

Srithai Superware Public Company Limited



2011



Annual Report

Save Material, Save Energy, Save the World



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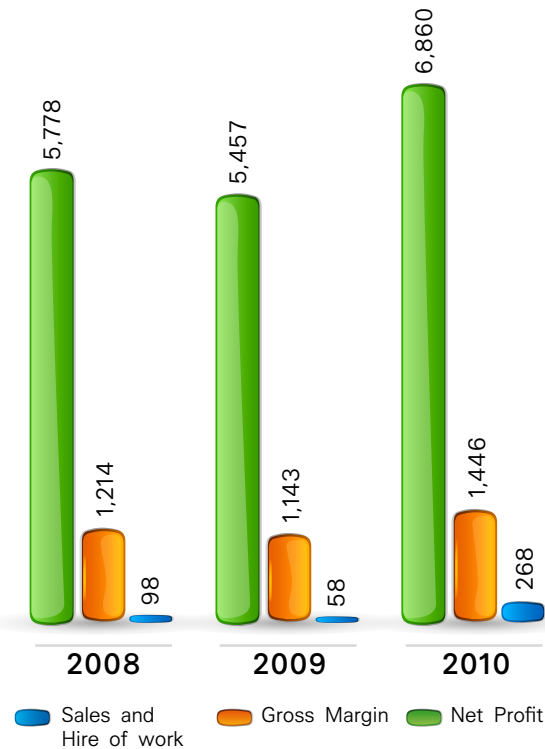
HIGHLIGHT OF CONSOLIDATED FINANCIAL STATEMENTS

Unit : Thousand Baht

	2010	2009	2008
CONSOLIDATED BALANCE SHEETS			
Assets	8,511,650	7,720,503	7,451,859
Liabilities	3,306,958	2,701,541	2,393,215
Shareholders' equity	5,204,692	5,018,962	5,058,644
CONSOLIDATED INCOME STATEMENTS			
Sales and hire of work	6,859,757	5,456,581	5,777,722
Gross profit	1,446,323	1,142,844	1,214,264
Selling & Administrative expenses	(1,079,625)	(955,218)	(928,477)
Directors and managements' remuneration	(89,800)	(72,334)	(76,404)
Other income (Other expenses)	107,503	22,406	(8,313)
Profit before finance costs and income tax	384,401	137,698	201,070
Net profit for the year (Equity holders of the parent)	267,967	57,764	98,193
CONSOLIDATED STATEMENTS OF CASH FLOWS			
Net cash receipt from operating activities	624,152	483,132	350,654
Net cash payments for investing activities	(799,453)	(748,842)	(740,483)
Net cash receipts (payments) for financing activities	283,139	254,121	405,224
Cash and cash equivalents, closing balance	386,480	279,417	291,006
KEY FINANCIAL RATIOS			
Current Ratio (times)	1.63	1.56	1.49
Account Receivable Turnover (days)	64.52	70.41	66.72
Inventory Turnover (days)	24.95	32.57	29.95
Account Payable Turnover (days)	61.23	61.55	57.22
Gross Profit Ratio to Sales (%)	21.08	20.94	21.02
Net Profit Ratio to Total Revenues (%)	3.85	1.05	1.68
Return on Total Assets (%)	3.30	0.76	1.37
Debt to Equity Ratio (times)	0.64	0.54	0.47

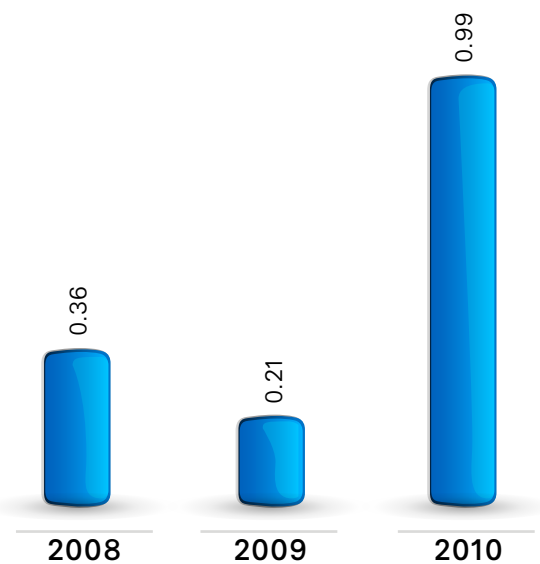
Operation Results

(Unit : Million Baht)



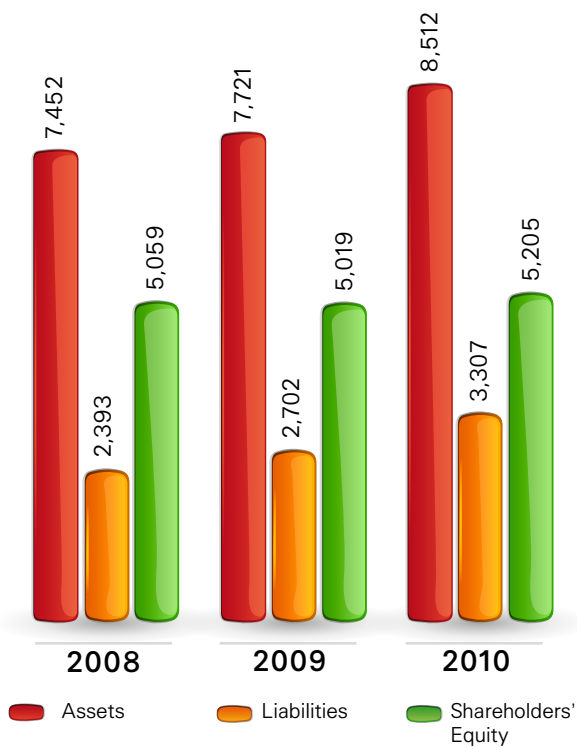
Earnings per Share

(Unit : Baht)



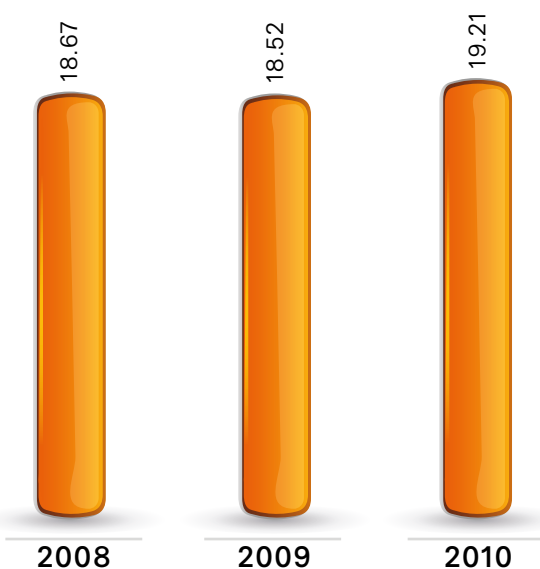
Assets, Liabilities and Shareholder's Equity

(Unit : Million Baht)



Book Value per Share

(Unit : Baht)



MESSAGE FROM THE CHAIRMAN



In the year 2010, sales amount of THB 5,710 million was achieved.

For the fiscal year 2011, our 48th anniversary, we have set our sales target at THB 6,700 million amid prevailing fluctuation, complication and fragility of economic recovery in the USA and some European countries.

Nevertheless, we have to face many challenges such as weakness of U.S. dollars adversely effecting our export income, higher cost of labor, rising costs of raw materials and energy, higher inflation, climate change resulting in natural disaster, borderless competition in business, etc. Businesses have to get prepared for those changes or end in failure.

However, our Management is fully aware of those threats and has laid down counter-measures. More importantly, we are relying on unified efforts of our personnel to help us overcome the challenges vigorously, as we did it and overcome crisis with great pride in the past.

In 2011, production capacity of **Household Products Business**, of which products are made from melamine, will be increased by 10%. The Company will focus on:-

1. Being more customer-oriented;
2. Becoming a world trend-setting company in designing decorations, shapes and functions of our products;
3. Delivery of right products of high quality in a timely manner;
4. Increasing efficiency & productivity in every business unit to bring down cost of production and reduce waste in order to be more competitive in the global market.

Our **Industrial Products Business** will keep on expanding. We have been producing closure, preform, and blow moldings. We shall concentrate on providing technical and other services for our customers in beverage packaging. Recently, an expert in Beverage Packaging from England who has had more than 30 years experience in this field is working very closely with our customers.

In the past year, we invested in new machines that produce thin-wall tamper-evident food containers with a pre-use locking system that guarantees a high sanitation standard for our consumers. This technology will support the growth of Thai food industry, contributing to the Thai World Kitchen campaign.

Moreover, we have introduced In-Mould Labeling technology (IML) to beverage packaging. It was highly successful in the past year. We are developing further our successful IML for Crystal Clear, Glow-in-the-Dark and Metalized Appearance labels for beverage packaging. It is expected to gain market recognition widely.

Regarding our battery case product, a Japanese expert with 20 years experience joined the team in January 2011. We expect to be able to do product development to improve production process and to create innovation in this business.

For **Network Marketing or Multi-level Marketing (MLM) Business**, our strategy is to focus on food supplement. Currently, we have been appointed the sole distributor of Jintan-a product produced and sold in Japan during the last 100 years.

In addition to increasing of product lines, we also have been increasing our outlets both locally and internationally. We set up an investment budget of THB 1,400 million.

For business located outside Thailand, the Company has the following investment plans to support market expansion:-

- In India, sales offices will be increased from 2 offices, presently in Delhi and Mumbai, to 4 offices. Two new sales offices will be in Bangalore and Kolkata. A new melamine tableware plant will be set up.
- In Vietnam, the Company will increase production capacity of melamine tableware by 100%.
- In China and Indonesia, the focus will be on increasing productivity to enhance our competitiveness in the markets.

We have increased our production capacity and invest in more machines to expand product lines serving demands in the markets. We have also focused on human resource development to enhance ability of our personnel. In 2011, we have requested King Mongkut University of Technology Thonburi to create a curriculum for our employees with a Higher Vocational Diploma. The employees will work while studying, and will be conferred a Bachelor's degree within 2 years.

The continuous growth of Srithai Superware Group during the last 48 years was attributed to hard working of our personnel and their affection toward the Company as if it is their second house. All stakeholders who have always been supporting the Company will last in our memories forever.

The Company would like to thank all directors, colleagues, and stakeholders for their support and guidance given to us. It has enabled the Company to compete vigorously in the world-class arena.



Mr. Sanan Angubolkul
Chairman

1. GENERAL INFORMATION

Company Name :	Srithai Superware Public Company Limited
Symbol :	SITHAI
Registration Number :	0107536001516
Nature of Business :	<ol style="list-style-type: none"> 1) To manufacture and distribute plastic industrial products and melamine household products 2) To engage in trading business by sourcing of products locally and abroad
Registered and Paid up Capital :	THB 2,709,904,800 Comprising 270,990,480 common shares at par value THB 10
Location :	Head Office 15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140 Tel. : 66 2427 0088 Fax : 66 2428 9675 URL : www.srithaisuperware.com Factories producing plastic industrial products 1) Suksawat Factory 15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140 Tel. : 66 2427 0088 Fax : 66 2874 5010 2) Bangpoo Factory 610, Soi 8A, Bangpoo Industrial Estate, Tambon Prak-Sa, Amphoe Mueang, Samut Prakan Province 10280 Tel. : 66 2324 0922-3 Fax : 66 2324 0924 3) Amata Nakorn Chonburi Factory 700/13 Moo 1, Amata Nakorn Industrial Estate, Tambon Klong Tamru, Amphoe Mueang, Chon Buri Province 20000 Tel. : 66 3821 3250 Fax : 66 3821 3234 Factory producing melamine household products Korat Factory 335, Moo 6, Suranaree Industrial Estate, Ratchasima–Chok Chai Road, Tambon Nongrawiang, Amphoe Mueang, Nakhon Ratchasima Province 30000 Tel. : 66 4421 2100 Fax : 66 4421 2036

Office of Network Marketing Business

9 Pakin Building, 1st Floor, Room no. 109, Ratchadaphisek Road,
Dindaeng, Bangkok 10400

Tel. : 66 2246 1111 Fax : 66 2246 1113

URL : www.snatur.com, www.facebook.com/SNaturlive

Accounting Period : January 1 – December 31

Share Registrar : Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building, Ratchadaphisek Road,
Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110
Tel. : 66 2229 2800 Fax : 66 2359 1259

Auditor : Mr. Prasan Chuaphanich
Certified Public Accountant (Thailand) No. 3051
PricewaterhouseCoopers ABAS Limited
15th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road,
Bangkok 10120
Tel. : 66 2286 9999, 66 2344 1000 Fax : 66 2286 5050

Legal Advisor : Niti-Pricha Office
69/33 Soi Athens Theater, Phayathai, Bangkok 10400
Tel. : 66 2252 9494, 66 2251 3225 Fax : 66 2251 3226, 66 2255 5201

Security Agent : Siam City Bank Public Company Limited
Head Office
1101 New Petchburi Road, Rajthevi, Bangkok 10400
Tel : 66 2208 5000 Fax : 66 2253 6227

JURISTIC PERSON'S SHARES OF WHICH THE COMPANY HOLDS MORE THAN 10%**Subsidiary Companies****1. Company Name : P.E.T. Blow Company Limited ⁽¹⁾**

Location : 15 Moo 4, Soi Suksawat 36, Suksawat Rd., Bangpakok, Rasburana, Bangkok

Type of Business : Blow moulding for beverage packaging and/or other packaging

Telephone : 0 2427 0088

Fax : 0 2428 9675

Number of Shares Issued and Paid up : 500,000 shares, paid-up per share : Baht 2.50

Paid-up Capital : Baht 1,250,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	499,997	100.0
Management, 2 persons	2	0.0
Relatives of some Management	0	0.0
Other	1	0.0
Total	500,000	100.0

⁽¹⁾ Registered on December 17, 2010 with the Ministry of Commerce

2. Company Name : Srithai (Vietnam) Company Limited

Location : 9 Street 2, Song Than 1 Industrial Park, Di An District, Binh Duong Province,
Socialist Republic of Vietnam

Type of Business : Manufacturing and distributing plastic industrial products and household
products made of melamine

Telephone : 84 6503 790023-4

Fax : 84 6503 790025

Paid-up Capital : Dong 109,337,834,503

Structure of Shareholders	%
Srithai Superware Public Company Limited	95.8
Management	0.0
Relatives of some Management	0.0
Other	4.2
Total	100.0

3. Company Name : Srithai Moulds Company Limited

Location : 55/1, 55/6 Moo 1, Nong-Samsak, Amphoe Ban Bueng, Chon Buri

Type of Business : Mould-making service

Telephone : 0 3837 9280-2

Fax : 0 3847 6352, 0 3837 9283

Number of Shares Issued and Paid up : 1,000,000 shares, paid-up per share : Baht 100

Paid-up Capital : Baht 100,000,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	709,820	71.0
Management, 5 persons	188,060	18.8
Relatives of some Management, 3 persons	102,000	10.2
Other	120	0.0
Total	1,000,000	100.0

4. Company Name : Srithai Superware India Limited

Location : 507 Udyog Vihar, Phase-V, Gurgaon-122001, Haryana, Republic of India

Type of Business : Trading melamine household products

Telephone : 91 124 411 0404

Fax : 91 124 411 0505

Number of Shares Issued and Paid up : 2,500,000 shares, paid-up per share : Rupee 10

Paid-up Capital : Rupee 25,000,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	1,749,996	70.0
Management, 4 persons	4	0.0
Relatives of some Management	0	0.0
Other	750,000	30.0
Total	2,500,000	100.0

5. Company Name : Srithai Nanoplast Company Limited

Location : 42 Moo 4, Tambon Bualoy, Amphoe Nhong Kae, Saraburi

Type of Business : Manufacture and Distribution of Plastic Products

Telephone : 0 3637 3251-5

Fax : 0 3637 3256

Number of Shares Issued and Paid up : 4,000,000 shares, paid-up per share : Baht 10

Paid-up Capital : Baht 40,000,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	2,799,997	70.0
Management, 2 persons	2	0.0
Relatives of some Management, 2 persons	600,000	15.0
Other	600,001	15.0
Total	4,000,000	100.0

6. Company Name : Srithai Miyagawa Company Limited

Location : 539 Moo 4, Tambon Prak-Sa, Amphoe Mueang, Samut Prakan

Type of Business : Mould-making service, Manufacturing and distributing plastic industrial products

Telephone : 0 2324 0425-6

Fax : 0 2324 0427

Number of Shares Issued and Paid up : 1,200,000 shares, paid-up per share : Baht 100

Paid-up Capital : Baht 120,000,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	611,994	51.0
Management, 4 persons	4	0.0
Relatives of some Management, 1 person	1	0.0
Other	588,001	49.0
Total	1,200,000	100.0

7. Company Name : Srithai Shin-Osaka Company Limited ⁽²⁾

Location : 1/132 Moo 2, Tambon Ta-sai, Amphoe Mueang, Samut Sakorn

Type of Business : Providing services of hard-chroming, polishing and etching of moulds and assembly services for plastic products

Telephone : 0 3449 0130-1

Fax : 0 3449 0132

Number of Shares Issued and Paid up : 600,000 shares, paid-up per share : Baht 83

Paid-up Capital : Baht 49,800,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	240,000	40.0
Management, 4 persons	45,005	7.5
Relatives of some Management, 3 persons	44,995	7.5
Other	270,000	45.0
Total	600,000	100.0

⁽²⁾ Srithai Shin-Osaka Company Limited is a subsidiary. Eventhough the Company holds shares in it less than half, the Company has controlling votes, directly or indirectly, and controlling power.

Associated Companies**1. Company Name : Srithai Sanko Company Limited**

Location : 15 Moo 4, Soi Suksawat 36, Suksawat Rd., Bangpakok, Rasburana, Bangkok
 Type of Business : Trading Company
 Telephone : 0 2427 0088, 0 2428 9936
 Fax : 0 2428 9935
 Number of Shares Issued and Paid up : 200,000 shares, paid-up per share : Baht 100
 Paid-up Capital : Baht 20,000,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	95,994	48.0
Management, 5 persons	5	0.0
Relatives of some Management	0	0.0
Other	104,001	52.0
Total	200,000	100.0

2. Company Name : Thai MFC Company Limited

Location : 1 Siam Cement Road, Bang Sue, Bangkok
 Type of Business : Manufacture and Distribution of Melamine Powder
 Telephone : 0 2586 3894-6
 Fax : 0 2586 4878
 Number of Shares Issued and Paid up : 2,000,000 shares, paid-up per share : Baht 100
 Paid-up Capital : Baht 200,000,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	900,000	45.0
Management	0	0.0
Relatives of some Management	0	0.0
Other	1,100,000	55.0
Total	2,000,000	100.0

3. Company Name : Beijing Huatai Replica of Porcelain Products Company Limited

Location : Xi Guan Street No.104, Tongxian, Beijing, People's Republic of China
 Type of Business : Producing and distributing melamine household products
 Telephone : 86 10 6954 7477
 Fax : 86 10 6954 1924
 Paid-up Capital : Yuan 10,610,678

Structure of Shareholders	%
Srithai Superware Public Company Limited	40.0
Management	0.0
Relatives of some Management	0.0
Other	60.0
Total	100.0

4. Company Name : Srithai Packaging Company Limited

Location : 30/27 Moo 2, Tambon Khok Kham, Amphoe Mueng Samut Sakhon,
Samut Sakhon
Type of Business : Manufacture and Distribution of Paper Boxes
Telephone : 0 3445 2100-7
Fax : 0 3445 2108-9
Number of Shares Issued and Paid up : 600,000 shares, paid-up per share : Baht 100
Paid-up Capital : Baht 60,000,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	235,200	39.2
Management, 1 person	29,400	4.9
Relatives of some Management, 3 persons	29,400	4.9
Other	306,000	51.0
Total	600,000	100.0

5. Company Name : PT. Srithai Maspion Indonesia

Location : Ji Kembang Jepun 38-40, Surabaya, Republic of Indonesia
Type of Business : Producing and distributing melamine tableware
Telephone : 62 31 891 3004
Fax : 62 31 891 3630
Number of Shares Issued and Paid up : 9,320 shares, paid-up per share : Rupiah 1,115,250
Paid-up Capital : Rupiah 10,394,130,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	3,029	32.5
Management	0	0.0
Relatives of some Management	0	0.0
Other	6,291	67.5
Total	9,320	100.0

6. Company Name : Takahashi Korat (1995) Company Limited ⁽³⁾

Location : 479 Moo 4, Tambon Prak-Sa, Amphoe Mueang, Samut Prakan
Type of Business : Manufacturing and distributing plastic industrial products
Telephone : 0 4433 8158
Fax : 0 4433 8487
Number of Shares Issued and Paid up : 1,500,000 shares, paid-up per share : Baht 100
Paid-up Capital : Baht 150,000,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	285,000	19.0
Management, 1 person	63,750	4.3
Relatives of some Management, 3 persons	63,750	4.3
Other	1,087,500	72.4
Total	1,500,000	100.0

⁽³⁾ Due to loss suffering, it has halted operation temporarily in order to support companies under Takahashi group.

Joint Venture Company**1. Company Name : Srithai-Otto (Thailand) Company Limited**

Location : 15 Moo 4, Soi Suksawat 36, Suksawat Rd., Bangpakok, Rasburana, Bangkok
 Type of Business : Trading Company
 Telephone : 0 2427 0088
 Fax : 0 2874 5015
 Number of Shares Issued and Paid up : 200,000 shares, paid-up per share : Baht 50
 Paid-up Capital : Baht 10,000,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	99,996	50.0
Management, 2 persons	2	0.0
Relatives of some Management, 1 person	1	0.0
Other	100,001	50.0
Total	200,000	100.0

Other Company**1. Company Name : LN Srithai Comm Company Limited**

Location : 71/12 Moo 5, Tambon Tha-Kam, Amphoe Bang Pakong, Chachengsao
 Type of Business : Manufacture and Export of Telephone Sets
 Telephone : 0 3857 3061-3
 Fax : 0 3857 3064, 0 3857 3069
 Number of Shares Issued and Paid up : 76,000 shares, paid-up per share : Baht 1,000
 Paid-up Capital : Baht 76,000,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	15,194	20.0
Management, 2 persons	3	0.0
Relatives of some Management, 1 person	2	0.0
Other	60,801	80.0
Total	76,000	100.0

2. Company Name : Takahashi Plastics Company Limited ⁽⁴⁾

Location : 479 Moo 4, Bangpoo Industrial Estate, Tambon Prak-Sa, Soi 1, Sukhumvit Road,
 Amphoe Mueng, Samut Prakan
 Type of Business : Manufacturing and distributing plastic industrial products
 Telephone : 0 2324 0730, 0 2709 3480
 Fax : 0 2324 0698-9
 Number of Shares Issued and Paid up : 2,200,000 shares, paid-up per share : Baht 100
 Paid-up Capital : Baht 220,000,000

Structure of Shareholders	Shares	%
Srithai Superware Public Company Limited	66,000	4.9
Takahashi Korat (1995) Company Limited	1,140,001	85.1
Management	0	0.0
Relatives of some Management	0	0.0
Other	993,999	10.0
Total	2,200,000	100.0

⁽⁴⁾ Registered increase of capital from Baht 134 million to Baht 220 million with the Ministry of Commerce on August 20, 2010. A new shareholder who is not connected with the Company has invested in all newly issued common shares, resulting in a decrease of the Company's direct holding and indirect holding via Takahashi Korat(1995) Company Limited from 21.1% to 12.8%. Consequently, status of this investment was reclassified from an associated company to other long-term investment.

SHAREHOLDING STRUCTURE OF SRITHAI SUPERWARE GROUP CLASSIFIED
BY BUSINESS LINE



SHAREHOLDING STRUCTURE OF SRITHAI SUPERWARE GROUP



2. RISK FACTORS

2.1 Marketing Risk

Export markets for the melamine household products had experienced a high level of competition especially from Chinese competitors. Eventhough the overall quality of products from China is lower than those of the Company, some entrepreneurs are also improving their production capacity and offering products of almost the same grade of melamine as those offered by the Company. Also, the Chinese government's export promotion policies had emerged in various forms, resulting in more competitive environment for the Company and losing our market share in markets that give no concern to quality. The Company had mapped out plan to manage this risk as follow:-

- a) Find out cheaper sources of raw materials at reasonable prices for production of quality melamine products as per standard set up by each country, and collaborate on development of raw materials with its producers to get raw materials that are suitable with our production technology and our products;
- b) Improve production efficiency by investing in modern technology, and improve production process to reduce cost of melamine products;
- c) Export to countries having Free Trade Agreements with Thailand to enjoy low customs duty, i.e. ASEAN countries, Korea, China, India, Japan, Australia and New Zealand;
- d) Expand customer bases restlessly to countries in Eastern Europe, Africa and South America. The Company has been exporting to more than 100 countries worldwide;
- e) Increase product variety and sell products as per customers' requirement on design, standard and applications;
- f) Develop new product designs to serve many applications and launch new decorations of contemporary trend to fulfill demand of customers;
- g) Establish a market base in Vietnam - a country of continued potential growth in term of economy and number of population, and distribute products through wholesaling, retailing via Hypermarket and Modern Trade, and direct selling to institutions such as hotels, restaurants, food shops, etc, with comparative advantages on low wages and abundant labor forces providing an opportunity to develop and expand our production base in Vietnam to serve rising demand for our products in South-East Asian and East Asian countries;
- h) Establish a firm market base in India by appointing sales distributors, and set up a production base in India to serve market expansion and to satisfy demand from South Asian countries and Middle-East countries;
- i) Emphasize on markets of high purchasing power and focus on quality products, e.g. Middle- East, South Asia and Europe;
- j) Launch marketing and sales promotion activities to build up brand awareness continually;
- k) Make public relations to promote product knowledge and create consumers awareness of the danger of using low quality melamine products made of toxic ingredient.
- l) Develop and improve product for environmental friendliness.

In domestic market, some competitors in this same business import cheaper products to sell locally. The Company has managed that risk by diversifying its sales distribution channels via direct sales networks, distributors and direct approach to customers. In addition, the Company has also joined hands with a governmental agency to set up quality standard to control imported goods so as to make sure that imported products are of comparable quality with local products to protect consumers too.

2.2 Risk of Raw Material Price

Plastic resin and melamine powder, two key raw materials, are by-products from oil refinery process. If price of world crude oil rises, price of raw material rises. Though the Company buys most raw material from domestic source, the selling prices are referred to world market where prices of factors of production of raw materials and raw materials are quoted globally in US Dollar currency. So the fluctuation in foreign exchange rate between Thai Baht and US Dollar has some impact to raw material prices. Moreover, demand and supply side of production and consumption of those raw materials is another key factor determining raw material prices. Consequently, if world prices rise, the Company has to hike selling prices accordingly.

Because the Company uses plastic and melamine as much as 60% of the cost of production, the Company stands at risk bearing rising cost and is not able to adjust selling prices suitable to the increase in cost at times of raw material price fluctuation. Therefore, the Company had determined measures to safeguard itself from price-fluctuation risk as follow:-

- a) Consistently seek for additional qualified and standardized raw material from local and overseas sources to procure sufficient raw material sources and to be alternative sources for material prices comparison from various suppliers or producers prior to the placing of orders to find the best trade term;
- b) Monitor price trend of raw materials with suppliers and producers, from both domestic and overseas suppliers, and price trend of crude oil and petrochemical products as well;
- c) Buy raw material now to support production for a certain period of time if price tends to rise in the future so that goods can be produced and delivered to customers as agreed, or place order more frequently in case of price volatility;
- d) Import raw materials in case that price in offshore market is lower than that of domestic market;
- e) Negotiate occasionally on trade terms with suppliers to get appropriate prices;
- f) Take OEM orders for industrial parts which expose the Company to minimal risk on volatility of raw material prices because hirers take that risk, with agreements between the two parties to adjust prices when prices of raw materials change;
- g) Implement Supply Chain Management to jointly determine appropriate size of orders with the customers and to coordinate with the raw material producers to improve efficiency and effectiveness of delivery of raw materials and the Company's production.

2.3 Production Risk

Melamine powder, the major raw material for production of household products, has unique application and is available from only a few suppliers in Thailand while the Company's demand for melamine powder had increased along with the business growth. Therefore, the Company may take risk on shortage of raw material, causing the limit on growth of household products to be lower than what it should be. However, the Company has measures to absorb such risks as follow.

- a) The Company holds 45% of common shares in Thai MFC Company Limited which is the main producer of melamine powder used by the Company. The two partners engage in joint research and development scheme on raw materials. Production capacity of Thai MFC Company Limited is sufficient to satisfy demand of the Company and to supply to other manufacturers as well. This ensures that the Company has reliable source of supply of quality melamine powder and will not experience shortages of such in the future.
- b) The Company has good relationship with other melamine powder producers who had been our trading partners for a long time. As a result, the Company could procure the raw materials at reasonable prices.
- c) If the production capacity of melamine powder in Thailand is not sufficient or the melamine powder is available at a higher price than that outside of Thailand, the Company will import it from other countries.

The Company has no risk of experiencing shortage of plastic pellet which is an important raw-material of all industrial parts as there are many suppliers. The Company could procure it from local and foreign suppliers.

2.4 Labor Risks

The improvement of the economy of the World and Thailand in 2010 and the growth of many industries had helped skill laborers in Thailand to have more choices in their occupations, leading to the shortage of skilled labor. This trend is expected to increase every year. The Company's melamine products production process depends mainly on skilled labor at a large number to serve rising orders from customers. The Company has realized the problem of the skilled labor shortage and has prepared operational guidelines to reduce the impact on the Company's business expansion as follows:

- a) Efficient management of production plan to reduce unnecessary working procedures;
- b) Establishment of a training center to provide production training to workers prior to actual production;
- c) Import of foreign labors legally for certain production process;
- d) Development of automatic machines or semi-automatic machines to reduce dependence on labors.

2.5 Risks of Competition of Direct Sales Business

At present, the direct sales business in Thailand has a high market value with continued growth. There are many competitors whose number tends to increase. The competitors consist of local direct sales business and international business network which may halt growth of the Company's business network and may lose its market share. The Company has planned to handle the risk as follows:

- a) To have efficient plan on procurement of goods, so as to increase bargaining power in terms of cost with the material suppliers which helps decrease the cost of finished products;
- b) To expand distribution channels to neighboring countries such as Myanmar, Laos, Indonesia, etc. in order to reduce risks of the local market and to serve the need of members who want to expand market coverage;
- c) To adopt brand awareness strategy to reinforce customers base and brand loyalty;
- d) To focus on creating new innovation in terms of working system and products for business differentiation and to be the leader of innovation in the network marketing business;
- e) To select products by taking into consideration qualification of product distributors based on the Good Supplier Selection Program which mainly considers distributors' marketing support, product delivery and distribution, and support on trainers/training courses, etc.

2.6 Financial Risk

2.6.1 Risk of Breaching Financial Covenants

The Company has to comply with financial covenants, as required by the Loan Agreements signed between the Company and 4 local commercial banks. The Agreements are still effective until outstanding loans being fully settled. In case of breaching of any financial covenant, an event of default may be declared.

Risk Counter-Measures:

The Company has prepared a financial projection for internal use. It can be used as a tool by Management to predict financial ratios of the future. Real figures in subsequent interim periods are closely monitored to lessen the chance of breaching any financial covenant.

2.6.2 Risk of Foreign Exchange Rates

Exports of products and imports of raw materials, finished goods and machines & equipment expose the Company to risk of foreign exchange fluctuation. In such case, the Company cannot forecast income, cost and cash flow accurately.

Risk Counter-Measures:

The Company's most of the revenue from export is denominated in the US Dollar currency which was 60% of the export revenue in 2010. The revenue from the USD currency will increase with the expansion of export. However, the Company's most of the import is denominated in the US Dollar currency but the expenditure depends mainly on investment in assets each year. With most of the revenue and expenditure denominated in the US Dollar, the Company has reduced foreign exchange risk by netting off cash inflow and cash outflow in foreign currency using a natural hedge together with entering into currency forward contracts depending on the situation to prevent the risk of the fluctuation of the foreign exchange. In so doing, it will help the Company to fix income, cost of products and cash flow, as well as to adopt appropriate strategies for the Company. In 2010, the Company had entered into the US Dollar forward sales contract with a total of USD 12 million to reduce the exchange risk of the portion of revenue denominated in US Dollar currency exceeding the expenditure in USD.

In addition, negotiation and quotation of goods prices denominated in currencies other than US dollars is adopted for diversification of foreign exchange risk and lessening of impact on dependence on any particular currency.

2.6.3 Interest Rate Risk

The Company's long-term loans, borrowed from 4 local commercial banks, consisted of :

1. Long-term loans under energy conservation project, The long-term loans carry fixed interest charge throughout the 7-year period since it is the low-cost loan supported by the government for energy conservation.
2. Long-term loans to finance investments as per business expansion plan each year. Its interest rates float on MLR for a period of 7 years.
3. The long term loan for refurbishment of Amata Nakorn Chonburi that was effected in a fire incident in 2010 with fixed interest rate during the 3-year loan period.

Apart from the aforementioned long-term loans, revolving credit facilities carry floating interest rate. The Company has exposure to risk of fluctuation of interest rates that float with MLR or MOR.

Risk Counter-Measures:

The Company received the special long-term loan in 2010 for the refurbishment of the factory in Amata Nakorn Chonburi which led to an increase of the portion of the long-term loan with fixed interest rate, representing 40% of the total long-term loan as of December 31, 2010, as compared with that of the previous year. This would help scale down the Company's rising financial cost during the increasing interest rate situation. The Company implemented risk counter-measures for managing interest rate risk by drawing up investment plans in advance so that the Company could have sufficient time seeking for proper sources of credit lines with reasonable interest rate, and by prepaying principal amount as deemed appropriate in case of excess liquidity. This is possible without incurring extra expenses or breaching any covenant.

For working capital credit facilities, the Company's overdraft lines were based on floating interest rate. The Company has applied a risk counter-measure by preparing the projected cash flow in advance so that the Company was able to estimate the needs for cash in each period, and was able to plan and raise a short-term loan at a fixed interest rate or utilize other revolving credit facilities as deemed appropriate to make up liquidity. Furthermore, The Company received additional revolving credit lines from 4 local commercial banks in 2010 which would increase more options on sources of short-term loan for the Company.

2.6.4 Credit Risk

Due to most of the Company's sales to customers – both domestic and export customers being on credit, selling to existing customers and new customers along with expansion of customer base under different credit terms granting to the customers have exposed the Company to credit risk that customers might not pay their dues.

Risk Counter-Measures:

The Company has set up criteria for customer credit rating. By trying to find out more information about customers and analyzing credit worthiness before granting credit to them, level of credit risk of the Company deems appropriate. Besides, the Company has a large number of customers who are manufacturers and distributors. Those customers are active in diverse markets. Therefore, credit risk on concentration of customers is low. Taking into consideration the above reasons and our past experience in collection of accounts receivable, management believes that no additional provision beyond the amounts provided as allowance for doubtful accounts was necessary in 2010, and there was no significant change as compared with that of last year. In addition, the strictness of debt collecting had decreased the Company's debt collection period to an average of 64.52 days from 70.41 days in 2009.

Furthermore, payment terms of most export customers are opening of letters of credit or partial or full payment before shipment in case of new customers or those whose financial standing is still in doubt.

3. NATURE OF BUSINESS

3.1 Company Background

Srithai Superware Public Company Limited, “the Company”, was initially operated under the name “Srithai Plastic Industry Limited Partnership”. It was founded by Mr. Sumit Lertsumitkul on August 1, 1963, to operate as a manufacturer and distributor of household plasticware.

In 1972, the business was renamed “Srithai Superware Limited Partnership” and the management team was reorganized. Mr. Sanan Angubolkul was appointed as Factory Manager at that time. A new product line, melamine tableware, was added.

In 1979, the limited partnership was transformed into a company limited under the name “Srithai Superware Company Limited”, after which the Company kept on expanding.

The Company was listed in The Stock Exchange of Thailand on October 2, 1991, with an increase of registered capital from Baht 170 million to Baht 200 million. The Company was transformed into a public company limited on December 13, 1993.

The Company increased its registered capital again to Baht 470 million on January 14, 1994, and subsequently to Baht 500 million on March 19, 1996, with fully paid-up share capital of Baht 400 million.

In July 1997, under the pressure of economic crisis in the Asia-Pacific region, the Company had restructured its debt. On April 28, 2000, the Company converted a portion of debt to equity according to the reorganization plan. It resulted in an increase in paid-up capital from Baht 400 million to Baht 2,857 million. The remainder portion of the affected debts was converted to Secured Floating Rate Notes which were later fully redeemed. On July 15, 2002, the Southern Bangkok Civil Court passed an order to release the Company from the reorganization plan by virtue of Section 90/70 of the Bankruptcy Act B.E. 2483. As a result, the Management team of the Company resumed managerial power again.

In 2005, the Board of Directors unanimously appointed Mr. Sanan Angubolkul as Chairman and President of the Company replacing Mr. Sumit Lertsumitkul, late Chairman who passed away.

The Company has restructured its lines of businesses effective from October 1, 2006. The new structure comprises a Plastic Business line, of which main products are industrial products and household products, a Trading Business line, and a supporting line.

The Re-engineering Plan and Activities & New Business Plan were drawn up in late 2007 with the objective to move the Company forward to stable and sustainable growth and to gaining international recognition. The Plan had effected changes in many managerial processes to the direction of reduction of production cost and adding new product lines. As a result, industrial products of the Company had become more competitive and profitable. Besides, focusing on investment in modern machines and equipments and new moulds had resulted in differentiation and value-adding of products.

In 2008 the Company decreased its registered and paid-up capital from Baht 2,857 million to Baht 2,709.9 million by writing off repurchased common shares which were not disposed of in 3 years from date of repurchase according to share repurchase scheme for financial management and legal requirement.

With over 40 years of experiences in single-level marketing under direct sales business, and deployment of direct sales personnel over 100,000 persons, supported by sales outlets located in all regions of the country, the Company found an opportunity to increase its income from trading business by expanding into multi-level marketing under direct sales business for distribution of consumer products under new brand “SNatur” since 2008. The Company had an objective to promote network marketing business under SNatur brand to become an outstanding brand offering various consumer products of high quality necessary in daily life. It will arouse interest of independent business owners and members, and provide opportunities to them to build up their networks. This will support continual growth of business and will be one of the key income drivers of the Company in the future.

3.2 Business Outlook of Srithai Superware Group

Business outlook of Srithai Superware Group is mostly under the same structure as that of our core businesses, i.e. Plastic Business Line which comprises industrial products and household products and Trading Business Line. The Company has set its strategy of doing integrated businesses to reduce dependency on outsiders, so that competitiveness of the Group could be enhanced. Mould-making subsidiaries, a core success factor of the Plastic Business Line, and other affiliated companies that cannot be classified under the two main business lines are grouped under "other businesses".

3.3 Structure of Revenue

The structure of revenue of the Group can be classified by business lines : Plastic Business Line comprising Industrial Products and Household Products , Trading Business Line, and Mould-Making Business Line as described below:-

Consolidated Financial Statements For the year ended December 31, 2010

(Unit : Thousand Baht)

Plastics Business

	Household Products		Industrial Products		Trading and Moulds Businesses	Total
	Domestic Productions	Overseas Productions	Domestic Productions	Overseas Productions		
Sales and hire of work	2,053,504	51,017	3,898,774	231,640	745,372	6,980,307
Revenues from subsidiaries	(32,449)	(551)	(19,940)	(3,639)	(63,971)	(120,550)
Total Sales and hire of work	2,021,055	50,466	3,878,834	228,001	681,401	6,859,757

Remark Additional information classified by business lines and geographic segments was disclosed in notes to financial statements for the year ended December 31, 2010, page 21-22.

3.4 Structure of Total Sales of Srithai Superware Group

Unit of Total Sales : Million Baht

	2010 Sales [%]		2010		2009		2008	
	Domestic	Export	Sales	%	Sales	%	Sales	%
Plastics Business								
Srithai Superware Public Company Limited	71	29	5,459	59.4	4,515	61.3	4,599	54.5
Srithai (Vietnam) Company Limited (Sales in Vietnam)	88	12	249	2.7	216	2.9	222	2.6
Srithai Nanoplast Company Limited	100	-	16	0.2	6	0.1	31	0.4
Srithai Miyagawa Company Limited	84	16	642	7.0	282	3.8	489	5.8
Thai MFC Company Limited	20	80	683	7.4	636	8.6	667	7.9
Srithai Shin-Osaka Company Limited	28	72	14	0.2	2	0.0	0	0.0
Beijing Huatai Replica of Porcelain Products Company Limited (Sales in China)	100	-	138	1.5	76	1.0	104	1.2
PT. Srithai Maspion Indonesia (Sales in Indonesia)	100	-	93	1.0	94	1.3	95	1.1
Takahashi Korat (1995) Company Limited ⁽¹⁾	86	14	4	0.0	380	5.2	1,040	12.3
Takahashi Plastics Company Limited ⁽¹⁾	79	21	781	8.5	403	5.5	358	4.3
Total Plastics Business	70	30	8,079	87.9	6,610	89.7	7,605	90.1

3.4 Structure of Total Sales of Srithai Superware Group (cont.)

Unit of Total Sales : Million Baht	2010 Sales [%]		2010		2009		2008	
	Domestic	Export	Sales	%	Sales	%	Sales	%
Trading Business								
Srithai Superware Public Company Limited	97	3	179	2.0	133	1.8	161	1.9
Srithai Superware India Limited ⁽²⁾ (Sales in India)	100	-	20	0.2	0	0.0	0	0.0
Srithai-Otto (Thailand) Company Limited	100	-	128	1.4	56	0.8	58	0.7
Srithai Sanko Company Limited	100	-	188	2.0	65	0.9	100	1.2
Lock & Lock (Thailand) Company Limited ⁽³⁾	100	-	197	2.2	70	0.9	0	0.0
Total Trading Business	99	1	712	7.8	324	4.4	319	3.8
Other Business								
- Mould-Making								
Srithai Superware Public Company Limited	83	17	33	0.4	48	0.6	122	1.4
Srithai Moulds Company Limited	100	-	82	0.9	78	1.0	117	1.4
Srithai Miyagawa Company Limited	100	-	86	0.9	93	1.3	82	1.0
Srithai Shin-Osaka Company Limited	100	-	4	0.0	5	0.1	7	0.1
Total Mould-Making	97	3	205	2.2	224	3.0	328	3.9
- Other								
Srithai Superware Public Company Limited	100	-	40	0.4	97	1.3	42	0.5
Srithai Packaging Company Limited	100	-	155	1.7	116	1.6	146	1.7
Total Others	100	-	195	2.1	213	2.9	188	2.2
Grand Total	73	27	9,191	100.0	7,371	100.0	8,440	100.0

⁽¹⁾ Takahashi Korat(1995) Company Limited halted its operation since year end 2009 in order to help support other companies in Takahashi Group from loss suffering. Its purchase orders received from customers were redirected to Takahashi Plastics Company Limited.

⁽²⁾ Srithai Superware India Limited is a new subsidiary of the Company. It has started operation and earned income in 2010.

⁽³⁾ Lock & Lock (Thailand) Company Limited was formerly called Srithai Lock&Lock Company Limited. It increased its registered capital, and changed its name with the Ministry of Commerce in 2010. The Company did not make additional investment in it. As a result, the status of this investment was changed from a subsidiary to other long-term investment.

Remarks :

1. Structure of Total Sales of Srithai Superware Group shown comparatively for 3 years during 2008-2010 was derived from financial statements of respective company without eliminating inter-company transactions.
2. Exchange rates used in the translation of currencies for foreign associates were shown below:-

Exchange rate / Baht	2010	2009	2008
Srithai (Vietnam) Company Limited	666.667 VND	555.556 VND	500.000 VND
Beijing Huatai Replica of Porcelain Products Company Limited	0.223 RMB	0.206 RMB	0.197 RMB
PT. Srithai Maspion Indonesia	317.188 IDR	294.403 IDR	332.591 IDR
Srithai Superware India Limited	1.602 INR	- INR	- INR

3.5 Vision, Mission and Business Direction of the Company

The Company has announced its Vision, Mission and Business Direction for the year 2010-2012 so that executives and all staffs could share a common understanding and coordinate among them to push forward the Company to achieve the desired goals, and move forward to designated direction steadily. Besides, the Company has released its Vision, Mission and Business Direction to the public, partners and stakeholders in order to enhance their confidence in the direction and future of the Company and in doing business with the Company.

Vision

To be a leading company in Thailand in the manufacture and distribution of plastic products and household products that gain international recognition.

Mission

1. Mission in Marketing

Gain more market share in domestic market and expand export markets with quality and standardized products.

2. Mission in Production

2.1 Offer high quality products at lower costs at competitive prices to the world markets, supported by standardized production-management system.

2.2 Improve and develop new products to fulfill demand in markets.

3. Mission in Customer Satisfaction

Improve and maintain quality standard of products so as to build up confidence and customer satisfaction by providing impressive services to customers consistently.

4. Mission in Management

Promote personnel development for enhancing their value adding, advancement in career path and their safety at work places. Be aware of corporate social responsibility and environmental protection.

Business Direction

of Srithai Superware Public Company Limited

For the years 2010- 2012

(announced on December 24, 2009)

1. We shall develop the Superware brand to become a global brand well known to people from all walks of life and generally recognized for its superior quality, fairness and social responsibility.
2. We shall enhance quality growth of the Srithai Superware Group as follows:
 - 2.1 Plastics business:
 - 2.1.1 Industrial products
 - Export Market Assure aggressive growth in regional markets, especially in member countries of AFTA so as to gain more market share and profitability in our businesses.
 - Domestic Market Develop markets to assure its continual growth including defending and expanding of market share so as to enhance profitability continually by focusing on products of high market growth and returns.
 - Product Line Expansion Focus on development of production technology for industrial products, packaging products for food and beverage and other new products in order to have wider coverage for our customers.
 - 2.1.2 Household products
 - Export Market Move towards being a sustainable world leader in melamine products by attaching importance to innovation, development and penetration of markets in various countries in every region.
 - Domestic Market Develop markets to assure continual growth, defend and expand market share, as well as enhance stable profitability.
 - Production Base Expansion Expand production base to a country of high potential in terms of low production cost and supportiveness of expansion of customer base and new markets, especially India.
 - 2.2 Trading Business:
 - To develop a multi-level marketing system as a prominent marketing strategy in expanding business boundary and increasing product variety.
3. Our employees are important partners for our company, therefore we shall give first priority to the development of knowledge and skill of our personnel at all levels to contribute towards their career development, to improve their quality of life and to give them the opportunity to grow along with our business growth.
4. We shall focus on innovation in all areas of production, marketing and services to assure our competitiveness internationally.
5. We shall collectively reshape our corporate culture that will mold our personnel into a team with solidarity and teamwork, loyalty to the organization and recognition of mutual accountability.
6. We shall focus on improvement of product quality, reduction of production cost and punctuality of delivery so as to enhance competitiveness and sustainably defend market leadership of our main products.
7. We shall deploy modern information technology to support our work processes in order to assure speed, accuracy and the most up-to-date information.

