restaurant founded in 1784 in Paris, France and received 2 Michelin stars under Mr. Guy Martin, the owner and head chef.

In addition, Mudman International Limited has established MM FR SAS to support business expansion in foreign countries by holding 66.67% of the shares with Mr. Guy Martin, the chef of Le Grand Vefour, which holds 33.33% of the shares.

Lifestyle Business

8. Greyhound Co., Ltd.

Greyhound Co., Ltd. operates business as produce and distribute fashions and accessories under the brand “Greyhound original” and “Smileyhound” and operates Food & Beverage Café business under the brand “Greyhound Coffee” as well as designing products and fashion lifestyle products. 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 with registered capital of 96,990,000 Baht.

Real Estate Investment Trusts Management

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 1st December 2017.

Associated Company

Property Fund and Trust for Real Estate Investment

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 objectives is to mobilize funds from general investors to invest commercially in the property. On 28 April 2011, The Company has purchase 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 Smart Storage Property Fund (“SSTSS”) which has been registered of its property into mutual fund on 5 August 2014, with 820 million Baht from the unit holders. One Asset Management Co., Ltd., was appointed as the fund manager. The objectives to raise funds from investors and invest in purchasing and/or rental property and provide the benefits of such real estate. Also The Company has purchase 12,300,000 of the investment units of the Fund or equivalent to 15% of all investment units sold at the price of Baht 10 per investment unit, with the total price of 123 million Baht. On 18 October 2017, Sub Sri Thai Smart Storage Property fund (“SSTSS”) has approved the conversion of SSTSS to Sub Sri Thai Real Estate Investment Trust (“SSTRT”). The conversion will reduce the registered capital to Baht 7.7007 per unit. The Company still holds 12.3 million units of SSTRT, valued at 94.72 million Baht or 15% of total investment units.

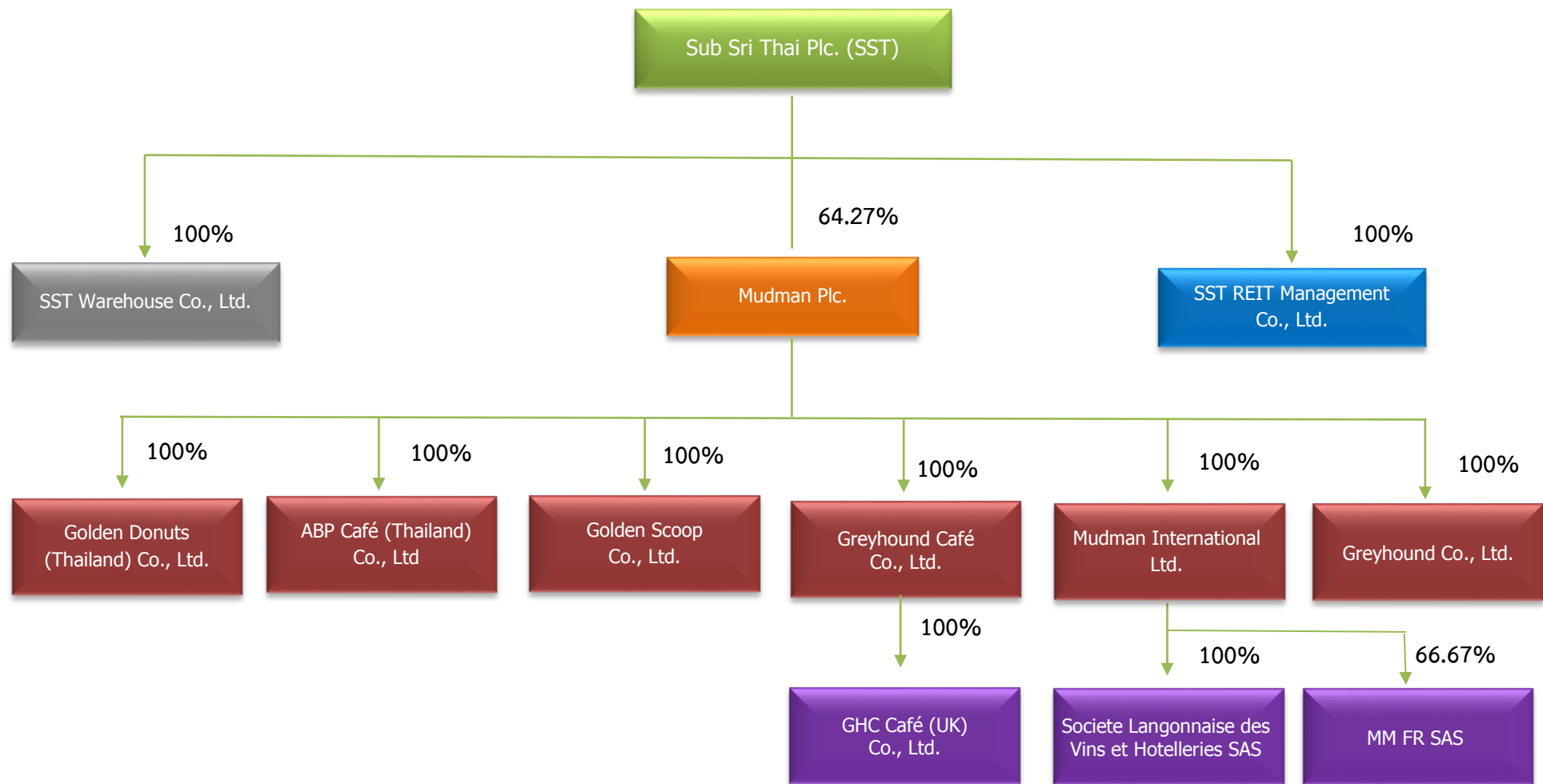
Later on 11 December 2019, SSTRT has issued the trust unit for the number of 74,250,000 trust units to be transferred the assets and liabilities of SSTPF at the exchange rate of the trust unit of SSTRT and investment unit of SSTPF (“swap ratio”) at 1 investment unit of SSTPF per 1.1 trust unit of SSTRT. As a result, the SSTPF was converted to the Real Estate Investment Trust and dissolved on 26 December 2019. Currently, the Company is holding 37,050,006 trust unit, equaling to 23.71% of all trust units of 156,250,000 units, with the value of 7.4295 baht per unit as of 31 December 2019.

SSTRT registered in Stock Exchange of Thailand (“SET”) on 26 December 2017, having One Asset Management Limited (“ONEAM”) as the trustee of the Trust and SST REIT Management Co., Ltd. as the trust manager.

SSTRT has the objective to invest in the core assets by purchasing and/or renting and/or sub-renting and/or transferring the leasehold and/or sub-renting of core assets. The core assets will be utilized to generate income from rent and servicing fee or any other income in the same manner, as well as improving, changing, boosting efficiency, improve and/or selling properties in order to earn income and return to the Trust for the benefits of the trust holder continuously in long term, as well as the investment in other assets and/or other security and/or seeking interest and return by other method according to the security laws and/or any other related laws.

Currently, SSTRT has invested in the ownership of land, construction and public utilities system, system works, furniture, materials and equipment related to and necessary for the utilization of the land and building of Sub Sri Thai Project by getting the Company (“SST”) to lease the core assets to seek benefits for the document storage business and pay rent to SSTRT.

Holding Shares in Subsidiary Companies as at December 31, 2019



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

4.2 Income Structure in each Type of Business

Company's Name	Type of Business	% of Share	2019		2018		2017	
			Million Baht	%	Million Baht	%	Million Baht	%
Sub Sri Thai Plc. SST Warehouse Co., Ltd.	Warehouse and Wharf	100	396	11	390	11	328	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	2,768	79	2,935	80	2,686	81
Greyhound Co., Ltd.	Lifestyle Business	64.27	145	4	147	4	137	4
SST REIT Management Co., Ltd.	REIT Management	100	4	-	4	-	-	-
Other income			213	6	180	5	166	5
Total Income			3,526	100	3,656	100	3,317	100

4.3 Products and services classified by business type

4.3.1 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, miscellaneous goods 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.

Wharfing Service

The company: providing wharfs for two ocean vessels together with mooring for a number of lighters.

Licenses or patents.

Licenses	No.	Period	Department
1. Certificate of inspection the docks (2 ports)	8/2563 9/2563	18 March 2020 To 17 March 2021	Marine Safety and Environment Bureau, Marine Department
2. License of sea port operation	7/2562	18 May 2019 to 17 May 2024	Marine Department, Harbor Department
3. The certificate of operation of the port for security purpose	9/2559	8 July 2016 to 7 July 2021	Marine Department, Harbor Department
4. The certificate of terminal sanitation standard	9181/2	26 November 2018 to 25 November 2020	Fisheries Product Quality Inspection Department, Department of Fisheries
5. Fishing port registration certificate (2 ports)	591105080005 and 591105080006	December 17, 2018 onwards, until it is revoked	Resource Management and Standards Division, Department of Fisheries

Other Services

- Lending money with security that are the deposited goods in its subsidiary which operation licensed warehouse.
- 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, 2019, SST Warehouse Co., Ltd has warehouse space for licensed warehouse at 8 buildings, covering 12,043 square meters.

Licenses or patents.

Licenses	No.	Period	Department
Warehouse operations license	02-0101-030-25092560	September 25, 2017 to September 24, 2020	Bureau of Market system Promotion and Administration, General Department of Internal Trade, The Ministry of Commerce

4.3.2 Food and Beverage Business

Golden Donuts (Thailand) Co., Ltd.



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

Golden Donuts (Thailand) Co., Ltd., holds the right of trademark “Dunkin’ Donuts” exclusively in Thailand. Currently it has 298 outlets throughout Thailand (data as at 31 December 2019) 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.

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.

ABP Café (Thailand) Co., Ltd is the franchised holder of trademark, “Au Bon Pain” exclusively in Thailand. Now Au Bon Pain has total of 73 outlets (data as of 31 December 2019) with service in the outlet, take away, delivery service to home and office 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.

Golden Scoop Co., Ltd., holds trademark right of “Baskin Robbins” in Thailand. Now Baskin Robbins has 29 branches outlets (data as at December 31, 2019) mostly located in department stores and business areas with in-house and take away service.

Greyhound Café Co., Ltd.



Restaurants under management by Greyhound Café Co., Ltd. which are Greyhound Café / Another-Hound Café / KIN+HEY / Gai Houhd, a full service restaurant with fashion café concept and they have 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, 2019, Greyhound Café had 40 stores in Thailand and oversea which are 20 branches in Thailand under Greyhound Café / Another-Hound Cafe / KIN+HEY / Gai Hound and 18 branches oversea under Greyhound Café brand which located at Republic of China, Hong Kong, Malaysia, Singapore, Indonesia and Vietnam.

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 under Mr. Guy Martin, the owner and head chef.

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

The target’s 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.

M-Kitchen



Besides Madman Public company Limited (“MM”) invests in its subsidiary that operates food and beverage businesses, MM has recognized market opportunity in full services restaurant under owned Brand with different target customers of Greyhound Café.

Therefore, MM operates cafeteria business and in-patient department (IPD) food services in a hospital under “M-Kitchen” brand. As of 31 December 2019, M-Kitchen had 1 store at Ramkamhaeng Hospital. However, the Company has a plan to expand this business to other places not only in a hospital.

4.3.3 Lifestyle Business

Greyhound Co., Ltd.

GREYHOUND
ORIGINAL


SMILEYHOUND
GREYHOUND



Greyhound Co., Ltd. (“GHF”) operates business as manufacturer and distributor of fashion garments and accessories under “under “Greyhound” brand, targeting mid-to-high customer group. The major brands under Greyhound are Greyhound Original which is the first lifestyle brand of Greyhound, focusing on distributing unique apparel and accessories with minimal concept or a simple style clothes with hidden features graphic screen and special sewing techniques under the concept of “Basic with a twist”. The main products are shirts, T-shirts, pants, suits, skirts, shoes, and bags at seasonal collections.

“Smileyhound” is another brand for Casual Wear that is designed with concept of “Basic Casualwear with Smileyhound Icon for Everyone”. The main products are T-shirts, pants, shoes, and bags.

As of December 31, 2019, GHF has 12 its own stores that are main channels for selling products in the country through leading department stores located in Bangkok and greater Bangkok. There are sub-brands of GHF targeting different customer groups and different style which is the one of strategies that Greyhound uses to create opportunities in lifestyle business to reach more each target of customers.

In addition, there is 1 Greyhound Coffee branch which is a food and beverage restaurant in café type.

4.3.4 Real Estate Investment Trust Management

SST REIT Management Co., Ltd.

SST REIT Management Co., Ltd. (“SSTRM”) conducts business as a REIT Manager for Real Estate Investment Trust under the supervision of the Trustee. SSTRM received the REIT Manager license from the SEC on 1st December 2017. Currently, SSTRM has managed Sub Sri Thai Real Estate Investment Trust. SSTRM will receive a fee from the management of the REIT that is yearly income and SSTRM will also receive fees from acquiring and disposing of assets according with the asset value.

4.4 Marketing and Competition

4.4.1 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

For the document storage services, even with not so many competitors in the market but still with high competition, the company must speed up its development in service by implementing modern storage systems to store and keep the document box in good condition and has an automated document warehouse AS/RS that uses modern technology for storage document. There is a computerized and barcode codes system that can find document boxes quickly and accurately. There is a team of marketing and customer relations to meet customers closely both before and after sale to inquire about the needs and satisfaction of customers in order to improve the service continually.

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

1. Good reputation gained during more than 43 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).

For the document storage business, it is correspond to the economic condition and tends to grow continuously, even though the technology is developed and make the cost of document storage in electronics form lower and facilitate the document storage and searching, as well as Electronics Transaction Act B.E. 2544 and the amendment B.E. 2551, giving permission to consider the information kept in electronic form as the presentation or the storage of original document according to the law, the companies still see the importance of original document storage in hard copy because it corresponds to the internal rules of the Company and create more confidence when using in legal action as compared to the electronic document.

The number of the document storage business in Thailand is increasing but there is still high barrier to entry for new competitor, which is the entrepreneur must have specific expertise in management, rapid service providing and there must be large area to use as large document storage as well as providing services in new form, which is the substitute service for the document storage service by document scanning service in order to keep the document in electronic form and provide cloud storage service.

4.4.2 Food & Beverage Business

Channel of Distribution:

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

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.

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/ “Gai Hound” by Greyhound” 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.

M-Kitchen is a mid-size restaurant that is provided welcome feeling and cleanness. The target customers are out-patient department (OPD) patients and their relatives, as well as hospital’s staff. They prefer quick services with affordable value for money menus. Therefore, the service of Kitchen M Restaurant will focus on fast service at a reasonably price. For IPD food services, the target group is only in-patient with nutritious control and conditions from the hospital.

Industry Trends & Market Competition:

Food & Beverage Business in Thailand is not a complex business, so there are many new players are easy to come into this business continuously which leads to intense competition. Due to the fierce competition, some players are pushed to liquidate their businesses. Providers must have effective controlling and management skill. Each provider must introduce new products and sales promotion all the time as well as understand rapid changes of consumers’ behavior, to maintain and expand the market share, and to enhance brand equity. 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.

4.4.3 Lifestyle Business

Channel of Distribution:

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.

Industry Trends & Market Competition:

Lifestyle business is a retail business offering various types of product such as clothes, accessories, sunglasses, household appliances, and home furniture. In addition to the various types, there are different target customers i.e. age, sex, and demography. With intense competition from low barrier to entry, the Company has realized the intense competition and tried to enhance brand equities among various target customers.

4.4.4 Real Estate Investment Trust Management

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.

4.5 Procurement of Products or Service

4.5.1 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 (There are 6 units of document warehouses that the Company has rented from Sub Sri Thai Real Estate Investment Trust) 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 the Company has rented from Sub Sri Thai Real Estate Investment Trust, total area 1,445 square meters, including racking for storing documents, 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.

4.5.2 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.

4.5.3 Lifestyle Business

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

4.5.4 Real Estate Investment Trust Management

SST REIT Management Co., Ltd. (“SSTRM”) is a REIT Manager of Sub Sri Thai Real Estate Investment Trust (“SSTRT”), which had a net asset approximately Baht 622 million. Later, in December 2017, SSTRT has increased its assets by transferred assets from the Sub Sri Thai Property Fund, approximately Baht 624 million. At the present, the net asset of SSTRT is approximately Baht 1,246 million and as the REIT manager, SSTRM must look for new assets to add in the trust in order to increase its. The Business and Real Estate Development Department will select potential assets for investment to generate profit, whether it is leasehold or freehold property.

Important Events in 2019

April 2019	<p>The Annual General Meeting of Shareholders for the year 2019, hold on April 24, 2019, has significant resolved as follows:</p> <p>1. Approved the decrease of the Company’s registered capital from Baht 759,679,703.00 to Baht 486,193,885.00 by reducing the number of ordinary shares reserved for the increase of registered capital under a General Mandate which have been not allocated in year 2019 in the whole amount of 273,484,692 shares and the remaining registered ordinary shares reserved for the exercise of warrant to purchase the ordinary shares of the Company (SST-W2) which are not able to allocate according to the allocation conditions in the amount of 1,126 shares, totaling 273,485,818 shares at a par value of Baht 1 per share</p> <p>2. Approved the increase of register capital of the Company from Baht 486,193,885.00 to Baht 759,678,577.00 by issuing new ordinary share in total 273,484,692 shares at a par value of Baht 1 per share in order to accommodate the capital increase under a General Mandate 273,484,692 shares</p> <p>3. Amendment the Company's Articles of Association: Article 4, 7, 31, and 46 in accordance with the practice and comply with the regulations of the Stock Exchange of Thailand and the Public Limited Companies Act BE 2535 which has been amended.</p>																			
May 2019	<p>As of May 24, 2019, the company's registered capital and paid-up capital are as follows:</p> <table><tr><td>Registered capital:</td><td>759,678,577 Baht</td></tr><tr><td>Paid-up capital:</td><td>455,807,823 Baht</td></tr></table>				Registered capital:	759,678,577 Baht	Paid-up capital:	455,807,823 Baht												
Registered capital:	759,678,577 Baht																			
Paid-up capital:	455,807,823 Baht																			
August 2019	<p>The Board of Directors’ Meeting No. 3/2019 of Sub Sri Thai Public Company Limited held on 13 August 2019 has passed the resolutions to extend the lease terms and to amend the rental fees for the property lease agreements entered into between the Company and Sub Sri Thai Property Fund (“SSTPF”) which end on 2 May 2021 to be extended the lease terms to 31 January 2028 and amended the rental fees as follows:</p> <table><tr><th>Duration</th><th>Fixed rental fees per annum for the lease of utility and equipment (Baht))</th><th>Fixed rental fees per annum for the lease of land and buildings (Baht)</th><th>Total rental fees (Baht)</th></tr><tr><td>Date for the Transfer of Assets and Liabilities – 31 December 2022</td><td>47,659,200</td><td>1,840,800</td><td>49,500,000</td></tr><tr><td>1 January 2023 – 31 December 2025</td><td>48,659.200</td><td>1,840,800</td><td>50,500,000</td></tr><tr><td>1 January 2026 – 31 January 2028</td><td>49,659,200</td><td>1,840,800</td><td>51,500,000</td></tr></table>				Duration	Fixed rental fees per annum for the lease of utility and equipment (Baht))	Fixed rental fees per annum for the lease of land and buildings (Baht)	Total rental fees (Baht)	Date for the Transfer of Assets and Liabilities – 31 December 2022	47,659,200	1,840,800	49,500,000	1 January 2023 – 31 December 2025	48,659.200	1,840,800	50,500,000	1 January 2026 – 31 January 2028	49,659,200	1,840,800	51,500,000
Duration	Fixed rental fees per annum for the lease of utility and equipment (Baht))	Fixed rental fees per annum for the lease of land and buildings (Baht)	Total rental fees (Baht)																	
Date for the Transfer of Assets and Liabilities – 31 December 2022	47,659,200	1,840,800	49,500,000																	
1 January 2023 – 31 December 2025	48,659.200	1,840,800	50,500,000																	
1 January 2026 – 31 January 2028	49,659,200	1,840,800	51,500,000																	
August 2019	<p>The Company has appointed Miss Limly Thipphongraphas as Group Corporate Finance, Chief Strategy & Business Development Officer and to be as Chief Executive Officer of SSTREIT Management Co., Ltd. (Subsidiary in which the company holds 99.99% of shares) effective from August 19, 2019 onwards.</p>																			
December 2019	<p>The Meeting of the Board of Directors of the Company No. 5/2019 held on December 18, 2019 had passed the resolution to appoint Mr. Surapong Paisitpatnapong as the Chairman of the Board of Director in replacing Mr. Sompoch Intranukul who passed away effective from January 1, 2020 onwards.</p>																			

5. Financial Highlights

(Unit : Thousand Baht)

Consolidated Financial	2017	2018	2019
Warehouse and Wharf business incomes	327,772	393,549	399,124
Food and Beverage business incomes	2,686,338	2,935,011	2,767,934
Apparel Business income / Lifestyle business	136,962	147,026	145,201
Total Revenues	3,317,385	3,655,214	3,524,970
Operating expenses (excluded interest and income Tax expenses)	3,274,133	3,549,702	3,398,967
Income from ordinary activities	(36,870)	40,428	(7,411)
Total Assets	6,217,413	5,706,785	5,581,305
Total Liabilities	2,948,183	2,416,376	2,337,169
Shareholders' equity	3,269,229	3,290,409	3,244,136
Issued and paid-up share capital (ordinary shares)	455,807,823	455,807,823	455,807,823
Earning per share from ordinary activities*	(0.05)	0.10	0.01
Book value per share (Baht)*	4.94	5.03	5.01
Liquidity ratio (Time)	0.66	0.86	0.47
Collection Period (Day)	14.63	14.44	14.38
Net profit Margin (%)	(1.17)	1.16	(0.22)
Return on Equity (%)	(1.13)	1.23	(0.23)
Return on Total Assets (%)	(0.60)	0.71	(0.13)
Debt-to Equity	0.90	0.73	0.72
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.

