



**Annual Report**

**2013**



**Srithai Superware Public Company Limited**

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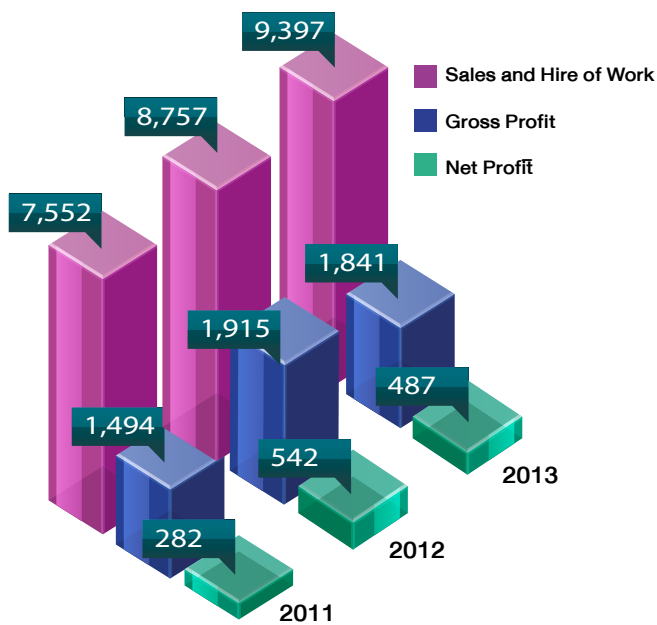
# Highlight of Consolidated Financial Statements

Unit : Thousand Baht

	2013	2012	2011
<b>CONSOLIDATED BALANCE SHEETS</b>			
Assets	10,125,510	9,325,299	8,085,351
Liabilities	5,560,366	4,867,393	4,001,839
Shareholders' equity	4,565,144	4,457,906	4,083,512
<b>CONSOLIDATED INCOME STATEMENTS</b>			
Sales and hire of work	9,397,421	8,757,316	7,552,237
Gross profit	1,841,139	1,914,841	1,494,311
Selling & Administrative expenses	(1,247,781)	(1,255,602)	(1,203,143)
Other income (Other expenses)	144,961	148,165	263,518
Finance costs - interest expense	(167,000)	(135,183)	(99,370)
Profit before income tax	571,319	672,221	455,316
Net profit for the year (Owners of the parent)	486,968	541,882	282,008
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>			
Net cash receipt from operating activities	711,060	829,393	183,915
Net cash payments for investing activities	(980,531)	(1,167,202)	(905,213)
Net cash receipts from financing activities	265,300	557,155	563,766
Cash and cash equivalents, closing balance	437,117	441,288	221,942
<b>KEY FINANCIAL RATIOS</b>			
Current Ratio (times)	1.42	1.33	1.23
Account Receivable Turnover (days)	68.01	67.11	69.41
Inventory Turnover (days)	36.36	32.16	26.43
Account Payable Turnover (days)	44.60	46.64	54.96
Gross Profit Ratio to Sales (%)	19.59	21.87	19.79
Net Profit Ratio to Total Revenues (%)	5.12	6.11	3.69
Return on Total Assets (%)	5.01	6.22	3.54
Debt to Equity Ratio (time)	1.22	1.09	0.98

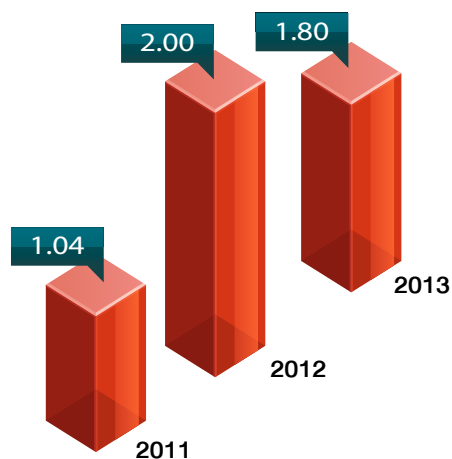
## Operation Results

(Unit : Million Baht)



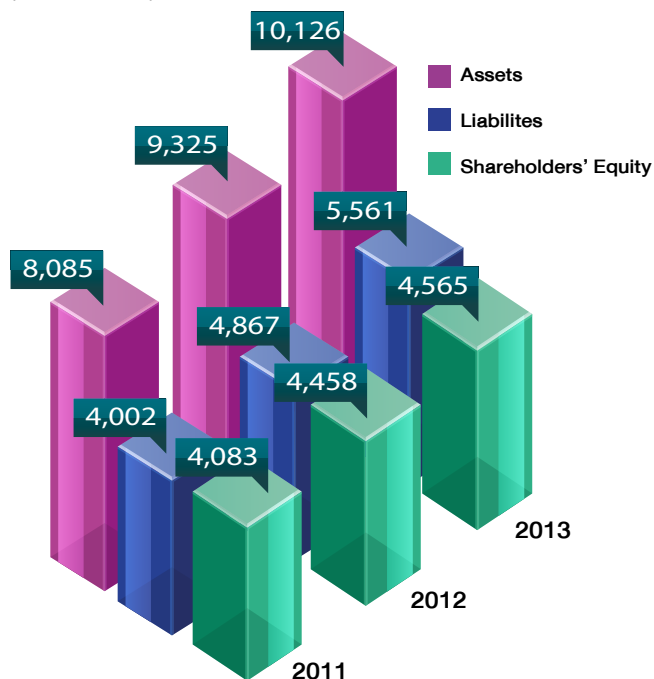
## Earning per Share

(Unit : Baht)



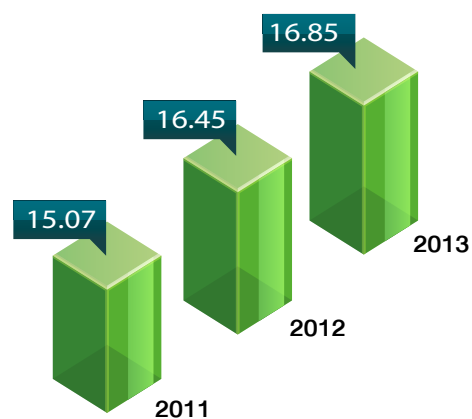
## Assets, Liabilities and Shareholders' Equity

(Unit : Million Baht)



## Book Value per Share

(Unit : Baht)





## MESSAGE FROM THE CHAIRMAN



The year 2013 was a significant milestone for Srithai Superware Public Company that we all should be proud of—our 50<sup>th</sup> year anniversary. From our simple beginnings, we have become a global enterprise making significant contributions to our communities. This indeed is an achievement of a lifetime and may I once again thank each one of you for the loyalty and support which has made this possible. I consider it an honor and privilege to be able to partner with you.

Srithai Superware was first started in 1963 by our late Chairman, Dr. Sumit Lertsumitkul, by producing and selling plastic household products like buckets, bowls and flasks. From there we kept expanding as more and more items were added to our production line. In fact, the food and beverage packaging items which were a recent addition, is continuing to grow beyond expectation. Srithai Superware also pioneered the direct sales approach, the only company to do so at the time, for our melamine products. Today, Srithai Superware's melamine products are sold via distributors to department stores and trade and retail shops nationwide as well as exported to more than 120 countries around the world. Additionally, mould manufactures are also at service together with SNatur Multi Level Marketing Business ("MLM") which has been very well accepted by the new generation.

I can truly say with full confidence that one of the determining factors of our success has been our efforts to strive for excellence in every aspect of the management process, whether it be the purchasing of high-standard materials, to design and production, to marketing and customer service. We innovate and improve as we expand. Consequently, the Srithai Superware logo has become the hallmark of quality worldwide that our customers can depend on.

Economically, the year 2013 was a year of turmoil. However, this led us to many victories. Thailand saw the increase of the minimum wage by more than 50% to THB 300 which resulted in higher living costs. Domestically and internationally, economic growth was sluggish. The Thai Baht and other Asian currencies appreciated in its value against the US Dollar. Political unrest also erupted in many countries.

In determining how to counteract these challenges, Srithai Superware chose to change its business model and focus on its plastic products, especially in the food and beverage packaging unit. Consequently, despite the exit from producing automotive parts and electrical appliances components, satisfactory business and sales growth were achieved.

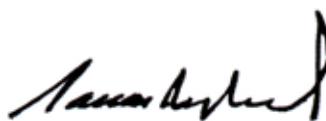
Srithai Superware is well on its way to embracing the ASEAN Economic Community in 2015, having had investments in most ASEAN countries, including Indonesia and Vietnam, over the years. We have also set up a company in India in 2013, including a factory that can more efficiently serve our Indian customers. Production is expected to begin by the end of 2014. The products will be sold via our direct sales subsidiary company, and via local distributors which have been long established

in India. Expansion into other countries is also being carefully considered. However, suffice it to conclude that the melamine and plastic businesses remain our core businesses with an opportunity to grow alongside the economic growth of each region.

SNatur Multi Level Marketing Business (“MLM”) has also grown consistently in terms of sales and members. There have been 4 groups of product, namely health care, beauty care, home care, and agriculture related products, which benefit not only the members but also general consumers. Our distributors are also present in Myanmar, Laos and Cambodia with a plan to expand further in the region.

Just as we are committed to excellence in our products, we are equally committed to expanding the reach of our Corporate Social Responsibility programs. This year we announced the formation of a CSR Committee, comprised of senior management from all departments with myself as Chairman of the Committee. The Committee’s mission is to continue to support and promote those activities which cover ethical business practices, environment/energy issues, and society/community/education programs and to further study ways in which we can enlarge our CSR footprint.

It is our pledge that the 50-year milestone will only serve as a stepping stone to even higher goals. We look back with pride and a sense of accomplishment and we look forward with hope and a commitment to excellence. The Board of Directors and management are deeply appreciative of your support while at the same time very seriously and fully aware of the responsibility we have towards each one of you. With a world-class team working together, Srithai Superware will glide through any obstacles safely and smoothly so that we will have the chance to celebrate our 100th anniversary in the next 50 years.



Mr. Sanan Angubolkul

Chairman of the Board

Srithai Superware Public Company Limited



## Part 1 BUSINESS

# 1. POLICY AND BUSINESS OUTLOOK

### 1.1 Vision and Mission of the Company

The Company has announced its Vision and Mission for 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 and Mission 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.

### 1.2 Changes and Developments

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. 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 the Chairman and President of the Company replacing Mr. Sumit Lertsumitkul, the late Chairman who passed away.

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

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 in line with legal requirement.

For the Plastics Business Line, both industrial products and household products, the Company has focused on investments in technology and new machines, on-going quality improvement of goods to gain worldwide recognition, search for and development of new innovations, and development and improvement of production process for better efficiency. In order to support and enhance competitiveness and sustainable expansion, efficient management with corporate governance and social responsibility are also recognized. The Company has entered into food & beverage industries and has now become leading manufacturer of beverage packaging products in Thailand. Our technology and products have helped reduce cost for customers by consuming less raw materials and being environmental friendly. All of aforementioned including expansion of production base and distribution to overseas country have resulted in business and revenue growth.

For SNatur network marketing business, the Company focuses on offering wide range of quality products which are necessary in daily lives or products of daily use with big sized market. They are distributed by sales forces under Multi-level Marketing System under SNatur brand. In addition to generating more income for Trading Business Line of the Company, we wish to push forward SNatur products as another choice to consumers, coupled with heading towards being a predominant network marketing business that could provide opportunities to independent business owners and members who are ready to build up networks with ample chances to earn more income. Presently, SNatur network marketing business could expand member-base and customers. The products are exported to neighboring countries such as Myanmar and Laos, and the business has high potential to grow further.

### **1.3 Structure of Shareholders of Srithai Superware Group**

Business outlook of Srithai Superware Group is mostly under the same structure as that of our core businesses, i.e. Plastics 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 Plastics Business Line, and other affiliated companies that cannot be classified under the two main business lines are grouped under “other businesses”.





## SHAREHOLDING STRUCTURE OF SRITHAI SUPERWARE GROUP CLASSIFIED BY BUSINESS LINE

### Srithai Superware Public Company Limited

Plastic		Trading		Mould & Other	
Korat Thai Tech	100.0%	Srithai Superware India	82.4%	Srithai Moulds	71.0%
P.E.T. Blow	100.0%	Srithai-Otto	50.0%	Srithai Miyagawa	51.0%
SuperIdea	100.0%	Srithai Sanko	48.0%	Srithai Packaging	39.2%
Srithai Nanoplast	100.0%				
Srithai (Vietnam)	100.0%				
Srithai Superware Manufacturing	100.0%				
Thai MFC	45.0%				
Sheewamala	40.0%				
PT. Srithai Maspion	32.5%				

## SHAREHOLDING STRUCTURE OF SRITHAI SUPERWARE GROUP – CLASSIFIED BY STATUS OF INVESTMENT

### Srithai Superware Public Company Limited

Subsidiary		Associate		Joint Venture	
Korat Thai Tech	100.0%	Srithai Sanko	48.0%	Srithai-Otto	50.0%
P.E.T. Blow	100.0%	Thai MFC	45.0%		
SuperIdea	100.0%	Sheewamala	40.0%		
Srithai Nanoplast	100.0%	Srithai Packaging	39.2%		
Srithai (Vietnam)	100.0%	PT. Srithai Maspion	32.5%		
Srithai Superware Manufacturing	100.0%				
Srithai Superware India	82.4%				
Srithai Moulds	71.0%				
Srithai Miyagawa	51.0%				



## 2. NATURE OF BUSINESS

### 2.1 Structure of Revenue

The revenue structure of the Group comprises revenue from sales and services and other income which can be categorized as follows :

Consolidated Revenue	%	2013		2012	
	Shareholding of Company	Million Baht	%	Million Baht	%
<b>Sales and Service Income</b>					
<b>Plastics Business</b>					
Household Products					
Srithai Superware Public Company Limited	-	1,715	18.0	2,000	22.5
Korat Thai Tech Company Limited	100.0	161	1.7	234	2.6
Srithai (Vietnam) Company Limited	100.0	64	0.7	49	0.6
Srithai Superware India Limited	82.4	69	0.7	57	0.6
<b>Total Household Products</b>	-	2,009	21.1	2,340	26.3
<b>Industrial Product</b>					
Srithai Superware Public Company Limited	-	4,867	50.9	4,595	51.6
P.E.T. Blow Company Limited	100.0	98	1.0	82	0.9
Srithai Nanoplast Company Limited	100.0	33	0.4	26	0.3
Srithai (Vietnam) Company Limited	100.0	1,071	11.2	375	4.2
Srithai Miyagawa Company Limited	51.0	678	7.1	695	7.8
<b>Total Plastics Business</b>	-	6,747	70.6	5,773	64.8
<b>Trading Business and Mould-Making</b>					
Srithai Superware Public Company Limited	-	425	4.4	437	4.9
Srithai Moulds Company Limited	71.0	94	1.0	109	1.2
Srithai Miyagawa Company Limited	51.0	122	1.3	98	1.1
<b>Total Trading Business and Mould-Making</b>	-	641	6.7	644	7.2
<b>Total Sales and service income</b>	-	9,397	98.4	8,757	98.3
<b>Other income</b>	-	107	1.1	111	1.2
<b>Share of profit of investment in associates and joint venture</b>	-	50	0.5	42	0.5
<b>Total income</b>	-	9,554	100.0	8,910	100.0

Remark Additional information are disclosed in Notes to Financial Statements for the year ended December 31, 2013 no.6 : Segment information, pages 26 – 27.

## 2.2 Business Operations by Business Line

### 2.2.1 Plastics Business Line

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.



**Premium Products** Products for distribution at no charge for promotional campaign of brand-owners or retail stores. Products are mostly designed by brand owners, or co designed with the Company, and printed with their brands.



(b) Marketing and

**Other Products** Accessories, decorations, and appliances etc.



## Description of Customer

Automotive and motorcycle parts and battery cases

Manufacturers who use the products for further assembly in their production process before putting on sale.

Pallets, bottle crates, pails, garbage bins and container crates

End-users such as manufacturing plants.

Food packaging products

Ready-to-serve food factories, cinema house launching marketing campaign, and convenient stores.

Beverage packaging products

Beverage bottlers.

CD and DVD boxes

Producers of movies or songs. The Company acts as the manufacturer and distributor in the ASEAN countries for a customer in the Netherlands.

Premium product

Brand-owners and retailers for their promotional campaigns.

Accessories, decorations, and appliances

Sale agents or retailers who distribute the products to the consumers.

Credit Term

Usually a credit term of 30-90 days is granted to customers of plastic products. Sales in grand sales event are made in cash.

Competitive Strategy

Emphasis is put on high quality products, to differentiate it from products of competitors by using modern technology. Goods are value added by introduction of innovation and development of environmental friendly goods. Focus is on wide variety of products and complete integration of services. This is due to the fact that certain subsidiaries can produce moulds and manufacture blown beverage packaging for customers. In addition, research & development could be carried out in collaboration with customers, raw material suppliers and mould makers to assure that products could fulfill need of customers and/or decrease expenses for customers. Patent protection also help support competitive strategy for the Company.

Distribution Channel

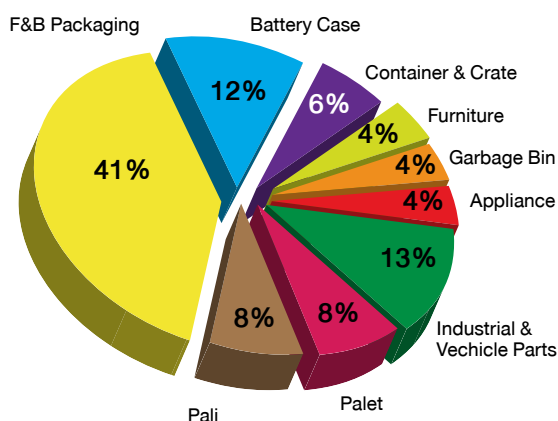
Plastic products are distributed through the following markets :

Export Sales: 21%

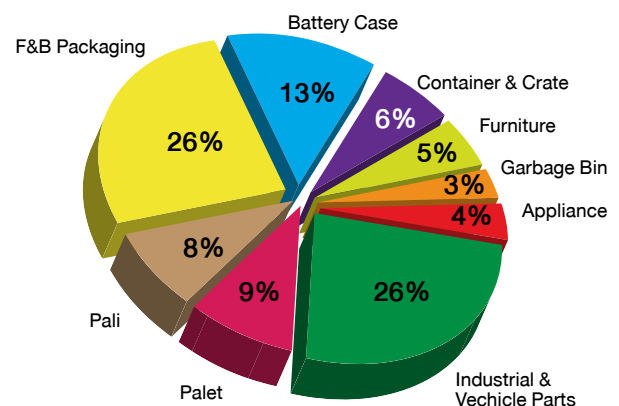
Domestic Sales: 79%

Domestic distributors are Srithai Marketing Company Limited, Siam Melamine Marketing Company Limited,

## Consolidated (YTD - 2013)



## Consolidated (YTD - 2012)



Tanasiri Industries Company Limited and S. Sirithai Trading Company Limited. Those companies have long been our trade partners. Other distributors who are related companies are Srithai-Otto (Thailand) Company Limited and Srithai Sanko Company Limited.

**(c) Competitive Environment**

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 shop-house factories or household factories with low investment and low technology. Only few plastic factories considered large enough can produce quality 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 industrial parts which requires high quality and punctuality 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. These include improvement of production process to enhance its efficiency in order to increase productivity, reduce labor-content, and reduce consumption of energy and emission of carbon-dioxide in the production process for anti-pollution in the environment. Currently, the Company has three modern factories producing industrial products with high production capacity in Thailand. The Company has expertise in producing plastic precision parts such as industrial, vehicle parts and food & beverage packaging, 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 to production of products of good margin only. In 2013, the Company placed importance on continued expansion of its business both in terms of production capacity and markets for food & beverage packaging and material handling products. The material handling products include pallet and container which have high market demand, potential growth and good profit. At the same time, it attempted to reduce the production of automobile parts and electrical appliances following its policy.

Regarding food packaging products, apart from being good quality, safe, and unique in design, the Company's products are well accepted and trusted at the international level. Our products have become more well-known in the film industry after the Company received the IMDA Awards 2012 for Best Products Family for the beverage cup sets and popcorn bucket decorated with "The Avengers" character. The Award was organized by the In-Mold Decorating Association of the USA in 2012.

This enabled the Company to open its business in overseas markets such as Vietnam, the Philippines and Indonesia, with gradual growth. Moreover, the Company is committed to developing ready-to-eat frozen food by improving production efficiency and developing product design with its customers. In 2013, the Company was able to launch its ready-to-eat frozen food in the food industry on a full scale through convenience stores nationwide with great feedback. In 2014, the Company will come up with 2 – 3 new packaging designs in order to increase the product varieties and to better meet the market needs.

For beverage packaging, the Company is one of very few producers in the world to produce closures that are light-weighted with the shortest production time. With successful product launching in Vietnam by our subsidiary, the Company has become one of the biggest beverage packaging producers in Southeast Asia, and will continue to expand its beverage packaging business both in Thailand and the ASEAN countries. This is to meet the demand from high value markets which require light-weighted quality products that consume less raw materials and help preserve the environment.



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 of being a leader in manufacture and distribution of plastic industrial products in Thailand. It has gained recognition among customers who have confidence in the quality of our products. In 2013, the Company assessed its market share of each product group as follow:

Type of product	%
Battery Case	60
Bottle Crate	60
Garbage Bin	25
Furniture	25
Material Handling	25
Food & Beverage Packaging	20

#### (d) Sourcing of Products or Services

The Company has three plants producing industrial products, i.e. Suksawat, Bangpoo and Amata Nakorn in Chonburi with different products as follow:-

##### Suksawat Plant

producing food packaging products, container.



Bangpoo Plant producing battery cases.

#### Amata Nakorn Plant in Chonburi

It produces almost all industrial products, small and large sizes. These include pallets, bottle crates, pails, garbage bins, food & beverage packaging products, CD&DVD boxes, decoration accessories, battery cases, electrical parts and automotive parts.



Major raw materials are various types of plastic resin which are mainly purchased domestically from dealers of many producers. Hence, there is no problem on raw material quality or shortage. However, when crude oil price rises, the price of plastic resin also increases. To reduce risk on fluctuation of resin prices, the Company places orders frequently, and negotiates for better trade terms with suppliers on occasional basis to get reasonable raw material prices under consideration of the Raw Material Purchasing Committee of the Company. The Committee is in charge of monitoring and evaluation with distributors and manufacturers, domestic and abroad, for movement of raw material prices, required volume and price negotiation with distributors. 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 since 2008. This guideline is to give more attention on reduction of material consumption, steps of works, energy consumption, and emission of carbon dioxide in the production process; so as to participate in reduction of pollution and addressing the issue of global warning. The Company has pursued this guideline continually, whereas efficiency in the production process has to be maintained. The Company also emphasizes on research and development for development of biodegradable plastic products in collaboration with leading educational institutions and organizations for eventual commercialization among a specific group of consumers in the future.