4. BUSINESS OPERATION BY BUSINESS LINE

4.1 Content of Plastics Business Line

4.1.1 Plastics Business

The Company's plastics business line has been categorized by its main products i.e. industrial products and household products. The categorization was made according to the function of the products as shown hereunder:-

(1) Industrial Products

(a) Description of Product or Service

- Industrial Parts** - Parts that are used in the assembly of industrial products such as microwave oven, air-conditioner, refrigerator, washing machine, parts for automobiles and motorcycle, fax machine, printer etc.



- Battery Cases** - Exterior plastic case, lid and anode & cathode of batteries for cars and motorcycles.



Pallet

- Low-rise rectangular plastic pedestal used for putting on with goods in warehouse. There are openings inside the pallet for forks of forklift trucks to insert for lifting.

**Bottle Crate**

- Plastic crates with inside divided into small sockets for keeping bottles upright such as soft drink, beer, and other drinks, etc.

**Container**

- Pail for paint, chemical, lubricant and grease

**Garbage Bin**

- Large garbage bin with wheels for sidewalk or public places



- Crate**
- Fish crate, spare part box, milk-pack crate and crate for containing fruits & vegetables



- Food Packaging**
- Plastic package for containing food and beverage, produced with thin-wall injection technology, categorized as follow:-
 - packaging of beautiful design, produced with In-Mould Labeling technology.



- Packaging with decoration printed by offset technology.



- Packaging for chilled and frozen food, and tamper- evident packaging

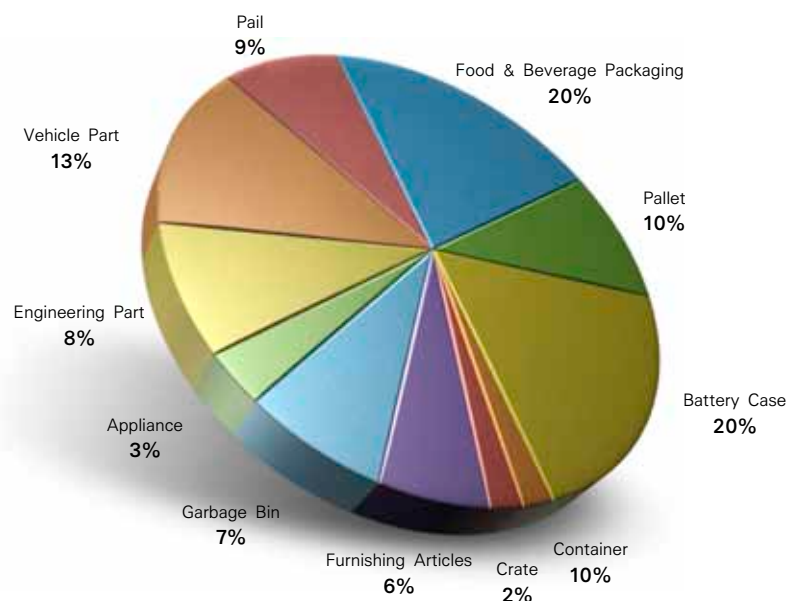


Beverage packaging such as screw cap and preform of soft drink bottle and PET bottle.



Super Jewel Box - DVD and CD containers that could prevent copying of a license-protection product.





Distributors in Thailand are Srithai Marketing Company Limited, Siam Melamine Marketing Company Limited, Tanasiri Industries Company Limited and S. Sirithai Trading Company Limited. They have been our trade partners for a very long time. Besides, there are two distributor companies under Srithai Superware Group, Srithai-Otto (Thailand) Company Limited and Srithai Sanko Company Limited.

(c) Competitive Status and Potential

Most plastic product producers focus on just any one particular product line and compete only in their niche markets. For instance, producers of household plastic products will only produce household products and not other. There are thousands of plastic factories in the country, most of which are relatively small like small factories or household factories with low investment and low technology. Only few plastic factories considered large enough can produce quantity products to serve individuals and businesses as it requires high investment, strict quality control, and advanced technology. Additionally, brand name is also important in creating creditability among customers, especially for manufacturing of engineering parts which requires high quality and timeliness of delivery.

The Group is the leader in plastic industry with many of modern machines and application of new technologies used to enhance its production competency continuously. Currently, the Company has three modern factories producing industrial products with total production capacity as high as 48,000 tons per annum. The Company has expertise in producing plastic precision parts such as industrial and vehicle parts, but will not compete with small producers on plastic products for general use in which price competition is strong but quality is low merely to gain more market share. On contrary, the Company has focused on industrial products of big market size by offering high quality modern products that can serve wide variety of demand of customers.

In addition, the Company has been developing its products always to be differentiated and create value-added to it. The Company has expanded business to new product line since the year 2008, i.e. food & beverage packaging product – a product that the Company has better expertise over its competitors because we are the first who has introduced IML (In-Mould Labeling) technology to Thailand for commercial purpose. The Company has got a license to manufacture and distribute closure and light-weighted preform in 14 countries. The Company manufactures and distributes closure model 1881 and preform of 42.7 grams which is the lightiest. We are the first producer in South-East Asia. In consideration of those facts, the Company is confident in its competitiveness and growth potential of its plastic industrial products in the future.

Size of the Company as Compared to Competitors'

The Company can not compare its size with its competitors because there are thousands of plastic injection factories, medium and small. With our modern technology and production capacity, including product variety, the Company is confident that it is a leader in manufacture and distribution of plastic industrial products of Thailand. It has gained recognition among customers who have confidence in the quality of our products. The Company has gained sizable market shares in products of expertise, e.g. battery case, industrial products, material handling products and/or opportunities to capture market shares in the future for its new product lines of competitive potential and market acceptance.

(d) Sourcing of Products or Services

The Company has three factories producing industrial parts, i.e. Suksawat factory, Bangpoo factory and Amata Nakorn factory in Chonburi. The factories are producing different products as follow:-

**Suksawat Factory**

Under renovation to serve business

Bangpoo Factory
producing battery cases.**Amata Nakorn Factory in Chonburi**

It produces almost all industrial products either small or large pieces. This includes pallets, bottle crates, pails, garbage bins, food & beverage packaging products, CD&DVD boxes, decoration accessories, battery cases, electrical parts and automotive parts.

Important raw materials are various types of plastic resin which are purchased domestically from dealers of many producers. Hence, there is no problem on raw material quality or shortage. However, when crude oil price rose, the price of plastic resin also increased. To reduce risk on fluctuation of resin prices, the Company placed orders frequently, and negotiated for better trade terms with suppliers on occasional basis to get reasonable raw material prices. In case of rising raw material prices, the Company sometimes can pass on rising cost to customers, if there is such an agreement. The Company tries to avoid accepting orders of long-term delivery.

Eventhough our production process does not have any impact on environment, the Company still attaches more importance to environmental conservation. The Company has focused continually on the guideline of 3-save : Save Material, Save Energy, Save the World. This guideline was formulated in 2008 in order to give more attention on reduction of material consumption, energy consumption, emission of carbon dioxide in the production process; so as to participate in reduction of pollution and addressing the issue of global warning. In addition, collaboration of research and development with producers of raw materials is another approach to promote environmental friendliness of our products in the future.



(e) Pending Orders

Customer-base of the Company is extensive; therefore, the Company did not rely on big customers whose pending orders valued more than 10% of total revenue.

(2) Household Products

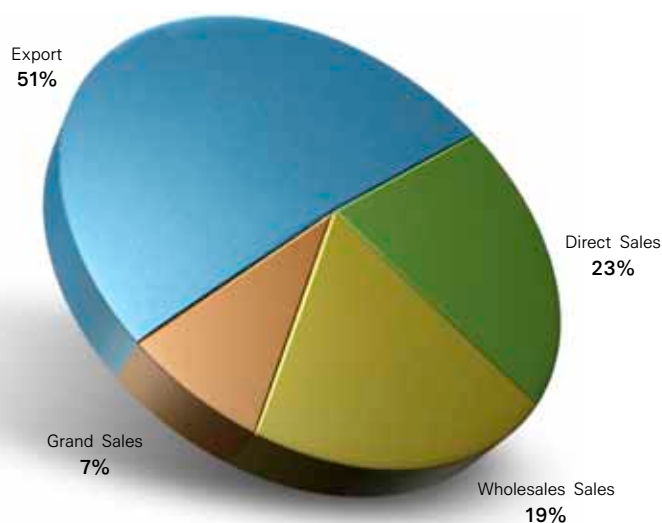
(a) Description of Product or Service

Household Products comprise tableware and kitchenware, made of melamine powder, beautifully decorated or printed patterns or cartoons characters. They include dish, bowl, rice bowl, ladle, spoon, cup etc. The factory has received promotional privileges from the Board of Investment.



(b) Marketing and Competition

Description of Customers	Distributed by sale agents, direct sales to consumers and exporting abroad.
Credit Term	Usually credit term of 30 – 150 days is granted to distributors. Sales in grand sales event are made in cash and direct sales are also mostly made in cash.
Competitive Strategy	Emphasis is made on high quality product with beautiful decoration and colorful design along with product shapes which are suitable for wide applications.
Distribution Channel	Household products have the following distribution channels: Export Sales : 50.9% Domestic Sales : 49.1%



Distributors in Thailand are Siam Melamine Marketing Company Limited and Srithai Marketing Company Limited. They have been our trade partners for a very long time.

(c) Competitive Environment

Household products made of melamine powder which is heat resistant up to 100 °C is suitable for producing food container because it is safe for consumer. There are only a few producers in the country. Melamine products of the Company become popular in the markets both domestic and abroad due to its durability and many beautiful designs, and 100% melamine powder has been used for production. Export markets can be expanded to neighbouring countries and developed countries. The Company has been exporting it to more than 100 countries. Markets could be expanded further.

The Company is the leader in the business of melamine products as a producer of 100% melamine products, largest in the world. The Company has modern production technology and has adopted Lean Manufacturing process in the production of household products. The Company is moving forward to more automation in its production process. It has expanded another production base for household products in Vietnam in order to reduce production cost and increase price competitiveness of the Company. In 2010 the Company has started establishing a firm market base in India through many distributors. The Company is planning to establish a production base in India to enhance competitiveness and to fulfill demand for goods in India. Sales growth in India is impressive. It can be a production base for exporting goods to South Asian and Middle-East countries.

The Company possesses 6 brands of household products made of melamine, i.e. Superware, Vanda, Flowerware, Melamineware, Unica and Ektra. In Thailand, the Company is the only melamine product distributor who deploys a team force of direct sales.

Size of the Company as Compared to Competitors'

The Company is biggest in term of market share and production capacity. Our production capacity is in excess of 13,000 tons per annum, bigger than those of competitors many times.

(d) Sourcing of Product or Service

The Company produces its household products made of melamine at the factory in Nakorn Rachasima province, in Suranaree Industrial Estate. Production is focused on made-to-order products as per purchase orders from overseas, and to satisfy demand for certain popular designs in the domestic market. Major raw material is melamine powder, almost all purchased from domestic producers. These producers have maintained good relationship with the Company. There are no problems on quality or shortage of raw material, and the production process causes no environmental impacts.

The Company buys melamine powder from Thai MFC Company Limited more than 60% of total purchase of melamine powder in 2010. Due to being an affiliated company, purchase price is reasonable and quality is upto international standard. There is no problem of raw material shortage.

(e) Pending Orders

The Company sells to tens of thousands of customers in domestic and export markets, both consumers and distributors. There is no pending order amounted more than 10% of total revenue.

“Ektra” products are made of plastic or melamine. It is designed to look modern to be suitable for 2 main groups of customers, i.e.

- 1) Metro Living Customers. The products are contemporary with new design, suitable for conditions of daily lives of metropolitan living. It is an expansion of customers to a new group of higher income group.
- 2) HORECA Customers(Hotel, Restaurant and Catering). Modern Catering products suitable for modern-look dining table are distributed to this group.

Ektra products are popular among customers. Sales volume keeps on growing at a satisfactory rate. The Company distributes this product via direct sales system, department stores, and leading retail outlets, including exporting it abroad.



4.1.2 Trading Business Line

Besides Plastic Business Line, Trading Business Line is another revenue generator for the Company. This involves searching/importing of new products of high quality, modern and in-trend, and popular both domestically and internationally to sell here at reasonable prices. Detail is as shown below:-

(a) Description of Product or Service

Products categorized under trading business line comprise:-

- 1) Products distributed via SNatur network can be grouped as follow:-
 - Health Care Product Group



- Beauty Care Product Group



- Personal Care Product Group



- Family & Home Care Product Group



2) **Trading Product Group** can be categorised by source of production as follow:-

Domestic Products Bedding, food cooking ware, etc.

Imported Products Lock & Lock food preservation boxes, imported from South Korea, with special locking system. Gadgets used in kitchen and catering from Italy. Tables, sun loungers, and artificial rattan chairs under brand names “Evolatif” and “Kettal” from France and Spain.



(b) Marketing and Competition

Description of Customer	End users and HORECA businesses consisting of Hotel, Restaurant, and Catering businesses.
Credit Term	1) For distributors, credit-terms of 90-150 days are granted. 2) For direct sales under Single Level Marketing, sales are mostly in cash. 3) For SNatur networking, sales are made in cash. 4) For grand sales event, sales are made in cash.
Competitive Strategy	Focus is made on offering diversified quality products which are safe and popular in both local and foreign markets and yet available at affordable prices. The Company focuses on selling full range of products or product groups that can be offered to the same target group. This is not to do without sales promotion and membership expansion in the direct sales of single-level marketing and multi-level marketing systems. Such method will help the Company cover more ranges of consumers and target customers as well as create more recognition of the products among customers.
Distribution Channel	Sell directly to consumers and use selling agents as distributors. Moreover, direct sales systems both Single-level Marketing (SLM) and Multi-level Marketing (MLM) have been used.

(c) Competitive Environment

Products distributed by the Company are widely diversified, especially SNatur products distributed via network marketing system. Expansion of membership base due to participations of new members has resulted in wider market coverage. Revenue of the Company was higher in 2010.

The Company wishes to increase diversity of its products to increase sales opportunities for its members. Focus was made on quality and safety of products and its fulfillment of contemporary trend of demand in the markets. Also interested are the products of daily life or innovative products differentiated from others. Having strong financial support, our network marketing business is widely recognized in society and business world. With efficient resources in hand such as membership base under direct sales system, modern information technology, showrooms scattered in all regions, etc,

including flexibility of our business plans synchronizing with changing environment in an attempt to maximize benefits of our members, the Company is confident that our SNatur business will be a priority choice of any person who wishes to enter network marketing business. As a result, membership base keeps on expanding rapidly and our products are distributed more widely in the markets. The Company will surely have higher sales volume in the future.

Anyway, the Company will carefully study products and market in order to avoid unnecessary risk and competition. Besides, trading business does not require large investment. If any product is not lucrative or not welcome by consumers, the Company could give up distribution of that product with very little impact. It is a good point of this type of business.

Size of the Company as Compared to Competitors'

The Company cannot compare size of trading business with its competitors' because there are many types of products and of different applications. There are many competitors of many sizes, so that the Company could not evaluate market condition of each product and determine market share. However, given special quality, feature and patent protection, the Company's products are difficult to copy and become another choice of consumers.

(d) Sourcing of Products or Services

The Company has procured products from many suppliers both locally or internationally. In choosing suppliers, the Company evaluates the quality of the product and the popularity and recognition of the product among customers. The Company also considers the competency of the producer, market information, as well as other qualifications of suppliers according to Good Supplier Selection Program, e.g. marketing support, transportation, distribution, support by providing trainers / training courses while also valuing good relationship with trade partners. This is to ensure continuity of supply of products for distribution.

(e) Pending Orders

The Company has distributed products to various types of customers – i.e. end users, small customers, sales agents and HORECA businesses (Hotel, Restaurant, and Catering). There is no pending order amounted more than 10% of total revenue.

4.1.3 Other Business

Other business lines comprise mould-making business which is supporting plastics business, and businesses other than plastics business and trading business as following:-

(1) Mould-Making Business

The Company does not itself make moulds for sale to outsiders. Mould-making business has been operated by our subsidiaries, namely Srithai Miyagawa Company Limited and Srithai Moulds Company Limited. Both companies are leaders in this business. Their products are supplied to automobile industry, electrical appliance industry and toiletry which require very high precision of injected parts. Srithai Shin-Osaka Company Limited, another company in Srithai Group, has been providing mould laminating business.



As mould is used for producing both industrial and household products, mould is important to the plastics business line. Each mould has different feature and efficiency. If low quality mould is used, the end products may be of low quality and sub-standard and it may result in rejects in the production line. There are three groups of moulds as follow:

- | | |
|---------|---|
| Group 1 | Mould to inject products of simple design like household products, electrical appliances and toys that require simple plastic injection system. This group of moulds are cheap and many small mould-makers are involved in this business. |
| Group 2 | Mould to inject products like electrical parts, automotive parts and sanitaryware that need high & long process technology. This requires high investment in machines and software to support production. Srithai Miyagawa Company Limited and Srithai Moulds Company Limited are mould-makers for this group of moulds. |
| Group 3 | Mould of round shape and smooth surface like mould to inject buckets or glass, which require high efficiency machines. Most mould-makers in Thailand could not make moulds of this group, so they have to hire offshore mould-makers to make such moulds and then import it at expensive costs. The Company's subsidiary has planned to improve and develop production technology to produce moulds of this group in the future to substitute import. |

(a) Description of Product or Service

It is a hire-of-work to make moulds for plastic injection or melamine compression as per designs and sizes described by clients, including mould repair services.

(b) Marketing and Competition

Plastic products have been used increasingly every year as manufacturers look toward cost saving by changing raw materials from high cost metal to low cost plastic. They are in automotive industry, electrical appliance industry, sanitaryware industry, etc. Mould is an important part and a start point of plastic injection. There are many mould makers, Thai or foreigners, investing in mould-making businesses, small or big moulds, with initial investment of approximately THB 100 million each. In addition, with support and personnel development of this industry in the country for advancement and efficiency, it results in an increase in mould production capacity and no more labor shortage. Production capacity of moulds could fulfill demand in the country. Only moulds of complicated shape and requiring high production technology are imported. With increasing demand for moulds, plastic product manufacturers could hire mould-makers inside or outside the country by comparing quality, capability and pricing among them before making decision. Hence, mould industry in Thailand has faced fierce competition from foreign makers in term of both pricing and technology.

(c) Competitive Status and Potential

Competency and availability of skilled labors, modern machinery & equipments, and company software have made Srithai Miyagawa Company Limited and Srithai Moulds Company Limited capable in making high precision moulds. They could make and supply moulds to automotive industry, electrical appliance industry, sanitaryware industry, and others as many as 200-300 sets per annum, amounting to THB 200-300 million. Under the situation of economic recovery and price-cutting competition, they tried to cut costs to increase competitiveness and to build up relationship with new customers to increase sales opportunities. They set up a goal to develop their competency that they will be able to make more complicated moulds.

Size of the Company as Compared to Competitors'

Srithai Miyagawa Company Limited has invested in tools, machinery and man-power to be able to make moulds of weight 200 kgs. up to 5,000 kgs., whereas Srithai Moulds Company Limited can make large mould of weight up to 10,000 kgs. Amid higher competition, each mould-maker has specialized skill in different kinds of moulds. Therefore, the two companies do not face too high competition in the mould-making industry of their expertise.

(d) Sourcing of Product or Service

Iron ingot is the raw material of mould-making. There are many import agents for iron ingots in Thailand. Hence, competition among those import agents is high. Mould-making companies of ours can therefore procure iron ingots easily without shortage of supply.

(e) Pending Orders

Mould making is time consuming, especially on design, production and testing in its normal production process. Besides, different kinds of moulds require different production time. As such, if purchase orders come in late of the year, there is a chance that pending jobs will be varied subject to proportion of purchase order amount received by year end. However, as of December 31, 2010, Srithai Miyagawa Company Limited and Srithai Shin-Osaka Company Limited, had pending orders not more than 10% of total revenue. Only Srithai Moulds Company Limited had a pending order from 1 client for the amount over 10% of total revenue. The pending job could be delivered within year 2011.

(2) Other Line of Business

In 2010 there was only one company being classified under other line of business, i.e. Srithai Packaging Company Limited. Detail was shown as follow:-

Srithai Packaging Company Limited**(a) Description of Product or Service**

Manufacturing corrugated paper boxes printed by offset technique for sale to goods manufacturers (made-to-orders)

(b) Marketing, Competition, and Competitive Environment

Eventhough facing strong competition, it can retain a group of loyal customers with its quality and service, so there is no problem.

(c) Sourcing of Product or Service

Major raw materials are card board and craft paper, which are all purchased from domestic suppliers. Sometimes price of paper pulp rose up and raw material was short, causing price of paper to increase to some extent which required longer lead time of purchase. However, wise problem-solving methods and efficient management help lessen any adverse impact on cost of products to insignificant level.

(d) Pending Orders

Srithai Packaging Company Limited had no pending order valued more than 10% of total revenue.

4.2 Characteristics of Customers and Their Relationships**(a) Characteristics of Customers and Their Relationships in the Plastics Business**

This category of customers can be divided into 5 types:

- 1) Importers for own usage or distribution in their own companies such as shopping malls, and distributors. These importers will decide to order products from the Company on a case-by-case basis.
- 2) Institutional customers such as other companies or other entities which acquire the product for self-use e.g. airlines requiring plastic wares for aircrew meals or beverage producers requiring bottles container. Some customers acquire products for further assembly or supporting their business, e.g. car assemblers, electrical appliances producers for household uses, and food & beverage manufacturers etc. This category of customers has good relationship with the Company. Some of them have been our customers for a long time.

- 3) Direct sales system which involves representatives, direct sales staffs or freelance sales. These traders earn discount income from the price-list. They are independent.
- 4) Sales agents are entities with good relationship with the Company and are able to acquire the products through their trade credits. These sales agents will distribute the Company's product to retail sellers and department stores subsequently.
- 5) Cash sales in Grand Sale fair where sales discount and seasonal promotions are held, taking place 4 times a year in the Company's factories. Products sold in these events are defected goods, and products which had been produced more than customer's orders, and slow moving products. Main customers of this channel are housewives and direct consumers.

(b) Customer Characteristics in Trading Business

Types of customers can be classified as follow:

- 1) Direct sales under Multi-level Marketing system or network marketing business involves independent business owners who are SNatur Business Partner. Those independent business owners earn their income according to our remuneration package.
- 2) Direct sales under Single-level Marketing system which has sales representatives or direct sellers presenting the products and selling them on a freelance basis. The main source of income for the representatives is discount income from the price-list and other benefits.
- 3) Direct consumers or entities who demand for the product for their own uses such as housewives, and "HORECA" group of businesses which consist of Hotel, Restaurant, and Catering operators.
- 4) Sales agents are entities who engage in long-term trading relationship with the Company and are able to acquire products on credits for distribution to retail outlets and department stores.

(c) Customer Characteristics and Relationship with Other Businesses

- Mould – making Business Line

Srithai Miyagawa Company Limited, Srithai Moulds Company Limited and Srithai Shin-Osaka Company Limited had been sending staffs who have expertise in mould making to provide advices to industrial part or plastic goods in order to offer mould-marking services. Customers under this type of business are often those who have long term relationship with us.

- Other Areas of Businesses

Srithai Packaging Company Limited has maintained relationship with customers who directly use the company's products in their factories. Most customers have long term relationship with the company.

4.3 Investment Promotion Certificates

The Company and its subsidiaries had been approved of investment promotion certificates by the Board of Investment. The benefits received can be summarized as follows:-

1) Industrial Products

1.1) Srithai Superware Public Company Limited

Promotion Certificates	Products and Production Capacity	Location	Benefits Received	Benefits Remaining
7007/2537 dated May 27, 1994	Plastic Goods 26,500 tons/24 hrs./300 days/year	Amata Nakorn Industrial Estate	1) Corporate Income Tax Exemption 8 years from the first day of earning revenue 2) Exemption of Import Tariffs on Raw Materials	1) Exemption of Import Tariffs on Raw Materials
3004/ Wor./2544 dated February 9, 2001	Plastic Parts for Electrical Appliances 12,000 tons/24 hrs./350 days/year	Suksawat Road	1) Exemption of Import Tariffs on Raw Materials	1) Exemption of Import Tariffs on Raw Materials
1764(4)/2548 dated August 29, 2005	Plastic Packaging 4,100 tons/24 hrs./300 day/year	Amata Nakorn Industrial Estate	1) Exemption of Import Tariffs on machines 2) Corporate Income Tax Exemption 8 years from the first day of earning revenue 3) Exemption of Import Tariffs on Raw Materials	1) Exemption of Import Tariffs on machines 2) Corporate Income Tax Exemption from the first day of earning revenue 3) Exemption of Import Tariffs on Raw Materials
1339(2)/2550 dated April 4, 2007	Plastic Parts for Industrial Use 40,000 tons/24 hrs./300 days/ year	Amata Nakorn Industrial Estate	1) Exemption of Import Tariffs on machines 2) Corporate Income Tax Exemption 8 years from the first day of earning revenue 3) Exemption of Imports Tariffs on Raw Materials	1) Exemption of Import Tariffs on machines 2) Corporate Income Tax Exemption from the first day of earning revenue 3) Exemption of Import Tariffs on Raw Materials
1389(2)/2553 dated March 29, 2010	Plastic Parts for Industrial Use 5,500 tons/24 hrs./300 days/year	Bangpoo Industrial Estate	1) Lower Import Tariffs on machines 2) Corporate Income Tax Exemption 8 years from the first day of earning revenue	1) Lower Import Tariffs on machines 2) Corporate Income Tax Exemption from the first day of earning revenue (As of December 31, 2010, no revenue was earned)

1.2) Srithai Nanoplast Company Limited

Promotion Certificate	Products and Production Capacity	Location	Benefits Received	Benefits Remaining
1838(2)/2547 dated October 5, 2004	Plastic Products such as water treatment tanks 1,000 tons/24 hrs./330 days/year	S.I.L. Industrial Estate, Saraburi Province	1) Lower Import Tariffs on machines 2) Corporate Income Tax Exemption 8 years from the first day of earning revenue 3) Exemption of Import Tariff on Raw Materials	1) Corporate Income Tax Exemption from the first day of earning revenue 2) Exemption of Import Tariffs on Raw Materials

2) Household Products

2.1) Srithai Superware Public Company Limited

Promotion Certificate	Products and Production Capacity	Location	Benefits Received	Benefits Remaining
1040/Sor.Or./2536 dated March 4, 1993	Melamineware 3,400 tons/24 hrs./300 days/year	Suranaree Industrial Estate	1) Lower Import Tariffs on machines 2) Corporate Income Tax Exemption 8 years from the first day of earning revenue, and lower corporate income tax 5 years beyond tax exemption period 3) Exemption of Import Tariff on Raw Materials	1) Exemption of Import Tariffs on Raw Materials
1083/2539 dated February 13, 1996	Melamineware 2,000 tons/24 hrs./300 days/year	Suranaree Industrial Estate	1) Exemption of Import Tariffs on machine 2) Corporate Income Tax Exemption 8 years from the first day of earning revenue, and lower corporate income tax 5 years beyond tax exemption period 3) Exemption of Import Tariffs on Raw Materials	1) Exemption of Import Tariffs on Raw Materials

2.2) Srithai Shin-Osaka Company Limited

Promotion Certificate	Products and Production Capacity	Location	Benefits Received	Benefits Remaining
1080(5)/2554 dated November 22, 2010	Melamineware 500 tons/24 hrs./300 days/year	Samut Sakhon Industrial Estate	1) Exemption of Import Tariffs on machine 2) Corporate Income Tax Exemption 8 years from the first day of earning revenue 3) Exemption of Import Tariff on Raw Materials	1) Exemption of Import Tariffs on machine 2) Corporate Income Tax Exemption from the first day of earning revenue (As of December 31, 2010, no revenue was earned) 3) Exemption of Import Tariff on Raw Materials

3) Mould-Making Business - Srithai Moulds Company Limited

Promotion Certificate	Products and Production Capacity	Location	Benefits Received	Benefits Remaining
1684(1)/ Or/2546 dated November 21, 2003	Mould Making & Repairing 150 set/24 hrs./300 days/year	Chonburi-Banbong Road, Chonburi	1) Corporate Income Tax Exemption 8 years from the first day of earning revenue 2) Exemption of Import Tariff on Raw Materials	1) Corporate Income Tax Exemption from the first day of earning revenue 2) Exemption of Import Tariff on Raw Materials

5. CORE ASSETS OF THE COMPANY AND ITS SUBSIDIARIES

5.1 Core Assets

1) Srithai Superware Public Company Limited

Comprising Head office and 4 Factories :

A. Head office and Suksawat Factory	Area	22-3-7 rai
B. Bangpoo Factory	Area	6-3-89 rai
C. Amata Nakorn Factory	Area	49-0-98 rai
D. Korat Factory	Area	48-0-0 rai

Net asset value as of December 31, 2010 of core assets at each location.

Unit : Million Baht

Assets	Land	Building	Plant and equipment
Head office and Suksawat Factory	251.53	77.01	36.74
Bangpoo Factory	20.92	26.30	146.25
Amata Nakorn Factory	196.98	102.10	1,892.05
Korat Factory	38.40	159.07	193.38
Total	507.83	364.48	2,268.42

The Company has several warehouses and showrooms of which details are disclosed in notes to the financial statements for the year ended December 31, 2010, page 34-39 under headline 'Property, plant and equipment, net'.

In addition, in the third quarter of 2010, the Company had leased an area from Pakin Building Company Limited for use as office of SNatur's network marketing business for a period of 3 years. The lease expense in 2010 was at Baht 1.71 million.

Collateral and Mortgaged Assets

The Company has received long term loans under the energy conservation project and working capital facilities from two local commercial banks of which one loan contract and five amended loan contracts were secured by the following mortgaged assets as of December 31, 2010:

1. Mortgaged land parcels in which 3 factories are situated : Bangpoo Factory, Amata Nakorn Chonburi Factory and Korat Factory.
2. Endorsement of relevant insurance policies of mortgaged assets of which two banks are the sole beneficiaries or Sole Loss Payee.

Long-term loans and all revolving credit facilities that the Company has received since year 2008, for supporting investment plan, and refurbishment of Amata Nakorn Chonburi plant, and business expansion, are clean long term loans and revolving credit facilities that do not require collateral. There are only certain conditions which prohibited the Company from incurring any additional obligation or conducting any legal transaction concerning all of the Company's current and future property, plant and equipments (Negative Pledge), and appointed the creditors as sole beneficiaries of the Company's insurance policies. These conditions are in line with the Company's current financing policy that any additional credit facility obtained will not be collateralized.

2) P.E.T. Blow Company Limited

P.E.T. Blow Company Limited had expressed its wish to use an area of the main office of the Company to be its office and factory. However, P.E.T. Blow Company Limited had just registered its establishment with the Ministry of Commerce on December 17, 2010 and it was in the process of submitting for approval on factory operation and investment promotion. Thus, the Company and P.E.T. Blow Company Limited have not mutually determined the area and the lease fee.

3) Srithai (Vietnam) Company Limited

Office and factory are located on a land parcel of 18-3-0 rai. The land has been leased from an operator of an Industrial Estate in Vietnam for 38 years since July 12, 1997 at annual rental rate of USD 36,000.

4) Srithai Moulds Company Limited

Office and factory are located on a land parcel of 14-3-9.4 rai. The land is owned by the company. Some of the following assets were mortgaged to creditor banks :-

4.1 Three rooms in a condominium and some machines were mortgaged to the Bank of Ayudhaya Plc. as collateral for working capital credit line and other credit line under the energy conservation projects.

4.2 A parcel of land area of 8-0-75.4 rai was mortgaged to Siam Commercial Bank Plc. as collateral for working capital credit line.

5) Srithai Superware India Limited

Office and warehouse are located in Gurgaon and Mumbai on lease from lessors with the leasing period of 2-5 years. The lease expenses from all lease agreements in 2010 were in total Baht 1.54 million.

6) Srithai Nanoplast Company Limited

Office and factory are located on a land parcel of 5-2-50 rai. The land is owned by the company on free-hold.

7) Srithai Miyagawa Company Limited

Office and factory are located on a land parcel of 11-1-73 rai. The land is owned by the company on free-hold. The collateral for the working capital under energy conservation project granted by Siam City Bank Public Company Limited was mortgage of machinery and an agreement of negative pledge on 2 plots of land and building for the whole loan agreement period.

8) Srithai Shin-Osaka Company Limited

Office and factory are located on a land parcel of 4-0-10 rai on free-hold.

5.2 Intangible Asset

The Company's intangible assets consist of copyright and computer program applications for operation, and production license which mainly are the right to be the manufacturer and distributor of closures, and the right to be the manufacturer and distributor of some items of trading business, of which the details and the book value of the intangible assets have been shown in notes to financial statements for the year ended December 31, 2010 page 40-41. In addition, the Company's license periods to be manufacturer and distributor stated in agreements as well as the economic period of copyright and computer program utilization are from 5-10 years.

5.3 Intellectual Property

The Company has two types of intellectual properties, patents and trademarks. The Company attaches much importance on additional domestic and international registrations to protect the Company's products and trademarks upon design of new shape and decoration of products or business expansion to foreign country. Registration of some patents and trademarks were cancelled upon its expiry or discarded for cost saving purpose. The Company presently has 175 active patents of which 172 items are design patents, 1 is invention patent and 2 are petty patents. There are 24 active overseas design patents. The Company has 20 active domestic trademarks and new registration for 49 product categories, and overseas registration of 9 trademarks for 17 product categories.

Patents and Trademarks registration has Characteristics, Conditions, Effect on Business and Economic Life as follows :-

Patents

Important Characteristics

There are three kinds of Company's registered patents:-

1. **Design Patent:** A protection of creativity concerning unique design, shape, and color or product pattern that create beauty and differentiation.
2. **Invention Patent:** A protection of creativity concerning component, structure or mechanism of products, including method of production or quality improvement or invention of new product which is different from existing product. Process of invention is difficult to do and could be industrialized or commercialized.
3. **Petty Patent:** A protection granted to invention which is similar to Invention Patent. However, the difference is that an invention applied for a petty patent is a slight improvement of an invention in order to enhance its usefulness.

Patent registration at the Ministry of Commerce allows the Company or patentee to possess the sole right to obtain benefits on the design of the products and to grant permission of use to other parties with benefits in return.

Condition

According to the law, a design that may apply for a patent must be a new design of product for industrialization or handicraft. Such design is not widely used in the country or essence of which not yet disclosed in any publication, inside or outside the country, before the date of submission and not similar with existing design.

Effect on Business

After patent is registered, the Company will be granted protection of sole right in producing, distributing, importing even allowing other parties to use the right in exchange of benefits. Thus, in case of violation, the Company will be able to enforce such rights and stop the violation, and seize violating assets for destroying or claim for damage caused by such act. Violator will also be subject to imprisonment, fine or both. This is to prevent competitors and others from reproducing and distributing Company's work without permission. Therefore, patent registration is necessary for business competition and benefit protection.

Life of Patent

Patent life is classified according to type:-

1. **Design Patent** has 10 years protection period from the submission date and need renewal from the beginning of 5th year until 10th year.
2. **Invention Patent** has 20 years protection period from the submission date.
3. **Petty Patent** has 6 years protection period from the submission date and need to pay annual fee from the beginning of 5th year and 6th year, and is able to renew twice with two years each (altogether 10 years in total).

TrademarkCharacteristics

It is a distinctive sign (picture, word, name, character, etc) used to identify products or services so that the public or consumers could identify it from other goods of other trademarks. Usually, the general public refers to trademark as brand.

Condition

Trademark could be submitted for registration at Ministry of Commerce. It must not resemble any trademark especially within the same product category.

Effect on Business

Trademark enables customers to correctly identify Company's product and its trademark, which allow them to purchase goods as needed and prevent confusion among choices. Trademark that has not been registered will not permit the owner to take legal actions against any infringement. The registered trademark allows the owner to file infringement lawsuit which has heavier penalty, claim monetary damage, and revoke the registration of the imitation or counterfeit trademark. Thus, if the Company does not register its trademark, others can produce a counterfeit trademark, which can confuse customers and hurt Company's reputation and effect business operation. Infringement of registered trademark is stronger penalized than infringement of unregistered trademark.

Life of Trademark

Registered trademark has 10 years protection period from the submission date and can be renewed every 10 years.

6. LEGAL DISPUTE

The Company and its subsidiaries have no lawsuit or legal dispute as follows:-

- 1) Any lawsuit which may negatively affect on the assets of the Company or its subsidiaries for an amount more than 5% of the shareholders' equity;
- 2) Any lawsuit that may affect significantly on the Company's business operation and its impact could not be estimated;
- 3) Any lawsuit not caused by normal business operation of the Company.

7. STRUCTURE OF CAPITAL

7.1 Securities Issued by the Company and Subsidiaries

Presently, the Company and subsidiaries have issued only common shares in its structure of capital and no other securities such as preferred stocks, debenture, convertible securities, etc. was issued to raise fund. Details of registered capital of the Company and subsidiaries were shown below:-

Company	Description of Registered and Paid up Capital
Srithai Superware Public Company Limited	Registered Capital : THB 2,709,904,800, fully paid-up, comprising 270,990,480 common shares at par value THB 10 each.
P.E.T. Blow Company Limited	Registered Capital : THB 5,000,000, partially paid-up THB 1,250,000, comprising 500,000 common shares at par value THB 10 each.
Srithai (Vietnam) Company Limited	Registered Capital : Dong 109,337,834,503, fully paid-up.
Srithai Moulds Company Limited	Registered Capital : THB 100,000,000, fully paid-up, comprising 1,000,000 common shares at par value THB 100 each.
Srithai Superware India Limited	Registered Capital : Rupee 50,000,000, partially paid-up Rupee 25,000,000, comprising 5,000,000 common shares at par value Rupee 10 each.
Srithai Nanoplast Company Limited	Registered Capital : THB 40,000,000, fully paid-up, comprising 4,000,000 common shares at par value THB 10 each.
Srithai Miyagawa Company Limited	Registered Capital : THB 120,000,000, fully paid-up, comprising 1,200,000 common shares at par value THB 100 each.
Srithai Shin-Osaka Company Limited	Registered Capital : THB 49,800,000, fully paid-up, comprising 600,000 common shares at par value THB 83 each.

7.2 List of Top 10 Major Shareholders as of December 30, 2010

7.2.1 Shareholders who could participate in formulation of Corporate Policies

Name	Rank	Shares	%	Major Business
Mr.Sanan Angubolkul	1	44,082,351	16.27	Chairman and President of Srithai Superware Pcl.
Mrs.Srisuda Lertsumitkul	3	15,000,000	5.54	Director of Srithai Superware Pcl.

7.2.2 Shareholders who could not participate in formulation of Corporate Policies

Name	Rank	Shares	%
Ms.Mayuree Sirivajanangkul	2	16,307,349	6.02
Mr.Sombat Lertsumitkul	4	10,621,600	3.92
Mr.Somyod Lertsumitkul	5	10,020,815	3.70
Mr.Somkieat Lertsumitkul	6	8,995,700	3.32
Ms.Bunnapa Lertsumitkul	7	8,520,000	3.14
Thai NVDR Company Limited	8	7,049,000	2.60
Mr.Somsak Lertsumitkul	9	6,732,070	2.48
Ms.Mittrada Lertsumitkul	10	5,100,092	1.88
Total shares of Top 10 major shareholders		132,428,977	48.87
Total common shares		270,990,480	100.00

Remark :

- 1) Some shareholders in the Top 10 major shareholder group have relationship among them as "close relatives" according to notification of the Board of Governors of the Stock Exchange of Thailand. However, the Company opined that each of them wishes to buy or sell shares on own accord, and vote in own direction. In the past several annual general meetings, there was no block-voting to any significant degree in an attempt to control resolution of the shareholders' meetings. In consideration of independence of each major shareholder, the Company disclosed their names individually without combining them as a group of shareholders of the same family.
- 2) Investors could have access to name-list of the current top 10 major shareholders shown in the Company's website before arrival date of the Annual General Meeting of Shareholders.

7.3 Share Holding of Directors in the Company

The list of shareholders of the Company, as of December 30, 2010, showed that 61,936,971 common shares were held by Directors and spouses, equivalent to 22.85% of total issued common shares. The change of share-holding in the Company by Directors and their spouses was insignificant as compared to that of the previous year.

7.4 Dividend Policy**7.4.1 Dividend Policy of the Company**

The Company has a policy to pay out dividend from profit at the rate not less than 50% of net profit each year as shown in the Company's financial statements, and on a condition that the Company has no retained loss.

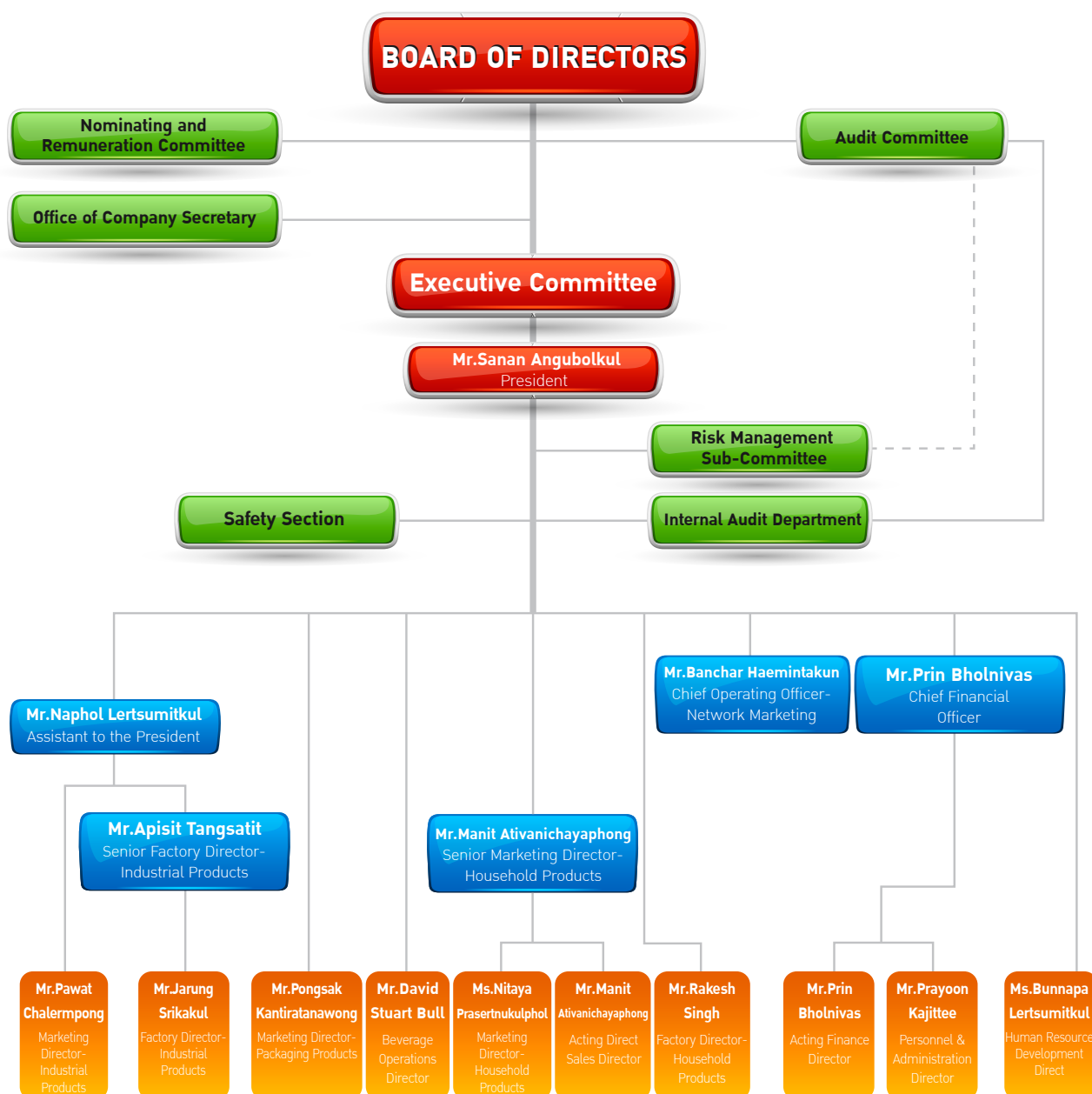
7.4.2 Dividend Policy of Subsidiaries

Due to the fact that each subsidiary has its own management team who is free on formulating dividend policy, the Company could not set up dividend policy for any subsidiary. However, subsidiaries will usually pay out dividend at reasonable ratio subject to their financial standing at that time, if they have profit and there is no other concerns. There is no pre-determined dividend pay-out ratio.

8. MANAGEMENT

The Board of Directors is responsible for overall management of the Company. According to the Articles of Association, the Board consists of at least 5 directors but not more than 12 directors, and at least 3 of them must be independent directors. At least half of total number of Directors representing in the Meeting of the Board of Directors constitutes a quorum. The Meeting of Shareholders nominates Directors. The term of Directorship is 3 years. Any director whose term is expired can be nominated and re-elected by the Meeting of Shareholders. Management conducts business on behalf of the Board of Directors.