However, the Company has the transparent structure which complies with Good Governance and appropriate balance of power by setting the scope of authority, responsibility of the directors clearly. Apart from that, for the transaction with the director, major shareholders, authority, as well as person with conflict, the Company must follow the law concerning security and security exchange, regulations, announcement, order or requirement of the Stock Exchange of Thailand, Capital Market Supervisory Board, SEC as well as compliance to the regulations about revealing the relevant transaction data and the asset acquisition. Moreover, the approval of the transactions between the Company and managements, the Company Directors, Executive Board and/or members of other sub-committee who are the beneficiary in the transaction, they will not vote for such approval. In addition, there is Audit Committee who is an independent entity participating in the consideration and comment about the necessity and appropriateness of the transactions. Such management will gain confidence for the shareholders that the Company has a balanced, transparent and efficient administration focusing on the benefit of the Company.

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 Risk from the changes in document storage method

According to the development in technology continuously, makes the current cost of storing documents in electronic form a relatively cheaper service. Therefore, many companies can conveniently store documents in the form of electronic media. It is also easier to store and search than storing documents in physical storage. If the document depositors increasingly switch to use electronic media for store documents, it can cause reduce the demand of physical documents storage.

However, document storage services are still in demand in Thailand, as companies’ policies, such as those of financial institutions, require original physical documents to be maintained, including accounting, financial, legal, and other types of documents that are important when it comes to legal significance, taxations, and search and compliance purposes as required by law. Therefore, the majority of business operators tend to store their documents at least 5-10 years depending on the company policies before it is time for shredding. Although the Electronic Transactions Act, B.E. 2544 and amendment B.E. 2551. This law allows documents stored in the electronic form to be considered original, many businesses still see the importance of storing their documents physically, because the physical originals can be used in legal processes without having to go through the originality and completeness verifications as would be the case for electronic originals (cited from the notification of the Office of the Electronic Transactions Commission, regarding the guidelines for the construction or converting documents in electronic forms B.E. 2553). Companies do so to reduce the risk that electronic documents may not be usable in litigations, the risk of not being able to verify the electronic documents, such as signatures and company seals, and the risk that electronic documents may be altered in the case of insufficient security measure.

6.5 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.

6.6 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.

6.7 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.

6.8 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.

6.9 Risk from SSTRT not extending lease of document warehouse

The Company rents 14 document warehouse from Sub Sri Thai Real Estate Investment Trust (“SSTRT”) to run the document storage business. If the lessor refuse to lease out the asset further, it may affect the operation of document storage business.

However, the Company has entered into long term rent contract (currently, the remaining term of the contract is about 9 years) with Sub Sri Thai Real Estate Investment Trust (“SSTRT”). To reduce such risk, when the term of the rent agreement nearly meet the expiry, the lessee and the lessor will negotiate to renew the rent contract not less than 1 year in advance. If the condition of the agreement in the renewal cannot be agreed, the Company still have the warehouse with the ownership belong to the company which can store the document of the customer adequately and there will be enough time to prepare the place for appropriate document storage according to the standard and continue the business further. Apart from that, it would be hard for the SSTRT to select the new lessee who is the provider of document storage business or similar business that can use the asset of the SSTRT to seek for benefit due to the convenience in space management, since the asset, such as entrance and exit, must be shared.

7. General Information

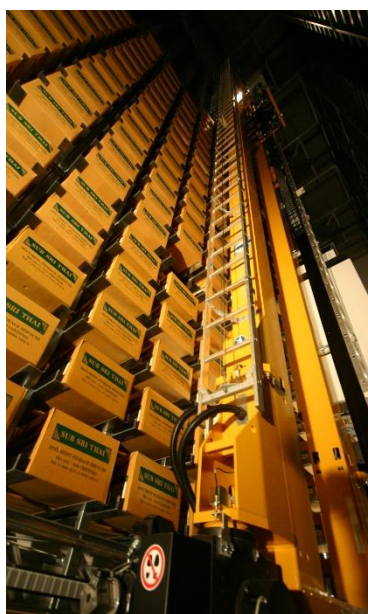
Sub Sri Thai Public Company Limited

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	759,678,577 Baht (Seven hundred and fifty nine million six hundred seventy-eight thousand five hundred seventy-seven 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 และ www.subsrithai.com

Warehouse and wharf



Warehouse 2-3 and Document Warehouse



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, 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	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	0107559000141
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 th Towers Grand Rama 9, 18 th 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 th Towers Grand Rama 9, 18 th 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 9th Towers Grand Rama 9, 18th Fl., Tower A, Rama 9 Road, Huaykwang, Huaykwang, Bangkok 10310
	Telephone: 66 (0)-2079-9765
	Telefax: 66 (0)-2079-9755
Website:	www.aubonpainthailand.com

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 th Towers Grand Rama 9, 18 th Fl., Tower A, Rama 9 Road, Huaykwang, Huaykwang, Bangkok 10310
	Telephone: 66 (0)-2079-9765
	Telefax: 66 (0)-2079-9755
Website:	www.facebook.com/BaskinRobbins Thailand

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 ¹)
Par Value	1.00 Pound sterling per share (Approximate 44.45 Baht ¹)
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 ^{/1})
Par Value	1.00 USD per share (Approximate 32.85 Baht ^{/1})
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 ^{/1})
Par Value	16.00 Euro per share (Approximate 630.30 Baht ^{/1})
Head Office	17 rue de Beaujolais in Paris 75001, France
Website:	www.grand-vefour.com

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

MM FR SAS

Type of Business	Restaurants in France
Registered Capital	10,000 Euro (Approximate 340,846 Baht ^{/1})
Par Value	1.00 Euro per share (Approximate 34.0846 Baht)
Head Office	[XXX]

Note /1 At the exchange rate of 34.0846 Baht per Euro publicized by Bank of Thailand on December 30, 2019

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:	www.greyhound.co.th

Real Estate Investment Trust Manafement

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:	www.sstrm.co.th

References

Share Registrar

Thailand Securities Depository Company Limited
93, Ratchadaphisek Road, Dindaeng, Bangkok 10400 Thailand
Telephone: 66 (0)-2009-9999
Telefax: 66 (0)-2009-9991

Auditor

Ms. Wimolporn Boonyusthian CPA. No.4067
Ms. Juntira Juntrachaichoat CPA. No.6326
Mr. Choopong Surachutikarn CPA. No.4325
Mr. Yongyuth Lertsurapibul CPA. No.6770

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

Internal Audit

IVL Auditing Co., Ltd.
35 Soi Wachiradhammasatit 36, Bangchak, Prakanong,
Bangkok 10260 Thailand
Telephone: 66 (0)-2746-4861-3
Telefax: 66 (0)-2746-4569

8. Securities and Shareholders

8.1 Sub Sri Thai Securities

As of December 31, 2019, Sub Sri Thai's registered capital at 759,678,577.00 Baht (Seven hundred and fifty nine million six hundred seventy-eight thousand five hundred seventy-seven Baht) made up of 759,678,577 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, 2019, the last date for closing the share register for the year 2019, 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
1.	Mr. Supasith Sukhanindr	89,587,465	19.65
2.	Mr. Supachai Sukhanindr	47,928,147	10.51
3.	Mrs. Intira Sukhanindr	47,385,885	10.40
4.	Mr. Taweechat Chulangkul	34,293,400	7.52
5.	Miss Duangkae Chinthammit	25,604,170	5.62
6.	Miss Duangdao Chinthammit	25,104,296	5.51
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	119,901,600	26.31
Total		455,807,823	100.00

(b) The Board of Directors' Securities Holding (As of December 2019)

Name	Number of Shares As of December 2019	% of Shares
1. Mr. Surapong Paisitpatnapong	363,696	0.08
2. Mrs. Chitra Thavara	315,324	0.07
3. Mr. Tosporn Simtrakan	138,668	0.03
4. Mr. Supasith Sukhanindr	89,644,140	19.67
5. Mr. Pilanchai Pradubphong	197,390	0.04
6. Mrs. Intira Sukhanindr	47,442,560	10.41
7. Miss Duangdao Chinthammit	25,160,971	5.52
8. Miss Duangkae Chinthammit	25,660,845	5.63
9. Mr. Somyod Suteerapornchai*	25,207	0.01

* Be appointed on 1 January 2020, by resolution of the Board of Directors' meeting No.5/2020 held on 18 December 2019.

(C) Minority shareholders (As of March 27, 2019)

The number of minority shareholders (Free Float) amounted to 2,079 persons (35.28%)

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 SST-W2

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

Dividend Payment Record

Year	2018	2017	2016	2015	2014
Cash (THB: shares)	0.0500	-	0.0111	0.0111	0.0370
Dividend stock Ratio (old: new) at the par value THB 1.00 per share	-	-	10 : 1	10 : 1	3 : 1
Total (Baht)	0.0500	-	0.1000	0.1000	0.3333

9. Management Structure about Director and Executive



9.1 Board of Directors of the Company

Name	Position
1. Mr. Surapong Paisitpatnapong ^{1/4}	Chairman and Independent Director, Chairman of the Nomination and Remuneration committee
2. Mrs. Chitra Thavara ¹	Director and Independent Director, Chairman of the Audit and Corporate Governance Committee, Member of the Nomination and Remuneration committee
3. Mr. Tosporn Simtrakan ¹	Director and Independent Director, Member of the Audit and Corporate Governance Committee
4. Mr. Supasith Sukhanindr ²	Vice – Chairman Director, Chairman of the Board of Executive Director, Member of the Nomination and Remuneration committee
5. Mr. Pilanchai Pradubphong ²	Director, Vice - Chairman of the Board of Executive Director Corporate Secretary ³
6. Mrs. Intira Sukhanindr ²	Director
7. Miss Duangdao Chinthammit ²	Director
8. Miss Duangkae Chinthammit	Director
9. Mr Somyod Suteerapornchai ⁵	Director

1 There are 3 Independent Directors, calculated at one third of the total directors with full qualifications under the rules of the Capital Market Supervisory Board

2 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.

3 The Secretary Company's has been in charge of advising on legal issues and rules that the Board of directors shall be required to acknowledge and to comply with.

4 The Meeting of the Board of Directors of the Company No. 5/2019 held on December 18, 2019 had passed the resolution to appoint Mr. Surapong Paisitpatnapong as the Chairman of the Board of Director in replacing Mr. Sompoch Intranukul who passed away effective from January 1, 2020 onwards.

5 The Meeting of the Board of Directors of the Company No. 5/2019 held on December 18, 2019 had passed the resolution to appoint Mr. Somyod Suteerapornchai as the new Director in replacing Mr. Sompoch Intranukul who passed away effective from January 1, 2020 onwards.

The nine members of the Board of Directors are qualified and have no forbidden qualification pursuant to the requirements set forth in the Public Limited Company Act, law on securities and stock exchange, rules, regulations, announcements of the Securities and Exchange Commission, Good corporate governance policy of the Company and other related laws as well as no prohibited characteristics that lack of appropriateness qualifications of executives which has been entrusted to manage the listed companies as specified by the Securities and Exchange Commission.

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 3 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 87)
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 51

Category of Director

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

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 2019, The Board of Directors had regular meetings for 4 times and extra meeting 1 time which 3 meetings have all directors attended and 2 meetings with 1 director member not attending, representing 88.88% of directors attending the meeting. The director who was absent was the chairman of the board of directors. He had to treat sickness and later he passed away. At that time, the Vice Chairman of the Board of Directors and the Chairman of the Audit and Governance Committee to duty as the chairman of the board during the meeting and the Company has already appointed a new Chairman on 18 December 2019 for replacement.

All directors attended the meeting not less than 75% of the total number of the board meetings held in the year, except the Chairman of the Board of Directors. The detail of Directors' attendance at the meeting are as follow:

**Directors' attendance at the meeting in each committee for year 2019
(1 January-31 December 2019)**

Name	Position	Board of Directors' Meeting in 2019			
		Board of Directors (Total 5)	Board of Executive Directors (Total 4)	Audit Committee (Total 4)	Nomination/ Remuneration committee (Total 2)
1. Mr. Sompoch Intranukul ¹	Chairman and Independent Director/ Chairman of Nomination and Remuneration Committee	3/5	-	-	1/2
2. Mr. Surapong Paisitpatnapong	Director and Independent Director/ Chairman of the Audit and Corporate Governance Committee/ Member of the Nomination and Remuneration Committee	5/5	-	4/4	2/2
3. Mrs. Chitra Thavara	Director and Independent Director/ Member of the Audit and Corporate Governance Committee	5/5	-	4/4	-
4. Mr. Tosporn Simtrakan	Director and Independent Director/ Member of the Audit and Corporate Governance Committee	5/5	-	4/4	-
5. Mr. Supasith Sukhanindr	Vice-Chairman Director / Chairman of Board Executive Director/ Member of the Nomination and Remuneration Committee/ Chief Executive Officer and President	5/5	4/4	-	2/2
6. Mr. Pilanchai Pradubphong	Director and Vice-Chairman Executive Director	5/5	4/4	-	-
7. Mrs. Intira Sukhanindr	Director	5/5	-	-	-
8. Miss Duangdao Chinthammit	Director	5/5	-	-	-
9. Miss Duangkae Chinthammit	Director	5/5	-	-	-

¹ Mr. Sompoch Intranukul, Director and Independent Director and the Chairman of the Board of Director has passed away on November 26, 2019

In addition, the company provides an opportunity for non-executive directors to have a meeting among themselves to discuss various issues related to management without the management team. In order to be convenience for the Board of Directors, the Company has scheduled a meeting before each Board of Directors' meeting and arrange time the meeting room for such a meeting. In the year 2019, there is no important issue, therefore, no report has been made to the Chief Executive Officer and President.

9.2 Executive Officers

The list of 8 executives as of 31 December 2019 are as follows:

Item	Name	Position
1.	Mr. Supasith Sukhanindr	Chief Executive Officer and President
2.	Miss Limly Thipphongprahas <i>Appointed on 19 August 2019</i>	Chief Corporate Finance and Chief Strategy and Business Development Officer
3.	Mr. Rodney Charles Kimber	Vice President, Document Storage, Wharf Business
4.	Mr. Piyapong Rintranurak <i>Appointed on 11 November 2019</i>	Head of Group Corporate Finance and Strategy and Business Development
5.	Mr. Kasidit Thavisin	Document Manager
6.	Mr. Panya Soonsap	Warehouse and Wharf Manager
7.	Mrs. Patcharee Boonnak	Senior Operation Manager
8.	Mr. Somsak Tangprakob	Accounting and Finance Manager

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 Board of Directors has considered and agree to propose to the Annual General Meeting of Shareholders for the year 2019 which held on April 24, 2019 to consider and approve. The Shareholders' meeting had approved remuneration for the Board of Directors and all Committee for the year 2019 in the amount not exceeding Baht 18,000,000.00 per year which is the same as previous 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
Committees					
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
Total	10,818,000.00	60,000.00	2,592,000.00	4,530,000.00	18,000,000.00

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 2019

Directors	Year 2019		Year 2018	
	No. Total	Allowance (Baht)	No. Total	Allowance (Baht)
The Board of Directors (Remuneration)				
- Chairman of the Board of Directors	1	605,000	1	660,000
- Director	8	2,400,000	8	2,400,000
Committees				
- 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	295,000	3	320,000
Other Benefits				
- Contribution to EJIP Program	9	2,568,000	9	2,592,000
- Bonus	-	-	-	-
- Other	-	-	-	-
Total		13,326,000		13,430,000

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 2019 including Managing Director

Managements	Year 2019		Year 2018	
	No. Total	Allowance (Baht)	No. Total	Allowance (Baht)
Salary and living expenses	8	13,229,886	6	10,880,400
Bonus	7	2,826,788	5	2,478,650
Contribution to EJIP Program	4	318,767	4	332,220
Contribution to provident fund	4	351,110	2	219,780
Total		16,726,551		13,911,050

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 Compensation and benefits for employees

The Company has an important target to manage the return and benefit of the employees according to their position. In other words, the wages and benefit must be determined at an appropriate and fair level and there must be other benefits and welfare as stipulated by law, such as social security, and the benefits other than the law requirement that the employee should receive, such as health and accident insurance for employee who travel to work in upcountry, provide assistance about the uniform, contribution to the provident fund, contribution to Employee Joint Investment Program (EJIP), as well as other allowance, such as Funeral Expenses Payment for the funeral of family member, etc. in order to attract capable people to join the Company and attract the existing employees to work better, strengthen the career path.

9.5.1 Number of Employees

Department	Number of Employee	
	December 31, 2019	December 31, 2018
Warehouse and Wharf	57	29
Document Storage	237	229
Accounting & Financial	16	17
Operation	18	20
Information Technology	15	5
Total	333	300

9.5.2 Employees Compensation

Compensation *	Year 2019	Year 2018
Salary, Commissions, Allowances Overtime and Bonus	85,123,224.54	77,608,821.38
Social Security	2,048,023.00	1,941,957.00
Contribution to provident fund	2,231,992.30	2,184,375.62
Contribution to EJIP Program	1,936,277.77	1,899,725.66
Total	91,339,517.61	83,634,879.66

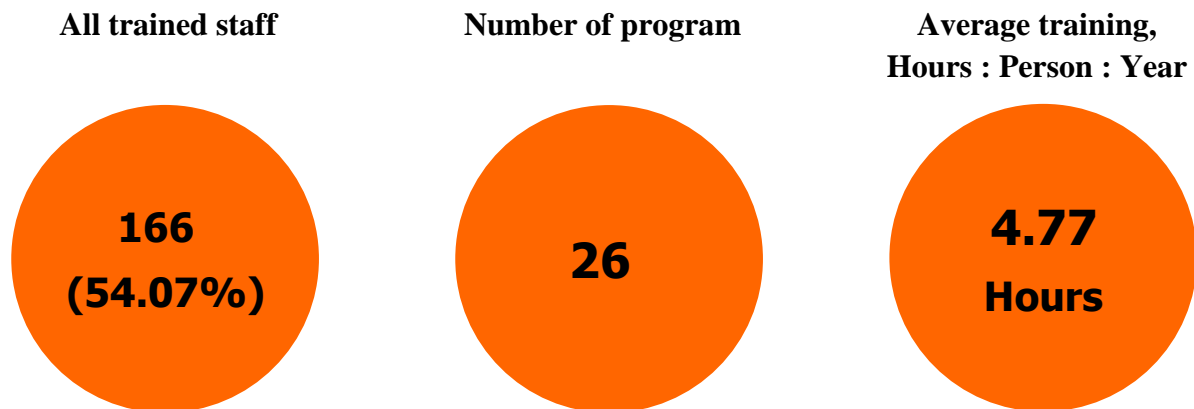
* Not including the top four executives of 8 persons

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 2019, the Company provided the courses to educate executives, supervisors and employees continuously, for example, the supervisor development program, safety driving course CRM course on how to manage relationships between companies and customers, etc.

Training in 2019



Director and Management Biography



MR. SURAPONG PAISITPATNAPONG

Age 79

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

Year of Director

- Since 2010, total 10 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

IOD Certifier

- Director Certification Program (DCP)
Class 142/2011

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) |
| 2018 – Present | - Member of Committee, Economics and
Academics Committee The Federation
of Thai Industries (FTI) |
| 2009 – Present | - Member of Committee, Trade
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) |

Positions in the Present

- | | |
|--------------------------------|----------|
| In listed Companies | - None - |
| In non-listed Companies | - None - |

Number of Share as of December 31, 2019

: 363,696 shares (0.08%)

**MRS. CHITRA THAVARA****Age 79**

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

Year of Director

- Since 2005, total 15 years

Education / Training

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

IOD Certifier

- Director Accreditation Program (DAP) Class 56/2006

Working experiences

- | | |
|-------------|---|
| 2005 – 2010 | - Independent Director Siamweb Plc. |
| 2006 – 2009 | - President IRPC Oil Co., Ltd. |
| | - President IRPC Polyoil 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 - |

Number of Share as of December 31, 2019

: 315,324 shares (0.07%)


MR. TOSPORN SIMTRAKAN
Age 68
**Director and Independent Director /
Member of the Audit and Corporate Governance
Committee**
Year of Director

- Since 2014, total 6 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

IOD Certifier

- Director Certification Program (DCP) Class 198/2014

Working experiences

- | | |
|----------------|--|
| 2005 – 2007 | - Executive Vice-President (EVP) Information Technology at CAT Telecom Plc |
| 2007 – 2009 | - Executive Vice-President (EVP) for Corporate Strategy at CAT Telecom Plc. |
| 2012 - 2016 | - Advisor to the Commissioner (Asst. Prof. Dr. Thawatchai Jittrapanun Ph.D.) Office of The National Broadcasting and Telecommunications Commission (Kingdom of Thailand) |
| 2017 - Present | - Associate Justice, Intellectual Property and International Trade Court |

Positions in the Present

- | | |
|--------------------------------|----------|
| In listed Companies | - None - |
| In non-listed Companies | - None - |

Number of Share as of December 31, 2019
: 138,668 shares (0.03%)



Year of Director

- Since 2005, total 15 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 USA.