#### (e) Pending Orders

Customer-base of the Company is extensive; varied by types of products. With efficient production process and delivery following ordering plan of the customers, the Company did not have undelivered orders with big customers as at December 31, 2013 worth 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 with beautifully decorated or printed such as dish, bowl, rice bowl, ladle, spoon, cup etc.



### (b) Marketing and Competition

#### Description of Customers

Distributed by sale agents, direct sales to consumers and exporting abroad.

#### Credit Term

- 1) Direct sales are mostly made in cash.
- 2) Domestic distributors and foreign distributors receive a credit-term of 30-150 days.
- 3) Export customers buy in cash or receive a credit-term of 30-60 days.
- 4) Sales in grand sales event are in cash.

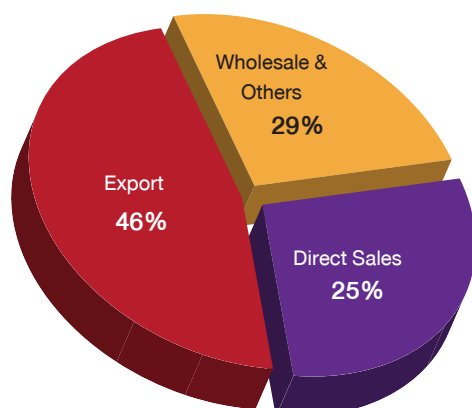
#### Competitive Strategy

Emphasis is put on high quality product with beautiful decoration, colorful design product shapes suitable for wide applications.

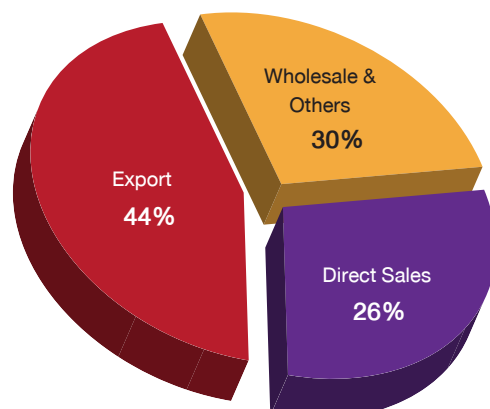
#### Distribution Channel

Household products have the distribution channels in 2013 against 2012 as follow:

**Consolidated (YTD - 2013)**



**Consolidated (YTD - 2012)**



Distributors in Thailand are Siam Melamine Marketing Company Limited and Srithai Marketing Company Limited, who 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 using as food container because it is safe for consumer. There are only a few producers of this product in the country. Melamine products of the Company become popular in the markets both domestic and abroad due to its durability, beautiful and colorful decoration, and high quality raw material made of 100% melamine powder. Hence, quality and safety to consumers can be assured. The Company has been exporting it to more than 100 countries and market could be expanded further.

The Company is the leader in the business of melamine products as a producer of 100% pure 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. In addition, the Company has expanded its production base and market coverage for household products into Vietnam. Market coverage in India is penetrated via many distributors. In 2013, the Company materialized the plan to expand its production base to India by investment in a newly established subsidiary and holding 100% of the shares. The subsidiary has already acquired a land in Ahmedabad, Gujarat State, and is in the process of constructing the factory which is expected to complete in 2014.

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 Competitor's

The Company has the highest production capacity in Thailand with 80% of market share of melamine household products in Thailand, much higher than its competitors in the same industry.

#### (d) Sourcing of Products or Services



The Company produces its household products made of melamine at the plant in Suranaree Industrial Estate, Nakorn Rachasima province. Production is focused on made-to-order products as per purchase orders from overseas customers, 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 production process causes no environmental impact.

The Company bought melamine powder from Thai MFC Company Limited more than 50% of total purchase of melamine powder in 2013. Due to being an affiliated company, purchase price is reasonable and quality is up to 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 was no pending order as of December 31, 2013 amounted more than 10% of total revenue.

### 2.2.2 Trading Business Line

Besides Plastics Business Line, Trading Business Line is another revenue generator for the Company. This involves searching/importing of high quality, modern and in-trend, and popular new products, both domestically and internationally, to sell them 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  
(Healthnovation)







- Beauty Care Product Group  
(Beautnovation)



- Family & Home Care Product Group  
(Homenovation)



- Agriculture-related Product Group  
(Agrinovation)

2. Trading Product Group can be categorized by source of production as follow:-

- Domestic Products e.g. Bedding, food cooking ware, etc.



- Imported Products e.g. Lock & Lock plastic food container imported from South Korea with special locking system, as well as tables, chairs, and sun loungers under brand names “Evolutif” and “Kettal” from France and Spain.



(b) Marketing and Competition

<b>Description of Customer</b>	End users and HORECA businesses consist of Hotel, Restaurant, and Catering businesses.
<b>Credit Term</b>	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 under Multi-level Marketing sales are made in cash. 4) For grand sales event, sales are made in cash.
<b>Competitive Strategy</b>	Focus is made on offering diversified innovative products and quality products which are safe and popular or with large market accommodation in both local and foreign markets at affordable prices. The Company focuses on selling full range of products or product groups that can be offered to the same target customers. This is carried together with 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.
<b>Distribution Channel</b>	Sale directly to consumers and via distributors. Moreover, direct sales systems both Single-level Marketing (SLM) and Multi-level Marketing (MLM) through domestic market covers more than 90 per cent of revenue.

**(c) Competitive Environment**

Products distributed by the Company are widely diversified, especially SNatur products distributed via network marketing system. Product groups that gain wide recognition and popularity from consumers are health care product group, beauty care product group and agriculture-related product group. Expansion of membership base due to participations of new members has resulted in wider market coverage. Revenue of the Company from trading business line was satisfactory in 2013 despite high competition and impact of economic slowdown.

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 differentiated from others products or products that passed a test in daily use with sizable market, e.g. a new kind of organic substance for plants under agriculture-related product group. The Company is confident that our network marketing business can offer goods of high quality as another option to consumers. It could be new products or a substitute of declining product. The Company has launched sales campaign activities to motivate members in driving up sales volume and business expansion by holding conferences and trade exhibitions which received good response from attending people.

The Company has financial strength that can support network marketing business, wide recognition in society and business world, and efficient resources in hand such as membership base under direct sales system, modern information technology, and showrooms scattered in all regions. The Company also searches for innovation or low down marketing plan that helps promote sale or build-up network e.g. allying with local leading banks and globalization of business transactions under one member I.D. code for each member or One Code One World. It helps recruit members and unlock sales activities from being restricted to Thailand, meaning all membership I.D. are under the same structure. SNatur business is then a priority choice of any person who wishes to enter network marketing business. As a result, membership base keeps on expanding rapidly both in domestic and overseas markets. They are pushing forward our products for distribution more widely in the markets and maintaining competitive edge and sales growth in the future.

The Company will carefully study potential products and markets before launching any product. We shall assure that market size for that product will not be less than certain sales volume 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 the Company could not evaluate market condition of each product, nor 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 abroad. In selecting 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. The Program covers 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 customer i.e. end users, small customers, sales agents and HORECA businesses (Hotel, Restaurant, and Catering). There is no pending order as of December 31, 2013 amounted more than 10% of total revenue.

### 2.2.3 Other Business

Other business lines comprise mould-making business which is in support of 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 make to orders mould for plastic injection for automobile industry, electrical appliance industry, toiletry and food & beverage packaging products (Thin Wall) which require very high precision of injected parts.



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 and toys that require simple plastic injection system. These groups 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 parts for sanitaryware that need high technology & long production process. It requires high investment in machines and software to support production. Srithai Miyagawa Company Limited and Srithai Moulds Company Limited are mould-makers under this group.
- Group 3 Mould of round shape or square and smooth surface like mould to inject buckets or glass or food & beverage packaging products (Thin Wall) 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.

**(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 customers, including mould repair services.

**(b) Marketing and Competition**

Demand for injected parts and plastic products keeps on increasing every year as manufacturers in many industries always launch new designs of products. They try to save cost by replacing expensive raw materials such as metal to low cost plastic, such as in automotive industry, electrical appliance industry, sanitaryware industry, etc. Mould is an important part and a starting point of plastic injection. There are many mould makers, Thai or foreigners, investing in mould-making businesses, small or big moulds, with initial investment not so high. In addition, support and personnel development in the country for advancement and efficiency of this industry result in an increase in mould production capacity with no labor shortage. Production capacity of moulds could fulfill demand in the country. Only moulds of complicated shape and requiring high production technology are imported.

As mould-making business is wider open presently, plastic product manufacturers could hire local or overseas mould-makers 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 Environment**

Competency and availability of skilled labors, modern machinery & equipments, and software have made Srithai Miyagawa Company Limited and Srithai Moulds Company Limited capable of making high precision moulds. They could make and supply moulds to automotive industry, electrical appliance industry, sanitaryware industry, and others at high quantity annually subject to degree of complication of design and size of moulds. Due to price-cutting competition, they try to cut costs to increase competitiveness and to build up relationship with new customers to increase sales opportunities.

Srithai Moulds Company Limited has invested in new machines and personnel training for purpose of making and repairing moulds for injection of thinwall packaging for food & beverage with greater details and precision. They are used with plastic injection machine with fast cycle time. The mould quality is close to that of the leading mould makers abroad but at competitive prices as compared to imported moulds. This can be an option to its associates and general clients.

**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 15,000 kgs. Amid higher competition, each mould-maker has specialized skill in different kinds of moulds. Therefore, the two companies do not face high competition in the mould-making industry of their expertise.

**(d) Sourcing of Products or Services**

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 making period of time. As such, if many orders are received for complicated mould which requires time consuming or received by year end, there is a chance that pending jobs will be varied subject to number of purchase orders received by year end.



However, as of December 31, 2013, Srithai Miyagawa Company Limited had pending orders not more than 10% of total revenue. Only Srithai Moulds Company Limited had pending orders from 1 client for the amount over 10% of total revenue. The pending job could be delivered within 2014.

## **2. Other Line of Business**

Only one company in the group is being classified under other line of business, i.e. Srithai Packaging Company Limited as following detail :-

### **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 and Competition, Competitive Environment**

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

#### **(c) Sourcing of Products or Services**

Major raw materials are card board and craft paper, which are all purchased from domestic suppliers. Sometimes price of paper pulp rises up and raw material is short, causing price of paper to increase to some extent. In such case, longer lead time of delivery is required. However, appropriate 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 as of December 31, 2013.

## **2.3 Characteristics of Customers and Their Relationships**

### **(a) Customers Characteristics and Relationship in Plastics Business**

Customers can be divided into 5 categories:-

1. Overseas importers for own usage or distribution in their own countries such as shopping malls, and distributors. Those importers will decide to order products from the Company from time to time.
2. Institutional customers such as companies or entities both local and foreign markets which acquire the product for own use e.g. carbonated soft drink bottlers or HORECA group of businesses which consist of Hotel, Restaurant, and Catering operators. Some corporate customers acquire products for further assembly or supporting their business, e.g. car assemblers, household electrical appliances producers, and food & beverage manufacturers and movie industry etc. Customer in this category has good relationship with the Company. Some of them have long been our customers.
3. Direct sales system which involves sales representatives or freelance sales persons. These persons earn discount income from the price-list and commission.
4. Sales agents are juristic persons who have long relationship with the Company and are able to acquire the products through their trade credits. Those sales agents redistribute the Company's products to retailers and department stores.
5. Cash sales in Grand Sale fair where sales discount and seasonal promotions are held, taking place at least 4 times a year at the Company's factories. Products sold in these events are defected goods, produced more than customer's orders, and slow moving. Main customers of this channel are housewives and direct consumers.

(b) **Customer Characteristics and Relationship 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 retail price-list and commission.
3. Direct consumers or entities who need for their own uses such as housewives, and “HORECA” group of businesses which consist of Hotel, Restaurant, and Catering operators.
4. Sales agents 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 in Other Businesses**

- **Mould-making Business Line**

Srithai Miyagawa Company Limited and Srithai Moulds Company Limited had been sending staffs who have expertise in mould making to provide advices to factories who need to produce industrial parts or plastic goods in order to offer mould-making services. Customers under this type of business are often those who have long term relationship.

- **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.

## **2.4 Investment Promotion Certificates**

The Company and its subsidiaries had been approved of investment promotion certificates for several products by the Board of Investment. The main privileges include corporate income tax exemption and reduction during promotion period. The Company has disclosed the details in the Notes to Financial Statements for the year ended December 31, 2013, no. 35 Promotional privileges, pages 68 – 70.



## 3. RISK FACTORS

### 3.1 Business Risks

#### **Risk from Over-Reliance on a Few Major Customers**

The Group places importance on and continues the expansion of its food and beverage packaging products, which has high market demand. This results in increasing revenue from this line of business. At the same time, the Company has been attempting to reduce orders of automobile parts and electrical appliances. As a result, in 2013, the proportion of income from the food and beverage packaging products made up approximately 30% of total Group's sales, with the tendency to continue to grow with its higher rate of sale growth compared to other product groups.

At present, sales from the food and beverage packaging products are generated from 3 to 4 major customers in the food and cinema industries and 4 to 5 in the beverage industry, who have contracts with the Group. This is not a large number of customers. Meanwhile, there are many competitors in the food and beverage packaging industries, and there remains a chance that these customers may not extend their contracts with the Group and switch to competitors. In case the Group loses its current customers and cannot immediately replace them with new ones, this will affect the consistent and continuing income generation, or result in lower income for a while.

Nevertheless, the Group's products have their strength in patent and quality as they are produced with modern and efficient technology, such as the in-mould labeling technology that requires fewer raw materials but produces durable and beautiful products, and the patent on closure which also requires fewer raw materials, making it light-weighted. This helps reduce costs and promote CSR activities for customers. The Company has received the rights to sell and produce products under the aforementioned patent in 14 countries. As a result, the Company has a stable financial foundation and is ready to invest in the food and beverage packaging products that requires high-value machinery and production equipment. With this reason, the Company is confident that its food and beverage packaging products can compete in the market very well, and it is difficult for any new comers to compete with. However, the Company is not complacent and has laid out approaches to handle risks as follow:

- 1) Maintain good relationship with both current and potential customers from whom the Company is not able to take orders due to our limited production capacity. This is one of the reasons why the Group only takes large orders from a few major customers. The Company maintains its customer relations by providing the knowledge and production assistance when there is an opportunity or when necessary;
- 2) Increase production output by investing both domestically and abroad and/or by improving the production process to increase its production capacity;
- 3) Consider extension of sale contracts when there is an opportunity and carry out negotiations with customers;
- 4) Jointly research and develop products with customers, raw material producers and mould-makers in order to have products that meet the needs of customers;
- 5) Organize regular marketing campaigns to promote the strengths of the products particularly by encouraging participation in environmental preservation activities in order to further enhance the brand's reputation in the public;

- 6) Focus on providing a comprehensive service together with quality products by investing in integrated businesses such as bottle blowing service. This not only helps lessen the investment burden or the chances of customers switching to the competitors, but also transportation costs. As such, Group has successfully received more consistent and certain orders of closures and preform, as well as additional income from the blowing service;
- 7) Keep a close watch on the trend and direction of production technologies, particularly new patents or technologies that might replace the current ones. The Company then can appropriately adapt its strategies to suit these changes in advance even though they do not happen easily or often since these changes will have impact on the production line of packaging and beverage producers. Moreover, with the expertise in plastic injection technology, regular researches and development of production techniques and products, and good relationship with business operators in this supply chain, the Company will be enhanced with ability to stay informed with the trend of changes.

### **Risk of Raw Material Price**

Plastic resin, a major raw material, is 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 - 70% 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:-

- 1) Appoint a Raw Material Purchasing Committee who will monitor movement of raw material prices from the seller and producers inside and outside the country. The committee will consider consumption volume and negotiate prices with distributors;
- 2) 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;
- 3) Examine and monitor quality of raw materials as per predetermined standard regularly by random sampling check of raw material by a private company or any governmental entity who provides quality testing services;
- 4) 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;
- 5) Import raw materials in case that price in offshore market is lower than that of domestic market;
- 6) 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;
- 7) Negotiate with customers to sign agreements in accepting price adjustments as it deems fit, subject to result of negotiation.



### **Risk of Competition of Direct Sale Business**

The direct sales market 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 sale business and international business network which may halt growth of the Company's business network and the Company may lose its market share. The Company has planned to handle the risk as follows:-

- 1) Have efficient plan on procurement of goods so as to increase bargaining power in terms of cost with the material suppliers, especially top sales items or fast moving products which helps decrease the cost of finished products;
- 2) Adopt brand awareness strategy to reinforce customers base and brand loyalty (Customer Royalty Program);
- 3) 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;
- 4) Select products by taking into consideration qualification of product distributors in domestic market and abroad, based on the Good Supplier Selection Program which mainly considers distributors' marketing support, product delivery and distribution, and support on trainers/training courses, etc. which can help reduce amount of deadstock and enable just-in-time delivery system;
- 5) Focus on products that are popular or gain well recognition among consumers, e.g. innovative products for health & beauty and innovative products for agriculture which are presently our major products. Expand product ranges for more variety of products by launching new products demanded by consumers and SNatur networkers, and assure availability of market for the product to mitigate risk on launching new products;
- 6) Expand distribution channels to neighboring countries such as Myanmar, Laos, Cambodia and Indonesia, etc. in order to reduce risks of the local market, increase business opportunity and serve need of members who want to expand market coverage under the business concept of one I.D. code for networking business in all corners of the world or One Code One World;
- 7) Intercept and bond with leading banks in the country and in Asean so as to become alliance. This will support and develop payment system for cost of goods and services and payments of benefits to be accurate, speedy, modern, and dominant with new technology;
- 8) Develop information technology continually to get ready for business growth and to satisfy demand from SNatur business owners in an effort in driving up sales and other aspects of business.

## **3.2 Risks Associated with Production**

### **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:-

- 1) 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 in the future.
- 2) The Company has good relationship with other melamine powder producers who had been our trading partners for a long time. We have established good relationship with producers of good quality raw materials in foreign countries and rest assured of availability of sufficient volume of raw materials to supply our production lines that are expanding. It could satisfy expansions of production facilities in the country and target countries abroad.



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 overseas suppliers.

### **Labour Risks**

Increase in minimum wages nationwide and opening of ASEAN Economic Community in year 2014 had helped skill labourers in Thailand have chances and more choices in their occupations, leading to the shortage of skilled labour and increase in labour costs special incentives. These impacts tend to increase every year. The Company's melamine products production process depends mainly on skilled labour at a large number to serve marketing plan. The Company has realized the problem of the skilled labour shortage and has prepared measures reduce the impact on the Company's business expansion as follows:-

- 1) Manage production plan efficiently to reduce unnecessary working procedures, and develop Lean Manufacturing Technique in the work process inside the plant;
- 2) Establish a training center to provide production training to workers prior to actual production so as to increase their efficiency;
- 3) Import foreign labours legally for certain production process;
- 4) Provide welfare to satisfy basic needs suitably in addition to wages as required by law, support their right to receive training to develop knowledge and skill, enhance advancement opportunity in their occupation, as well as develop quality of lives by promoting and implanting feeling of affinity as a part of the organization so as to encourage staffs to stay with the Company for a long time;
- 5) Collaborate with educational institute in development of automatic machines or semi-automatic machines to reduce dependence on labours;
- 6) Expand production base to countries of good potential in production, which are not facing labour shortage problem, and level of wage is reasonable.

## **3.3 Financial Risk**

### **Risk of Breaching Financial Covenants**

The Company has to comply with financial covenants, as required by the Loan Agreements signed between the Company and creditor 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. Actual data in subsequent interim periods are closely monitored to lessen the chance of breaching any financial covenant.

### **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.

Most of the Company's revenue from export is denominated in the US Dollar currency which was 70% of total export revenue each year and increase with the expansion of export. However, most of the Company's 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 as 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 addition, negotiation and quotation of goods prices denominated in currencies other than US Dollar is adopted for diversification of foreign exchange risk and lessening of impact on dependence on any particular currency.

### **Interest Rate Risk**

As of December 31, 2013 the Company's long-term loans, borrowed from local commercial banks, consisted of :-

- 1) Long-term loans under energy conservation project. The long-term loans carry fixed interest charge throughout the loan tenure 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 based on MLR, prime rate, THBFIX, fixed deposit interest rate and BIBOR which are floating during the loan tenure.

Moreover, working capital credit facilities are based on MOR or Money Market Rate which is a floating rate. As a result, the Company is taking risk on fluctuations of floating interest rates as market interest rates always fluctuate.

### **Risk Counter-Measures:**

The Company implemented risk counter-measures for managing interest rate risk as follow:-

- Draw up investment plans in advance so that the Company has sufficient time to find source of borrowings with appropriate interest rates;
- Prepay principal amount as deemed appropriate. In case of excess liquidity, prepayment is made without incurring extra expense nor breaching financial covenants;
- Monitor movement of interest rates and other factors that may effect change in interest rates for purpose of following its trend and consider appropriate interest rates when more long-term loan is needed;
- Consider an option of fixing the interest rate or floating it with other floating rate such as interest rate of deposit for future borrowing of long-term loans in order to balance or diversify the risk of fluctuation of interest rate in the market;
- Use financial tool to mitigate risk on fluctuation of interest rates and ascertain financing cost for the Company.

For working capital credit facilities, most of it are overdraft lines and short-term loans. 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 short-term loans by utilizing working capital credit facilities appropriately. Additional working capital credit facilities granted to the Company by commercial banks in 2013 gave more options for us to draw down short-term loans at appropriate financing cost.

### **Credit Risk**

Due to most of the Company's sales to customers – both domestic and export-being on credit, selling to existing and new customers along with expansion of customer base under different credit terms 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 being active in diverse markets. Therefore, credit risk on concentration of customers is low. Taking into consideration the above reasons, with our past experience in collection of accounts receivable and credit control & approval processes, management believes that there is no significant credit risk or need for additional provision beyond the amounts provided as allowance for doubtful accounts and there was no significant change as compared with that of last year.

Regarding payment terms, export customers are required to open letters of credit or make partial or full payments before shipments if they are new customers or their financial standings are still in doubt.