8.1 Structure of Organization



Remark : In consideration of the organization chart, the Company has considered roles and managerial power of executives in directorial level and deemed it fit to classify those executives in the fourth level of Management in accordance with Notification of the Capital Market Supervisory Board No. TorChor. 23/2551

8.2 Board of Directors : Authority and Responsibilities

Board of Directors



Standing from left to right : Mr.Enghug Nontikarn, Mr.Prin Bholnivas, Mr.Naphol Lertsumitkul, Mr.Manit Ativanichayaphong, Mr.Suchat Boonbanjersri

Seated from left to right : Mrs.Siriporn Sailasuta, Mr.Sanan Angubolkul, Mr.Viroj Lowhaphandu, Mrs.Srisuda Lertsumitkul

1.	Mr.Sanan	Angubolkul	Chairman, President and Nominating and Remuneration Committee Member
2.	Mr.Viroj	Lowhaphandu	Independent Director and Chairman of the Audit Committee
3.	Mr.Enghug	Nontikarn	Independent Director, Audit Committee Member and Chairman of the Nominating and Remuneration Committee
4.	Mr.Suchat	Boonbanjersri	Independent Director and Audit Committee Member
5.	Mrs.Siriporn	Sailasuta	Independent Director and Nominating and Remuneration Committee Member
6.	Mrs.Srisuda	Lertsumitkul	Director
7.	Mr.Naphol	Lertsumitkul	Director
8.	Mr.Manit	Ativanichayaphong	Director and Risk Management Sub-Committee Member
9.	Mr.Prin	Bholnivas	Director, Nominating and Remuneration Committee Member, Chairman of the Risk Management Sub-Committee and Company Secretary

Authority and Responsibilities of the Board of Directors

The Board of Directors has the following authorities and responsibilities :

- 1) Performing duties in accordance with the law, the Objects and Articles of Association of the Company as well as the resolution of the Meeting of Shareholders;
- 2) Prescribing business policies and targets for the Management to follow;
- 3) Monitoring and controlling Management to conduct business efficiently and in good faith, and to follow shareholders' resolution;
- 4) Calling for the Meeting of the Shareholders at least once a year to report business performance and to request for the resolutions on matters beyond the power of the Board of Directors e.g. declaration of dividend;
- 5) Calling for the Meeting of the Board of Directors at least once every three months;
- 6) Entering into any transaction or any act which may have material effect on financial position, obligation on liabilities, and reputation of the Company, e.g. borrowing money from financial institution;
- 7) Entering into any connected transaction that requires no approval of Shareholders' Meeting between the Company, its subsidiaries, or affiliated companies and connected persons;
- 8) Setting up internal control system and efficient internal auditing procedure;
- 9) Directing and monitoring the accuracy, completeness, and transparency of financial reporting and reporting of other information to shareholders and other concerned parties;
- 10) Nominating and defining scope of duties and responsibilities of ad-hoc committee in any particular issue;
- 11) Nominating and changing authorized signatories who can bind the Company;
- 12) Setting up policies, business strategies, business plan, and annual budget for the Company;
- 13) Following up results of work and business results quarterly and annually of the Company, and comparing it to budget;
- 14) Entering into any contract that is not normal business of the Company, or any material contract of normal business nature;
- 15) Directing and monitoring the compliance to principles of good corporate governance; and
- 16) Amending or changing the scope of authorities and responsibilities of the Board as mentioned above.

8.3 Management : Authority and Responsibilities

Management (Definitions as set by Notification of the Capital Market Supervisory Board No. TorChor. 23/2551)

1.	Mr.Sanan	Angubolkul	Chairman and President
2.	Mr.Prin	Bholnivas	Chief Financial Officer
3.	Mr.Banchar	Haemintakun ⁽¹⁾	Chief Operating Officer - Network Marketing
4.	Mr.Naphol	Lertsumitkul	Assistant to the President
5.	Mr.Manit	Ativanichayaphong	Senior Marketing Director - Household Products and Acting Direct Sales Director
6.	Mr.Prayoon	Kajitte	Personnel and Administration Director
7.	Ms.Bunnapa	Lertsumitkul	Human Resource Development Director
8.	Mr.Apisit	Tangsattit	Senior Factory Director - Industrial Products
9.	Mr.Pawat	Chalermpong	Marketing Director - Industrial Products
10.	Ms.Nitaya	Prasertnukulphol	Marketing Director - Household Products
11.	Mr.Pongsak	Kantiratanawong	Marketing Director - Packaging Products
12.	Mr.Jarung	Srisakul	Factory Director - Industrial Products
13.	Mr.Rakesh	Singh	Factory Director - Household Products
14.	Mr.David	Stuart Bull ⁽²⁾	Beverage Operations Director

Remark :

- 1) Mr.Banchar Haemintakun has been appointed by resolution of the Nominating and Remuneration Committee meetings no. 2/2553 held on May 14, 2010 and effective on May 17, 2010 onward.
- 2) Mr.David Stuart Bull has been appointed by resolution of the Nominating and Remuneration Committee meetings no. 3/2553, held on November 12, 2010 and effective on November 15, 2010 onward.

Authority and Responsibilities of the President

- 1) Manage and supervise the Company's business operations in accordance with the direction / goal of the Company and to strengthen the Company's businesses according to the policies of the Board of Directors.
- 2) Manage and Implement short-term and long-term plans in order to achieve the Company's objectives and goals.
- 3) Implement financial management in order for the Company to have proper and strong financial structure.
- 4) Manage proactive public relations and foster good relationship with every group of stakeholders in order to create good and sustainable Company's image.
- 5) Implement risk management properly and efficiently.
- 6) Manage the organization's activities regarding environmental responsibility and corporate social responsibility.
- 7) Supervise and perform duties according to the laws, and Company's objectives, rules, and regulations.
- 8) Perform duties as assigned by the Board of Directors.

Authority and Responsibilities of the Management

The Management will manage the Company so as to assure that work plan being implemented and policies of the Board being followed. The Management will carry out any assignment from the Board as follows:-

- 1) Managing, directing and monitoring the performance of the Company in order to be efficient, comply with the direction and objectives of the Company and keep up the strength of business as stated by policies of the Board of Directors;
- 2) Screening any agenda to be proposed to the Board of Directors and carrying out any assignment from the Board;
- 3) Reporting its performance result to the Board;
- 4) Planning and screening all short-term and long-term plans so as to achieve purposes and objectives of the Company;
- 5) Planning financial management so as to diminish financial burdens and to solidify the financing structure of the Company; and
- 6) Performing duties in compliance with the laws, the objectives and Articles of Association of the Company.

COMPANY SECRETARY

Mr.Prin Bholnivas

8.4 Background Information about Directors and Executives

1) Mr.Sanan Angubolkul

Age	:	65 years
Nationality	:	Thai
Present Position	:	Chairman, President and Nominating and Remuneration Committee Member
Authority to sign for the Company as per Certification Document	:	Yes
No. of share	:	44,082,351 shares or 16.27 percent (December 30, 2010)
Relationship among Directors	:	None
Illegal acts in the past 10 years	:	None
Training Course Thai Institute of Directors Association (IOD)	:	Chairman 2000 Program, class no. 4/2001 Director Accreditation Program (DAP)
Other Training	:	Top Executive Program in Commerce and Trade, 2 nd Class (TEPCoT2), Commerce Academy Thai Capital Market Leader Program 7 (2008), Thai Capital Market Academy

Education:

Institution	Degree	Major
University of Oglethorpe, Atlanta, Georgia, U.S.A.	B.B.A.	Business Administration
Chiang-Mai University	Honorary Doctorate	Business Administration
Sripatum University	Honorary Doctorate	Marketing
Rajamangala University of Technology ISAN	Honorary Doctorate	Business Administration (Management)
The National Defence College of Thailand	Certificate of Achievement, 3 rd Class	-

Experience:

Company	Position	Time Period
Srithai Superware Public Company Limited	Chairman, President and Nominating and Remuneration Committee Member	A.D. 1972 – present

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Chairman, President and Nominating and Remuneration Committee Member

2) Non-listed Companies:

2.1) Srithai Superware Group : Please see the additional details in Attach no. 1(Details of Directors and Management who have control over companies in Srithai Superware Group)

2.2) Other Companies:

Company	Position
LN Srithai Comm Company Limited	Director
Nissen Chemitec (Thailand) Limited	Director
D.M.S. Tech Company Limited	Director

3) Position in competing companies / company related to business of the Company that conflict of interest may arise : None

Attendance:

- Board meetings	No. of meetings held : 6	No. of meetings attended : 6
- Nominating and Remuneration Committee meetings	No. of meetings held : 4	No. of meetings attended : 4

Being a director for how many years : 8 years (since the Company was released from the Rehabilitation Plan in July 2002 till present time)

2) Mr.Viroj Lowhaphandu

Age	: 81 years
Nationality	: Thai
Present Position	: Independent Director and Chairman of the Audit Committee
Authority to sign for the Company as per	
Certification Document	: None
No. of share	: None (December 30, 2010)
Relationship among Directors	: None
Illegal acts in the past 10 years	: None
Training Course Thai Institute of	: Director Certification Program (DCP)
Directors Association (IOD)	: Audit Committee Program (ACP)
Other Training	: Certified Professional Internal Auditors Certified Public Accountant (Thailand)

Education:

Institution	Degree	Major
Thammasat University	Bachelor	Commerce and law
Thammasat University	Higher Diploma in Accounting (Master)	Accounting
The American University, Washington D.C., U.S.A.	M.B.A.	Business Administration
Thammasat University	Honorary Doctorate	Accounting
Sripatum University	Honorary Doctorate	Business Administration-Banking
Rangsit University	Honorary Doctorate	Philosophy (Leadership in Society Business and Politics)
The National Defence College of Thailand	Certificate of Achievement, 22 nd Class	-

Experience:

Company	Position	Time Period
Ministry of Finance	Deputy Permanent Secretary	A.D. 1978 – 1980
The Treasury Department, Ministry of Finance	Director General	A.D. 1980 – 1985
The Revenue Department, Ministry of Finance	Director General	A.D. 1985 – 1986
The Customs Department, Ministry of Finance	Director General	A.D. 1986 – 1990
The Excise Department, Ministry of Finance	Director General	A.D. 1990 – 1991

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Moong Pattana International Public Company Limited	Chairman
Srithai Superware Public Company Limited	Independent Director and Chairman of the Audit Committee

2) Non-listed Companies:

2.1) Srithai Superware Group : None

2.2) Other Companies:

Company	Position
Ajinomoto Foundation	Director and Treasurer
Big C Foundation	Director
Federation of Accounting Professions	Advisor of the CPA Examination Sub-Committee
Federation of Accounting Professions	Academic Committee (Accounting)

3) Position in competing companies / company related to business of the Company that conflict of interest may arise : None**Attendance:**

- Board meetings No. of meetings held : 6 No. of meetings attended : 6
- Audit Committee meetings No. of meetings held : 5* No. of meetings attended : 5

*The 5th Audit Committee meeting of the year 2010 was attended by members of the Audit Committee and external auditors. Executives of the Company were not invited.

Being a director for

how many years : 8 years (since the Company was released from the Rehabilitation Plan in July 2002 till present time)

3) Mr.Enghug Nontikarn

Age : 55 years

Nationality : Thai

Present Position : Independent Director, Audit Committee Member and Chairman of the Nominating and Remuneration Committee

Authority to sign for the Company as per Certification Document : None

No. of share (included shares held by spouse) : 5,900 shares or 0.00 percent (December 30, 2010)

Relationship among Directors : None

Illegal acts in the past 10 years : None

Training Course : Director Accreditation Program (DAP)
Thai Institute of Directors Association (IOD)

Education:

Institution	Degree	Major
Thammasat University	M.B.A.	Business Administration

Experience:

Company	Position	Time Period
Krung Thai Bank Public Company Limited	Deputy Manager	A.D. 1979 – 1991
Bangkok Metropolitan Bank Public Company Limited	Manager	A.D. 1991 – 1995
Siam City Bank Public Company Limited	Senior Vice President	A.D. 1995 – 1998
Siam City Bank Public Company Limited	Executive Vice President	A.D. 1998 – 2001
Siam City Bank Public Company Limited	First Executive Vice President	A.D. 2002 – 2005

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Siam City Bank Public Company Limited	Senior Executive Vice President
Srithai Superware Public Company Limited	Independent Director, Audit Committee Member and Chairman of the Nominating and Remuneration Committee

2) Non-listed Companies:

- 2.1) Srithai Superware Group : None
- 2.2) Other Companies : None

3) Position in competing companies / company related to business of the

Company that conflict of interest may arise : None

Attendance:

- Board meetings	No. of meetings held : 6	No. of meetings attended : 6
- Audit Committee meetings	No. of meetings held : 5*	No. of meetings attended : 5
- Nominating and Remuneration Committee meetings	No. of meetings held : 4	No. of meetings attended : 4

* The 5th Audit Committee meeting of the year 2010 was attended by members of the Audit Committee and external auditors. Executives of the Company were not invited.

Being a director for

how many years : 8 years (since the Company was released from the
Rehabilitation Plan in July 2002 till present time)

4) Mr.Suchat Boonbanjerd Sri

Age	: 52 years
Nationality	: Thai
Present Position	: Independent Director and Audit Committee Member
Authority to sign for the Company as per Certification Document	: None
No. of share	: None (December 30, 2010)
Relationship among Directors	: None
Illegal acts in the past 10 years	: None
Training Course Thai Institute of Directors Association (IOD)	: Directors Certification Program (DCP) Audit Committee Program (ACP)

Education:

Institution	Degree	Major
Chulalongkorn University	Bachelor (2 nd class honor)	Quantitative Economics
Wharton School, University of Pennsylvania, U.S.A.	M.B.A.	Business Administration : Finance & Marketing

Experience:

Company	Position	Time Period
Kasikornbank Public Company Limited	Dealer – Treasury Department	A.D. 1985 – 1986
Kasikornbank Public Company Limited, Los Angeles Branch	Manager	A.D. 1986 – 1994
Thammasat University, Kasetsart University	Guest Lecturer, M.B.A. Program	A.D. 1987
Asset Plus Securities Company Limited	Senior Vice President	A.D. 1994 – 1996
Dynamic Eastern Finance (1991) Public Company Limited	Managing Director	A.D. 1996 – 1997
Financial Restructuring Authority of Thailand	Non core Sale Department	A.D. 1997 – 1998
Sub-Committee on Fiscal, Banking and Financial Institution, House of Representatives	Advisor	A.D. 1999 – 2000
Siam University	Guest Lecturer, M.B.A. Program	A.D. 2000
Aeronautical Radio of Thailand Company Limited, A state enterprise under the Ministry of Transport and Communication	Director	A.D. 2001 – 2002

Experience cont'd:

Company	Position	Time Period
Siam Syntech Construction Public Company Limited	Director	A.D. 2001 – 2002
Sub-Committee on Economics Development, House of Representatives	Advisor	A.D. 2001 – 2005
Aeronautical Radio of Thailand Company Limited	Advisor, Risk Management Committee	A.D. 2002 – 2006

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Independent Director and Audit Committee Member

2) Non-listed Companies:

2.1) Srithai Superware Group : None

2.2) Other Companies:

Company	Position
Practicum Engineering Company Limited	Director
Thailand Post Company Limited	Director

3) Position in competing companies / company related to business of the Company that conflict of interest may arise : None**Attendance :**

- Board meetings	No. of meetings held : 6	No. of meetings attended : 6
- Audit Committee meetings	No. of meetings held : 5*	No. of meetings attended : 5

* The 5th Audit Committee meeting of the year 2010 was attended by members of the Audit Committee and external auditors. Executives of the Company were not invited.

Being a director for

how many years : 8 years (since August 2002 till present time)

5) Mrs.Siriporn Sailasuta

Age	: 64 years
Nationality	: Thai
Present Position	: Independent Director, Nominating and Remuneration Committee Member
Authority to sign for the Company as per Certification Document	: None
No. of share	: None (December 30, 2010)
Relationship among Directors	: None
Illegal acts in the past 10 years	: None
Training Course	: Director Certification Program (DCP)
Thai Institute of	Financial Statements for Directors (FSD)
Directors Association (IOD)	Role of Compensation Committee (RCC)

Education:

Institution	Degree	Major
Chulalongkorn University	B.Sc. in Engineering	Electrical Engineering
Pennsylvania State University	Certificate	Energy Planning Programme for Southeast Asia Countries
Office of the Civil Service Commission	Certificate, Top Executive Training Program 1	
The National Defence College of Thailand, Institute of National Defence Academy	Certificate of Achievement, 42 nd Class	
The Australian National University	Certificate	Leadership, Management and Governance in The Public Section

Experience:

Company	Position	Time Period
Department of Energy Development and Promotion, Ministry of Science and Technology	Deputy Director General (Administrator Level 9)	A.D. 1997-2000
Department of Energy Development and Promotion, Ministry of Science and Technology	Director General (Administrator Level 10)	A.D. 2000-2002
Department of Alternative Energy Development and Efficiency, Ministry of Energy	Director General (Administrator Level 10)	A.D. 2002-2006
The Thai Military Bank Public Company Limited	Advisor	A.D. 2006-2007

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Independent Director, Nominating and Remuneration Committee Member

2) Non-listed Companies:

2.1) Srithai Superware Group : None

2.2) Other Companies:

Company	Position
Charoen Pokphand Group Company Limited	Advisor – Corporate Development & Productivity Improvement Office

3) Position in competing companies / company related to business of the Company that conflict of interest may arise : None

Attendance :

- Board meetings	No. of meetings held : 6	No. of meetings attended : 6
- Nominating and Remuneration Committee meetings	No. of meetings held : 4	No. of meetings attended : 4

Being a director for

how many years : 3 years (since 2008 till present time)

6) Mrs.Srisuda Lertsumitkul

Age : 71 years

Nationality : Thai

Present Position : Director

Authority to sign for the Company
as per Certification Document : None

No. of share : 15,000,000 shares or 5.54 percent (December 30, 2010)

Relationship among Directors : Mother of Mr.Naphol and Ms.Bunnapa Lertsumitkul

Illegal acts in the past 10 years : None

Training Course : None

Thai Institute of Directors Association (IOD)

Education :

Institution	Degree	Major
-	Elementary school	-

Experience:

Company	Position	Time Period
Srithai Superware Public Company Limited	Director	Since establishment till present

Present Positions in Companies:

1) Listed Companies:

Company	Position
Srithai Superware Public Company Limited	Director

2) Non-listed Companies:

- 2.1) Srithai Superware Group : None
- 2.2) Other Companies : None

**3) Position in competing companies /
company related to business of the**

Company that conflict of interest may arise : None

Attendance :

- Board meetings No. of meetings held : 6 No. of meetings attended : 5

Being a director for

how many years : 8 years (since the Company was released from the
Rehabilitation Plan in July 2002 till present time)

7) Mr. Naphol Lertsumitkul

Age : 50 years

Nationality : Thai

Present Position : Director and Assistant to the President

Authority to sign for the Company as per Certification Document : Yes

No. of share (included shares held by spouse) : 1,500,000 shares or 0.55 percent (December 30, 2010)

Relationship among Directors : Son of Mrs.Srisuda Lertsumitkul and elder brother of Ms.Bunnapa Lertsumitkul

Illegal acts in the past 10 years : None

Training Course : Director Accreditation Program (DAP)

Thai Institute of Directors Association (IOD) : Director Certification Program (DCP)

Education:

Institution	Degree	Major
University of Houston, Texas, U.S.A.	Associate of Applied Science	Business Management

Experience:

Company	Position	Time Period
Srithai Superware Public Company Limited	Director and Assistant to the President	A.D. 1986 – Present

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Director and Assistant to the President

2) Non-listed Companies:

- 2.1) Srithai Superware Group : Please see the additional details in Attach no.1 (Details of Directors and Management who have control over companies in Srithai Superware Group)
- 2.2) Other Companies : None

3) Position in competing companies / company related to business of the Company that conflict of interest may arise : None

Attendance :

- Board meetings No. of meetings held : 6 No. of meetings attended : 6

Being a director for

how many years : 8 years(since the Company was released from the Rehabilitation Plan in July 2002 till present time)

8) Mr.Manit Ativanichayaphong

Age : 66 years

Nationality : Thai

Present Position : Director, Risk Management Sub-Committee Member, Senior Marketing Director - Household Products and Acting Direct Sales Director

Authority to sign for the Company as per Certification Document : Yes

No. of share : 1,148,720 shares or 0.42 percent (December 30, 2010)

Relationship among Directors : None

Illegal acts in the past 10 years : None

Training Course : Director Accreditation Program (DAP)

Thai Institute of Directors Association(IOD) : Director Certification Program (DCP)

Education :

Institution	Degree	Major
Ramkamhaeng University	Bachelor	Marketing

Experience:

Company	Position	Time Period
Grant Advertising International Inc.	Account Executive	A.D. 1967 – 1974

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Director, Risk Management Sub-Committee Member, Senior Marketing Director - Household Products and Acting Direct Sales Director

2) Non-listed Companies:

- 2.1) Srithai Superware Group** : Please see the additional details in Attach no.1 (Details of Directors and Management who have control over companies in Srithai Superware Group)
- 2.2) Other Companies** : None

3) Position in competing companies / company related to business of the

Company that conflict of interest may arise : None

Attendance:

- Board meetings : No. of meetings held : 6 No. of meetings attended : 6

- Risk Management Sub-Committee meetings : No. of meetings held : 8 No. of meetings attended : 7

Being a director for

how many years : 8 years(since the Company was released from the Rehabilitation Plan in July 2002 till present time)

9) Mr.Prin Bholnivas

Age	: 55 years
Nationality	: Thai
Present Position	: Director, Nominating and Remuneration Committee Member, Chairman of the Risk Management Sub- Committee, Company Secretary and Chief Financial Officer
Authority to sign for the Company as per Certification Document	: Yes
No. of share	: 200,000 Shares or 0.07 percent (December 30, 2010)
Relationship among Directors	: None
Illegal acts in the past 10 years	: None
Training Course Thai Institute of Directors Association (IOD)	: Director Accreditation Program (DAP) Director Certification Program (DCP) Role of the Compensation Committee (RCC) Audit Committee Program (ACP) Company Secretary Program Developing Corporate Governance Policy D&O Insurance Mitigating Directors Liabilities Risk Monitoring the Internal Audit Function Director Nomination Best Practices

Education:

Institution	Degree	Major
Thammasat University	B.B.A.	Accounting
University of Wisconsin – Madison, Wisconsin, U.S.A.	M.B.A.	Accounting

Experience:

Company	Position	Time Period
State Railways of Thailand	Chief of Financial Analysis & Planning Division, Accounting and Finance Department	A.D. 1982 – 1989
Sunny's Supermarket Company Limited	Financial Controller	A.D. 1989 – 1992
TelecomAsia Corporation Public Company Limited	Senior Manager – Management Information System Division, Accounting Department	A.D. 1992 – 1993
Charoen Pokphand Group	Assistant Vice President – Finance & Accounting, Marketing and Distribution Business Group	A.D. 1993 – 2000

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Director, Nominating and Remuneration Committee Member, Chairman of the Risk Management Sub-Committee, Company Secretary and Chief Financial Officer

2) Non-listed Companies:

2.1) Srithai Superware Group : Please see the additional details in Attach no.1 (Details of Directors and Management who have control over companies in Srithai Superware Group)

2.2) Other Companies:

Company	Position
Takahashi Plastics Company Limited	Director
Lock & Lock (Thailand) Company Limited	Director

3) Position in competing companies / company related to business of the

Company that conflict of interest may arise : None

Attendance:

- Board meetings	No. of meetings held : 6	No. of meetings attended : 6
- Audit Committee meetings	No. of meetings held : 5	No. of meetings attended : 4*
- Nominating and Remuneration Committee meetings	No. of meetings held : 4	No. of meetings attended : 4
- Risk Management Sub-Committee meetings	No. of meetings held : 8	No. of meetings attended : 8

* The 5th Audit Committee meeting of the year 2010 was attended by members of the Audit Committee and external auditors. Executives of the Company were not invited.

Being a director for

how many years : 8 years (since the Company was released from the Rehabilitation Plan in July 2002 till present time)

10) Mr.Banchar Haemintakun

(being executive since May 17, 2010)

Age	: 50 years
Nationality	: Thai
Present Position	: Chief Operating Officer - Network Marketing
Authority to sign for the Company as per Certification Document	: None
No. of share	: None (December 30, 2010)
Relationship among Directors	: None
Illegal acts in the past 10 years	: None

Education:

Institution	Degree	Major
Assumption University	Bachelor	Business Administration
Ramkamhaeng University	Master Degree	Executive MBA

Experience:

Company	Position	Time Period
Oriflame Cosmetics (Thailand) Ltd.	Managing Director	A.D. 2002 - 2005
Synergy Worldwide Marketing (Thailand) Ltd.	Country Manager	A.D. May 2005 – May 2007
Agel Enterprises (Thailand) Company Limited	Regional Director of Southeast Asia	A.D. May 2007 – Apr. 2010
Srithai Superware Public Company Limited	Chief Operating Officer - Network Marketing	A.D. May 2010 - Present

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Chief Operating Officer - Network Marketing

2) Non-listed Companies:

- 2.1) Srithai Superware Group : None
- 2.2) Other Companies : None

3) Position in competing companies / company related to business of the

Company that conflict of interest may arise : None

11) Mr.Prayoon Kajitte

Age : 60 years

Nationality : Thai

Present Position : Personnel and Administration Director

Authority to sign for the Company as per Certification Document : None

No. of share : 90,000 Shares or 0.03 percent (December 30, 2010)

Relationship among Directors : None

Illegal acts in the past 10 years : None

Education:

Institution	Degree	Major
Rajamangala Institute Bangkok Technical Campus	Associate	-

Experience:

Company	Position	Time Period
Anglo-Thai Industrial Company Limited	Technician	A.D. 1972 – 1974

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Personnel and Administration Director

2) Non-listed Companies:

- 2.1) Srithai Superware Group : None
- 2.2) Other Companies : None

3) Position in competing companies / company related to business of the

Company that conflict of interest may arise : None

12) Ms.Bunnapa Lertsumitkul

Age	: 49 years
Nationality	: Thai
Present Position	: Human Resource Development Director
Authority to sign for the Company as per Certification Document	: None
No. of share	: 8,520,000 Shares or 3.14 percent (December 30, 2010)
Relationship among Directors	: Daughter of Mrs.Srisuda Lertsumitkul and younger sister of Mr.Naphol Lertsumitkul
Illegal acts in the past 10 years	: None

Education :

Institution	Degree	Major
City of London Polytechnic	Diploma	Marketing

Experience:

Company	Position	Time Period
Srithai Superware Public Company Limited	Human Resource Development Director	A.D. 1984 – Present

Present Positions in Companies:

1) Listed Companies:

Company	Position
Srithai Superware Public Company Limited	Human Resource Development Director

2) Non-listed Companies:

- 2.1) Srithai Superware Group : None
2.2) Other Companies : None

3) Position in competing companies / company related to business of the

Company that conflict of interest may arise : None

13) Mr.Apisit Tangsatit

Age : 53 years

Nationality : Thai

Present Position : Risk Management Sub-Committee Member and Senior Factory Director - Industrial Products

Authority to sign for the Company as per Certification Document : None

No. of share : 30,142 Shares or 0.01 percent (December 30, 2010)

Relationship among Directors : None

Illegal acts in the past 10 years : None

Education :

Institution	Degree	Major
King Mongkut's University of Technology Thonburi	Bachelor	Mechanics

Experience :

Company	Position	Time Period
Srithai Superware Public Company Limited	Senior Factory Director - Industrial Products	A.D. 1983 – Present

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Risk Management Sub-Committee Member and Senior Factory Director - Industrial Products

2) Non-listed Companies:

2.1) Srithai Superware Group : Please see the additional details in Attach no.1 (Details of Directors and Management who have control over companies in Srithai Superware Group)

2.2) Other Companies : None

3) Position in competing companies / company related to business of the Company that conflict of interest may arise

: None

Attendance :

- Risk Management Sub-Committee meetings No. of meetings held : 8 No. of meetings attended : 8

14) Mr. Pawat Chalermpong

Age : 50 years

Nationality : Thai

Present Position : Risk Management Sub-Committee Member and Marketing Director - Industrial Products

Authority to sign for the Company as per Certification Document : None

No. of share : 30,000 Shares or 0.01 percent (December 30, 2010)

Relationship among Directors : None

Illegal acts in the past 10 years : None

Education :

Institution	Degree	Major
Ramkamhaeng University	Bachelor	Business Administration (Marketing)
Webster University, St. Louis, U.S.A.	M.B.A	Business Administration

Experience :

Company	Position	Time Period
Fareast Advertising Public Company Limited	Account Executive	A.D. 1987 – 1988
Siam Commercial Bank Public Company Limited	Import & Export Department	A.D. 1988 – 1990
Shinawatra Computer and Communication Public Company Limited	Manager of Finance	A.D. 1990 – 1993

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Risk Management Sub-Committee Member and Marketing Director - Industrial Products

2) Non-listed Companies:

- 2.1) Srithai Superware Group : Please see the additional details in Attach no.1 (Details of Directors and Management who have control over companies in Srithai Superware Group)
- 2.2) Other Companies : None

3) Position in competing companies / company related to business of the Company that conflict of interest may arise : None

Attendance :

- Risk Management Sub-Committee meetings No. of meetings held : 8 No. of meetings attended : 5

15) Ms.Nitaya Prasertnukulphol

Age : 51 years

Nationality : Thai

Present Position : Marketing Director – Household Products

Authority to sign for the Company as per Certification Document : None

No. of share : None (December 30, 2010)

Relationship among Directors : None

Illegal acts in the past 10 years : None

Education :

Institution	Degree	Major
Thammasat University	M.B.A.	Marketing

Experience :

Company	Position	Time Period
Berli Jucker Public Company Limited	Marketing Manager	A.D. 1986 – 1994
International Beauty Products Company Limited, Thailand (a subsidiary company of The Tempo Group, Indonesia)	Director of Marketing & Sales	A.D. 1994 – 2000
PT. Barclay Products, Indonesia (a subsidiary company of The Tempo Group, Indonesia)	Senior Technical Adviser in Marketing & Sales	A.D. 2000 – 2006

Present Positions in Companies:**1) Listed Companies :**

Company	Position
Srithai Superware Public Company Limited	Marketing Director – Household Products

2) Non-listed Companies:

2.1) Srithai Superware Group : None

2.2) Other Companies : None

3) Position in competing companies / company related to business of the

Company that conflict of interest may arise : None

16) Mr.Pongsak Kantiratanawong

Age	: 53 years
Nationality	: Thai
Present Position	: Marketing Director - Packaging Products
Authority to sign for the Company as per Certification Document	: None
No. of share	: None (December 30, 2010)
Relationship among Directors	: None
Illegal acts in the past 10 years	: None

Education:

Institution	Degree	Major
Chulalongkorn University	Bachelor	B.Sc. (Biochemistry)
Thammasat University	M.B.A.	Business Administration (Marketing)

Experience:

Company	Position	Time Period
Hoechst Thai Limited	Technical Sales Representative	A.D. 1980 – 1985
SCT Company Limited	Marketing Officer	A.D. 1985
Thai Modern Plastic Industry Company Limited	Senior Marketing Manager	A.D. 1986 – 1993
C.P. Packaging Industry Company Limited	Vice President	A.D. 1993 – 2007

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Marketing Director - Packaging Products

2) Non-listed Companies:

- 2.1) Srithai Superware Group : None
- 2.2) Other Companies : None

3) Position in competing companies / company related to business of the

Company that conflict of interest may arise : None

17) Mr.Jarung Srisakul

Age	: 57 years
Nationality	: Thai
Present Position	: Risk Management Sub-Committee Member and Factory Director - Industrial Products
Authority to sign for the Company as per Certification Document	: None
No. of share	: None (December 30, 2010)
Relationship among Directors	: None
Illegal acts in the past 10 years	: None

Education:

Institution	Degree	Major
Saint Louis University	Bachelor of Science	Electronics & Telecommunication Engineering
Saint Louis University	Master of Science	Management Engineering (MS.ME)

Experience:

Company	Position	Time Period
Unico Consumer Products Company Limited	Manufacturing Director	A.D. 1993 – 2000
Bangkok Decor Metal Company Limited	General Manager	A.D. 2001 – 2004
Srithai Miyagawa Company Limited	General Manager	A.D. 2004 – 2007

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Risk Management Sub-Committee Member and Factory Director - Industrial Products

2) Non-listed Companies:

2.1) Srithai Superware Group : None

2.2) Other Companies : None

3) Position in competing companies / company related to business of the**Company that conflict of interest may arise : None****Attendance :**

- Risk Management Sub-Committee meetings No. of meetings held : 8 No. of meetings attended : 8

18) Mr. Rakesh Singh

(being executive since January 4, 2010)

Age : 47 years

Nationality : Thai

Present Position : Risk Management Sub-Committee Member and Factory Director - Household Products

Authority to sign for the Company as per Certification Document : None

No. of share : None (December 30, 2010)

Relationship among Directors : None

Illegal acts in the past 10 years : None

Education:

Institution	Degree	Major
Plastics & Rubber Institute (PRI), London, United Kingdom	Diploma	-
Central Institute of Plastics Engineering, India	Post Diploma	Plastics Mold Design

Experience:

Company	Position	Time Period
Royal Industries (Thailand) Company Limited	Plant Manager	A.D. 1987 – 1994
Malaplast Company Limited	General Manager	A.D. 1994 – 2004
K.P.N. Plastics Public Company Limited	Managing Director	A.D. 2004 – 2007
T.T. Technoplast Company Limited	Managing Director	A.D. 2007 – 2009

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Risk Management Sub-Committee Member and Factory Director - Household Products

2) Non-listed Companies:

2.1) Srithai Superware Group : None

2.2) Other Companies:

Company	Position
Double Points Limited	Director

3) Position in competing companies / company related to business of the

Company that conflict of interest may arise : None

Attendance :

- Risk Management Sub-Committee meetings No. of meetings held : 8 No. of meetings attended : 8

19) Mr.David Stuart Bull

(being executive since November 15, 2010)

Age : 67 years

Nationality : British

Present Position : Beverage Operations Director

Authority to sign for the Company as per Certification Document : None

No. of share : None (December 30, 2010)

Relationship among Directors : None

Illegal acts in the past 10 years : None

Education:

Institution	Degree	Major
City and Guilds of London Institute	Bachelor	Electrical Mechanical

Experience:

Company	Position	Time Period
Crown Cork and Seal (Thailand) Company Limited	Plastic Division Manager	A.D.1994 – 2003
Crown Bevan and Closures (Thailand) Company Limited	General Manager	A.D. 2003 – 2005
Obrist (Thailand) Company Limited	General Manager	A.D. 2005 – 2007
Petform (Thailand) Limited	Advisor	A.D. 2007 – 2010

Present Positions in Companies:**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Beverage Operations Director

2) Non-listed Companies:

- 2.1) Srithai Superware Group : None
- 2.2) Other Companies : None

3) Position in competing companies / company related to business of the

Company that conflict of interest may arise : None

8.5 Attendance of Directors at Meetings

In the year 2010, there were 6 Board Meetings and 5 Audit Committee Meetings. Attendance report of Directors and Audit Committee Members was shown hereunder:-

Board of Directors' Name		Number of Meetings Attended	
		Board of Directors' Meetings	Audit Committee's Meetings
Mr.Sanan	Angubolkul	6	-
Mr.Viroj	Lowhaphandu	6	5
Mr.Enghug	Nontikarn	6	5
Mr.Suchat	Boonbanjerd Sri	6	5
Mrs.Siriporn	Sailasuta	6	-
Mrs.Srisuda	Lertsumitkul	5	-
Mr.Naphol	Lertsumitkul	6	-
Mr.Manit	Ativanichayaphong	6	-
Mr.Prin	Bholnivas	6	4

8.6 Nomination of Directors

In the year 2005, the Company has appointed a Nominating and Remuneration Committee, of which an Independent Director has been the Chairman, to perform duty of nominating new directors, and propose to the Board for approval and/or propose to the meeting of shareholders for approval. The procedure of nominating directors was described in Article no. 13 and no. 14 of the Articles of Association as following:-

- “(1) One shareholder has one voting right for one share held;
- (2) Each shareholder will cast all his votes in (1) to elect one candidate or more as Director, but he cannot split his votes, more or less, to elect any candidate;
- (3) The candidates shall be ranked in order descending from the highest number of votes to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the chairman shall have a casting vote.”

Nomination of Executives

When any senior executive resigns or retires, the Nominating and Remuneration Committee will nominate a new senior executive and propose to the Board for approval.

Report of the Nominating and Remuneration Committee

To : Shareholders

Srithai Superware Public Company Limited

The Nominating and Remuneration Committee has been appointed by the Board of Directors according to the resolution of the Board of Directors' Meeting No. 4 / 2548 on August 10, 2005. The purpose is to comply with the Company's good corporate governance policies and the good corporate governance principles of the Stock Exchange of Thailand to help the Board of Directors to recruit and nominate the potential directors and top executives, to determine the remuneration for the directors and senior executives, and to ensure that such process is transparent, fair among stakeholders, and efficient to the business.

Structure of the Nominating and Remuneration Committee comprises directors not more than 4 persons, consisting of 2 Independent Directors and 2 Executive Directors. Chairman of the Nominating and Remuneration Committee will be an Independent Director. The present Nominating and Remuneration Committee's term in office was completed by the end of the year 2010. The Board of Directors, in its meeting no. 6/2553 held on December 24, 2010, passed a resolution to extend the term in office of the present Nominating and Remuneration Committee for 2 years until the end of the fiscal year 2012, and to appoint Mrs.Siriporn Sailasuta as Chairman of the Nominating and Remuneration Committee replacing Mr.Enghug Nontikarn by rotation.

Performance of the Nominating and Remuneration Committee

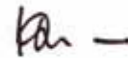
In 2010, the Nominating and Remuneration Committee held the meeting for 4 times. The number of times each member of the Nominating and Remuneration Committee attended the meeting was as follows:

Name		Position	Number of Times Attending the Meeting / Number of Total Meetings (Times)
Mr.Enghug	Nontikarn	Chairman of the Nominating and Remuneration Committee	4/4
Mr.Sanan	Angubolkul	Member of the Nominating and Remuneration Committee	4/4
Mrs.Siriporn	Sailasuta	Member of the Nominating and Remuneration Committee	4/4
Mr.Prin	Bholnivas	Member of the Nominating and Remuneration Committee and Secretary of the Committee	4/4

Duties of the Nominating and Remuneration Committee during the year 2010 can be summarized as follows.

1. To consider the selection of Executive Directors to replace the Company's Directors whose terms have been completed, and their remuneration for consideration by the Board of Directors of the Company for further proposing to the Annual General Meeting of Shareholders no. 29 (of the year 2009).
2. To consider adjustment of salaries of executives for the year 2010.
3. To consider appointment of additional 2 executives.
4. To consider payment of bonus to Company's senior executives for performance of the year 2010.
5. To consider extending term in office of the Nominating and Remuneration Committee.

On Behalf of the Nominating and Remuneration Committee



Mr. Enghug Nontikarn
Chairman of the Nominating and Remuneration Committee

8.7 Remuneration for Directors, Executives and Management

(Definitions as set by Notification of the Capital Market Supervisory Board No. TorChor. 23/2551)

(1) Financial Remuneration

- Directors

Name	Position	2010 Amount (million baht)	2009 Amount (million baht)
Meeting Allowance			
Mr.Sanan Angubolkul	Chairman, President and Nominating and Remuneration Committee Member	0.20	0.20
Mr.Viroj Lowhaphandu	Chairman of the Audit Committee	0.45	0.45
Mr.Enghug Nontikarn	Audit Committee Member and Chairman of the Nominating and Remuneration Committee	0.25	0.25
Mr.Suchat Boonbanjersri	Audit Committee Member	0.25	0.25
Mrs.Siriporn Sailasuta	Independent Director and Nominating and Remuneration Committee Member	0.10	0.10
Mrs.Srisuda Lertsumitkul	Director	0.10	0.10
Mr.Naphol Lertsumitkul	Director	0.10	0.10
Mr.Manit Ativanichayaphong	Director and Risk Management Sub-Committee Member	0.10	0.10
Mr.Prin Bholnivas	Director, Nominating and Remuneration Committee Member and Chairman of the Risk Management Sub- Committee	0.10	0.10
Total		1.65	1.65

Remarks :

- In 2010, the meeting allowance the Company paid to each Director was in accordance with the approval of the Annual General Meeting of Shareholders no. 29 (of the year 2009) as follows:-
 - Meeting allowance for Board of Directors

Chairman	at Baht 200,000 per annum
Directors	at Baht 100,000 per annum/per person
 - Meeting allowance for Audit Committee

Chairman of Audit Committee	at Baht 350,000 per annum
Member of Audit Committee	at Baht 150,000 per annum / per person
- The Company had no remuneration payment to the Nominating and Remuneration Committee and other Sub-Committees.

- Management

Remuneration	2010		2009	
	Number	Amount (million baht)	Number	Amount (million baht)
Salary	14	45.55	11	37.26
Bonus	14	8.02	11	3.65
Total	14	53.57	11	40.91

Remarks :

1. The number of executives increased from that of last year due to appointments of Mr.Rakesh Singh, Mr.Banchar Haemintakun and Mr.David Stuart Bull as executives during the year 2010.
2. List of Executives who received remuneration in 2009 was shown as follows:
 - 2.1 Mr.Sanan Angubolkul
 - 2.2 Mr.Prin Bholnivas
 - 2.3 Mr.Banchar Haemintakun
 - 2.4 Mr.Naphol Lertsumitkul
 - 2.5 Mr.Manit Ativanichayaphong
 - 2.6 Mr.Prayoon Kajitte
 - 2.7 Ms.Bunnapa Lertsumitkul
 - 2.8 Mr.Apisit Tangsatit
 - 2.9 Mr.Pawat Chalermpong
 - 2.10 Ms.Nitaya Prasertnukulphol
 - 2.11 Mr.Pongsak Kantiratanawong
 - 2.12 Mr.Jarung Srisakul
 - 2.13 Mr.Rakesh Singh
 - 2.14 Mr.David Stuart Bull
3. Inclusive of accrued bonus of the year.

(2) Other Remuneration

None

8.8 Report on Good Corporate Governance

The Board of Directors has realized the importance of good corporate governance in view of its benefits to increase transparency, competitiveness of the Company, and confidence among shareholders and stakeholders. Therefore the Board had set up good corporate governance policies which had been adopted since 2004. The policies were reviewed and updated from time to time. Compliance to good corporate governance policies in the year 2010 could be summarized as follows:-

1. The Rights of Shareholders and the Equitable Treatment of Shareholders
Equitable Treatment of Shareholders

The Company had arranged for equitable treatment of shareholders in observing their right under the laws including their basic right such as right to receive share profit/dividend, equitable treatment in purchasing of treasury stocks by the Company and right to consider proposals made by the Company to every meeting of shareholders; for example, appointment of directors and fixing remuneration for directors. Also, the Company has made available at its website a channel of communication that shareholders can propose agenda of meeting, names of candidate for directorship, including raising questions, so that their proposals would be considered by the Board of Directors for including in agenda of annual general meeting of shareholders.

Structure of Shareholding of the Company

Structure of shareholding of the Company, its subsidiaries and affiliates, detail of which as shown under general information section of Annual Report, was not complicated; and there was no cross-holding of shares inside the group of companies. Number of free float shares has complied with criteria set up by the Stock Exchange of Thailand. Therefore, it was a support of capital market since this was not a mechanism to shield Management or controlling party from take-over effort in case of inefficiency or non-transparency of management.

Convening Shareholders' Meeting

The Company offers the rights to shareholders to propose meeting agendas, including proposing names of candidates to be nominated as the Company's directors for the Annual General Meeting of Shareholders. The Company posted the details, criteria, procedures, and relevant documents regarding the proposing of meeting agenda and / or name of candidates to be the Company's directors on the Company's website, and informed such rights via the information system of the Stock Exchange of Thailand. The shareholders were given sufficient time for considering and proposing such issues to the Board of Directors for further consideration. In the Annual General Meeting of Shareholders No. 29 (of the year 2009), there was no shareholder exercising such rights.

The Company has a policy to submit relevant information of meeting agenda to all shareholders in both Thai & English versions at least 14 days before date of meeting, and also informed them about criteria, information and details of significant information and opinion of the Board of Directors in each matter as following:-

- Rules and procedures of attending the meeting.
- Proposing at least 1 independent director to be proxy of shareholders.
- Agenda regarding the Board of Directors' report of the Company performance during the past year.
- Agenda regarding the approval of the audited Balance Sheets and Income Statements.
- Agenda on appointing directors who have been proposed by the Nominating and Remuneration Committee with background information such as educational background, work experience, number of companies he has been appointed as director and number of times of attending Board Meeting in the past year. In the agenda regarding the appointment of Company's directors, the Company proposed to appoint the directors individually.
- Agenda on remuneration of directors who have been considered by the Nominating and Remuneration Committee. Policy on remuneration, criteria and procedure of consideration, amount and method of remuneration varied to responsibility of each director were also furnished.
- Agenda on appointing auditor and audit fee as approved by the Audit Committee. The Company proposed name of auditor and auditor's office, years of providing service to the Company, and opinion of the Board of Directors.
- Agenda on appropriation of net profit and dividend payment. The Company furnished the meeting with dividend policy and comparing proposed amount of payment with the dividend policy.

In the shareholders' meeting, the Board of Directors consisting of Chairman / President, Chairman of the Audit Committee, Chairman of the Nominating and Remuneration Committee, Independent Directors, Executive Directors and concerned high-level executives always paid attention to attend the meeting together. The Chairman of the Board of Directors acted as the Chairman of the Meeting. He allocated sufficient time to shareholders for answering their inquiries.

The Company Secretary informed the shareholders way to conduct meeting and voting right. The Company distributed voting cards of each agenda to shareholders at time of registration and also arranged for a legal advisor to count the votes together with a representative of the shareholders witnessing the counting in each meeting agenda.

After the meeting of shareholders, the Company has submitted all relevant information via IT system of the Stock Exchange of Thailand. The Company has also issued minutes of shareholders' meeting with sufficiently significant information such as names of attending/unattending directors, method of voting and vote counting, significant explanations, resolution of the meeting under three categories, i.e. approve, disapprove, or abstain, questions of shareholders and explanations. The said minutes of shareholders' meeting (in details) has been broadcast via the Company's website.

Control and Monitor on Insiders' Trading

In 2010, the Company has revised its regulation on prevention of insiders' trading to bar Directors or Executives to use internal information for ones' own benefit, including for stock trading. They are prohibited on stock trading for 30 days prior to the Company's announcement of operating results or important information being disclosed to the public. They are also required to submit a report on their trading of security issued by the Company to Chairman of the Board or President. Offenders will face punishment according to regulation of the Company and penalty as prescribed under the Securities and Exchange Act (version 4) B.E. 2551. In 2010, Directors and Executives of the Company have strictly observed this regulation.

Connected Transactions

The Company has realized the importance of observing regulation of The Stock Exchange of Thailand regarding connected transactions. In the year 2010, the Company had small number of connected transactions for its normal business operation. Price and term & conditions of transactions and other conditions were taken into consideration for those transactions same as our normal business transactions in accordance with criteria laid down by the Board of Directors.

Disclosure of Vested Interest of Directors, Executives and Other Concerned Parties

The Company requires that Directors and Executives of the Company shall provide their conflict of interest report and of related persons which will be filed by the Company Secretary pursuant to related laws. If any of the agendas of the Board of Directors' meeting considers any matter that may have conflict of interest with any Director, such Director shall leave the meeting in order to assure transparency and fairness to the common interest.