IOD Certifier

Director Accreditation Program (DAP)
Class 50/2006

Number of Share as of December 31, 2019

: 89,664,140 (19.67%)

MR. SUPASITH SUKHANINDR

Age 44

**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**

Working experiences

- | | |
|----------------|--|
| 2001 – Present | - Executive Director Super Enterprises Co., Ltd |
| 2009 – Present | - Director SST Warehouse 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. |
| 2517– 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.*

(* Subsidiary Company)

**MR. PILANCHAI PRADUBPHONG****Age 64**

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

Year of Director

- Since 2005, total 15 years

Education / Training

- B.A. Law, Ramkhamhaeng University
- Certificate of Business Administration
National Institute of Development
Administration

IOD Certifier

- Director Accreditation Program (DAP)
Class 49/2005

Number of Share as of December 31, 2019

: 197,390 shares (0.04%)

Working experiences

- | | |
|----------------|---|
| 2009 – Present | - Director SST Warehouse Co., Ltd. * |
| 2015 – Present | - Director Mudman Plc. * |
| | - Director ABP Cafe (Thailand) Co., Ltd. * |
| | - Director Golden Donuts (Thailand) Co., Ltd. * |
| | - Director Golden Scoop Co., Ltd. * |
| 2017– 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. *

(* Subsidiary Company)



- Since 2005, total 15 years

- Certificate of Secretary, Melbourne, Australia

- Director Accreditation Program (DAP)

Class 50/2006

: 47,442,560 (10.41%)

Age 72

2003 – Present	- Director Champion Fermentation Co., Ltd.
2004 – Present	- Director Thai Fermentation Industry Co., Ltd.
2005 – Present	- General Manager KSL Export Trading Co., Ltd.
2010 – Present	- Director KSL AGRO & Trading Co., Ltd.
	- Director Khon kaen Sugar Power Plant Co., Ltd.
	- Director Khon Kaen Sugar Industry Plc.
	- Director New Krung Thai Sugar Factory Co., Ltd.
	- Director New Kwang Soon Lee Sugar Factory Co., Ltd.
	- Director Tamaka Sugar Industry Co., Ltd.

In listed Companies	1 Company
1. Director 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 New Krung Thai Sugar Factory Co., Ltd.	
5. Director New Kwang Soon Lee Sugar Factory Co., Ltd.	
6. Director Tamaka Sugar Industry Co., Ltd.	



MISS DUANGDAO CHINTHAMMIT

Age 61

Authority Director to Sign on Behalf of the Company

Year of Director

- Since 2005, total 15 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
- SD Forum 2/2017 : Sustainability Strategy Key Blueprint For Business Growth, SET.

IOD Certifier

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

Number of Share as of December 31, 2019

: 25,160,971 shares (5.52%).

Working experiences

- | | |
|----------------|--|
| 1996 – Present | - Director Onnuch Construction Co., Ltd. |
| 1999 – Present | - Director KSL Real Estate Co., Ltd. |
| 2004 – Present | - Director Khon Kaen Sugar Industry Plc. |
| | - Director New Kwang Soon Lee Sugar Factory Co., Ltd |
| | - Director New Krung Thai Sugar Factory Co., Ltd. |
| | - Director Tamaka Sugar Industry Co., Ltd. |
| | - Director KSL Sugar Holding 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. Director Khon Kaen Sugar Industry Plc.

In non-listed Companies **7 Companies**

1. Director Onnuch Construction Co., Ltd.
2. Director KSL Real Estate Co., Ltd.
3. Director New Kwang Soon Lee Sugar Factory Co., Ltd.
4. Director New Krung Thai Sugar Factory Co., Ltd.
5. Director Tamaka Sugar Industry Co., Ltd
6. Director KSL AGRO & Trading Co., Ltd.
7. Director KSL Sugar Holding Co., Ltd.



MISS DUANGKAE CHINTHAMMIT

Age 64

Director

Year of Director

Since 2005, total 15 years

Education / Training

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

IOD Certifier

- Director Accreditation Program (DAP)
Class 17/2004

Number of Share as of December 31, 2019

: 25,660,845 shares (5.63%)

Working experiences

- 1976 – Present - Director National Enterprises Co., Ltd.
- 1993 – Present - Director Chavananthakij Co.,Ltd.
- 1996 – Present - Director Khon Kaen Sugar Industry Plc.
- Director New Kwang Soon Lee Sugar Factory Co., Ltd
- Director New Krung Thai Sugar Factory Co., Ltd.
- Director Tamaka Sugar Industry Co., Ltd.
- 2004 – Present - Director KSL Sugar Holding Co., Ltd.

Positions in the Present

In listed Companies

1 Company

1. Director Khon Kaen Sugar Industry Plc.

In non-listed Companies

6 Companies

1. Director New Kwang Soon Lee Sugar Factory Co., Ltd.
2. Director New Krung Thai Sugar Factory Co., Ltd.
3. Director Tamaka Sugar Industry Co., Ltd.
4. Director National Enterprises Co., Ltd.
5. Director Chavananthakij Co.,Ltd.
6. Director KSL Sugar Holding Co., Ltd.



MR. SOMYOD SUTEERAPORNCHAI

Age 52

Director

Year of Director

- Since 1 January 2020, total - years

Education / Training

- Master of Laws (LL.M.), University of New South Wales, Australia
- Bachelor of Laws (LL.B.), Chulalongkorn University

IOD Certifier

- Director Accreditation Program (DAP)
Class 119/2015

Number of Share as of December 31, 2019
: 25,207 shares (0.01%)

Working experiences

- | | |
|------------------------|--|
| 2010 – Present | - Director Green Partner Holding Co.,Ltd. |
| | - Director Wayu and Partners Co., Ltd. |
| 2014– Present | - Director Joint ventures companies between AP subsidiary companies and Mitsubishi Estate group. |
| 2015– Present | - Director AP (Thailand) Plc. |
| 2017– Present | - Director and Audit committee member AP (Thailand) Pcl. |
| Deccember 2019 Present | - Director, Executive Director and Authority Director Mudman Plc.* |

Positions in the Present

In listed Companies

2 Company

1. Director, Executive Director and Authority Director Mudman Plc *
2. Director and Audit committee member AP (Thailand) Plc.

In non-listed Companies

1. Director Joint ventures companies companies between AP subsidiary companies and Mitsubishi Estate group.
2. Director Green Partner Holding Co.,Ltd.
3. Director Wayu and Partners Co., Ltd.

(* Subsidiary Company)



MISS LIMLY THIPPHONGPRAPHAS

Age 42

**Chief Corporate Finance,
Chief Strategy and Business Development Officer**

Education / Training

- Master of Business Administration (Finance & Management), Columbia University, (New York, USA)
- Master of Fine Art (Painting), New York Studio School of Drawing, Painting and Sculpture, (New York, USA)
- Bachelor of Arts (Economics and Studio Arts), Knox College (cum laude, with honors), (Illinois, USA)
- Thailand's licensed financial advisor (ASCO License)

Working experiences

- | | |
|----------------|--|
| 2007 – 2011 | - Senior Financial Analyst, Corporate Finance, Moody's Investor Services, Inc., (New York, USA). |
| 2011 – 2016 | - Vice President, Investment Banking Division (Corporate Finance, IPO, and M&A), The Siam Commercial Bank Public Co., Ltd., (Bangkok). |
| 2016 – 2019 | - Senior Vice President, Investment Banking Division (Corporate Finance, IPO, and M&A), CIMB Thai Bank Public Co., Ltd., (Bangkok). |
| 2019 – Present | - Chief Executive Officer, SST REIT Management Company Limited*
(* Subsidiary Company) |

Number of Share as of December 31, 2019

-None-



MR. RODNEY CHARLES KIMBER

Age 67

Vice President Document Storage and Wharf Business

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 SingaporePte 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 McEvel Pte Ltd. |

Number of Share as of 31 December 31, 2019

-None-



Mr. PIYAPONG RINTRANURAK

Age 36

Head of Group Corporate Finance, Strategy and Business Development

Education / Training

- MSc Finance and Investment Management (Commendation), University of Aberdeen Business School, University of Aberdeen, UK
- Bachelor of Business Administration, major in Finance, Faculty of Management Science, Khon Kaen University, Thailand
- Thailand's licensed financial advisor (ASCO License)

Working experiences

- | | |
|----------------|---|
| 2007 – 2009 | - Senior Analyst, Investment Banking Division IFAC Advisory Company Limited |
| 2010 | - Associate, Investment Banking Division MFC Advisory Company Limited |
| 2013 – 2015 | - Senior Manager, Investment Banking Division Krungthai Advisory Company Limited |
| 2015 – 2019 | - First Vice President, Investment Banking Division CIMB Thai Bank Public Company Limited |
| 2019 – Present | - Head of Corporate Finance and Business Development SST REIT Management Company Limited* |
- (* Subsidiary Company)

Number of Share as of December 31, 2019

-None-

MRS. PATCHAREE BOONNAK**Senior Operation Manager****Age 62****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 Operation Manager Sub Sri Thai Plc.
2000 – 2003	Deputy Operation Manager Sub Sri Thai Plc.
2004 – 2009	Operation Manager Sub Sri Thai Plc.

Number of Share as of December 31, 2019**: 67,270 shares (0.01%)****MR. SOMSAK TANGPRAKOB****Accounting and Finance Manager****Age 58****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, Jalaprathan Cement Public Company Limited
1998-2006	Accounting Manager, United Tactical Communication Ltd. (UTC)
2007-2018	Assistant Accounting and Finance Manager, Sub Sri Thai Plc.

Number of Share as of December 31, 2019**: 200,017 (0.04%)**

MR. KASIDIT THAVISIN**Document Storage Manager****Age 64****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, 2019**: 35,868 shares (0.01%)****MR. PANYA SOONSAP****Warehouse and Wharf Manager****Age 60****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 UOB Plc
2006 – 2009	AVP. Customer Fulfillment Division AIG Retail Bank Plc.
2009 – 2014	Vice President Financial Consultant Department Trinity Securities co., Ltd.

Number of Share as of December 31, 2019**: 31,953 shares (0.01%)**

Name of Directors in Subsidiaries of Sub Sri Thai Plc.As of 31st December 2019

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 Café Co., Ltd.	Greyhound Café Co., Ltd.	SST REIT Management Co.,Ltd.	Mudman International Limited
1. Mr. Surapong Paisitpatnapong									
2. Mrs. Chitra Thavara									
3. Mr. Tosporn Simtrakan									
4. Mr. Supasith Sukhanindr	■	◆	●	●	■	■	■	●	■
5. Mr. Pilanchai Pradubphong	■	■	■	■	■			■	■
6. Mrs. Intira Sukhanindr									
7. Miss Duangdao Chinthammit									
8. Miss Duangkae Chinthammit									
9. Mr Somyod Suteerapornchai ¹		◆							

¹ Appointed as Executive Director and Authorized Director in Mudman Public Company Limited effective on December 1, 2019**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. 4/2018 on 12 December 2018 resolved to approve the corporate governance policy, 3rd 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 2019, the company held a Meeting of Shareholders one time

The Annual General Meeting of Shareholders for the year 2019 that was held on April 24, 2019 (10.00 a.m) at Royal Golden Jubilee Building 2, Soi Soonvijai, New Phetchaburi Road, Bangkok, to consider the agenda in compliant with the law and under the guidelines of The Stock Exchange of Thailand and to consider the increase of registered capital of the Company under a General Mandate, issuance debentures and amendment the Company's Articles of Association. There were 9 directors, including shareholders and their proxies who attended meeting in the total of 82 persons and in the total of 241,794,250 shares or 53.05% 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 2019 during October 1, 2018 to December 31, 2018. The criteria, procedures, submission channel and other related details are announced on the Company's website: <http://www.subsriThai.co.th>.

- 2) Inviting the shareholders by the company has entrusted the Thailand Securities Depository Co., Ltd., the company's registrar of shares, to invite with the meeting documents to the shareholders before the convening date for 21 days and publicize in the website: www.subsrithai.co.th in advance 30 days before the convening date and publishes the notice of shareholders' meeting in newspapers for three consecutive days in advance 21 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 2019, 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 criteria, 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 2019, 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 2019 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: surapong@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 working 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 2019 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 2019, 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

1.1 Independent Director

- | | |
|---------------------------------|--|
| 1) Mr. Surapong Paisitpatnapong | E-mail address: surapong@subsritai.co.th |
| 2) Mrs. Chitra Thavara | E-mail address: chitra_t@subsritai.co.th |

1.2 Corporate Secretary

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

1.3 Send by mail to

- | | |
|---------------------------------|---|
| 1) Mr. Surapong Paisitpatnapong | Chairman of the Board of 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:
 - 8.1 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.
 - 8.2 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@subsriThai.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@subsriThai.co.th
Mrs. Oranood Konggun	Deputy Operations Manager	02-318-5514-5	oinnajit@subsriThai.co.th

4. **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, appoint and remove the Company's auditor including considering the proposed remuneration of the auditor with regard to independence, credibility, sufficiency of resources, workload of the audit office of the audit firm and experience of the personnel assigned to do the Company's auditing including attending meetings with the auditor without the attendance of the management 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) 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.
- 8) 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.
- 9) 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.
- 10) Review the company to have an anti-corruption procedures starting from considering the anti-corruption policy to be suitable for the type of its business, corporate culture, promoting and raising awareness, risk assessment, creating a preventative work system and inspection as well as self-assessment regarding anti-corruption measures as assessed by Audit and Corporate Governance Committee to ensure that the company has various systems to against corruption as reported in the self-assessment form of the Thai Institute of Directors (IOD).
- 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. Surapong Paisitpatn ¹	Chairman of the Nomination and Remuneration Committee
2. Mr. Supasith Sukhanindr	Member of the Nomination and Remuneration Committee
3. Mrs. Chitra Thavara ¹	Member of the Nomination and Remuneration Committee

¹ Mr. Surapong Paisitpatnapong has been appointed as Chairman of the Nomination and Remuneration Committee replacing of Mr. Sompoch Intranukul and Mrs. Chitra Thavara has been appointed as Member of the Nomination and Remuneration Committee effective on January 1, 2020

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 may be 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 2019, the Board of Executive Directors has convened a number of meetings to follow up the management's implementations in 4 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.

Successor plan of the Managing Director, Deputy Managing Director and the managements at manager level, to ensure that the Company will have the knowledgeable and capable managements adequately for the operation as follows:

- 1) The Company Directors set the policy of the successor plan, so that the Company has set successor plan, which are selection of the high performance personnel, conduct evaluation and improvement continuously which is necessary for to achieve measure and target of the Company to support the personnel to grow together with the company.
- 2) The Nomination and Remuneration Committee will consider the criteria, method and procedure in personnel selection to be in the position of Managing Director, Deputy Managing Director and the managements at manager level, by determining that:
 - Managing Director shall prepare the successor plan for Managing Director and Deputy Managing Director and the Nomination and Remuneration Committee shall approve the plan.
 - Deputy Managing Director shall prepare the successor plan for Manager of the Division in their own responsibility and the Managing Director shall approve the plan.
- 3) Managing Director shall consider on the improvement plan and propose to the Nomination and Remuneration Committee for acknowledgement.
- 4) Managing Director shall assign the supervisor of the successor to monitor the training and the knowledge and skill developing of the successor and there must be performance evaluation at least once a year.
- 5) Managing Director shall summarize the result of the successor plan, performance report, and progress report according to the individual improvement plan of the qualified management to the Nomination and Remuneration Committee once a year.
- 6) The Nomination and Remuneration Committee shall review the successor plan every year to ensure that the Company has the successor plan with appropriate continuing management.

Chief Executive Officer and President has reported the progression report of Succession Plan for the year 2019 and Succession Plan for the year 2020 in the Meeting of Nomination and Remuneration Committee No. 1/2020 which held on February 27, 2020.

10.4 Performance Assessment and Development of Knowledge

The Board of Directors has conducted a self-assessment of the Board at least once a year to comply with the corporate governance policy of the Company and to review that the supervision has been established and / or sufficient actions and also used as information for support the executive to improve thire management to be more efficient

The Self-assessment of the Board of Directors which is divided into (1) Self assessment form for the Board of Directors, (2) Self-evaluation of Committees, i.e., the Audit and Corporate Governance Committee, Executive Committee, the Nomination and Remuneration Committee, (3) Self-assessment form of individual directors. The evaluation form of the Board of Directors and every sub-committee has criteria in accordance with the example of the assessment form of the Corporate Governance Development of Listed Companies, Stock Exchange of Thailand.

The evaluation process of directors as follows:

1. The Directors evaluate the performance of the directors at least once a year, consisted of the evaluation of the Board of Directors, individual evaluation, evaluation of all committees by the Secretary of Director's Recruitment and Remuneration who will submit the evaluation form to the director for evaluation and send back to the Company.
2. The secretary of the Nomination and Remuneration Committee summarized and proposed the evaluation results to the Recruitment Committee. The Company will not disclose the name of the directors who do the evaluation, so that the directors can evaluate independently.
3. The Nomination and Remuneration Committee presents the evaluation result and improvement guideline to the Board of Directors' meeting for consideration and setting the improvement guideline.
4. The Nomination and Remuneration Committee reviews the evaluation from of the committee regularly for appropriateness.

10.4.1 Self-assessment of the Board of Director:

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

Board self-assessment topics	Average score	
	2018	2019
1. Structure and qualifications of the Board	3.88	3.82
2. Role, duty and responsibility of the Board	3.88	3.90
3. Board meeting	3.90	3.90
4. Function of directors	3.89	3.91
5. Relation with the administration	3.91	3.93
6. Self - development of directors and the management's development	3.74	3.77
Total average score	3.8667	3.8717
%	96.67%	96.79%

The Board of Directors has evaluated the performance of the board with an average score of 96.79 percent that it is in “**excellent**” criterion in the year 2019

10.4.2 Self-Assessment of Sub-Committees

The assessment comprises of 3 topics, which are:

Self-evaluation of The Audit and Corporate Governance Committee	Average score	
	2018	2019
1. The structure and qualifications of the Board are appropriate to encourage them to perform duties effectively.	3.95	3.95
2. Effective conducting Sub-committees' meetings to support their roles and duties in the meeting.	3.94	4.00
3. Roles duties and responsibilities of Sub-committees are emphasize on consideration, reviewing and performing duties adequately.	4.00	3.94
Total average score	3.9633	3.9633
%	99.08%	99.08%

The Audit and Corporate Governance Committee has evaluated the performance of its committees with an average score of 99.08 percent that it is in “**excellent**” criterion in the year 2019.

Self-evaluation of The Nomination and Remuneration Committee	Average score	
	2018	2019
1. The structure and qualifications of the Board are appropriate to encourage them to perform duties effectively.	3.95	4.00
2. Effective conducting Sub-committees' meetings to support their roles and duties in the meeting.	4.00	4.00
3. Roles duties and responsibilities of Sub-committees are emphasize on consideration, reviewing and performing duties adequately.	3.94	4.00
Total average score	3.9633	4.00
%	99.08%	100%

The Nomination and Remuneration Committee has evaluated the performance of its committees with an average score of 100 percent that it is in “**excellent**” criterion in the year 2019.

Self-evaluation of The Executive Committee Committees	Average score	
	2018	2018
1. The structure and qualifications of the Board are appropriate to encourage them to perform duties effectively.	3.60	3.90
2. Effective conducting Sub-committees' meetings to support their roles and duties in the meeting.	3.83	3.83
3. Roles duties and responsibilities of Sub-committees are emphasize on consideration, reviewing and performing duties adequately.	3.80	3.80
Total average score	3.7433	3.8433
%	93.58%	96.08%

The Executive Committee has evaluated the performance of its committees with an average score of 96.08 percent that it is in “**excellent**” criterion in the year 2019.

10.4.3 Self-assessment individual directors

The assessment comprises of 3 topics, which are:

Self-assessment individual directors	Average score	
	2018	2018
1. Structure and qualifications of the Board.	3.78	3.88
2. Board Meetings	3.92	3.75
3. Roles duties and Responsibilities of the Board	3.89	3.80
Total average score	3.8633	3.81
%	96.58%	95.25%

The Board of Directors has evaluated self-assessment individual directors with an average score of 95.25 percent that it is in “**excellent**” criterion in the year 2019.

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:

Assessment of the Chief Executive officer and President’ Performance	Average score	
	2018	2018
1. Leadership	3.98	3.95
2. Imposing strategies	3.90	3.88
3. Complying with strategies	3.92	3.93
4. Planning and Finance Results	3.94	3.95
5. Relationship with the Board	3.85	3.86
6. Outside Relationship	3.88	3.74
7. Management and Personnel Relationship	3.89	3.83
8. Succession	3.87	3.70
9. Knowledge on Products and Services	4.00	4.00
10. Personal Traits	3.98	3.98
Total average score	3.9210	3.8820
%	98.03	97.05

The Board of Directors has evaluated the performance of the Chief Executive Officer and President with an average score of 97.05 percent that it is in “**excellent**” criterion in the year 2019.

Note:	The evaluation criteria for Self-assessment of the Board of Directors and Assessment of the Chief Executive officer and President are:
90-100 %	= Excellen
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.

In 2019 the Board of Directors No. 5/2019 on 18 December 2019 has considered the appointment of a new director, Mr. Somyot Suteepornchai, to replace Mr. Sompoch Intranukul who passed away. In this regard, Mr. Somyod Suteepornchai has attended the training course, Director Accreditation Program (DAP) No. 119/2015 arranged by Thai Institute of Directors (IOD) and the Company has arranged an orientation for the new directors, so that the new director gets the important information about the Company, scope of roles and responsibility of the Board of Directors, rules and conditions to be the Directors of the company registered in SET, as well as getting to understand the business of the Company.

Knowledge Development

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

In addition, the Board of Directors also participated in the seminar of the Stock Exchange of Thailand and the Securities and Exchange Commission to increase knowledge, such as the Audit Adjustment seminar on December 16, 2019 by the SEC. which the chairman of the audit committee attended this seminar.