## 4. CORE ASSETS

### 4.1 Fixed Assets of the Company and Its Subsidiaries

#### 1. Srithai Superware Public Company Limited

- Head office and 4 plants:
  - A. Head office and Suksawat Plant Area 22-3-7 rai
  - B. Bangpoo Plant Area 6-3-89 rai
  - C. Amata Nakorn Chonburi Plant Area 49-0-98 rai
  - D. Korat Plant Area 48-0-0 rai
- 17 Distribution centers in Bangkok and the outskirt of Bangkok and upcountry.
- Machines and equipments of each plant.

The Company is the owner of the above properties with net assets value as of December 31, 2013 of core assets at each location as follows :

Unit : Million Baht

Assets	Land and Building	Machine and equipment	Total
Head office and Suksawat Plant	247.82	450.33	698.15
Bangpoo Plant	32.06	226.57	258.63
Amata Nakorn Chonburi Plant	314.75	1,915.86	2,230.61
Korat Plant	124.12	265.71	389.83
Distribution Center	80.89	-	80.89
<b>Total</b>	<b>799.64</b>	<b>2,858.47</b>	<b>3,658.11</b>

Net book value of assets increased from those of 2012 by acquisition of assets netted with assets disposition and depreciation expenses of the year 2013. The Company showed detail of change of net book value of Property, Plant and Equipment in Notes to Financial Statements for the year ended December 31, 2013, no. 14 Property, plant and equipment, net, pages 41 - 45.

Since the year 2010, the Company had leased an office space for use as sales office of SNatur's network marketing business for a period of 3 years. The Company has renewed the lease and the rental expenses in 2013 was THB 7.68 million.

During 2013, the Company redeemed the remaining mortgaged assets, which are lands and buildings, of 3 factories: Bangpoo, Amata Nakorn Chonburi, and Korat plants, from both lenders. The Company's assets are no longer mortgaged with any financial institutions. Moreover, long-term loans outstanding as of December 31, 2013 of THB 2,400.84 million and additional long-term loans for future investment are only bounded by conditions of negative pledge, and the creditors being the beneficiary of the insurance policy of the Company, which are consistent with the Company's current financing policy.



#### **Korat Thai Tech Company Limited**

Korat Thai Tech Company Limited (“KTT”) has used an area of the Company's Korat Plant as its office and factory. Size of the area is 4-1-30 rais. It has been leased from the Company in 2011 for a period of 3 years at annual rental rate of THB 1.25 million.

Core assets of KTT are machines and equipments which are freeheld by KTT, and free from mortgage to any person with net book value as at December 31, 2013 of THB 57.99 million. Long-term loans and revolving credit facilities granted to KTT by 2 local commercial banks are guaranteed by the Company who holds 100% stake of its shares. As of December 31, 2013, KTT did not have any long-term loans as prepayment has been made with cash flows from the operations, and only has credit limit of revolving credit facilities of THB 50.0 million.

#### **P.E.T. Blow Company Limited**

P.E.T. Blow Company Limited (“PETB”) has used an area of the head office of the Company as its office and factory. Total area is 1-1-13 rai. It has been leased from the Company in 2011 for a period of 3 years at annual rental rate of THB 2.95 million.

Core assets of PETB are machines and equipments which are freeheld by PETB, and free from mortgage to any person with net book value as at December 31, 2013 of THB 33.97 million. Long-term loan and revolving credit facilities granted to PETB by a local commercial bank are guaranteed by the Company who holds 100% stake of its shares. As of December 31, 2013, outstanding balances of long-term loan and credit limit of revolving credit facilities were THB 22.92 million and THB 25.0 million, respectively.

#### **SuperIdea Company Limited (Formerly “PET Siam Company Limited”)**

SuperIdea Company Limited had not yet started operation in 2013, so there was no acquisition of assets for running a business.

#### **Srithai Nanoplast Company Limited**

Core assets of Srithai Nanoplast Company Limited (“SNP”) for running business are office and factory, located on a land parcel of 5-2-50 rai, and machines & equipments. The land is owned by the company on free-hold with net book value as at December 31, 2013 of THB 19.30 million and THB 18.90 million, respectively.

Lands with buildings and some machinery of SNP are mortgaged with a commercial bank as security for long-term loans and revolving credit facility. As of 31 December 2013, SNP had outstanding long-term loans and credit limit of revolving credit facilities of THB 7.61 million and THB 12.0 million, respectively.

#### **Srithai (Vietnam) Company Limited**

- Head office and 2 plants:
  - 1. Head office and Song Than 1 Industrial Zone      Area 18-3-0 rai
  - 2. Viet Huong Industrial Zone      Area 2-0-88.75 rai
- Machines and equipments of each plant.

Lands with buildings of Srithai (Vietnam) Company Limited (“SVN”) have been leased from operators in 2 industrial zones in Vietnam, comprising:

Contract 1, which is a land lease contract for headquarter and plant at Song Than 1 Industrial Zone, with the period of 48 years from 1997 and rental rate of USD 36,000 per year.

Contract 2, which is a land with building lease for a plant at Viet Huong Industrial Zone with a period of 4 years from 2011 and rental rate of USD 70,389 per year. SVN has the right to extend the contract 4 years at a time, and 16 years in total. Therefore, the contract will expire in 2032.

SVN holds ownership over the headquarter and plant at Song Than 1 Industrial Zone. Both plants are not pledged and had net book value as of December 31, 2013, at THB 43.34 million equivalent.

SVN also holds ownership over the machines and equipments which are also not pledged with net book value as of December 31, 2013 at THB 453.91 million equivalent.

Long-term loans and revolving credit facilities granted to SVN by a commercial bank in Vietnam are guaranteed by the Company who holds 100% stake of its shares. As of December 31, 2013, outstanding balances of long-term loans were VND 103,862 million and USD 7.41 million, while credit limit of revolving credit facilities was USD 5.0 million.

#### **Srithai Superware Manufacturing Private Limited**

Srithai Superware Manufacturing Private Limited ("SSMP") was established in 2013. During the year, SSMP signed a land lease contract with a landlord in an industrial estate in India with a period of 99 years and made a lump sum payment for the entire rental period of INR 97.69 million or an equivalent of THB 48.33 million. SSMP is in the process of hiring a contractor to build the factory, which is expected to complete in 2014.

#### **Srithai Superware India Limited**

Office and warehouse are located in Gurgaon, Mumbai and Bangalore on lease with the lease period of 3-5 years. The lease expenses for all lease agreements in 2013 were in total of THB 2.87 million equivalent. As Srithai Superware India Limited ("SSI") is running trading business, major assets used by SSI for its business are furniture and office equipment.

#### **Srithai Moulds Company Limited**

Core assets of Srithai Moulds Company Limited ("SMO") for running business are office and factory, located on a land parcel of 14-2-75 rai, and machines & equipments. SMO holds ownership over machines and equipments with net book value as of December 31, 2013 at THB19.91 million and THB 40.75 million, respectively. Some assets are still pledged with a commercial bank, such as land (10-3-32.6 rai) with buildings, as well as some machinery as mortgage for additional long-term loans and revolving credit sought in 2013. They are used for investment and as working capital of THB58.0 million and THB 32.0 million, respectively. As of December 31, 2013, SMO has not yet repaid the said long-term loans.

#### **Srithai Miyagawa Company Limited**

Core assets of Srithai Miyagawa Company Limited ("SMW") for running business are office and factory, located on a land parcel of 11-1-73 rai, and machines & equipments with net book value as at December 31, 2013 of THB 134.10 million and THB 292.86 million, respectively. The land is owned by the company on free-hold. Some assets have been mortgaged to commercial banks as follows :-

1. Some machines have been mortgaged to a commercial bank. Negative pledge has been provided for refraining from any legal transaction or incurring any obligation on two parcels of land and building for the whole period of loan agreement. This long-term loan is under energy conservation project with outstanding balance as of December 31, 2013 at THB 18.12 million.
2. A parcel of land area 5-3-21 rai with building and some machines have been mortgaged to a commercial bank. Negative pledge has been provided for refraining from any legal transaction or incurring any obligation on two parcels of land and building thereon for the whole period of loan agreement. Long-term loan and revolving credit facilities had outstanding balances as of December 31, 2013 at THB 67.76 million and THB 40.0 million, respectively.



3. Some machines have been mortgaged to a commercial bank as collateral for long-term loan and revolving credit facilities with outstanding balances as of December 31, 2013 at THB 96.85 million and THB 20.0 million, respectively.

## **2. Intangible Asset**

The Company's intangible assets consist of copyright and computer program applications for operation, and production license. They mainly are the rights to be the manufacturer and distributor of closures, and some items of trading business. Details and book value of the intangible assets have been shown in Notes to Financial Statements for the year ended December 31, 2013, no. 15 Intangible assets, net, pages 46 - 47. In addition, the Company's license periods to be manufacturer and distributor of goods as stated in agreements as well as the useful life of copyright and computer program utilization are from 5-10 years.

## **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. As a result, the Company is the holder of patents and has submitted applications for registration of many new patents, local and abroad, such as design patent, invention patent, and petty patent. In addition, the Company holds many trademarks and has submitted applications for registration of new trademarks in the country and abroad for many brands covering a variety of products.

Patent and trademark registration has Characteristics, Conditions, Effect on Business and Protection Period as follows:-

### **Patents**

#### Important Characteristics

There are three kinds of the 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.

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 the 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 needs renewal from the beginning of the 5th year until the 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 needs to pay annual fee from the beginning of the 5th year and the 6th year, and is able to renew twice with two years each (altogether 10 years in total).

#### **Trademark**

##### Characteristics

It is a distinctive sign (picture, word, name, character, etc) used to identify products 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 the Ministry of Commerce. It must not resemble any trademark of others, especially within the same product category.

##### Effect on Business

Trademark enables customers to correctly identify products and its trademark, which allow them to purchase goods as needed and prevent confusion among choices. Trademark that has not been registered will permit owner to use such trademark only, but will not permit the owner to take legal actions against any infringement. It is a different practice for registered trademark. The registered trademark allows the owner to file infringement lawsuit against imitator or copycat of trademark. The owner can 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 or copy it, which can confuse the public on products and its quality. It will eventually have adverse effect on the owner of the trademark and business operation. Infringement of registered trademark is subject to stronger penalty 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.

## **4.2 Investment Policy in Subsidiaries and Associates**

The Company has an investment policy that links to its core businesses, which are plastics business line comprising industrial products and household products, and trading business line. The Company also places importance on investing in businesses that benefit or support its core businesses as by focusing on integrated businesses, and reducing dependence outside the Group in order to add value and enhance competitiveness of the Group's business.

Nevertheless, for investment in the business or products that the Company places importance on according to its policy or which the Company has expertise or specific technologies for, such as food and beverage packaging and material handling products, the Company has the policy to invest in a proportion that it will have controlling interest. The purpose is to allow the Company to have full control over policy setting and managing the business.

In managing the subsidiaries and associates, the Company appoints its representatives, being its executive directors and/or its executives or personnels with suitable qualifications and experiences in that business. They will either take up a directorship or executive positions, or attend shareholders' meeting of the subsidiaries and associates with number of seats or voting rights, respectively, in proportionate with number of shares owned by the Company. The Company's representatives have the duty to manage or vote in such meetings following the direction of the Company's Board of Directors.

## **4.3 Assets Valuation**

In 2013, the Company and its subsidiaries did not have their assets value appraised.





## 5. 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 as of December 31, 2013;
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 or subsidiaries.

## 6. GENERAL INFORMATION & OTHER INFORMATION

### 6.1 General Information

Company Name :	Srithai Superware Public Company Limited
Symbol :	SITHAI
Registration Number :	0107536001516
Nature of Business :	1) Manufacture and distribution of plastic industrial products and melamine household products 2) 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 :	<p><b>Head Office</b> 15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140 Tel. : 66 2427 0088 Fax : 66 2428 9675 URL : www.srithaisuperware.com</p> <p><b>Factories producing plastic industrial products</b>  <b>1) Suksawat Factory</b> 15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140 Tel. : 66 2427 0088 Fax : 66 2874 5010  <b>2) Bangpoo Factory</b> 610 Soi 8A, Bangpoo Industrial Estate, Tambon Prak-Sa, Amphoe Mueang, Samut Prakan Province 10280 Tel. : 66 2324 0922-3 Fax : 66 2324 0924  <b>3) Amata Nakorn Chonburi Factory</b> 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</p> <p><b>Factory producing melamine household products</b>  <b>Korat Factory</b> 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</p>



	<b>Office of Network Marketing Business</b> 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 : Company Secretary :	January 1 – December 31 <b>Mr.Prin Bholnivas</b> <b>Srithai Superware Public Company Limited</b> 15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140 Tel. : 66 2427 0088, 66 2874 5016 Fax : 66 2428 9675
Share Registrar :	<b>Thailand Securities Depository Company Limited</b> 62 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110 Tel. : 66 2229 2888 Fax : 66 2654 5427
Auditor :	<b>Mr. Vichien Khingmontri</b> <b>Certified Public Accountant (Thailand) No. 3977</b> 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 :	<b>Niti-Pricha Office</b> 69/33 Soi Athens Theater, Phayathai, Bangkok 10400 Tel. : 66 2252 9494, 66 2251 3225 Fax : 66 2251 3226, 66 2255 5201

## JURISTIC PERSON'S SHARES OF WHICH THE COMPANY HOLDS DIRECTLY AND INDIRECTLY MORE THAN 10%

### Subsidiary Companies

1. Company Name	: Korat Thai Tech Company Limited
Location	: 325-328 Suranaree Industrial Estate Moo 6, Ratchasima–Chok Chai Road, Tambon Nongrawiang, Amphoe Mueang, Nakhon Ratchasima Province
Type of Business	: Manufacture and distribution of melamine household products
Telephone	: 0 4421 8766-8
Fax	: 0 4421 8769
Registered Capital	: Baht 30,000,000 comprising numbers of shares issued 3,000,000 shares with paid-up per share: Baht 10
Paid-up Capital	: Baht 30,000,000
Proportion of shares held of Company	: 100% of paid-up capital

- 2. Company Name : P.E.T. Blow Company Limited**

Location : 15 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 9268

Registered Capital : Baht 20,000,000 comprising numbers of shares issued 2,000,000 shares with  
paid-up per share: Baht 10

Paid-up Capital : Baht 20,000,000

Proportion of shares  
held of Company : 100% of paid-up capital
- 3. Company Name : SuperIdea Company Limited**

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

Type of Business : Manufacture and / or distribution of plastic furniture products

Telephone : 0 2427 0088

Fax : 0 2428 9268

Registered Capital : Baht 25,000,000 comprising numbers of shares issued 2,500,000 shares with  
paid-up per share: Baht 10

Paid-up Capital : Baht 6,250,000

Proportion of shares  
held of Company : 100% of paid-up capital
- 4. Company Name : Srithai Nanoplast Company Limited**

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

Type of Business : Manufacture and distribution of plastic industrial products

Telephone : 0 3637 3251-5

Fax : 0 3637 3256

Registered Capital : Baht 40,000,000 comprising numbers of shares issued 4,000,000 shares with  
paid-up per share: Baht 10

Paid-up Capital : Baht 40,000,000

Proportion of shares  
held of Company : 100% of paid-up capital



5. **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 : Manufacture and distribution of plastic industrial products and  
melamine household products  
Telephone : 84 6503 790023-4  
Fax : 84 6503 790025  
Registered Capital : Equivalent USD 20,000,000  
Paid-up Capital : Equivalent USD 17,000,000  
Proportion of shares  
held of Company : 100% of paid-up capital
6. **Company Name** : **Srithai Superware Manufacturing Private Limited**  
Location : K-12, Kalpataru Flats, Prabhu Parshwanath CHSL, Mirambica High School Road,  
Naranpura, Ahmedabad-380013, Gujarat, Republic of India  
Type of Business : Manufacture and distribution of melamine tableware  
Telephone : 91 792 745 6876  
Registered Capital : INR 110,100,000 comprising numbers of shares issued 11,000,000 shares with  
paid-up per share: INR 10  
Paid-up Capital : INR 110,100,000  
Proportion of shares  
held of Company : 100% of paid-up capital
7. **Company Name** : **Srithai Superware India Limited**  
Location : 507 Udyog Vihar, Phase-V, Gurgaon-122001, Haryana, Republic of India  
Type of Business : Trading of melamine household products  
Telephone : 91 124 411 0404  
Fax : 91 124 411 0505  
Registered Capital : INR 50,000,000 comprising numbers of shares issued 5,000,000 shares with  
paid-up per share: INR 10  
Paid-up Capital : INR 42,500,000  
Proportion of shares  
held of Company : 82.4% of paid-up capital

8. **Company Name** : **Srithai Moulds Company Limited**  
 Location : 55/1 and 55/6 Moo 1, Nong-Samsak, Amphoe Ban Bueng, Chon Buri Province  
 Type of Business : Mould-making service  
 Telephone : 0 3837 9280-2  
 Fax : 0 3847 6352, 0 3837 9283  
 Registered Capital : Baht 100,000,000 comprising numbers of shares issued 1,000,000 shares with  
 paid-up per share: Baht 100  
 Paid-up Capital : Baht 100,000,000  
 Proportion of shares  
 held of Company : 71.0% of paid-up capital
9. **Company Name** : **Srithai Miyagawa Company Limited**  
 Location : 539 Moo 4, Tambon Prak-Sa, Amphoe Mueang, Samut Prakan Province  
 Type of Business : Mould-making service, manufacture and distribution of plastic industrial products  
 Telephone : 0 2324 0425-6  
 Fax : 0 2324 0427  
 Registered Capital : Baht 120,000,000 comprising numbers of shares issued 1,200,000 shares with  
 paid-up per share: Baht 100  
 Paid-up Capital : Baht 120,000,000  
 Proportion of shares  
 held of Company : 51.0% of paid-up capital

### Associated Companies

1. **Company Name** : **Srithai Sanko Company Limited**  
 Location : 15 Soi Suksawat 36, Suksawat Rd., Bangpakok, Rasburana, Bangkok  
 Type of Business : Trading of plastic industrial products  
 Telephone : 0 2427 0088, 0 2428 9936  
 Fax : 0 2428 9935  
 Registered Capital : Baht 20,000,000 comprising numbers of shares issued 200,000 shares with  
 paid-up per share: Baht 100  
 Paid-up Capital : Baht 20,000,000  
 Proportion of shares  
 held of Company : 48.0% of paid-up capital





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  
Registered Capital : Baht 200,000,000 comprising numbers of shares issued 2,000,000 shares with paid-up per share: Baht 100  
Paid-up Capital : Baht 200,000,000  
Proportion of shares held of Company : 45.0% of paid-up capital
3. **Company Name** : **Sheewamala Company Limited**  
Location : 1/132 Moo 2, Tambon Ta-sai, Amphoe Muang, Samut Sakorn Province  
Type of Business : Manufacture and distribution of plastic products and melamine household products  
Telephone : 0 3449 0130-1  
Fax : 0 3449 0132  
Registered Capital : Baht 49,800,000 comprising numbers of shares issued 600,000 shares with paid-up per share: Baht 83  
Paid-up Capital : Baht 49,800,000  
Proportion of shares held of Company : 40.0% of paid-up capital
4. **Company Name** : **Srithai Packaging Company Limited**  
Location : 30/27 Moo 2, Tambon Khok Kham, Amphoe Muang Samut Sakhon, Samut Sakhon Province  
Type of Business : Manufacture and distribution of paper boxes  
Telephone : 0 3445 2100-7  
Fax : 0 3445 2108-9  
Registered Capital : Baht 60,000,000 comprising numbers of shares issued 600,000 shares with paid-up per share: Baht 100  
Paid-up Capital : Baht 60,000,000  
Proportion of shares held of Company : 39.2% of paid-up capital
5. **Company Name** : **PT. Srithai Maspion Indonesia**  
Location : Maspion Industrial Area unit 2, Tebel Village, Buduran, Sidoarjo, East Java, Republic of Indonesia  
Type of Business : Manufacture and distribution of melamine tableware  
Telephone : 62 31 891 1061-3  
Fax : 62 31 891 3630  
Registered Capital : Rupiah 10,394,130,000 comprising numbers of shares issued 9,320 shares with paid-up per share: Rupiah 1,115,250  
Paid-up Capital : Rupiah 10,394,130,000  
Proportion of shares held of Company : 32.5% of paid-up capital

## Joint Venture Company

1. Company Name	: Srithai-Otto (Thailand) Company Limited
Location	: 15 Soi Suksawat 36, Suksawat Rd., Bangpakok, Rasburana, Bangkok
Type of Business	: Trading of plastic industrial products
Telephone	: 0 2427 0088
Fax	: 0 2874 5015
Registered Capital	: Baht 20,000,000 comprising numbers of shares issued 200,000 shares with paid-up per share: Baht 10
Paid-up Capital	: Baht 10,000,000
Proportion of shares held of Company	: 50.0% of paid-up capital

## Other Company

1. Company Name	: LN Srithai Comm Company Limited
Location	: 71/12 Moo 5, Tambon Tha-Kam, Amphoe Bang Pakong, Chachengsao Province
Type of Business	: Manufacture and export of telephone sets
Telephone	: 0 3857 3061-3
Fax	: 0 3857 3069
Registered Capital	: Baht 76,000,000 comprising numbers of shares issued 76,000 shares with paid-up per share: Baht 1,000
Paid-up Capital	: Baht 76,000,000
Proportion of shares held of Company	: 20.0% of paid-up capital

## 6.2 Other Important Information

In 2013 and subsequent to the financial statements date ended December 31, 2013, the Company did not have any information and/or events that might significantly affect the decision making of investors, other than those which have been disclosed by the Company to investors in a fair manner through the ELCID channel of the Stock Exchange of Thailand as well as on the Company's website and notes to its financial statement.

Note : Investor can find more information of the Company from its Annual Registration Statement (Form 56-1) which is posted on [www.sec.or.th](http://www.sec.or.th) or the Company's website at [www.srithaisuperware.com](http://www.srithaisuperware.com)



## Part 2

# MANAGEMENT AND CORPORATE GOVERNANCE

## 7. STRUCTURE OF CAPITAL

### 7.1 Securities Issued by the Company

The Company has 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. The Company has a registered capital of THB 2,709,904,800, full paid-up, comprising 270,990,480 common shares at par value THB 10 each.

The Company does not have an agreement between the major shareholder (Shareholders' Agreement) that affect the sale or the issuance of securities and administration of the Company. The Company has only limitation stated in the Articles of Association of the Company in the holding ordinary shares of foreigners. It specifies that foreigners can aggregately hold shares in the Company not more than 45% of total issued common shares. As of December 27, 2013, which was the last day when the Company closed its shareholders register of B.E. 2556, foreign holding was 7.43%.