2. The Roles of Stakeholders

Since the year 2006, the Board of Directors had notified the code of ethics in doing business to every level of employees and the Company's executives to serve as their guideline for carrying out their assignments with quality and virtue. The code of ethics covers the following :-

- 1) Guidelines for Treatment to Customers
- 2) Guidelines for Treatment to Competitors
- 3) Guidelines for Treatment to Government Agencies
- 4) Guidelines for Treatment to Employees
- 5) Guidelines for Treatment to Society
- 6) Guidelines for Treatment to Counterparties
- 7) Guidelines for Treatment to Creditors

In addition to fringe benefits eligible to all employees, such as welfare and general benefits of employees as disclosed in the handbook for employees, the Company has attached much importance on compliance to policy on Thai Labor Standard and continued development of human resources to support sustainable growth of the organization. Therefore, human resource development plan has been included in the Company's Business Direction for the year 2010-2012. Human Resource Development Division has been assigned to be responsible for this plan. It has organized training courses and seminars according to human resource development plan for the whole year 2010.

3. Disclosure of Information and Transparency

The Company deemed it important in disclosing critical information about the Company accurately, completely and timely. The information included financial circumstance, operation result, and structure of shareholding as follows:-

Structure of Shareholding and Management

The Company has disclosed in its website and annual report the structure of shareholding of the whole group of companies, including names and stake of holding of top 10 shareholders who have and have not participated in the formulation of policies of the Company. This information will be updated after any change occurred or at time of closure of share registration book in certain occasions such as compiling of shareholder names for determining right to attend a meeting and/or right to receive dividend, etc. In addition, the Company has disclosed personal detail about its directors and executives such as educational background, attendance of training courses on roles, duty and skill of directors, work experiences, percentage of shareholding, number of companies under his directorship, etc.

Information Disclosure

The Company consistently provides present and accurate news and information through several channels i.e. Annual Report and Annual Filing of Information (Form 56-1), Financial Statements, interview with the media such as newspaper and television, meeting with investors or analysts by participating activity organized by the SET such as Opportunity Day, including broadcasting via the Company's website (www.srithaisuperware.com) which acts as the center for gathering information disseminated via other channels, the website also provides business news and marketing activities, financial information, structure of organization, structure of business entities, annual report, and other information of the Company such as accomplishment of the Company or social responsibility activities, etc, including message by the Chairman (In Touch.... From Chairman's Desk) which has been posted in the website from time to time in both Thai and English versions. In addition, the Company had made a column in its website called Investor Relations (IR) for purpose of easy access to information by shareholders, investors, or other persons who are interested in the Company's business. It acts as a channel of communication with the Board of Directors or the Executives of the Company. Office of Company Secretary has been assigned to collect questions, suggestions, or complaints through the channel for submission to concerned Executives for their further actions and follow-up.

The Board of Directors has made available disclosure of the Company's both financial and non-financial information accurately, completely, timely, and transparently in accordance with regulations determined by the Securities and Exchange Commission and the Stock Exchange of Thailand via IT system. Also, the Company has presented significant information in its Annual Report comprising:-



- Organization structure and business structure
- Vision and mission
- Risk factors
- Nature of business and competition
- Financial circumstance and Business performance
- Report by the Board of Directors on its accountability to financial statements which certified the compliance to generally accepted accounting principles; was suitable for our businesses; and applied appropriate accounting policies consistently, and was signed by Chairman of the Board
- Report of the Audit Committee on its duties and responsibilities regarding assurance that financial statements are compliant to relevant laws, internal control system, Securities Act, and regulation of The Stock Exchange of Thailand and relevant laws, appointment of auditors, and other matters as prescribed by the Stock Exchange of Thailand.
- Report on performance of the Nominating and Remuneration Committee

The Office of Company Secretary also acts as the Investor Relations Office and is responsible for providing news and information to the shareholders or investors who are interested in the Company's businesses.

4. The Responsibilities of the Board

The Board comprises well experienced directors who are knowledgeable, efficient, and fit to business. Presently, there are 9 directors, i.e. 5 directors who represent the shareholders are the Company's executives. They are knowledgeable, proficient, and experienced in the Company's businesses. The Company has 4 independent directors who possess diverse skills and experiences, and strong leadership so they can apply their judgment freely.

The Board of Directors has appointed 3 independent directors to be the Audit Committee responsible for supporting the Board of Directors in carrying out its prescribed duties and responsibility.

Definition of Independent Director

An independent director means persons who have the qualifications as stipulated by the Securities and Exchange Commission according to the notification of the Capital Market Supervisory Board No. Tor Chor. 28/2551 Re : The Request for Approval and the Approval of Initial Public Offering, as follows :-

- (A) The persons who hold the voting shares of no more than 1% of the total number of shares in the Company, parent company, subsidiaries, associated companies, or juristic persons that may have conflicts with the Company, and the shares held by the related parties of such independent director will also be counted.
- (B) The persons shall not be or did not use to be the directors who participate in the management of the Company, the workers, employees, full-time consultants, or the authorized persons of the Company, parent company, subsidiaries, associated companies, or juristic persons that

may have conflicts with the Company, except that they do not have such qualifications for at least 2 years before the date of submitting the request to the office.

- (C) The persons shall not have blood relationship with or shall not legally register to be the parents, spouse, siblings, and children, including spouse of children or the management, or major shareholders, or authorized persons or persons who are proposed to be the management or authorized persons of the Company / subsidiaries.
- (D) The persons shall not have or did not use to have business relationship with the Company, parent company, subsidiaries, associated companies, or juristic persons that may have conflicts with the Company and such relationship may impede their own freedom of judgment, and shall not be or did not use to be the major shareholders, directors who are not independent directors, or management of the persons who have the business relationship with the Company, parent company, subsidiaries, associated companies, or juristic persons that may have conflicts with the Company, except that they do not have such qualifications for at least 2 years before the date of submitting the request to the office.

The business relationship according to the definition stipulated by the Securities and Exchange Commission means the normal business transactions for conducting the businesses, renting or leasing the immovable properties, the transactions relevant to the assets or services or the grant or acceptance of financial assistance by accepting or lending, guaranteeing, offering assets to be the debt guarantee, including the similar behaviors, and such actions may affect the persons who request for approval or parties to possess debts that shall be paid to the other party of lower of at least 3% of the net tangible assets of the persons who request for approval or at least 20 million baht. The calculation of such debts shall comply with the calculation methods of the value of related transactions according to the notification of the Board of Governors of the Stock Exchange of Thailand regarding the disclosure of information and the operations of the listed companies on the related transactions but upon considering such debts, shall include the debts incurred within 1 year before the date of business relationship with the same person.

- (E) The persons shall not be or did not use to be the external auditors of the Company, parent company, subsidiaries, associated companies, or juristic persons that may have conflicts with the Company, and shall not be the major shareholders, directors who are not independent directors, management, or managing partners of the audit office that are auditors of the Company, parent company, subsidiaries, associated companies, or juristic persons that have conflicts with the Company, except that they do not have such qualifications for at least 2 years before the date of submitting the request to the office.
- (F) The persons shall not be or did not use to be any professional service providers, including the legal services or financial advisory services that obtain the service fee more than 2,000,000 baht per year from the Company, parent company, subsidiaries, associated companies, or juristic persons that may have conflicts with the Company. In case that such professional service providers are juristic persons, including being major shareholders, directors who are not independent directors, management or managing partners of such professional service providers, except that they do not have such qualifications for at least 2 years before the date of submitting the request to the office.
- (G) The persons are not the directors who are appointed to be the representatives of the Company's directors, major shareholders, or shareholders who are related to major shareholders of the Company.
- (H) The persons do not have any other characteristics that prohibit such people from freely expressing opinions regarding the Company's operations.

After being appointed to be independent directors who have the characteristics according to paragraph (A) to (H), such independent directors may be assigned by the Board of Directors to make decisions regarding the operations of the Company, parent company, subsidiaries, associated companies, or other subsidiary of the same level, or juristic persons that may have conflicts with the Company with the collective decision.

Nominating of Directors

Board of Director appointed a Nominating and Remuneration Committee to perform the duty of nominating individuals who possess qualifications and experiences as required by the Company. The nominated persons should be able to devote time and efforts to carry out their duties efficiently for the benefits of the Company.

In appointing a director, the Board of Directors shall approve or propose to a meeting of shareholders for approval as the case may be, subject to criteria and method described in Article 13 and 14 of Articles of Association of the Company as follows:-

“Article 13 The shareholders’ meeting shall elect the directors in accordance with the conditions and procedures as follows:

- (1) One shareholder has one voting right for one share held;
- (2) Each shareholder will cast all his votes in (1) to elect one candidate or more as Director, but he can not split his votes, more or less, to elect any candidate;
- (3) The candidates shall be ranked in order descending from the highest number of votes to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the chairman shall have a casting vote.

Article 14 At every annual general meeting, one-third of the directors shall retire. If the number of directors cannot be divided into three, the number of directors closet to one-third shall retire.

In the first and second years after the registration of the Company, the directors shall retire by drawing lots. In subsequent years, the director who has held office for the longest shall retire.”

The Company did not describe maximum numbers of times of being nominated as director nor qualification on limit of age for directorship. In this regard, Article 14 of the Company’s Articles of Association will be observed.

In the shareholders’ meeting under this agenda, the Company shall request the meeting to vote for each candidate one by one.

Doubling of Positions

The two positions, Chairman and President, are held by the same person who represents a group of major shareholders. Presently, Company deems the doubling of positions appropriate under this circumstance due to the fact that this person has gained much experiences in this business for a very long time, and he is widely recognized among business community.

However, with the ratio of the independent directors of more than one-third of the number of directors, the Board of Directors is able to balance its motion, and opinions could be expressed freely when reviewing performance of the Management.

Remuneration for Directors and Executives

The Company had appointed a Nominating and Remuneration Committee to formulate a policy on remuneration for directors transparently and properly compared to those of other businesses in the same industry.

The Nominating and Remuneration Committee has a policy to determine the remuneration for directors and executives by considering the information obtained from the survey of Thai Institute of Directors regarding the directors' remuneration of listed companies as criteria for determining the remuneration of the Company's directors. The executive directors shall obtain the remuneration that relates to their respective performance. Regarding the independent directors and members of the Audit Committee, the Company has proposed proper amount of remuneration according to their workload, duties, and responsibilities in an agenda for approval by the shareholders' meeting as required by The Public Limited Company Act.

The Company disclosed details of remuneration for directors and executives in its Annual Report and Annual Filing of Information Form (Form 56-1) every year and in financial statements for the years ended December 31, 2010 under Statements of Income.

Board Meetings

Schedule of Board Meetings has been set up in advance for 5 times of ordinary meetings per annum. Extraordinary meeting of the Board may be called for. Agendas of the ordinary meetings usually comprise acknowledgement of audit result of reviewed or audited financial reports after having been considered by the Audit Committee, considering and monitoring business operation results in accordance with business plan and policy, approving significant business matters such as vision, mission, strategy, financial target and budget etc., consideration on agenda proposed by Management, and acknowledgement of performance of subcommittees set up by the Board for specific assignments, i.e. the Audit Committee, the Nominating and Remuneration Committee and the Risk Management Sub-committee.

The Chairman allocates sufficient time for the Company's directors to freely and fairly express their opinions on important issues based on the interests of the shareholders and relevant parties. Upon considering the agenda of conflicts of interests, the relevant directors are required not to be in the meeting room during such agenda being considered as informed by the Company Secretary.

The Company Secretary prepares the invitation letter, the meeting agenda, and the necessary documents for the Company's directors at least 7 days in advance of the meeting date so that the directors could have sufficient time to study the information before attending the meeting. The Company Secretary also takes and prepares minutes of meeting with complete and sufficient information, and keeps such minutes and the relevant information in file after being adopted by the Board of Directors so that it could be accessed by the Board of Directors and relevant parties.

In 2010, Independent Directors who were appointed as members of the Audit Committee held a meeting with external auditor without attendance by any executive so that they could discuss freely.

Directors in Other Listed Companies

In order to perform directorial functions independently with enough time to efficiently supervise the operation, the Company requires that the Directors of the Company be in the position of Directors in no more than 4 listed companies. In 2010, all of Directors had conformed to the requirement.

Performance Evaluation of the Board

In 2010, the Board of Directors had approved amendment of evaluation form of the Board's performance. The amended evaluation form covered more details by raising 54 questions classified into 6 areas as follow:-

- (1) Structure and Qualifications of the Board
- (2) Role, duty and responsibility of the Board
- (3) Board meeting
- (4) Performance of directors
- (5) Relationship with Management
- (6) Self development of directors and development of executives

In the Board of Directors' meeting No. 6/2553, held on December 24, 2010, the Board of Directors evaluated their own performance for the year 2010 in accordance with the new evaluation form.

Besides, in the year 2010 the Board of Directors in its meeting no. 6/2553, held on December 24, 2010, had arranged for evaluation of performance of the President as suggested by the Nominating and Remuneration Committee. The evaluation form was designed appropriately to cover 8 areas as follows:-

- (1) Leadership
- (2) Strategic planning
- (3) Transaction management and supervision
- (4) Financial management
- (5) Human resource management
- (6) Communication
- (7) Relationship with the Board of Directors
- (8) Performance evaluation

In order to support directors of a listed company in carrying out their duties efficiently, the Company has provided its directors with training courses organized by the Thai Institute of Directors Association (IOD) or other agencies such as Capital Market Academy, etc. At present, the Company's Directors who received training from the IOD are accounted for 85% of the total Directors of the Company.

Committees and Sub-committee

The Board had appointed 3 committees and sub-committee who were assigned to study in details and review various assignments, i.e. the Audit Committee, the Nominating and Remuneration Committee, and the Risk Management Sub-committee. The Board has outlined policies and frame-work of the 3 Committees and Sub-committee clearly regarding their duties and responsibilities, meeting procedure, and reporting to the Board as follows:-

1) Audit Committee

The Board of Directors has appointed the Audit Committee consisting of 3 independent directors who possess qualifications as stipulated by the Notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand. The Audit Committee consists of Professor Viroj Lowhaphandu who has expertise in accounting, auditing, finance, and taxation, Mr. Enghug Nontikarn and Mr. Suchat Boonbanjerd Sri who have expertise in finance and banking, investment, and accounting.

The Audit Committee's duty and responsibility are stipulated in the Charter of the Audit Committee which is pursuant to the Notification of the Stock Exchange of Thailand, Re: Qualifications and Scope of Work of the Audit Committee, B.E. 2551 as follows:

Duty and Responsibility of the Audit Committee

The Audit Committee is an ad hoc committee assigned by the Board of Directors with the following duties and responsibilities:

● Authority and Duty of the Audit Committee

The Audit Committee's duties are as follows:

1. Assuring that financial reporting of the Company is accurately and sufficiently disclosed by coordinating with external auditor and the executive who is responsible for preparation of financial reports quarterly and annually. The Audit Committee may recommend external auditor to review or audit any particular transaction deemed necessary and significant during audit session;
2. Reviewing and assuring availability of internal control and audit systems of the Company with external auditor and internal auditor to assure their appropriateness and effectiveness;
3. Selecting and proposing for nomination the external auditor, and proposing remuneration of external auditor for approval by taking into consideration trustworthiness, resourcefulness, and volume of works in hand of the candidates for nomination;
4. Examining connected transactions or transactions which may have conflicts of interest so as to assure compliance to the announcement of related governmental agencies;
5. Reviewing policies on financial management, risk management, adherence to business codes of ethics by Management, and reviewing jointly with Management any significant report to be made public as required by law;
6. Preparing report on activities of the Audit Committee, and disclosing it in the Company's annual report. The report will be signed by Chairman of the Audit Committee. The report will comprise the following information:-
 - 6.1 Opinion on process of preparing financial reports and disclosure of information in the reports as to its accuracy, sufficiency, and reliability;
 - 6.2 Opinion on sufficiency of internal control system of the Company;
 - 6.3 Reasons to convince that the term of the present external auditor should be extended by another one year;
 - 6.4 Opinion on compliance of the Company with the Securities and Exchange Act, Rules and Regulations of the Stock Exchange of Thailand, and any laws regulating the businesses of the Company;
 - 6.5 Any report deemed necessary to be disclosed to the public and investors within the framework of duties and responsibilities assigned by the Board.
7. Holding the audit committee's meeting on topics being assigned as follows:
 - 7.1 To review financial statements and other relevant financial reports, accounting principles and practice, compliance to accounting standards, viability of the Company, change of significant accounting policies and the rationale of Management on formulating such accounting policies and to present it to the Board for further publicizing;
 - 7.2 To review internal control system and internal audit procedures;
 - 7.3 To review annual internal audit plan, coordination in each step of the audit plan, and evaluation of the auditing jointly with internal auditor and external auditor. Audit Committee will inquire the extent of the audit plan so as to assure that any irregularity or weak point of internal control system be detected;
 - 7.4 To review together with internal auditor the problems and limitation arising during the internal audit courses, and to review the internal audit procedure;

- 7.5 To review together with external auditor the problems and limitation arising during the external audit courses;
- 7.6 To review together with internal auditor and external auditor the audit plan on procedure and control of electronic data processing, and to review safety measures so as to prevent irregularity or malpractice on computer system by staffs or outsiders;
- 7.7 To be compliant with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and other laws regulating the businesses of the Company;
- 7.8 To carry out any work assigned by the Board;
- 7.9 To do self evaluation on performance and achievement of assignments;
8. To review and assure the accuracy and adequacy of financial reporting;
9. To consider jointly with the Management the evaluation on performance and merit or punishment of the head of internal audit;
10. To review jointly with the Management on policy and adequacy of risk management on sensitive issues of the Company;
11. To review financial management policy of the Company;
12. To report to the Board the tasks of Audit Committee;
13. To perform any other duties as assigned by the Board under mutual consent;
14. To review Charter of Audit Committee.

● **Responsibility of the Audit Committee**

To perform in accordance with the aforementioned Charter, the Audit Committee is directly responsible to the Board of Directors and the Audit Committee is also responsible for the Company's operation toward outsiders.

2) Nominating and Remuneration Committee

The Board of Directors has appointed the Nominating and Remuneration Committee consisting of not more than 4 members of the Board of Directors, 2 of which are Independent Directors and the remainder 2 persons are Executive Directors. Chairman of the Nominating and Remuneration Committee is Independent Director. Members of the Committee are named as follows:-

- | | | |
|----|------------------------|---|
| 1. | Mr.Enghug Nontikarn | Chairman of the Nominating and Remuneration Committee
(Independent Director) |
| 2. | Mr.Sanan Angubolkul | Member |
| 3. | Mrs.Siriporn Sailasuta | Member (Independent Director) |
| 4. | Mr.Prin Bholnivas | Member and Secretary |

Authority and Responsibility of the Nominating and Remuneration Committee:

1. Consider organization chart, qualification and composition of directors and executives of the Company;
2. Select capable persons and propose their names for nomination as directors to the Board of Directors or the meeting of shareholders as the case may be;
3. Select capable and suitable persons and propose their names for appointment as executives;
4. Consider and propose structure of remuneration for directors and executives, such as salary, severance pay, bonus, welfare, meeting allowance, and other financial or non-financial remuneration;
5. Report performance of the Nominating and Remuneration Committee to the Board;
6. Other assignments relevant to nominating personnel and remunerating as deemed fit by the Board.

3) Risk Management Sub-committee

The Board of Directors has appointed the Risk Management Sub-committee consisting of high-level executives and relevant executives as follows:-

- | | | | |
|----|------------|-------------------|---|
| 1. | Mr.Prin | Bholnivas | Chairman of the Risk Management Sub-Committee |
| 2. | Mr.Manit | Ativanichayaphong | Member |
| 3. | Mr.Apsit | Tangsattit | Member |
| 4. | Mr.Pawat | Chalermpong | Member |
| 5. | Mr.Jarung | Srisakul | Member |
| 6. | Mr.Rakesh | Singh | Member |
| 7. | Mr.Pramual | Pinyo | Member |
| 8. | Mr.Tanatch | Sripan | Member and Secretary |

Authority and Responsibility of the Risk Management Sub-committee:

1. Study, review and evaluate any possible risk, including trend of probable impact on the organization, for both internal and external risks covering at least 4 areas as described below:-
 - Financial risk
 - Operational risk
 - Business risk
 - External factors risk
2. Formulate policies on risk management, and propose it to the Board for the Board's overview;
3. Formulate strategies, organizational structure, and resources used in the management of risks, in compliance with risk management policies and business directions of the Company;
4. Set up risk-taking criteria of operation in term of financial limit and nature of transactions;
5. Monitor and review policies, strategies and implementation to assure that risk management strategies are implemented appropriately;
6. Be authorized to appoint working group to evaluate and keep track of risk throughout the organization;
7. Other matters as assigned by the Board.

In 2010, the Risk Management Sub-committee's performance could be summarized as follows:

1. Formulated risk management plan according to business plan and product groups of the Company;
2. Monitored compliance to the Liability for Damages Arising from Unsafe Products Act B.E. 2551. It was found that there was no material effect by that law;
3. Prepared to formulate risk management plan for the year 2011 for industrial product group and household product group so that information system, production system and distribution of products could become more efficient;
4. Evaluated performance of Risk Management Sub-Committee for improving its performance more efficiently.

Company Secretary

The Company has appointed a Director (Chief Financial Officer) to be the Company Secretary with duty and responsibility as prescribed in the Securities and Exchange Act (No.4) B.E.2551.

Duty and Responsibility of the Company's Secretary

1. Duty concerning holding a meeting
 - 1.1 To organize the meeting, attend the meeting, and record the minutes of the Board of Directors meeting and the Annual General Meeting of Shareholders;

- 1.2 To gather and prepare document to be sent to the Company's Directors and the shareholders;
- 1.3 To follow and revise the procedures of the Board of Directors' meeting and the Annual General Meeting of Shareholders;
- 1.4 To gather and file the documents for the meeting and the minutes of the meeting.
2. Conforming to Laws and Regulations
 - 2.1 To ensure that the Company's operation follows the stipulation of the Memorandum of Association and the regulations of the Company;
 - 2.2 To ensure that the Company and the Company's Board of Directors conform to the related laws such as preparation of the Directors Registration, handling of connected transaction, acquisition or disposal of assets, etc;
 - 2.3 To ensure that the Company and the Company's Board of Directors conform to the regulations of the Stock Exchange of Thailand regarding disclosure of information as well as to the regulations of the Securities and Exchange Commission in its accountability as issuer of securities to the public;
 - 2.4 To revise the progress and provide consultancy, suggestion, and support on matter of Good Corporate Governance, and the Code of Best Practice for Directors.
3. Preparation, gathering, and dissemination of information
 - 3.1 To prepare draft of message of the Board of Directors and the report by the Board of Directors on its responsibility to the Company's financial statements to be shown in the annual report;
 - 3.2 To co-ordinate in preparation and dissemination of the annual report and the financial report to the shareholders and concerned parties such as debtors, creditors, staffs, related agencies such as the Revenue Department, the Stock Exchange of Thailand, Office of the Securities & Exchange Commission, and financial advisor, etc;
 - 3.3 To gather and update the Company's shareholder-list and request the Share Registrar for cooperation;
 - 3.4 To examine and follow the movement of the shareholder-list to prevent being taken over;
 - 3.5 To gather information and report on security holding as per the regulations of the Stock Exchange of Thailand for Directors, Executives, Auditors, including spouses and children who have not reached majority of the aforementioned persons;
 - 3.6 To provide report of information pursuant to the regulations of the Stock Exchange of Thailand such as connected transaction, acquisition or disposal of assets, etc.
4. Other related duties
 - 4.1 To provide suggestion and hand to the Company's daily management in order to achieve the objective of the Company;
 - 4.2 To be the center of communication and to provide information to the Non-Executive Directors;
 - 4.3 To contact with shareholders in making announcements such as dividend payment, etc;
 - 4.4 To provide information to other agencies and to have a duty as required by concerning laws on finance and accounting, and other management policies;
 - 4.5 To be responsible for Investor Relations by taking care of dissemination of information of the Company to the public, including investors in general, as well as to be another channel for the third parties to make contact with the Company;
 - 4.6 To provide knowledge to the Directors of the Company.

Transactions that May Cause Conflict of Interest

Regarding the transactions between the Company or its subsidiaries and the connected persons such as executives, major shareholders, or persons who have controlling power over the Company, etc. which may lead to conflict of interests, the Board of Directors has followed the criteria, procedures, and the disclosure of the connected transactions identified by the Capital Market Supervisory Board in order to maximize the benefits to the Company and shareholders, and to assure transparency of such transactions.

8.9 Information about Personnel of the Company**1) Manpower Classified by Functions as of December 31, each year**

(Unit : person)	2010					Total
	Office	Factory				
		Suksawat	Korat	Bangpoo	Amata Nakorn Chonburi	
Management	10	0	1	1	2	14
Support Line	183	0	0	0	0	183
Marketing Line	536	0	0	0	0	536
Production Line	0	148	2,137	302	1,317	3,904
Total	729	148	2,138	303	1,319	4,637

(Unit : person)	2009					Total
	Office	Factory				
		Suksawat	Korat	Bangpoo	Amata Nakorn Chonburi	
Management	9	0	0	1	1	11
Support Line	182	0	0	0	0	182
Marketing Line	495	0	0	0	0	495
Production Line	0	26	1,864	256	1,288	3,434
Total	686	26	1,864	257	1,289	4,122

(Unit : person)	2008					Total
	Office	Factory				
		Suksawat	Korat	Bangpoo	Amata Nakorn Chonburi	
Management	9	0	0	1	1	11
Support Line	208	0	0	0	0	208
Marketing Line	496	0	0	0	0	496
Production Line	0	18	1,938	267	1,334	3,557
Total	713	18	1,938	268	1,335	4,272

Remarks:

1. In 2010, the Company appointed 3 new executives to manage expanding businesses.
2. Number of manpower of Production Line of Suksawat factory increased in 2010 from that in 2009 because the Company increased production line to serve expanding businesses and sales growth.

2) Summary of Salary and Wage of the Years 2008-2010

Unit : Million Baht

Year	Salary	Wage	O.T.	Employee Welfare	Bonus	Total
2010	323.9	170.4	171.1	54.0	42.2	761.6
2009	294.0	154.9	138.7	43.3	33.5	664.4
2008	291.3	168.1	151.6	42.2	34.4	687.6

The Company has been studying and considering setting up a provident fund as a long term welfare of its personnel in order to motivate them to work for the Company and to grow with the Company in the long run.

3) Human Resource Development

The Company has attached much importance on human resource (HR) development by assigning the Office of Human Resource Development to determine and provide training courses and activities to enhance staff with knowledge and capability, specialization in their duties, and readiness and potential to grow in the future.

One of the important projects which the Office of Human Resource Development had implemented in 2009 was to provide training courses and activities to develop leadership for selected personnel with outstanding proficiency or being supervisory level staffs, and to evaluate them continually in order to let them grow with quality and could efficiently create benefit for the Company in the future.

To achieve the said target, the Office of Human Resource Development has set up 4 main missions:-

1. Creating 4S organizational culture;
2. Creating a learning organization;
3. Professional training and development;
4. Managerial training and development

Creating Organizational Culture

The Company has a vision and determination to develop its business to become a world-class company. By doing so, the organization could grow firmly and sustainably. The personnel should be value added by enhancing their working skill and quality so as to bring achievement to the organization and bring the Company to the goals. The Company, therefore, has introduced “**4 principles of management (4S)**” which now becomes philosophy of working with an aim to improve efficiency and effectiveness of staffs in its personnel development and culturalization of the organization. The 4S comprises :

STRENGTH : To strengthen team-work which leads to strength of the organization

- The personnel have consciousness in morality and virtue so as to work together in team-work and likewise appreciate the Company as a part of their lives.

STRETCH : To do it better today, and to be ahead of tomorrow

- The personnel could continually develop and improve the capability of themselves and their works to be more efficient.

SPEED : To respond quickly with service mindfulness

- The personnel could support requirements of concerned persons from both inside and outside the organization with up-to-date, correct, and quick information, and make service impression.

SYSTEM : To work systematically and traceably

- The personnel could work systematically and make decision based on correct and precise analyzed information.

The year 2010 was the year of the third S activity of the Company i.e. Speed, a carried on activity from 2009 which was the year of the second S i.e. Stretch. The Office of Human Resource Development had developed courses and activities throughout the year to help support the Company's staffs in term of knowledge and understanding and compliance with the principles of the third S of Speed, "To respond quickly with service mindfulness" by focusing on determination of:

1. ranking of work priority
2. quick response to request
3. clear communication and impressiveness
4. adjusting oneself to changing circumstance

However, the Company will create training courses and activities to enhance knowledge and good understanding of the fourth S principle of System in the year 2011.

9. INTERNAL CONTROL

The Company has a policy to set up an efficient and effective internal control system. It is the duties and responsibilities of the Board and the Management to set up and maintain an internal control system, including review of its efficiency from time to time, to safeguard investments of shareholders and assets of the Company. Scope of an internal control system covers financial control, business operations, monitoring to assure compliance with laws and relevant regulations, and risk management. An efficient internal control system will reasonably boost up confidence that the Company will achieve its objectives and targets as following:-

- Information system and financial reports are accurate and respectable.
- Regulations, policies and work procedures of the Company and relevant laws are complied with.
- Assets of the Company exist and are kept in good order.
- Business operations are efficient, and resources are used efficiently.
- Objectives of the Company are achieved effectively.

A good internal control system will be a tool to intercept irregularity, and it serves as an alarming signal which helps to reduce risk to an acceptable level.

The internal control system set up by the Company is in line with that of the Committee of Sponsoring Organization of the Treadway Commission (COSO), which could be summarized according to areas of control as following:-

1. Organization & Control Environment. The Company has a business plan that outlines the targets, strategies, vision and budget with clear performance indices. Organizational structure was adjusted to stay in line with the business plan. There was improvement on the monitoring methods of business. Qualified personnels are recruited and developed continually. There are policies and work procedures on financial transactions, purchasing, risk management, personnel management, and other.
2. Risk Management. The Company had introduced risk management in corporate level since the year 2004. The Risk Management Sub-Committee and the Audit Committee played the role of monitoring.
3. Operational Control. The Company introduced segregation of duties for purpose of internal controlling, written authorization on approval of transactions variable to financial limits, procedure of works for connected transactions and intra-company transactions so as to observe the laws.
4. Information & Communication. The Company has made available information system to support decision-making. A department was set up to collect, analyze and store data in the data-warehouse system. Information system within the organization is of two-way nature. Sufficient information and documents have been furnished to the Board before its decision-making. Directors could ask for additional information from the Company freely.
5. Monitoring. The Company introduced monitoring system for its executives and directors so that business plan could be achieved. Internal Audit Department monitored and evaluated internal control system freely, and it could report the results and suggestions to the Management for further action.

In the Board of Directors' meeting No. 6/2553, held on December 24, 2010, the Board of Directors evaluated the Company's internal control system by using the evaluation form provided by the Stock Exchange of Thailand in 5 aspects as mentioned above, and the outcome indicated that the Company had sufficient internal control system.

Internal Audit

The Company has made available the Internal Audit Department. It reports directly to the Audit Committee and the President. Its responsibility is auditing, evaluation of internal control system, monitoring risk management system and corporate governance, so as to assure that the Company has made available these systems sufficiently and efficiently according to its desired objectives.

Internal Audit Department was independent. It was allocated with sufficient resource and budget appropriate for carrying out its tasks on operational audits and compliance audits on legal requirements, rules and regulations.

The annual auditing plan was prepared by considering the relevant risk factors and was approved by the Audit Committee. The audit result and performance report were provided to the Audit Committee and the President as well as the quarterly summary of audit results to meeting of the Board of Directors.

10. RELATED-PARTY TRANSACTIONS

1) Connected Persons and Related-Party Transactions

The Company has some related companies according to the criteria set by the Capital Market Supervisory Board. Types of businesses and relationship with the Company are as follows.

Company Name / Related	Nature of Business	Type / Value of Transactions in 2010	Necessity / Reasonableness
Srithai Moulds Company Limited 1. A subsidiary whose 71.0% of shares held by the Company. 2. 29.0% of shares held by executives of the Company and relatives of some executives.	Mould making service	Normal business transactions amounted THB 24.78 million	Inter-company transactions for products and/or services of one party demanded by another party to support and generate revenue of its main business under normal trade terms and prices same as those transactions with outsiders or under the scopes stipulated by the Board of Directors of the Company.
Srithai Nanoplast Company Limited 1. A subsidiary whose 70.0% of shares held by the Company. 2. 15.0% of shares held by executives of the Company and relatives of some executives. 3. A relative of some executives of the Company serves as a director in Srithai Nanoplast Company Limited.	Manufacture and Distribution of Plastic Products	Normal business transactions amounted THB 0.32 million	Inter-company transactions for products of one party demanded by another party to support and generate revenue of its main business under normal trade terms and prices same as those transactions with outsiders or under the scopes stipulated by the Board of Directors of the Company.

Company Name / Related	Nature of Business	Type / Value of Transactions in 2010	Necessity / Reasonableness
Srithai Shin-Osaka Company Limited 1. A subsidiary whose 40.0% of shares held by the Company. 2. 15.0% of shares held by executives of the Company and relatives of some executives.	Providing services of hard-chroming, polishing and etching of moulds and assembly services for plastic products	1. Normal business transactions amounted THB 5.07 million 2. Transactions related to assets or services amounted THB 3.96 million	1. Inter-company transactions for products and/or services of one party demanded by another party to support and generate revenue of its main business under normal trade terms and prices same as those transactions with outsiders or under the scopes stipulated by the Board of Directors of the Company. 3. Transactions related to assets or services arised from demand of Srithai Shin-Osaka Company Limited who has expanded its line of business to generate more revenue in addition to revenue from its main business. Therefore, it bought assets used in production of melamine household products from the Company. However, the value of assets sold to it was insignificant to the Company because it did not effect our production capacity.Trade term and sales prices of assets sold to it were same as those transactions with outsiders or under the scopes stipulated by the Board of Directors of the Company.
Srithai Packaging Company Limited 1. An associate whose 39.2% of shares held by the Company. 2. 9.8% of shares held by an executive of the Company and relatives of some executives. 3. A relative of some executives of the Company serves as a director in Srithai Packaging Company Limited.	Manufacture and Distribution of Paper Boxes	1. Normal business transactions amounted THB 16.78 million 2. Dividend income amounted THB 2.35 million	Inter-company transactions for products of one party demanded by another party to support and generate revenue of its main business under normal trade terms and prices same as those transactions with outsiders or under the scopes stipulated by the Board of Directors of the Company.

Company Name / Related	Nature of Business	Type / Value of Transactions in 2010	Necessity / Reasonableness
Srithai Marketing Company Limited 1. A related company. 2. 72.0% of shares held by relatives of some executives of the Company. Some of them serve as directors of Srithai Marketing Company Limited. 3. It has long been a distributor and trade partner for the Company for a very long time.	Distributor of house-ware products	1. Normal business transactions amounted THB 278.48 million 2. Supporting normal business transactions amounted THB 0.14 million	1. Inter-company transactions for products of one party demanded by another party to support and generate revenue of its main business under normal trade terms and prices same as those transactions with outsiders or under the scopes stipulated by the Board of Directors of the Company. 2. A transaction supporting normal business on letting an area for display and sales of products in a Grand Sale fair which is organized by the Company every year. The rental rate was the same as those charged to other tenants. In addition, some transactions were supporting of sales promotional expenses to the distributor.
Siam Melamine Marketing Company Limited 1. A related company. 2. 65.0% of shares held by relatives of some executives of the Company. 3. It has long been a distributor and trade partner for the Company for a very long time.	Distributor of plastic products and melamine products	1. Normal business transactions amounted THB 167.84 million 2. Supporting normal business transactions amounted THB 4.08 million	1. Inter-company transactions for products of one party demanded by another party to support and generate revenue of its main business under normal trade terms and prices same as those transactions with outsiders or under the scopes stipulated by the Board of Directors of the Company. 2. A transaction supporting normal business on letting an area for display and sales of products in a Grand Sale fair which is organized by the Company every year. The rental rate was the same as those charged to other tenants. In addition, some transactions were supporting of sales promotional expenses to the distributor.

Company Name / Related	Nature of Business	Type / Value of Transactions in 2010	Necessity / Reasonableness
		3. A short-term property rent amounted THB 1.11 million	3. Short-term property rent of two places provided by the Company for one year. The rental rate was reasonable as its location, market rental rate and economic condition were taken into consideration.
Srithai Stainless Company Limited 1. A related company. 2. 60.0% of shares held by relatives of some executives of the Company, who also serve as directors of Srithai Stainless Company Limited.	Manufacture and Distributor of kitchenware and furniture	1. Normal business transactions amounted THB 5.28 million 2. Supporting normal business transactions amounted THB 0.08 million	1. Inter-company transactions for products of one party demanded by another party to support and generate revenue of its main business under normal trade terms and prices same as those transactions with outsiders or under the scopes stipulated by the Board of Directors of the Company. 2. A transaction supporting normal business on letting an area for display and sales of products in a Grand Sale fair which is organized by the Company every year. The rental rate was the same as those charged to other tenants.
Firstpoint Translogistics Company Limited 1. A related company. 2. 100.0% of shares held by an executive of the Company and his relatives. 3. An executive of the Company serves as a director in Firstpoint Translogistics Company Limited.	Domestic cargo transportation	No related party transaction in the year 2010	

Company Name / Related	Nature of Business	Type / Value of Transactions in 2010	Necessity / Reasonableness
S.Sahatara (Thailand) Company Limited 1. A related company. 2. 100.0% of shares held by an executive of the Company and his relatives. Some of them serve as directors of S.Sahatara (Thailand) Company Limited.	Printing Stickers	Normal business transactions amounted THB 6.99 million	Inter-company transactions for products of one party demanded by another party to support and generate revenue of its main business under normal trade terms and prices same as those transactions with outsiders or under the scopes stipulated by the Board of Directors of the Company.
Toho Foam (Thailand) Company Limited 1. A related company. 2. 73.2 % of shares held by an executive of the Company and his relatives. Some of them serve as directors of Toho Foam (Thailand) Company Limited.	Manufacturing and Selling EPE Foam	No related party transaction in the year 2010	

Remark : Executive and relative of executive mean person or persons as defined in the relevant criteria on connected transaction as laid down by the Capital Market Supervisory Board.

Information in the table above showed that the Company and its subsidiaries had transactions with connected companies and almost all transactions were transactions of normal business operations and / or for supporting the normal business operations of the Company and its subsidiaries. Most of them transacted at prices and terms similar to those transactions between each related company and outsiders in order to maximize benefits of each company. If there were some differences of prices and term from those transactions with outsiders, the prices and terms of such transactions shall be limited within the scope laid down by the Board of Directors. The Company has disclosed details of related party transactions for the year 2010 in the note to financial statements for the year ended December 31, 2010, Pages 57-61.

Related-party transactions in the form of financial support in 2010 comprised providing corporate guarantee on credit facilities granted to Srithai (Vietnam) Company Limited, a subsidiary whose 95.84% of shares held by the Company, in order to support its business operations. The Company has no other financial support transaction with any other subsidiary or associated or related companies.

2) Need for Related-party Transactions

Since the Company has attached an importance on the investment in the business related and/or connected to the plastic business, the main business of the Company, in order to reduce any dependence on the business outside the group and to increase market coverage, including increasing competitiveness and growth of Srithai's group of companies. As a result, most companies under Srithai group have similar businesses and products or supporting arms of main businesses of the Company. Therefore, related-party transaction frequently occurred among the group of companies due to its need to purchase or sell products or services to another party within the group of companies to support and enhance the revenue to its main business.

In addition, the connected transactions executed with connected persons not under the structure of Srithai group of companies were mostly carried out with distributors of the Company on purpose of trading business and satisfying demand for products from another party to create revenue to its main business.

3) Procedure of Approval on Inter-Company Transactions

Each company in the Group has its own Management team who tries to maximize benefit of their company. Regarding inter-company transactions, terms and conditions of trade and services were based on normal transactions with outsiders. Terms and conditions of inter-company transactions were compared with those from external sources of information for reason of reasonableness of terms and prices of inter-company transactions. Of course, exceptional cases were considered during sales promotion campaign or at time of transacting with long-term trade partner on a case by case basis. However, the Board has been very careful to assure that interest of shareholders and all stakeholders was safeguarded for transactions which might have any conflict of interest.

In order for the Company to accurately follow the criteria regarding the connected transactions, the Board of Directors had passed a resolution approving in principle pricing of products / services and terms of debt collection/settlement between the Company /subsidiaries and connected persons according to the definition as stipulated in the Securities and Exchange Act (No.4) B.E.2551 and the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551, dated August 31, 2008, and granted the power to the Management to approve connected transactions within the scope stipulated by the Board of Directors.

4) Policy and Future Trend of Related Party Transactions

The Group has the policy to allow each company in the Group to trade freely with any party. Price and term of trade will be major factors influencing the decision of each company's Management. The number of related party transactions is not expected to fluctuate much in each year, subject to demand for products, production capacity & servicing, and business expansion of each company.

11. FINANCIAL POSITION AND BUSINESS PERFORMANCE

11.1 Financial Statements

11.1.1 Summary of Auditor's Report

The Company has appointed PricewaterhouseCoopers ABAS Limited, "PwC", as its auditor. The auditor has audited consolidated and company financial statements for the year ended December 31, 2010, and has expressed unqualified opinion that the consolidated and company financial statements of the Company present fairly, in all material respects, the consolidated and company financial position as at December 31, 2010 and 2009, and the consolidated and company results of operations, and cash flows for the year then ended of the Company and its subsidiaries, and of the Company, respectively, in accordance with generally accepted accounting principles.

11.1.2 Consolidated Financial Statements Table

Consolidated Balance Sheets

As at December 31,

Unit : Million Baht

	2010	2009	2008
Assets			
Current assets			
Cash and cash equivalents	386.5	279.4	291.0
Short-term investments	18.4	18.2	69.6
Trade accounts and notes receivable, net	1,332.7	1,115.7	1,007.3
Inventories, net	1,007.6	948.3	800.7
Other current assets	97.3	65.1	56.1
Total current assets	2,842.5	2,426.7	2,224.7
Non-current assets			
Long-term investments	454.2	444.6	491.5
Property, plant and equipment, net	5,043.9	4,693.2	4,596.7
Intangible assets, net	68.9	70.2	45.6
Deferred tax assets	22.4	22.4	40.1
Other non-current assets, net	79.8	63.4	53.3
Total non-current assets	5,669.2	5,293.8	5,227.2
Total assets	8,511.7	7,720.5	7,451.9
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	0.0	181.3	210.4
Trade accounts payable	998.8	842.6	632.5
Long-term loans (maturing within one year)	335.9	258.7	145.3
Accrued expenses	144.8	120.7	91.5
Other current liabilities	267.0	152.6	409.8
Total current liabilities	1,746.5	1,555.9	1,489.5

Consolidated Balance Sheets (Cont'd)

As at December 31,

Unit : Million Baht

	2010	2009	2008
Non-current liabilities			
Long-term loans	1,352.2	921.7	659.0
Other non-current liabilities	208.3	223.9	244.7
Total non-current liabilities	1,560.5	1,145.6	903.7
Total liabilities	3,307.0	2,701.5	2,393.2
Shareholders' equity			
Share capital	2,709.9	2,709.9	2,709.9
Unrealised gain	1,005.1	1,032.4	1,083.9
Retained earnings	1,283.1	1,050.0	1,015.5
Other	(49.2)	(20.9)	(14.3)
Total parent's shareholders' equity	4,948.9	4,771.4	4,795.0
Minority interests	255.8	247.6	263.7
Total shareholders' equity	5,204.7	5,019.0	5,058.7
Total liabilities and shareholders' equity	8,511.7	7,720.5	7,451.9

Consolidated Statements of Income

As at December 31,

Unit : Million Baht

	2010	2009	2008
Sales and hire of work	6,859.7	5,456.6	5,777.7
Cost of sales and hire of work	(5,413.4)	(4,313.7)	(4,563.5)
Gross profit	1,446.3	1,142.9	1,214.2
Other income	102.8	44.9	55.0
Selling & Administrative expenses	(1,079.6)	(955.2)	(928.5)
Directors and managements' remuneration	(89.8)	(72.3)	(76.4)
Gain (Loss) on foreign exchange rate, net	(7.1)	9.0	(50.6)
Other expenses	(5.7)	(2.9)	(14.7)
Operating profit	366.9	166.4	199.0
Share of profit (loss) of investments in associates and in joint venture	17.5	(28.7)	2.0
Profit before finance costs and income tax	384.4	137.7	201.0
Finance costs	(65.8)	(52.0)	(34.7)
Profit before income tax	318.6	85.7	166.3
Income tax	(58.1)	(37.4)	(31.7)
Net profit for the year	260.5	48.3	134.6
Attributable to:			
Equity holders of the parent	268.0	57.8	98.2
Minority interests	(7.5)	(9.5)	36.4
Earnings per share for profit attributable to the equity holders of the parent			
Basic earnings per share	0.99	0.21	0.36

Statements of Cash Flows from Consolidated Financial Statements

As at December 31,

Unit : Million Baht

	2010	2009	2008
Net profit before income tax for the year	318.6	85.7	166.3
Adjustments to reconcile net profit to net cash provided by (paid for) operations :			
Depreciation & Amortisation	506.1	459.6	405.6
Assets written off from fire incident	196.7	0.0	0.0
(Gain) Loss on impairment and disposal of long-term assets	(5.6)	(3.5)	(2.7)
(Gain) Loss on foreign exchange rate	5.3	(3.7)	48.2
Interest income	(2.2)	(5.4)	(5.5)
Share of net (profit) loss of investments in associates and joint venture	(17.5)	28.7	(2.0)
Dividend income from other investments	(5.2)	(6.8)	(7.2)
Finance costs	65.8	52.0	34.7
Others	(1.8)	2.7	6.9
Changes in operating assets and liabilities			
(Increase) decrease in operating assets			
Trade accounts and notes receivable and amounts due from related parties	(276.2)	(109.1)	107.7
Inventories	(287.3)	(149.0)	(78.4)
Others	(73.4)	(27.6)	(24.9)
Increase (decrease) in operating liabilities			
Trade accounts payable	251.3	215.5	(185.7)
Others	83.6	12.4	(40.8)
Cash flows from operating activities	758.2	551.5	422.2
Interest paid	(63.9)	(51.7)	(34.7)
Income tax paid	(70.1)	(16.7)	(36.8)
Net cash receipt from operating activities	624.2	483.1	350.7

Statements of Cash Flows from Consolidated Financial Statements

As at December 31,

Unit : Million Baht

	2010	2009	2008
Cash flows from investing activities			
Cash payment for short-term investments	(2.1)	(5.1)	(53.6)
Purchase of long-term assets and intangible assets	(854.8)	(841.9)	(782.0)
Cash receipt from short-term investments	2.0	56.5	30.3
Cash receipt from associate's liquidation	0.5	0.0	0.0
Proceeds from disposal of long-term assets	24.8	14.4	23.9
Interest receipts	3.2	4.9	5.2
Dividends from investments in long-term investments	26.9	22.4	35.7
Net cash payments for investing activities	(799.5)	(748.8)	(740.5)
Cash flows from financing activities			
Increase (decrease) in short-term loans from banks	(123.8)	(23.9)	195.4
Receipt from long-term loans	768.0	532.6	459.0
Repayment of long-term loans	(259.9)	(154.6)	(94.6)
Dividend payment	(103.7)	(107.8)	(154.3)
Other	2.6	7.8	(0.3)
Net cash receipt (payments) for financing activities	283.2	254.1	405.2
Net increase (decrease) in cash and cash equivalents	107.9	(11.6)	15.4
Decrease in cash from changing status of investments in a subsidiary to other long-term investment	(0.8)	0.0	0.0
Cash and cash equivalents, opening balance	279.4	291.0	275.6
Cash and cash equivalents, closing balance	386.5	279.4	291.0

11.1.3 Significant Financial Ratios of Consolidated Financial Statements

Ratio	Unit	2010	2009	2008
Liquidity Ratio				
Current Ratio	Times	1.63	1.56	1.49
Quick Ratio	Times	1.00	0.91	0.92
Operating Cash Flows Ratio	Times	0.38	0.32	0.26
Account Receivable Turnover	Times	5.58	5.11	5.40
Average Collection Period	Days	64.52	70.41	66.72
Inventory Turnover*	Times	14.43	11.05	12.02
Inventory Turnover Days	Days	24.95	32.57	29.95
Account Payable Turnover	Times	5.88	5.85	6.29
Average Payment Period	Days	61.23	61.55	57.22
Cash Cycle **	Days	28.25	41.42	39.46
Profitability Ratio				
Gross Profit to Sales	%	21.08	20.94	21.02
Operating Margin to Sales	%	4.06	2.14	3.65
Non-operating Margin to Total Revenues	%	1.48	0.82	0.94
Operating Cash Flows Margin	%	224.07	413.14	166.18
Net Profit Ratio to Total Revenues	%	3.85	1.05	1.68
Return on Equity	%	5.24	1.15	1.94
Efficiency Ratio				
Return on Total Assets	%	3.30	0.76	1.37
Return on Net Fixed Assets	%	15.17	10.43	10.97
Total Assets Turnover	Times	0.86	0.73	0.81
Financial Policy Ratio				
Debt to Equity Ratio	Times	0.64	0.54	0.47
Interest Coverage Ratio	Times	11.86	10.67	12.16
Operating Cash Flows Coverage (cash basis)	Times	0.51	0.44	0.34
Dividend Payout Ratio	%	38.69	186.53	157.13

* Only finished goods inventory, excluding work in process, goods in transit and raw materials(before allowance for net realisable value and allowance for obsolescence)

** Average Collection Period + Inventory Turnover Days - Average Payment Period

11.2 Analysis and Explanation of Financial Status and Operating Results

Analysis of financial ratios from the consolidated financial statements

Liquidity

In 2010, the group of companies' liquidity had increased from that of the previous year due to the increase of the current assets higher than the current liabilities. Most of the current assets came from the increase of cash and the cash deposit, account receivables, and notes receivable, as well as the inventory. On the other hand, most of the current liabilities came from the account payables from purchase of raw materials and assets, and current portion of long-term loans which resulted in the increase of liquidity ratio of the group from 1.56 times in 2009 to 1.63 times in 2010. In addition, the increase of the operating results of the group of companies from that of the previous year, as well as the increase of the depreciation expense in line with the increase of the additional acquired assets, led to the increase of Operating Cash Flow Ratios of 0.38 times in 2010 from 0.32 times in 2009.