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, 2019)

No.	Name/Position	Ordinary Share				Warrant		
		As of Dec 31,2018	As of Dec 31,2019	Acquisition During the year 2019	Share holding (%)	As of Dec 31,2018	As of Dec 31,2019	Acquisition During the year 2019
1.	Mr. Sompoch Intranukul	286,360	370,029	84,395	0.08	11,648	11,648	-
	Spouse and Minor Children	-	-	-	-	-	-	-
2.	Mr. Surapong Paisitpatnapong Chairman and Independent Director/ Chairman of the Audit and Corporate Governance Committee/ Nomination and Remuneration Committee	279,301	363,696	84,395	0.08	16,219	16,219	-
	Spouse and Minor Children	-	-	-	-	-	-	-
3.	Mrs. Chitra Thavara Director and Independent Director/ Member of the Audit and Corporate Governance Committee / Nomination and Remuneration Committee	230,929	315,324	84,395	0.07	12,993	12,993	-
	Spouse and Minor Children	-	-	-	-	-	-	-
4.	Mr. Tosporn Simtrakan Director and Independent Director/ Member of the Audit and Corporate Governance Committee	168,173	138,668	(29,505)	0.03	10,684	10,684	-
	Spouse and Minor Children	-	-	-	-	-	-	-
5.	Mr. Supasith Sukhanindr Vice-Chairman Director / Chairman of Board Executive Director/ Nomination and Remuneration Committee/ Chief Executive Officer and President	89,559,745	89,644,140	84,395	19.67	5,968,248	5,968,248	-
	Miss Kamolludee Patchimsawat (Spouse)	13,143,572	13,143,572	-	2.88	876,238	876,238	-
	Mr. Suparith Sukhanindr (Minor Children)	3,929,976	3,929,976	-	0.86	261,998	261,998	-
	Mr. Supadej Sukhanindr (Minor Children)	3,929,976	3,929,976	-	0.86	261,998	261,998	-
6.	Mr. Pilanchai Pradubphong Director and Vice-Chairman Executive Director/ Corporate Secretary	112,995	197,390	84,395	0.04	5,131	5,131	-
	Spouse and Minor Children	-	-	-	-	-	-	-
7.	Mrs. Intira Sukhanindr Director	47,358,165	47,442,560	84,395	10.41	3,154,809	3,154,809	-
	Spouse and Minor Children	-	-	-	-	-	-	-
8.	Miss Duangdao Chinthammit Director	25,076,576	25,160,971	84,395	5.52	1,550,902	1,550,902	-
	Spouse and Minor Children	-	-	-	-	-	-	-
9.	Miss Duangkae Chinthammit Director	25,576,450	25,660,845	84,395	5.63	274,352	274,352	-
	Spouse and Minor Children	-	-	-	-	-	-	-

No.	Name/Position	Ordinary Share				Warrant		
		As of Dec 31,2018	As of Dec 31,2019	Acquisition During the year 2019	Share holding (%)	As of Dec 31,2018	As of Dec 31,2019	Acquisition During the year 2019
10	Mr. Somyod Suteerapornchai* Director	-	25,207	-	0.01	-	-	-
	Spouse and Minor Children	-	-	-	-	-	-	-
11	Miss Limly Thipphongrahas Chief Corporate Finance, Chief Strategy and Business Development Officer	-	-	-	-	-	-	-
	Spouse and Minor Children	-	-	-	-	-	-	-
12	Mr. Rod Kimber Vice President Document Storage and Wharf Business	-	-	-	-	-	-	-
	Spouse and Minor Children	-	-	-	-	-	-	-
13	Mr. Piyapong Rintranurak Head of Group Corporate Finance, Strategy and Business Development	-	-	-	-	-	-	-
	Spouse and Minor Children	-	-	-	-	-	-	-
14	Mr. Kasidit Thavisin Document Storage Manager	35,359	35,858	499	0.01	1,579	-	-
	Spouse and Minor Children	-	-	-	-	-	-	-
15	Mrs. Patcharee Boonnak Senior Operation Manager	40,811	67,270	26,459	0.01	1,968	-	-
	Spouse and Minor Children	-	-	-	-	-	-	-
16	Mr. Somsak Tangprakob Accounting and Finance Manager	182,750	200,017	17,267	2579	-	-	-
	Spouse and Minor Children	-	-	-	-	-	-	-
17	Mr. Panya Soonsap Warehouse Manager	30,300	31,953	1,653	0.01	1,336	-	-
	Spouse and Minor Children	-	-	-	-	-	-	-

* Mr. Somyod Suteerapornchai has been appointed as a director of the company. By the resolution of the Board of Directors meeting no. 5/2019 on 18 December 2019, effective from January 1, 2020.

- 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 2019 and the company has paid for Audit fee and / or review financial statements to the auditor as follows:

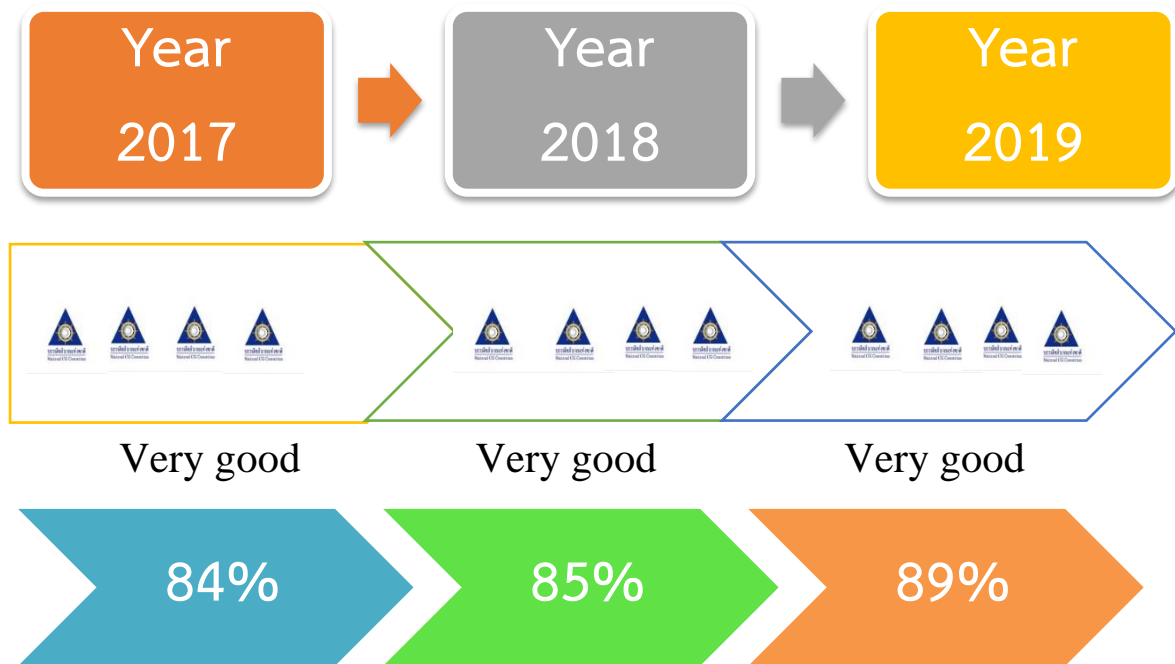
1. Audit Fee was Baht 1,610,000.00
2. Non Audit Fee in amount of 300,000 baht (Report of the facts that have been found according to the auditor service standards which related to the report of operating results of leased assets from the Sub Sri Thai Property Fund.)

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

The company operates business under the principles of Corporate Good Governance and has applied the principles of good corporate governance for listed companies in 2017. 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.

Evaluation Results of Corporate Governance of Thai Listed Companies

The results of survey of Thai Listed Companies Corporate Governance Survey Year 2019, the company received a 4-star "Very Good" rating, evaluated by the National CG Committee surveying Thai listed companies.



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.

The company has reviewed the corporate governance policy of the company to comply with the good corporate governance principles 2017 of the Securities and Exchange Commission. The Board of Directors had considered that the company's corporate governance policy, the 3rd revised version was introduced in 2019, therefore it should be remains the same and the Board had acknowledge that the company unable to comply with CG Code 2017 introduced by the Securities and Exchange Commission are as follows:

Corporate Governance Code for listed Companies 2017	Company practices
<p>1. The board should 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.</p>	<p>In 2019 the Company proposed to appoint Mr. Surapong Paisitpattanapong, who has been in the position of director for more than 9 years, to continue the position of Independent Director. Board of Directors has evaluate the reason and necessity and concluded that since he is a scholar who is independent from the managements and the major shareholders of the Company appropriately, be able to perform his duty well and use the knowledge, experience and expertise to provide useful suggestion to the Company in compliance with the sustainable development method and be qualified as the independent director as specified by SEC.</p>
<p>2. The number of board meeting should be appropriate to the obligations and responsibilities of the board and nature of business, but the board should meet at least six times per financial year.</p>	<p>Since the characteristic of the business of the Company and the strategy used in the business operation has not changed much and the management has followed the policy set out by the Board of Directors, in 2019 the Board of Directors has arranged the meeting for 5 times, so that the Board of Directors is acknowledge of the performance and provide suggestion for improvement, unless there are any items required the approval from the Board of Directors, the Company will arrange special meetings.</p>
<p>3. The company should appoint an external consultant to assist in setting guidelines and providing recommendations for a board assessment at least once every three years. This information should be disclosed in the annual report.</p>	<p>The Board of Directors instructs the application of Self-assessment of the Board of Directors which is divided into (1) Self assessment form for the Board of Directors, (2) Self-evaluation of Committees, i.e., the Audit Committee, Executive Committee, the Nomination and Remuneration Committee, (3) Self-assessment form of individual directors. The evaluation form of the Board of Directors and every sub-committee has criteria in accordance with the example of the assessment form of the Corporate Governance Development of Listed Companies, Stock Exchange of Thailand. The purpose is to have the directors jointly review their performances, solve problems and hindrances and evaluate themselves for the past year so as to improve the work efficiency of the Board in the coming years and the assessment results have been publiced in the annual report.</p>

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

S mart	Having skills and expertise in the job of delivering quality products and services of high standards with advanced science and technology
S 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.
T 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 2019 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 1) fair business operation, 2) anti-corruption, 3) respect for human rights, 4) fair treatment of labor, 5) responsibility to consumers, 6) participation in community or social development, 7) environmental protection 8) innovation and dissemination of innovations derived from operation with responsibility to society, the environment and stakeholders

1) Business operations with fairness

The Company focuses on running the business with honesty, transparency and responsibility to the shareholders. The Company will respect the rights of the shareholders and treat the shareholders equally, provide adequate information for making decision about the investment, supervising the prevention of internal data usage, preparing and disclosing the financial and non-financial information in correctly, completely and timely manner as announced by the Security Exchange of Thailand and according to the generally accepted standard, having morality in business and run the business according to the law, paying the tax correctly and timely and supporting consciousness to the personnel of the Company at every level to see the importance of responsibility towards the society.

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 Company manages the business on the basis of transparency and morality, and also comply with relevant policy and laws. The organization structure to indicate the responsibility, work process and supervision structure in order to balance the authority. There is the appropriate examination between one another. Apart from that, 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 promulgated the policy on January 4, 2016, which is published on the website of the Company for the directors, executives and employees to strictly practice adhere to.

The company intends to deter corruption by announcing its intentions alignment to **Private Sector Collective Action Coalition Against Corruption Council** in year 2016 and and was certified a three-year member of the Private Sector Collective Action Coalition against Corruption (CAC) on 18 October 2019.



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:

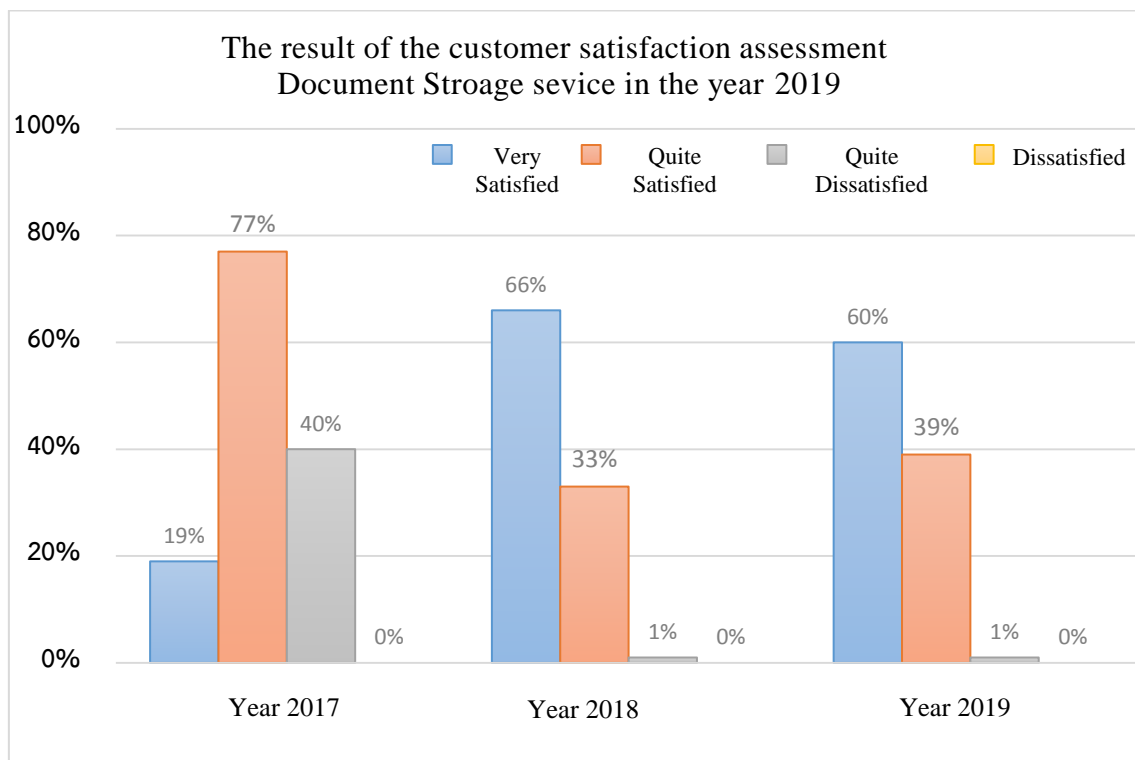
1. Promote employment equality. Discourage direct or indirect discrimination against race, color, gender, sexual preference, age, disability, religion, and political expression.
2. Provide benefits and welfare employees deserve such as holidays, overtime payment, medical expense support.
3. Arrange process 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.





The number of customers participating in the satisfaction assessment for the year 2019, accounting for 29.09% of all customers, distributed by customer types as follows:

Customer types	Year 2017		Year 2018		Year 2019	
	Number of customers	%	Number of customers	%	Number of customers	%
Small	184	15.63	266	20.11	245	16.80
Medium	185	99.46	183	89.71	179	81.74
Large	84	100	91	94.79	92	94.85
Total	453		540		516	

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 2019, 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 and any schools in other areas that lacking scholarships and requesting to the company as well as the company also has 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.

Project "SST Fulfill the Dreams for Children" at Wat Khok Lamduan School, Phomani Subdistrict, Mueang Nakhon Nayok District, Nakhon Nayok Province



Various educational institutions that visited automatic warehouse of the company



Blood Donation Project "Give Blood - Give Life" 7th Year



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.

The Company has set the truck checkup plan, so that all truck are checked in the schedule and the outsourcing service providers have to follow this plan too, so that the trucks are in a good condition and do not cause pollution, such as exhaust fumes.

Reforestation-Dam Building Project at Samakkhi Tham Village, Lum Sum Sub-district, Sai Yok District, Kanchanaburi Province



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 pays attention to the environment care under the strategies and policies that focus on supporting the operations and transaction with electronic systems through digital equipment use for sustainable development in natural resource use, reservation and preservation.

The Company creates modern system and work process to support the environment saving and response to customer's need.

- The Company applies digital system in the work process and internal communication to reduce paper use which is able to reduce large amount of printing and photocopying.
- The Company also develops the customer service system called Service Order Online through the internet to response to the service providing that is convenient, fast, efficient and also makes the business stable which correspond to the guideline for sustainability of the Company.
- The Company collects data on Cloud Computing system in place of the creation of large Data Center. This can save the electricity use and minimize environmental impacts and also be able to reduce the time for accessing the data securely and safely. Therefore, this can increase reliability from the customers.
- 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.

More details about corporate social responsibility appear in the Sustainability Report 2019 on the Company's website. www.subsriThai.co.th

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. 1/2020 held on February 27, 2020, 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. 1/2020 held on March 11, 2020

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 2019, 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, 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.

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 the transaction is in accordance with the commercial conditions and criteria as agreed between the Company and its subsidiaries and related parties. 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. The Company had relevant transactions as of 31 December 2019 as showing in Notes to consolidated financial statements article 4. Which have significant details as follows:

Company name / persons name	Relationship	Description of Transaction	Pricing policy
Subsidiaries			
SST Warehouse Co., Ltd	The company holds 100% of the shares in SST Warehouse Co., Ltd.	The company receives a share of revenue from deposit products of subsidiary. In which the Company has rented warehouse space and provide stock management services with related services to subsidiary	according to reciprocal agreement
Associates			
Sub Sri Thai Property Fund (“SSTPF”)	The company holds 33.33% of investment units in Sub Sri Thai Property Fund (SSTPF Property Fund)	Lease of land, buildings, document storage utilities and equipment for use in the document storage business	according to lease of land and buildings agreement and lease of utility system and equipment agreement
Sub Sri Thai Real Estate Investment Trust (“SSTRT”)	The company holds 15% of trust units in SSTRT. As of December 26, 2019, SSTPF has converted into a trust. By transferring Assets and Liabilities to SSTRT, as at December 31, 2019, the Company holds 23.71% of SSTRT trust unit.	Lease of land, buildings, document storage utilities and equipment for use in the document storage business	according to lease of land and buildings agreement and lease of utility system and equipment agreement
	The company holds 100% of the shares in SST REIT Management Co., Ltd. which is the REIT Manager of SSTRT and being a major unit holder of SSTRT and being the The main lease on the property that invested by SSTRT	Provide financial assistance to SSTRT for usage in operation relating to the Conversion of Property funds	according to the interest rate based on the commercial bank's interest rates at the time that the transaction occurred.
Related persons			
Mr. Supasith Sukkanindr	Mr. Supasith Sukkanindr is a director of the company, Chairman of Executive Committee, Chairman of Executive Officer and President. And also he is major shareholder of the company which holds 19.67% of the Company's shares	Lease of land and buildings for operation the hotel business in Phuket Province	according to lease of land and buildings agreements

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-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

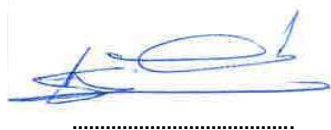
Inter- transactions between the Company and its subsidiaries are normal business transactions; therefore, purchase, sale, or service transactions will remain in the future. The Company will consider the benefits of the company and the price must be in accordance with the market price. For borrowings money or loans between the company and its subsidiaries will do only as necessary and as appropriate which also consider the benefits of the company as well.

14 Board of Directors' Statement of Responsibility for Financial Reports

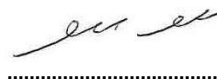
The Board of Director of Sub Sri Thai Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance. The Board of Directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2019, 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, 2019



(Mr. Surapong Paisitpatnpong)
Chairman of the Board of Directors



(Mr. Supasith Sukhanindr)
Chief Executive Officer
and President

15 Report of the Audit and Corporate Governance

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 2019, 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 2019 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 2019 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 2019 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 2019

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 2020 by appointing Ms. Kamontip Lertwitworat CP. No. 4377 or Mr. Wichart Lokatekrawee CP. No.4451 or Mr. Satida Ratananurak CP. No. 4753 of EY office Limited to be the company's auditors for the fiscal year 2019 with the recommendation of Audit Committee for the year 2020 at Baht 1,580,000.- (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, 2020 to December 31, 2020. 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 2019 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 2019.

- Reported performance summary of the Audit Committee for the year 2019 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

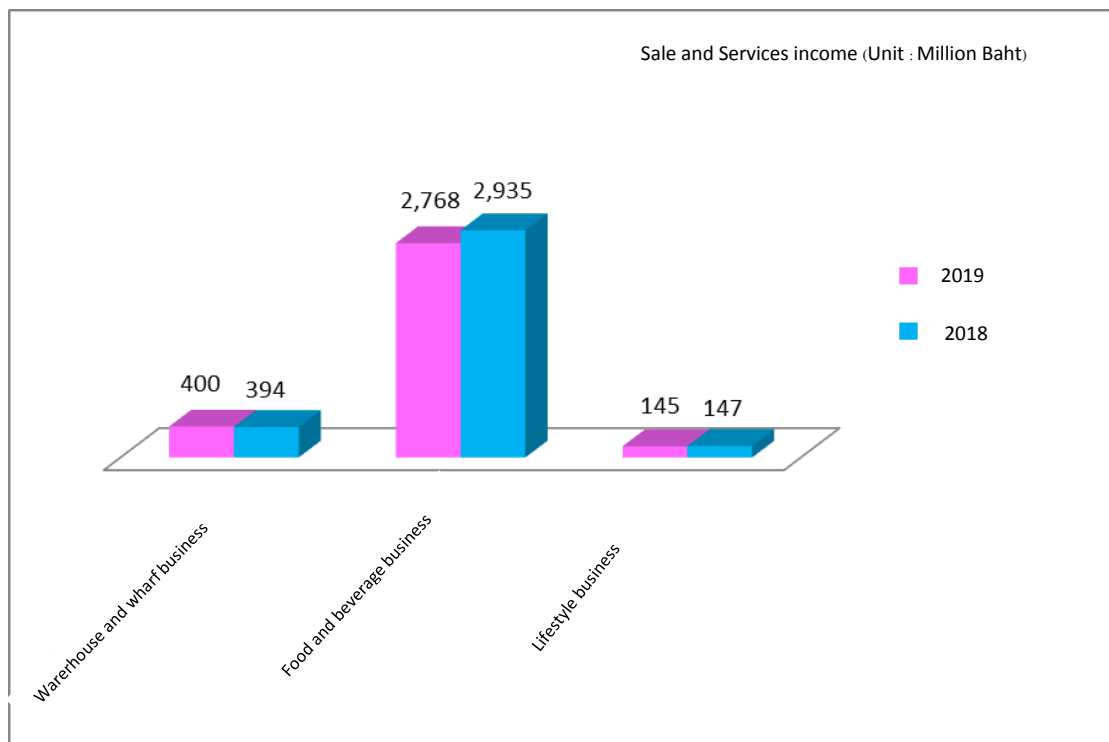
In 2019, the Company and its subsidiaries had total revenues of 3,525 million baht, decrease of 130 million baht or 4 %t when compared to the previous year. This consisted of major incomes, namely revenue from warehouse and wharf business that increased by 6 million baht or 2%. The main factors included 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 decreased by 167 million baht or 6 %. The main factors were the global economy and Thai economy was slowdown and decreasing in consumption in private sector. The income from Lifestyle business decreased by 2 million baht or 1% . The main factors were the decreasing in purchasing power of consumers and the drastic competition. Other incomes increased by 33 million baht or 18 %, mainly due to revenue from membership card sales, revenue from Premium products sales, revenue from franchise sales and dividend income. and profits from sales of investments unit, The Company and subsidiaries had the profit before deducting interest payable, tax, depreciation cost and amortization cost (EBITDA) totaling 309 million baht, an decrease of 73 million baht or 19 % when compared to 2018, which had the profit before deducting interest payable, tax, depreciation cost and amortization cost (EBITDA) totaling 382 million baht and the net loss profit of 7 million baht. This net profit came from the warehouse business of 19 million baht. Meanwhile, the food and beverage business had a net loss of 24 million baht and Lifestyle business had a net loss of 2 million baht.