### 7.2 List of Top 10 Major Shareholders as of December 27, 2013

#### 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.
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
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, FUND SERVICES DEPARTMENT	4	11,077,300	4.09
MR. SOMBAT LERTSUMITKUL	5	10,308,100	3.80
MR. SOMYOD LERTSUMITKUL	6	10,230,815	3.78
MR. SOMKIEAT LERTSUMITKUL	7	9,400,000	3.47
MS. BUNNAPA LERTSUMITKUL	8	8,000,000	2.95
MS. MITTRADA LERTSUMITKUL	9	6,763,592	2.50
THAI NVDR COMPANY LIMITED	10	6,756,888	2.49
Total shares of Top 10 major shareholders		137,926,395	50.91
Total common shares		270,990,480	100.00

Remark :

- (1) Eventhough some of Shareholders in the Top 10 major shareholder group have relationship among them as “close relatives” according to the Notification of the Board of Governors of the Stock Exchange of Thailand, the Company opined that each of them wishes to buy or sell shares on own accord, and votes in own direction. In the past 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 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 Shareholding of Directors and Management in the Company

Ratios of shareholding of Directors and Management, including their spouses, in the Company as of December 27, 2013 as compared to those of December 28, 2012 were as follow :-

Name	as of December 2013		as of December 2012		no. of shares increase (decrease)
	no. of shares	%	no. of shares	%	
Mr. Sanan Angubolkul	44,082,351	16.27	44,082,351	16.27	0
Mr. Viroj Lowhaphandu	0	0.00	0	0.00	0
Mr. Enghug Nontikarn and spouse	5,900	0.00	5,900	0.00	0
Mr. Suchat Boonbanjerd Sri	0	0.00	0	0.00	0
Mrs. Siriporn Sailasuta	0	0.00	0	0.00	0
Mrs. Srisuda Lertsumitkul	15,000,000	5.54	15,000,000	5.54	0
Mr. Manit Ativanichayaphong and spouse	1,148,720	0.42	1,148,720	0.42	0
Mr. Naphol Lertsumitkul	0	0.00	1,500,000	0.55	(1,500,000)
Mr. Prin Bholnivas	200,000	0.07	200,000	0.07	0
Mr. Settapong Haemintakun	0	0.00	0	0.00	0
Mr. Prayoon Kajitte	90,000	0.03	90,000	0.03	0
Ms. Bunnapa Lertsumitkul	8,000,000	2.95	6,487,000	2.39	1,513,000
Mr. Apisit Tangsatit	142	0.00	142	0.00	0
Mr. Pawat Chalermpong	100,000	0.04	30,000	0.01	70,000
Mr. Pongsak Kantiratanawong	158,000	0.06	30,000	0.01	128,000
Mr. Jarung Srisakul	0	0.00	0	0.00	0
Mr. Rakesh Singh	0	0.00	0	0.00	0
Mr. Chaichan Chareonsuk	0	0.00	0	0.00	0
Mr. Anupoch Pasawat	0	0.00	0	0.00	0
Mr. Chairaj Eangtanarat and spouse	100	0.00	100	0.00	0
<b>Total shares</b>	<b>68,785,213</b>	<b>25.38</b>	<b>68,574,213</b>	<b>25.29</b>	<b>211,000</b>
<b>Total issued common shares</b>	<b>270,990,480</b>	<b>100.00</b>	<b>270,990,480</b>	<b>100.00</b>	



## 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.

However, the Company can consecutively pay dividends to shareholders every year and in line with the dividend policy. The Company has paid dividends for the past 5 years as follows :-

Year	2008	2009	2010	2011	2012
Earnings per share (Baht)	0.37	0.40	1.03	1.17	1.70
Dividends per share (Baht)	0.35	0.35	0.60	0.75	1.10
Dividends / Net profit (%)	95.69	88.53	58.13	64.36	64.89

### 7.4.2 Dividend Policy of Subsidiaries

Due to the fact that each subsidiary has its own management team who is free in 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 circumstances 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 not fewer than 5 directors but not more than 12, 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. Executives conduct business on behalf of the Board of Directors.

### 8.1 Board of Directors



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

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





### 8.1.1 Name list of Board of Directors and Attendance in Year 2013

Name	Position	Board Meetings	
		No. of total meetings	No. of attendance
Mr. Sanan Angubolkul	Chairman, President, and Nomination and Remuneration Committee Member	7	7
Mr. Viroj Lowhaphandu	Independent Director, and Chairman of the Audit Committee	7	7
Mr. Enghug Nontikarn	Independent Director, Audit Committee Member, and Nomination and Remuneration Committee Member	7	7
Mr. Suchat Boonbanjerd Sri	Independent Director, Audit Committee Member, and Chairman of the Good Corporate Governance Committee	7	7
Mrs. Siriporn Sailasuta	Independent Director, Chairwoman of the Nomination and Remuneration Committee, and Corporate Governance Committee Member	7	7
Mrs. Srisuda Lertsumitkul	Director	7	7
Mr. Naphol Lertsumitkul	Director	7	7
Mr. Manit Ativanichayaphong	Director, Good Corporate Governance Committee Member, and Risk Management Sub-Committee Member	7	7
Mr. Prin Bholnivas	Director, Nomination and Remuneration Committee Member, Good Corporate Governance Committee Member, Chairman of the Risk Management Sub-committee, and Company Secretary	7	7

Information of the Directors is presented in Attachment 1: Details of the Directors, Executives, Controlling Persons, the Company Secretary.

### 8.1.2 The Company's Controlling Persons

The Company does not have Controlling Persons as described in Section 89/1 of the Securities and Exchange Act (No. 4) B.E. 2551, who have significant influence over management policies or the Company's operations, particularly those who fall under the following criteria :

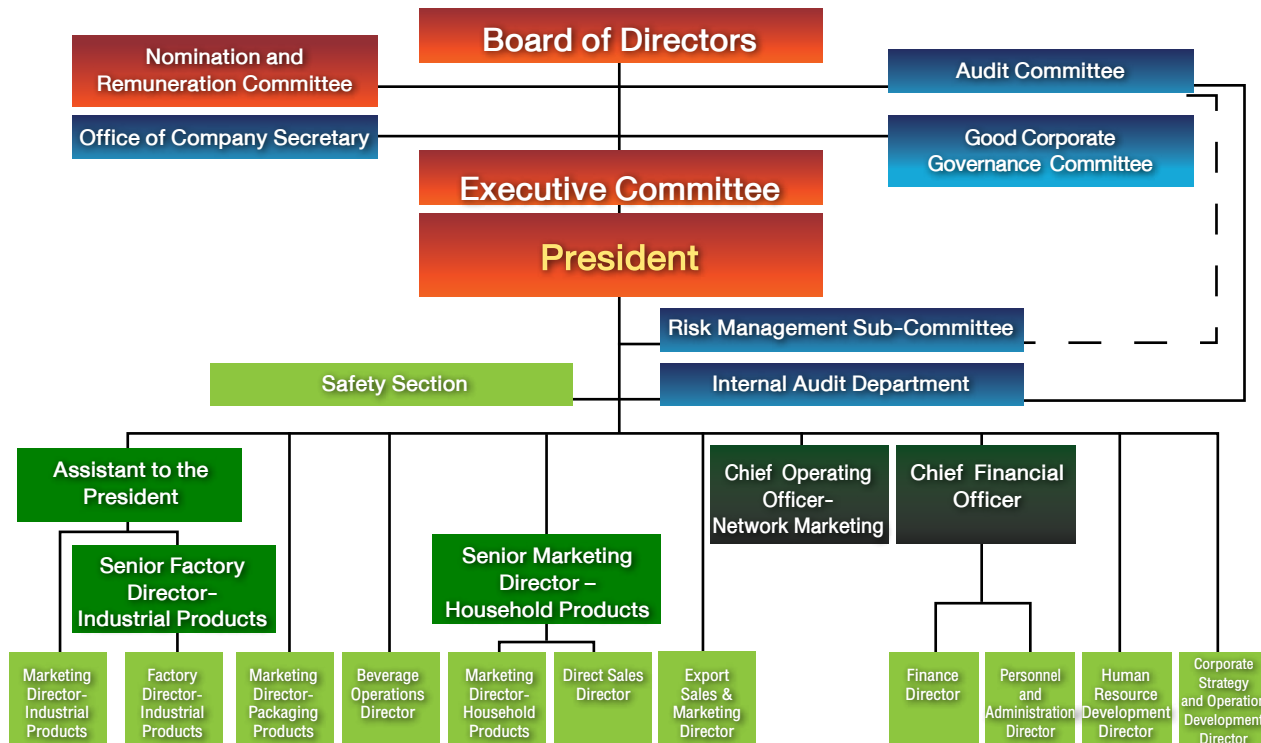
- 1) Individuals who have the right to vote directly or indirectly over 25% of total number of shares eligible for voting;
- 2) Individuals who by circumstances are able to manage the appointment or removal of the Company's directors;
- 3) Individuals who by circumstances are able to manage persons in charge of setting the Company's management policies or operations to follow their commands;
- 4) Individuals who by circumstances manage or are responsible for the operations of the Company like directors or executives as well as individuals with position having same authorities as the aforementioned people.

## 8.2 Executives

On December 31, 2013, the Company's executives under definition as set by the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551 comprise 15 members as follows :

Name			Position
1.	Mr. Sanan	Angubolkul	Chairman, and President
2.	Mr. Prin	Bholnivas	Chief Financial Officer and Acting Finance and Accounting Director
3.	Mr. Settapong	Haemintakun	Chief Operating Officer - Network Marketing
4.	Mr. Naphol	Lertsumitkul	Assistant to the President
5.	Mr. Manit	Ativanichayaphong	Senior Marketing Director - Household Products
6.	Mr. Prayoon	Kajitte	Personnel and Administration Director
7.	Ms. Bunnapa	Lertsumitkul	Human Resource Development Director
8.	Mr. Apisit	Tangsaitit	Senior Factory Director - Industrial Products
9.	Mr. Pawat	Chalermpong	Marketing Director - Industrial Products
10.	Mr. Pongsak	Kantiratanawong	Marketing Director - Packaging Products
11.	Mr. Jarung	Srisakul	Factory Director - Industrial Products
12.	Mr. Rakesh	Singh	Corporate Strategy and Operation Development Director
13.	Mr. Chaichan	Chareonsuk	Export Sales &Marketing Director
14.	Mr. Anupoch	Pasawat	Factory Director-Beverage Packaging
15.	Mr. Chairroj	Eangtanarat	Direct Sales Director

The Company has presented the information of executives as appeared in Attachment no.1: Details of the Directors, Executives, Controlling Persons, and Company Secretary. Organizational structure of the Company as at December 31, 2013 is as follows :



In consideration of roles and authorities of Executive at directorial level, the Company deemed it fit to classify those holding such position falling within four levels of executive in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551



### 8.3 Company Secretary

The position had been held by an executive i.e. Mr. Prin Bholnivas since 2008. Information of the Company Secretary and responsibilities of “Company Secretary” are as appeared in Attachment no.1 : Details of the Directors, Executives, Controlling Persons, and Company Secretary.

### 8.4 Remuneration of Directors and Management

The Company has guidelines for fixing of remuneration of directors and executives to be reviewed and considered by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall submit the directors remunerations to the Board of Directors for proposing to the meeting of shareholders for approval whereas executives remuneration is to be approved by the Board of Directors.

#### 8.4.1 Financial Remuneration

1) Remuneration of Directors are the meeting allowance paid by number of meeting attendance as follows :

Name - Position	Amount (Baht)	
	2013	2012
<b>Board of Directors</b>		
Chairman – Mr. Sanan Angubolkul	290,000	200,000
8 Directors as comprising :		
Mr. Viroj Lowhaphandu	145,000	100,000
Mr. Enghug Nontikarn	145,000	100,000
Mr. Suchat Boonbanjerd Sri	145,000	100,000
Mrs. Siriporn Sailasuta	145,000	100,000
Mrs. Srisuda Lertsumitkul	145,000	100,000
Mr. Naphol Lertsumitkul	145,000	100,000
Mr. Manit Ativanichayaphong	145,000	100,000
Mr. Prin Bholnivas	145,000	100,000
<b>Total Remuneration of Directors</b>	<b>1,450,000</b>	<b>1,000,000</b>
<b>Audit Committee</b>		
Chairman of the Audit Committee – Mr. Viroj Lowhaphandu	350,000	350,000
2 Audit Committee Members as comprising :		
Mr. Enghug Nontikarn	150,000	150,000
Mr. Suchat Boonbanjerd Sri	112,500	150,000
<b>Total Remuneration of Audit Committee Members</b>	<b>612,500</b>	<b>650,000</b>
<b>Nomination and Remuneration Committee</b>		
Chairwoman of the Nomination and Remuneration Committee – Mrs. Siriporn Sailasuta	12,500	Nil
3 Nomination and Remuneration Committee Members as comprising :		
Mr. Sanan Angubolkul	10,000	Nil
Mr. Enghug Nontikarn	10,000	Nil
Mr. Prin Bholnivas	10,000	Nil
<b>Total Remuneration of the Nomination and Remuneration Committee Members</b>	<b>42,500</b>	<b>Nil</b>

Name - Position	Amount (Baht)	
	2013	2012
<b>Good Corporate Governance Committee</b>		
Chairman of the Good Corporate Governance Committee – Mr. Suchat Boonbanjerd Sri	37,500	Nil
3 Good Corporate Governance Committee Members comprising : Mrs. Siriporn Sailasuta	20,000	Nil
Mr. Mani Ativanichayaphong	30,000	Nil
Mr. Prin Bholnivas	30,000	Nil
<b>Total Remuneration of the Good Corporate Governance Committee Members</b>	<b>117,500</b>	<b>Nil</b>
<b>Total</b>	<b>2,222,500</b>	<b>1,650,000</b>

Remarks :

1. In 2013, the meeting allowance the Company paid to each Director was in accordance with the approval of the Annual General Meeting of Shareholders no. 32 (of the year 2013) as follows:-
  - 1.1 Meeting allowance for Board of Directors
 

Chairman	THB 300,000 per annum
Directors	THB 150,000 per annum /per person
  - 1.2 Meeting allowance for the Audit Committee
 

Chairman of the Audit Committee	THB 350,000 per annum
Member of the Audit Committee	THB 150,000 per annum / per person
  - 1.3 Meeting allowance for Nomination and Remuneration Committee
 

Chairwoman of the Nomination and Remuneration Committee	THB 50,000 per annum
Member of the Nomination and Remuneration Committee	THB 40,000 per annum / per person
  - 1.4 Meeting allowance for the Good Corporate Governance Committee
 

Chairman of the Good Corporate Governance Committee	THB 50,000 per annum
Member of the Good Corporate Governance Committee	THB 40,000 per annum / per person

The meeting allowances were effective from the date of the Annual General Meeting of Shareholders' approval.

2. The Company does not give non-financial remuneration to the Sub-Committee for Risk Management.

- 2) Remuneration of Executives includes salary and bonus as follows :

Remuneration	2013		2012	
	Number of persons	Amount (million baht)	Number of persons	Amount (million baht)
Salary	15	55.11	14	51.18
Bonus	15	9.84	14	11.64
<b>Total</b>	<b>15</b>	<b>64.95</b>	<b>14</b>	<b>62.82</b>

Remarks :

1. Number of executives increased from last year due to appointment of one additional executive and replacement of one executive.



2. List of executives who received remuneration in 2013 is as follows:

- 2.1 Mr. Sanan Angubolkul
- 2.2 Mr. Prin Bholnivas
- 2.3 Mr. Settapong 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 Mr. Pongsak Kantiratanawong
- 2.11 Mr. Jarung Srisakul
- 2.12 Mr. Rakesh Singh
- 2.13 Mr. Chaichan Chareonsuk
- 2.14 Mr. Anupoch Pasawat
- 2.15 Mr. Chairaj Eangtanarat

3. Inclusive of accrued bonus of the year.

#### 8.4.2 Other Remuneration

1) Other Remuneration of Directors

The Company does not give other financial remuneration and non-financial to the Board of Directors and sub-committees.

2) Other Remuneration of Executives

2.1) Non-financial remuneration

- Provident Fund

The Company set up a Provident Fund for executives and employees for the first time in 2013 by contributing to the funds starting from March 2013. In 2013, the Company contributed fund for 2 executives who have joined the membership totaling THB 0.15 million.

- Other benefits

The Company provides other benefits for its executives covering those fundamental by laws which are social security, compensation in case of retirement, and special benefits. The special benefit follows the criteria of the Company, such as additional funds for retired employees and gold for employees who complete their working periods and are not members of the Provident Fund. In 2013, the Company paid THB 2.78 million as other benefits for its executives.

2.2) Other non-financial remuneration is Company car.

## 8.5 Personnel

### 8.5.1 Manpower Classified by Functions as of December 31

(Unit : person)	2013					
	Office	Plant				Total
		Suksawat	Korat	Bangpoo	Amata Nakorn Chonburi	
Executive	12	0	0	1	2	15
Support Line	182	0	0	0	0	182
Sales and Marketing Line	378	0	0	0	0	378
Production Line	0	433	1,696	387	716	3,232
Total	572	433	1,696	388	718	3,807

(Unit : person)	2012					
	Office	Plant				Total
		Suksawat	Korat	Bangpoo	Amata Nakorn Chonburi	
Executive	11	0	0	1	1	13
Support Line	179	0	0	0	0	179
Sales and Marketing Line	508	0	0	0	0	508
Production Line	0	304	2,010	421	852	3,587
Total	698	304	2,010	422	853	4,287

(Unit : person)	2011					
	Office	Plant				Total
		Suksawat	Korat	Bangpoo	Amata Nakorn Chonburi	
Executive	12	0	0	1	2	15
Support Line	188	0	0	0	0	188
Sales and Marketing Line	497	0	0	0	0	497
Production Line	0	258	1,886	419	998	3,561
Total	697	258	1,886	420	1,000	4,261

#### Remarks:

1. In the year 2013, the Company has appointed two substitutes for executive, one who had completed his service term and the other as Direct Sales Director - Household Products.
2. In the year 2013, number of manpower of Production Line of Suksawat plant increased from that of 2012 and 2011 because the Company expanded production line of plastic industrial products to serve business expansion and sales growth.
3. In the year 2013, number of manpower of Production Line of Amata Nakorn Chonburi plant decreased from those of 2012 and 2011 due partly to transfer of manpower between plants, transfer of manpower to a new subsidiary, improvement of production process, and investment in new machines, resulting in lesser requirement of manpower.
4. Number of manpower of Korat and Bangpoo plants in 2013 increased from that of 2012 but decreased in 2012 due to higher and lower production volume, respectively.
5. The Company has no significant labour disputes in the past 5 years.





### 8.5.2 Employee's Remuneration

The remuneration set aside by the Company for its employees of all levels are fair and under the same criteria. It comprises salary, wages, overtime payment, bonuses and incentives, contribution to social security funds, contribution to provident funds, remuneration in case of retirement. Special benefits for employees who are not members of the provident funds according to the Company's criteria are provided covering additional funds for retired employees and gold rewards for employees who have completed their work contracts. In 2013, the Company paid a total of THB 855.10 million to all of its employees. The Company also started the provident funds for its executives and employees for the first time in 2013, to which the Company contributes 2% of the salary starting from March 2013 onwards.

### 8.5.3 Human Resource Development

The Company has attached much importance on human resource 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. The Office of Human Resource Development has set up its direction based on 4 main missions:-

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

Apart from training courses and activities continually provided by the Office of Human Resource Development to promote and develop skill and leadership of personnel, the Company has supported its personnel to study at bachelor's degree level at Faculty of Industrial Education and Technology in Technology Program in Industrial Technology (Cooperative Education) of King Mongkut's University of Technology Thonburi under "Training Course in Technology and Management for Personnel" consisting of 22 persons to develop the knowledge and skills both in management and special knowledge on plastic, which encompasses electrical technology and mechanical technology. The course period covered 2 years, beginning in June 2010 and graduating in 2012. They would attend a graduation ceremony which would be graciously presided over by Her Royal Highness Princess Maha Chakri Sirindhorn in 2014. Amongst the graduates, one receives 1<sup>st</sup> class honours, and five 2<sup>nd</sup> class honours. The Company will continue to provide its educational support as such projects to qualified employees. This is because the curriculum focuses on studying alongside working and learning from real activities and places. It also utilizes the equipment used in factories, which have very modern technology. This contributes to the development of the Company's human resources in terms of their thinking process and problem solving, as well as preparing them for new missions as the Company is expanding particularly into ASEAN.

For sake of continual development of personnel, the Company will enquire its personnel of all levels each year about their need for training and skill development, so that appropriate training courses could be provided by order of significance and urgency. Budget for such training courses will be set aside. Training courses inside and outside the Company will cover the following 5 areas :-

- Core Culture
- Managerial Skill
- Functional Skill
- Quality Management System
- Occupational Health & Safety

## 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

- Personnel could 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

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

**SPEED** : To respond quickly with service mindfulness

- 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 impressive.

**SYSTEM** : To work systematically and traceably

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

In the year 2013, the Company had launched continually campaigns and activities in each aspect of 4S during to implant 4S as a corporate culture. The Office of Human Resource Development provided many training courses and arranged activities in which all levels of employee could participate in order to enhance better understanding and follow the 4S Principles correctly and consistently.



## 9. CORPORATE GOVERNANCE

The Company carries out its businesses in a fair manner, upholding the long-practiced culture under an ethical framework which has been developed to suit the economic and social changes and being responsible for each and every group of stakeholders. As a result, the Company was rated as “Excellent” under the Corporate Governance Assessment of Thai Listed Companies in 2013 by the Stock Exchange of Thailand.