The cash cycle decreased from 41.42 days in 2009 to 28.25 days in 2010 due to the following reasons:

- 1) Average debt collecting period of the accounts receivable decreased from 70.41 days in 2009 to 64.52 days in 2010 because of the expansion of the sales volume in cash, particularly the sales volume of trading business and the strict debt collection from the account receivables;
- 2) Inventory turnover decreased from 32.57 days in 2009 to 24.95 days in 2010 because of the impact of the fire incident which led to the decrease of the finished products value of industrial products, the control of inventory at appropriate level by disposing of finished products, as well as the decrease of inventory value of a subsidiary whose investment status was reclassified as other long-term investment in the third quarter of 2010.
- 3) Average period of the accounts payable slightly decreased from 61.55 days in 2009 to 61.23 days in 2010 because of the occasional earlier payments so that the group of companies could purchase raw materials at appropriate prices, gradually placing orders for plastic pellet, including the decrease of the accounts payable of a subsidiary whose investment status was reclassified as other long-term investment in the third quarter of 2010.

Thus, after taking into consideration the aforementioned ratios, it could be summarized that the group of companies' financial liquidity was high in 2010 with sufficient cash flow from business operation for its working capital requirement to support business operation and expansion.

Profitability

The Company's plant at Amata Nakorn Chonburi, was on fire on June 15, 2010 which caused damages to a part of a production area and inventory of industrial products, including pause of a production line and delay of product delivery to customers for a certain period. However, with the Company's attempt to limit the scope of the impact and to recover its operation at Amata Nakorn plant, Chonburi, in 2010, the Company's operating results could reach the target with improved operating result as compared to that of last year. The group of companies' gross profit margin on sales increased from 20.94% in 2009 to 21.08% in 2010 from the increase of total sales due to improved economic situation and the expansion of domestic and international customer bases, including the increase of sale volume of products of high margin and new products.

Selling & administrative expenses of the group of companies increased in line with the expansion of total sales and financial cost was higher than in 2009 due to more borrowing of more long-term loan for investment and borrowing of revolving credit for support of financial liquidity and business expansion. However, better operating results of affiliated companies resulted in higher share of profit of investment in 2010 as compared to share of loss in 2009. As a result, the group of companies' operating results before

extraordinary item resulting from the fire incident showed the profit of Baht 223.21 million which was higher than the net profit attributed to the equity holders of the parent company for the 12-month period ended December 31, 2009 which was Baht 57.76 million, or increased by 286.41%.

However, the extraordinary item of 3 partial compensations made by an insurance company in 2010 at Baht 300 million resulted in the group of companies having extraordinary income from the fire incident, after deduction of the loss on damaged assets and repair expenses, for the amount of Baht 44.76 million. Thus, the group of companies' net profit of the equity holders of the parent company for the 12-month period ended December 31, 2010 was at Baht 267.97 million and the Net Profit to Total Revenues ratio increased from 1.05% in 2009 to 3.85% in 2010, and the Return on Equity ratio increased from 1.15% in 2009 to 5.24% in 2010.

Efficiency

The group of companies had the return on assets increased from 0.76% in 2009 to 3.30% in 2010, and the return on fixed asset increased from 10.43% in 2009 to 15.17% in 2010 due to the aforementioned reasons of the operating results. Although the value of the fixed assets decreased due to writing off damaged assets from fire incident, the Company and its subsidiaries had acquired additional fixed assets to support their normal business operation and to replace the damaged fixed assets in 2010 which led to the increase of fixed asset value of the group of companies from that of the previous year.

Financial Policy

The group of companies' debt to equity ratio increased from 0.54 times in 2009 to 0.64 times in 2010 due to the borrowing of the long-term loan for asset acquisition and refurbishment of the plant in Amata Nakorn Chonburi in 2010, including the increase of the accounts payable due to more purchase of raw materials and assets as a result of the business expansion.

The significant improvement of operating result and the increase of depreciation expenses in line with increase of assets in 2010 had resulted in the increase of cash flow from operating activities of the group of companies comparatively higher than the increase of interest expenses and financial obligations of the group in 2010. Therefore, interest coverage ratio increased from 10:67 times in 2009 to 11:86 times in 2010, and operating cash flow coverage ratio improved slightly as compared to that of previous year.

Analysis of Consolidated Financial Statements

11.2.1 Overview of Business Performance

A. Revenues

The structure of the group of companies comprises two main businesses: Plastics Business and Trading Business with Mold Business as an important support of Plastics Business. In 2010, the group of companies' main revenue still came from Plastics Business – industrial products and household products whereas the Trading Business volume had gradually improved as direct sales business under Multi-level Marketing expanded. Revenue from the sales and the hire of work of the group classified by business lines in 2010 and 2009 was shown below:-

Consolidated Financial Statements	2010		2009	
	Million Baht	%	Million Baht	%
Plastics Business*	6,179	90.07	4,962	90.93
Trading and Mold Businesses	681	9.93	495	9.07
Total	6,860	100.00	5,457	100.00
*Main products classification:				
- Industrial Products	4,107	66.47	3,029	61.04
- Household Products	2,072	33.53	1,933	38.96
Total of Plastic business line	6,179	100.00	4,962	100.00

The group of companies' revenue from industrial products is higher than that of the household products because the industrial products could serve wider need of customers in several industries, while the household products only directly serve the need of consumers and/or end users. However, the economic recovery and the increase in sales volume of food & beverage packaging products, including expansion of household product market have resulted in higher sales proportion of the two products under plastics business line in 2010 as compared to that of 2009.

For the Trading Business, in 2010, there was an increase of growth and sales volume as compared with that of the previous year. It was because the group of companies continually introduced new products and expanded the MLM and membership base of direct sales business. Advertising and sales promotion had also taken part in helping the products of the group of companies to be known and quickly accepted by consumers. In addition, products quality and distribution channels of the group of companies, together with independent business owners of the Single-level Marketing and the Multi-level Marketing, including distributors, have dramatically helped enhance the growth of the Trading Business and the revenue of the group of companies in the future.

Despite the revenue from the Mold Making Business being quite small as compared with the total revenue of the group of companies, the revenue growth of the Mold Making Business is closely related to the revenue growth of Plastics Business. That is because it plays an important role to support the Plastics business in terms of industrial products and household products. In 2010, the group of companies' revenue from Mold Making Business decreased from that of the previous year due to the decline of orders for mold making as the high competition within the mold making industry. Nonetheless, the investment requirement of customers and the ability to solicit trading partners, including technology and ability to make high precision molds of the group of companies are also important factors which help support the growth of the revenue of the mold making business of the group of companies and, in turn, supporting main revenue of the Company.

B. Marketing and Trend

1) Plastics Business Line

1.1) Domestic Market for Industrial Products

The overall picture of the market for domestic industrial products in 2010 had improved with the economic recovery. The plastic products for industrial work of the Company are varied and cover many of Thailand's main industries. The growth of any industry sector leads to the growth of the related industry sectors. For instance, the growth of the automobile industry in 2010 led to the growth of automobile spare parts, battery cases, and plastic containers used in automobile industry. In addition, an increase of the household spending, particularly within the property business, and the government spending, led to an increase of sales volume of garbage bin and pail in 2010.

For the new product groups, particularly, food and beverage packaging, the Company's sales volume of the new products showed a fairly high growth in 2010 due to the Company's better production capability to serve the demand of the high value soft drink and drinking water industry. In addition, the Company's patented closure and preform have helped reduce raw material consumption for customers leading to the well acceptance among customers. Thus, in 2010, the Company's sales volume of the industrial products had dramatically increased from that of the previous year.

In addition, the development and improvement of industrial products have been carried out to maintain the product quality and to comply with the customers' need. The continual market expansion for the existing groups of products and the new groups of products, the implementation of the In Mould Labeling Technology of which the Company has an expertise in and the Company is the first to commercially use it in Thailand for product development to initiate difference and value added to the products, the government's promotion of Thailand's being the "Kitchen of

the World", as well as changing consumer behavior with the need of quickness, convenience, and cleanliness and hygiene, led to better marketing opportunity of the Company's products for domestic industrial work, particularly in the group of food and beverage packaging, for better potential growth in the future. In 2011, the Company expects its sales volume of the products for domestic industrial work to be higher than the sales volume in 2010.

1.2) Export Market for Industrial Products

Although the World's economy had started to recover, the continual appreciation of the Thai Baht and the aggressive competition from the complete Free Trade Agreement in 2010 led to a decrease of the Company's revenue from the export of industrial products of garbage bin, plastic container, and bottle crate. However, the new product groups of the Company, namely, closure and preform for PET bottle exported to soft drink manufacturers and distributors in Laos, the Philippines, and Cambodia, as well as CD and DVD boxes exported to more than 10 countries across the World, provided much contribution to sales volume of the Company in 2010. As a result, they netted off the decrease of sales volume of old product groups and led to the increase of the Company's total revenue from export of the products for industrial work in 2010 when it was compared with the previous year.

For 2011, the Company has planned to increase its sales volume from the export of industrial products by maintaining the market of Indochina and aimed to expand the market by focusing on the export to the Asia Pacific countries and the Middle East. Investment was made on increase of production capacity of the food and beverage packaging products in order to better serve need of customers, including to encourage and drive the new products of the Company to be better known in the World's market.

1.3) Domestic Market for Household Products

Due to an early stage of the economic recovery in 2010, the household sector started to spend and consume more. In addition, the Company had introduced new different designs and shapes of the products with continuous sales promotion to stimulate the demand of the market and to enhance motivation of customers in each group with different taste and lifestyle which increased the Company's sales volume of the domestic household products in 2010 over that of the previous year.

Although the melamine tableware products of the Company can replace crockery, dishware, or glass, the expansion of the domestic household product market is still limited. It is because the Company's products are durable against wear and tear leading to a longer period for repeating orders. However, the Company is confident that the quality of the Company's products, focusing on decoration and color, product shape design, and an adding of product functions to catch up with consumers' trend, including the effective sales promotion of the household products will attract more customers and will meet the need of different consumer groups. In addition, the Company also puts an emphasis upon the enhancement of the production efficiency to reduce production waste and cost which will help increase the Company's competitiveness. In 2011, the Company expects that the growth of the domestic household products will increase over that of 2010.

1.4) Export Market for the Household Products

The Company had encountered the continual appreciation of the Thai Baht against the US Dollar throughout the year 2010. The trend may continue in 2011 and directly have an impact on the revenue from the Company's export as most of which sold in the US Dollar. However, the negotiation to increase prices of some of the products and the economic recovery of many countries, particularly, countries in Asia, Europe, and the United States of America, had pushed orders and the Company's sales volume from the export of the household products in 2010 to be higher than that of 2009. The Company also expects that the oversea markets of the household products of the Company can continue to expand with the following reasons.

- The export market of the Company is not concentrated in any group of countries in any particular continent, but diversified to many countries. In addition, by expanding to new markets in Africa and Eastern Europe, the Company has succeeded in market expansion and has exported to more than 100 countries around the world.
- Presently, consumers have realized the importance of quality and safety of household products as evidenced by passing of rules and setting up standard of products to prevent import of poor quality household products, made of urea or melamine mixed with urea, which may adversely affect health. Strict quality control in many countries have been tightened. Quality check of products before exporting is required. Thus, it is such a good opportunity for the Company's household products made of 100% pure melamine. The Company always focusses on the importance of quality and brand image.
- The Company has envisaged better standard on production process continually, including development of fully automatic or semi-automatic machines for replacing labor in production work, and laying down internationally accepted production procedure to get prepared for change of standard in the production work of customers, especially in Europe.
- Gaining confidence of a large and famous household product retailer in Sweden, the Company manufactures and exports household products to the customer's many branches in many countries.
- The Company always co-develops decoration and shapes of products with customers to serve their need and market trend in each country. It differentiates the Company's products from competitors' in the market.
- The Company supports advertising and public relations to promote the Company's brand in many important countries so that the brand becomes well-known across the world.
- The Company has lessened foreign exchange risk by negotiating with customers in ASEAN countries to sell the products in currencies other than the US Dollar as deemed appropriate such as the Thai Baht or the Singapore Dollar, etc., including consideration of selling products to customers in Japan in Yen currency.

With an effort to push and present quality household products, made of 100% genuine melamine, and to develop the shapes and decoration of the products to fulfill various kinds of demand, together with determination to export to new markets in Eastern Europe, Africa, and South America, the Company is confident that it can export its products to a wider market coverage for sustainable growth of export markets in the future.

2) Trading Business Line

Tourism and hotel businesses had started to improve in 2010, following the economic recovery, resulting in an increase of sales volume of trading business in 2010 from the previous year. However, with its attempt to drive its network marketing business under the Multi-Level Marketing system starting in 2008 by distributing the products under the brand "SNatur", e.g. health-care products, beauty-care products, food supplement, other consumer products, and with the change of the Executive team in 2010, caused the change of marketing strategy and remuneration plan. Consequently, the network marketing business received well response from independent businessmen and attracted more people to join the business which helped dramatically increase in revenue in 2010 by distribution of the products under network marketing system.

The Company places an importance upon the distributed products under network marketing business with a focus on variety and quality of the products which have been proven of their safety since they are products concerning consumers' health. Thus, the followings are the criteria of the Company to select the products for distribution:

- The products must serve need of customers according to market trend;
- The products must be save with their results noticeable within appropriate period, must be outstanding, and can be explained to the customers;
- The products are disposable or need replacement from time to time in order to get repeating orders;
- They are innovative or differentiated products;

With more than 100,000 members under the Company's direct sales business, showrooms in all regions of Thailand, continual marketing and sales promotion campaigns to support the network marketing business of SNatur so that it becomes outstanding in marketing with wide variety of quality consumer products used in daily life, including the ability to attract interest and provide opportunity to independent business owners and members who want to build up their own network, the Company is confident that the network marketing business will continue to grow and it will be another key driver of revenue of the Company in the future.

C. Operation Results and Financial Position (from consolidated financial statements)

Net profit shown in our consolidated financial statements of the year ended 2010 was THB 267.97 million as compared with that of the same period of previous year being THB 57.76 million. Summary on operating results and financial position as of December 31, 2010 was as follows:-

- Consolidated statements of income of the year ended December 31, 2010 as compared with that of the same period of previous year ended December 31, 2009. (Details as shown in Consolidated and Company Financial Statements of the year 2010 under Statements of Income)

1. Sales and hire of work amounted THB 6,859.76 million was increased by THB 1,403.18 million over that of previous year, or 25.72% due to :-

1.1 Plastics Business Line

- 1) Sales of Household Products of domestic and overseas production under Plastics Business Line amounted THB 2,071.52 million, or 30.20% of total sales, was increased by THB 138.75 million from that of previous year or 7.18% due to increase in export sales from soaring of customers' orders. Domestic sales also increased due to economic recovery. In addition, sales of a new overseas subsidiary started in the 2nd quarter of the year 2010.
- 2) Sales of Industrial Products of domestic and overseas production under Plastics Business Line amounted THB 4,106.84 million, or 59.87% of total sales, was increased by THB 1,077.89 million from that of previous year or 35.59%. That was due to economic recovery particularly for automotive and electronic appliance businesses which helped push sales of automotive parts, battery case, and container for automotive industry. Moreover, the increase of domestic and overseas sales of food and beverage packaging category which is the Company's new business.

1.2 Trading and Moulds Business Lines

Sales of Trading and Moulds Business Lines amounted THB 681.40 million, or 9.93% of total sales, was increased by THB 186.54 million over that of previous year or 37.70%. The increase in sales due to sales of cosmetics and food supplement under network marketing business and a subsidiary's sales of Household Products under Trading Business.

2. Gross profit was THB 1,446.32 million, an increase of THB 303.48 million. Gross profit on sales ratio of the year ended December 31, 2010 was 21.08%, slightly higher than that of the previous year being 20.94% due to the increase of sales of good margin items and new products, netted with the effect of unadjusted selling price in line with price fluctuation of plastic resin which is major raw material throughout the year 2010, as well as strength of the Baht currency.
 3. Selling and administrative expenses amounted THB 1,079.62 million was increased by THB 124.40 million over that of the previous year. Selling and administrative expenses on sales ratio was 15.74%, lower than that of the previous year being at 17.51%. The increase of expenditures in the year 2010 was due to increase in number of staffs under Trading Business, high sales promotion expenses in order to push sales, delivery and sea freight expenses due to sales expansion, and annual salary and wages adjustment.
 4. Other income amounted THB 102.75 million was increased by THB 57.87 million over that of the previous years. That was mainly due to the net fire incident amounted THB 44.76 million.
 5. Share of profit from associates and joint venture amounted THB 17.54 million was increased over that of previous year being share of loss amounted THB 28.70 million. During the year 2009, an associate engaged in Industrial Products lost major customers and temporarily discontinued its operations since the 3rd quarter of the year 2009. That resulted in significant loss from associates' performance in the 3rd quarter of the year 2009. Furthermore, during the previous year 2009, the Company recognised significant share of loss of another associate engaged in Household Products. The associate encountered with financial and liquidity problems, as well as economic downturn and high competition, causing its winding up on January 31, 2010. As a result, significant share of loss was recognized in 2009 due to its negative equity.
 6. Finance costs amounted THB 65.78 million was increased by THB 13.74 million over that of the previous year. That was due to additional long-term loan disbursement for acquisition of fixed assets for production and operation, and loans for working capital and business expansion.
 7. Income tax expenses amounted THB 58.16 million was increased by THB 20.79 million comparing to that of the previous year THB 37.37 million. Even though net profit of the Group in the year 2010 was increased, the weighted average applicable tax rate was decreased comparing to that of the previous year. This was due to the Company having utilised the BOI privileges for the reduction of 50% from regular rate of corporate income tax. In addition, the Company has not yet recognised income/loss from the fire incident as taxable income/expenses since the Company is currently processing for remaining compensation with the insurance company.
 8. Basic earnings per share were THB 0.99 as compared to that of the previous year THB 0.21 per share. An increase by THB 0.78 per share was due to increase of the Group's net profit and net compensation from the fire incident.
- Consolidated Balance Sheets as of December 31, 2010 comparing to that as of December 31, 2009. (Details were shown in Consolidated and Company Financial Statements of the year 2010 under Balance Sheets)
1. Total assets amounted THB 8,511.65 million were increased by THB 791.15 million over that as of December 31, 2009 or 10.25% due to the significant changes as follows :-

- 1.1 Net trade accounts and notes receivable amounted THB 1,332.73 million were increased by THB 217.04 million over that of previous year due to soaring sales during the year 2010.
- 1.2 Inventories amounted THB 1,007.59 million were increased by THB 59.29 million from that of previous year due to increase of inventory level in line with soaring sales, raw material built up to cope with price fluctuation and increase in raw material price, netted with decrease in inventory as a result of reclassifying investment in subsidiary to other investment.
- 1.3 Long-term Investments amounted THB 454.21 million was increased by THB 9.60 million from that of the previous year due to investments in associates and joint venture being decreased by THB 8.29 million from that of previous year due to recording of dividends income under equity method of accounting, netted with performance of associates and joint venture, and gain from an associate's liquidation. However, other long-term investments increased by THB 17.89 million over that of previous year due to change in fair value of available-for-sale investment and change in status of investment in subsidiary and associate to other investment.
- 1.4 Property, plant and equipment amounted THB 5,043.86 million were increased by THB 350.69 million from acquisitions of new assets under investment project; netted with disposals and depreciation expenses during the year, partial assets written-off from the fire incident, and decrease from reclassifying investment in subsidiary to other investment.
2. Total liabilities amounted THB 3,306.96 million were increased by THB 605.42 million over that as of December 31, 2009 or 22.41% due to the following significant changes :-
 - 2.1 Short-term loans amounted THB 181.34 million as of December 31, 2009 were short-term borrowing for supporting working capital and fully settled in the year 2010.
 - 2.2 Trade accounts payable amounted THB 998.76 million were increased by THB 156.14 million from that of previous year because of increase in purchases of raw material to cope with raw material price fluctuation effected by crude oil price in the market, increase of raw material price, and sales expansion.
 - 2.3 Current portion of long – term loans and long – term loans amounted THB 1,688.09 million were increased by THB 507.68 million due to the Group's additional borrowing under the investment project amounted THB 767.96 million, netted with repayment of principal amounted THB 259.87 million.
 - 2.4 Accrued expenses amounted THB 144.81 million were increased by THB 24.16 million over that of previous year due to increase in accrual of utility expenses, commission expense, and corporate income tax resulting from business expansion.
 - 2.5 Other current liabilities amounted THB 267.01 million were increased by THB 114.39 million over that of previous year due to increase in payable on purchase of long-term assets, as well as increase in advance receipt from customer for new mold orders.
 - 2.6 Other non-current liabilities mostly comprised deferred tax liabilities amounted THB 204.04 million, being decreased by THB 17.76 million from that of previous year due to recognition of temporary difference between tax and accounting basis of depreciation expenses of appraised assets, and write-off of some of the appraised assets damaged by the fire incident.

3. Total shareholders' equity amounted THB 5,204.69 million were increased by THB 185.73 million from that as of December 31, 2009 or an increase of 3.70% due to the following significant changes :-
 - 3.1 Net profit attributable to the parent company of the year 2010 amounted THB 267.97 million.
 - 3.2 Dividend payment from operating result of the year 2009 amounted THB 94.84 million being paid in May 2010.
 - 3.3 Unrealised gain being fair value reserves on assets amounted THB 1,005.14 million. It was decreased by THB 27.25 million from that of previous year because assets revaluation surplus were amortised against an addition to retained earnings which was in line with increase in depreciation expenses of appraised assets, and some of the appraised assets were written-off due to the fire incident.
 - 3.4 Translation adjustment for investments in overseas subsidiaries and associates amounted THB 69.14 million was increased by THB 28.32 million from that of previous year due to the strength of Baht currency.
 - 3.5 Minority interests amounted THB 255.80 million were increased by THB 8.23 million over that of previous year mainly attributable to net profit of the year 2010 amounted THB 7.51 million, dividends payment amounted THB 8.82 million, depreciation expenses portion of appraised assets' amounted THB 1.41 million, currency translation differences amounted THB 2.85 million, and netted with investment in a new subsidiary amounted THB 4.42 million and decrease from change in reclassifying investment in subsidiary to other investment amounted THB 24.42 million.
- Consolidated statements of cash flows of the year ended December 31, 2010 comparing to that of previous year ended December 31, 2009 showed a net increase of cash flows of THB 107.84 million, (Details were shown in Consolidated and Company Financial Statements of the year 2010 under Statements of Cash Flows) comprising:-
 1. Net cash receipts from operating activities amounted THB 624.15 million were increased by THB 141.02 million from that of previous year due to improved operating performance of the year ended 2010, and increase of depreciation expenses and assets written-off from the fire incident, netted with changes in trade accounts receivable, inventories, trade accounts payable, and increase in payment of interest expense and income tax.
 2. Net cash payments for investing activities amounted THB 799.45 million comprised acquisition of fixed assets amounted THB 834.74 million and intangible assets amounted THB 20.08 million in order to get prepared for business expansion; netted with cash received from fixed assets disposal amounted THB 24.81 million and dividends received from investments amounted THB 26.91 million.
 3. Net cash receipts from financing activities amounted THB 283.14 million comprised Group's receipt of long – term loans for fixed assets acquisition amounted THB 767.96 million, and cash received of minority interests for investing in a new subsidiary amounted THB 4.42 million; netted with repayment of long-term loan principal amounted THB 259.87 million, dividends payment amounted THB 103.66 million, and repayment of short-term loan from bank amounted THB 123.82 million.

D. Financial Covenants on Loan Agreements

Financial covenants on loan agreements have no material conditions that may have negative impact on expansion of business of the Company. Requirement on financial ratios that have to be maintained for the whole life of loan agreements are as follow:-

1. Debt to Equity Ratio not more than 2 times.
2. Debt Service Coverage Ratio "DSCR" not less than 1.1 times.

"DSCR" means earning before interest expenses, corporate income tax, amortization, and depreciation(EBITDA) against total amount of interest charges and principal sum payable in that year.

Calculation result as per the formula of calculation described in the loan agreements, based on the Company financial statements, showed the following:-

(Unit : Times)	Financial Covenant	Year 2010
Debt to Equity Ratio	Not more than 2.0	0.66
Debt Service Coverage Ratio	Not less than 1.1	2.58

Strong financial position and good operating result as shown in the financial ratios in the table above, the Company has no problem in maintaining the financial covenants.

11.2.2 Important Changes and Significant Events over the Past Year

In the year 2010, the Company faced series of major events. Some events were disclosed to the public after the Board of Directors having passed resolutions in accordance with the regulation of the Stock Exchange of Thailand through ELCID and Company's website. The important changes and significant events were :

1) Investment**1.1) Establishment of Three New Subsidiaries**

In 2010, the Company has established two new subsidiaries as follows:

- The Company has entered into a Joint Venture with Indian allies to establish Srithai Superware India Limited, with a registered capital of 50 million rupees and a partly paid-up capital of 25 million rupees. The Company holds 70.0% of stake with purpose of engagement in importing of household products from the Company and distributing them through distributors in order to increase distribution channels to many groups of customers and to cover more markets, including to build the Company's strong market base in India.
- The Company incorporated P.E.T. Blow Company Limited with the Ministry of Commerce on December 17, 2010 with a registered capital of Baht 5 million and a partly paid-up capital of Baht 1.25 million, wholly owned by the Company for engagement in plastic manufacturing by blow moulding. Products are beverage packaging and/or other packaging. The purpose is to increase revenues by serving beverage packaging markets other than manufacturing and distribution of preform for PET bottles.

In addition, the first quarter of 2011, the Company incorporated Korat Thai Tech Company Limited with the Ministry of Commerce, with a registered capital of Baht 30 million, wholly owned by the Company for engagement in manufacturing and distribution of melamine products. The purpose is for supporting export to customers abroad, especially those customers who give much attention to production process and strict compliance to their standards of the factory; and increasing production capacity.

1.2) Capital Increase of Two Affiliated Companies

During the third quarter of 2010, two affiliated companies of the Company, namely, Srithai Lock&Lock Company Limited, a subsidiary company engaging in importing and distributing plastic boxes (Lock&Lock) for containing food and other items, of which the Company holds 51.0% of stake and Takahashi Plastics Company Limited, an affiliate company engaging in manufacturing and distributing plastic products for industries, owned by the Company both directly and indirectly through Takahashi Korat (1995) Company Limited at a ratio of 21.1%, registered capital increase with the Ministry of Commerce for the amounts of Baht 93 million and Baht 86 million, respectively. The purposes of capital increase were to invest in the expansion of distribution channels and new production lines, and to increase production capacity.

Nevertheless, the Company has not invested in both companies in accordance with its shareholding ratio because the Company did not want to expand its investment in a non-core business and it was necessary to reserve fund for refurbishing Amata Nakorn factory in Chonburi. As a result, after the capital increase, the Company's shareholding ratio in Srithai Lock&Lock Company Limited has decreased from 51.0% to 7.9% and its shareholding ratio in Takahashi Plastics Company Limited has decreased from 21.1% to 12.8% and, consequently, the investment status in both companies has changed to other long-term investments.

In addition, Srithai Lock&Lock Company Limited registered with the Ministry of Commerce to change its name to Lock & Lock (Thailand) Company Limited, in the third quarter of 2010.

1.3) Additional Investment in Subsidiary Aboard

On November 12, 2010, the Company's Board of Directors passed its resolution to approve the Company to purchase shares of Srithai (Vietnam) Company Limited, a subsidiary, from an existing shareholder, in an amount of 4.16% of the paid-up capital of the subsidiary company for Baht 4.7 million. The price was referred to the net asset value of the subsidiary as of September 30, 2010. This investment has resulted in the increase of the Company's shareholding in the subsidiary from 95.84% to 100%. The source of fund for the investment is from cash flow from operation of the Company. The purpose of this investment is to enhance flexibility in managing and operating the business of the subsidiary and to give business information and financial support to the subsidiary as the sole shareholder. At present, the Company is under the legal process of share transfer.

1.4) Investment in India

Since the business of household products made from melamine of the Company, especially in export markets, has expanded continuously, causing the Company to expand its production capacity to get ready for the increasing orders from customers. However, due to the limitation on production area at Korat factory and the lack of local labors, the Company is preparing to expand a production base into a country of good production potential both in terms of low production costs and expansion of customer base and new markets - such as India according to the Company's announcement in its business directions during 2010 – 2012. In addition, there are few competitors in melamine product business in India. Therefore, setting up a factory to produce melamine products in India will benefit the Company in fulfilling the demand for products in India which shows high growth. It will be a production base for exporting goods to the countries in South Asia and Middle East, apart from increasing competitiveness as a result of the reduction of transportation cost and expenses as compared to case of importing goods from Thailand.

Presently, the Company is selecting a location for construction of a factory. In this regard, the Company may jointly invest with allies in India or singly invest in this project, depending on the result of business negotiation and regulatory requirement in India. The source of fund will be from a cash flow from operation and/or a loan from financial institution.

1.5) Dissolution of Two Affiliated Companies

The two affiliated companies of the Company, namely, S.K.I. Ceramics Company Limited and Thai Takahashi Plastics Company Limited, of which the Company holds 42.0% and 29.2% respectively, closed their businesses. They had experienced chronic losses on operations caused by unfavorable economic crisis, strong competition and loss of major customers. Thai Takahashi Plastics Company Limited had ceased its operation for many years. Therefore, shareholders' meetings of both affiliated companies passed their resolutions to approve the dissolution and both companies registered the dissolution with the Ministry of Commerce in year 2010. At present, only S.K.I. Ceramics Company Limited is under the liquidation process. The Company already fully recorded the impairment of investment in both companies prior to year 2010. Thus, the dissolutions did not affect the Company's financial statements for the year 2010.

1.6) Sale of Investment in Subsidiary and Change in Investment Status

Srithai Shin-Osaka Company Limited, a subsidiary of which the Company holds shares in an amount of 40.0%, engaging in services of laminating of moulds and manufacturing plastics and melamine household products, is considered a subsidiary of the Company despite the Company holds shares less than half of the total shares. This is because the directors and related persons of the Company aggregately hold shares in an amount of 15% in such company, resulting in that the Company has a direct and indirect voting right in aggregate of more than half of total voting right. In addition, the Company has power to control financial and business policies of the subsidiary since the number of the subsidiary's directors who are representatives of the Company is in a significant ratio.

In February 2011, the shareholding structure of the Company in the subsidiary has changed due to the sale of shares by the directors and related persons of the Company in an amount of 15% to a third party. Although the Company's direct shareholding ratio has not changed, the shareholding ratio of the Company has decreased to be less than half of the total shares and the Company's voting right is no longer considered having significant influence. In addition, since the Company had to reduce the number of directors in the subsidiary who were its representatives proportionately with its shareholding ratio, the Company can no longer control the management in the subsidiary. Lastly, the investment status of the Company in Srithai Shin-Osaka Company Limited shall not be considered an investment in a subsidiary but an affiliated company.

Later, on February 25, 2011, the Company's Board of Directors passed its resolution to approve in principle that the Company can sell its investment in Srithai Shin-Osaka Company Limited, in a number of 240,000 shares or 40% to a third party. This is because there was a cumulative loss of the operational results incurred from mould laminating business and a start-up of investment of Srithai Shin-Osaka Company Limited in new business as of plastic products assembly and melamine products manufacture. In this connection, the company needed time to adjust itself to the new businesses, resulting in the Company being unable to expect profit in a short-term. In addition, the Company views that an investment in a newly set-up company is important, so as to increase production capacity and supply melamine products to customers abroad. As a result, roles and importance of Srithai Shin-Osaka Company Limited in term of business to the Company became less. The Company is negotiating with prospective buyers and determining appropriate selling price. The Company expects that such sale of the investment will have no effect in making more provision for loss of investment in the Company's financial statements for the year ended December 31, 2010.

2) Borrowings

2.1) Long-term Loans

The Company had received additional long term loans in order to support the investment plan for the year 2010 and refurbishment of Amata Nakorn Chonburi factory from local commercial

banks, totaling THB 800 million with 3 years and 7 years term of repayment at fixed interest condition throughout the loan contract and floating rate. The Company had already signed 2 loan agreements to obtain loans of THB 600 million in the 4th quarter of 2010 and the 1st quarter of 2011. The Company has drawn down the loans partially. The remaining long-term loan agreement is expected to be signed in 2011.

In conclusion, long term debts of the Company as of December 31, 2010 amounted THB 1,638.47 million. Details of such information are explained in the note to the financial statements for the fiscal year ending December 31, 2010 page 42-46.

2.2) Revolving Credit Facilities

In 2010, the Company had received additional revolving credit facilities from local financial institutions for total amount not less than THB 500 million. The Company is currently enjoying total revolving credit facilities from all financial institutions at no less than THB 2 billion for the purpose of supporting working capital and business expansion, as well as enabling the Company to allocate use of funds at reasonable financial costs.

3) Others

3.1) Fire Incident

On June 15, 2010 a fire incident broke out at our Amata Nakorn Chonburi plant which is a plant producing plastic industrial products, i.e. auto parts, electrical appliance parts, packaging for food and beverage, pallets, bottle crates and garbage bin, etc. The cracking of fire occurred at a warehouse and a part of production area, causing damages to finished goods and raw materials, and part of machines and factory building. However, the Company had insured assets against all risks with Muang Thai Insurance Public Company Limited. The insurance policy has covered building, inventory, and machines for an insured amount not less than THB 3 billion.

During the year 2010, the Company had recorded, amount of loss from the fire incident amounting to THB 255.24 million in the consolidated and company financial statements. The loss was based on the book value of damaged inventory, factory building, equipments and tools and cost of refurbishment of factory. However, in the year 2010 the Company received partial compensation of Baht 300.00 million from the insurance company. The difference amounted of Baht 44.76 million was presented as other income. The Company is currently in the process of verifying and discussing the costs of damages and seeking for the compensation with the insurance company.

3.2) New Appointments of Executives

In 2010 the Company has appointed 3 executives who will help manage our expanding businesses. They are:-

- Mr.Rakesh Singh as Factory Director - Household Products, being appointed on January 4, 2010
- Mr.Banchar Haemintakun as Chief Operating Officer - Network Marketing, being appointed on May 17, 2010
- Mr.David Stuart Bull as Beverage Operations Director, being appointed on November 15, 2010

3.3) Appropriation of Net Profit and Dividend Payment

The Company set as legal reserve the sum of THB 6,000,000 for the year 2009 and paid dividend to shareholders at the rate of THB 0.35 per share in 2010 amounted THB 94,846,668,

equivalent to 88.53% of net profit as per the Company's financial statements.

3.4) Evaluation of Corporate Governance and Annual General Meeting of Shareholders Assessment for the Year 2010

In year 2010, the Company received an average score of 90% on its corporate governance assessed by the Thai Institute of Directors, which was higher than an overall average score of the listed companies in SET50 group, and received an "Excellence" rating with the score in the range of 90-99 on quality of its the Annual General Meeting of Shareholders assessed by the Thai Investors Association. The Company has maintained its standard for 3 consecutive years.

11.3 Remuneration to Auditor

1) Audit Fee

The Company and subsidiaries paid audit fee to:-

- External auditor in the past accounting year for the sum of THB 2.03 million.
- Audit firm for whom the auditor work and persons or business related to the auditor and such audit firm in the past accounting year for the sum of THB 1.31 million and USD 17,734.

2) Non-audit Fee

The Company and subsidiaries paid non-audit fee for cost of reviewing computer software after upgrading a new version of Oracle software and expansion of new business, auditing of documents relating to the fire incident, and review of quarterly financial statements to:-

- auditors in the past accounting year the sum of THB 0.35 million, and the Company is obligated to pay to them in the future the sum of THB -nil- million.
- audit firm for whom the auditor work and persons or business related to the auditor and such audit firm in the past accounting year the sum of THB 0.30 million, and the Company is obligated to pay to them in the future the sum of THB -nil- million.

12. OTHER INFORMATION

12.1 Information Technology System

Development of the Company's information technology system in 2010 focused on data processing and analyzing as well as developing and restructuring the Company's infrastructure of information technology to facilitate any change and expansion of businesses so as to increase competitive advantage and support the Company's goal to become a World Class Company. The followings are the operation performed in 2010:

- 1) Developing corporate database system as a data center to help control and manage internal information with safety and efficiency;
- 2) Developing corporate communication system for easy and fast access to information for the whole organization which led to the usage of the information for the highest benefit of the Company;
- 3) Improving and introducing computer systems to assist in production control and data analysis in order to continually increase the efficiency of production planning and expenditure reduction;
- 4) Developing and improving information technology system for the network marketing business in order to serve the growth of local and overseas businesses, the growth of database for members, supporting of sales activities and accurate calculation of remuneration more quickly and efficiently;
- 5) Improving work procedures under the Oracle Enterprise Resource Planning, in order to reduce redundancy and increase efficiency and quickness in data processing;
- 6) Regularly providing training courses in computer to the staffs to enhance their skill, knowledge, and understanding of corporate information technology system;
- 7) Applying computer software to facilitate the shareholders' meeting, including applying Barcode system for registration of attendance and vote counting in each agenda. The Company has improved and developed the program to enhance convenience and quickness in servicing the shareholders of the Company;

12.2 Policy and Energy Conservation Measure

The Company has strong determination in energy conservation, and introduced many measures continually in factories and offices by launching many campaigns to arouse awareness of all levels of employees on importance and conservation of energy. In addition to energy conservation measures, the Company is open for employees to share ideas or make suggestions on improvement to reduce waste of energy for further remedial actions, as well as to jointly implement activities on energy saving so as to get participating energy conservation effort from all units within the organization. Such program is not only good to the Company in terms of cost reduction, but also good to the society and the nation as a whole.

In the area of production, the Company had invested in new machines of high production efficiency and energy saving in order to replace obsolete machines that consume high energy as it deemed suitable and necessary, coupled with introduction of new innovations in the production process. Not only these investments helped enhance productivity and reduce consumption of raw materials, the Company also experienced lower energy consumption per product weight.

Furthermore, the Company also participated in energy conservation activities with outsiders such as participating in the pilot project of Department of Alternative Energy Development and Efficiency, Energy Ministry, in standard plan of energy management and organizing pragmatic seminar under the topic of Energy Conservation Measures for the Plastics Industry in order to provide knowledge to other factories engaging in plastics business. This not only reflected importance of energy conservation to the Company and to the society, but also it was aimed at exchanging knowledge and experience as well as treating partners, competitors, and stakeholders with ethical standard.

In addition, in 2011, the Company has set up a policy for every factory to implement the project “Srithai Energy Conservation 2011” to develop and improve energy management. The Company will arrange to have evaluation made by a committee of experts from King Mongkut's University of Technology Thonburi, Ministry of Energy, and Ministry of Industry to drive forward the project. This will signify the importance of being energy efficient according to Thailand's energy saving policy, the Company will also take part in the energy saving contest of the country in the future.

12.3 Safety, Health and Working Environment

The Company has followed a scheme on safety, health and working environment seriously and continually. This includes training employees before they start working, making a work manual, disseminating information about safety and setting up a sub-committee on safety, health and working environment in each plant to work closely in audit of safety, improvement, and evaluation. This aims to achieve results as described in the Company's policy and suitability with our business operation. It helps pave a way to standardization on safety, health and working environment of international standard, resulting in an increase in competitive edge for the Company as a whole by reducing waste in term of staff, time and productivity, together with improving the Company's image to the public.

The Company had organized training on “Safety Executives” and “Safety Supervisors” to employees in each branch continually as required by law. The program aimed to appoint trained employees to be Safety Executives and Safety Supervisors. Furthermore, the Company's factory in Korat had been certified for the Safety, Health and Working Environment standards OHSAS 18001:2007 and industrial standard or TIS 18001:1999. This serve to assure the customers' confidence in safety of the Company's production process up to the level of ministerial and international standards.

12.4 Environment

The Company has realized the importance of social and environmental responsibilities and considered it as part of its key tasks assigned to all staffs. The Company wishes to continually improve environmental management system. The Company has set up an environmental policy to serve as a guideline to all. Currently, 2 out of the Company's 3 factories, namely Bangpoo Factory and Korat Factory had been certified for its environmental protection standard ISO 14001:2004 by United Registrar of Systems (Thailand) Ltd. (URS) in the year 2007 and 2009, respectively. This is a good representation of the realisation of effective environmental protection given by the Company.

Meanwhile, Amata Nakorn Chonburi factory is undergoing improvement on basic environmental management system for its production process, so as to get certification on Food Safety Management Systems ISO 22000:2005 certification within the year 2011. Some of our products are used by food and beverage industry – such certification will serve to create more consumers' confidence in the Company's production process of its safety up to international standards.

Additionally, the Company's Amata Nakorn Chonburi factory is as well preparing to get certification on environmental management standard ISO 15001:2004 in the year 2011.

12.5 Standard on Quality Management System for Auto Industry

The Amata Nakorn Chonburi factory and the Bangpoo factory are certified with the quality management system for automobile industry ISO/TS 16949:2009 which is technical requirement on quality standard of automobile industry accepted world-wide, in terms of design, development, production, installation, and services of products/ services relating to the automobile industry.

12.6 Standard of Labor Management System and Quality of Work Life

In 2010, the Factory in Korat received a certificate of labor management and quality of life management standard as follows:

- 1) Certificate of Thai Labor Standard 8001-2003 of Complete Level-Initial Stage from Department of Labor Protection and Welfare, Ministry of Labor, awarded to business enterprise with good labor management according to system of labor standard of Ministry of Labor. The purposes are to promote and develop good labor management system for business enterprise, and protection of labor with fairness and improved quality of life. The Company used to receive this certificate 2 times in 2006 and 2008.
- 2) Certificate of the Management System of Quality of Work Life or MS - QWL 1: 2008 being certified and renewed from the Management System Certification Institute (MASCI) reflects the Company's standardized management and best practices for staff's quality of life development inside business enterprise, including care-taking of health, emotion, society, and spirit.

12.7 Corporate Social Responsibility

The Company realizes the importance of its roles and participation in returning benefits back to the society. Mr. Sanan Angubolkul, Chairman and President, had sat on the Board of various organizations to promote and improve various areas of society developments such as education, society, culture, environment, energy, trade, and international diplomacy. These include holding the position as Chairman of AFS Intercultural Programs of Thailand, Chairman of the Rogetien Foundation, Chairman of Beijing Language and Culture University Bangkok College, Chairman of the Committee on Energy of the Thai Chamber of Commerce, President of Confederation of St.Gabriel's Foundation of Thailand Parent and Teacher Association, President of Parent and Teacher Association of Assumption Commercial College, President of the Development and Promotion Committee of King Mongkut's University of Technology Thonburi, and Honorary Consul-General of the Republic of Maldives to Thailand, etc.

Furthermore, the Company provides products supportive of CSR practices for beverage and drinking water industry, such as caps and pre-form bottles (PET) which is light-weighted. It is a new innovation that saves cost and lessens consumption of raw materials for customers.