2. Operational

Results of operation in the past as considered from the financial statement as at 31 December 2019 and 31 December 2018 details as follows:

2.1 Income

In 2019, the company and subsidiaries has sales and service income in total 3,525 million baht which was decrease by 4% compared to sales and service income the same period of the previous year, of which the income was 3,655 million Baht. The income can be classified as follow:



For service revenue, (warehouse and wharf business) had service revenue of 400 million baht, an increase of 6 million baht or 2 % from the same period of the previous year with service revenue of 394 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 lifestyle business) had sales revenue of 2,913 million baht, decrease of 169 million baht or 5 % from the same period of the previous year with sales revenue of 3,082 million baht. In 2019 and 2018, food and beverage business had sales revenues of 2,768 million baht and 2,935 million baht, respectively and lifestyle business had sales revenues of 145 million baht and 147 million baht, respectively. This sales reduce was due to the global economic slowdown and higher competition from many new traders and consumer behavior that has changed rapidly.

2.2 Expenses

In 2019, the Company and subsidiaries has the cost of sale and service at the total of 1,486 million Baht compared to the year 2018 of which the cost of sale and service was 1,541 million Baht, decreasing 55 million Baht.or 4%. The costs of sales and services decreased due to decreased revenues from selling products and services. The proportions of total sales costs and service costs to total revenues in 2019 and 2018 were close to the previous ones, equaling 42.15% and 42.16%, respectively.

The sale expense and administrative expenses for the year 2019 of the Company and subsidiaries amounted to 1,913 million baht, decrease of 96 million baht or 5% when compared to 2018, which had the total of 2,009 million baht. The proportions of selling and administrative expenses to total revenues in 2019 and 2018 decreased slightly, equaling 54.27% and 56.97%, respectively.

2.3 Annual Profit (Loss)

In 2019, the Company had a net loss of 7 million baht. The net profit decreased by 47 million baht, representing decreased of 118% when compared to the year 2018, which had a net profit of 40 million baht. The main reason was because in 2019, the Company had a total revenue that decreased by 130 million baht, the share of profits from investments in associates decreased by 66 million baht, while the total cost and expenses decreased by 150 million baht.

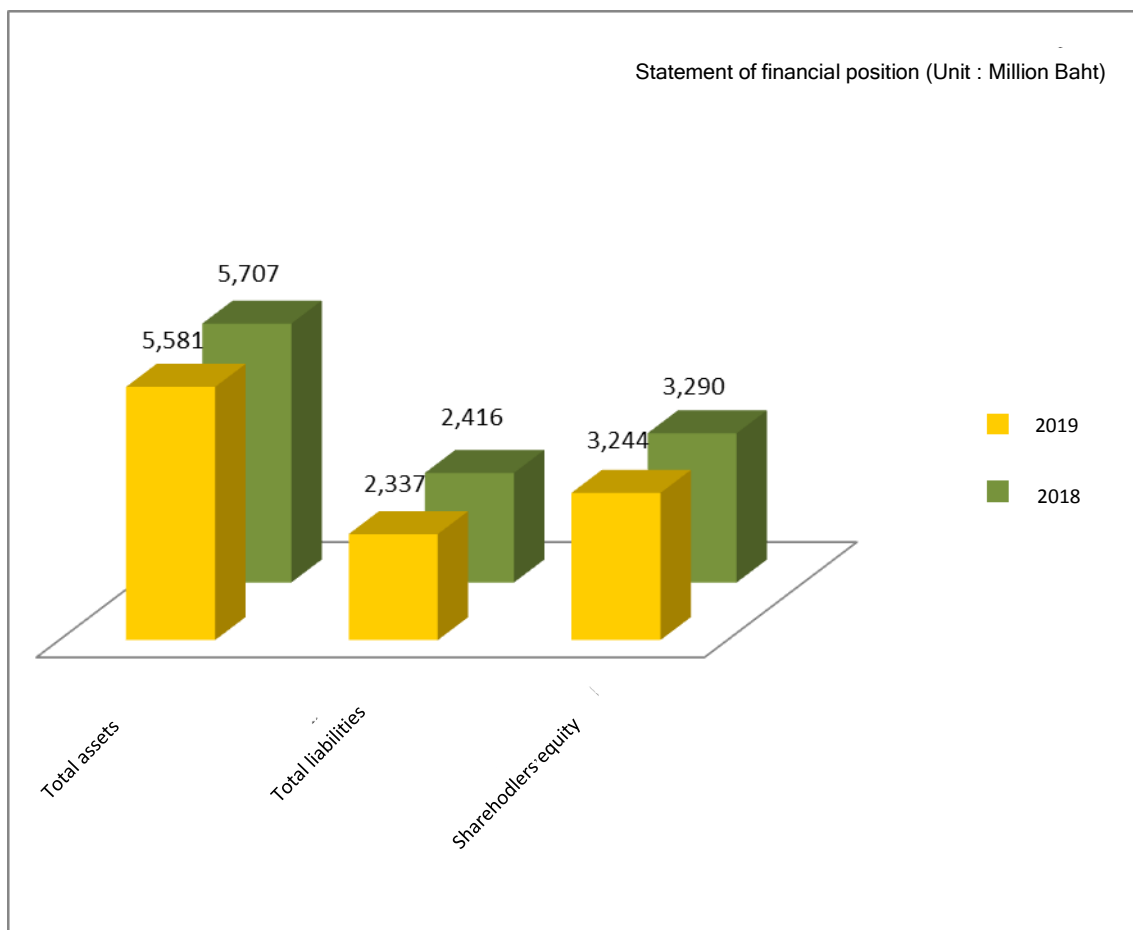
The operational performance can be summarized divided by business as follows:

- Warehouse and wharf business had the revenue from services totaling 400 million baht when compared to 2018, which had service revenue totaling 394 million baht, an increase of 6 million baht or 2 %. The operational profit before financial expenses and income tax totaled 47 million baht, decrease of 2 million baht or 4% when compared to 2018, which had 49 million baht.
- Food and beverage business had a total sales revenue of 2,578 million baht, decrease of 143 million baht or 5 % when compared to 2018, which had the total sales of 2,935 million baht and an operational loss before financial expenses and income tax of 98 million baht. The loss increased by 14 million baht or 17 % when compared to the year 2018 with a loss of 84 million baht.
- Lifestyle Business had the total sales revenue of 145 million baht, decrease of 2 million baht or 1% when compared to 2018, which had the total sales of 147 million baht and an operational loss before finance expenses and income tax of 36 million baht. The loss decreased by 4 million baht or 10% when compared to the year 2018, which had a loss of 40 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 2019 compared to Statement of financial position as at 31 December 2018



1) Total asset of the Company is 5,581 million Baht, decreasing for 126 million Baht or 2% compared to the total asset as at 31 December, 2018, which amounted to 5,707 million Baht. The details of significant increase and decrease were as follows:

- Cash and cash equivalents decreased by 53 million baht, accounting for 23%.
- Temporary investments decreased by 75 million baht, from the change in investment in an associated company
- Investments in the associated company increased by 53 million baht due to the change of types of available-for-sale investment, investments.
- Land, building and equipment decreased by 36 million baht, representing 3% from depreciation of equipment and building improvements for the year
- Other intangible assets decreased by 17 million baht or 2% due to amortization of franchise fees for the year

2). Total liabilities were 2,337 million Baht decreased of 79 million Baht or 3% compared to the total liabilities as of 31 December 2018, which amounted to 2,416 million Baht with the details of significant increase and decrease as follows:

- Short- term loans from financial institutions decreased by 43 million baht, representing 36 % from accelerated collection of accounts receivable and other receivables to bring that money to repay short-term loans.

- Trade accounts payable and payables from the purchase of investments in subsidiaries decreased by 47 million baht, accounting for 9% from rental payment to SSTPF which was paid in December 2019 instead of paying as usual in January 2020 due to SSTPF dissolve its fund.
- Non- current provisions for employee benefit increased by 17 million baht, representing 46 percent as a result of employee benefit reserve (compensation) increased in accordance with labor law.

3). Shareholders' Equity was to 3,244 million Baht, decreased of 46 million Baht or 1% from total comprehensive income for the year 2019, decrease of 10 million baht and the non-controlling interests of the subsidiary decreased by 36 million baht

3.2 Components of Assets:

1) Assets

In 2019, the Company had the rate of return on assets of (0.13)% decrease from the year 2018 with the rate of return on assets of 0.71 % because the company's operating results was loss from net profits in 2018 of 40 million baht to net loss in 2019 of 7 million baht or profit decrease of 47 million baht, representing 118 %

2) Receivable

If considering from the financial statements, it can be seen that the number of turnover ratio of account receivables increased from year 2018 from 25.28 to 25.38 times in year 2019. The average collection period decreased from the past and the collection period in 2019 and 2018 was 14.38 and 14.44, respectively.

3.3 Liquidity

1) Cash Flow

In 2019, the Company had the decreased cash of 53 million baht, decrease from operating activities of 30 million baht, decrease from investment activities of 461 million baht, meanwhile an increase from financing activities was 428 million baht, and increasing in cash at the beginning of the period and exchange rate in amount of 10 million baht, the increase and decrease of money from available-for-sale investment, investments in subsidiaries and payment of both short-term and long-term loans from financial institutions.

2) Liquidity ratio

The liquidity ratio for the year 2019 was 0.47 times, decreased from 0.87 times in 2018. Due to the transfer of long-term liabilities to short-term liabilities (Current portion of long-term borrowings due within one year) in amount of 675 million Baht, mainly the Current portion of long-term debentures due within one year in amount of 599 million Baht. When such item was deducted, current ratio in the year 2019 will be 1.02 times.

3) Source of funds

- Suitability of capital structure

Considering the liabilities and Shareholders' equity ratio for the year 2019, the ratio was 0.72, lower than the year 2018 with a ratio of 0.73 as the company had the ability to find a source of funds for more repayment debt and the carefully in creating new debt. The capital structure of the Company remains in accordance with the terms of the loan agreement (Covenant) of not more than 2.5-3.0 times.

- Liabilities

The Company and its subsidiaries had liabilities in 2019 amounting to 2,337 million baht, decrease of 79 million baht from 2018, which had 2,416 million baht, accounting for 3% because short-term loans from financial institutions decreased by 43 million baht, accounts payable and other liabilities decreased by 50 million Baht, while non-current provisions for employee benefit increased by 16 million Baht when focus on the growth rate of total liabilities in 2019, with a ratio of (3.28) that was lower than year 2018 with a ratio of (18.04), referring that the growth of the Company's total liabilities was negative which means debt repayment was higher than incurring newly debt. In the year 2019, the debt repayment rate was less than the year 2018, because in the year 2018 due to Madman brought the money from IPO to repay debt.

17 Independent Auditor's Report

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS 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, 2019, 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, 2019, 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.

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>Goodwill and trademarks</p> <p>The Group has goodwill and trademarks of Baht 2,140 million and Baht 378 million, respectively, as at December 31, 2019. 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 3.6, 3.7, 15 and 16 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> - Testing the significant assumptions applied by management in preparing estimates of the cash flows expected to be realized from the assets, by inquiring management and 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. - Evaluating the discount rate applied by management through analysis of the weighted average cost of capital of the Company 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. - Considering the presentation and related disclosures.
<p>Impairment of investments in subsidiaries</p> <p>The Company has investments in subsidiaries of Baht 1,501 million as at December 31, 2019. We have focused our audit on the balance of investments in subsidiaries because investments in subsidiaries are highly significant to the separate financial statements and are depended on the management judgements and assumptions used in the impairment assessment. The management is required to exercise judgment in determining assumptions which are uncertain in considering the discounted future cash flows.</p> <p>Accounting policies of investments and detail of investments in subsidiaries were disclosed in the Notes 3.4 and 12 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> - Examining the supporting documents in relation to the management consideration of impairment indicators for investments in subsidiaries. - Testing the significant assumptions applied by management in preparing estimates of the cash flows expected to be realized from the assets, by inquiring management and 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. - Evaluating the discount rate applied by management through analysis of the weighted average cost of capital of the Company 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. <p>Considering the presentation and related disclosures.</p>

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)
 Registration No. 4067

BANGKOK
 February 27, 2020

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 2019

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.1	176,113,409	228,763,506	20,959,340	17,658,659
Temporary investments	6	8,232,713	11,762,592	-	-
Trade and other current receivables	7	202,546,892	165,998,300	63,607,254	69,159,667
Short-term loans	4	-	-	-	20,000,000
Inventories	8	171,954,168	181,292,917	-	-
Other current assets		22,224,941	36,700,906	5,266,251	1,617,071
Total Current Assets		581,072,123	624,518,221	89,832,845	108,435,397
NON-CURRENT ASSETS					
Restricted bank deposits	9	1,265,311	2,427,980	-	-
Investment held as available-for-sale	10	-	75,030,000	-	75,030,000
Investment in an associate	11	278,436,230	225,538,144	278,268,051	220,275,000
Investments in subsidiaries	12	-	-	1,500,885,388	1,500,885,388
Investment properties	13	377,525,277	377,525,277	377,525,277	377,525,277
Property, plant and equipment	14	1,080,664,800	1,117,264,518	533,291,919	517,735,920
Goodwill	15	2,139,883,533	2,139,883,533	-	-
Other intangible assets	16	918,017,225	935,306,540	20,654,754	16,311,429
Deferred tax assets	23	-	81,903	-	-
Other non-current assets	17	204,440,146	209,209,061	50,273,150	66,347,454
Total Non-current Assets		5,000,232,522	5,082,266,956	2,760,898,539	2,774,110,468
TOTAL ASSETS		5,581,304,645	5,706,785,177	2,850,731,384	2,882,545,865

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 2019

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	18	77,109,300	120,000,000	-	50,000,000
Trade and other current payables	19	449,319,018	496,493,472	84,418,386	104,399,150
Current portion of liabilities under finance leases	22	17,159,285	11,023,784	615,143	248,128
Current portion of long-term borrowings	20	59,467,707	49,470,580	-	-
Current portion of long-term debentures	21	599,039,129	-	599,039,129	-
Income tax payable		12,115,618	6,652,912	4,177,447	-
Other current liabilities		31,272,433	34,308,381	3,916,209	6,000,480
Total Current Liabilities		1,245,482,490	717,949,129	692,166,314	160,647,758
NON-CURRENT LIABILITIES					
Liabilities under finance leases	22	16,359,147	10,900,930	1,550,073	810,052
Long-term borrowings	20	136,247,181	141,752,141	-	-
Long-term debentures	21	498,302,195	1,094,985,985	-	597,767,123
Deferred tax liabilities	23	297,443,759	315,769,417	115,951,586	119,713,930
Non-current provisions for employee benefit	24	53,272,997	36,815,385	10,120,673	8,978,666
Other non-current provisions	25	49,755,540	67,495,650	-	15,591,650
Other non-current liabilities		40,305,521	30,707,732	8,119,062	5,546,152
Total Non-current Liabilities		1,091,686,340	1,698,427,240	135,741,394	748,407,573
TOTAL LIABILITIES		2,337,168,830	2,416,376,369	827,907,708	909,055,331

Sub Sri Thai Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2019

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital	26				
759,678,577 ordinary shares of Baht 1 each		759,678,577		759,678,577	
759,679,703 ordinary shares of Baht 1 each			759,679,703		759,679,703
Issued and paid-up 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		337,773,202	337,773,202	337,773,202	337,773,202
Premium on treasury stock		37,006,907	37,006,907	37,006,907	37,006,907
Surplus from changes in ownership interests					
in subsidiaries	27	689,360,184	690,258,290	-	-
Retained earnings					
Appropriated - Legal reserve	28	49,817,099	46,876,429	49,817,099	46,876,429
Unappropriated		508,403,770	531,517,850	935,857,850	902,775,476
Other components of shareholders' equity		205,644,053	194,867,707	206,560,795	193,250,697
Total equity attributable to owners of the parent		2,283,813,038	2,294,108,208	2,022,823,676	1,973,490,534
Non-controlling interest		960,322,777	996,300,600	-	-
TOTAL SHAREHOLDERS' EQUITY		3,244,135,815	3,290,408,808	2,022,823,676	1,973,490,534
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,581,304,645	5,706,785,177	2,850,731,384	2,882,545,865

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

Sub Sri Thai Public Company Limited and its subsidiaries
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
REVENUES					
Sales		2,913,135,825	3,082,037,025	-	-
Service income		399,124,646	393,549,326	392,776,044	386,751,536
Other income					
Dividend income	4	9,420,570	3,408,330	50,982,215	44,715,585
Gain from disposal of investment	10	36,429,826	-	-	-
Others		166,859,580	176,219,677	19,436,938	25,743,112
Total revenues		<u>3,524,970,447</u>	<u>3,655,214,358</u>	<u>463,195,197</u>	<u>457,210,233</u>
EXPENSES					
Cost of sales		1,199,022,986	1,258,209,588	-	-
Cost of services		286,673,860	282,684,452	282,902,256	280,028,058
Selling expenses		1,503,997,105	1,589,619,766	-	-
Administrative expenses		409,273,073	419,187,992	64,317,123	61,575,384
Loss from disposal of investment		-	-	18,197,850	-
Total expenses		<u>3,398,967,024</u>	<u>3,549,701,798</u>	<u>365,417,229</u>	<u>341,603,442</u>
Profit before share of profit (loss) from investment in an associate		126,003,423	105,512,560	97,777,968	115,606,791
Share of profit (loss) from investment in an associate	11.2	(55,447,641)	11,554,065	-	-
Profit before finance cost and income tax expense		70,555,782	117,066,625	97,777,968	115,606,791
Finance cost		(70,523,186)	(69,756,713)	(32,725,487)	(36,252,875)
Profit before income tax expense		32,596	47,309,912	65,052,481	79,353,916
Income tax expense	23	(7,443,302)	(6,882,277)	(6,239,065)	(117,647)
PROFIT (LOSS) FOR THE YEAR		<u>(7,410,706)</u>	<u>40,427,635</u>	<u>58,813,416</u>	<u>79,236,269</u>
OTHER COMPREHENSIVE INCOME (EXPENSE)					
Items that may be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of financial statements		(3,807,111)	1,827,298	-	-
Gain (loss) on changes in value of available-for-sale investments					
- net of income tax		13,310,098	(7,818,486)	13,310,098	(7,818,486)
Items that will not be reclassified to profit or loss in subsequent periods					
Actuarial gain (loss) - net of income tax		(5,154,646)	2,683,303	-	2,683,303
Other comprehensive income (expense) for the year					
- net of income tax		4,348,341	(3,307,885)	13,310,098	(5,135,183)
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		<u>(3,062,365)</u>	<u>37,119,750</u>	<u>72,123,514</u>	<u>74,101,086</u>

Sub Sri Thai Public Company Limited and its subsidiaries
Statement of profit or loss and other comprehensive income (continued)
For the year ended 31 December 2019

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
PROFIT (LOSS) ATTRIBUTABLE TO					
Owners of the parent		5,929,621	44,779,171	58,813,416	79,236,269
Non-controlling interests		(13,340,327)	(4,351,536)		
		<u>(7,410,706)</u>	<u>40,427,635</u>		
TOTAL COMPREHENSIVE INCOME (EXPENSE)					
ATTRIBUTABLE TO					
Owners of the parent		13,393,309	40,455,226	72,123,514	74,101,086
Non-controlling interests		(16,455,674)	(3,335,476)		
		<u>(3,062,365)</u>	<u>37,119,750</u>		
Basic earnings per share (Baht)	30	<u>0.01</u>	<u>0.10</u>	<u>0.13</u>	<u>0.17</u>
Weighted average number of ordinary share (Shares)	30	<u>455,807,823</u>	<u>455,807,823</u>	<u>455,807,823</u>	<u>455,807,823</u>

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
For the year ended 31 December 2019
CONSOLIDATED FINANCIAL STATEMENTS