### 9.1 Corporate Governance Policy

The Company’s Board of Directors has set the Good Corporate Governance Policy as part of the Company’s policy which came into effect in 2004. The Good Corporate Governance Policy has been developed and revised appropriately since then. The Board of Directors has appointed a Good Corporate Governance Committee in 2012 to work with a Good Corporate Governance Working Group, which was established in the same year. They are to monitor, assess and improve the Company’s Good Corporate Governance Policy so that it is appropriate and in line with the changing economic and social situations under relevant laws. They also have to ensure that it is consistent with the Corporate Governance Policy of Thai Listed Companies set by the Stock Exchange of Thailand. In 2013, the Board of Directors approved and publicized the Good Corporate Governance Policy, Third Revised Edition (2013) which encompasses as follows :

### **Good Corporate Governance Policy**

#### **Third Revised Edition (2013)**

#### **Section 1 – Rights of Shareholders**

The Board respects shareholder rights and has policies and practice guidelines to protect shareholder rights, and facilitate shareholders in exercising various rights to which shareholders are entitled with completeness, accuracy, transparency and timeliness as follows:

1. Shareholder Rights
2. Shareholders Meeting
3. Meeting Procedures
4. Preparation of Minutes of Shareholders’ Meetings and Resolution Disclosure

#### **Section 2 – Equitable Treatment of Shareholders**

The Board is aware of its duty to oversee the interests of each shareholder with fairness and equality whether concerning major or minority shareholders, including foreign shareholders. The Board supports shareholders in exercising the rights to oversee interests by expressing opinions, recommendations and voting at shareholders meetings in order to participate in making decisions involving significant changes, including the election of directors. The Board arranges for the Company to disclose news and information with accuracy, completeness, transparency and traceability as follows:

1. Release of information before the Shareholders’ Meeting
2. Protection of Shareholders’ Rights
3. Equal Rights with the Company’s Board of Directors/executives

### Section 3 – Roles of Stakeholders

The Board respects the rights of and gives justice to various stakeholders affected or potentially affected by the Company's business such as employees, shareholders, investors, customers, trading partners, competitors, creditors, auditors, press, communities where the Company is located, surrounding societies, and the government sector. This is in compliance with policies and practice guidelines involving various stakeholders of the Company together with promoting regular cooperation between the Company and stakeholders to build the Company's stability and sustainable development as follows:

1. Treatment of employees
2. Business operations in compliance with fair rule frameworks
3. Practices with fairness and responsibility to communities, society and environment
4. Anti-corruption and information about wrongdoing

### Section 4 – Disclosure of Information and Transparency

The Board attaches importance to disclosure of information with accuracy, completeness and timeliness in line with situations concerning financial information such as financial circumstances and performance, and non-financial information such as shareholders structure, Company governance and business-related information, in order to benefit shareholders and outside persons. Investor Relation unit is assigned to be responsible for providing up-to-date information with accuracy, completeness and accessibility via all channels arranged by the Company so investors and outsiders can contact and inquire about information with convenience, speed and effectiveness as follows:

1. Information on the company, directors and shareholders
2. Company's corporate governance
3. Performance
4. Times and proper disclosure of information

### Section 5 – Responsibilities of the Board of Directors

The Board of Directors has prescribed Policies and Practice Guidelines covering the topics as follows:

1. Board Structure
2. Responsibilities of the Board of Directors
3. Principles of the Board of Directors
4. Duties and Responsibilities of the Company's Board of Directors
5. Director Recruitment
6. Board Meetings
7. Holding of Directorship in Other Companies
8. Chairman of the Board
9. The President
10. Terms of Office of Director and Sub-Committee Director
11. Holdings of Positions as Directors in Other Companies by the President and Executives
12. The Chairman of the Board of Directors and the President as the Same Person
13. Director Remuneration
14. Company Secretary
15. Sub-Committees
16. Director Development
17. Performance Assessment of the Board of Directors
18. Promoting Good Corporate Governance
19. Reports from the Company's Board of Directors

The Company has published full version of the Good Corporate Governance Policy, Third Revised Edition (2013), on website of the Company at [www.srithaisuperware.com](http://www.srithaisuperware.com)



## 9.2 Board of Directors and Sub-committee

### 9.2.1 Structure and Duties and Responsibilities of the Company's Board of Directors

The Articles of Association of Srithai Superware Public Company Limited, stated that the Company's Board of Directors consists "of not fewer than 5 directors but not more than 12 directors, and more than half of total member of directors must reside in the Kingdom."

The Board of Directors comprises directors with diverse knowledge, experiences and expertise that are necessary for the Company's operations. They will devote their time to undertake their responsibilities for the Company's interests. Currently, there are 9 directors, 2 of whom are female. Amongst them, 5 include executives and representative of shareholders who have knowledge, expertise and capability in the Company's businesses, while 4 are independent directors who have diverse skills and experiences with independent judgment. All of the directors have qualifications following the criteria of the Securities and Exchange Commission and the Company.

The Board of Directors appointed 3 independent directors to form the Audit Committee. The duty of which is to support the Company's Board of Directors according to the duties and responsibilities stated in the Charter of the Audit Committee, which follows the Announcement of the Stock Exchange of Thailand on Qualifications and Scope of Work of the Audit Committee B.E. 2551.

### Authority and Responsibility of the Board of Directors

The Board has responsibility toward shareholders regarding the Company's business and governance to assure that management complies with policies, objectives and guidelines which will generate maximum benefit and continually increase value for shareholders with good ethics and consideration of both current and long-term benefits of all stakeholders as follows :

1. Perform 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. Prescribe business policies and targets for the management to follow;
3. Monitor and control management to conduct business efficiently and in good faith, and to follow shareholders' resolution;
4. Call for the Meeting of the Shareholders at least once a year to report business performance to shareholders' meeting for acknowledgement and approval and to request for the resolutions on matters beyond the power of the Board of Directors e.g. declaration of dividend;
5. Call for the Meeting of the Board of Directors at least six times a year
6. Enter 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. Consider any connected transaction between the Company, its subsidiaries, or affiliated companies and connected persons that requires no approval of Shareholders' Meeting;
8. Set up internal control system and efficient internal auditing procedure;
9. Direct and monitor the accuracy, completeness, and transparency of financial reporting and reporting of other information to shareholders and other concerned parties;
10. Nominate and define scope of duties and responsibility of sub-committee in any particular issue;
11. Nominate and change authorized signatories who can bind the Company;
12. Set up policies, vision, mission of the Company and revise to suit present situation;
13. Define business strategies, work plan, and annual budget of the Company;
14. Consider and review risk management policy of the Company to suit current conditions;
15. Follow up results of work and business performance of the Company quarterly and annually, and compare it to budget;

16. Consider and assess the adequacy of Company's internal Control;
17. Enter into any contract that is not normal business of the Company, or any material contract of normal business nature;
18. Direct and monitor the compliance to principles of good corporate governance;
19. Prescribe the Codes of Conduct for the Company; and
20. Amend or change the scope of authorities and responsibility of the Board as mentioned above.

The Board of Directors must perform duties in compliance with the following principles:

- Duty of Care -The Board must be diligent and prudent in managing the corporate affairs.
- Duty of Loyalty -The Board must act in good faith and must not allow its personal interest to prevail over the interests of the Company.
- Duty of obedience -The Board must comply with the laws, Company's objectives, Articles of Association, resolutions of the Board and Shareholders Meetings, including criteria and regulations as set forth by the Security and Exchange Commission, the Stock Exchange of Thailand, and the regulatory agencies.
- Duty of Disclosure -The Board must reveal to shareholders the information that is accurate, adequate, transparent and timely.

The Board appoints the Executive Committee, a group of executives with sufficient knowledge and capabilities, to perform duties in managing the business in compliance with designated policies and objectives. The Board regularly monitors the Company's performance while also having the rights to independently request news and information about the Company.

### **Condition of Signing by Signatories to Bind the Company as per Affidavit**

Any 2 of the 4 directors, i.e. Mr. Sanan Angubolkul, Mr. Manit Ativanichayaphong, Mr. Naphol Lertsumitkul and Mr. Prin Bholnivas, jointly sign and affix with a Company seal.

### **Board Meeting**

The Board of Directors arranges at least 6 Board of Directors' Meetings per year and determines the dates, times, and venues for the meetings in advance throughout the year. Directors have the duty to attend at least 80 per cent of such meetings. In 2013, there were 7 Board of Directors' Meetings. The attendance of each director is disclosed in the Annual Report 2013, under headline 8.1 Board of Directors.

The Company Secretary has the duty to gather information to present to the Chairman of the Board of Directors to consider as the Board of Directors' Meeting agendas. The invitation and supporting documents shall be sent out to all directors not less than 7 days in advance in order to allow them enough time to study and consider all agendas for the fair interests of shareholders and stakeholders.

Generally, meeting agendas comprise acknowledgement or review of the financial statements as reviewed or audited by auditors and approved by the Audit Committee, consideration and monitoring of the Company's operations whether it follows the policies and plans, consideration of approving important issues that are related to the Company's operations such as visions, missions, strategies, financial goals, plans and budget, acknowledgement of the performance of the Company's Board of Directors and sub-committees, acknowledgement of the holding of Company's shares by directors, consideration of connected transactions or asset acquisition or disposal (if any), as well as other agendas proposed by executives.

In the Board of Directors' Meeting, the Chairman assigns the Company Secretary to present important content of each agenda in order to hear opinions and conclude them as the meeting's resolutions for further action. Directors are given the opportunities to voice out their opinions and debate each agenda sufficiently. Executives are also invited to attend the meeting to provide more details of information when deemed appropriate.



If any director attending the meeting has conflict of interest in any agenda, the Company Secretary will notify him to leave the meeting while such agenda is being considered. There must be at least two - thirds out of all directors who attend the meeting and have the right to vote, as prescribed by the Company's Good Corporate Governance Policy. The majority vote from the directors present at the meeting and have the right to vote shall be taken as the resolution of the Board of Directors' Meeting. Unless the agenda concerns the appointment of a new director to replace the vacant caused by reasons other than the expiry of his term, the resolution requires at least three – fourths of votes from the remaining directors, as stated by the Company's Articles of Association under clause 17 and clause 21.

The Company Secretary takes notes and prepares minutes of the meeting with complete details. The minutes with approval of the Board of Directors together with supporting documents are properly filed so as to be ready for examination by directors or other related bodies.

### **Term of Directors and Sub-Committee Members**

The Board of Directors sets the terms of office for directors in compliance with the Company's Articles of Association which is pursuant to the Public Limited Company Act by stipulating that one-third of the directors shall retire at every Annual General Meeting of Shareholders. Director who has vacated position can be re-appointed as director if proposed and re-appointed by Shareholders' Meeting.

Should any director be released from directorship, that director will no longer be a director of sub-committee.

### **Holding of Directorial Positions 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 other 5 listed companies. In the year 2013, all directors had conformed to the requirement.

In holding a directorial position in other listed company, the director must comply strictly with Section 86 of the Public Limited Company Act B.E. 2535. The director is prohibited from running business of the same nature directly competing with the Company.

### **Reports from the Company's Board of Directors**

The Board of Directors provides financial reports and financial statements at the end of each quarter and fiscal year, respectively. Annual report is prepared for shareholders meeting in compliance with the law. The Audit Committee is assigned to consider whether the Company financial statements and consolidated financial statements are in accordance with generally accepted accounting principles under the regulations of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and relevant laws.

The Board of Directors represented by the Chairman prepares report on its responsibilities to financial statements for disclosure in the Company's annual report as shown in Attachment no.4.

### **Chairman of the Board**

The Board of Directors selects and appoints the Chairman of the Board, Mr. Sanan Angubolkul, with the following duties and responsibilities:

1. Be a leader concerning policy, vision and governance of senior executives and other sub-committees to achieve objectives in line with outlined work plans;
2. Preside over the meetings of the Board and shareholders of the Company;
3. Ensure the performance of the Board is in compliance with Company's Articles of Association and relevant laws;
4. Promote and support directors in expressing opinions and avoid persuading directors to harmonize with any particular director;
5. Cast the deciding vote in case where the Board meeting has voted and each side has equal votes;
6. Lead in prescribing and comply with ethics, corporate culture and good corporate governance policy;



7. Provide recommendations and separate roles between the Board and the executives;
8. Represent the Company's Board of Directors for outsiders and lead in explanations and communications to the public, shareholders and various stakeholders.

### **Separation of Duties of the Board of Directors and Executives**

The Company has clearly separated the duties and responsibilities of the Board of Directors and executives. Apart from undertaking the stated duties and overseeing the performance of the executives at the policy level, the Board of Directors also sets the duties and responsibilities of the executives for those of the President, and the executives. This is to ensure clarity in their job scope and to allow the Board of Directors to monitor and assess their performance annually in an appropriate manner as follows:

### **Authority and Responsibility 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 stabilized 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 adhere strictly to the Company's objectives, rules, and regulations;
8. Perform duties as assigned by the Board of Directors.

### **Authority and Responsibility of the Executives**

The executives shall manage the Company so as to assure that work plans are implemented and policies of the Board are followed. The executives will carry out any assignment from the Board as follows:-

1. Manage, direct and monitor the performance of the Company to assure efficiency and compliance to the direction and targets of the Company and keep up the strength of business as stated by policies of the Board of Directors;
2. Screen any agenda to be proposed to the Board of Directors and carry out any assignment from the Board;
3. Report its performance result to the Board;
4. Plan and screen all short-term and long-term plans so as to achieve objectives and targets of the Company;
5. Plan financial management so as to diminish financial burdens and to stabilize the financing structure of the Company; and
6. Perform duties in compliance with the laws, the objectives and the Articles of Association of the Company.

Moreover, the Company has prescribed the level of authority of the executives which comprise the types of items and amount limits. This will to allow for the flexibility of the Executives as well as clear authorization power of the Board of Directors and the executives following the relevant rules and regulations of related agencies.

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

In doubling of the two positions at the same time, the Chairman and President has realized and segregated duties and responsibility of each position clearly. It includes day-to-day management, Board's meeting, meeting of shareholders, etc. He could clearly perform his duties and make decisions under the scope of authority of each position. Doubling of positions by one person could enhance managerial efficiency as follow:-



- In his capacity as Chairman of the Board, he could closely get most updated information regarding business operation from executives. It supports his close monitoring of business operation within policy framework laid down by the Board of Directors. In his capacity as President, he could manage businesses compliant to policies of the Board of Directors.
- In his capacity as Chairman, he has to chair the meetings of shareholders and Board of Directors. He has to supervise the meeting to assure that each meeting proceeds as per its agenda legitimately, and attendants are allowed to express opinion freely. He can answer questions raised in the meeting in his role as top management and representative of the Board of Directors at the same time.

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 power, and opinions could be expressed freely in reviewing executives' performance efficiently.

### Holdings of Positions as Directors in Other Companies by the President and Executives

In case where the President and executives have been nominated to hold positions as directors of other companies not within the Group, whether those companies are listed or not, the President and executives must report to the Board.

Other companies where the President and executives will become directors must not operate businesses in competition with the Company. When included with other companies where the President and executives are already directors, the total number must not exceed five listed companies which follows the same criteria as for the Board of Directors. In 2013, there were no such situations.

### 9.2.2 Sub-committees and Duties and Responsibility

The Board of Directors approves appointment of sub-committees to perform the duty of helping consider and verify detailed information of relevant matters in order to alleviate burden of the Board in many aspects as follows:

#### The Audit Committee

The Board of Directors appoints the Audit Committee comprising three independent directors, at least one of whom must have knowledge, expertise and experience in accountancy.

The Audit Committee performs the duty of governance to ensure the preparation and disclosure of accurate and complete financial reports and information in compliance with reporting standards, internal control system and internal audit with sufficiently standards. Audit Committee's components, qualifications and duties are pursuant with the Charter of Audit Committee which complies with the regulations set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Audit Committee must hold meeting at least once every quarter and meet with the Company's auditor without Company executives attending at least once a year. The Audit Committee must report performance to the Board at least once every quarter and annually assess the performance of the Audit Committee. The Audit Committee report is also prepared for disclosure in annual report as stipulated by the Stock Exchange of Thailand. List of the Audit Committee members and their meeting attendance in 2013 are as follows :

Name	Position	Number of attendance/ Total number of meetings (times)
Mr. Viroj Lowhaphandu	Chairman of the Audit Committee	4/4
Mr. Enghug Nontikarn	Audit Committee Member	4/4
Mr. Suchat Boonbanjersri	Audit Committee Member	3/4

Mr. Viroj Lowhaphandu is knowledgeable and experienced in accounting, auditing, finance and taxation. Mr. Enghug Nontikarn and Mr. Suchat Boonbanjersri are knowledgeable and experienced in finance, banking and accounting.

## Duties and Responsibility of the Audit Committee

1. Assure 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. Review and assure availability of suitable and effective internal control system and audit procedure of the Company. The review is carried out together with external auditor and internal auditor;
3. Select and propose 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. Examine connected transactions or transactions which may have conflicts of interest so as to assure compliance to the announcement of related governmental agencies;
5. Review policies on financial management, risk management, adherence to business codes of ethics by executive, and review jointly with executive any significant report to be made public as required by law;
6. Prepare report on activities of the Audit Committee, and disclose 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. Conduct the Audit Committee's meeting on topics being assigned as follows:
  - 7.1 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 present it to the Board for further publicizing;
  - 7.2 Review internal control system and internal audit procedures;
  - 7.3 Review annual internal audit plan, co-ordinate in each step of the audit plan, and evaluate 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 Review together with internal auditor the problems and limitation arising during the internal audit courses, and review performance of the internal auditor;
  - 7.5 Review together with external auditor the problems and limitation arising during the external audit courses;
  - 7.6 Review together with internal auditor and external auditor the audit plan on procedure and control of electronic data processing, and review safety measures so as to prevent irregularity or malpractice on computer system by staffs or outsiders;
  - 7.7 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 Carry out any work assigned by the Board;
  - 7.9 Do self assessment on performance and achievement of assignments;



8. Review and assure the accuracy and adequacy of financial reporting;
9. Consider jointly with the management the evaluation on performance and merit or punishment of the head of internal audit;
10. Review jointly with the management on policy and adequacy of risk management on sensitive issues of the Company;
11. Review financial management policy of the Company;
12. Report to the Board the tasks of the Audit Committee;
13. Perform any other duties as assigned by the Board of Directors under mutual consent;
14. Review Charter of the Audit Committee when required as deemed appropriate.

In 2013, the Audit Committee held four meetings with auditors, the Company's financial and accounting executive, and internal auditor, and one meeting with the Company's auditors without executive.

The Audit Committee must report performance to the Board at least once every quarter and annually assess the performance of the Audit Committee. The Audit Committee report is also prepared for disclosure in annual report as stipulated by the Stock Exchange of Thailand.

The Audit Committee has an office term of three fiscal years. The current term is valid until the end of 2015.

### **Nomination and Remuneration Committee**

The Board of Directors appointed the Nomination and Remuneration Committee, comprising 4 members, two of whom are executives while the other two are independent directors. The Chairman of the Nomination and Remuneration Committee must be an independent director. List of the Nomination and Remuneration Committee members and their meeting attendance in 2013 are as follows:

Name		Position	Number of attendance / Total number of meetings (times)
Mrs. Siriporn	Sailasuta	Chairwoman of the Nomination and Remuneration Committee (Independent Director)	2/2
Mr. Sanan	Angubolkul	Nomination and Remuneration Committee Member	2/2
Mr. Enghug	Nontikarn	Nomination and Remuneration Committee Member (Independent Director)	2/2
Mr. Prin	Bholnivas	Nomination and Remuneration Committee Member and Secretary of the Committee	2/2

The Nomination and Remuneration Committee has duty to consider criteria and forms of remuneration for directors and executives in order to give opinions to the Board. For director remuneration, the Board shall propose for approval by shareholders meeting.

The Nomination and Remuneration Committee also has the duty to consider criteria and processes for recruiting persons with proper qualifications to be director and executive which includes process of candidates selection and proposal to the Board. In case of appointing directors approval by shareholders meeting is required.

### **Responsibility of the Nomination and Remuneration Committee**

1. Consider organization chart, qualification of directors and executives of the Company;
2. Consider and approve organization chart that is suitable to the businesses;
3. Select qualified person for nomination as a candidate to directorial position in case of vacancy or any director having completed his term in office;
4. Consider and approve appointment of executives as recruited and proposed by the executive in case of vacancy or addition of a new position;

5. 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;
6. Evaluate performance of the Nomination and Remuneration Committee annually, and report to the Board of Directors;
7. Perform other assignments relevant to nominating and remunerating directors and executives as assigned by the Board of Directors.

In 2013, the Nomination and Remuneration Committee organized two meetings and reported its performance to the Board of Directors. An annual assessment of the Nomination and Remuneration Committee was also carried out.

The Nomination and Remuneration Committee has an office term of three fiscal years. The current term is valid until the end of 2015.

### Good Corporate Governance Committee

The Board of Directors had appointed the Good Corporate Governance Committee to manage and follow up good corporate governance works of the Company. Members consist of 4 directors, 2 of which are independent directors and the remainders are 2 executive directors. Chairman of the Good Corporate Governance Committee is an independent director. List of the Good Corporate Governance Committee members and their meeting attendance in 2013 are as follows :

Name	Position	Number of attendance/ Total number of meetings (times)
Mr. Suchat Boonbanjerd Sri	Chairman of the Good Corporate Governance Committee (Independent Director)	4/4
Mrs. Siriporn Sailasuta	Good Corporate Governance Committee Member (Independent Director)	3/4
Mr. Manit Ativanichayaphong	Good Corporate Governance Committee Member	4/4
Mr. Prin Bholnivas	Good Corporate Governance Committee Member and Secretary	4/4

### Responsibility of the Good Corporate Governance Committee

1. Set up a good corporate governance policy suitable to the Company under the legal framework, criteria, rules and regulations of supervisory entities such as the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, concerned governmental entities and international standard of good corporate governance guidelines for approval by the Board of Directors;
2. Direct, supervise and advise directors and executives of the Company in carrying out their assignments and responsibility in accordance with the good corporate governance policy for sake of practical achievement and continuity;
3. Consider, review and improve good corporate governance policy from time to time so as to assure its conformity to practical guidelines of international standard and relevant laws, criteria, rules and regulations and businesses of the Company;
4. Issue an evaluation report on good corporate governance practice annually for submission to the Board of Directors together with opinions and suggestions for improvement as deemed appropriate;
5. Suggest requirements and practical guidelines regarding morality and business ethics and desirable practices of directors, executives and staffs of the Company;
6. Appoint a working group to support good corporate governance works as deemed necessary;
7. Perform other assignments by the Board of Directors.



In 2013, the Nomination and Remuneration Committee organized two meetings and reported its performance to the Board of Directors. An annual assessment of the Nomination and Remuneration Committee was also carried out.

The Good Corporate Governance Committee has an office term of three fiscal years. The current term is valid until the end of 2014.