As market trend for packaging products put more concern on environmental conservation, the Company has therefore set up a 3-save guideline: Save Material, Save Energy, Save the World, since 2008 to attach an importance on the reduction of consumption of raw material, energy, and carbon dioxide emission in the production process in order to take part in the decrease of pollution and the global warming. The Company has continually followed the guideline and it became materialized in 2010, i.e., the reduction of raw material used in the production and the reduction of work process with efficiency being maintained. Those operations were compliant to the principles of Carbon Foot Print which is also a starting point of the Carbon Label project, an international standard for environmental conservation products, which leads to Carbon Credit program. Nonetheless, the aforementioned guideline of the Company will serve an objective of reducing carbon dioxide emission in the whole production process and focus on standard of the Company's product contributing to environmental conservation and global warming reduction.



12.8 Other Activities

In 2010 the Company had pursued the following projects:-

- | | |
|---|---|
| 1) You Dee Mee Suk Project | To campaign for and train staffs on life sufficiency according to the King's Sufficiency Economic Activities. |
| 2) Long-term Training for Students Project | To let students of vocational level and higher vocational level from the North Eastern region of Thailand have a long-term training and pay incentive and welfare as if they were our staffs. |
| 3) School inside Factory Activity | It is a cooperation among the Company, the Ministry of Labor and the Ministry of Education, in providing educational services inside factory to staffs and interested persons who live nearby for sake of their chance to be educated by setting up three outside-school educational centers in Bangpoo, Amata Nakorn Chonburi and Korat factories. |
| 4) Scholarship Funds | Seventy-three talents who are financially scarce in Korat factory were granted scholarship under the To-Be-Number-One program. |
| 5) Labor Safety and Good Health Program | The Company had joined activities on safety, occupational health, and work environment under the Labour Safety, and Good Health program under the collaboration of Industrial Estate Authority of Thailand and Department of Labor Protection and Welfare, Ministry of Labor to promote and campaign on safety and good health among the Company' labors. |
| 6) Srithai Training Center Project
(Training Center) | The Company has established Srithai Training Center at Korat Factory to promote learning and skill development to the staff, particularly, production staffs. The Company has already prepared the training area according to its functions which can be divided into lecture room, computer room, pre-skill shop, and skill shop. |

12.9 Awards Received in 2010**1) To-be-Number-One for Local Entrepreneurs**

On June 25, 2010, the Company's Korat factory had received To-Be-Number-One Award under the category the 1st year Silver – Large Enterprise from HRH Princess Ubolrat Ratchakalya Siri wattana Pannawadi. The award signifies the Company's continual campaign on anti-drug activities inside the Company and the nearby communities. The Company has received the award for many consecutive years.

2) Commercial Diamond Award under Outstanding Enterprise Category

On August 20, 2010, the Company received the Commercial Diamond Award under the category of outstanding enterprise from the Department of Business Development, the Ministry of Commerce on the occasion of the 90th anniversary of the Ministry of Commerce. The award was presented to the enterprise with excellent performance to promote and to be a good model of other enterprises.

3) The Prime Minister's Export Award 2010 under the Best Exporter Category

On August 23, 2010, the Company received the Prime Minister's Export Award 2010, under the category of the Best Exporter from the Department of Export Promotion, Ministry of Commerce. The award is the highest award from the government to honor and present to the exporter of products

or services with determination to develop potential in terms of production, design, brand building, and providing international standard of quality service, including pioneering oversea markets and receiving good reputation and creditability to Thailand's exporting business and service sector to gain the World's recognition.

4) Award of Honour for Outstanding Enterprise in Labor Relations and Labor Welfare for 5 Consecutive Years

On August 27, 2010, the Company received an Award of Honour for Outstanding Enterprise in Labor Relations and Labor Welfare for 5 Consecutive Years because the Company has received this kind of awards for 5 consecutive years during 2006-2010. The award was based on criteria of operation of business enterprise in 3 parts, i.e. information about work place, information about labor relation, and information about labor welfare.

5) The UCL Outstanding Licensee of the Year 2010

On November 30, 2010, the Company received the UCL Outstanding Licensee of the Year 2010 from UCL (Universal Closures Limited), England. The award signified the Company's being outstanding closure producer under the patent of UCL with its expansion of production capacity from 600 million closures to 2 billion closures and its market expansion to 8 countries within 18 months. The production technology and packaging design under the patent of UCL help reduce raw material consumption in the production process by 25%.

Attachment no. 1

Details of Directors and Management Who Have Control over Companies in Srithai Superware Group

Company	Mr.Sanan Angubolkul	Mr.Prin Bholnivas	Mr.Naphol Lert sumitkul	Mr.Manit Ativani chayaphong	Mr.Apisit Tangsatit	Mr.Pawat Chalerm pong	Mr.Rakesh Singh
Subsidiaries							
P.E.T Blow Company Limited	DR	DR	-	-	-	-	-
Srithai (Vietnam) Company Limited	CM	DR	-	-	-	-	-
Srithai Moulds Company Limited	CM	DR	-	-	-	-	-
Srithai Superware India Limited	-	DR	-	DR	-	-	ED
Srithai Nanoplast Company Limited	ED	DR	-	-	-	DR	-
Srithai Miyagawa Company Limited	CM	DR	DR	-	DR	-	-
Srithai Shin-Osaka Company Limited	ED	DR	-	-	-	-	-
Associated Companies							
Srithai Sanko Company Limited	ED	DR	-	-	DR	-	-
Thai MFC Company Limited	DR	DR	-	DR	-	-	-
Beijing Huatai Replica of Porcelain Products Company Limited	DR	-	-	-	-	-	-
Srithai Packaging Company Limited	DR	DR	-	-	-	-	-
PT. Srithai Maspion Indonesia	DR	-	-	DR	-	-	-
Takahashi Korat (1995) Company Limited	DR	DR	-	-	DR	-	-
Joint Venture Company							
Srithai-Otto (Thailand) Company Limited	ED	DR	-	-	-	ED	-
Related Companies							
First Translogistics Company Limited	-	-	ED	-	-	-	-
S.Sahatara (Thailand) Company Limited	DR	-	-	-	-	-	-
Toho Foam (Thailand) Company Limited	DR	-	-	-	-	-	-

Remerk : 1) BACKGROUND INFORMATION ABOUT DIRECTORS AND EXECUTIVES (Detail in Clause 8.4)
 2) Abbreviation : CM = Chairman, DR = Director, ED = Executive Director

Attachment no. 2

Director of Subsidiaries

Name		P.E.T. Blow Company Limited	Srithai (Vietnam) Company Limited	Srithai Moulds Company Limited	Srithai Superware India Limited	Srithai Nanoplast Company Limited	Srithai Miyagawa Company Limited	Srithai Shin-Osaka Company Limited
Mr.Sanan	Angubolkul	DR	CM	CM	-	ED	CM	ED
Mr.Prin	Bholnivas	DR	DR	DR	DR	DR	DR	DR
Mr.Naphol	Lertsumitkul	-	-	-	-	-	DR	-
Mr.Manit	Ativanichayaphong	-	-	-	DR	-	-	-
Mr.Apisit	Tangsatit	-	-	-	-	-	DR	-
Mr.Pawat	Chalermpong	-	-	-	-	DR	-	-
Mr.Rakesh	Singh	-	-	-	ED	-	-	-
Mr.Santi	Sakgumjorn	-	ED	-	-	-	-	-
Mr.Prapon	Siripanich	-	-	ED	-	-	-	-
Mr.Michio	Nakai	-	-	DR	-	-	-	-
Mr.Alok Kumar Gupta		-	-	-	DR	-	-	-
Mr.Atul Kumar Jayantilal Jogani		-	-	-	DR	-	-	-
Mr.Somyod	Lertsumitkul	-	-	-	-	DR	-	-
Mr.Seishiro	Miuyagawa	-	-	-	-	-	DR	-
Mr.Shingo	Miyagawa	-	-	-	-	-	DR	-
Mr.Masanobu	Terakura	-	-	-	-	-	ED	-
Miss Ladda	Namjarusathienchai	DR	-	-	-	-	-	-
Miss Suwanna Mahuttanapun		-	-	-	-	-	-	DR

Abbreviation : CM = Chairman, DR = Director, ED = Executive Director

Note : Subsidiary means the company that Srithai Superware Public Company Limited has the right to vote directly and indirectly of more than 50% of all the rights to vote or has the authority to control financial management policy and its business operations. Financial statements of a subsidiary will be consolidated into financial statements of the parent company.

Report by the Board of Directors on its Responsibility to Financial Statements

To: Shareholders

Srithai Superware Public Company Limited

The Board of Directors deemed it very important to have good corporate governance in the management of the Company. The Board of Directors is accountable for correctness of financial statements of Srithai Superware Public Company Limited and consolidated financial statements of Srithai Superware Public Company Limited and its subsidiaries including financial information presented in the Annual Report. The Company has adopted appropriate accounting policies consistently applied and conformed to generally accepted accounting standards. Additionally, significant information was sufficiently disclosed in notes to financial statements for sake of proper benefits to shareholders, investors, and stakeholders.

Financial statements of the Company and consolidated financial statements of the Company and its subsidiaries have been audited by PricewaterhouseCoopers ABAS Limited, an auditor of the Company. The Board of Directors and executives supported the auditor with all necessary information and documents so that external auditor could audit and express his opinion in accordance with auditing standards. The external auditor has expressed his opinion in Auditor's Report as shown in the Annual Report.

The Board of Directors has made available risk management system and suitable internal control systems to assure reasonably of the correctness, completeness, and sufficiency of accounting records that the Company's assets have been maintained and safeguarded, and dishonest conducts or material abnormal operations have been prevented.

The Board of Directors has appointed an Audit Committee to be responsible for reviewing accounting policies, quality of financial reports, internal control system, internal audit system, risk management system, and disclosure of related party-transaction information. The Audit Committee has expressed their opinion in the Report of the Audit Committee as shown in this Annual Report.

The Board of Directors opines that managerial structure and internal control system of the Company are satisfactory. The Company's auditor did not qualify the Company's financial statements, or raised any specific observation thereon, so it is assured that financial statements of Srithai Superware Public Company Limited and consolidated financial statements of Srithai Superware Public Company Limited and its subsidiaries as at December 31, 2010 present fairly in all material respects the financial position, performance, and cash flows in accordance with generally accepted accounting principles and other relevant laws and regulations.

On behalf of the Board of Directors



Mr. Sanan Angubolkul
Chairman of the Board

Report of the Audit Committee

To Shareholders of Srithai Superware Public Company Limited

The Audit Committee of Srithai Superware Public Company Limited comprises 3 Independent Directors who are capable, knowledgeable, well experienced in particular fields, and well qualified as required by regulations of The Stock Exchange of Thailand. They are independent to perform their duties according to the Charter of Audit Committee. Professor Viroj Lowhaphandu is Chairman of the Audit Committee. Mr.Enghug Nontikarn and Mr.Suchat Boonbanjerd Sri are members.

In the year 2010 the Audit Committee held 5 meetings, 4 of which were attended by Chief Financial Officer, Certified Public Accountant, Manager of Internal Audit Department. Purposes of the 4 meetings were to report facts and to review audit results and evidences in each quarter. Another meeting was attended by Certified Public Accountant only without attendance of executive of the Company. All members of the Audit Committee attended all meetings. Manager of Internal Audit Department served as secretary of the meetings for taking minutes.

The Audit Committee has strictly adhered to the Charter of Audit Committee as approved by the Company, and in compliance with Notification of the Stock Exchange of Thailand Re: Qualifications and Scope of Work of the Audit Committee, 2008. Results of each meeting were summarized and reported to the Board of Directors of the Company. It could be summarized as follow:-

1. Quarterly and Annual Financial Statements for the year 2010

The Audit Committee has reviewed quarterly and annual financial statements for the year 2010 by asking questions to Certified Public Accountant, Chief Financial Officer and Internal Auditors, and listening explanations concerning correctness and completeness of financial statements in accordance with accounting standards, and adjustments of accounting records effecting quarterly or annual financial statements of the Company.

The Audit Committee opined that financial statements for the year 2010 of the Company were fairly accurate according to the Generally Accepted Accounting Principles, with adequate disclosure of important information. It was deemed appropriate to submit it to the Board of Directors for approval before further consideration of the Shareholders' Meeting.

2. Internal Control and Good Corporate Governance System

The Audit Committee, the Certified Public Accountant and the Internal Auditor have reviewed internal control system and good corporate governance of the Company. They all opined that there was no material deficiency in the internal control system. The Audit Committee has suggested the meeting to follow up this from time to time. Suggestion, if any, could be referred to Management for taking action.

Regarding good corporate governance policy, the Company has kept on improving and updating during the year 2010. As a result, rating of corporate governance of listed companies conducted by the Thai Institute of Directors Association showed the Company's score at 90% which was higher than average score of listed companies in the SET 50 group.

3. Risk Management Review

The Audit Committee has reviewed performance of Risk Management Sub-committee quarterly. It was found that the Sub-committee has properly monitored and improved efficiency of operation in both business risk and operational risk in light of the changing of business and environment.

4. Compliance with The Securities and Exchange Act and Relevant Laws

The Audit Committee has reviewed compliance with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand and relevant laws. There was no instance of law non-compliance or conflict of interest.

5. Appointment of Certified Public Accountant for the Year 2011

The Audit Committee has reviewed the performance of the External Auditor during the past fiscal year in various aspects namely the reputation, reliabilities, competency, and timeliness of completing the audit assignment of financial statements. The review results were satisfactory up to a certain level. The Audit Committee therefore recommended to the Board of Directors to appoint either Ms. Nangnoi Charoenthaveesub CPA No. 3044, or Mr. Kajornkiet Aroonpirodkul CPA No. 3445, or Mr. Chanchai Chaiprasit CPA No. 3760, or Ms. Anutai Poomsurakul CPA No. 3873, or Mr. Vichien Khingmontri CPA No. 3977 from PricewaterhouseCoopers ABAS Limited to be the Company auditor for the fiscal year 2011 with the total audit fee of Baht 2,027,000 (Two Million and Twenty Seven Thousand Baht only)

On Behalf of the Audit Committee
Srithai Superware Public Company Limited



(Prof. Viroj Lowhaphandu)
Chairman of the Audit Committee

Bangkok
February 1, 2011



AUDITOR'S REPORT

PricewaterhouseCoopers ABAS Ltd.
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To the Shareholders of Srithai Superware Public Company Limited

I have audited the accompanying consolidated and company balance sheets as at 31 December 2010 and 2009, and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the years then ended of Srithai Superware Public Company Limited and its subsidiaries, and of Srithai Superware Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position as at 31 December 2010 and 2009, and the consolidated and company results of operations, and cash flows for the years then ended of Srithai Superware Public Company Limited and its subsidiaries, and of Srithai Superware Public Company Limited, respectively, in accordance with generally accepted accounting principles.

A handwritten signature in black ink, appearing to read 'D. Chuaphanich', is written over a horizontal line.

Prasan Chuaphanich
Certified Public Accountant (Thailand) No. 3051
PricewaterhouseCoopers ABAS Limited

Bangkok
25 February 2011

Srithai Superware Public Company Limited**Balance Sheets****As at 31 December 2010 and 2009**

		Consolidated		Company	
		2010	2009	2010	2009
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	386,479,738	279,416,938	270,137,753	151,730,290
Short-term investments	8	18,403,407	18,242,415	-	-
Trade accounts and notes receivable, net	9	1,332,726,578	1,115,682,865	1,244,225,874	1,005,052,677
Amounts due from related parties, net	36.2	510,349	1,119,084	8,207,569	7,463,413
Short-term loans and accrued interest income to related parties, net	36.2	-	-	-	-
Inventories, net	10	1,007,588,887	948,294,690	827,061,229	666,754,395
Other current assets	11	96,832,262	64,001,888	64,725,597	36,975,391
Total current assets		2,842,541,221	2,426,757,880	2,414,358,022	1,867,976,166
Non-current assets					
Investments in subsidiaries, net	12.1	-	-	332,892,346	297,436,823
Investments in associates, net	12.1	282,004,884	291,218,952	195,058,123	195,058,123
Interest in joint venture	12.1	8,550,450	7,622,157	4,999,800	4,999,800
Other long-term investments, net	13	163,656,354	145,766,384	97,809,970	76,420,000
Property, plant and equipment, net	14	5,043,862,029	4,693,174,685	4,504,320,031	4,168,798,106
Intangible assets, net	15	68,863,539	70,182,002	65,302,200	65,575,778
Deferred tax assets	21.1	22,351,250	22,418,750	21,842,750	21,842,750
Other non-current assets, net	16	79,820,637	63,362,542	81,986,399	67,082,792
Total non-current assets		5,669,109,143	5,293,745,472	5,304,211,619	4,897,214,172
Total assets		8,511,650,364	7,720,503,352	7,718,569,641	6,765,190,338

The notes to the consolidated and company financial statements on pages 8 to 63 form an integral part of these financial statements.

Srithai Superware Public Company Limited**Balance Sheets****As at 31 December 2010 and 2009**

		Consolidated		Company	
		2010	2009	2010	2009
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans	17	-	181,344,800	-	150,000,000
Trade accounts payable - third parties		851,961,726	705,194,063	760,720,502	478,705,068
- related parties	36.2	146,797,241	137,427,359	153,010,012	142,890,301
Long-term loans (maturing within one year)	18	335,880,115	258,728,932	315,516,000	240,665,532
Amounts due to related parties	36.2	915,665	708,374	17,817,471	3,936,296
Accrued expenses	19	144,808,635	120,651,372	116,218,270	103,551,044
Other current liabilities	20	266,097,740	151,908,693	189,500,405	111,848,155
Total current liabilities		1,746,461,122	1,555,963,593	1,552,782,660	1,231,596,396
Non-current liabilities					
Long-term loans	18	1,352,208,944	921,681,387	1,322,954,100	888,508,349
Finance lease liabilities		4,250,455	2,093,339	708,684	1,267,332
Deferred tax liabilities	21.2	204,037,204	221,802,672	187,390,364	203,669,675
Total non-current liabilities		1,560,496,603	1,145,577,398	1,511,053,148	1,093,445,356
Total liabilities		3,306,957,725	2,701,540,991	3,063,835,808	2,325,041,752
Shareholders' equity					
Share capital	25				
Authorised share capital					
Ordinary shares 270,990,480 shares of par Baht 10 each		2,709,904,800	2,709,904,800	2,709,904,800	2,709,904,800
Issued and paid-up share capital					
Ordinary shares 270,990,480 shares of par Baht 10 each		2,709,904,800	2,709,904,800	2,709,904,800	2,709,904,800
Premium on treasury shares	25	19,928,420	19,928,420	19,928,420	19,928,420
Translation adjustment for investments in overseas subsidiaries and associates		(69,135,767)	(40,818,709)	-	-
Unrealised gain	27	1,005,141,030	1,032,390,192	980,892,998	1,006,158,057
Retained earnings					
Appropriated - legal reserve	26	120,000,000	106,000,000	120,000,000	106,000,000
Unappropriated		1,163,058,446	943,986,772	824,007,615	598,157,309
Total parent's shareholders' equity		4,948,896,929	4,771,391,475	4,654,733,833	4,440,148,586
Minority interests	28	255,795,710	247,570,886	-	-
Total shareholders' equity		5,204,692,639	5,018,962,361	4,654,733,833	4,440,148,586
Total liabilities and shareholders' equity		8,511,650,364	7,720,503,352	7,718,569,641	6,765,190,338

The notes to the consolidated and company financial statements on pages 8 to 63 form an integral part of these financial statements.

Srithai Superware Public Company Limited**Statements of Income****For the years ended 31 December 2010 and 2009**

	Notes	Consolidated		Company	
		2010	2009	2010	2009
		Baht	Baht	Baht	Baht
Sales and hire of work	30	6,859,757,414	5,456,581,348	5,710,866,198	4,793,024,319
Cost of sales and hire of work	30	(5,413,434,727)	(4,313,737,068)	(4,539,552,294)	(3,834,639,646)
Gross profit		1,446,322,687	1,142,844,280	1,171,313,904	958,384,673
Other income	36.3, 31	102,753,460	44,877,298	159,251,965	81,168,770
Selling expenses	29	(739,018,450)	(577,824,872)	(632,370,015)	(535,684,790)
Administrative expenses	29	(340,606,161)	(377,393,434)	(231,188,713)	(269,060,807)
Directors and managements' remuneration	36.4	(89,800,148)	(72,333,697)	(55,216,606)	(42,564,800)
Gain (Loss) on foreign exchange rate, net		(7,137,857)	9,069,787	(20,777,906)	6,766,689
Other expenses		(5,652,810)	(2,843,205)	(5,524,982)	(10,560,614)
Operating profit		366,860,721	166,396,157	385,487,647	188,449,121
Share of profit (loss) of investments in associates and joint venture	12.1	17,540,525	(28,698,408)	-	-
Profit before finance costs and income tax		384,401,246	137,697,749	385,487,647	188,449,121
Finance costs - interest expense	32	(65,785,661)	(52,040,232)	(61,011,990)	(46,867,828)
Profit before income tax		318,615,585	85,657,517	324,475,657	141,581,293
Income tax	21.3	(58,156,208)	(37,366,219)	(44,776,412)	(34,446,045)
Net profit for the year		260,459,377	48,291,298	279,699,245	107,135,248
Attributable to:					
Equity holders of the parent		267,966,757	57,763,986	279,699,245	107,135,248
Minority interests	28	(7,507,380)	(9,472,688)	-	-
Net profit for the year		260,459,377	48,291,298	279,699,245	107,135,248
Earnings per share for profit attributable to the equity holders of the parent					
Basic earnings per share	33	0.99	0.21	1.03	0.40

The notes to the consolidated and company financial statements on pages 8 to 63 form an integral part of these financial statements.

Srihai Superware Public Company Limited									
Statements of Changes in Shareholders' Equity									
For the years ended 31 December 2010 and 2009									
Consolidated (Baht)									
Attributable to equity holders of the company									
			Translation adjustment for investments in overseas subsidiary and associates	Unrealised gain (Note 27)	Appropriated retained earnings - legal reserve (Note 26)	Unappropriated retained earnings	Minority interests (Note 28)	Total	
	Issued and paid up share capital (Note 25)	Premium on treasury shares (Note 25)							
	2,709,904,800	19,928,420	(40,818,709)	1,032,390,192	106,000,000	943,986,772		4,771,391,475	247,570,886
									5,018,962,361

The notes to the consolidated and company financial statements on pages 8 to 63 form an integral part of these financial statements.

Srithai Superware Public Company Limited
Statements of Changes in Shareholders' Equity
For the years ended 31 December 2010 and 2009

	Company (Baht)					
	Note	Issued and paid up share capital (Note 25)	Premium on treasury shares (Note 25)	Unrealised gain (Note 27)	Appropriated retained earnings - legal reserve (Note 26)	Unappropriated retained earnings
						Total
Opening balance as at 1 January 2010		2,709,904,800	19,928,420	1,006,158,057	106,000,000	598,157,309
Depreciation of fair value reserves on assets						4,440,148,586
(net of deferred tax liabilities)		-	-	(39,688,063)	-	56,697,233
Fair value reserves on available-for-sale investments		-	-	12,720,000	-	17,009,170
Increase (decrease) during the year (net of deferred tax liabilities)		-	-	1,703,004	-	12,720,000
Total gain (loss) recognised in equity						(1,703,004)
Net profit for the year		2,709,904,800	19,928,420	980,892,998	106,000,000	653,151,538
Total gain (loss) recognised for the year						279,699,245
Dividends	34	-	-	-	-	932,850,783
Legal reserve		-	-	-	-	(94,843,168)
Closing balance as at 31 December 2010		2,709,904,800	19,928,420	980,892,998	14,000,000	824,007,615
						4,654,733,833
Opening balance as at 1 January 2009		2,709,904,800	19,928,420	1,055,576,086	100,000,000	525,645,465
Depreciation of fair value reserves on assets						4,411,054,771
(net of deferred tax liabilities)		-	-	(45,325,747)	-	64,751,067
Fair value reserves on available-for-sale investments		-	-	(2,640,000)	-	19,425,320
Increase (decrease) during the year (net of deferred tax liabilities)		-	-	(1,452,282)	-	(2,640,000)
Total gain (loss) recognised in equity						1,452,282
Net profit for the year		2,709,904,800	19,928,420	1,006,158,057	100,000,000	591,848,814
Total gain (loss) recognised for the year						107,135,248
Dividends	34	-	-	-	-	698,984,062
Legal reserve		-	-	-	-	(94,826,753)
Closing balance as at 31 December 2009		2,709,904,800	19,928,420	1,006,158,057	6,000,000	598,157,309
						4,440,148,586

The notes to the consolidated and company financial statements on pages 8 to 63 form an integral part of these financial statements.

Srithai Superware Public Company Limited**Statements of Cash Flows****For the years ended 31 December 2010 and 2009**

	Notes	Consolidated		Company	
		2010	2009	2010	2009
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Cash generated from operations	35.1	758,187,475	551,485,680	685,368,084	506,319,490
Interest paid		(63,947,743)	(51,692,225)	(60,988,120)	(46,560,662)
Income tax paid		(70,087,898)	(16,661,684)	(48,003,093)	(4,861,558)
Net cash receipts from operating activities		624,151,834	483,131,771	576,376,871	454,897,270
Cash flows from investing activities					
Cash payment for short-term investments	8	(2,118,697)	(5,099,633)	-	-
Cash payment for investments in subsidiaries	12.1	-	-	(14,125,493)	-
Purchase of long-term assets	35.2	(834,737,079)	(812,513,060)	(745,900,871)	(746,496,939)
Purchase of intangible assets	35.2	(20,078,370)	(29,346,920)	(18,729,591)	(26,767,559)
Cash receipt from short-term investments	8	2,035,389	56,539,872	-	-
Cash receipt from associate's liquidation	12.3 (b)	490,354	-	490,354	-
Proceeds from disposal of long-term assets		24,807,089	14,356,577	20,136,871	17,489,518
Interest receipts		3,241,851	4,845,889	339,917	1,227,373
Dividends receipts from investments in subsidiaries and associates	35.2	21,704,665	15,615,982	30,884,575	34,694,089
Dividends receipts from other investments		5,202,000	6,759,700	5,202,000	6,759,700
Net cash payments for investing activities		(799,452,798)	(748,841,593)	(721,702,238)	(713,093,818)
Cash flows from financing activities					
Increase (decrease) in short-term loans from banks		(123,821,560)	(23,940,600)	(150,000,000)	(20,000,000)
Receipt from long-term loans	18	767,960,872	532,629,623	749,961,751	532,629,623
Repayment of long-term loans	18	(259,866,332)	(154,634,580)	(240,665,532)	(128,593,000)
Repayment of finance lease liabilities		(1,887,972)	(514,820)	(720,221)	-
Dividend payment	34	(94,843,168)	(94,826,753)	(94,843,168)	(94,826,753)
Dividends paid to minority interests in a subsidiary	28	(8,820,090)	(12,921,893)	-	-
Receipt from investment of minority interests	28	4,417,123	8,330,000	-	-
Net cash receipts from financing activities		283,138,873	254,120,977	263,732,830	289,209,870
Net increase (decrease) in cash and cash equivalents		107,837,909	(11,588,845)	118,407,463	31,013,322
Decrease in cash from changing status of investments in a subsidiary to other long-term investment		(775,109)	-	-	-
Cash and cash equivalents, opening balance		279,416,938	291,005,783	151,730,290	120,716,968
Cash and cash equivalents, closing balance	7	386,479,738	279,416,938	270,137,753	151,730,290

The notes to the consolidated and company financial statements on pages 8 to 63 form an integral part of these financial statements.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2010 and 2009

1 General information

Srithai Superware Public Company Limited (the Company) is a Public Limited Company and is incorporated and domiciled in Thailand. The address of its registered office is as follows:

15 Suksawat Rd. Soi 36 Bangpakok Rasburana Bangkok 10140, Thailand.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, Srithai Superware Public Company Limited (“the Company”) and its subsidiaries are referred to as the “Group”.

The Group’s main business operation is manufacturing and selling of plastics, comprising household products and industrial products, and the trading and moulds business line.

These consolidated and company financial statements have been approved by the Board of Directors on 25 February 2011.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis for preparation

The consolidated and company financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires management to make 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 amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

An English version of the consolidated and company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation, and amendments to accounting standards and accounting framework

The following new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (collectively “the accounting standards”) and amendments to accounting framework are endorsed by the Government Gazette during 2010.

a) Accounting framework

The amendment of accounting framework is effective on 26 May 2010.

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards effective for the accounting periods beginning on or after 1 January 2011.

TAS 1	(Revised 2009)	Presentation of Financial Statements
TAS 2	(Revised 2009)	Inventories
TAS 7	(Revised 2009)	Statement of Cash Flows
TAS 8	(Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2009)	Events after the Reporting Period
TAS 11	(Revised 2009)	Construction Contracts
TAS 16	(Revised 2009)	Property, Plant and Equipment
TAS 17	(Revised 2009)	Leases
TAS 18	(Revised 2009)	Revenue
TAS 19		Employee Benefits
TAS 23	(Revised 2009)	Borrowing Costs
TAS 24	(Revised 2009)	Related Party Disclosures
TAS 26		Accounting and Reporting by Retirement Benefit Plans
TAS 27	(Revised 2009)	Consolidated and Separate Financial Statements
TAS 28	(Revised 2009)	Investments in Associates
TAS 29		Financial Reporting in Hyperinflationary Economies
TAS 31	(Revised 2009)	Interests in Joint Ventures
TAS 33	(Revised 2009)	Earnings per Share
TAS 34	(Revised 2009)	Interim Financial Reporting
TAS 36	(Revised 2009)	Impairment of Assets
TAS 37	(Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	(Revised 2009)	Intangible Assets
TAS 40	(Revised 2009)	Investment Property
TFRS 2		Share-based Payment
TFRS 3	(Revised 2009)	Business Combinations
TFRS 5	(Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6		Exploration for and Evaluation of Mineral Resources
TFRIC 15		Agreements for the Construction of Real Estate

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation, and amendments to accounting standards and accounting framework (Cont'd)

- b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards effective for the accounting periods beginning on or after 1 January 2011 (Cont'd)

The Group will apply the aforementioned accounting standards from 1 January 2011. The Group's management assessed and determined that there are no significant impacts to the financial statements being presented except the following accounting standards.

- TAS 1 (Revised 2009) states that an entity shall present all items income and expense recognised in a period in a single statement (the statement of comprehensive income) or in two statements (the separate income statement and statement of comprehensive income). In addition, this revised standard requires an entity to present a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when the entity makes a retrospective restatement or reclassifies items in the financial statements. However, for the financial statements which period begins on or after 1 January 2011 and are the first period apply this revised standard, an entity can present the statement of financial position only two statements without the statement of financial position as at the beginning of the comparative period. The Group's management decides to present both income statement and statement of comprehensive income as one statement.
- TAS 16 (Revised 2009), the revised standard requires the entity to include in cost of property, plant and equipment, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has obligation to do. An item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The revised accounting standard also requires an entity to review useful-life, residual value and depreciation method at least at each financial year-end. The Group's management is currently assessing the impact of applying this standard.
- TAS 19 deal with accounting for employee benefits. The standard classifies employee benefits into 4 categories: a) short-term employee benefits b) post-employment benefits (including defined contribution plan and defined benefit plan) c) other long-term employee benefits and d) termination benefits. The standard requires the entity to measure the defined benefit plan and other long-term employee benefits by using the Projected Unit Credit method (PUC). An entity can choose to recognise any actuarial gain or loss for defined benefit plan either in other comprehensive income or profit and loss. Actuarial gain or loss for other long-term employee benefit shall recognise in profit and loss. The Group's management is currently assessing the impact of applying this standard.
- TAS 24 (Revised 2009), the definition of related party has been expanded include parties with joint control over the entity, joint venture in which the entity is a venturer and post-employment benefit plan for the benefit of employees of an entity. This revised accounting standard may impact only to the disclosure of related parties information in the notes to financial statements.
- TAS 27 (Revised 2009) prescribes an accounting for changes in ownership interest in a subsidiary. The revised standard requires changes in a parent's ownership interest in a subsidiary, including all transactions with non-controlling interests that do not result in the loss of control to be accounted for in equity. When the entity loses control of a subsidiary, any investment retained in the former subsidiary is measured at its fair value and any gain or loss is recognised in profit or loss. The accounting for such changes in ownership interest shall be applied prospectively.
- TAS 28 (Revised 2009), states that on the loss of significant influence, the entity shall measure a remaining investment at fair value and recognise any gain or loss in profit or loss.
- TAS 40 (Revised 2009) prescribed the accounting and disclosure for investment property. An entity is required to present an investment property separately in the statement of financial position. The entity may choose to measure the investment property either the cost model or the fair value model. Under fair value model, any changes in fair value are recognised in profit or loss. The Group will apply the cost model for measurement. It is expected that land and building for future projects be reclassified to investment property. However, the Group's management is currently assessing the impact of applying this standard.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation, and amendments to accounting standards and accounting framework (Cont'd)

- c) New and revised accounting standards effective for the accounting periods beginning on or after 1 January 2013.

TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Group has early adopted TAS 12 since the year 1999. Furthermore, the Group's management assessed and determined that there are no significant impacts to the financial statements being presented from TAS 20 and TAS 21 (revised 2009).

2.3 Group accounting - investments in subsidiaries and associates and interests in joint venture

2.3.1 Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets and liabilities in the business combination are measured initially at their fair values at the acquisition date, regardless of minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. See Note 2.10.1 for the accounting policy on goodwill.

All intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered but considered an impairment indicator of the asset transferred. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are reported by using the cost method of accounting less allowance for impairment of investments in the Company's separate financial statements.

A list of the Group's subsidiaries is set out in Note 12.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.3 Group accounting - investments in subsidiaries and associates and interests in joint venture (Cont'd)

2.3.2 Investments in associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements and using the cost method of accounting less allowance for impairment of investments in the company financial statements. The Group's investment in associates includes goodwill identified on acquisition (net of accumulated impairment loss). The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in fair value reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other the Group's obligations or payments that are made on behalf of the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

A list of the Group's associates is set out in Note 12.

2.3.3 Interests in joint venture

The Group's interests in jointly controlled entity are accounted for by the equity method and cost method of accounting in the consolidated and company financial statements, respectively.

A list of the Group's joint venture is set out in Note 12.

2.4 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of income.

Statements of income and cash flows of foreign entities are translated into Thai Baht at the weighted average exchange rates for the year and balance sheets are translated at the exchange rates ruling on the balance sheet date. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to shareholders' equity. On disposal of a foreign entity, accumulated currency translation differences are recognised in the statement of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets or liabilities of the foreign entity and are translated at the closing rate.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cheque on hand, deposits held at call with banks, and fixed deposits held with banks for the period not exceeding three months. Deposits pledged at banks are not included in cash and cash equivalents balance.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful accounts. The Group estimates the allowance for doubtful accounts based on a review of all outstanding amounts at the period end. The estimate encompasses consideration of past collection experiences and other factors such as changes in the composition and volume of the receivable, the relationship of the allowance to the receivable and local economic conditions. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the income statement within administrative expenses.

2.7 Inventories

Inventories on the balance sheet are stated at the lower of cost or net realisable value. Cost of inventories are determined on the standard cost basis which approximates to actual cost calculated on a weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts. The cost of finished goods and work in process comprises direct materials, direct labour, other direct costs and manufacturing overheads. Manufacturing overheads include costs directly related to the units of production and those systematically allocated from variable and fixed production overheads, but exclude borrowing costs. Work-to-order is stated at actual cost.

The Group estimates net realisable value from the estimated selling price in the ordinary course of business, less the costs necessary for completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 Investments

Investments other than investments in subsidiaries, associates and joint venture are classified into the following three categories: 1. Held-to-maturity investments, 2. Available-for-sale investments, and 3. General investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the balance sheet date which are classified as current assets.
- (2) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- (3) Investments in non-marketable equity securities are classified as general investments.

Held-to-maturity investments are carried at amortised cost using the effective yield method.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.8 Investments (Cont'd)

Available-for-sale investments are carried at fair value. Fair value of marketable equity securities is calculated by reference to Stock Exchange of Thailand quoted bid prices at the close of business on the balance sheet date. Unrealised gains and losses which increase/decrease in the carrying amount are credited/charged against fair value reserves on available-for-sale investments in shareholders' equity. When investments classified as available-for-sale are impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment in securities.

General investments are carried at cost less impairment.

When changing the status of investment in subsidiaries or associates to other long-term investments, the Company records transfer price by using the book value of the remaining investments.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.9 Property, plant and equipment and depreciation

Carrying value-at appraised value

The major part of property, plant and equipment of the Group is initially recorded at cost. Land, buildings and machinery and equipment are subsequently shown at fair value, based on valuations by external professional independent valuers, less accumulated depreciation. The Group's policy requires an appraisal to be done every 3 to 5 years or when there are factors that might materially impact the value of the assets.

Increases in the carrying amount arising on revaluation are credited to the fair value reserves on assets in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the income statement) and depreciation based on the asset's original cost is transferred from fair value reserves on assets to the retained earnings.

Carrying value-at cost

Minor part of equipment of the Group are recorded at cost less accumulated depreciation. Cost is measured by the cash and cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.9 Property, plant and equipment and depreciation (Cont'd)

Depreciation

Property, plant and equipment, except for land which is considered to have an indefinite life, are presented at cost or appraisal value less accumulated depreciation.

Depreciation is calculated on the straight line basis to write off the cost or the revalued amount of each asset to its residual value over the estimated useful life as follows:

	<u>Years</u>
Buildings	20
Land improvements	5
Building improvements	5
Machinery and equipment	10 to 20
Furniture and office equipment	5 to 8
Motor vehicles	5

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenances are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in the income statement. On disposal of revalued assets, the fair value reserve relating to that asset is transferred to the retained earnings.

2.10 Intangible assets

2.10.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated balance sheet as an intangible asset. Goodwill on acquisitions of associates is included in investments in associates and is tested for impairment as part of the overall balance.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
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2 Accounting policies (Cont'd)

2.10 Intangible assets (Cont'd)

2.10.2 Operational computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, not exceeding a period of five years.

2.10.3 Other intangible assets

Expenditure on acquired patents, copyright and licences is capitalised and amortised using the straight-line method over their useful lives, generally over 1 to 10 years. Intangible assets are not revalued.

2.11 Deferred income taxes and income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. The Group's principal temporary differences arise from allowance for impairment of investments and fair value reserves on assets.

Currently enacted tax rates at the balance sheet date are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. In addition, deferred income tax is provided on temporary differences arising from investments in associates and interest in joint venture, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

2.12 Other non-current assets

Leasehold right

Leasehold right of lands and buildings is amortised using the straight-line method over the lease period of 30 to 38 years.

Deferred moulds

Deferred moulds represent cash paid in advance for customers' moulds which are used for the manufacture of engineering parts for each customer. The deferred moulds are recognised as expenses based on the actual quantity manufactured from customers' orders over the period of 3 to 6 years.

2.13 Impairment of assets

Assets that have an indefinite useful life such as goodwill are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)**2.14 Accounting for leases - where a Group company is the lessee****Operating leases**

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Finance leases

Leases of assets where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge cost is charged to the statements of income over the lease period. The property, plant and equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

Accounting for leases - where a Group company is the lessor**Operating leases**

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.15 Provisions

Provisions, excluding the provisions for employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.16 Treasury shares

Where the Company or its subsidiaries purchases the Company's equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

The Company will appropriate retained earnings in the same amount of treasury shares as treasury shares reserve to comply with a guidance of the Securities and Exchange Commission. The Company will reverse the reserves when the treasury shares are sold.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.17 Revenue recognition

Revenue comprises the invoiced value for the sale of goods and services net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services are recognised as revenue when work is completed and delivered to customers.

Other revenue are recognised on the following bases:

- Royalty and rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.
- Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.
- Dividend income is recognised when the Group's right to receive payment is established.
- Income from selling scrap is recognised when the scrap is actually sold.

2.18 Dividends

Dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders.

3 Financial risk management

3.1 Financial risk factors

The principle financial risks faced by the Group are interest rate risk, exchange rate risk, and credit risk. To finance its investments and operations, the Group borrows money at both fixed and floating rates. The majority of the debts are in Baht currency, except for loans of a foreign subsidiary, which are in foreign currency (as described in Note 17 and 18). Part of the revenues from sales and services, and imported machinery and equipment is denominated in foreign currencies. Credit risk arises when sales and services are made on a credit term basis.

Nevertheless, with the exception of entering into forward foreign exchange contracts for imported goods and machinery and exported goods, the Group does not make use of any derivative financial instruments in order to manage such risks because there is no material financial commitment in foreign currency. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Management of credit, currency and interest rate exposures is the responsibility of the Financial Executive. Monthly management reports contain details of the cost and market value of all financial instruments, including forward foreign exchange contracts. An analysis of exposures against the limits established by the directors is also provided. These limits principally cover the maximum permitted exposure in respect of:

a) Exchange rate risk

Export of products and imports of raw materials, finished goods, machinery and equipment, and minor part of loans expose the Group to risk of foreign exchange fluctuation. In such case, the Group cannot forecast income and cost accurately. The Group has been signing forward contracts with banks to prevent risk of foreign exchange in observation of situation of foreign exchange market at that time. Entering into forward contracts enables the Group to know precisely its income and cost, and facilitate its mapping of appropriate business strategies.

In addition, negotiation and quotation of goods prices denominated in currencies other than US Dollars is diversification of foreign exchange risk and lessening of impact on dependence on any particular currency.

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3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by directors before execution. The Group has no significant interest-bearing assets.

The Group borrows money for investments and business operation at both fixed and floating rates. However, the Group implemented risk counter-measures for managing interest rate risk by setting investment plans in advance so that the Group could have sufficient time to seek proper sources of credit lines with reasonable interest rates, and by prepaying a principal amount as deemed appropriate in the case of excess liquidity, which is allowed with no additional charge and no breach of conditions in the loan agreement.

c) Credit risk

The majority of the Company's revenues are derived from manufacturing and selling of plastic products. The Company has set guidelines for customer credit evaluation. Management believes that credit risk arising from sales is insignificant. Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are dispersed, cover the spectrum of manufacturing and distribution and have a variety of end markets in which they sell. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for allowance for collection losses.

Furthermore, payment terms for most export customers are opening of letters of credit or partial or full payment before shipment in case of new customers or those whose financial standing is still in doubt.

d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available. Cash and deposits are placed with financial institutions with high credit rating.

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instruments are recognised in the financial statements on inception.

Foreign currency forward contracts mitigate the Group's risk from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes and are not recognised in the financial statements.

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3 Financial risk management (Cont'd)

3.3 Fair value estimation

The fair value of available-for-sale investments is based on quoted market prices at the balance sheet date. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

In assessing the fair value of non-traded derivatives and other financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long-term debt. Other techniques, such as estimated discounted value of future cash flows, are used to determine fair value for the remaining financial instruments.

The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group by similar financial instruments.

4 Critical accounting estimates, assumption and judgements

Accounting estimates, assumption and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Fair value of investment in a subsidiary

The investment in a subsidiary is reported using the cost method in the Company financial statements. A provision for impairment was recognised in previous years as the cost of the investment in a subsidiary exceeded the recoverable amount. Following a combination of restructuring of management team of the subsidiary and an improving long-term outlook, management made an assessment as to whether the impairment provision should be reversed. In making this assessment, management produced and reviewed a cashflow projection and financial forecast, and concluded that the impairment of investment has been decreased and carrying amount of the investment shall be increased to its recoverable amount. Therefore, the impairment reversals were made as presented in Note 12.

b) Property, plant and equipment

The Group's policy requires a revaluation of land, buildings and equipment by professional independent valuers to be carried out every 3 to 5 years or when there are factors that might materially impact the value of the assets. However, the Group reviews annually whether appraisal values have suffered any impairment. The review is based on consideration of historical revaluation, fixed assets' condition, and the past gain or loss on disposal of appraised assets. During the year 2010, the Group did not use the professional independent valuers to review the revaluation of fixed assets since management has considered the above factors and do not expect any material impact to arise. The Group's latest revaluation of fixed assets was in the year 2006.

c) Deferred tax

Deferred tax assets come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Group also considered the utilisation of the past tax losses and assessed the estimation on a conservative basis.

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5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, acquire own shares or sell assets to reduce debt.

6 Reported financial information by business and geographic segments

The Group's main businesses are manufacturing and selling of plastics, comprising household products and industrial products, and the trading and moulds business line. Intercompany sales were already eliminated. Profit (loss) from sales was determined by subtracting cost of sales and services, selling expenses, administrative expenses and other expenses from net sale. Other income was unallocated. Fixed assets, trade accounts payable, amounts due to related parties, accrued expenses and other current liabilities are allocated to each segment based on their utilisations.

	Consolidated					
	For the year ended 31 December 2010 (Baht'000)					
	Plastics business line					
	Household products		Industrial products		Trading and moulds business line	Total
	Domestic Production	Overseas Production	Domestic Production	Overseas Production		
Sales and hire of work	2,053,504	51,017	3,898,774	231,640	745,372	6,980,307
Revenue from subsidiaries	(32,449)	(551)	(19,940)	(3,639)	(63,971)	(120,550)
Total sales and hire of work	2,021,055	50,466	3,878,834	228,001	681,401	6,859,757
Profit (loss) from sales	275,250	9,871	63,762	47,961	(35,800)	361,044
Other income						102,754
Directors and managements' remuneration						(89,800)
Gain (loss) on foreign exchange rate, net						(7,138)
Share of profit (loss) of investments in associates and joint venture						17,541
Profit before financial costs and income tax						384,401
Finance costs - interest expense						(65,786)
Profit before income tax						318,615
Income tax						(58,156)
Net profit for the year						260,459
Depreciation and amortisation						506,106
Fixed assets	703,968		3,290,418		194,492	4,188,878
Other fixed assets						854,984
Fixed assets as at 31 December 2010						5,043,862
Other assets						3,467,788
Total assets as at 31 December 2010						8,511,650
Trade accounts payable as at 31 December 2010	244,342		557,479		196,938	998,759
Amounts due to related parties as at 31 December 2010	-		-		916	916
Accrued expenses as at 31 December 2010	43,761		82,854		18,194	144,809
Other current liabilities as at 31 December 2010	29,698		137,396		99,004	266,098
Other liabilities						1,896,376
Total liabilities as at 31 December 2010						3,306,958

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6 Reported financial information by business and geographic segments (Cont'd)

	Consolidated					
	For the year ended 31 December 2009 (Baht'000)					
	Plastics business line					
	Household products		Industrial products		Trading and moulds business line	Total
	Domestic Production	Overseas Production	Domestic Production	Overseas Production		
Sales and hire of work	1,908,008	39,256	2,853,165	189,288	561,876	5,551,593
Revenue from subsidiaries	(7,303)	(7,189)	(11,386)	(2,118)	(67,016)	(95,012)
Total sales and hire of work	1,900,705	32,067	2,841,779	187,170	494,860	5,456,581
Profit (loss) from sales	218,778	2,586	(61,852)	46,121	(20,850)	184,783
Other income						44,877
Directors and managements' remuneration						(72,334)
Gain (loss) on foreign exchange rate, net						9,070
Share of profit (loss) of investments in associates and joint venture						(28,699)
Profit before financial costs and income tax						137,697
Finance costs - interest expense						(52,040)
Profit before income tax						85,657
Income tax						(37,366)
Net profit for the year						48,291
Depreciation and amortisation						459,575
Fixed assets	570,266		3,029,096		214,814	3,814,176
Other fixed assets						878,999
Fixed assets as at 31 December 2009						4,693,175
Other assets						3,027,328
Total assets as at 31 December 2009						7,720,503
Trade accounts payable as at 31 December 2009	191,507		332,952		318,162	842,621
Amounts due to related parties as at 31 December 2009	-		-		708	708
Accrued expenses as at 31 December 2009	52,976		49,790		17,885	120,651
Other current liabilities as at 31 December 2009	31,321		39,016		81,572	151,909
Other liabilities						1,585,652
Total liabilities as at 31 December 2009						2,701,541

7 Cash and cash equivalents

For the purposes of the cash flows statement, the cash and cash equivalents as at 31 December comprise the following:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Cash on hand	5,285,408	12,452,983	4,716,024	4,000,967
Cheque on hand	7,100,132	6,016,932	5,850,139	5,106,766
Deposits with banks				
- current accounts	33,276,214	27,642,344	7,327,609	6,318,514
- saving accounts	291,537,985	143,686,503	251,998,167	116,059,607
- fixed deposits	49,279,999	89,618,176	245,814	20,244,436
Total cash and cash equivalents	386,479,738	279,416,938	270,137,753	151,730,290

As at 31 December 2010, the average interest rate of saving deposits at banks is between 0.05% to 1.25% per annum (2009 : 0.25% to 1.50% per annum).