UNIT : BAHT														
	Notes	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Premium on Treasury Stock	Surplus (deficit) from Changes in Ownership Interests in Subsidiaries	Retained Earnings		Other Components of Shareholders' Equity				Total Equity	Non-controlling	Total
						Appropriated Legal Reserve	Unappropriated	Other Comprehensive Income			Total Other	Attributable	Interests	Shareholders'
								Exchange Differences on Translating Financial Statements	Loss on Change in Value of Available-for-sale Investments	Revaluation Surplus on Land	Components of Shareholders' Equity	to Owners of the Parent		Equity
Balance as at January 1, 2018		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
Profit (loss) for the year		-	-	-	-	-	44,779,171	-	-	-	-	44,779,171	(4,351,536)	40,427,635
Other comprehensive income (expense) for the year		-	-	-	-	-	2,683,303	1,827,298	(7,818,486)	-	(5,991,188)	(3,307,885)	1,016,060	(2,291,825)
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 paid to owner of the Company's subsidiary														
non-controlling interests	28	-	-	-	-	-	-	-	-	-	-	-	(16,956,210)	(16,956,210)
Transfer unappropriated retained earnings														
to legal reserve	28	-	-	-	-	4,095,979	(4,095,979)	-	-	-	-	-	-	-
Balance as at December 31, 2018		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
Balance as at January 1, 2019		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
Profit (loss) for the year		-	-	-	-	-	5,929,621	-	-	-	-	5,929,621	(13,340,327)	(7,410,706)
Other comprehensive income (expense) for the year		-	-	-	-	-	11,245,622	(2,533,752)	(1,248,182)	-	(3,781,934)	7,463,688	(3,115,347)	4,348,341
Total comprehensive income (expense) for the year		-	-	-	-	-	17,175,243	(2,533,752)	(1,248,182)	-	(3,781,934)	13,393,309	(16,455,674)	(3,062,365)
Reversal of loss from available-for-sale investment	10	-	-	-	-	-	(14,558,280)	-	14,558,280	-	14,558,280	-	-	-
Sale of investment in a subsidiary with loss of control	12	-	-	-	-	-	-	-	-	-	-	-	1,426,643	1,426,643
Issuance of ordinary shares of a subsidiary	12	-	-	-	-	-	-	-	-	-	-	-	283,658	283,658
Impact from treasury stock of a subsidiary	27	-	-	-	(898,106)	-	-	-	-	-	-	(898,106)	(499,388)	(1,397,494)
Dividends paid	28	-	-	-	-	-	(22,790,373)	-	-	-	-	(22,790,373)	-	(22,790,373)
Dividends paid to owner of the Company's subsidiary														
non-controlling interests	28	-	-	-	-	-	-	-	-	-	-	-	(20,733,062)	(20,733,062)
Transfer unappropriated retained earnings														
to legal reserve	28	-	-	-	-	2,940,670	(2,940,670)	-	-	-	-	-	-	-
Balance as at December 31, 2019		455,807,823	337,773,202	37,006,907	689,360,184	49,817,099	508,403,770	(916,742)	-	206,560,795	205,644,053	2,283,813,038	960,322,777	3,244,135,815

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 2019
SEPARATE FINANCIAL STATEMENTS

UNIT : BAHT										
	Notes	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Premium on Treasury Stock	Retained Earnings		Other Components of Shareholders' Equity			Total
					Appropriated Legal Reserve	Unappropriated	Other Comprehensive Income		Total Other	Shareholders'
							Loss on Change in Value of Available-for-sale Investments	Revaluation Surplus on Land	Components of Shareholders' Equity	Equity
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	1,899,389,448
Total comprehensive income (expense) for the year		-	-	-	-	81,919,572	(7,818,486)	-	(7,818,486)	74,101,086
Transfer unappropriated retained earnings										
to legal reserve	28	-	-	-	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	1,973,490,534
Balance as at January 1, 2019		455,807,823	337,773,202	37,006,907	46,876,429	902,775,476	(13,310,098)	206,560,795	193,250,697	1,973,490,534
Profit for the year		-	-	-	-	58,813,416	-	-	-	58,813,416
Other comprehensive income (expense) for the year		-	-	-	-	14,558,280	(1,248,182)	-	(1,248,182)	13,310,098
Total comprehensive income (expense) for the year		-	-	-	-	73,371,696	(1,248,182)	-	(1,248,182)	72,123,514
Reverse loss from available-for-sale investment	10	-	-	-	-	(14,558,280)	14,558,280	-	14,558,280	-
Transfer unappropriated retained earnings										
to legal reserve	28	-	-	-	2,940,670	(2,940,670)	-	-	-	-
Dividends paid	28	-	-	-	-	(22,790,372)	-	-	-	(22,790,372)
Balance as at December 31, 2019		455,807,823	337,773,202	37,006,907	49,817,099	935,857,850	-	206,560,795	206,560,795	2,022,823,676

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

Sub Sri Thai Public Company Limited and its subsidiaries
Statement of Cash flows
For the year ended 31 December 2019

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax expense		32,596	47,309,912	65,052,481	79,353,916
Adjustments to reconcile profit before income tax expense to net cash provided by (paid from) operating activities					
Depreciation		163,323,113	249,182,628	20,475,651	24,195,057
Amortization		66,782,297	-	2,466,268	-
Loss on disposal/written-off of assets		6,739,140	20,534,713	683	157,184
Doubtful debts expense (reversal)		336,479	(54,330)	22,198	(24,330)
Loss on diminution in value of inventories		8,246,258	3,739,487	-	-
Gain on fair value adjustment of investment properties		-	(11,173,979)	-	(11,173,979)
Amortization of deferred costs relating to the issuance of debentures		2,355,339	1,711,624	1,272,005	1,242,762
Share of loss (profit) from investment in an associate		55,447,641	(11,554,065)	-	(1,362,991)
Long-term employee benefit expenses		16,795,306	8,102,559	2,233,267	1,644,528
Other non-current provisions		320,265	-	-	-
Loss (gain) on sales of investments		(35,328,633)	(1,362,991)	18,425,669	-
Unrealized gain on change in values of investment held as available-for-sale		-	(48,812)	-	-
Loss on change in shareholding ratio in a subsidiary		3,566,593	-	-	-
Amortization of withholding tax		3,137,195	-	3,121,212	-
Dividend income		(9,420,570)	(3,408,330)	(50,982,215)	(44,715,585)
Interest income		(940,970)	(926,038)	(498,510)	(274,645)
Other expense		332,500	-	-	-
Interest expenses		69,251,181	68,513,951	31,453,482	35,010,113
Profit from operating activities before changes in operating assets and liabilities		350,975,730	370,566,329	93,042,191	84,052,030
Operating assets (increase) decrease					
Trade and other current receivables		(21,755,240)	9,942,055	20,667,727	(909,572)
Inventories		1,092,491	15,546,183	-	-
Other current assets		19,807,242	(10,153,747)	(443,801)	(63,268)
Restricted bank deposits		1,162,669	247,824	-	-
Other non-current assets		(23,478,468)	(27,383,892)	(11,910,693)	(11,883,913)
Operating liabilities increase (decrease)					
Trade and other current payables		(41,553,079)	(47,283,158)	(20,360,040)	(58,683)
Other current liabilities		(5,000,913)	(2,252,996)	(2,084,271)	603,491
Non-current provisions for employee benefit		(6,445,814)	(6,525,786)	(1,091,260)	(1,744,150)
Other non-current provisions		(15,911,915)	15,591,650	(15,591,650)	15,591,650
Other non-current liabilities		9,597,790	(3,528,602)	2,572,911	(5,000,000)
Cash received for operating activities		268,490,493	314,765,860	64,801,114	80,587,585
Cash paid for interest expenses		(69,214,539)	(69,537,199)	(31,458,345)	(40,891,635)
Cash paid for income tax		(16,152,399)	(23,773,878)	(2,720,488)	(299,518)
Cash received from withholding tax refundable		18,721,304	10,679,891	18,489,742	10,679,891
Net cash provided by operating activities		201,844,859	232,134,674	49,112,023	50,076,323

Sub Sri Thai Public Company Limited and its subsidiaries
Statement of Cash flows (continued)
For the year ended 31 December 2019

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES					
Decrease in temporary investments		3,700,000	485,162,991	-	494,362,991
Proceeds from sales of investment in a subsidiary		8,816,524	-	-	-
Proceeds from short-term loans		-	-	20,000,000	(20,000,000)
Proceeds from sale of investment held as available-for-sale		-	3,335,760	-	3,335,760
Payments of acquisition of investments in a subsidiary		(11,999,970)	(39,393,800)	-	-
Payments of acquisition of building improvement and equipment		(139,920,800)	(180,841,983)	(33,807,906)	(14,950,809)
Proceeds from sales of equipment		1,519,351	2,776,315	6,729	507,955
Proceeds from franchise termination		-	1,727,000	-	-
Payments of acquisition of intangible assets and leasehold rights		(54,595,247)	(8,374,127)	(6,809,594)	(711,163)
Dividend received		10,490,190	14,208,330	47,776,835	44,715,585
Interest received		1,003,139	1,016,034	552,998	349,561
Net cash (used in) provided by investing activities		(180,986,813)	279,616,520	27,719,062	507,609,880
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from short-term borrowings from financial institutions	5.3	117,109,300	121,000,000	-	-
Repayment of short-term borrowings from financial institutions	5.3	(160,000,000)	(458,500,000)	(50,000,000)	(50,000,000)
Proceeds from long-term borrowings	5.3	55,139,867	184,000,000	-	-
Repayment of long-term borrowings	5.3	(50,489,443)	(317,567,243)	-	-
Proceeds from long-term debentures	5.3	-	500,000,000	-	-
Repayment of long-term debentures	5.3	-	(500,000,000)	-	(500,000,000)
Transaction costs relating to the issuance of debentures	5.3	-	(3,250,000)	-	-
Proceeds from sale and lease back agreement	5.3	30,035,927	-	-	-
Repayment of liabilities under finance leases	5.3	(22,300,336)	(11,712,003)	(721,001)	(234,477)
Dividends paid to equity holders of the Company		(22,809,568)	-	(22,809,403)	-
Dividends paid to non-controlling interests of the subsidiary		(20,733,063)	(16,947,033)	-	-
Proceeds from non-controlling interests from issuance of ordinary shares of a subsidiary		283,658	-	-	-
Cash paid for treasury stocks of a subsidiary		(1,397,494)	-	-	-
Net cash flows (used in) provided by financing activities		(75,161,152)	(502,976,279)	(73,530,404)	(550,234,477)
Exchange difference on translation of financial statements		1,653,009	8,439,867	-	-
Net increase (decrease) in cash and cash equivalents		(52,650,097)	17,214,782	3,300,681	7,451,726
Cash and cash equivalents as at January 1,		228,763,506	211,548,724	17,658,659	10,206,933
Cash and cash equivalents as at December 31,		176,113,409	228,763,506	20,959,340	17,658,659

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 2019

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 FOR PREPARATION AND PRESENTATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- 2.1 The Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2018) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2019 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 December 31, 2019	As at December 31, 2018
			%	%
<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
<u>Held by Greyhound Café Co., Ltd.</u>				
GHC CAFÉ (UK) Co., Ltd.	Restaurant	United Kingdom	100	100

Held by Mudman International Limited

Company's name	Nature of business	Country of incorporation	% of shareholding	
			As at December 31, 2019	As at December 31, 2018
Societe Langonnaise des Vinset Hotelleries SAS	Restaurant	France	100	100
MM FR SAS	Restaurant	France	67	-
Held by MM FR SAS				
MAISON MM1	Restaurant	France	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 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.

MM FR SAS

On March 26, 2019, Mudman International Limited, a subsidiary in Mudman group, invested in MM FR SAS, a new subsidiary, incorporated in France with a registered capital of USD 24,000 to operate in restaurant business in France. Mudman International Limited holds 67 percent of the ordinary shares of such company and have made a full payment of the share subscriptions of USD 16,000.

MAISON MM1

On November 18, 2019, MM FR SAS, a subsidiary of Mudman International Limited invested in MAISON MM1, a new subsidiary, incorporated in France with a registered capital of EUR 10,000, to operate in restaurant business in France. MM FR SAS holds 100 percent of total ordinary shares of such company and made a full payment of the share subscriptions of EUR 10,000. MAISON MM1 started its commercial operations on December 4, 2019.

2.3 New or revised Thai Financial Reporting Standards

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

During the year, the Company has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. 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 except the revenue recognition under Thai Financial Reporting Standard No. 15 “Revenue from Contracts with Customers” that requires the Group to recognize revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. This new accounting policy superseded the previous accounting policies regarding revenue recognition. However, the adoption of TFRS 15 does not have any significant impact on the Group’s financial statements.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation 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, 2020 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 provision of interpretations and accounting guidance to users of standards.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any material impact on the financial statements of the Group in the period of initial application, except the financial reporting standards as follows:

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

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

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

This TFRS provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No. 17 “Leases”, Thai Accounting Standard Interpretation No. 15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No. 27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No. 4 “Determining whether an Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term- leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

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 in subsidiaries

Investments in subsidiaries are presented by the cost method in the separate financial statements. In the case where impairment of investment is occurred, they are recognized as expense charged to the statement of profit or loss and other comprehensive income.

3.5 Building improvement and equipment

Building improvement and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

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

Building improvement	5 - 15 years
Equipment	3 - 10 years
Furniture and office equipment	3 - 5 years
Motor vehicles	5 years

No depreciation is provided on assets under installation and construction.

Dismantling, moving and renovating asset location costs in which the Company obligates when receiving such asset are recognized as the cost of assets and depreciated them.

3.6 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 and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company 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 statement of profit or loss and other comprehensive income. Impairment losses relating to goodwill cannot be reversed in future period

3.7 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.

3.8 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 recognised in statement of profit or loss and other comprehensive income 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.

3.9 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 are recognised immediately in other comprehensive income.

3.10 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.

3.11 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 to 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.

3.12 Finance costs

Finance costs such as interest expenses and similar costs are charged to 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.

3.13 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.

Exchange differences on translation of financial statements are presented as other components of equity under shareholders' equity.

3.14 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.

3.15 Revenue recognition

Revenue from sale of goods

Revenue from sale of goods is recognized in the statement of profit or loss and other comprehensive income when control of the goods is transferred to customers, generally on delivery of goods. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Revenue from sales are measured at the amount of consideration received or expect to be received for delivered goods after deduction of returns and discounts, excluding value added tax.

Revenue from rendering of services

Service revenue is recognized over time when services have been rendered considering the stage of completion.

The obligation to transfer goods or service to a customer for which the Group have received consideration or an amount of consideration is due from the customer is presented as “Deferred income” in the statement of financial position. Deferred income will be recognized as revenue when the Group completely perform the obligation stated in the contract

Dividend income is recognized when entitled to receive such dividend.

Other incomes are recognized over the term of the service.

3.16 Expense recognition

Other expenses are recognized on an accrual basis.

3.17 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.

3.18 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.

3.19 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between 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.

3.20 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.

Critical judgements in applying accounting policies are as follows:

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 (see Note 15).

In October 2019, 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	2022	Later
Consolidated financial statements					
Increase (Decrease) in amortization	(4,464)	(18,466)	(18,466)	(18,466)	59,862

4. 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
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)					
Management service income	-	-	11,954	14,588	Reciprocal agreement
Dividend income	-	-	37,287	30,507	Announced rate
Other service income	-	-	489	476	Contract rate
Interest income	-	-	97	24	Contract rate
Other income	-	-	300	300	Contract rate
Purchases of goods	-	-	133	4	Market price
<u>Transactions with an associate</u>					
Warehouse rentals	52,747	49,400	52,747	49,400	Contract rate
Dividend income	-	-	4,275	10,800	Announced rate
<u>Transactions with related parties</u>					
Warehouse rentals	66,897	66,897	66,897	66,897	Contract rate
Management fee income	-	2,712	-	-	Contract rate
Interest income	344	178	344	178	Contract rate
Dividend income	9,421	3,408	9,421	3,408	Announced rate
<u>Transactions with directors, employees and related persons</u>					
Rental expenses (see Note 34.3)	4,080	4,366	4,080	4,366	Contract rate

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Trade receivables (see Note 7)				
Subsidiaries	-	-	28	16
Associate	2,191	-	-	-
Related parties	-	1,956	-	-
	<u>2,191</u>	<u>1,956</u>	<u>28</u>	<u>16</u>
Other receivables (see Note 7)				
Subsidiaries	-	-	-	137
Associate	83	-	83	-
Related parties	40	113	-	-
	<u>123</u>	<u>113</u>	<u>83</u>	<u>137</u>
Short-term loans				
Subsidiaries	-	-	-	20,000
Rental deposit				
Associate	32,500	-	32,500	-
Related parties	-	32,500	-	32,500
	<u>32,500</u>	<u>32,500</u>	<u>32,500</u>	<u>32,500</u>

Trade payables (see Note 19)

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Associate	44,819	-	44,819	-
Related parties	-	66,795	-	66,795
	<u>44,819</u>	<u>66,795</u>	<u>44,819</u>	<u>66,795</u>
Other payables (see Note 19)				
Subsidiaries	-	-	6,042	6,042
Directors	9,560	5,480	9,561	5,480
	<u>9,560</u>	<u>5,480</u>	<u>15,603</u>	<u>11,522</u>

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. (2019 : Nil)

Movements for the year ended December 31, 2019 of loans to related party is as follows:

	Relationship	Unit : Thousand Baht Separate Financial Statements		
		Balance as at January 1, 2019	Increase during the year	Decrease during the year
Loans to				
<u>Short-term loans</u>				
SST REIT Management Co., Ltd.	Subsidiary	20,000	-	(20,000)
Total		<u>20,000</u>	<u>-</u>	<u>(20,000)</u>

Reciprocal agreement

In September 2009, the Company entered into a reciprocal agreement with SST Warehouse Co., Ltd. (a subsidiary), whereby the latter will be provided with warehouse space, stock management and other related services for a consideration calculated at 80 percent of the goods storage revenue of the subsidiary. The agreement expired on 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 follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Short-term employee benefits	124,215	124,015	33,247	30,109
Post-employment benefits	6,676	2,560	93	256
Total	<u>130,891</u>	<u>126,575</u>	<u>33,340</u>	<u>30,365</u>

Guarantee obligations with related parties

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

5. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

5.1 Cash and cash equivalents as at December 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	Financial Statements	
			2019	2018
Cash on hand	18,800	24,954	844	841
Deposits at financial institutions				
- Current accounts	64,624	54,945	64	127
- Savings accounts	89,538	115,558	17,128	13,713
Bills of exchange	-	30,009	-	-
Cheques on hand	3,151	3,298	2,923	2,978
Total	176,113	228,764	20,959	17,659

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	Financial Statements	
			2019	2018
Payables from purchases of assets	16,129	23,264	1,465	1,061
Other non-current provision	49,756	67,496	-	15,592

5.3 Changing in liabilities from financing activities

	Consolidated Financial Statements			Unit : Thousand Baht
	Balance as at January 1, 2019	Financing cash flows	Non-cash changes	Balance As at December 31, 2019
Short-term borrowings from financial institutions	120,000	(42,891)	-	77,109
Liabilities under finance leases	21,925	7,735	3,858	33,518
Long-term borrowings	191,223	4,650	(158)	195,715
Long-term debentures	1,094,986	-	2,355	1,097,341
Total	1,428,134	(30,506)	6,055	1,403,683

	Consolidated Financial Statements			Unit : Thousand Baht
	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
Liabilities under finance leases	24,894	(11,712)	8,743	21,925
Long-term borrowings	324,790	(133,567)	-	191,223
Long-term debentures	1,096,524	(3,250)	1,712	1,094,986
Total	1,903,708	(486,029)	10,455	1,428,134

	Unit : Thousand Baht			
	Separate Financial Statements			
	Balance as at January 1, 2019	Financing cash flows	Non-cash changes	Balance As at December 31, 2019
Short-term borrowings from financial institutions	50,000	(50,000)	-	-
Liabilities under finance leases	1,058	(721)	1,828	2,165
Long-term debentures	597,767	-	1,272	599,039
Total	648,825	(50,721)	3,100	601,204

	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
Long-term debentures	1,096,524	(500,000)	1,243	597,767
Total	1,197,816	(550,234)	1,243	648,825

6. TEMPORARY INVESTMENTS

Temporary investments as at December 31, consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Investments in available-for-sale securities - cost	8,020	11,700	-	-
Add: Surplus on changes in value of investments	213	63	-	-
Investment in available-for-sale securities - fair value	8,233	11,763	-	-
Total temporary investments	8,233	11,763	-	-

7. TRADE AND OTHER CURRENT RECEIVABLES

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	2,171	1,956	8	7
Past due				
Up to 3 months	20	-	20	9
Total trade receivables - related parties (see Note 4)	2,191	1,956	28	16
<u>Trade receivables - others</u>				
Aged on the basis of due dates				
Not yet due	90,130	87,715	22,289	28,476
Past due				
Up to 3 months	30,839	38,920	19,292	26,859
3 - 6 months	2,596	3,315	2,388	3,316
6 - 12 months	1,584	1,012	1,584	991
Over 12 months	5,750	6,320	158	136
Total	130,899	137,282	45,711	59,778
Less: Allowance for doubtful debts	(5,750)	(5,590)	(159)	(136)

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Total trade receivables - others	125,149	131,692	45,552	59,642
Total trade receivables	127,340	133,648	45,580	59,658
<u>Other receivables</u>				
Other receivables - related parties (see Note 4)	123	113	83	137
Other receivables - others	48,431	11,231	15,475	371
Prepaid expenses	26,653	21,006	2,469	8,994
Total other receivables	75,207	32,350	18,027	9,502
Total trade and other current receivables	202,547	165,998	63,607	69,160

8. INVENTORIES

Inventories as at December 31, consisted of:

	Unit : Thousand Baht	
	Consolidated	
	2019	2018
Finished goods	66,771	68,065
Work in process	4,581	1,679
Raw materials	94,790	95,805
Packing materials	11,104	16,397
Goods in transit	-	130
Others	20,622	16,885
Total	197,868	198,961
<u>Less: Allowance on diminution in value</u>	(25,914)	(17,668)
Total inventories	171,954	181,293

The costs of inventories recognized as expenses in the consolidated financial statements for the years ended December 31, 2019 and 2018 are Baht 1,197.91 million and Baht 1,254.47 million, respectively.