### **Risk Management Sub-committee**

The Board of Directors appointed the Risk Management Sub-Committee, comprising not more than 10 executives with the mission of assisting the Board of Directors in monitoring overall risk management processes to be at appropriate levels. In 2013, the Board of Directors appointed 2 additional Sub-Committee members, which made the total number of members to be 9. List of Sub-Committee members and their meeting attendance in 2013 are as follows :

Name	Position	Number of attendance/ Total number of meetings (times)
Mr. Prin Bholnivas	Chairman of the Risk Management Sub-Committee	11/11
Mr. Manit Ativanichayaphong	Member	10/11
Mr. Apisit Tangsatit	Member	8/11
Mr. Pawat Chalermpong	Member	10/11
Mr. Jarung Srisakul	Member	6/11 <sup>(1)</sup>
Mr. Pramual Pinyo	Member	11/11
Mr. Chaichan Chareonsuk	Member	11/11
Mr. Somsong Raksapol	Member	5/11 <sup>(2)</sup>
Mr. Tanatch Sripan	Member and Secretary	10/11

Remarks : (1) During 2013, Mr. Jarung Srisakul was assigned to oversee the operation of Srithai (Vietnam) Company Limited, a subsidiary. He has to station in the Socialist Republic of Vietnam and, therefore, could not attend every meeting.

(2) Mr. Somsong Raksapol was appointed to the position during 2013.

The Risk Management Sub-Committee must ensure that the Company has efficient and effective risk management covering all risk factors.

### **Responsibility of the Risk Management Sub-committee**

- 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
- Formulate policies on risk management, and propose it to the Board for the Board's overview;
- Formulate strategies, organizational structure, and resources used in the management of risks in compliance with risk management policies and business directions of the Company;
- Set up risk-taking criteria of operation in term of financial limit and nature of transactions for consideration and approval by the Board of Directors for use as basis of operation in various situations of each risk area;
- Monitor and review policies, strategies and implementation to assure that risk management strategies are implemented appropriately;
- Be authorized to appoint working group to evaluate and keep track of risk throughout the organization;
- Perform other matters as assigned by the Board of Directors.

In 2013, the Risk Management Sub-Committee organized a total of 11 meetings, and reported its performance to the Audit Committee for consideration before reporting them to the Board of Directors every quarter. An annual assessment of the Risk Management Sub-Committee was also carried out.

The Risk Management Sub-Committee has an office term of three fiscal years. The current term is valid until the end of 2015.

## 9.3 Nomination and Appointment of Directors and Executives

### 9.3.1 Directors Recruitment

The Board of Directors appointed the Nomination and Remuneration Committee a sub-committee, to recruit candidates who possess qualifications and do not have qualifications prohibited by laws. The candidates must have knowledge, capability and experiences that will help improve the Company in achieving sustainable growth. Those persons shall be proposed to the Board for consideration to :

1. Appoint as a director to replace director who has been released from office before the term has expired during the next Board of Directors' meeting to be held after vacancy. Unless the retiring director has term less than 2 months in office, the new director to be appointed can hold the position until the term of the replaced one ends. The resolution to appoint a new director requires a least three – fourth votes from the remaining directors as stated in clause 17 of the Company's Articles of Association.
2. Propose to the General Meeting of Shareholders to consider approving appointment of director to replace director whose term has expired or in case where the number of director has increased. This is in line with the criteria or processes set forth in clause 13 and clause 14 of the Company's Articles of Association as follows:-

"Clause 13 The shareholders' meeting shall elect the directors in accordance with the conditions and procedures as follows:

- (1) Each shareholder shall have one voting right for one share he/she holds;
- (2) Each shareholder shall exercise all vote he/she has under (1) to elect one or several persons as director or directors but he/she may not allot his/her vote to any persons differentially;
- (3) The candidates shall be ranked in descending order from the highest number of votes in his favour to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. When 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.

Moreover, the Board of Directors has set the policy for the Nomination and Remuneration Committee to consider selecting the candidates for directors from the list proposed by shareholders. The Company has given the opportunity and right to all shareholders in nominating candidates each year, at least 3 months before the last day of the fiscal year. Candidates can also be nominated from the list of Chartered Directors from the Thai Institute of Directors or any qualified persons who have knowledge and related experiences with appropriate diversity. In 2013, the Good Corporate Governance Committee presented the Board Diversity to the Board of Directors for consideration. Directors in the Board consist of member with diverse knowledge, capability and experiences in production, finance, accountancy, marketing, and accounting and tax laws, who are suitable for the business, and strategies of the Company.

The Company did not prescribe maximum numbers of times of being nominated as director nor qualification on limit of age for directorship. In this regard, Clause 14 of the Company's Articles of Association will be observed. However, in case of independent directors, they must fulfill all criteria set by the Company, and in accordance with the qualifications as stipulated by the Securities and Exchange Commission according to the Notification of the Capital Market Supervisory Board No. Tor Jor 4/2552. Re : The Request for Approval and the Approval of Initial Public Offering (No. 2) and subsequent revisions, as follows :-





- (a) The person who holds voting shares of no more than 0.5% of total number of shares in the Company, parent company, subsidiaries, associated companies, major shareholder or controlling person, and the shares held by the related parties of such independent director will also be counted.
- (b) The person shall not be or did not use to be the director participating in the management of the Company, worker, employee, salaried consultant, or controlling person of the Company, parent company, subsidiaries, associated companies, subsidiary of the same echelon, major shareholder or controlling person of the Company, except that he has been free from such qualifications for at least 2 years before the date of submitting application to the office. Such qualifications do not apply to Independent Director who once served as governmental official or advisor of governmental entity who is a major shareholder or controlling person of the Company.
- (c) The person shall not have blood relationship with or shall not legally register to be father, mother, spouse, siblings, and children, including spouse of children of other director or the executive, or major shareholder, or controlling person or person who is proposed to be director or executive or controlling person of the Company/subsidiaries.
- (d) The person shall not have or did not use to have business relationship with the Company, parent company, subsidiaries, associated companies, major shareholder, or controlling person of the Company and such relationship may impede his own freedom of judgment, and shall not be or did not use to be the significant shareholder or controlling person of the person who have business relationship with the Company, parent company, subsidiaries, associated companies, major shareholder or controlling person of the Company, except that he has been free from such qualifications for at least 2 years before the date of submitting application to the Office.

The business relationship mentioned above includes normal business transactions for conducting the businesses of renting or letting immovable properties, the transactions relevant to assets or services or the grant or acceptance of financial assistance by borrowing or lending, guaranteeing, offering assets as debt collateral, including similar behaviors, and such actions may affect the Company or its partner to be obligated to debts owed to another party at the lower of at least 3% of the net tangible assets of the Company or at least 20 million bahts. The calculation of such debts shall comply with the calculation methods of the value of connected transactions according to the Notification of the Capital Market Supervisory Board on related transactions mutatis mutandis. By considering such debts, it shall include the debts incurred within 1 year before the date of business relationship with the same person.

- (e) The person shall not be or did not use to be external auditor of the Company, parent company, subsidiaries, associated companies, major shareholder or controlling person of the Company, and shall not be the significant shareholder, controlling person or partner of the audit office who is employer of auditor of the Company, parent company, subsidiaries, associated companies, major shareholder or controlling person of the Company, except that he has been free from such qualifications for at least 2 years before the date of submitting an application to the Office.
- (f) The person shall not be or did not use to be any professional service provider, including legal service or financial advisory service obtaining the service fee more than 2,000,000 bahts per year from the Company, parent company, subsidiaries, associated companies, major shareholder or controlling person of the Company, and he shall not be significant shareholder, controlling person, or partner of such professional service providers, except that he has been free from such qualifications for at least 2 years before the date of submitting an application to the Office.

- (g) The person is not the director who is appointed to be the representative of the Company's director, major shareholder, or shareholder who is related to major shareholder of the Company.
- (h) The person shall not conduct business of the same nature which competes significantly with the Company or subsidiaries or not be significant partner in any partnership or be executive director, worker, employee, salaried advisor, or hold shares more than 1% of total number of voting shares of other company who conducts business of the same nature which competes significantly with the Company or subsidiaries.
- (i) The person does not have any other characteristics that prohibit him from freely expressing opinions regarding the Company's operations.

Independent director 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 echelon, major shareholder, or controlling person of the Company by making collective decision.

In 2013, all four independent directors of the Company completely fulfilled the qualification criteria and carried out their responsibilities appropriately throughout their term in office. Three of the independent directors have been in office for longer than 9 years consecutively, which is against the Guidelines of the Corporate Governance of Thai Listed Companies for the Year 2014 as prescribed by the Thai Institute of Directors. The Board of Directors has deemed that this does not affect the performance and the expression of independent opinions. Moreover, all four independent directors have good knowledge of the Company's businesses. They have devoted their time, ability and experiences in finance, accountancy and banking. They have good relationship with businesses and organizations, which bring maximum benefits to the Company and all of its stakeholders. They have also carried out their duties with care, loyalty and transparency, without conflicts of interests. With these reasons, during the Annual General Meeting of Shareholders No. 32 (year 2013), the Board of Directors proposed to the meeting to re-elect two directors with qualifications of independent directors; Mr. Viroj Lowhaphandu and Mr. Enghug Nontikarn, for another term. The meeting approved the appointment as proposed by the Board of Directors.

### **9.3.2 Nomination of Executives**

The Company's management have the duties to nominate suitable persons with appropriate qualifications for the Company's businesses to the Nomination and Remuneration Committee for consideration of appointment as the Company's executives. The Nomination and Remuneration Committee shall then report such appointment to the Board of Directors for acknowledgement. However, in the process of nominating executives, the Company does not only consider candidates from outside but also gives the opportunity to existing personnels to grow in their career and become executives in the future. They are recruited through the selection process based on their outstanding performance with acceptance by their superiors and colleagues. They are then assessed individually in each aspect in order for the Company to plan training and development programs for enhancing knowledge and leadership skills and assignment of challenging tasks. This is to prepare the Company's personnels for the role of executives both in case of an empty position or additional appointment in case of business expansion or change in organization structure.

### **9.3.3 Development of Directors**

#### **Newly Appointed Director**

The Board of Directors has the policy to assign the Company Secretary to prepare the information such as Director's Handbook, Company's Directions, Good Corporate Governance Policy, Corporate Social Responsibility Policy, and business ethics. An orientation is also arranged regarding introduction of business, business operation guidelines, and other related information for the new director.

In 2013, there was no appointment of a new director.



#### Current Directors

The Board of Directors assigns the Company Secretary to select courses for directors of listed company organized by reputable institutions, such as the Capital Market Academy and the Thai Institute of Directors. This is for directors to participate in trainings or seminars that will regularly help enhance their knowledges.

In 2013, two directors; Mr. Viroj Lowhaphandu and Mr. Prin Bholnivas, attended the seminars with the Thai Institute of Directors on Anti-Corruption for Executive Programme (ACEP). Related information on the courses attendance of each director is disclosed in Attachment no.1. Details of the Directors, Executives, Controlling Party and the Company Secretary.

#### 9.3.4 Performance Assessment of the Board of Directors and the President

The Board of Directors carries out an assessment of the performance of the entire Board of Directors annually. In 2013, the assessment topics were changed to be in line with those used for the Board of the Year Award as follow:

1. Board Policy
2. Board Performance
3. Board Structure
4. Board Style
5. Board Meetings
6. Board Members

In 2013, the Board of Directors carried out an assessment on the entire Board, and individual director.

In addition, the Board of Directors has arranged for annual performance evaluation of the President who is the highest position of executives which covers the following areas:-

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

#### 9.4 Monitoring of Operations of Subsidiaries and Joint-Ventures

At present, the Company has investment in several subsidiaries and joint-ventures in Thailand and abroad. Most of these subsidiaries and joint-ventures operate under the same main business structures of the Company. These businesses include Plastics Business Line, which can be divided into industrial products and household products, and Trading Business Line. The Company has set the business strategy to reduce dependency outside the group and to strengthen the competitiveness. In order to monitor the performance of the subsidiaries and joint-ventures, the Company has sent personnels who represent the Company, comprising directors and/or executives, to take up the positions of directors or executives in these subsidiaries and joint-ventures in proportionate to number of shares held by the Company to look after its interests as shareholders. However, eventhough the appointment of these personnels does not have to attain the approval from the Board of Directors, they must be qualified for their suitability and gain approval from the management. They must be the Company's executives who are in charge

of the similar business line as that of the subsidiaries or joint-ventures so that the monitoring can be more effective.

Moreover, in terms of voting in the Board of Directors' Meetings or Shareholders' Meetings of these subsidiaries or joint-ventures, the Company's representatives can make decisions or carry out tasks in general business operations without having to attain the approval from the Company's Board of Directors prior to the vote casting or decision making. In these cases, they must always consider maximum benefits for the subsidiaries or joint-ventures as the priority, together with the effects on the Company as a shareholder; for example, the decision involving connected transactions, the price or trade terms must be on an arm's length basis or close to market prices. However, if the representatives have to cast votes on significant agendas, they must attain the approval from the Company's Board of Directors. In 2013, none of the Company's subsidiaries and joint-ventures had any shareholders' agreement that would have significant effect on the restriction of power to manage the businesses by the Company, nor to cast a vote according to its proportion of shares held, nor to receive benefits other than normal condition based on the proportion of shares held.

In case of subsidiaries, the Company mostly holds 100% of shares and has full power to set the policy and manage. The Company has set the regulations that representatives from the Company will manage and encourage the subsidiaries to follow the same guidelines as the Company's when carrying connected transactions, acquisition or disposal of assets, other important transactions, as well as disclosure of the financial position and results of operations in an accurate and complete manner. This also includes supervision of the storing and recording of financial data of the subsidiaries so that the Company can monitor and gather information for the preparation of the financial report accurately and completely. Moreover, the Audit Committee assigns the Company's Internal Audit Department to audit the operations of the subsidiaries in order to review the internal control system and ensure that it follows the annual plan or to detect any misconduct.

## 9.5 Restriction of Insiders' Information

The Company measures on prevention of use of insiders' information by directors and executives for personal benefits or trading of security have been employed. Trading of security is prohibited between the period of 15 days before the end of each quarter until the day before the day the Company reports operation results of that period to the Stock Exchange of Thailand and the general public. Another measure requires directors or executives to report their security trading transaction to the Board of Directors or the President respectively. There are penalty codes of the Company for offender. Offenders are also personally subject to penalty by the law-the Securities and Exchange Act (No.4) B.E. 2551.

According to the Good Corporate Governance Policy, the directors have to report the acquisition and disposal of Company's shares to the Board of Directors every quarter. The executives are also required to report as such to the Company Secretary within the prescribed timeframe. In 2013, one director and one executive have movement of their shares, but the transactions did not fall under the criteria of using insiders' information.

## 9.6 Audit Fee in 2013

### 1. Audit fee

The Company and its subsidiaries paid audit fee to PricewaterhouseCoopers ABAS Limited ("PwC") and related business of PwC in the past accounting year for the sum of THB 3.37 million and USD 22,000.

### 2. Non-audit fee

The Company and its subsidiaries paid for non-audit fee amounting THB 0.99 million as mutually agreed to PwC. The services included reviewing the regulations of the Board of Investment (BOI), the regulations of the Revenue Department to utilize tax benefits regarding destroying of obsolete inventories, the computer programmes as a result of changes in sales system, as well as the information of subsidiaries and associates for preparation of consolidated financial statements. The Company and its subsidiaries have completely recorded the service fees as expenses in the year 2013.



## 9.7 Compliance with Good Corporate Governance Principles in Other Areas

Apart from the monitoring and governing as stated above, in 2013, the Company also followed the Good Corporate Governance Principles in other areas as follows :

### 9.7.1 Shareholders' Rights

The Company attaches importance of its duty to oversee the interests of each shareholder with fairness and equality whether concerning majority or minority shareholders including foreign shareholders. This is in accordance with the law on basic rights such as the rights to receive profit sharing, dividend, and shares transfer. According to the Company's Articles of Association, it stated that "A shareholder has one vote per one share held by him".

The Company has the policy and practice guidelines that protect the rights of shareholders and facilitate them in exercising these rights in various aspects in a complete, accurate, transparent, and timely manner. This is to ensure that the shareholders have the rights to participate in directing the business or making decisions on significant matters during the Shareholders' Meetings by enquiring, voicing out their opinions, and casting votes, which shall include nominating candidates to be directors who represent shareholders.

The Company ensures the rights of shareholders as follows :

#### 1. Shareholders' Meeting

The Company arranges for an Annual General Meeting of Shareholders within 4 months from the end of an accounting year as required by the Public Limited Company Act, B.E. 2535. In case that urgency or issue that may effect shareholders' interest arises, shareholders may exercise their right as given by the law proposing to the Board of Directors to call for an extraordinary meeting of shareholders.

The Company has assigned Thailand Securities Depository Co., Ltd., the share registrar, to dispatch Letter of Invitation to Shareholders' Meeting comprising agenda of meeting, relevant significant information, opinion of the Board of Directors on each matter in the agenda, annual report, accompanying documents for the meeting of shareholders, including proxy form and clear instruction manual. The information shall be disclosed on the websites of the Company and the Stock Exchange of Thailand for 30 days before sending out the invitation letters in order to early inform every shareholders.

The Company facilitates shareholders in exercising their rights to participate in and casting votes during the meeting without any conditions that would hinder their chances of participation, such as complicated registration process or voting system.

The Company encourages the shareholders to submit their questions, list of nominated candidates for directors, or any agendas at least 3 months in advance before the end of the fiscal year so that the Board of Directors can consider suitability of its inclusion in the agenda of the Annual General Meeting of Shareholders of No. 33 (year 2014). In 2013, the Company informed the shareholders of this right through the websites of the Company and the Stock Exchange of Thailand during October 1, 2013 – December 31, 2013. At the end of this period, no shareholders submitted any list of candidates or other agendas.

Moreover, the Company also facilitates shareholders who cannot attend the meeting themselves by :

- 1) Sending proxy form in which the shareholders can vote agree, disagree, or abstain their votes in each agenda in order to decide the direction of the voting, including explanation on the simple process of assigning a proxy in order to ensure that shareholders can be well prepared and their proxies can attend the meeting without any problems.
- 2) Assigning at least 1 independent director as a proxy for shareholders.

## 2. Letter of Invitation to Shareholders

Letter of Invitation to Shareholders contains data and information sufficient for decision-making in each agenda. It comprises:-

- Adoption of Minutes of the past Annual General Meeting of Shareholders.
- Acknowledgement of the report of the Board about operation results of the Company for the past year.
- Approval of Statements of Financial Position and Statements of Comprehensive Income as audited by the auditors.
- Approval of appropriation of profit and dividend payment.

By presenting the net profit of the year, the information on the legal reserve, the policy of dividend payment, the amount of legal reserve, and the proposed dividend payment of this year against last year with reasons and supporting data.

- Appointment of auditors and their remuneration.

By presenting names of auditors as approved by the Office of the Securities and Exchange Commission, name of the company to which they are attached, experience and capability of auditors, independence of auditors, audit fee proposed as compared to that of the past year.

- Appointment of the Company's directors

By presenting brief resume of each candidate which includes education background, employment background, number of companies in which the candidate has held a directorship as well as information on attendance in the meetings of Board of Directors or Sub-Committee in last year. The Company shall present each candidate individually for approval by shareholders.

- Remuneration of directors

By presenting information on the structure of remuneration of the Company's Board of Directors and Sub-committees. Apart from considering the knowledge, capability and experiences of each director in order to decide on the remuneration, the Company also has the policy to compare such rates to those being surveyed for listed companies in same industry. The Company also participated in the remuneration survey project organized by the Thai Institute of Directors.

## 3. Meeting Procedure

In the meeting of shareholders, the Board of Directors comprising Chairman, Chairman of the Audit Committee, Chairwoman of the Nomination and Remuneration Committee, Chairman of the Good Corporate Governance Committee, independent directors, executive directors, non – executive directors, the President and concerned executives give much importance to the meeting and attend it to show their accountability to shareholders. Shareholders use voting ballots to vote in order to ensure transparency and traceability. The Company also arranges for legal consultant and shareholder representatives from Shareholders' Meeting to be present as witnesses for every vote examination.

The Company Secretary informs the meeting about meeting criteria, voting and counting method of votes of shareholders in each agenda in compliance with the Articles of Association of the Company, and accompanying information of each agenda. In case of an agenda in which any directors have interests, or involved, they will be notified to leave the meeting and abstain from voting in that agenda.

The Chairman conducts the meeting according to the agenda specified in the Letter of Invitation. No additional matter is added into the agenda without giving an advance notice to shareholders. The Chairman allocates sufficient time to shareholders in expressing opinions, raising questions and giving suggestions in each agenda. The Chairman or the Company Secretary explains or answers questions of shareholders clearly because he deems all questions and suggestions important before requesting for voting in the meeting.



#### 4. Preparation of Minutes of Shareholders' Meetings and Resolution Disclosure

After completion of the meeting of shareholders, the Company disseminates summary of the resolutions via electronic information dissemination system of the Stock Exchange of Thailand (ELCID) on the same day or before 09.00 A.M. of the following day. Full version in Thai and English languages of such minutes is posted on the Company's website of which information and sufficient data is disclosed. Votes are shown by its result, i.e. agree, disagree or abstain. Questions and answers raised in the meeting and suggestions are also included.

In 2013, the Company received an assessment result by the Thai Investors Association with a score of 'excellent' for the Annual General Meeting of Shareholders 2013 (AGM Checklist).

### 9.7.2 Fair Treatment to All Shareholders

The Company has currently 2,709,904,800 registered and paid-up capital comprising 270,990,480 common shares. The Company treated shareholders as follow:

#### 1. Advance Notification Before the Shareholders' Meeting

The Company sent the invitation letters in Thai or English to shareholders in order to provide information regarding agendas, objectives, reasons and opinions of the Board of Directors of each agenda, meeting criteria and procedures in voting, proxy forms as well as the venue and time of the meeting as deemed fitting. These documents shall be sent through the Registrar at least 14 days prior to the meeting with advertisement of the notification of meeting date on newspaper for three consecutive days with no less than three days before the meeting date.

#### 2. Protection of Shareholders' Rights

The Company offers the rights to shareholders to propose the meeting agendas without having to collect their shares to reach ration set forth by law. However, the Company represented by the Board of Directors reserves the rights to consider adding meeting agendas by strictly complying with the law.

Shareholders meeting will be carried out in sequence according to the agendas notified in notice of shareholders meeting. Other agendas shall not be added to the meeting other than as specified on notice of shareholders meeting without advance notification for shareholders in order to be fair to shareholders not attending the meeting.