As at 31 December 2010, fixed deposits at banks represent 1-month to 3-month fixed deposits carrying interest at the rate of 0.50% to 14.00% per annum (2009 : 0.50% to 9.70% per annum).

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8 Short-term investments

Short-term investments as at 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Fixed deposits pledged at bank	4,062,410	4,000,000	-	-
Fixed deposits	5,753,160	3,717,312	-	-
Local mutual fund units which are classified as available-for-sale investments	8,078,836	10,093,786	-	-
<u>Add</u> Fair value reserves	509,001	431,317	-	-
Total short-term investments	<u>18,403,407</u>	<u>18,242,415</u>	<u>-</u>	<u>-</u>

As at 31 December 2010, fixed deposits of subsidiaries amounting to Baht 4.06 million (2009 : Baht 4.00 million) are pledged as collateral for bank overdrafts and tax guarantee.

As at 31 December 2010, fixed deposits of subsidiaries represent 6-month to 12-month fixed deposits at banks carrying interest at the rate of 1.00% to 2.00% per annum (2009 : 0.75% to 2.50% per annum).

As at 31 December 2010, short-term investments of subsidiaries amounting to Baht 8.08 million (2009 : Baht 10.09 million) represent local mutual fund units at banks classified as available-for-sale investments which may be sold if the subsidiaries need to raise operating capital.

The movements of short-term investments for the years ended 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Opening book value	18,242,415	69,590,799	-	-
Increase in short-term investments	2,118,697	5,099,633	-	-
Disposals	(2,035,389)	(56,539,872)	-	-
Fair value changes of available-for-sale investments	77,684	91,855	-	-
Closing book value	<u>18,403,407</u>	<u>18,242,415</u>	<u>-</u>	<u>-</u>

9 Trade accounts and notes receivable, net

Trade accounts and notes receivable as at 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Trade accounts receivable - third parties	990,837,731	899,145,675	861,644,552	789,711,511
Trade notes receivable - third parties	200,556	13,051	200,556	13,051
Total	991,038,287	899,158,726	861,845,108	789,724,562
<u>Less</u> Allowance for doubtful accounts	<u>(1,016,432)</u>	<u>(2,102,368)</u>	<u>(968,153)</u>	<u>(1,967,688)</u>
Trade accounts and notes receivable - third parties, net	<u>990,021,855</u>	<u>897,056,358</u>	<u>860,876,955</u>	<u>787,756,874</u>
Trade accounts receivable - related parties	346,350,684	222,280,395	386,994,880	220,949,691
<u>Less</u> Allowance for doubtful accounts	<u>(3,645,961)</u>	<u>(3,653,888)</u>	<u>(3,645,961)</u>	<u>(3,653,888)</u>
Trade accounts receivable - related parties, net (Note 36.2)	<u>342,704,723</u>	<u>218,626,507</u>	<u>383,348,919</u>	<u>217,295,803</u>
Trade accounts and notes receivable, net	<u>1,332,726,578</u>	<u>1,115,682,865</u>	<u>1,244,225,874</u>	<u>1,005,052,677</u>

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9 Trade accounts and notes receivable, net (Cont'd)

Trade accounts and notes receivable can be aged as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Not yet due	971,128,048	869,068,212	904,232,078	787,974,530
Overdue not exceeding 3 months	320,977,812	227,943,037	304,934,305	200,397,311
Overdue 3 to 6 months	30,012,262	8,643,651	26,986,169	8,279,069
Overdue 6 to 12 months	8,706,748	10,470,100	6,848,514	8,780,556
Overdue 12 months	6,564,101	5,314,121	5,838,922	5,242,787
Total	1,337,388,971	1,121,439,121	1,248,839,988	1,010,674,253
<u>Less</u> Allowance for doubtful accounts	(4,662,393)	(5,756,256)	(4,614,114)	(5,621,576)
Trade accounts and notes receivable, net	1,332,726,578	1,115,682,865	1,244,225,874	1,005,052,677

10 Inventories, net

Inventories as at 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Finished goods	384,344,525	366,164,441	344,184,293	314,721,636
<u>Less</u> Allowance for net realisable value	(1,926,667)	(1,905,595)	(1,000,000)	(1,000,000)
Finished goods	382,417,858	364,258,846	343,184,293	313,721,636
Work in process	169,497,248	267,753,666	90,475,983	69,021,511
Raw materials	384,615,060	285,934,554	348,565,389	256,428,176
Supplies	51,248,054	30,121,331	42,968,887	21,780,634
Moulds for sales	29,753,758	11,845,285	10,870,342	14,076,347
	1,017,531,978	959,913,682	836,064,894	675,028,304
<u>Less</u> Allowance for obsolescence	(15,390,707)	(15,074,083)	(11,000,000)	(11,000,000)
	1,002,141,271	944,839,599	825,064,894	664,028,304
Goods in transit	5,447,616	3,455,091	1,996,335	2,726,091
Total inventories, net	1,007,588,887	948,294,690	827,061,229	666,754,395

Allowance for obsolescence and allowance for net realisable value as at 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Allowance for obsolescence				
Finished goods	7,885,882	7,669,600	5,805,000	5,805,000
Work in process	411,100	411,100	215,000	215,000
Raw materials	6,195,598	6,132,598	4,980,000	4,980,000
Supplies	898,127	860,785	-	-
Total allowance for obsolescence	15,390,707	15,074,083	11,000,000	11,000,000
Allowance for net realisable value				
- finished goods	1,926,667	1,905,595	1,000,000	1,000,000
Total allowance for obsolescence and allowance for net realisable value	17,317,374	16,979,678	12,000,000	12,000,000

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11 Other current assets

Other current assets as at 31 December comprise the following:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Prepaid expenses	16,552,832	17,909,724	14,400,728	12,925,463
Withholding income tax	27,666,989	16,599,403	-	8,154,154
Value Added Tax receivable	28,295,151	12,897,034	26,787,683	-
Undued Value Added Tax	10,357,906	3,840,549	9,128,828	3,434,902
Advance payment for moulds	3,870,400	1,640,200	6,903,400	6,155,200
Accrued income, net	261,230	1,320,129	261,229	1,320,129
Others	9,827,754	9,794,849	7,243,729	4,985,543
Total other current assets	96,832,262	64,001,888	64,725,597	36,975,391

12 Investments in subsidiaries, associates and joint venture

- 12.1 The movements in book value of investments in subsidiaries, associates and joint venture for the years ended 31 December comprise the following:

Subsidiaries

	Company Cost method	
	2010 Baht	2009 Baht
Opening net book amount	297,436,823	288,636,823
Investment in subsidiaries (Note 12.3 (a))	14,125,493	-
Reversal of loss on impairment of investment in subsidiary	30,000,000	8,800,000
Change in status of investment in subsidiary to other long-term investment (Note 12.3 (c))	(8,669,970)	-
Closing net book amount	332,892,346	297,436,823

In 2010 and 2009, following a review of an impairment provision previously booked in respect of an investment in Srithai (Vietnam) Company Limited, a subsidiary, management concluded that it was appropriate to reverse this provision in the Company financial statements, at the amount of Baht 30.00 million and Baht 8.80 million, respectively based on an assessment of projected future cash flows (Note 4 (a)).

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12 Investments in subsidiaries, associates and joint venture (Cont'd)

- 12.1 The movements in book value of investments in subsidiaries, associates and joint venture for the years ended 31 December comprise the following: (Cont'd)

Associates

	Consolidated Equity method		Company Cost method	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Opening net book amount	291,218,952	335,889,979	195,058,123	210,823,802
Share of profit (loss) of investments in associates	16,612,232	(29,101,996)	-	-
Dividends received	(21,465,564)	(19,822,883)	-	-
Impairment of investments in associates	-	-	-	(19,000,000)
Investment in an associate (Note 12.3 (f))	-	3,234,321	-	3,234,321
Liquidation of an associate (Note 12.3 (b))	(490,403)	-	-	-
Currency translation differences	(3,870,333)	1,019,531	-	-
Closing net book amount	<u>282,004,884</u>	<u>291,218,952</u>	<u>195,058,123</u>	<u>195,058,123</u>

Joint venture

	Consolidated Equity method		Company Cost method	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Opening net book amount	7,622,157	7,218,569	4,999,800	4,999,800
Share of profit from interest in joint venture	928,293	403,588	-	-
Closing net book amount	<u>8,550,450</u>	<u>7,622,157</u>	<u>4,999,800</u>	<u>4,999,800</u>

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12 Investments in subsidiaries, associates and joint venture (Cont'd)

12.2 The Group's share of the results of associates and joint venture, all of which are unlisted, and its share of the assets including goodwill and liabilities are as follows:

For the year ended 31 December 2010						
Country of incorporation	Assets Baht	Liabilities Baht	Revenues Baht	Profit (Loss) Baht	Percentage of share holding	
Local						
Srithai Sanko Co., Ltd.	46,847,584	33,756,618	90,011,538	2,631,188	48.0	
Thai MFC Co., Ltd.	214,128,502	55,739,361	307,622,353	9,652,359	45.0	
Srithai Packaging Co., Ltd.	68,011,884	19,806,646	60,769,739	3,550,069	39.2	
Thai Takahashi Plastics Co., Ltd. (Note 12.3 (b))	-	-	5,895	359	25.0	
Takahashi Korat (1995) Co., Ltd.	45,539,862	34,919,415	803,486	1,348,714	19.0	
Takahashi Plastics Co., Ltd. (Note 12.3 (c))	-	-	26,458,249	-	4.9	
	<u>374,527,832</u>	<u>144,222,040</u>	<u>485,671,260</u>	<u>17,182,689</u>		
Foreign						
Beijing Huatai Replica of Porcelain Products Co., Ltd.	8,660,448	22,338,901	57,439,885	(3,661,504)	40.0	
PT. Srithai Maspion Indonesia	20,371,979	4,502,832	33,442,899	3,091,047	32.5	
	<u>29,032,427</u>	<u>26,841,733</u>	<u>90,882,784</u>	<u>(570,457)</u>		
Total associates	<u>403,560,259</u>	<u>171,063,773</u>	<u>576,554,044</u>	<u>16,612,232</u>		
Joint venture						
Local						
Srithai-Otto (Thailand) Co., Ltd.	63,729,769	55,071,684	64,096,435	928,293	50.0	
Total Joint venture	<u>63,729,769</u>	<u>55,071,684</u>	<u>64,096,435</u>	<u>928,293</u>		
Total associates and joint venture	<u>467,290,028</u>	<u>226,135,457</u>	<u>640,650,479</u>	<u>17,540,525</u>		

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12 Investments in subsidiaries, associates and joint venture (Cont'd)

12.2 The Group's share of the results of associates and joint venture, all of which are unlisted, and its share of the assets including goodwill and liabilities are as follows:
 (Cont'd)

For the year ended 31 December 2009						
Country of incorporation	Assets Baht	Liabilities Baht	Revenues Baht	Profit (Loss) Baht	Percentage of share holding	
Local						
Srithai Sanko Co., Ltd.	26,067,806	14,134,175	34,490,778	2,671,687	48.0	
Thai MFC Co., Ltd.	203,141,353	41,357,772	288,126,370	15,855,825	45.0	
S.K.I. Ceramics Co., Ltd.	65,475,696	59,847,317	62,492,478	(13,455,150)	42.0	
Srithai Packaging Co., Ltd.	68,515,614	21,680,088	45,544,105	728,500	39.2	
Thai Takahashi Plastics Co., Ltd.	493,795	3,750	14,250	5,722	25.0	
Takahashi Korat (1995) Co., Ltd.	59,318,519	25,747,817	75,835,487	(38,381,592)	19.0	
Takahashi Plastics Co., Ltd.	18,715,814	22,748,361	20,534,583	-	4.9	
	441,728,597	185,519,280	527,038,051	(32,575,008)		
Foreign						
Beijing Huatai Replica of Porcelain Products Co., Ltd.	38,200,629	13,576,389	31,893,317	57,685	40.0	
PT. Srithai Maspion Indonesia	20,985,772	2,825,289	31,552,241	3,415,327	32.5	
	59,186,401	16,401,678	63,445,558	3,473,012		
Total associates	500,914,998	201,920,958	590,483,609	(29,101,996)		
Joint venture						
Local						
Srithai-Otto (Thailand) Co., Ltd.	12,613,063	4,789,933	28,140,446	403,588	50.0	
Total Joint venture	12,613,063	4,789,933	28,140,446	403,588		
Total associates and joint venture	513,528,061	206,710,891	618,624,055	(28,698,408)		

In 2010, the Group has not recognised share of losses in associates amounting to Baht 542,005 (2009 : Baht 8,414,993) and accumulated losses totalling to Baht 44,797,941 (2009 : Baht 44,255,936) since the Group had already recognised share of losses equal to the value of investments.

Srithai Superware Public Company Limited
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12 Investments in subsidiaries, associates and joint venture (Cont'd)

12.3 Significant events

a) Newly established subsidiaries

Srithai Superware India Limited

During the first quarter 2010, Srithai Superware India Limited, a subsidiary, was registered with Ministry of Corporate Affairs, India. Srithai Superware India Limited is engaged in the importation and distribution of melamine products in India, with a registered share capital of Rupee 50.00 million. As at 31 December 2010, the subsidiary called for paid-up share capital of Rupee 25.00 million. The Company paid for the share capital of Rupee 17.50 million, or equivalent to Baht 12.88 million, according to its 70.00% shareholding.

P.E.T. Blow Company Limited

On 17 December 2010, P.E.T. Blow Company Limited, a subsidiary, was registered with the Ministry of Commerce. P.E.T. Blow Company Limited is engaged in manufacturing plastic products as blowing beverage packaging and/or other packaging, with a registered share capital of Baht 5.00 million comprising 500,000 ordinary shares with a par value of Baht 10.00 per share. As at 31 December 2010, the subsidiary called for paid-up share capital of Baht 1.25 million. The share subscription was paid-up in full amount according to its 100.00% shareholding.

b) Liquidation of associates

S.K.I. Ceramics Company Limited

On 7 January 2010, the Extraordinary Shareholders' meeting of S.K.I. Ceramics Company Limited approved its dissolution. The dissolution was registered with the Ministry of Commerce on 16 February 2010. The associate is under the process of liquidation.

Thai Takahashi Plastics Company Limited

On 27 April 2010, the Extraordinary Shareholders' meeting of Thai Takahashi Plastics Company Limited approved its dissolution. The dissolution was registered with the Ministry of Commerce on 4 May 2010. The liquidation was completed and the Company received the return of share subscription of Baht 490,354 on 27 September 2010.

c) Increase in share capital and change in status of investments

Subsidiary

On 25 September 2010, the Extraordinary Shareholders' meeting of Srithai Lock & Lock Company Limited, a subsidiary, passed a resolution to increase the authorised share capital of Baht 93.00 million. The purpose of the increase in share capital is to expand distribution and increase liquidity in operations. However, on 13 August 2010, the Board of Directors of the Company passed a resolution to approve an increase of authorised share capital in the subsidiary, but the Company did not invest in additional share capital of the subsidiary because the Company currently has no intention to invest in non-core business; plus there is a need to reserve cash for renovation of its plant. The subsidiary registered its share capital increase with the Ministry of Commerce on 27 September 2010. After the capital increase, the Company's holdings in Srithai Lock & Lock Company Limited decreased from 51.00% to 7.88%. Furthermore, the Company reduced the number of directors representing the Company from 3 persons to 1 person. Hence, the Company no longer has significant influence over the subsidiary. Therefore, the status of investment in Srithai Lock & Lock Company Limited has changed from investment in a subsidiary to other long-term investment.

Furthermore, on 25 September 2010, the Extraordinary Shareholders' meeting of Srithai Lock & Lock Company Limited approved the change of its name to Lock & Lock (Thailand) Company Limited. The change was registered with the Ministry of Commerce on 27 September 2010.

Srithai Superware Public Company Limited
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12 Investments in subsidiaries, associates and joint venture (Cont'd)

12.3 Significant events (Cont'd)

c) Increase in share capital and change in status of investments (Cont'd)

Associate

On 3 August 2010, the Board of Directors of Takahashi Plastics Company Limited, an associate, passed a resolution to increase the authorised share capital of Baht 86.00 million. The purpose of the increase in share capital is to invest in renovation of factory and invest in machinery for producing and selling new products. However, on 13 August 2010, the Board of Directors of the Company passed a resolution to approve an increase of authorised share capital in the associate, but the Company did not invest in additional share capital of the associate because the Company has to reserve cash for renovation of its plant. An increase of share capital was solely invested by a new investor. Takahashi Plastics Company Limited registered its share increase with the Ministry of Commerce on 20 August 2010. After the capital increase, the Company's direct and indirect holdings in Takahashi Plastics Company Limited decreased from 28.32% to 17.25%. Furthermore, the Company reduced the number of directors representing the Company from 2 persons to 1 person. Hence, the Company no longer has significant influence over the associate. The status of investment in Takahashi Plastics Company Limited has changed from investment in an associate to other long-term investment.

As at 20 August 2010, the Company changed status of its investment in Takahashi Plastics Company Limited in the amount of Baht 6.60 million, for which a provision for other long-term investment was already set up for the full amount.

d) Acquisition of shares of a subsidiary - Srithai (Vietnam) Company Limited

On 12 November 2010, the Board of Directors of Srithai Superware Public Company Limited passed a resolution to purchase shares capital of Srithai (Vietnam) Company Limited from a former shareholder. The acquired shares represent 4.16% of the subsidiary's paid-up share capital with the purchase amount of Baht 4.7 million that determined based on the subsidiary's net assets value as at 30 September 2010. After the acquisition of the shares, the Company's holdings in the subsidiary increased from 95.84% to 100.00%. The source of the funds for this investment is from the Company's operating cash flow. The purposes of the acquisition of shares are to enhance the capability of the subsidiary's operational management, and to support the subsidiary for business and financial information since it is solely owned by the Company.

The acquisition is currently in the legal and share payment process.

e) Going concern in an associate-Takahashi Korat (1995) Company Limited

Takahashi Korat (1995) Company Limited, an associate, has been impacted by a significant decrease in orders from a big customer as a result of the present global economic crisis. The associate has suffered operation losses since 2008 and, for the interest of the group's businesses, currently the associate had temporarily stopped its manufacturing and operations.

The Company anticipates this situation should not have impairment effect to the investment in an associate.

f) Increase in share capital in Beijing Huatai Replica of Porcelain Products Co., Ltd.

On 13 November 2009, the Board of Directors of Srithai Superware Public Company Limited passed a resolution to recognise dividend income and increase their investments in Beijing Huatai Replica of Porcelain Products Company Limited based on its 40.00% shareholding at the amount of Yuan 665,101.32 or equivalent to Baht 3.23 million. The purpose of increase in share capital is to serve business expansion. The additional shares are paid by offsetting with dividends received which is same amount and the shareholding portion remains unchanged.

g) Dividend payment of a subsidiary

On 29 April 2010, the Annual General Shareholders' meeting of Srithai Miyagawa Company Limited passed a resolution to pay dividend in respect of the subsidiary's net profit for the year 2009 at Baht 15.00 per share, totalling of Baht 18.00 million. The Company received a dividend of Baht 9.18 million according to 51.00% shareholding.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2010 and 2009

12 Investments in subsidiaries, associates and joint venture (Cont'd)

12.4 Subsidiaries, associates and joint venture as at 31 December comprise the following:

	Company (Unit : Baht)										
	Nature of business	Country of incorporation	Nature of relationship	Paid up capital	Percentage of shareholding		Cost method		Cost method		
					31 December 2010	31 December 2009	31 December 2010		31 December 2009		
							Cost	Allowance for impairment	Net book value	Cost for impairment	
Subsidiaries											
Local											
PE.T Blow Co., Ltd.	Manufacture of plastic	Thailand	Shareholder	1,250,000	100.0	-	1,249,993	-	1,249,993	-	-
Srithai Moulds Co., Ltd.	Manufacture of moulds	Thailand	Shareholder	100,000,000	71.0	71.0	82,000,000	-	82,000,000	82,000,000	- 82,000,000
Srithai Nanoplast Co., Ltd.	Manufacture of plastic	Thailand	Shareholder	40,000,000	70.0	70.0	27,999,980	-	27,999,980	27,999,980	- 27,999,980
Srithai Miyagawa Co., Ltd.	Manufacture of moulds and plastic	Thailand	Shareholder	120,000,000	51.0	51.0	61,200,000	-	61,200,000	61,200,000	- 61,200,000
Lock&Lock (Thailand) Co., Ltd. (formerly “Srithai Lock&Lock Co., Ltd.”)	Trading	Thailand	Shareholder	17,000,000	-	51.0	-	-	-	8,669,970	- 8,669,970
Srithai Shin-Osaka Co., Ltd.	Mould laminating and manufacture of plastic	Thailand	Shareholder	49,800,000	40.0	40.0	19,920,000	(5,800,000)	14,120,000	19,920,000	(5,800,000) 14,120,000
							192,369,973	(5,800,000)	186,569,973	199,789,950	(5,800,000) 193,989,950
Foreign											
Srithai (Vietnam) Co., Ltd.	Manufacture of plastic	Vietnam	Shareholder	109,338 Mil. Vnd.	95.8	95.8	181,646,873	(48,200,000)	133,446,873	181,646,873	(78,200,000) 103,446,873
Srithai Superware India Ltd.	Trading of melamine	India	Shareholder	25.00 Mil. Rupee.	70.0	-	12,875,500	-	12,875,500	-	-
							194,522,373	(48,200,000)	146,322,373	181,646,873	(78,200,000) 103,446,873
Total investments in subsidiaries							386,892,346	(54,000,000)	332,892,346	381,436,823	(84,000,000) 297,436,823

The Company has an interest less than one half of the ownership of Srithai Shin-Osaka Co., Ltd. but the Directors and related persons hold a further 15% of its shares; therefore, the Company has an interest of more than one half via direct and indirect voting rights and has power to govern the financial and operating policies of such investment. Therefore, it is considered to be a subsidiary and is consolidated in the consolidated financial statements.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
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12 Investments in subsidiaries, associates and joint venture (Cont'd)

12.4 Subsidiaries, associates and joint venture as at 31 December comprise the following: (Cont'd)

	Nature of business	Country of incorporation	Nature of relationship	Paid up capital	Percentage of shareholding		Consolidated (Unit : Baht)		Company (Unit : Baht)					
					31 December 2010	31 December 2009	Equity method		Cost method 31 December 2010		Cost method 31 December 2009			
							31 December 2010	31 December 2009	Cost	Allowance for impairment	Net book value	Cost	Allowance for impairment	Net book value
Associates														
Local														
Srithai Sanko Co., Ltd.	Trading of plastic	Thailand	Shareholder	20,000,000	48.0	48.0	11,540,247	10,828,939	9,599,400	-	9,599,400	9,599,400	-	9,599,400
Srithai WBG Co., Ltd.	Direct Sales	Thailand	Shareholder	8,000,000	47.0	47.0	-	-	3,759,940	(3,759,940)	-	3,759,940	(3,759,940)	-
Thai MFC Co., Ltd.	Manufacture of melamine powder	Thailand	Shareholder	200,000,000	45.0	45.0	156,511,454	160,359,095	90,000,000	-	90,000,000	90,000,000	-	90,000,000
S.K.I. Ceramics Co., Ltd.	Manufacture of ceramics	Thailand	Shareholder	125,000,000	42.0	42.0	-	-	52,500,000	(52,500,000)	-	52,500,000	(52,500,000)	-
Srithai Packaging Co., Ltd.	Manufacture of packaging	Thailand	Shareholder	60,000,000	39.2	39.2	48,867,128	47,669,059	27,156,000	-	27,156,000	27,156,000	-	27,156,000
Thai Takahashi Plastics Co., Ltd.	Manufacture of plastic	Thailand	Shareholder	20,000,000	-	25.0	-	490,044	-	-	-	5,000,000	(5,000,000)	-
Soko Srithai Co., Ltd.	Manufacture of plastic	Thailand	Shareholder	250,000,000	24.0	24.0	-	-	48,384,880	(48,384,880)	-	48,384,880	(48,384,880)	-
Takahashi Korat (1995) Co., Ltd.	Manufacture of plastic	Thailand	Shareholder	150,000,000	19.0	19.0	30,435,804	29,087,090	28,500,000	-	28,500,000	28,500,000	-	28,500,000
Takahashi Plastics Co., Ltd.	Manufacture of plastic	Thailand	Shareholder	220,000,000	-	4.9	-	-	-	-	-	6,600,000	(6,600,000)	-
							247,354,633	248,434,227	259,900,220	(104,644,820)	155,255,400	271,500,220	(116,244,820)	155,255,400
Foreign														
Beijing Huatai Replica of Porcelain Products Co., Ltd.	Manufacture of melamine	China	Shareholder	10.6 Mil. Yuan	40.0	40.0	18,781,104	24,624,241	25,864,865	-	25,864,865	25,864,865	-	25,864,865
PT. Srithai Maspon Indonesia	Manufacture of melamine	Indonesia	Shareholder	10,394.1 Mil. Rupiah	32.5	32.5	15,869,147	18,160,484	37,437,858	(23,500,000)	13,937,858	37,437,858	(23,500,000)	13,937,858
							34,650,251	42,784,725	63,302,723	(23,500,000)	39,802,723	63,302,723	(23,500,000)	39,802,723
Total investments in associates							282,004,884	291,218,952	323,202,943	(128,144,820)	195,058,123	334,802,943	(139,744,820)	195,058,123
Joint venture														
Local														
Srithai-Orto (Thailand) Co., Ltd.	Trading	Thailand	Shareholder	10,000,000	50.0	50.0	8,550,450	7,622,157	4,999,800	-	4,999,800	4,999,800	-	4,999,800
Total investments in joint venture							8,550,450	7,622,157	4,999,800	-	4,999,800	4,999,800	-	4,999,800
Total investments in associates and joint venture														
							290,555,334	298,841,109	328,202,743	(128,144,820)	200,057,923	339,802,743	(139,744,820)	200,057,923

The Company has a direct interest in Takahashi Korat (1995) Co., Ltd. less than 20% of the voting or potential voting of the investee, however the Company has an indirect interest and related persons hold further shares in these Company. Therefore the Company has an interest of more than 20% via direct and indirect voting rights and it is considered to be an associate.

Srithai Superware Public Company Limited
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13 Other long-term investments, net

13.1 Other long-term investments as at 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
<u>Listed company</u> (Available-for-sale investments)				
Union Plastic Public Company Limited	39,980,000	39,980,000	39,980,000	39,980,000
<u>Add</u> Fair value reserves on available-for-sale investments	10,660,000	(2,060,000)	10,660,000	(2,060,000)
	<u>50,640,000</u>	<u>37,920,000</u>	<u>50,640,000</u>	<u>37,920,000</u>
<u>Non-listed companies</u>				
LN Srithai comm Co., Ltd.	73,546,384	73,546,384	15,200,000	15,200,000
Nissen Chemitec (Thailand) Co., Ltd.	17,000,000	17,000,000	17,000,000	17,000,000
D M S Tech Co., Ltd.	11,000,000	11,000,000	-	-
Lock&Lock (Thailand) Co., Ltd. (formerly "Srithai Lock&Lock Co., Ltd.")	5,169,970	-	8,669,970	-
Takahashi Plastics Co., Ltd.	-	-	6,600,000	-
Others (less than 5% holding)	9,800,000	9,800,000	9,800,000	9,800,000
	<u>116,516,354</u>	<u>111,346,384</u>	<u>57,269,970</u>	<u>42,000,000</u>
<u>Less</u> Allowance for impairment loss of investments	<u>(3,500,000)</u>	<u>(3,500,000)</u>	<u>(10,100,000)</u>	<u>(3,500,000)</u>
	<u>113,016,354</u>	<u>107,846,384</u>	<u>47,169,970</u>	<u>38,500,000</u>
Total other long-term investments, net	<u>163,656,354</u>	<u>145,766,384</u>	<u>97,809,970</u>	<u>76,420,000</u>

13.2 The movements in book value of other long-term investments for the years ended 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Opening net book amount	145,766,384	148,406,384	76,420,000	79,060,000
Change in status of investment in a subsidiary and an associate to other long-term investments (Note 12.3(c))	5,169,970	-	15,269,970	-
Fair value reserves on available-for-sale investments increase (decrease) during the year	12,720,000	(2,640,000)	12,720,000	(2,640,000)
Impairment in value of investment in an associate change status to other long-term investments	-	-	(6,600,000)	-
Closing net book amount	<u>163,656,354</u>	<u>145,766,384</u>	<u>97,809,970</u>	<u>76,420,000</u>

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14 Property, plant and equipment, net

The movements of property, plant and equipment for the years ended 31 December comprise the following:

	Consolidated								
	Land Baht	Land and buildings Baht	Land improvements Baht	Building improvements Baht	Machinery and equipment Baht	Furniture and office equipment Baht	Motor vehicles Baht	Work under installation Baht	Total Baht
As at 31 December 2008									
Cost or appraisal value	363,180,000	2,021,120,374	15,948,813	287,174,405	2,860,119,672	229,905,015	131,600,821	148,132,117	6,057,181,217
Less Accumulated depreciation	-	(182,049,932)	(15,843,811)	(181,105,803)	(794,134,167)	(183,362,099)	(94,001,369)	-	(1,450,497,181)
Provision for impairment	-	-	-	-	(9,989,205)	-	-	-	(9,989,205)
Net book value	363,180,000	1,839,070,442	105,002	106,068,602	2,055,996,300	46,542,916	37,599,452	148,132,117	4,596,694,831
For the year ended 31 December 2009									
Opening net book value	363,180,000	1,839,070,442	105,002	106,068,602	2,055,996,300	46,542,916	37,599,452	148,132,117	4,596,694,831
Additions	-	13,336,861	-	18,514,165	140,544,624	28,712,178	6,173,203	335,622,370	542,903,401
Depreciation charge (Note 29)	-	(69,014,966)	(79,658)	(29,491,055)	(296,519,689)	(17,795,896)	(14,005,692)	-	(426,906,956)
Disposals - cost	-	-	-	-	(25,643,052)	(4,933,443)	(641,869)	-	(31,218,364)
- accumulated depreciation	-	-	-	-	15,130,161	4,623,277	641,868	-	20,395,306
Impairment charge	-	-	-	-	-	-	-	(40,000)	(40,000)
Transfer within account	-	-	-	5,062,172	337,493,123	660,400	-	(343,215,695)	-
Assets written off - cost	-	-	-	(901,079)	(16,758,968)	(1,873,672)	-	-	(19,533,719)
- accumulated depreciation	-	-	-	226,292	16,305,889	1,871,705	-	-	18,403,886
Foreign exchange rate adjustment	-	(3,195,100)	-	-	(4,214,600)	(22,400)	(91,600)	-	(7,523,700)
Closing net book value	363,180,000	1,780,197,237	25,344	99,479,097	2,222,333,788	57,785,065	29,675,362	140,498,792	4,693,174,685
As at 31 December 2009									
Cost or appraisal value	363,180,000	2,030,335,435	15,948,813	309,849,663	3,289,254,001	252,418,477	136,918,555	140,538,792	6,538,443,736
Less Accumulated depreciation	-	(250,138,198)	(15,923,469)	(210,370,566)	(1,057,143,808)	(194,633,412)	(107,243,193)	-	(1,835,452,646)
Provision for impairment	-	-	-	-	(9,776,405)	-	-	(40,000)	(9,816,405)
Net book value	363,180,000	1,780,197,237	25,344	99,479,097	2,222,333,788	57,785,065	29,675,362	140,498,792	4,693,174,685

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14 Property, plant and equipment, net (Cont'd)

The movements of property, plant and equipment for the years ended 31 December comprise the following: (Cont'd)

	Company								
	Land Baht	Land and buildings Baht	Land improvements Baht	Building improvements Baht	Machinery and equipment Baht	Furniture and office equipment Baht	Motor vehicles Baht	Work under installation Baht	Total Baht
As at 31 December 2008									
Cost or appraisal value	363,180,000	1,706,250,000	15,948,813	270,024,268	2,502,521,974	187,191,071	113,392,219	147,426,817	5,305,935,162
Less Accumulated depreciation	-	(148,512,007)	(15,843,811)	(167,940,176)	(664,445,369)	(154,209,689)	(82,160,315)	-	(1,233,111,367)
Provision for impairment	-	-	-	-	(6,576,027)	-	-	-	(6,576,027)
Net book value	363,180,000	1,557,737,993	105,002	102,084,092	1,831,500,578	32,981,382	31,231,904	147,426,817	4,066,247,768
For the year ended 31 December 2009									
Opening net book value	363,180,000	1,557,737,993	105,002	102,084,092	1,831,500,578	32,981,382	31,231,904	147,426,817	4,066,247,768
Additions	-	12,535,661	-	13,282,290	100,535,457	13,257,345	6,173,203	335,622,369	481,406,325
Depreciation charge (Note 29)	-	(52,695,148)	(79,658)	(26,624,327)	(265,217,813)	(11,536,636)	(11,990,906)	-	(368,144,488)
Disposals - cost	-	-	-	-	(25,473,052)	(4,933,444)	-	-	(30,406,496)
- accumulated depreciation	-	-	-	-	15,071,762	4,623,277	-	-	19,695,039
Transfer within account	-	-	-	5,062,173	337,488,222	-	-	(342,550,395)	-
Assets written off - cost	-	-	-	-	-	(364,608)	-	-	(364,608)
- accumulated depreciation	-	-	-	-	-	364,566	-	-	364,566
Closing net book value	363,180,000	1,517,578,506	25,344	93,804,228	1,993,905,154	34,391,882	25,414,201	140,498,791	4,168,798,106
As at 31 December 2009									
Cost or appraisal value	363,180,000	1,718,785,661	15,948,813	288,368,731	2,915,072,601	195,150,364	119,565,422	140,498,791	5,756,570,383
Less Accumulated depreciation	-	(201,207,155)	(15,923,469)	(194,564,503)	(914,591,420)	(160,758,482)	(94,151,221)	-	(1,581,196,250)
Provision for impairment	-	-	-	-	(6,576,027)	-	-	-	(6,576,027)
Net book value	363,180,000	1,517,578,506	25,344	93,804,228	1,993,905,154	34,391,882	25,414,201	140,498,791	4,168,798,106

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14 **Property, plant and equipment, net (Cont'd)**

The movements of property, plant and equipment for the years ended 31 December comprise the following: (Cont'd)

	Company								
	Land Baht	Land and buildings Baht	Land improvements Baht	Building improvements Baht	Machinery and equipment Baht	Furniture and office equipment Baht	Motor vehicles Baht	Work under installation Baht	Total Baht
For the year ended 31 December 2010									
Opening net book value	363,180,000	1,517,578,506	25,344	93,804,228	1,993,905,154	34,391,882	25,414,201	140,498,791	4,168,798,106
Additions	-	-	160,100	19,830,071	278,949,684	19,718,148	11,633,099	478,634,382	808,925,484
Depreciation charge (Note 29)	-	(51,577,262)	(28,001)	(26,833,194)	(306,809,460)	(11,852,555)	(11,432,292)	-	(408,532,764)
Disposals - cost	-	(8,000,000)	-	(3,395,675)	(26,683,340)	(8,647,502)	-	-	(46,726,517)
- accumulated depreciation	-	1,516,370	-	2,094,270	12,730,953	8,548,068	-	-	24,889,661
Assets written off from a fire									
- cost	-	(35,741,601)	-	(12,137,694)	(37,077,514)	(3,832,997)	-	-	(88,789,806)
- accumulated depreciation	-	8,624,217	-	4,034,984	27,044,345	3,376,997	-	-	43,080,543
Assets written off - cost	-	-	-	(197,766)	(19,587)	(524,441)	-	-	(741,794)
- accumulated depreciation	-	-	-	197,764	4,414	338,913	-	-	541,091
Transfer within account	-	-	-	9,605,184	323,500,596	-	-	(333,105,780)	-
Reversal of impairment	-	-	-	-	2,876,027	-	-	-	2,876,027
Closing net book value	363,180,000	1,432,400,230	157,443	87,002,172	2,268,421,272	41,516,513	25,615,008	286,027,393	4,504,320,031
As at 31 December 2010									
Cost or appraisal value	363,180,000	1,675,044,060	16,108,913	302,072,851	3,453,742,440	201,863,572	131,198,521	286,027,393	6,429,237,750
Less: Accumulated depreciation	-	(242,643,830)	(15,951,470)	(215,070,679)	(1,181,621,168)	(160,347,059)	(105,583,513)	-	(1,921,217,719)
Provision for impairment	-	-	-	-	(3,700,000)	-	-	-	(3,700,000)
Net book value	363,180,000	1,432,400,230	157,443	87,002,172	2,268,421,272	41,516,513	25,615,008	286,027,393	4,504,320,031

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14 Property, plant and equipment, net (Cont'd)

As at 31 December 2010, the Group has the land held for future projects, which has not yet determined the purpose of use in the consolidated and company financial statements amounted to Baht 363.18 million (2009 : Baht 363.18 million).

Addition in the consolidated and company financial statements includes Baht 8.75 million and Baht 1.89 million, respectively (2009 : Baht 4.06 million and Baht 2.03 million, respectively), assets leased under finance leases where the Group and the Company are the lessee.

As at 31 December 2010, the Group's and the Company's fully depreciated fixed assets which are presented in cost or appraisal value before accumulated depreciation amounting, approximately, to Baht 865.55 million and Baht 684.13 million, respectively (2009 : Baht 701.56 million and Baht 531.88 million, respectively), are still in use.

Depreciation for the years ended 31 December comprise the following:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Depreciation - cost	408,948,370	356,853,809	351,835,531	303,393,421
- fair value reserves on assets	61,651,089	70,053,147	56,697,233	64,751,067
Total	470,599,459	426,906,956	408,532,764	368,144,488

Included in property, plant and equipment are leased assets leased out to Group company and third parties under operating leases as the following:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Cost	67,152,264	120,931,531	67,152,264	120,931,531
<u>Less</u> Accumulated depreciation	<u>(21,136,497)</u>	<u>(29,819,269)</u>	<u>(21,136,497)</u>	<u>(29,819,269)</u>
Net book value	46,015,767	91,112,262	46,015,767	91,112,262

Recent revaluation

The Company's recent revaluation of land, buildings, and machinery and equipment was performed during the year 2006. The subsidiaries revalued land, buildings, and machinery and equipment during the years 2007 and 2006. A revaluation surplus of assets is recorded under "Fair value reserves on assets", net of deferred tax liabilities, in shareholders' equity. Loss from revaluation is recorded in the statements of income.

Valuation methodologies applied by the professional independent valuer to revalue the assets are summarised as follows:

- Land - market comparable approach
- Buildings - new replacement value less accumulated depreciation and estimated salvage value
- Machinery and equipment - new replacement value less accumulated depreciation and estimated salvage value

The historical cost of the revalued land, buildings, machinery and equipment are summarised as follows:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Cost	5,457,905,656	5,560,081,922	4,870,106,622	4,956,934,288
<u>Less</u> Accumulated depreciation	<u>(4,018,330,787)</u>	<u>(3,931,068,171)</u>	<u>(3,597,425,849)</u>	<u>(3,530,049,311)</u>
Net book value	1,439,574,869	1,629,013,751	1,272,680,773	1,426,884,977

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14 Property, plant and equipment, net (Cont'd)

Commitments

As at 31 December, the Group has mortgaged the following part of the land, buildings and machineries to banks as collateral for overdrafts, long-term loans and working capital from banks.

The mortgaged assets were stated in the consolidated and company financial statements at appraisal value, expect for assets acquired after the latest appraisal in 2006, which were stated at cost as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Srithai Superware Public Company Limited				
- Land and buildings	703.2	703.2	703.2	703.2
Subsidiaries:				
Srithai Moulds Company Limited				
- Land, buildings and machinery	68.0	62.6	-	-
Srithai Miyagawa Company Limited				
- Machinery	147.0	132.0	-	-

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15 Intangible assets, net

Intangible assets as at 31 December comprise the following:

	Consolidated				
	Software copyright and operational computer software Baht	Work under installation- computer software Baht	Production Technique Patents Baht	Goodwill Baht	Total Baht
As at 31 December 2008					
Cost	97,834,546	7,549,610	11,629,322	6,293,564	123,307,042
<u>Less</u> Accumulated amortisation	(69,884,114)	-	(1,162,932)	(2,674,765)	(73,721,811)
Provision for impairment	(364,803)	-	-	(3,618,799)	(3,983,602)
Net book value	<u>27,585,629</u>	<u>7,549,610</u>	<u>10,466,390</u>	<u>-</u>	<u>45,601,629</u>
For the year ended 31 December 2009					
Opening net book value	27,585,629	7,549,610	10,466,390	-	45,601,629
Additions	3,721,762	4,118,780	26,342,250	-	34,182,792
Amortisation charge	(6,626,496)	-	(2,974,323)	-	(9,600,819)
Transfer within account	2,512,000	(2,512,000)	-	-	-
Foreign exchange rate adjustment	(1,600)	-	-	-	(1,600)
Closing net book value	<u>27,191,295</u>	<u>9,156,390</u>	<u>33,834,317</u>	<u>-</u>	<u>70,182,002</u>
As at 31 December 2009					
Cost	104,049,108	9,156,390	37,971,572	6,293,564	157,470,634
<u>Less</u> Accumulated amortisation	(76,493,010)	-	(4,137,255)	(2,674,765)	(83,305,030)
Provision for impairment	(364,803)	-	-	(3,618,799)	(3,983,602)
Net book value	<u>27,191,295</u>	<u>9,156,390</u>	<u>33,834,317</u>	<u>-</u>	<u>70,182,002</u>
For the year ended 31 December 2010					
Opening net book value	27,191,295	9,156,390	33,834,317	-	70,182,002
Additions	3,108,621	6,239,964	1,318,283	-	10,666,868
Amortisation charge	(7,348,316)	-	(4,131,378)	-	(11,479,694)
Transfer within account	13,399,554	(13,399,554)	-	-	-
Assets written off					
- cost	(5,651,402)	-	-	-	(5,651,402)
- accumulated amortisation	5,651,392	-	-	-	5,651,392
Change in status of investment in a subsidiary to other long-term investment	(371,143)	(71,300)	-	-	(442,443)
Foreign exchange rate adjustment	(63,184)	-	-	-	(63,184)
Closing net book value	<u>35,916,817</u>	<u>1,925,500</u>	<u>31,021,222</u>	<u>-</u>	<u>68,863,539</u>
As at 31 December 2010					
Cost	114,134,744	1,925,500	39,289,855	6,293,564	161,643,663
<u>Less</u> Accumulated amortisation	(77,853,124)	-	(8,268,633)	(2,674,765)	(88,796,522)
Provision for impairment	(364,803)	-	-	(3,618,799)	(3,983,602)
Net book value	<u>35,916,817</u>	<u>1,925,500</u>	<u>31,021,222</u>	<u>-</u>	<u>68,863,539</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
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15 Intangible assets, net (Cont'd)

Intangible assets as at 31 December comprise the following: (Cont'd)

	Company			
	Software copyright and operational computer software Baht	Work under installation- computer software Baht	Production Technique Patents Baht	Total Baht
As at 31 December 2008				
Cost	76,441,046	7,549,610	11,629,322	95,619,978
<u>Less</u> Accumulated amortisation	(52,942,609)	-	(1,162,932)	(54,105,541)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	<u>23,133,634</u>	<u>7,549,610</u>	<u>10,466,390</u>	<u>41,149,634</u>
For the year ended 31 December 2009				
Opening net book value	23,133,634	7,549,610	10,466,390	41,149,634
Additions	1,547,401	3,713,780	26,342,250	31,603,431
Amortisation charge	(4,202,964)	-	(2,974,323)	(7,177,287)
Transfer within account	2,512,000	(2,512,000)	-	-
Closing net book value	<u>22,990,071</u>	<u>8,751,390</u>	<u>33,834,317</u>	<u>65,575,778</u>
As at 31 December 2009				
Cost	80,500,447	8,751,390	37,971,572	127,223,409
<u>Less</u> Accumulated amortisation	(57,145,573)	-	(4,137,255)	(61,282,828)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	<u>22,990,071</u>	<u>8,751,390</u>	<u>33,834,317</u>	<u>65,575,778</u>
For the year ended 31 December 2010				
Opening net book value	22,990,071	8,751,390	33,834,317	65,575,778
Additions	1,917,142	6,039,664	1,318,283	9,275,089
Amortisation charge	(5,417,289)	-	(4,131,378)	(9,548,667)
Transfer within account	12,865,554	(12,865,554)	-	-
Assets written off				
- cost	(1,231,702)	-	-	(1,231,702)
- accumulated amortisation	1,231,702	-	-	1,231,702
Closing net book value	<u>32,355,478</u>	<u>1,925,500</u>	<u>31,021,222</u>	<u>65,302,200</u>
As at 31 December 2010				
Cost	94,051,441	1,925,500	39,289,855	135,266,796
<u>Less</u> Accumulated amortisation	(61,331,160)	-	(8,268,633)	(69,599,793)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	<u>32,355,478</u>	<u>1,925,500</u>	<u>31,021,222</u>	<u>65,302,200</u>

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16 Other non-current assets, net

Other non-current assets as at 31 December comprise the following:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Deferred moulds	63,182,004	44,150,487	74,458,455	60,105,322
<u>Less</u> Allowance for unrecoverable of assets	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)
Deferred moulds, net	62,082,004	43,050,487	73,358,455	59,005,322
Leasehold right, net	12,188,931	13,918,911	4,945,972	5,307,876
Deposit	4,447,618	5,710,785	3,172,814	2,130,435
Others	1,102,084	682,359	509,158	639,159
Total other non-current assets, net	79,820,637	63,362,542	81,986,399	67,082,792

17 Short-term loans

Short-term loans as at 31 December comprise the following:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Short-term loans from banks				
- Baht	-	155,000,000	-	150,000,000
- US dollars				
(2009 : US dollars 216,886)	-	7,003,800	-	-
- Vietnam Dong				
(2009 : Vietnam Dong 10,745 million)	-	19,341,000	-	-
Total short-term loans	-	181,344,800	-	150,000,000

As at 31 December 2009, short-term loans from banks represent promissory notes amounting to Baht 155.00 million with a period due at call and not exceeding three months, bear interest at rates of 1.85% to 1.90% per annum and MLR less 1.00% per annum.