The Company and its subsidiaries recognized expenses in respect of write-downs of inventory to net realizable value in the consolidated financial statements for the years ended December 31, 2019 and 2018 of Baht 8.25 million and Baht 3.74 million, respectively.

9. 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).

10. INVESTMENT HELD AS AVAILABLE-FOR-SALE

On October 26, 2019, investment in Sub Sri Thai Real Estate Investment Trust was changed from investment held as available-for-sale to investment in an associate (see Note 11) and recognized (gain) loss from the reclassification of investment of Baht (36.43) million and Baht 18.20 million in the consolidated financial statements and in the separate financial statements for the year ended December 31, 2019, respectively.

11. INVESTMENT IN AN ASSOCIATE

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

Fund	Nature of business	Country of incorporation	Percentage of shareholding		Unit : Thousand Baht			
					Consolidated Financial Statements		Separate Financial Statements	
					Carrying amounts based on equity method		Cost method	
			2019	2018	2019	2018	2019	2018
Sub Sri Thai Real Estate Investment Trust	Fund raising to invest in immovable properties, and seek benefits from those properties	Thailand	23.71	-	278,436	-	278,268	-
Sub Sri Thai Property Fund	Fund raising to invest in immovable properties, and seek benefits from those properties	Thailand	-	33.33	-	225,538	-	220,275

On September 18, 2019, the Extraordinary Shareholders' Meeting of Sub Sri Thai Property Fund ("SSTPF") approved the conversion of the Property Fund into Real Estate Investment Trust, with Sub Sri Thai Real Estate Investment Trust ("SSTRT") being the supporter of the conversion. On December 26, 2019, Real Estate Investment Trust manager obtained an approval to issue and offer the trust units of Real Estate Investment Trust for the sale from the Office of the Securities and Exchange Commission ("SEC"). The swap ratio is 1 : 1.1 investment unit, meaning 1 investment unit of SSTPF swap to 1.1 trust unit of SSTRT.

11.2 Share of profit (loss) and dividends income from investment in an associate

The Company recognized its share of profit (loss) 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 Financial Statements		Unit : Thousand Baht	
	Share of profit (loss) from investment in an associate		Separate Financial Statements	
	2019	2018	2019	2018
Sub Sri Thai Property Fund	(55,616)	11,554	4,275	10,800
Sub Sri Thai Real Estate Investment Trust	168	-	-	-

11.3 Fair value of investment in a listed associate

As at December 31, 2019 the fair value of investment in Sub Sri Thai Real Estate Investment Trust that is a listed company on the Stock Exchange of Thailand is amounting to Baht 220.45 million (2018 : Nil).

As at December 31, 2018, 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 (2019 : Nil).

11.4 Summarized financial information of an associate

Financial information of an associate as at December 31, is as follows:

Fund	Unit : Million Baht									
	Paid-up capital		Total assets		Total liabilities		Total revenues for the years		Profit (loss) for the years	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Sub Sri Thai Property Fund	-	661	59	679	59	2	50	47	(167)	35
Sub Sri Thai Real Estate Investment Trust	1,161	609	1,545	912	320	279	69	68	43	45

12. 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	
	2019	2018	2019	2018	2019	2018
SST Warehouse Co., Ltd.	5,000	5,000	100	100	5,000	5,000
Mudman Plc.	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					1,500,886	1,500,886

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	
	2019	2018
Mudman Plc.	37,287	30,507
Total	37,287	30,507

Kad Kokoa Company Limited

On April 2, 2019, Mudman Public Company Limited (“a subsidiary”) invested in a new subsidiary registered in Thailand, Kad Kokoa Company Limited. This new subsidiary has registered capital of Baht 20,000,000 to operate in distribution of food and beverage business in Thailand. The subsidiary holds 60 percent of the total shares of such company, which a subsidiary made a full payment for the share subscription.

Subsequently, on September 9, 2019, a subsidiary entered to an agreement to divest all of the ordinary shares in Kad Kokoa Company Limited to the previous shareholder. A subsidiary received the money from sale of the shares of Baht 8.8 million and transferred the ownership in the shares to the buyer on September 11, 2019. The subsidiary recognized loss on sale of the investment in a subsidiary in the consolidated financial statements of Baht 0.67 million.

As a result of sale of the investment in such subsidiary, a subsidiary has no outstanding shareholding in Kad Kokoa Company Limited.

13. INVESTMENT PROPERTIES

Investment properties as at December 31, consisted of:

	Unit : Thousand Baht	
	Consolidated / Separate	
	Financial Statements	
	2019	2018
Net book value at beginning of year	377,525	366,351
Gain on a fair value adjustment	-	11,174
Net book value at end of year	<u>377,525</u>	<u>377,525</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 summarized below:

	Consolidated / Separate		Result to fair value where
	Financial Statements		as an increase in
	2019	2018	assumption value
Occupancy rate (%)	50 - 92	50 - 92	Increase in fair value
Discount rate (%)	10.5 - 18.0	10.5 - 18.0	Decrease in fair value
Rental rate (Baht/square meter/month)	120 - 160	120 - 160	Increase in fair value

14. PROPERTY, PLANT AND EQUIPMENT

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

2019

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
Cost								
As at January 1, 2019	401,276	184,983	781,940	405,357	301,646	30,336	28,159	2,135,697
Additions	-	126	58,696	18,649	20,022	5,098	37,667	140,258
Disposals/written off	-	-	(53,016)	(11,804)	(11,345)	(3,073)	-	(79,238)
Transfer in (out)	-	3,879	3,174	1,848	22	-	(8,923)	-
As at December 31, 2019	401,276	188,988	790,794	414,050	310,345	32,361	56,903	2,194,717
Accumulated depreciation								
As at January 1, 2019	-	(149,645)	(395,609)	(245,093)	(202,754)	(17,844)	-	(1,010,945)
Depreciation for the year	-	(8,967)	(75,826)	(37,831)	(36,641)	(4,058)	-	(163,323)
Disposals/written off	-	-	44,521	11,418	10,751	2,034	-	68,724
As at December 31, 2019	-	(158,612)	(426,914)	(271,506)	(228,644)	(19,868)	-	(1,105,544)
Translation adjustment								
As at December 31, 2019	-	-	(5,293)	(450)	(1,290)	-	-	(7,033)
Differences on revaluation of assets								
As at January 1, 2019	6,203	-	-	-	-	-	-	6,203
As at December 31, 2019	6,203	-	-	-	-	-	-	6,203
Allowance for impairment loss								
As at January 1, 2019	-	-	(7,668)	(10)	-	-	-	(7,678)
As at December 31, 2019	-	-	(7,668)	(10)	-	-	-	(7,678)
Net book value								
As at December 31, 2019	407,479	30,376	350,919	142,084	80,411	12,493	56,903	1,080,665

2018

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
Cost								
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	-	13,995	242,427
Disposals/written off	-	-	(38,435)	(12,984)	(7,259)	(787)	-	(59,465)
Transfer in (out)	-	-	3,875	130	626	-	(4,631)	-
As at December 31, 2018	401,276	184,983	781,940	405,357	301,646	30,336	28,159	2,133,697
Accumulated depreciation								
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)
Translation adjustment								
As at December 31, 2018	-	-	(3,028)	(193)	(793)	-	-	(4,014)
Differences on revaluation of assets								
As at January 1, 2018	6,203	-	-	-	-	-	-	6,203
As at December 31, 2018	6,203	-	-	-	-	-	-	6,203
Allowance for impairment loss								
As at January 1, 2018	-	-	(7,668)	(8)	-	-	-	(7,676)
As at December 31, 2018	-	-	(7,668)	(8)	-	-	-	(7,676)
Net book value								
As at December 31, 2018	407,479	35,338	375,635	160,063	98,099	12,492	28,159	1,117,265
Depreciation for the years ended December 31,								
2019						Thousand Baht		163,323
2018						Thousand Baht		176,351

2019**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	
Cost								
As at January 1, 2019	399,478	184,983	16,731	116,961	22,138	18,990	23,114	782,395
Additions	-	126	14	684	847	2,129	32,240	36,040
Disposals/written off	-	-	-	(176)	(1,073)	-	-	(1,249)
Transfer in (out)	-	3,879	-	-	-	-	(3,879)	-
As at December 31, 2019	399,478	188,988	16,745	117,469	21,912	21,119	51,475	817,186
Accumulated depreciation								
As at January 1, 2019	-	(149,645)	(16,686)	(72,369)	(19,063)	(13,099)	-	(270,862)
Depreciation for the year	-	(8,967)	(45)	(8,005)	(1,172)	(2,286)	-	(20,475)
Disposals/written off	-	-	-	173	1,067	-	-	1,240
As at December 31, 2019	-	(158,612)	(16,731)	(80,201)	(19,168)	(15,385)	-	(290,097)
Differences on revaluation of assets								
As at January 1, 2019	6,203	-	-	-	-	-	-	6,203
As at December 31, 2019	6,203	-	-	-	-	-	-	6,203
Net book value								
As at December 31, 2019	405,681	30,376	14	37,268	2,744	5,734	51,475	533,292

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	
Cost								
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	-	9,697	13,894
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	23,114	782,395
Accumulated depreciation								
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)
Differences on revaluation of assets								
As at January 1, 2018	6,203	-	-	-	-	-	-	6,203
As at December 31, 2018	6,203	-	-	-	-	-	-	6,203
Net book value								
As at December 31, 2018	405,681	35,338	45	44,592	3,075	5,891	23,114	517,736

Depreciation for the years ended December 31,

2019	Thousand Baht	20,475
2018	Thousand Baht	21,752

As at December 31, 2019 and 2018, 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 852.75 million and Baht 855.99 million, respectively. (The Company only 2019: Baht 211.41 million and 2018: Baht 200.00 million).

As at December 31, 2019 and 2018, the Company and its subsidiaries had assets with net book value of Baht 42.74 million and Baht 26.94 million, respectively, which were acquired under finance leases. (The Company only 2019: Baht 2.72 million and 2018: Baht 1.36 million).

As at December 31, 2019 and 2018, 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, 2019 and 2018, land net book value at the cost method of Baht 405.68 million and Baht 401.28 million in the consolidated and separate financial statements, respectively.

15. GOODWILL

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

	Unit : Thousand Baht							
	Donuts unit		Bakery unit		Restaurant unit		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Cost as at January 1,	484,370	484,370	298,192	298,192	1,357,321	1,357,321	2,139,883	2,139,883
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

The Company determined the recoverable amounts of the CGUs based on value-in-use by preparing projections of the cash flows that are expected to be generated from that group of assets in the future, with reference to financial projections approved by the management. These cash flow projections cover a period of 5 years. It was determined that the recoverable amount of the CGUs is more than net carrying amount. The management of the Company believed that no allowance for impairment of goodwill should be recorded

16. 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
	2019	2018	2019	2018
Intangible assets - others	773,518	818,009	9,301	3,065
Leasehold rights	144,499	117,297	11,354	13,246
Total other intangible assets	918,017	935,306	20,655	16,311

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
	Franchise	Trademark	Computer software	Others	Total	Separate Financial Statements Computer software
2019						
Net book value as at January 1,	421,858	379,324	15,381	1,446	818,009	3,065
Additions	735	-	8,272	-	9,007	6,810
Disposals	-	-	(83)	-	(83)	-
Amortization for the year	(45,954)	(479)	(4,335)	(1,446)	(52,214)	(574)
Translation adjustment	-	(1,188)	(13)	-	(1,201)	-
Net book value as at December 31,	<u>376,639</u>	<u>377,657</u>	<u>19,222</u>	<u>-</u>	<u>773,518</u>	<u>9,301</u>
2018						
Net book value as at January 1,	469,974	380,469	15,623	3,926	869,992	809
Additions	2,905	-	5,964	-	8,869	2,806
Disposals	(1,727)	-	(64)	-	(1,791)	-
Amortization for the year	(49,294)	(479)	(6,255)	(2,480)	(58,508)	(550)
Translation adjustment	-	(666)	113	-	(553)	-
Net book value as at December 31,	<u>421,858</u>	<u>379,324</u>	<u>15,381</u>	<u>1,446</u>	<u>818,009</u>	<u>3,065</u>

As at December 31, 2018, the Company and its subsidiaries had intangible assets with net book value of Baht 8.34 million. (2019 : Nil)

Leasehold rights

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

	Consolidated Financial Statements		Unit : Thousand Baht	
	2019	2018	2019	2018
Net book value as at January 1,	117,297	131,061	13,246	15,139
Add: Acquisition	45,589	1,600	-	-
Less: Adjustment	(2,000)	-	-	-
Less: Amortization for the year	(14,567)	(14,324)	(1,892)	(1,893)
Translation adjustment	(1,820)	(1,040)	-	-
Net book value as at December 31,	<u>144,499</u>	<u>117,297</u>	<u>11,354</u>	<u>13,246</u>

The subsidiaries have mortgaged leasehold rights with a total net book value as at December 31, 2019 and 2018 amounting to Baht 9.56 million and Baht 12.59 million, respectively, as collateral for long-term borrowings from the financial institutions (see Note 20).

17. OTHER NON-CURRENT ASSETS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Rental deposits	162,048	160,256	32,500	32,553
Corporate income tax waiting for refund	35,928	48,736	17,571	33,577
Other non-current assets	6,464	217	202	217
Total other non-current assets	204,440	209,209	50,273	66,347

18. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

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

	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2019	2018	2019	2018
Short-term borrowings from financial institutions	77	120	-	50

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

	Consolidated Financial Statements		Separate Financial Statements	
	2019 %	2018 %	2019 %	2018 %
Short-term borrowings from financial institutions	3.70 - 4.25, MLR - 2.5	3.50 - 3.85	-	3.55

As at December 31, 2019 and 2018, short-term credit facilities from financial institutions of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 328 million and Baht 285 million, respectively, (The Company only 2019: Baht 207 million and 2018: Baht 157 million which are guaranteed by the Company and its subsidiaries. (see Note 34.6.1).

19. TRADE AND OTHER CURRENT PAYABLES

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Trade payables - related parties (see Note 4)	44,819	66,795	44,819	66,795
Trade payables - others	153,892	160,384	472	473
Other payables - related parties (see Note 4)	9,560	5,480	15,603	11,522
Other payables - others	57,314	61,208	5,036	3,413
Deferred income	43,155	32,316	180	1,190
Customer deposits	14,014	14,295	14,014	14,295
Payables from purchases of assets	16,129	23,264	1,464	1,061
Accrued expenses	110,436	132,752	2,830	5,650
Total trade and other current payables	449,319	496,494	84,418	104,399

20. LONG-TERM BORROWINGS

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

Subsidiaries	Interest rate (%)	Repayment schedule	Unit : Thousand Baht	
			2019	2018
	MLR - 1.00 to 1.50	Quarterly installments as from February 2018 to November 2022	138,000	184,000
	MLR - 1.75 to 2.00	Monthly installments as from April 2013 to March 2021	3,743	7,223
	1.00%	Quarterly installments as from August 2019 to May 2026	15,661	-
	1.00%	Quarterly installments as from August 2019 to August 2026	7,661	-
	1.23%	Monthly installments as from July 2019 to June 2022	3,665	-
	1.30%	Monthly installments as from January 2019 to December 2026	26,985	-
Total			195,715	191,223
Less: Current portion			(59,468)	(49,471)
Long-term borrowings - net of current portion			136,247	141,752

The borrowings facilities of subsidiaries are partially secured by the mortgage of leasehold rights of subsidiaries (see Note 16).

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.

21. LONG-TERM DEBENTURES

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Face value	1,100,000	1,100,000	600,000	600,000
<u>Less:</u> Unamortized deferred costs relating to the issuance of debentures	(2,659)	(5,014)	(961)	(2,233)
Net balance	1,097,341	1,094,986	599,039	597,767
<u>Less:</u> Current portion	(599,039)	-	(599,039)	-
Long-term debentures	498,302	1,094,986	-	597,767

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:

Consolidated / Separate Financial Statements As at December 31, 2019								
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, 2017	3 years	September 21, 2020	5.00	Every 3 months	601,677
MM217A	500,000	500,000	July 26, 2018	3 years	July 26, 2021	5.00	Every 3 months	505,320

Consolidated / Separate Financial Statements As at December 31, 2018								
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, 2017	3 years	September 21, 2020	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.

22. LIABILITIES UNDER FINANCE LEASES

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Liabilities under finance leases	35,334	23,255	2,328	1,184
<u>Less:</u> Deferred interest expenses	(1,816)	(1,330)	(163)	(126)
Total	33,518	21,925	2,165	1,058
<u>Less:</u> Current portion	(17,159)	(11,024)	(615)	(248)
Liabilities under finance leases - net of current portion	16,359	10,901	1,550	810

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 2019			
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	18,405	16,929	35,334
Deferred interest expenses	(1,246)	(570)	(1,816)
Present value of future minimum lease payments	<u>17,159</u>	<u>16,359</u>	<u>33,518</u>

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			
Separate Financial Statements			
As at 31 December 2019			
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	697	1,631	2,328
Deferred interest expenses	(82)	(81)	(163)
Present value of future minimum lease payments	<u>615</u>	<u>1,550</u>	<u>2,165</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>

23. INCOME TAX EXPENSE, DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

23.1 Income tax expense

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

	Separate Financial Statements		Unit : Thousand Baht Consolidated Financial Statements	
	2019	2018	2019	2018
Current income tax				
Current income tax charge	28,004	20,392	13,272	300
Deferred tax				
Deferred income tax and temporary differences	(20,561)	(13,510)	(7,033)	(182)
Income tax expense	<u>7,443</u>	<u>6,882</u>	<u>6,239</u>	<u>118</u>

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Profit before income tax expense	32	47,310	65,052	79,354
Statutory tax rate (%)	20%	20%	20%	20%
Income tax expenses before effect on income tax expense	6	9,462	13,010	15,871
Effect on income tax from exempted taxable (income) expense	27,998	10,930	262	(15,571)
Deferred tax income	(20,561)	(13,510)	(7,033)	(182)
Income tax expense	7,443	6,882	6,239	118

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Deferred tax assets				
Non-current provisions for employee benefit	-	6	-	-
Provision for dismantling and restoring costs	-	76	-	-
Total	-	82	-	-

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

2019

	Unit : Thousand Baht Consolidated Financial Statements			
	As at January 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2019
Deferred tax assets - net				
Non-current provisions for employee benefit	6	(6)	-	-
Provision for dismantling and restoring costs	76	(76)	-	-
Deferred tax assets - net	82	(82)	-	-

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
Deferred tax assets - net				
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

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
Deferred tax assets - net				
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	<u>3,892</u>	<u>(3,892)</u>	<u>-</u>	<u>-</u>

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

	Unit : Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Deferred tax liabilities				
Non-current provisions for employee benefit	(7,614)	(5,102)	(2,591)	(2,145)
Revaluation of available-for-sale investment	-	(3,042)	-	(3,042)
Unearned revenue	(2,789)	(2,845)	-	-
Other non-current provision	(1,765)	(951)	-	-
Loss from transfer changing available- for-sale investment to investment in associate	(3,640)	-	(3,640)	-
Fair value of intangible assets arise in business acquisition	188,514	197,415	-	-
Fair value of building improvement and equipment arise in business acquisition	2,725	5,546	-	-
Revaluation surplus on land	51,641	51,641	51,641	51,641
Revaluation of investment properties to fair value	65,793	65,793	65,793	65,793
Fair value adjustment of investment properties for transferred to property-in-use	7,345	7,345	7,345	7,345
Others	(2,766)	(31)	(2,596)	122
Total	<u>297,444</u>	<u>315,769</u>	<u>115,952</u>	<u>119,714</u>

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

2019

Unit : Thousand Baht			
Consolidated Financial Statements			
	As at January 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income
			As at December 31, 2019
Deferred tax liabilities - net			
Non-current provisions for employee benefit	(5,102)	(3,465)	953
Revaluation of available-for-sale investment	(3,042)	-	3,042
Unearned revenue	(2,845)	56	-
Other non-current provision	(951)	(814)	-
Loss from transfer changing available- for-sale investment to investment in associate	-	(3,640)	-
Fair value of intangible assets arise in business acquisition	197,415	(8,901)	-
Fair value of building improvement and equipment arise in business acquisition	5,546	(2,821)	-
Revaluation surplus on land	51,641	-	-
Revaluation of investment properties to fair value	65,793	-	-
Fair value adjustment of investment properties for transferred to property-in-use	7,345	-	-
Others	(31)	(2,735)	-
Deferred tax liabilities - net	315,769	(22,320)	3,995

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
Deferred tax liabilities - net			
Non-current provisions for employee benefit	-	(5,773)	671
Revaluation of available-for-sale investment	-	(3,042)	-
Unearned revenue	-	(2,845)	-
Other non-current provision	-	(951)	-
Fair value of intangible assets arise in business acquisition	206,835	(9,420)	-
Fair value of building improvement and equipment arise in business acquisition	8,720	(3,174)	-
Revaluation surplus on land	51,641	-	-
Revaluation of investment properties to fair value	63,558	2,235	-
Fair value adjustment of investment properties for transferred to property-in-use	9,002	(1,657)	-
Others	585	(616)	-
Deferred tax liabilities - net	340,341	(25,243)	671

2019

	Unit : Thousand Baht			
	Separate Financial Statements			
	As at January 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2019
Deferred tax liabilities - net				
Non-current provisions for employee benefit	(2,145)	(446)	-	(2,591)
Revaluation of available-for-sale investment	(3,042)	-	3,042	-
Loss from transfer changing available-for-sale investment to investment in associate	-	(3,640)	-	(3,640)
Revaluation surplus on land	51,641	-	-	51,641
Revaluation of investment properties to fair value	65,793	-	-	65,793
Fair value adjustment of investment properties for transferred to property-in-use	7,345	-	-	7,345
Others	122	(2,718)	-	(2,596)
Deferred tax liabilities - net	<u>119,714</u>	<u>(6,804)</u>	<u>3,042</u>	<u>115,952</u>

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
Deferred tax liabilities - net				
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	<u>124,786</u>	<u>(5,743)</u>	<u>671</u>	<u>119,714</u>

As at December 31, 2019 and 2018, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 688 million and Baht 708 million, respectively, and the Company only of Baht 7 million and Baht 9 million, respectively. No deferred tax assets have been recognized on these amounts as the management of the Company and its subsidiaries believe that future taxable profits may not be sufficient to allow utilization of the temporary differences and unused tax losses.