#### 3. Equal Rights with the Company's Board of Directors / Executives

The Board imposes the Conflicts of Interest Policy and the Securities Trading and Inside Information Policy as Company regulations to which directors, executives and employees of the Company must acknowledge and strictly adhere in order to prevent directors or executives from using inside information for corrupt personal or other gain. These include the acquisition or disposal of Company's shares that must be avoided before dissemination of the Company's financial statements or circumstances including other important information to the public. The Company's directors, executives and employees strictly acknowledge and abide by as follows :

- 1) Control over the use of inside information (as detail under 9.5 Restriction of Insiders' Information).
- 2) Connected transactions or transactions that might cause conflict of interests

The Board of Directors has the policy to abide by the guidelines, procedures and disclosure of connected transactions set by the Capital Market Supervisory Board and the Stock Exchange of Thailand to control and oversee transactions between the Company and its subsidiaries with connected parties such as executives, major shareholders, or controlling persons which may cause conflicts of interests. This is to ensure transparency and maximum benefits to the Company and shareholders. Throughout the year 2013, the Company had connected transactions which were



of normal business operations for supporting normal business operations, and/or short-term rental of properties. The Company considered prices and terms on an arm's length basis and/or under the criteria set by the Board of Directors. The Company discloses this information under headline 12 Connected Transactions.

3) Acquisition or Disposal of Assets

The Board of Directors has strict policy on transactions that falls under criteria of acquisition or disposal of assets in accordance with the Notification of Capital Market Supervisory Board no. Tor Chor 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets, B.E. 2547. During the year 2013, the Company did not have any acquisition or disposal of assets with material values or that needed approval from the Shareholders' Meeting as required by the laws.

4) Disclosure of Vested Interest of Directors, Executives and Other Connected Persons.

The Company requires that directors and executives of the Company shall provide their reports on conflict of interest and those of connected persons. Such reports will be kept by the Company Secretary pursuant to related laws. In the Board of Directors' Meeting, if any matter under consideration may run into conflict of interest with any director, such director shall leave the meeting in order to assure transparency and fairness.

### 9.7.3 Roles of Stakeholders

The Company respects the rights and provides fairness to all groups of stakeholders who have been affected or may have been affected from the Company's business operations. These stakeholders are the Company's personnels, shareholders, investors, customers, trade partners, competitors, creditors, independent auditors, press, communities where the Company is located, surrounding societies, and the government sector. The Company also promotes regular cooperation with stakeholders to build the Company's stability and sustainable development.

In 2013, the Good Corporate Governance Committee and the Good Corporate Governance Working Group issued 26 policies and practice guidelines towards each group of stakeholders as follows :

1. Policy and Practice Guidelines on Safety, Occupational Health and Working Environment in Workplace
2. Policy and Practice Guidelines on Remuneration and Welfare of Staff
3. Policy and Practice Guidelines on Development of Employee Knowledge and Competency
4. Policy and Practice Guidelines Against the Violation of Human Rights
5. Policy and Practice Guidelines on Customer Treatment
6. Policy and Practice Guidelines on Business Competitor Treatment
7. Policy and Practice Guidelines on Trade Partner Treatment
8. Policy and Practice Guidelines on Creditor Treatment
9. Policy and Practice Guidelines on Violation of Intellectual Property
10. Policy and Practice Guidelines on Anti-corruption and Forbidding Bribes for the Company's Business Benefits
11. Policy and Practice Guidelines on Society Treatment
12. Policy and Practice Guidelines on Community Development
13. Policy and Practice Guidelines on Business Operations under Environmental Standards
14. Policy and Practice Guidelines on Press Treatment
15. Policy and Practice Guidelines on Employees' Responsibility to the Company's Property
16. Policy and Practice Guidelines on Efficient Resource Utilization



17. Policy and Practice Guidelines on Energy Conservation
18. Policy and Practice Guidelines on Employees' Conduct and Treatment of Colleagues
19. Policy and Practice Guidelines on Complaints
20. Policy and Practice Guidelines on Gift Giving or Entertainment
21. Policy and Practice Guidelines on Shareholders Treatment
22. Policy and Practice Guidelines on Conflict of Interest
23. Policy and Practice Guidelines on the Use of Inside Information
24. Policy and Practice Guidelines on Internal Control Systems and Financial Reports
25. Policy and Practice Guidelines on Protection and Fairness to Informants about Corruption or Non-Compliance with Laws, Rules and Regulations
26. Policy and Practice Guidelines on Prevention of Sexual Harassment in the Workplace

The Company has published these 26 policies and practice guidelines on its website at [www.srithaisuperware.com](http://www.srithaisuperware.com).

#### **9.7.4 Disclosure of Information and Transparency**

The Board attaches importance to disclosure of information with accuracy, completeness and timeliness. The information are disclosed in line with situations concerning financial information such as financial position and performance, and non-financial information such as shareholders structure, Company governance and business-related information, in order to benefit shareholders and outside persons. Investor relation unit is assigned to be responsible for providing up-to-date information with accuracy, completeness and accessibility via all channels arranged by the Company so investors and outsiders can contact and inquire about information with convenience, speed and effectiveness as follows:

##### **1. Information on the Company, Board of Directors and Shareholders**

The information of the Company, Board of Directors and Shareholders, as well as other related information are disclosed as follow:

- Vision, mission, business directions.
- Business operations.
- Company's Articles of Association.
- Company Group structure and business management, including changes to the Company Group structure and business management.
- List and details of the Board of Directors and executives.
- Shareholders structure, information on major direct and indirect shareholders holding 5% or more of all paid-up shares with voting rights, shareholders ratios, including direct and indirect shares held by directors and executives via spouses.
- Prices movement of Company's shares connected to other website e.g. [www.settrade.com](http://www.settrade.com).

##### **2. Company's Corporate Governance**

The Board has stipulated that the following information on the Company's Corporate Governance be disclosed on website and annual report as follows:

- Good Corporate Governance policy, risk management policy, environmental care policy, results from complying with policies including identification of and reasons for with each case of non-compliance.
- Roles and duties of the Board, sub-committees, number of meetings and attendance by each director including training and professional knowledge improvements.
- Remuneration policy for directors or executives which corresponds to the contributions, duties and responsibilities of each person, including forms or types of remuneration.
- Reports on securities held by directors and executives, significant stake holding and connected transactions considered and approved by the Board.
- Business ethics for directors and employees.

- Information on auditors regarding qualifications, fee, other service fees and auditors' independence.

### 3. Performance

The Board arranges to have accurate financial reports in line with generally accepted accounting principles as audited by independent auditors. Management Discussion and Analysis of performance, opportunities, obstacles, industry conditions and competition are also provided. Clear measurable and achievable key indicators are set for Company's performance goals and assessing the business's competitiveness in the industry. Company's internal and external risk factors are analyzed to seek concrete guidelines for prevention and measurement of results. The financial report will be disclosed on the Company's website every quarter and annually. Moreover, the Company also discloses other news and information through announcements, press interviews covering printed media, television, radio, as well as participates in activities arranged by the Stock Exchange of Thailand, such as Opportunity Days and Company Visits.

### 4. Time and Proper Disclosure of Information

The Board has policy for disclosing information, whether concerning financial or non-financial information, at suitable times with fairness to all stakeholder groups. Information is disclosed in line with the criteria or regulations set forth by the Stock Exchange of Thailand. Significant information will be first disclosed to the public via press conference or the Stock Exchange of Thailand in order not to benefit any particular person. In case where there is a necessity to disclose any information to related persons, actions need to be taken to ensure that the aforementioned persons maintain confidentiality of the aforementioned information until the Company discloses information to the public or considers immediately disclosing the aforementioned information to the public.

The Company gives importance to the Company's securities analysis report by analysts of all institutions which will also be disseminated on the Company's website. However, the Company refrains from stating opinion or assessing opinion or estimation, of the analyses unless significant content errors exist. The Company will explain and build understanding with analysts, depending on the case, in order not to create misunderstanding among investors who use the aforementioned analyses.

### 5. Investor Relations

The Company has assigned Office of the Company Secretary to perform the duties of Investor Relation, including making available a column of Investor Relations (IR) on our website. The purpose is for easy access to information and being a channel of communication with directors and executives. Office of the Company Secretary compiles all questions and suggestions received via telephone or fax or such IR column, and forward them to directors and executives for their replies, follow-up and progress reporting as deemed appropriate.



## 10. CORPORATE SOCIAL RESPONSIBILITY

### 10.1 Overall Policy

In 2013, the Company officially announced a policy on corporate social responsibility so that all groups of stakeholders, both inside and outside the Company, acknowledge, understand, and abide by them. It was a step to reinforce the importance and the attempt of the Company to carry out its operations based on business ethics while taking care of all of its stakeholders. As well, it balances between business and society, with the hope to make them grow alongside each other in a sustainable manner. Detail of the Policy is as follow:

#### Corporate Social Responsibility Policy

"Srithai Superware Public Company Limited, the manufacturer and distributor of industrial and household products, is committed to producing quality goods that are safe for consumers while taking into account its responsibility for communities and environment, stakeholders and society as a whole in different aspects that might be affected from the Company's operations. This is based on business principles that are transparent, accountable and ethical. The Company also respects human rights and interests of stakeholders, while commits to be developed and improved in order to continuously create a foundation of corporate social responsibility alongside its business growth with continuity and sustainability."

The Company has appointed the Corporate Social Responsibility Committee comprising 12 members of its executives and expert as follows :

1.	Mr. Sanan Angubolkul	Chairman of the Corporate Social Responsibility Committee
2.	Mr. Prin Bholnivas	Vice Chairman of the Corporate Social Responsibility Committee
3.	Mr. Manit Ativanichayaphong	Corporate Social Responsibility Committee Member
4.	Mr. Apisit Tangsatit	Corporate Social Responsibility Committee Member
5.	Mr. Jarung Srisakul	Corporate Social Responsibility Committee Member
6.	Mr. Pawat Chalermpong	Corporate Social Responsibility Committee Member
7.	Mr. Chaichan Chareonsuk	Corporate Social Responsibility Committee Member
8.	Ms. Bunnapa Lertsumitkul	Corporate Social Responsibility Committee Member
9.	Mr. Prayoon Kajitte	Corporate Social Responsibility Committee Member
10.	Mr. Pramual Pinyo	Corporate Social Responsibility Committee Member
11.	Mr. Bandit Hiranvivatkul	Advisor of the Corporate Social Responsibility Committee
12.	Mr. Somsong Raksapol	Corporate Social Responsibility Committee Member and Secretary

The Committee has the duty and responsibility to set directions and approaches that are related to corporate social responsibility. They also include setting the plans, allocating investment budgets and necessary expenses, appointing sub-committees, providing advices, monitoring, and assessing performances by using key indicators to be agreed upon by the Committee.

Apart from promoting good corporate governance, the Company places importance on systematic, transparent and traceable work standards, quality products with environmentally friendly production processes, being certified by outside agencies on the quality of products, energy and environmental management, and providing channel to receive feedbacks from within and outside the Company. Human resources are another success factor that would lead to sustainable growth. The Company has set it the duty and responsibility of each and every personnel, as well as implanted the recognition of being responsible for society and environment. 'CSR Implementation' is included as one of the annual work plan that every unit needs to do brainstorming and making it materialized in order to promote, develop, or suggest ideas for improvement.

## 10.2 Implementation and Report Preparation

The Company sets the activities of Corporate Social Responsibility as part of its mission to reflect its intention and need to carry out businesses while concerning society, environment and fair treatments to its stakeholders (CSR In-process), in order to bring sustainability to its business and society as a whole. The Company also attempts to encourage its subsidiaries to implement corporate social responsibility activities in the same way as the Company. The Board of Directors has approved the Good Corporate Governance Policy, Third Revised Edition (2013), and the 26 Policies and Practice Guidelines concerning treatments to all stakeholders, as shown under headline 9 Corporate Governance. The purpose is to be the framework for following by all functions in the Company and to have mutual understanding of all stakeholders within and outside the Company. Details of aforementioned information have been publicized on the Company's website. They are in line with the 8 Principles of Guidelines for Corporate Social Responsibility of the Stock Exchange of Thailand as follows :

1. Fair business operations
2. Anti corruption
3. Respect of human rights
4. Fair treatments to employees
5. Responsibility for consumers
6. Environmental preservation
7. Community or society development
8. Innovation and its dissemination of the results from the operations responsible for society, environment and stakeholders

Practice guidelines for all groups of stakeholders and performances of the Company in 2013 can be summarized below :

### 1. Shareholders Treatments

The Company places great importance on shareholders who are the owners of the business. Therefore, it has set the policy to have its Board of Directors, who are the representatives of shareholders, executives and other personnels to follow the Good Corporate Governance Principles. They include protecting interests of shareholders, facilitating shareholders in exercising their rights, and insuring equitable fair treatments to all shareholders in order to sustainably maximize benefit and add value to shareholders. Examples of the practice guidelines are as follow:

1. Managed the organization in conformity with the Company's vision and Good Corporate Governance Principles with integrity, honesty, and caution without having conflicts of interest.
2. Respected shareholders' rights and treated every shareholder fairly and equally without violating or curbing shareholder's rights, etc.

### 2. Employees Treatments

The Company is committed to managing its human resources in a way that supports its policy, business goals and strategies, while at the same time also equips its personnels with knowledge and good attitudes. The Company has the policy to ensure that its personnels receive fair remuneration and benefits, arrangement of safe and hygienic place and environment, equal treatments without direct or indirect violation of their human rights and freedom, as well as protection against sexual harassment in the workplace.

In terms of safety, the Company appoints a safety unit responsible by safety officers. This unit is under the direct command of the President, and it has the duty to monitor and give advice regarding safety to the management.

Moreover, the Company also provides the opportunities for its personnels to complain or inform about any matters that might adversely affect the Company, its personnels, or themselves, as well as defines methods for handling the complaints together with protecting the complainers.



The employees treatments in 2013 were as follows :

- 1) Set up a provident fund for employees whereby representatives of employees and management had appointed Tisco Asset Management Company Limited to manage the fund;
- 2) Incurred only 12 accidents which required employees to take leave for 3 days or over for all 4 plants;
- 3) Provided trainings to employees to develop their knowledge and expertise by attending at least 8 hours per employee per year;
- 4) Received no significant complaint from employees, etc.

### **Safety, Health, and Environment in Workplace**

The Company has followed a scheme on safety, health and working environment seriously and continually. This includes training employees before they start working, preparing a work manual, and disseminating information about safety. A sub-committee on safety, health and working environment is set-up in each plant to work closely in audit, improvement, and evaluation of safety.

Implementation of the scheme is aimed to achieve results as described in the Company's policy and suit with our business operation. It helps pave a way to standardization on safety, health and working environment at international level. The results are to increase competitive edge for the company-wide by reducing waste in terms of staff, time and productivity, and improve the Company's image to the public.

The Company had organized training courses on "Safety Executives" and "Safety Supervisors" to employees in each branch continually as required by law. The program aimed to recruit trained employees to be Safety Executives and Safety Supervisors. Furthermore, the Company's plant in Korat had been certified with the Safety, Health and Working Environment Standards OHSAS 18001:2007 and the Thai Industrial Standard or TIS 18001:1999. This serves to assure the customers' confidence in safety of the Company's production process up to the level of ministerial and international standards. Our Amata Nakorn Chonburi plant is about to apply for certification on occupational health and safety management OHSAS 18001:2007.

The Company uses and manages its assets appropriately. Eventhough the buildings of headquarter and 4 plants have been in use for a long time, the Company provides the annual inspection on the safety of buildings, electrical systems, working environment, and others by independent agencies in compliance with the Building Control Act B.E. 2522 and related regulations. This is to ensure that the Company's workplace is safe and the risks of accidents are minimized, especially those caused by uncontrollable factors such as natural disasters.

### **Activities Involving Employees and Awards Received in 2013**

The Company attaches importance on its human resources by organizing activities for its employees regularly. Activities and awards that the Company held and received are as follows :

- **You Dee Mee Suk Project**

It is the campaign and training program for staff on self sufficiency according to the King's Sufficiency Economic Philosophy.

- **Labor Safety and Good Health Program**

The Company had joined activities on safety, health, and work environment under the Labour Safety, and Good Health program with the collaboration of the Industrial Estate Authority of Thailand and the Department of Labour Protection and Welfare, Ministry of Labour to promote the campaign on safety and good health for the Company's employees.

- **Drug Free Workplace Award**

The Company has launched a campaign on prevention of drug addiction in workplace. Concerned officials were invited to make random check our work forces, Thai and foreigners, to screen drug addiction and to make our employees realize about danger of drug.

- **Srithai Training Center Project**

The Company has established a Srithai Training Center at Korat plant to promote learning and skill development to staff, particularly, production staffs. The Company has already arranged the training area varied to the functions i.e. lecture room, computer room, pre-skill shop, and skill shop.

For foreign workers, the Company provides Thai language classes to improve their communication skills.

The Company make available opinion boxes in three languages: Thai, Burmese, and Cambodian to receive suggestions and complaints from employees which will be used for improvement or clarifying any misunderstanding.

- **Excellent Establishment on Labour Relations and Welfare Award 2013**

On September 13, 2013, Bangpoo and Korat plants received the Excellent Establishment on Labour Relations and Welfare Award 2013 from the Department of Labour Protection and Welfare, Ministry of Labour. It is an award given to enterprises that have good labour relations management between employers and employees by recognizing the importance of working together, and fair and appropriate sharing of benefits. This is one of the important policies of the Ministry of Labour which focuses on promoting business enterprises to be a loving workplace and have bonding between employers and employees. Our two plants have received the awards for consecutive years.

### **3. Business Operations under Fair Rules**

The Company promotes cooperation with the stakeholders by doing business with fairness and transparency, and without bribes in order to create stability and sustainability for all involved parties. The Company has set the practice guidelines for treatments to each group of stakeholders as follows :

- Commit to maintaining maximum customer satisfaction with fairness in terms of both price and quality as well as product and service development so as to better meet continual customer needs;
- Give importance to trade partner from the process of procurement and selection to business ventures for the maximum benefits of the Company with fair returns for both parties which shall lead to sustainable business relationships;
- Conduct business within the framework of fair rules; use professional competitive manners in compliance with good competition means. In some case where there is cooperation with business competitors, the aforementioned deed must be transparent with no concealment of unlawful agreements;
- Treat creditor with equality, fairness and transparency by strictly adhering to terms and agreements;
- Consider purchases / sales of goods or services with outsiders, including other business entities to be conducted with fairness and transparency without accepting bribes, rewards or entertainment from involved persons for the decisions of the involved persons;
- Strictly comply with intellectual property laws without violating any type of intellectual property rights, promote and support employees to use their knowledge and creativity to regularly create new innovations, and do not take the works or information of others as the Company's without permission;
- Comply with the regulations of the Stock Exchange of Thailand on the disclosure of information of listed companies, including information that might affect the stakeholders, through the media in order to communicate to the public accurately and quickly.





In order to assure the development of quality of products and production processes to reach international standards, the Company has submitted its applications to obtain certificates regarding product standards. Certificates that the Company already received and is applying are as follows :

### **Standard on Quality Management System for Automotive Industry**

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

### **Standard on Quality Management**

On August 5, 2013, Suksawat plant received the certificate on the Standards on Quality Management: ISO 9001: 2008 from the United Registrar of Systems (Thailand) Limited (“URS”), which validates that Suksawat plant’s production has continuous and qualified development and improvement systems. Besides, it has set the policy on standard of quality, goals and work procedures in controlling and monitoring every step of works that might affect the production quality in order to maintain confidence in the products and services.

### **Standard on Food Quality and Safety**

On August 22, 2013, Suksawat plant received the certificate on the standards on food quality and safety both in terms of Good Manufacturing Practice (“GMP”) or good principles in food production, and Hazard Analysis and Critical Control Point: HACCP from the United Registrar of Systems (Thailand) Limited (“URS”). The certificates validate that production processes for food container of the Company are up to standards on food safety in the food industry. This also gives confidence to consumers that the Company’s products quality and safety are leveled at international standard.

Moreover, Amata Nakorn Chonburi plant is another factory which produces food & beverage packaging that focuses on the hygiene and safety of consumers. It is in the process of improving the environmental management system, and applying for the certificate of the Food Safety Certification (FSSC 22000: 2013), or ISO 22000: 2005 and the Technical Regulations for Containers (PAS-223) in 2014. Upon receiving the certificates, it can reinforce the safety of its products at international standard, and gives confidence to customers who are business operators in the food and beverage industries as well as consumers.

### **Awards on Business Operations Received in 2013**

- **The Best Entrepreneur in Export Logistics Model Award: ELMA 2013**

On September 4, 2013, Korat plant received the Export Logistics Model Award 2013 (ELMA) on Outstanding Exporter from the Department of International Trade Promotion, Ministry of Commerce. It is an award for enterprise with good logistics management. There are 7 criteria for consideration which are business vision and leadership, strategic planning on logistics, importance placing on customers and marketing, information technology application in logistics, importance placing on human resources, logistics management, and logistics business outcome. They are undertaken through the integrated approaches and assessment framework on business and logistics management that are accepted widely which encompass both quality and efficiency as being key factors of business excellence.

- **Thailand’s Corporate Brand Rising Stars 2013**

On September 17, 2013, the Company received the Thailand’s Corporate Brand Rising Stars Award 2013, under household products category, from the Faculty of Commerce and Accountancy, Chulalongkorn University. It is an award given to enterprises who are listed companies in the Stock Exchange of Thailand and have the highest brand value. The Company had the highest growth of brand value in the household products category.

- **The Prime Minister's Industry Award for Logistics 2013**

On November 14, 2013, Amata Nakorn Chonburi plant received the Prime Minister's Industry Award for Logistics 2013 from the Department of Industrial Promotion, Ministry of Industry. It is an award for enterprises that have set the strategies to manage its logistics with good planning and control of movement, storage of goods and services, and efficient and effective management of information technology. It also includes cooperation with outsiders ranging from production sources to consumption in order to meet the needs and satisfaction of customers.

#### **4. Fair and Responsible Treatments towards the Community, Society and Environment**

The Company recognizes the responsibility towards society and being friendly to environment, and considers these as direct responsibility of each and every employee. The Company is committed to producing and distributing quality products that are safe for consumers, and to supporting activities which improve the quality of life and enhance happiness of community. Employees and parties involved are encouraged to create good relationship and carry out activities that benefit the community in which the Company is located. Prevention of and control over accidents, wastes or incidents that might affect the environment, resources uses in the most efficient way, and improvement of the environmental management system in a continuous and sustainable manner are for the benefits of the society and business. In 2013, the Company received an award for its social responsibility as follows :

- **Award for Standard of Corporate Social Responsibility, Department of Industrial Works**

On September 11, 2013, Suksawat, Bangpoo and Amata Nakorn Chonburi plants received the Award for Standard of Corporate Social Responsibility, Department of Industrial Works : CSR-DIW from the Department of Industrial Works, Ministry of Industry. It is awarded to enterprises having development in social responsibility. Various dimensions of the criteria are such as good corporate governance, human rights, labour treatments, fair treatments to consumers, environmental management at plant and participation in the sustainable development of local communities.