As at 31 December 2009, short-term loans of an overseas subsidiary amounting to Baht 26.34 million bear interest at the rates of 4.70% to 10.50% per annum and are secured by Srithai Superware Public Company Limited.

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18 Long-term loans

Long-term loans as at 31 December comprise the following:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Long-term loans				
- Baht	1,681,361,059	1,174,205,719	1,638,470,100	1,129,173,881
- Vietnam Dong - Vietnam Dong 4,205 million (2009 : Nil)	6,728,000	-	-	-
- US dollars (2009 : US dollars 192,110)	-	6,204,600	-	-
Total long-term loans	<u>1,688,089,059</u>	<u>1,180,410,319</u>	<u>1,638,470,100</u>	<u>1,129,173,881</u>

Long-term loans are due for repayments as follows:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Current portion of long-term loans	<u>335,880,115</u>	<u>258,728,932</u>	<u>315,516,000</u>	<u>240,665,532</u>
Loans due later than 1 year and not later than 3 years	849,543,265	511,555,041	830,378,282	482,638,743
Loans due later than 3 years and not later than 5 years	415,552,199	303,801,346	406,057,538	299,544,606
Loans due later than 5 years	87,113,480	106,325,000	86,518,280	106,325,000
	<u>1,352,208,944</u>	<u>921,681,387</u>	<u>1,322,954,100</u>	<u>888,508,349</u>
Total long-term loans	<u>1,688,089,059</u>	<u>1,180,410,319</u>	<u>1,638,470,100</u>	<u>1,129,173,881</u>

The movements of long-term loans for the years ended 31 December comprise the following:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Opening balance	1,180,410,319	804,253,676	1,129,173,881	725,137,258
Additions	767,960,872	532,629,623	749,961,751	532,629,623
Repayment	(259,866,332)	(154,634,580)	(240,665,532)	(128,593,000)
Foreign exchange rate adjustment	(415,800)	(1,838,400)	-	-
Closing balance	<u>1,688,089,059</u>	<u>1,180,410,319</u>	<u>1,638,470,100</u>	<u>1,129,173,881</u>

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18 Long-term loans (Cont'd)

18.1 The requirements and conditions for long-term loans comprise the following:

Contract No.	Consolidated		Company	Loan Purpose	Loan limit	Interest rate and repayment terms	Guarantees and collaterals
	31 December 2010 (Million Baht)	31 December 2009 (Million Baht)					
1	150.9	218.1	Parent company Srithai Superware Public Company Limited	The energy preservation project	Baht 452.4 million	Fixed interest rate at 3.00% to 4.00% per annum and floating rate at the MLR less 1.00% to MLR of local banks. Repayment is due every three months from March 2005 to 2014.	a) mortgage over the Company's land, buildings and plants (as described in Note 14). b) the lenders will be nominated as the first beneficiary of all risk insurance covering the Company's collateral assets.
2	1,187.6	911.1	Srithai Superware Public Company Limited	To invest in machinery, moulds and factory equipment	Baht 1,434.6 million (12 agreements)	4 agreements bear fixed interest rate at 4.00% per annum. 8 agreements bear floating interest rate at the MLR less 1.525% to MLR less 0.50% and Prime rate less 1.50% to Prime rate less 1.00% pre annum of local banks. Repayment is due every three months from June 2009 to 2016.	a) the Company will not enter into any encumbrance or commitment on its assets, currently owned or acquired in the future, except for authorised commitments by the lenders. b) the lenders will be nominated as the first beneficiary of the Company's all risk insurance.
3	300.0	-	Srithai superware Public Company Limited	To restore the Amata Nakorn Chonburi plant	Baht 300.0 million	Fixed interest rate at 4.50% per annum Repayment is due every three months from December 2011 to 2013.	a) the Company will not enter into any encumbrance or commitment on its assets, currently owned or acquired in the future, except for authorised commitments by the lenders. b) the lenders will be nominated as the first beneficiary of the Company's all risk insurance.

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18 Long-term loans (Cont'd)

18.1 The requirements and conditions for long-term loans comprise the following: (Cont'd)

Contract No.	Consolidated Long-term loans		Company	Loan purpose	Loan limit	Interest rate and repayment terms	Guarantees and collaterals
	31 December 2010 (Million Baht)	31 December 2009 (Million Baht)					
4	6.6	9.1	Local subsidiaries Srithai Moulds Company Limited	The energy preservation project	Baht 15.0 million	Fixed interest rate at 4.00% per annum (2009 : fixed interest rate at 4.00% per annum). Repayment is due every month and every three months from 2006 to 2013.	The subsidiary has mortgaged its current land and buildings, as well as those to be acquired in the future, and pledged its machinery and a condominium unit (as described in Note 14).
5	36.3	35.9	Srithai Miyagawa Company Limited	The energy preservation project	Baht 92.2 million	Fixed interest rate at 3.00% and 4.00% per annum. Repayment is due every month from July 2006 to 2016.	The subsidiary has mortgaged its machinery (as described in Note 14) and two land parcels and buildings including prospective construction on the land parcels are covenanted to not perform any legal act or any commitment with any person or juristic person during the loan period, except legal transactions in favour of the lending bank.
6	6.7 (Vietnam Dong 4,205 million)	6.2 (US dollars 192,110)	Overseas subsidiary Srithai (Vietnam) Company Limited	To invest in machinery and factory equipment	Equivalent to US dollars 1,378,000 (3 agreements) (2009 : US dollars 898,000)	Interest rate at Cost of Fund plus 2.00% to Cost of Fund plus 2.50% per annum of a bank in Vietnam. (2009 : Cost of Fund plus 2.25% and Cost of Fund plus 2.50% per annum of a bank in Vietnam). Repayment will be due for a period of 6 years from the date of the first draw down with 6 months and 12 months grace period for principal repayment.	Guaranteed by Srithai Superware Public Company Limited
Total	1,688.1	1,180.4					

The Company and subsidiaries must comply with other conditions and restrictions for long-term loans provided for in the agreements.

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18 Long-term loans (Cont'd)

18.2 The interest rate exposure on the borrowings of the Group and the Company comprises the following:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Total borrowings:				
at fixed rates	705,728,550	394,887,315	662,837,591	349,855,477
at floating rates	982,360,509	785,523,004	975,632,509	779,318,404
	<u>1,688,089,059</u>	<u>1,180,410,319</u>	<u>1,638,470,100</u>	<u>1,129,173,881</u>
Weighted average effective interest rates:				
bank borrowings	3.00% to 17.50%	3.00% to 6.25%	3.00% to 6.50%	3.00% to 6.25%

The carrying values and fair value of long-term loans are as follow:

	Consolidated		Company	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Long-term loans - carrying value	1,688.1	1,180.4	1,638.5	1,129.2
Long-term loans - fair value	1,640.6	1,141.6	1,588.9	1,092.3

The fair values of long-term loans are based on discounted cash flows using a discount rate from the market borrowing rates which are available to the Group and Company at the balance sheet date. The carrying amounts of short-term loans are shown at an approximate fair value.

18.3 Unutilised credit facilities

Unutilised credit facilities as at 31 December comprise the following:

	Consolidated					
	31 December 2010			31 December 2009		
	Overdraft	Long-term	Working	Overdraft	Long-term	Working
	Baht	loan facilities	capital facilities	Baht	loan facilities	capital facilities
	Baht	Baht	Baht	Baht	Baht	Baht
Floating rate						
- draw down within 1 year	-	-	-	-	166,629,105	-
- draw down with no timeframe limitation	251,070,551	-	-	127,784,636	-	75,971,440
Fixed rate						
- draw down within 1 year	-	-	-	-	70,383,673	-
- draw down with no timeframe limitation	-	-	1,474,213,269	-	-	739,049,925
	<u>251,070,551</u>	<u>-</u>	<u>1,474,213,269</u>	<u>127,784,636</u>	<u>237,012,778</u>	<u>815,021,365</u>
	Company					
	31 December 2010			31 December 2009		
	Overdraft	Long-term	Working	Overdraft	Long-term	Working
	Baht	loan facilities	capital facilities	Baht	loan facilities	capital facilities
	Baht	Baht	Baht	Baht	Baht	Baht
Floating rate						
- draw down within 1 year	-	-	-	-	166,629,105	-
- draw down with no timeframe limitation	120,000,000	-	-	93,584,636	-	-
Fixed rate						
- draw down within 1 year	-	-	-	-	55,504,552	-
- draw down with no timeframe limitation	-	-	1,474,213,269	-	-	739,049,925
	<u>120,000,000</u>	<u>-</u>	<u>1,474,213,269</u>	<u>93,584,636</u>	<u>222,133,657</u>	<u>739,049,925</u>

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19 Accrued expenses

Accrued expenses as at 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Accrued commission expenses	29,805,841	17,757,907	29,606,470	17,618,960
Accrued utility expenses	26,473,475	22,291,846	24,943,655	20,919,475
Accrued staff cost	20,221,566	17,728,599	19,720,103	15,337,124
Accrued income tax	21,475,542	14,426,595	10,242,845	14,025,821
Accrued patent rights	1,038,444	11,359,446	1,038,444	11,359,446
Others	45,793,767	37,086,979	30,666,753	24,290,218
Total accrued expenses	<u>144,808,635</u>	<u>120,651,372</u>	<u>116,218,270</u>	<u>103,551,044</u>

20 Other current liabilities

Other current liabilities as at 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Payable of long-term assets	116,626,586	44,059,051	99,160,609	35,426,621
Other payables	50,905,784	45,114,630	49,901,241	32,407,574
Advance receipt from customers	72,245,089	35,320,216	25,175,692	23,905,318
Withholding tax and social security payable	16,732,461	12,899,472	13,234,981	10,869,806
Value Added Tax payable	1,262,609	8,814,771	324,322	8,006,574
Current portion of finance lease liabilities	2,445,433	1,213,345	678,685	768,514
Forward foreign exchange contract payable, net	426,951	-	426,951	-
Others	5,452,827	4,487,208	597,924	463,748
Total other current liabilities	<u>266,097,740</u>	<u>151,908,693</u>	<u>189,500,405</u>	<u>111,848,155</u>

21 Deferred income taxes

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 7.50% to 30.00% (2009 : 7.50% to 30.00%).

Deferred tax assets and liabilities presented in the consolidated and company financial statements are not offset. Although there is a legally enforceable right as the income taxes relate to the same fiscal authority, the timing of the offset cannot be precisely defined and the future periods of utilisation of the deferred tax assets and liabilities are not same.

21.1 Deferred tax assets

The movements in the components of deferred income tax assets during the years is as follows:

	Consolidated				
	1 January 2009	Credited (Charged) to the statement of income	31 December 2009	Credited (Charged) to the statement of income	31 December 2010
	Baht	Baht	Baht	Baht	Baht
Tax loss carry forward	30,503,295	(30,503,295)	-	-	-
Allowance for impairment of investments	9,004,528	10,881,678	19,886,206	-	19,886,206
Foreign exchange rate adjustment	-	(60,200)	(60,200)	(99,800)	(160,000)
Others	564,000	2,028,744	2,592,744	32,300	2,625,044
	<u>40,071,823</u>	<u>(17,653,073)</u>	<u>22,418,750</u>	<u>(67,500)</u>	<u>22,351,250</u>

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21 Deferred income taxes (Cont'd)

21.1 Deferred tax assets (Cont'd)

The movements in the components of deferred income tax assets during the years is as follows: (Cont'd)

	Company				
	1 January 2009 Baht	Credited (Charged) to the statement of income Baht	31 December 2009 Baht	Credited (Charged) to the statement of income Baht	31 December 2010 Baht
Tax loss carry forward	29,019,295	(29,019,295)	-	-	-
Allowance for impairment of investments	9,004,528	10,881,678	19,886,206	-	19,886,206
Others	-	1,956,544	1,956,544	-	1,956,544
	<u>38,023,823</u>	<u>(16,181,073)</u>	<u>21,842,750</u>	<u>-</u>	<u>21,842,750</u>

21.2 Deferred tax liabilities

The movements in the components of deferred tax liabilities during the years is as follows:

	Consolidated						
	1 January 2009 Baht	Charged/ (credit) to statement of income Baht	Charged/ (credit) to shareholder's equity Baht	31 December 2009 Baht	Charged/ (credit) to statement of income Baht	Charged/ (credit) to shareholder's equity Baht	31 December 2010 Baht
Fair value reserves on land and buildings	189,729,791	-	(6,613,759)	183,116,032	1,119,528	(6,638,891)	177,596,669
Fair value reserves on machinery and moulds	53,711,231	(622,406)	(14,402,185)	38,686,640	(389,669)	(11,856,436)	26,440,535
Total	<u>243,441,022</u>	<u>(622,406)</u>	<u>(21,015,944)</u>	<u>221,802,672</u>	<u>729,859</u>	<u>(18,495,327)</u>	<u>204,037,204</u>

	Company						
	1 January 2009 Baht	Charged/ (credit) to statement of income Baht	Charged/ (credit) to shareholder's equity Baht	31 December 2009 Baht	Charged/ (credit) to statement of income Baht	Charged/ (credit) to shareholder's equity Baht	31 December 2010 Baht
Fair value reserves on land and buildings	173,236,883	-	(5,795,194)	167,441,689	1,119,528	(5,795,567)	162,765,650
Fair value reserves on machinery and moulds	50,480,518	(622,406)	(13,630,126)	36,227,986	(389,669)	(11,213,603)	24,624,714
Total	<u>223,717,401</u>	<u>(622,406)</u>	<u>(19,425,320)</u>	<u>203,669,675</u>	<u>729,859</u>	<u>(17,009,170)</u>	<u>187,390,364</u>

The Group's and the Company's deferred tax liabilities of Baht 18,495,327 and Baht 17,009,170 respectively (2009 : Baht 21,015,944 and Baht 19,425,320, respectively) were transferred within shareholders' equity from fair value reserves (Note 27) to retained earnings. This represents deferred tax on the difference between the actual depreciation on buildings, machinery and moulds and the equivalent depreciation based on the historical cost of fixed assets.

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21 Deferred income taxes (Cont'd)

21.3 Income tax expense

Income tax expense for the years ended 31 December comprises the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Current income tax expense	57,458,649	50,899,047	44,046,553	47,906,673
Deferred income tax				
- Deferred tax assets (Note 21.1)	(32,300)	(12,910,422)	-	(12,838,222)
- Deferred tax liabilities (Note 21.2)	729,859	(622,406)	729,859	(622,406)
	<u>58,156,208</u>	<u>37,366,219</u>	<u>44,776,412</u>	<u>34,446,045</u>

A reconciliation between current income tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Profit before tax	318,615,585	85,657,517	324,475,657	141,581,293
Tax rate	25%	25%	25%	25%
The result of the accounting profit multiplied by the income tax rate	79,653,896	21,414,379	81,118,914	35,395,323
Effect of exempted income and extra deduction expenses	(15,120,624)	(1,254,618)	(30,227,487)	(13,105,183)
Effect from expenses not deductible for tax purpose	19,530,611	20,929,546	19,119,252	25,616,533
Deferred income tax	697,559	(13,532,828)	729,859	(13,460,628)
Tax losses not recognised as deferred tax assets	7,872,423	7,725,560	-	-
The reduction of 50% from regular income tax rate	(25,964,126)	-	(25,964,126)	-
Share of net (profit)/loss from investments				
- equity method	(4,385,131)	7,174,602	-	-
Effect of different tax rates	(2,081,119)	(4,949,560)	-	-
Effect of elimination - intercompany transactions	(2,047,281)	(140,862)	-	-
Income tax	<u>58,156,208</u>	<u>37,366,219</u>	<u>44,776,412</u>	<u>34,446,045</u>

The Group's and the Company's weighted average applicable tax rate were 18.25% and 13.80%, respectively (2009 : 43.63% and 24.33%, respectively).

As a listed company, the Company has been granted for a discounted tax rate of 25% of the taxable income not exceeding Baht 300 million for 3 fiscal years from 2008 to 2010. The taxable income that exceeds Baht 300 million is subject to 30% tax rate.

The allocation of taxable profit under BOI privileges between corporate income tax exemption and non corporate income tax exemption.

	Consolidated		Company	
	2010	2009	2010	2009
Corporate income tax exemption	0%	0%	0%	0%
Corporate income tax reduction of 50%	37%	0%	37%	0%
Non corporate income tax exemption	63%	100%	63%	100%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

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22 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise.

Fair values

Financial assets carried on the balance sheet include cash and cash equivalents, short-term investments, trade accounts receivable, amounts due from related parties, short-term loans to related parties, and investments. Financial liabilities carried on the balance sheet include short-term and long-term loans from banks and financial institutions, trade accounts payable, amounts due to related parties, and accrued expenses.

The accounting policies are disclosed in the individual policy statements associated with each items.

Objectives and significant terms and conditions

In order to manage the risks arising from fluctuations in currency exchange rates, the Company makes use of the following derivative financial instruments:

Forward foreign exchange contracts

Forward foreign exchange contracts have been entered into to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

As at 31 December, the settlement dates on open forward contracts are within 2 months. The local currency amounts to be received and contractual exchange rates of the outstanding contracts are as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Forward foreign exchange contracts receivable - Sold				
US dollars 1,501,391.46 at rate of Baht 30.01:				
US dollars 1	45,059,655	-	45,059,655	-

Net fair values

The net fair values of derivative financial instruments as at 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Favourable (unfavourable) forward foreign exchange contracts - Sold	(18,508)	-	(18,508)	-

The fair values of forward foreign exchange contracts have been calculated (using rates quoted by the Group's bankers) as if the contracts were terminated at the balance sheet date.

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23 Contingent liabilities and bank guarantee

23.1 Contingent liabilities

Contingent liabilities as at 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Guarantee of related parties' loans	92.74	107.59	92.74	107.59

The Company and subsidiaries do not expect any other contingent liabilities to arise.

23.2 Bank guarantee

As at 31 December, the Company's bankers had issued letters of guarantee on behalf of the Company as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
In respect of electricity usage	38.98	33.59	35.86	30.47
Other guarantee	29.29	22.01	29.22	22.01

24 Commitments

Commitments as at 31 December comprise the following:

24.1 Capital commitments

	Consolidated		Company	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Commitment for purchase of machinery, moulds and equipment	73.60	128.66	55.77	128.60
Commitment for land and building improvements	25.68	4.84	23.36	4.84
Commitment for purchase of software program	1.70	1.71	1.70	1.56
Commitment for purchase of vehicle	2.62	0.79	2.62	0.79

The Company and subsidiaries do not expect any other significant contingent liabilities to arise.

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24 Commitments (Cont'd)

24.2 Operating lease commitments

The Company and subsidiaries have entered into operating lease agreements for land, buildings, cars, computers, computer servers and computer network services for periods of 1 to 38 years.

As at 31 December, the future minimum lease payments under non-cancellable operating leases comprise the following:

	Consolidated		Company	
	2010 Million Baht	2009 Million Baht	2010 Million Baht	2009 Million Baht
Not later than 1 year	32.45	32.48	29.78	27.57
Later than 1 year and not later than 2 years	21.88	17.68	19.44	13.19
Later than 2 years and not later than 5 years	15.22	10.82	12.18	5.41
Later than 5 years	18.75	21.05	-	-
	88.30	82.03	61.40	46.17

Land leasehold right of the overseas subsidiary - Srithai (Vietnam) Company Limited

The land leasehold right is for the period of 38 years commencing from 12 July 1997 (the land leasehold right was extended from 20 to 38 years in the year 2007). The payments for the official registration fee for the long-term lease in 1997 amounting to US dollars 705,000 have been recorded as land leasehold rights and the subsidiary has to pay land rental annually. The rental rate is US dollars 36,000 per annum. The company must comply with other conditions and restrictions in respect of the land leasehold right provided for in the agreement.

25 Share capital and premium on treasury shares

Share capital as at 31 December comprises the following:

	Number of shares	Ordinary shares Baht	Premium on treasury shares Baht	Total Baht
As at 31 December 2008	270,990,480	2,709,904,800	19,928,420	2,729,833,220
Issue of shares during the year	-	-	-	-
As at 31 December 2009	270,990,480	2,709,904,800	19,928,420	2,729,833,220
Issue of shares during the year	-	-	-	-
As at 31 December 2010	270,990,480	2,709,904,800	19,928,420	2,729,833,220

The Company's registered share capital as at 31 December 2010 comprises 270,990,480 ordinary shares (2009 : 270,990,480 ordinary shares) of Baht 10 each (2009 : Baht 10 each). All issued shares are fully paid-up.

26 Legal reserve

Legal reserve as at 31 December comprises the following:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Opening balance	106,000,000	100,000,000	106,000,000	100,000,000
Appropriation during the year	14,000,000	6,000,000	14,000,000	6,000,000
Closing balance	120,000,000	106,000,000	120,000,000	106,000,000

Under the Public Limited Companies Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is not distributable as dividends.

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27 Unrealised gain

Unrealised gain consists of fair value reserves on assets as at 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Fair value reserves on fixed assets				
- Land	287,438,900	287,438,900	287,438,900	287,438,900
- Land and buildings	646,995,595	659,216,237	625,336,431	636,247,190
- Machinery and moulds	59,537,534	87,363,738	57,457,667	84,531,967
Total fair value reserves on fixed assets	993,972,029	1,034,018,875	970,232,998	1,008,218,057
Fair value reserves on available-for-sale investments				
- Short-term investments (Note 8)	509,001	431,317	-	-
- Other long-term investments (Note 13.1)	10,660,000	(2,060,000)	10,660,000	(2,060,000)
Total fair value reserves on available-for-sale investments	11,169,001	(1,628,683)	10,660,000	(2,060,000)
Total	1,005,141,030	1,032,390,192	980,892,998	1,006,158,057

The movements of fair value reserves on fixed assets for the years ended 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Land, buildings, machinery and moulds				
Opening balance	1,034,018,875	1,082,959,489	1,008,218,057	1,054,996,086
Increase (decrease) (net from deferred tax liabilities)				
- depreciation	(43,155,762)	(49,037,203)	(39,688,063)	(45,325,747)
- minority interests	1,405,912	1,548,871	-	-
- assets disposal	1,703,004	(1,452,282)	1,703,004	(1,452,282)
Closing balance	993,972,029	1,034,018,875	970,232,998	1,008,218,057

The fair value reserves on fixed assets are not distributable as dividends.

The movements of fair value reserves on available-for-sale investments for the years ended 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Opening balance	(1,628,683)	919,462	(2,060,000)	580,000
Increase (decrease) from fair value reserves				
- short-term investments (Note 8)	77,684	91,855	-	-
- other long-term investments (Note 13.2)	12,720,000	(2,640,000)	12,720,000	(2,640,000)
Closing balance	11,169,001	(1,628,683)	10,660,000	(2,060,000)

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28 Minority interests

The movements of minority interests for the years ended 31 December comprise the following:

	Consolidated	
	2010 Baht	2009 Baht
Opening balance	247,570,886	263,655,652
Share of profit in subsidiaries	(7,507,380)	(9,472,688)
Change in status of investment in a subsidiary to other long - term investments	24,421,107	-
Investment in subsidiaries	4,417,123	8,330,000
Dividends	(8,820,090)	(12,921,893)
Fair value reserves on fixed assets of subsidiaries	(1,405,912)	(1,548,871)
Translation adjustment in subsidiaries	(2,849,955)	(314,343)
Change during the year	(30,069)	(156,971)
Closing balance	<u>255,795,710</u>	<u>247,570,886</u>

29 Expenses by nature

The following expenditures, classified by nature, have been charged in arriving at operating profit for the years ended 31 December.

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Staff costs	979,784,270	915,379,384	784,167,694	740,713,555
Depreciation (Note 14)	470,599,459	426,906,956	408,532,764	368,144,488
Advertising and sales promotion	268,318,544	221,744,326	267,582,314	216,047,732
Repair and maintenance	191,522,920	129,180,824	178,072,983	121,836,216
Transportation	89,159,420	58,627,444	75,402,972	47,918,624
Operating lease rentals	43,187,032	51,735,936	35,664,956	41,368,353
Amortisation of assets	35,506,389	32,668,266	27,920,991	24,450,879
Assets written-off	2,005,410	1,423,136	1,908,896	138,949
Loss on impairment of long-term assets (reversal)	(2,876,027)	40,000	(2,876,027)	-
Net loss on impairment of investment in subsidiary and associate (reversal) (Note 12.1)	-	-	(30,000,000)	10,200,000

30 Sales and hire of work, and cost of sales and services

Sales and hire of work, and cost of sales and services for the years ended 31 December comprise the following:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Sales	6,095,046,191	5,048,051,397	5,710,866,198	4,793,024,319
Hire of work	764,711,223	408,529,951	-	-
Total sales and hire of work	<u>6,859,757,414</u>	<u>5,456,581,348</u>	<u>5,710,866,198</u>	<u>4,793,024,319</u>
Cost of sales	4,754,217,803	3,961,661,441	4,539,552,294	3,834,639,646
Cost of services	659,216,924	352,075,627	-	-
Total cost of sales and services	<u>5,413,434,727</u>	<u>4,313,737,068</u>	<u>4,539,552,294</u>	<u>3,834,639,646</u>

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31 Fire incident

On 15 June 2010 there was an outbreak of fire at the Amata Nakorn Chonburi plant, which is a plant producing plastic industrial products. The fire occurred at a warehouse and in some parts of the production area.

During the year 2010, the Company had assessed and realised partial loss from the fire amounting to Baht 255.24 million in the consolidated and company financial statements. The loss is recognised based on the book value of the damaged inventory, plant building, plant equipment and tools, and part of renewal expenses. However, in the year 2010 the Company received partial compensation from an insurance company in the amount of Baht 300.00 million. The difference amounted of Baht 44.76 million is presented in other income.

The Company is insured on all risks to its properties with Muang Thai Insurance Public Company Limited. The insurance policy covers buildings, inventories, and machinery. The Company is currently in the process of verifying and discussing the costs of damages and seeking for the compensation with the insurance company.

32 Finance costs

Finance costs for the years ended 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Finance costs from bank borrowings	65,545,700	51,927,497	60,940,246	46,852,934
Finance costs from finance leases	239,961	112,735	71,744	14,894
Total finance costs	<u>65,785,661</u>	<u>52,040,232</u>	<u>61,011,990</u>	<u>46,867,828</u>

33 Basic earnings per share

The Company presents basic earnings per share in the income statement which is computed by dividing the net profit by the weighted-average number of paid-up ordinary shares outstanding during the year.

	Consolidated		Company	
	2010	2009	2010	2009
Net profit attributable to equity holders of the parent (Baht)	<u>267,966,757</u>	<u>57,763,986</u>	<u>279,699,245</u>	<u>107,135,248</u>
Weighted average number of outstanding ordinary shares (Share)	270,990,480	270,990,480	270,990,480	270,990,480
Basic earnings per share (Baht)	<u>0.99</u>	<u>0.21</u>	<u>1.03</u>	<u>0.40</u>

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2010 and 2009.

34 Dividend per share

2010

At the Annual General Meeting of shareholders on 28 April 2010, a dividend in respect of the Company's net profit for the year 2009 of Baht 0.35 per share totalling of Baht 94.84 million was approved by the shareholders and the Company paid during the year ended 31 December 2010.

2009

At the Annual General Meeting of shareholders on 29 April 2009, a dividend in respect of the Company's net profit for the year 2008 of Baht 0.35 per share totalling of Baht 94.83 million was approved by the shareholders and the Company paid during the year ended 31 December 2009.

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35 Cash flows from operating activities and supplementary cash flows information

35.1 Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities comprises the following:

	Notes	Consolidated		Company	
		2010 Baht	2009 Baht	2010 Baht	2009 Baht
Profit before income tax for the year		318,615,585	85,657,517	324,475,657	141,581,293
Adjustments to reconcile net profit to net cash provided by (paid for) operations:					
Depreciation	14	470,599,459	426,906,956	408,532,764	368,144,488
Amortisation		24,026,695	23,067,447	18,372,324	17,273,592
Amortisation of intangible assets	15	11,479,694	9,600,819	9,548,667	7,177,287
Assets written off		2,005,410	1,423,136	1,908,896	138,949
Assets written off from fire incident	31	196,655,995	-	196,655,995	-
Allowance for doubtful accounts (reversal)		896,080	119,700	972,580	-
Allowance for inventory obsolescence and for net realisable value (reversal)		637,395	1,368,926	-	-
Allowance for unrecoverable of other assets (reversal)		-	(301,747)	-	(301,747)
Loss on impairment in value of investments in subsidiary and associates (reversal)	12.1	-	-	(30,000,000)	10,200,000
Loss on impairment of long-term assets (reversal)	14	(2,876,027)	40,000	(2,876,027)	-
(Gain) loss disposal of long-term assets		(2,715,137)	(3,533,519)	(4,475,342)	(3,924,043)
Unrealised (gain) loss on foreign exchange rate		5,524,635	(3,743,115)	5,132,333	239,715
Realised (gain) loss on foreign exchange rate of dividend		(239,101)	-	(239,101)	-
Interest income		(2,229,008)	(5,366,401)	(348,891)	(1,217,068)
Share of net (profit) loss of investments in associates and joint venture	12.1	(17,540,525)	28,698,408	-	-
Gain from change in status of investments in subsidiary to other long-term investments		(5,169,970)	-	-	-
Gain from associate's liquidation		50	-	(490,354)	-
Dividend income from investments in subsidiaries and associates	36.3	-	-	(30,645,474)	(38,900,990)
Dividend income from other investments		(5,202,000)	(6,759,700)	(5,202,000)	(6,759,700)
Finance costs-interest expense	32	65,785,661	52,040,232	61,011,990	46,867,828
Carried forward		<u>1,060,254,891</u>	<u>609,218,659</u>	<u>952,334,017</u>	<u>540,519,604</u>
Changes in operating assets and liabilities					
(Increase) decrease in operating assets:					
Trade accounts and notes receivable and amounts due from related parties		(276,184,717)	(109,080,800)	(238,875,522)	(93,037,275)
Inventories		(287,298,980)	(148,955,295)	(312,962,708)	(66,432,895)
Other current assets		(51,339,539)	(15,632,376)	(45,621,652)	(7,930,699)
Other assets		(22,083,732)	(11,959,444)	(15,822,711)	(10,794,623)
Increase (decrease) in operating liabilities:					
Trade accounts payable		251,271,395	215,527,332	292,247,346	115,205,561
Amounts due to related parties		207,291	(1,237,976)	13,930,389	334,014
Accrued expenses		27,200,940	8,066,804	27,462,842	14,520,253
Other current liabilities		<u>56,159,926</u>	<u>5,538,776</u>	<u>12,676,083</u>	<u>13,935,550</u>
Cash generated from operations		<u><u>758,187,475</u></u>	<u><u>551,485,680</u></u>	<u><u>685,368,084</u></u>	<u><u>506,319,490</u></u>

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35 Cash flows from operating activities and supplementary cash flows information (Cont'd)

35.2 Supplementary cash flows information comprises the following:

	Consolidated		Company	
	2010 Baht	2009 Baht	2010 Baht	2009 Baht
Property, plant and equipment				
Additions (Note 14)	911,568,058	542,903,401	808,925,484	481,406,325
<u>Less</u> Decrease (increase) in payable of long-term assets	(72,567,535)	271,527,488	(63,733,988)	266,764,996
Long-term assets increased by finance lease	(4,923,605)	(2,027,600)	-	(2,027,600)
Decrease (increase) in amounts due to related parties of long-term assets	-	-	49,214	243,447
Unrealised (gain) loss on exchange rate	660,161	109,771	660,161	109,771
Purchase of long-term assets	<u>834,737,079</u>	<u>812,513,060</u>	<u>745,900,871</u>	<u>746,496,939</u>
Intangible assets				
Additions (Note 15)	10,666,868	34,182,792	9,275,089	31,603,431
<u>Less</u> Decrease (increase) in payable of intangible assets	9,411,502	(4,436,890)	9,454,502	(4,436,890)
Unrealised gain on exchange rate	-	(398,982)	-	(398,982)
Purchase of intangible assets	<u>20,078,370</u>	<u>29,346,920</u>	<u>18,729,591</u>	<u>26,767,559</u>
Dividends				
Dividends of investments in subsidiaries and associates (Note 36.3)	21,465,564	19,822,883	30,645,474	38,900,990
<u>Add</u> Realised gain on exchange rate	239,101	-	239,101	-
<u>Less</u> Increase in share capital offsetting against dividend income	-	(3,234,321)	-	(3,234,321)
Decrease (increase) in dividend receivable	-	(972,580)	-	(972,580)
Dividends received from subsidiaries and associates	<u>21,704,665</u>	<u>15,615,982</u>	<u>30,884,575</u>	<u>34,694,089</u>

36 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationships between the Company and subsidiaries, associates and joint venture are described in Note 12.4.

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36 Related party transactions (Cont'd)

The relationships between the Company and related parties that are transacted with are as the following:

Company name	Relationship
Srithai Marketing Co., Ltd.	shares held by relatives of executives of the Company and some of them serve as directors
Siam Melamine Marketing Co., Ltd.	shares held by relatives of executives of the Company
Srithai Stainless Co., Ltd.	shares held by relatives of executives of the Company and some of them serve as directors
Firstpoint Air-Marine Service Co., Ltd.	shares held by executive of the Company and relatives of some executives and executive serves as director
Firstpoint Translogistics Co., Ltd.	shares held by executives of the Company and relatives of some executives and executive serves as director
S. Sahatara (Thailand) Co., Ltd.	shares held by executive of the Company and relatives of some executives; some of them serve as directors
Toho Foam (Thailand) Co., Ltd.	shares held by executive of the Company and relative of some executives; some of them serve as directors

36.1 Group's policy regarding business transactions with related parties comprises the following:

a) Sales/Purchases of goods and services

The Company has made sales/purchases of goods and services to related parties in the normal course of business. The sales/purchases were transacted at prices close to those charged to third parties except for sales of goods to related parties which are the Company's distributors being charged at cost plus gross profit. Credit term for such related parties are longer than normal credit terms of accounts receivable which are between 30 to 90 days.

Mould repair and injection work were transacted with related parties at cost plus gross profit.

b) Service income

Office and factory rental income was transacted with related parties at the rate determined in the rental agreement. The rental rate was based on area and relevant space utilisation.

Machinery and mould rental was transacted with related parties at the agreed rate determined in the rental agreements.

c) Management fee income

During the year ended at 31 December 2010, the Group received a management fee which was transacted with a joint venture at an agreed rate.

d) Sales of fixed assets

The selling price of fixed assets charges at net book value plus profit. The credit term for related parties is the normal credit term which is 60 days.

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36 Related party transactions (Cont'd)

36.2 Outstanding balances as at the years ended

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Trade accounts receivable				
Subsidiaries	-	-	41,795,866	10,825,891
Associates	66,811,567	27,927,822	66,811,567	27,927,822
Joint venture	101,779,228	6,832,766	101,761,038	6,832,766
Other related parties	177,759,889	187,519,807	176,626,409	175,363,212
Total trade accounts receivable - related parties	346,350,684	222,280,395	386,994,880	220,949,691
<u>Less</u> Allowance for doubtful accounts	(3,645,961)	(3,653,888)	(3,645,961)	(3,653,888)
Total trade accounts receivable - related parties, net	342,704,723	218,626,507	383,348,919	217,295,803
Amounts due from related parties				
Subsidiaries	-	-	7,697,220	6,344,329
Associates - dividend receivable	972,580	972,580	972,580	972,580
- other receivable	435,246	346,465	435,246	346,465
Joint venture	319,913	106,207	319,913	106,207
Other related parties	99,144	32,460	99,144	32,460
Total amounts due from related parties	1,826,883	1,457,712	9,524,103	7,802,041
<u>Less</u> Allowance for doubtful accounts	(1,316,534)	(338,628)	(1,316,534)	(338,628)
Total amounts due from related parties, net	510,349	1,119,084	8,207,569	7,463,413
	Consolidated	Consolidated	Company	Company
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Short-term loan and accrued interest income				
An associate	1,039,566	1,039,566	1,039,566	1,039,566
<u>Less</u> Allowance for doubtful accounts	(1,039,566)	(1,039,566)	(1,039,566)	(1,039,566)
Total short-term loan and accrued interest income to a related party, net	-	-	-	-

As at 31 December 2010 and 2009, the Company has a short-term loan and accrued interest income to Srithai WBG Company Limited, an associate, amounting to Baht 0.94 million and Baht 0.10 million, respectively. Currently, the associate submitted a petition for insolvency to the Central Bankruptcy Court. Therefore, the Company recorded allowance for unrecoverable in full amount.

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Trade accounts payable				
Subsidiaries	-	-	8,153,294	7,999,946
Associates	135,574,086	126,933,184	134,898,649	125,673,164
Joint venture	111,825	68,711	111,825	68,711
Other related parties	11,111,330	10,425,464	9,846,244	9,148,480
Total trade accounts payable - related parties	146,797,241	137,427,359	153,010,012	142,890,301
Amounts due to related parties				
Subsidiaries - other payable	-	-	15,677,774	1,954,676
- payable of long-term assets	-	-	1,224,032	1,273,246
Associates	829,277	163,603	829,277	163,603
Other related parties	86,388	544,771	86,388	544,771
Total amounts due to related parties	915,665	708,374	17,817,471	3,936,296

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36 Related party transactions (Cont'd)

36.3 Transactions during the years

Revenues for the years ended 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
<u>Sales and hire of work</u>				
Sales				
Subsidiaries	-	-	59,170,976	29,741,759
Associates	147,727,965	50,898,234	147,727,965	50,874,234
Joint venture	107,418,369	35,961,463	107,324,869	35,961,463
Other related parties	452,586,138	434,505,968	427,199,067	397,765,215
Total sales and hire of work	707,732,472	521,365,665	741,422,877	514,342,671
<u>Other income</u>				
Service income				
Subsidiaries	-	-	2,644,491	3,117,449
Associates	429,010	643,606	429,010	643,606
Joint venture	763,016	591,675	763,016	591,675
Other related parties	1,381,025	1,450,282	1,381,025	1,436,037
Total	2,573,051	2,685,563	5,217,542	5,788,767
Management fee income				
Joint venture	1,000,000	1,000,000	1,000,000	1,000,000
Dividend income				
Subsidiaries	-	-	9,179,910	19,078,107
Associates	21,465,564	19,822,883	21,465,564	19,822,883
Total	21,465,564	19,822,883	30,645,474	38,900,990
Total other income	25,038,615	23,508,446	36,863,016	45,689,757
<u>Sales of fixed assets</u>				
Subsidiaries	-	-	7,334,016	4,791,338
Associates	-	4,000,000	-	4,000,000
Total sales of fixed assets	-	4,000,000	7,334,016	8,791,338

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36 Related party transactions (Cont'd)

36.3 Transactions during the years (Cont'd)

Expenses for the years ended 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
<u>Cost of sales and hire of work</u>				
<u>Purchases of goods</u>				
Subsidiaries	-	-	32,182,354	50,833,391
Associates	516,860,934	487,850,677	500,636,530	475,673,204
Joint venture	260,931	770,153	260,931	770,153
Other related parties	34,779,126	33,136,375	31,399,464	31,505,414
Total	<u>551,900,991</u>	<u>521,757,205</u>	<u>564,479,279</u>	<u>558,782,162</u>
<u>Administrative expenses</u>				
<u>Service expenses</u>				
Subsidiaries	-	-	20,311,167	6,605,593
Associates	1,418,500	793,347	1,418,500	793,347
Other related parties	4,674,827	4,876,023	4,035,853	4,512,082
Total	<u>6,093,327</u>	<u>5,669,370</u>	<u>25,765,520</u>	<u>11,911,022</u>
<u>Purchase of fixed assets</u>				
Subsidiaries	-	-	8,394,500	10,274,468
Associates	520,000	-	520,000	-
Total	<u>520,000</u>	<u>-</u>	<u>8,914,500</u>	<u>10,274,468</u>

36.4 Directors and managements' remuneration

Directors and managements' remuneration for the years ended 31 December comprise the following:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Directors' remuneration	1,650,000	1,650,000	1,650,000	1,650,000
Managements' remuneration	88,150,148	70,683,697	53,566,606	40,914,800
Total directors and managements' remuneration	<u>89,800,148</u>	<u>72,333,697</u>	<u>55,216,606</u>	<u>42,564,800</u>

36.5 Individual with mutual interests

During the years ended 31 December 2010 and 2009, the Group has no significant transaction with shareholders, management and directors of the Group.

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36 Promotional privileges

The Company and its subsidiaries received promotional privileges from the Board of Investment and must comply with the conditions and restrictions provided in the promotional certificates as follows:

Company	No. of BOI card	Date of approval	Period	Product	Significant privilege
Srithai Superware Public Company Limited	1083/2539	8 November 1995	8 years	melamine products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (3 October 1997) and the reduction of 50% from regular corporate income tax for five years from the end of the privilege period (expired on 2 October 2010)
	1158/2540	5 February 1997	8 years	melamine products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (1 January 1998) and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of five years from the end of the privilege period (expired on 31 December 2010)
	1764(4)/2548	13 July 2005	8 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (12 January 2007) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 11 January 2020)
	1339(2)/2550	4 April 2007	7 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (7 December 2007) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 6 December 2019)
	1389(2)/2553	9 February 2010	3 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of three years totally not exceeding 100% of the investment from the date income is first derived (not yet start) and loss incurred within the privilege period can be carried forward for five years from the end of the privilege period.
Subsidiary : Srithai Moulds Company Limited	1253/2542	27 April 1999	8 years	moulds production and repair	<ul style="list-style-type: none"> Exemption from corporate income tax for the promoted activities from the date income is first derived (1 October 2001 to 2009)
	1684(1)/2546	21 November 2003	8 years	moulds production and repair	<ul style="list-style-type: none"> Exemption from corporate income tax for the promoted activities from the date income is first derived (3 March 2005 to 2013)
Subsidiary : Srithai Nanoplast Company Limited	1838(2)/2547	5 October 2004	7 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (1 April 2005) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 31 March 2017)
Subsidiary : Srithai Shin-Osaka Company Limited	1080(5)/2554	22 November 2010	8 years	Melamine products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (not yet start) and loss incurred within the privilege period can be carried forward for five years from the end of the privilege period.

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37 Promotional privileges (Cont'd)

Srithai Superware Public Company Limited

Operating results from promoted and non-promoted activities for the years ended 31 December for the Company can be analysed as follows:

	Company (Million Baht)					
	2010			2009		
	Promoted activity	Non-promoted activity	Total	Promoted activity	Non-promoted activity	Total
Revenue						
Domestic sales	1,064	3,213	4,277	784	2,740	3,524
Export sales	304	1,130	1,434	171	1,098	1,269
Others	-	159	159	-	88	88
Total revenue	1,368	4,502	5,870	955	3,926	4,881

38 Post-balance-sheet event

38.1 Disposal of an investment in a subsidiary and change in status of investment

As at 31 December 2010, an investment in Srithai Shin-Osaka Company Limited amounts to Baht 19.92 million, or equal to 40% of its registered share capital. Srithai Shin-Osaka Company Limited is engaged in mould laminating and manufacturing plastic and melamine products and it is considered to be a subsidiary. Although the Company holds less than one half of the total shares, the Directors and related persons of the Company hold a further 15% of its shares; therefore the Company has an interest of more than one half via direct and indirect voting rights. The Company also has power to govern the financial and operating policies of such investment due to the fact that a majority of the subsidiary's directors are the Company's representative directors.

During February 2011, the shareholding structure of the subsidiary has been changed, because 15% of its shares that were held by the Directors and related persons of the Company were disposed to a third party, whereas the Company's direct shareholding remained unchanged. The Company's shareholding is now therefore less than one half of the total and the Company's voting rights and no longer have significant influence. The Company has to reduce the number of its representative directors to be in line with its percentage of shareholding. Consequently, the Company no longer has power to govern operation. Therefore, the status of the Company's investment in Srithai Shin-Osaka Company Limited will change from that of investor in a subsidiary to that of an associate.

On 25 February 2011, the Board of Directors of the Company passed a resolution approving in principle to dispose of its investment of 240,000 shares or 40% of its shareholding in Srithai Shin-Osaka Company Limited to a third party. The reasons for the disposal are because the mould business has accumulated loss from operation, and the new business of manufacturing plastic and melamine products has to take a period of time to adjust its business. The Company has ambitious expectations of returns in the short term. In addition, the Company is now focusing on investment in a newly established subsidiary in order to support increasing production capacity and serve overseas customers of melamine products; therefore its dependence on the business of Srithai Shin-Osaka Company Limited has been reduced. The Company is currently seeking a potential buyer as well as determining the appropriate selling price. The Company does not expect any additional loss to arise from the disposal of such investment except for that already recognised in the financial statements for the year ended 31 December 2010.

38.2 Newly established subsidiary

On 25 February 2011, the Board of Directors of Srithai Superware Public Company Limited passed a resolution to invest in a new subsidiary located in Suranaree Industrial Estate, Nakorn Rachasrima province. The new subsidiary will engage in the manufacturing and distributing of melamine products, with a registered share capital of Baht 30 million. The Company has 100% shareholding in the subsidiary. The new subsidiary is established in order to serve overseas customers - especially those customers who have strict concerns about the manufacturing process and factory standards - and to support increasing production capacity.



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