As at December 31, 2019, the subsidiaries have unused tax losses amounting to Baht 299.22 million which will expire by 2022 - 2024.

24. 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		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Non-current provisions for employee benefit brought forward	36,815	38,593	8,979	12,432
Included in profit or loss:				
Current service cost	9,282	7,116	1,423	1,350
Interest cost	965	986	226	295
Past service cost	6,548	-	584	-
Included in other comprehensive income:				
Actuarial (gains) losses resulting from				
Changes in demographic assumptions	6,108	(3,028)	-	(3,028)
Changes in financial assumptions	-	74	-	74
Experience adjustments	-	(400)	-	(400)
Benefits paid during the years	(6,445)	(6,526)	(1,091)	(1,744)
Non-current provisions for employee benefit carried forward	53,273	36,815	10,121	8,979

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Cost of sales and services	2,633	1,422	1,488	1,052
Selling and administrative expenses	14,162	6,680	745	593
Total expenses recognized in the statement of profit or loss	16,795	8,102	2,233	1,645

As at December 31, 2019 and 2018, the Company and its subsidiaries expect to pay Baht 2.11 million and Baht 0.42 million, respectively, of long-term employee benefits during the next year (The Company only 2019: Baht 0.33 million and 2018: Baht 0.1 million).

As at December 31, 2019 and 2018, the weighted average duration of the liabilities for long-term employee benefits of the Company and its subsidiaries is 6 - 24 years and 8 - 21 years, respectively. (The Company only 2019: 24 years and 2018: 9 years).

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

	Consolidated Financial Statements		Unit : Percent per annum Separate Financial Statements	
	2019	2018	2019	2018
Discount rate	1.97 - 3.51	2.69 - 3.51	2.68	2.70
Future salary increase rate	3.79 - 8.16	6.00 - 12.33	6.00	6.00
Turnover rate	0 - 69	0 - 82	0 - 15	0 - 15

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 summarized below:

	Mudman Group		Unit : Thousand Baht Sub Sri Thai Group	
	Increase 0.5%	Decrease 0.5%	Increase 1%	Decrease 1%
2019				
Discount rate	(838)	948	(774)	905
Future salary increase rate	903	(770)	918	(801)
Turnover rate	(1,576)	1,696	(843)	587

	Mudman Group		Unit : Thousand Baht Sub Sri Thai Group	
	Increase 0.5%	Decrease 0.5%	Increase 1%	Decrease 1%
2018				
Discount rate	(833)	893	(628)	1,882
Future salary increase rate	1,044	(980)	669	562
Turnover rate	(1,107)	1,192	(684)	1,616

The Labor Protection Act (No. 7) B.E. 2562 announced in the Royal Gazette on April 5, 2019 and was effective on May 5, 2019 onwards. This new Thai labor law amends the amount of severance pay for an employee who has worked at least 20 years in accordance with the entity's working rules and regulations to be increased to 400 days at the employee's last wage rate which impact on the post-employee benefit plan. The Company and its subsidiaries has considered to amend the post-employee benefit plan and recognize the increase of the post-employment benefit obligation as at the financial reporting date and the increase in such severance pay of Baht 6.55 million and Baht 0.58 million as the expense for the year ended December 31, 2019, in the consolidated financial statements and separate financial statement, respectively.

25. OTHER NON-CURRENT PROVISIONS

Other non-current provisions are provision for dismantling and restoring cost and provision for legal compensation (see Note 34.7.1).

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

	Consolidated Financial Statements		Unit : Thousand Baht Seperate Financial Statements	
	2019	2018	2019	2018
Balance as at January 1,	67,496	-	15,592	-
<u>Add:</u> Increase during the years	4,089	68,839	320	15,592
<u>Less:</u> Disposal/written-off during the years	(21,829)	(1,343)	(15,912)	-
Balance as at December 31,	<u>49,756</u>	<u>67,496</u>	<u>-</u>	<u>15,592</u>

26. SHARE CAPITAL

The 2019 Annual General Meeting of Shareholders held on April 24, 2019, passed the resolutions as follows:

- 1) Approved the decrease of registered capital of the Company from Baht 759,679,703 to Baht 486,193,885 by reducing the ordinary shares reserved for the increase of registered capital under a General Mandate which have been not allocated in the whole amount of 273,484,692 shares and the remaining registered ordinary shares reserved for the exercise of warrant to purchase the ordinary shares of the Company (SST- W2) which are not able to allocate according to the allocation conditions in the amount of 1,126 shares, totaling 273,485,818 shares at a par value of Baht 1 per share in total of Baht 273,485,818. The Company registered the reduction of its share capital with the Ministry of Commerce on May 10, 2019.
- 2) Approved the increase of the Company's registered capital from Baht 486,193,885 to Baht 759,678,577 by issuing new ordinary share in total 273,484,692 shares at a par value of Baht 1 per share to accommodate the capital increase under a General Mandate. The Company registered the increase of its share capital with the Ministry of Commerce on May 10, 2019.
 - (1) Allotment to existing shareholders, in proportion to the number of shares already held by each shareholder of not exceeding 136,742,346 shares to support the transferable subscription right (TSR).
 - (2) Allotment to the general public of not exceeding 91,161,564 shares.
 - (3) Allotment to specific persons of not exceeding 45,580,782 shares.
- 3) Approved the issuance of the transferable subscription right (TSR) in the amount of not exceed 136,742,346 units to the existing shareholders, in proportion to the number of shares already held by each shareholder according to allocate newly issued ordinary shares under a General Mandate.

27. TREASURY STOCK OF A SUBSIDIARY

On May 23, 2019, the Board of Directors' Meeting of Mudman Public Company Limited ("a subsidiary") approved the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 100 million or approximately 20 million shares. The number of shares to be repurchased is approximately 1.9% of total issued shares at par value of Baht 1 per share by repurchase in the Stock Exchange of Thailand, which the repurchase price shall not be exceeding 115 percent of the average closing stocks price prior to 5 working days on date of sale of treasury stock.

Mudman Public Company Limited has to disclose the proposed share repurchase not later than 14 days prior to the date on which the shares will be repurchased. The implementation period shall not exceed 6 months. The subsidiary's Board of Directors delegated the Executive committee to disclose the share repurchase period. The Executive Committee of the subsidiary determined the repurchase period from September 24, 2019 to March 24, 2020. The Board of Directors of the subsidiary would reconsider the procedures of stocks resell within 6 months from the date of complete repurchasing the stocks but not more than 3 years. The reselling price would not be less than 85 percent of the average closing stocks price prior to 5 working days on date of sale of treasury stocks.

As at December 31, 2019, the subsidiary had an outstanding treasury stocks of 563,000 shares in the account with an average cost of Baht 2.48 per share. The total cost was Baht 1,397,494. The treasury stocks of 563,000 shares have a par value of Baht 1.00 per share. The subsidiary appropriated Baht 1,397,494 from its retained earnings to reserve for treasury stocks. The Subsidiary can hold treasury stocks no longer than three years after repurchase period finished.

The purchase of treasury stocks above resulted changes in the Company's shareholding and non-controlling interests in the subsidiary. To reflect the changes in equity in a subsidiary, the Company adjusted the book value of the changes in equity of shareholder in "Surplus (deficit) from Changes in Ownership Interests in Subsidiaries" under in the consolidated financial statements.

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 in not available for dividend distribution.

- 28.1 The 2019 Annual General Meeting of Shareholders of the Company held on April 24, 2019 passed a resolution of the distribution of dividends for the year 2018 at Baht 0.05 per share, totaling the amount of approximation Baht 23 million. Such dividend distribution shall be payable to the shareholders entitled to receive the dividends in accordance with the Company's Articles of Association and who are listed on the shareholders list dated May 7, 2019. The dividends was paid on May 24, 2019.
- 28.2 The 2019 Annual General Meeting of Shareholders of Mudman Public Company Limited ("a subsidiary") held on April 23, 2019 passed a resolution of the distribution of dividends for the year 2018 at Baht 0.055 per share, totaling approximately Baht 58 million. Such dividend distribution shall be payable to the shareholders entitled to receive the dividends in accordance with the subsidiary Articles of Association and listed on the record dated May 7, 2019. The dividends was paid on May 21, 2019.

The 2018 Annual General Meeting of Shareholders of Mudman Public Company Limited (“a subsidiary”) held on April 25, 2018 passed a resolution of the distribution of dividends for the year 2017 at Baht 0.045 per share, totaling the amount of approximation Baht 47 million. Such dividend distribution shall be payable to the shareholders entitled to receive the dividends in accordance with the subsidiary Articles of Association and who are listed on the shareholders list dated May 4, 2018. The dividends was paid on May 22, 2018.

29. EXPENSES BY NATURE

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Salaries, wages and other employee benefits	1,168,764	1,135,498	125,449	122,626
Depreciation and amortization expenses	220,194	239,057	22,942	24,195
Rental expenses from operating leases	701,359	623,760	133,535	126,649
Franchise fees	61,144	91,029	-	-
Transportation expenses	74,874	74,324	12,621	12,553
Utility expenses	105,424	108,039	6,052	5,793
Marketing expenses	44,187	19,961	341	528
Repair and maintenance expenses	32,115	35,612	5,456	7,205
Raw materials and consumables used	760,040	902,734	9,411	10,365
Changes in inventories of finished goods and work in progress	2,194	(11,498)	-	-
Finance cost	70,523	69,757	32,725	36,253
Other operating expenses	228,673	331,186	49,608	31,689
	<u>3,469,491</u>	<u>3,619,459</u>	<u>398,140</u>	<u>377,856</u>

30. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit 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 per share:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the years ended December 31,			
	2019	2018	2019	2018
Profit for the years (Thousand Baht)	5,929	44,779	58,813	79,236
Weighted average number of ordinary shares (Thousand shares)	455,808	455,808	455,808	455,808
Earnings per share (Baht/share)	0.01	0.10	0.13	0.17

As the exercise price of the warrants is higher than the market price 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 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 2019 and 2018, 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 (loss) information regarding the Company's and its subsidiaries' operating segments for the years ended December 31, are as follows:

	Food and beverage		Warehouse and		Garment		Food and beverage		Unit : Million Baht	
	Domestic		wharf		Domestics		International		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue										
Sales and services income	2,578	2,721	400	394	145	147	190	214	3,313	3,476
Operating result										
Segment profit (loss)	(60)	(35)	47	49	(36)	(40)	(38)	(49)	(87)	(75)
Other income									213	180
Share of (loss) profit from investment in an associate									(55)	12
Finance cost									(71)	(70)
Profit before income tax									-	47
Income tax expense									(7)	(7)
Profit (loss) for the year									(7)	40

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	
	2019	2018	2019	2018	2019	2018
Revenue from external customers	3,123	3,262	190	214	3,313	3,476

Disaggregation of revenue

For the years ended December 31,	Food and beverage		Warehouse and wharf		Garment		Unit : Million Baht Consolidated	
							Financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018
Timing of revenue recognition								
At a point in time	2,716	2,880	-	-	145	147	2,861	3,027
Overtime	52	55	400	394	-	-	452	449
Total	2,768	2,935	400	394	145	147	3,313	3,476

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 2019 and 2018 amounting to approximately Baht 10 million. (The Company only 2019 and 2018: Baht 2 million) were recognized 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 for the 2018	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, 2018 to July 31, 2020	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 4 percent of employees' monthly base salary	Employees contribute 5 percent of their monthly base salary and the subsidiaries additionally contribute 4 percent of employees' monthly base salary
4) Program management	Phillip Securities (Thailand) Public Company Limited	Phillip Securities (Thailand) Public Company Limited

Employee Joint Investment Program for the years 2019 and 2018, the Company and its subsidiaries contributed Baht 3 million and Baht 6 million, respectively, (The Company only 2019 and 2018: Baht 2 million) to the program.

34. COMMITMENTS AND CONTINGENT LIABILITIES

34.1 Capital commitments

As at December 31, 2019 and 2018, the Company and its subsidiaries had capital commitments of Baht 40 million and Baht 100 million, respective. (The Company only 2019: Baht 38 million and 2018: Baht 87 million) relating to the improvement of buildings and acquisition of equipment and fixtures.

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	
	2019	2018
Payable		
Up to 1 year	115	112
Over 1 and up to 5 years	471	330
Over 5 years	429	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	
	2019	2018
Payable		
Up to 1 year	1	2
Over 1 and up to 5 years	13	12
Over 5 years	114	117

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 and 28 years. Certain rental and service charges are calculated at a percentage of actual sales which have a minimum guaranteed amount as stipulated in the agreements.

As at December 31, the Company and its subsidiaries have future minimum leases required under these operating leases and services contracts were as follows:

	Consolidated Financial Statements					
	2019			2018		
	Baht	Euro	GBP	Baht	Euro	GBP
Payable:						
Up to 1 year	330	388	224	322	256	235
Over 1 and up to 5 years	365	1,541	940	400	1,024	881
Over 5 years	23	1,147	176	11	1,024	-

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. Under the agreement, the subsidiary has been granted the franchise to open bakery shops in Thailand. Such agreement will be terminated on December 15, 2021. Under such agreement, the subsidiary has been granted the franchise to operate bakery shops for 20 years after the opening date of each shop and the right to extend the agreement period for another 20 years. The subsidiary is obliged to pay the franchisor a franchise fee calculated at a percentage of sales as stipulated in the agreement.

On October 22, 2019, the subsidiary entered into a supplement agreement to revise content of a master franchise agreement with Dunkin' Donuts of America Inc, which determines the expiration date of the master franchise agreement to be the last shop operate under a former agreement and those shops has been granted to operate for 20 years after the opening date of each shop. However, the master agreement will be expired on December 15, 2021.

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, 2019 and 2018, the subsidiaries of Mudman Group have jointly guaranteed the revolving credit facilities of Mudman Group amounting to Baht 350 million and Baht 373 million, respectively (see Note 18).
- 34.6.2 As at December 31, 2019 and 2018, the Company and its subsidiaries have outstanding bank guarantees of approximately Baht 58 million and Baht 60 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 1.27 million and Baht 2.43 million, respectively which the deposits at bank were used as collateral (see Note 9).

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.

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 September 27, 2019, the Company paid for legal compensation together with interest to the former employee in the amount of Baht 15.91 million and the court case is finalized.

- 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, trade and other current receivables, short term loans, restricted bank deposits, investment held as available-for sale, short-term borrowings trade and other current payables, 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, liabilities under finance leases, long-term borrowings, and long term debentures. 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 summarized 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) are as follows:

Unit : Million Baht						
Consolidated financial statements as at December 31, 2019						
	Fixed interest rates		Floating	Non - interest	Total	Interest rate
	Within	Over 1	interest rate	bearing		(% per annum)
	1 year	and up to				
		5 years				
Financial assets						
Cash and cash equivalents	-	-	90	86	176	0.10 - 0.85
Temporary investments	-	-	-	8	8	-
Trade and other current receivables	-	-	-	203	203	-
Restricted bank deposits	1	-	-	-	1	0.38 - 1.38
Financial liabilities						
Short-term borrowings from financial institutions	77	-	-	-	77	3.55 - 4.25, MLR - 2.5
Trade and other current payables	-	-	-	449	449	-
Liabilities under finance leases	17	16	-	-	33	2.50 - 3.30
Long-term borrowings from financial institutions	-	-	196	-	196	1.00 - 5.13, MLR - 1 to MLR - 1.5
Long-term debentures	599	498	-	-	1,097	5.00

Unit : Million Baht

Consolidated financial statements as at December 31, 2018

	Fixed interest rates		Floating	Non - interest	Total	Interest rate
	Within	Over 1	interest rate	bearing		(% per annum)
	1 year	and up to				
		5 years				
Financial assets						
Cash and cash equivalents	30	-	116	83	229	0.10 - 0.95
Temporary investments	-	-	-	12	12	-
Trade and other current receivables	-	-	-	166	166	-
Restricted bank deposits	2	-	-	-	2	0.90 - 1.38
Investment held as available for sale	-	-	-	75	75	-

Financial liabilities

Short-term borrowings from financial institutions	120	-	-	-	120	3.55 - 3.70
Trade and other current payables	-	-	-	496	496	-
Liabilities under finance leases	10	12	-	-	22	2.50 - 3.30
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

Separate financial statements as at December 31, 2019

	Fixed interest rates		Floating	Non - interest	Total	Interest rate
	Within	Over 1	interest rate	bearing		(% per annum)
	1 year	and up to				
		5 years				
Financial assets						
Cash and cash equivalents	-	-	17	4	21	0.70 - 0.95
Trade and other current receivables	-	-	-	64	64	-
Financial liabilities						
Trade and other current payables	-	-	-	84	84	-
Liabilities under finance leases	0.62	1.55	-	-	2.17	3.30
Long-term debentures	599	-	-	-	599	5.00

Unit : Million Baht

Separate financial statements as at December 31, 2018

	Fixed interest rates		Floating	Non - interest	Total	Interest rate
	Within	Over 1	interest rate	bearing		(% per annum)
	1 year	and up to				
		5 years				
Financial assets						
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 held as available for sale	-	-	-	75	75	-
Financial liabilities						
Short-term borrowings from financial institutions	50	-	-	-	50	3.55
Trade and other current payables	-	-	-	104	104	-
Liabilities under finance leases	0.25	0.81	-	-	1.06	3.30
Long-term debentures	-	598	-	-	598	5.00

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							
	Level 1		Consolidated financial statements				Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Financial Assets								
Investment in equity instruments	74	75	-	-	-	-	74	75
Investment properties	-	-	-	-	378	378	378	378
Land	-	-	408	408	-	-	408	408
Financial Liabilities								
Long-term debentures	-	-	1,097	1,099	-	-	1,097	1,099

	Unit : Million Baht							
	Level 1		Separate financial statements				Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Financial Assets								
Investment in equity instruments	-	75	-	-	-	-	-	75
Investment properties	-	-	-	-	378	378	378	378
Land	-	-	406	406	-	-	406	406
Financial Liabilities								
Long-term debentures	-	-	599	598	-	-	599	598

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 maximize shareholder value.

37. EVENTS AFTER THE REPORTING PERIOD

- 37.1 On January 27, 2020, MM FR SAS, a subsidiary of Mudman International Limited, established of a subsidiary in France to support business expansion with a registered capital of Euro 10,000 which will be held by MM FR SAS at a 100%.
- 37.2 On February 26, 2020, the Board of Directors meeting No. 1/2020 of Mudman Public Company Limited, the subsidiary, passed a resolution of the distribution of dividends for the year 2019 totaling the amount of approximation Baht 61.18 million. The above dividend distribution shall be payable to the shareholders entitled to receive the dividends in accordance with the Company's Articles of Association and who are listed on the record date on May 7, 2020. The dividend payments will be made on May 21, 2020. The dividend is subject to the approval of the shareholders at the Annual General Meeting to be held on April 23, 2020.

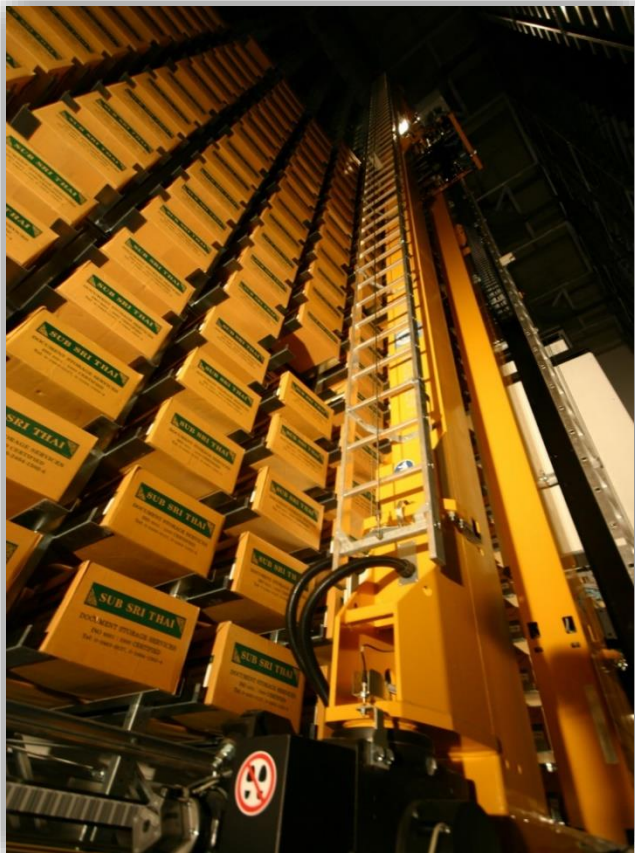
38. RECLASSIFICATIONS

Certain transaction in the financial statements for the year ended December 31, 2018 have been reclassified in conformity with the presentation in the financial statements for the year ended December 31, 2019. The reclassifications have not affected to net profit, total comprehensive income and share holders' equity previously reported. Such reclassification is as follows:

Item	Previous presentation	Reclassified to	Unit : Thousand Baht	
			Consolidated Financial Statement	Separate Financial Statement
Statements of financial position as at December 31, 2018				
Unearned revenue over 1 year	Trade payables and other payables	Other non-current liabilities	5,546	5,546
Other intangible asset under development	Property, plant and equipment	Intangible assets	2,095	2,095

39. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's authorized directors on February 27, 2020.



SUB SRI THAI Public Company Limited.

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