The Company not only attempts to push for receiving certificates that reflect its social and environmental responsibility, it also promotes its products that help preserve the environment. This is to encourage the operators of soft drinks and drinking water businesses to widely recognize the importance of environmental preservation, in Thailand and the ASEAN countries. The Company also gives importance on efficient energy management. This can be summarized as follows :

#### **Products and Innovation for Environmental Conservation**

The Company distributes products that help support CSR activities for operators of carbonated soft drink and drinking water industry, such as closures and preform bottles (PET) which are light-weighted. It is a new innovation that saves cost and lessens consumption of raw materials. The Company produced closure model 29/25 for drinking water bottles which is lighter to replace the old model 30/25. As a result, consumption of raw materials can be reduced in the production process. Transportation cost and consumption of energy are also saved. The Company continues to develop the products in response to rising awareness on environmental conservation.





The Company has 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, work process, consumption of energy, and carbon dioxide emission in the production process as part of reducing pollution and global warming. The Company has continually maintained the efficient production processes. Those processes are compliant to the principles of Carbon Foot Print, a starting point of the Carbon Label Project which is an international standard for environmental conservation products, leading to Carbon Credit Program in the future. In 2013, the Company received a certificate on Standards from the Greenhouse Gas Management Organization in using Carbon Label for 2 food container items. This is a step towards success and reinforcement of the Company's commitment that it places importance on and truly cares about environmental preservation and the communities. The Company plans to applies for the Carbon Label for the 29/25 bottle closure in 2014.



Moreover, the Company places importance on education and joint researches with leading organizations and educational institutes to develop bio-degradable plastic and melamine products. Such development will allow the Company to commercially penetrate niche markets in the future. It helps stress that the Company's products are of standards that can help preserve the environment and alleviate global warming.

#### **Implementation of Policy and Energy Conservation Measure**

The Company is committed and cares about the value of energy Measures are carried out in its factories and offices regularly through encouraging employees at every level to recognize the value of energy and cooperate in saving energy. The Company set up an Energy Management Working Group in 4 plants in order to seriously and concretely implement, monitor and assess energy management. It also encourages employees at every level to participate in voicing out their opinions and making suggestions to correct any faults that might cause energy wastage. Energy preservation activities are also arranged leading to lower energy cost and benefiting society and the country as a whole.

In the area of production, the Company has invested in new machines with high production efficiency and energy saving in order to replace obsolete machines that consume high energy. New innovations in the production process are introduced, for example, the induction heating system which uses 30 – 40% less energy than the original heating system. Not only these investments helped enhance productivity and reduce consumption of raw materials, the Company also experienced lower energy consumption per output weight. In the past few years, the Company has been committed in jointly developing and promoting efficient energy preservation and reduction of pollution with educational institutes which are King Mongkut's University of Technology Thonburi and Suranaree University of Technology. The universities sent their personnels to take part in the studies to improve production system and energy management system of the Company.

Furthermore, the Company also participated in energy conservation activities with outsiders. They joined the project of the Department of Alternative Energy Development and Efficiency, Ministry of Energy regarding extension of energy management standard. A workshop seminar was organized 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. With outstanding performance as a result of strict and continuing implementation, the Company has

been invited to act as a model factory in energy preservation for the Department of Alternative Energy Development and Energy Preservation, Ministry of Energy. Those interested, students studying in the project developing the capability of personnel on technology and management, and lecturers and experts from King Mongkut's University of Technology Thonburi, were invited to participate in a seminar sharing the knowledge and experiences at the Company's factory. As such, the Company has disseminated its work and measures that made it successful in energy preservation, as well as organized joint activities and assessment.

Awards on Energy Management and Preservation previously received by the Company are as follows :

- Amata Nakorn Chonburi plant received the Outstanding Award on Energy Conservation for Restricted Factory under the program "Thailand Energy Awards 2012" organized by the Department of Alternative Energy Development and Energy Preservation, Ministry of Energy.
- Korat plant received "The Prime Minister Industry Award 2012" on energy management from the Ministry of Industry.

Additionally, the Company has been certified for its energy management and has received additional awards on energy saving in 2013 as follows:

- **Energy Management Standards**

The Company received a certificate on the Energy Management Standards ISO 50001: 2011 for 2 factories, Suksawat plant received the certificate from the TUV NORD (Thailand) Limited ("TUV NORD") for its plastic injection process in food and industrial containers, and Korat plant received the certificate from the United Registrar of Systems (Thailand) Limited ("URS") for the designing and production process of melamine products. These certify that both factories have the management system, energy capacity improvement, and continuous implementation of systematic processes for the energy preservation in order to ensure efficient and sustainable use of energy.

- **Logistics and Transport Management Award**

On May 21, 2013, Bangpoo and Korat plants received Logistics and Transport Management Awards from the Institute of Energy for Industries, the Federation of Thai Industries. It is an award for business operators who have a systematic transport management and reduces energy consumption for transport with engineering and technological principles, management, vehicle driving techniques, and team-building.

## Implementation Regarding Environment

The Company has realized the importance of social and environmental responsibilities and considered it as part of its key tasks to all staffs. The Company has set up an environmental policy to serve as a guideline to all. Presently, all the 3 plants, i.e. Bangpoo plant, Korat plant and Amata Nakorn Chonburi plant had been certified for its environmental protection standard ISO 14001:2004 by the United Registrar of Systems (Thailand) Limited ("URS"). This is a good representation of the realization of efficient environmental protection given by the Company.

All of the Company's plants received certification as Green Industry, Level 3, Green System from the Ministry of Industry. It served as evidence that the Company has systematic environmental management, proper monitoring, and review process for purpose of continuing development. Each plant has planned to step up from Green Industry Level 3 (Green System) to Level 4 (Green Culture) in 2014.

Awards for energy preservation received by the Company in 2013 are as follow:

- **The Prime Minister's Industry Awards for Environmental Management 2013**

On November 14, 2013, Korat plant received the Prime Minister's Industry Awards for Environmental Management 2013 from the Department of Industrial Promotion, Ministry of Industry. It is an award given to



enterprise certified on environmental management standards (ISO 14001) with the framework encompassing all of their operations, and having pollution control and treatment systems according to related laws and regulations. It is an honour to business operators with diligence in creating quality products that are friendly to the environment, and being a good role model for other businesses in the industry.

Apart from receiving the certificates as mentioned, the Company needs to be certified or audited with performance measurement in various aspects with the standard requirements of overseas customers including evaluation on qualification of being producer and distributor.

The Company has prepared a Corporate Social Responsibility for Sustainable Growth Report 2013, and will publicize it on the Company's website accordingly.

### 10.3 Business Operations that Affect Social Responsibility

In 2013, the Company and its subsidiaries did not have any business operations that affect social responsibility in the following manners :

1. The Company and its subsidiaries have been audited or are being audited by agency in charge of assessment, consideration or judgment that the Company or its subsidiaries' operations significantly violate the law on the 8 Principles of the Corporate Social Responsibility Guidelines of the Stock Exchange of Thailand.
2. The operations of the Company and its subsidiaries have part or have been claimed to cause negative impact to society, environment, or acted against the 8 Principles of the Corporate Social Responsibility Guidelines of the Stock Exchange of Thailand.

### 10.4 Corporate Social Responsibility and Environment Activities (CSR After Process)

The Company realizes the importance of its roles and participation in returning benefits to the society. Mr. Sanan Angubolkul, Chairman and President, had been on the Board of various organizations of both public and private sectors to promote and improve various areas of developments such as education, society, culture, environment, energy, trade, and international diplomacy. These include holding the position as Chairman of the AFS Intercultural Programs Thailand, Chairman of the Rogation Foundation, Chairman of Beijing Language and Culture University, Bangkok College, Chairman of the Committee on Energy of the Thai Chamber of Commerce, President of the Confederation of St. Gabriel's Foundation of Thailand Parents and Teachers Association, President of the 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.

The Company had participated in returning benefits to the society and the community in times of peace and disasters, such as the big flooding in Thailand in 2011. The Company was not limited to donation of money, goods and public service, but inclusive of other community development activities, such as :

- Encouraging and supporting its staff and interested people in the community to have access to education, and to support educational institutes in upcountry in setting hygienic practices, giving educational equipments, and granting scholarship with the belief that education creates knowledge, innovations, and changes that can lead to development and self-reliance;
- Arranging the internship program to students from vocational institutes in the North Eastern region of Thailand to gain working experiences while receiving remuneration and welfare like our staffs in order to support better career, income and quality of life;
- Encouraging and promoting the Company's staff to realize the importance of CSR and to continuously participate in activities which promote CSR both within and outside the Company in order to gain knowledge and understand the benefits of CSR activities to the Company's business;

- Promoting education and development of skill of disabled people as the Company being one of the enterprises in private sector who support and cooperate with the Ministry of Education, the Department of Skill Development, Ministry of Labour and Social Welfare, and King Mongkut's University of Technology Thonburi in driving "The Promotion and Development of Industrial Ability of the Disabled Program". The Program is to provide an opportunity to the disabled to develop their labour skills and to get ready for working in industrial sector with an aim to help them have good quality of lives and be able to work in the society with pride in their human rights equitable to others.

The Company has prepared a Corporate Social Responsibility for Sustainable Growth Report 2013, and will publicize it on the Company's website accordingly.

## 10.5 Prevention on Corruption

The Company promotes and implants its employees and involved parties to comply with all the laws and regulations relating to anti-corruption and anti-bribery. These also extend to the Policy and Guidelines on Anti-Corruption and Forbidding Bribes for the Company's Business Benefits, which is part of the policies and practice guidelines of treatments to stakeholders that have been approved by the Company's Board of Directors. The Company has set the guidelines for all employees as follow :

- Do not give or support the giving or receiving of inappropriate gift, entertainment allowance or expenses;
- Do not make direct or indirect payments to facilitate, accelerate operations or create flexibility in doing business;
- Forbid bribery in all types of business conducts, whether directly or via third party;
- Carry out procurement and outsourcing with transparency, honesty, straightforwardness and in compliance with related laws and regulations;
- Never give direct and indirect political support money to political parties, political party officials, election candidates, organizations or persons involved with politics as loophole in paying bribes, unless political support money is legally and transparently donated;
- Continually monitor, audit and search for guidelines to prevent any actions indicative of corruption and bribes to the organization;
- Campaign for executive and employee of all levels to fight against corruption and forbid bribing.

In 2013, the Risk Management Sub-committee reviewed the risk assessment of fraud in significant transactions, and did not find any cases that might expose to such risks.

Moreover, the Company makes available the internal control system and gives the stakeholders the opportunity to provide information and tips on corruption or non-compliance with laws, rules and regulations (whistleblower). Also, the audit process and protection of the complainers or reporters are provided in an adequate and concise manner. Guidelines are clearly available in case complainer is auditor which the Company has to abide by Article 89/25 of the Securities and Exchange Act (No. 4) B.E. 2551, or ordinary person. In case of ordinary person, the Company has the following guidelines :

1. The Company requests that complaint or report on information concerning corruption or non-compliance with laws, rules and regulations be made in writing only.
2. Complainer can report information on complaint to an independent director by the following methods:
  - Via e-mail address, being publicized on the Company's website in the whistleblower channel, of which the complainer can choose to send the information to an independent director or all of them comprising
    1. Mr. Viroj Lowhaphandu E- mail address : viroj\_low@srithaisuperware.com
    2. Mr. Enghug Nontikarn E-mail address : enghug\_non@srithaisuperware.com
    3. Mr. Suchat Boonbanjerd Sri E-mail address : suchat\_boo@srithaisuperware.com
    4. Mrs. Siriporn Sailasuta E-mail address : siriporn\_sai@srithaisuperware.com



- Fax
- Direct letter to independent director
- Submit the report in a sealed envelope addressed to an independent director through the Secretary of the Audit Committee (Head of Internal Audit)

For documented complaints as in 1 and 2, the complainer is not required to reveal his/her identity. However, if the complainer is able to identify him/herself, the complainer is requested to disclose the complainer's first and last names, telephone number, facsimile, or email address. The Company can later on inform outcome of the action or ask for additional information.



# 11. INTERNAL CONTROL AND RISK MANAGEMENT

## 11.1 The Opinion of the Board of Directors on Internal Control System

The Board of Directors and executives have the duty and responsibility to maintain an efficient and effective internal control system in line with the prescribed policy. This is to be carried out through the establishment of clear work and audit plan, as well as having adequate personnel to appropriately and efficiently follow working system and plan. In order to protect the shareholders' investment and the Company and its subsidiaries' assets, the Company not only concerns the personnel of the internal control system, but also focuses on instilling the awareness of and designating the responsibilities to other departments to strictly comply with the rules, regulations and operational procedures. It sets measures to control and monitor the performance of the Company's subsidiaries, as well as carries out regular assessments and reviews the efficiency of the control system. The internal system also covers the control of finance and operations, monitoring system to ensure they follow the relevant laws and regulations, and the risk management system. The Company is reasonably confident that having an efficient internal control system will help the Company and its subsidiaries achieve the below objectives and targets :

- Policies and goals of the Company have been undertaken and achieved completely.
- 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 with assets protection from the use by directors or executives illegally or without any authority.
- Business operations and resources are used efficiently.

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 guideline of the Committee of Sponsoring Organization of the Treadway Commission (COSO), which could be summarized according to areas of control as following:-

### 1. 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 Assessment

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. Control Activities

The Company introduced segregation of duties for purpose of internal controlling, written authorization on approval of transactions in term of 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 communication. 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 Activities**

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. 7/2556, held on December 24, 2013, the Company's internal control system was evaluated by using the COSO Internal Control – Integrated Framework Year 2013 by 5 aspects as mentioned above. The outcome indicated that the Company had sufficient and proper internal control system. There are no finding of any significant faults to the Company's internal control system and financial statements nor connected transactions with parties that may have conflict of interest or connected parties. The system also helps monitor and control in protecting the Company and its subsidiaries' assets from being misused by the Company's directors or executives.

### **11.2 Opinion of the Audit Committee on the Internal Control System**

The Audit Committee has reviewed the internal control system together with the Company's Auditors and Internal Auditors regularly on quarterly and yearly bases. All parties have agreed that the Company has a suitable and sufficient internal control system. In 2013, the Audit Committee did not find any significant faults in the internal control system, nor did the auditors find any alarms that would require prompt correction. The Audit Committee also disclosed its opinion on the review of the internal control system in the Report of the Audit Committee, as shown in Attachment no. 4.

### **11.3 Head of Internal Audit Department and Head of Compliance Department**

The Company has the Internal Audit Department which 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 is an independent function. It was allocated with sufficient resources and budget appropriately for carrying out its audits on operations and compliance with relevant laws, rules and regulations.

The annual audit 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. Summary of audit results are also reported to the meeting of the Board of Directors on quarterly basis.

Internal Audit Manager of the Company is Mr. Tanatch Sripan who has been appointed by the Audit Committee since 2008. Mr. Tanatch Sripan is independent in performing his duties with knowledge, skills and understanding of the business and operations of the Company. He dedicated his knowledge and time to assist in other functions which were associated with the internal audit such as Audit Committee Secretary, Risk Management Sub-committee Member and Good Corporate Governance Working Group Member. The Company has considered he is capable and suitable to the duties as assigned by the Audit Committee. The Audit Committee and the management jointly evaluate the performance and merit or punishment of Internal Audit Manager according to the Charter of Audit Committee. Resume of Internal Audit Manager is disclosed in Attachment no.3 Detail Regarding the Company's Internal Audit Supervisor and Compliance Supervisor.

The Company is in the process of considering establishment of Compliance Department and its duties and responsibilities.

## 12. RELATED-PARTY TRANSACTIONS

### 1. Connected Transactions with Individuals Who Might be Conflicted or Related to the Company

In 2013, the Company had transaction with 2 individuals who were related to the directors and executives of the Company such that they could be called 'close relatives' as specified by the definition of persons with conflict of interest or connected persons. The transaction involved the purchase of common shares of Srithai Nanoplast Company Limited, a subsidiary, from those 2 individuals totalling 15.0 per cent of registered and paid-up capital. The Company paid them for the shares value THB 6.38 million. The Company did not appoint a financial advisor to appraise the share price because the transaction value was not significant to the Company financial statement. Moreover, this share price is the net book value of Srithai Nanoplast Company Limited, and the same price as the Company bought from other shareholders who are not related to the Company. The transaction has been unanimously approved by the meeting resolution of the Board of Directors No. 3/2556 on May 14, 2013 without the presence of Directors who are related to share sellers. The Company has disclosed detail of investment in Srithai Nanoplast Company Limited through the information system of the Stock Exchange of Thailand (ELCID).

Moreover, the Company has subsidiaries and some related companies which might have conflict of interest and/or be related companies according to the Securities and Exchange Act and regulations of related agencies. Connected transactions that incurred in 2013 are as follows:

Company Name / Relationship	Nature of Business	Type / Value of Transactions in 2013	Necessity / Reasonableness
<b>Srithai Moulds Company Limited</b> 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	1. Normal business transactions amounted to THB 23.67 million	1. Normal 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 criteria approved by the Board of Directors of the Company.



Company Name / Relationship	Nature of Business	Type / Value of Transactions in 2013	Necessity / Reasonableness
Srithai Moulds Company Limited (Cont'd)		<p>2. Transactions involving assets or service amounted to THB 0.95 million</p> <p>3. Dividend income amounted to THB 7.10 million</p>	<p>2. Transactions involving assets or services. Srithai Moulds Company Limited wanted to expand the business to generate more revenue in addition to their core business. Therefore, it is necessary to purchase some assets from the Company since the assets were in good condition and not in use by the Company. However, the disposed assets value was not material and did not affect the capacity of the Company. The Company has set the terms of trade and selling price of such assets on an arm's length basis under the criteria prescribed by the Board of Directors. Therefore, the independent appraiser was not hired to appraise the disposed assets.</p> <p>3. Pay out of dividend to all shareholders of Srithai Moulds Company Limited at the same rate proportionate to the number of shares held by each shareholder.</p>
<p><b>Srithai Packaging Company Limited</b></p> <p>1. An associate whose 39.2% of shares held by the Company.</p> <p>2. 9.8% of shares held by an executive of the Company and relatives of some executives.</p> <p>3. A relative of some executives of the Company serves as a director in Srithai Packaging Company Limited.</p>	<p>Manufacture and Distribution of Paper Boxes</p>	<p>1. Normal business transactions amounted to THB 13.47 million</p> <p>2. Dividend income amounted to THB 0.47 million</p>	<p>1. Normal 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 criteria approved by the Board of Directors of the Company.</p> <p>2. Pay out of dividend to all shareholders of Srithai Packaging Company Limited at the same rate proportionate to the number of shares held by each shareholder.</p>

Company Name / Relationship	Nature of Business	Type / Value of Transactions in 2013	Necessity / Reasonableness
<b>Srithai Marketing Company Limited</b> 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.	Distributor of house-ware a products	1. Normal business transactions amounted to THB 256.53 million  2. Supporting normal business transaction amounted to THB 3.35 million	1. Normal 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 under the criteria approved by the Board of Directors of the Company.  2. Transactions 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. Supports for sales promotion expenses of the Company's distributor were also provided.
<b>Siam Melamine Marketing Company Limited</b> 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.	Distributor of plastic products and melamine products	1. Normal business transactions amounted to THB 153.66 million  2. Supporting normal business transactions amounted to THB 0.83 million.	1. Normal 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 criteria approved by the Board of Directors of the Company.  2. Transactions 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 in support of sales promotional expenses to the distributor. Supports for sales promotion expenses of the Company's distributor were also provided.



Company Name / Relationship	Nature of Business	Type / Value of Transactions in 2013	Necessity / Reasonableness
Siam Melamine Marketing Company Limited (Cont'd)		3. A short-term property rent amounted to THB 1.47 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.
<b>Srithai Stainless Company Limited</b> 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 Distribution of kitchenware and furniture	1. Normal business transactions amounted to THB 4.83 million  2. Supporting normal business transactions amounted to THB 0.12 million	1. Normal 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 criteria approved by the Board of Directors of the Company. 2. Transactions 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.
<b>S.Sahatara (Thailand) Company Limited</b> 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	1. Normal business transactions amounted to THB 3.82 million.  2. Transactions involving assets or service amounted to THB 0.82 million.	1. Normal 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 criteria approved by the Board of Directors of the Company. 2. Transactions involving assets or services. The Company was to purchase some assets from S.Sahatara (Thailand) Company Limited to be used in the development of barcode printing on the price label of the Company's products. The Company did not hire an independent appraiser to appraise the assets purchased because the value of such assets was not material. The Company has followed the normal process of purchasing and the terms of trade and price on an arm's length basis or under the criteria approved by the Board of Board of Directors.

Company Name / Relationship	Nature of Business	Type / Value of Transactions in 2013	Necessity / Reasonableness
<b>Toho Foam (Thailand) Company Limited</b> 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.	Manufacture and Sale of EPE Foam	No related party transaction in the year 2013	

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 companies that might have conflict of interest or connected companies. However, all transactions were 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 criteria approved by the Board of Directors. The Company has disclosed details of related party transactions for the year 2013 in the Notes to Financial Statements for the year ended December 31, 2013, no. 34 Related party transactions, pages 63 - 67.

Related-party transactions in the form of financial support previously existed and incurred in 2013 were as follows:-

1. Providing corporate guarantee on credit facilities granted by financial institutions and commercial credit granted by raw material supplier to Srithai (Vietnam) Company Limited, a subsidiary whose 100% of shares being held by the Company, for guarantee limit of USD 23.8 million to support its business operations and allowing flexibility in purchasing raw material at appropriate price.
2. Providing corporate guarantee on credit facilities granted to Korat Thai Tech Company Limited, a subsidiary whose 100% of shares being held by the Company, for guarantee limit of THB 50 million for supporting its business.
3. Providing corporate guarantee on credit facilities granted to P.E.T. Blow Company Limited, a subsidiary whose 100% of shares being held by the Company, for guarantee limit of THB 50 million for supporting its business.

These financial supports were approved by resolutions of the Board of Directors. The Company has no other financial support transaction with any other subsidiary or associate or related companies.

## 2. Need for Related-party Transactions

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, to increase market coverage, and to increase competitiveness and growth of Srithai's Group of companies. As a result, most companies under Srithai Group have similar businesses and products or are supporting arms of main businesses of the Company. Related-party transactions frequently occurred among the Group of companies due to its need to purchase or sell products or services to other parties within the Group of companies to support and enhance the main revenue generation and/or give financial support necessary for business operations of subsidiary to be competitiveness.

In addition, the connected transactions executed with persons who might have conflict of interest or connected persons not under the structure of the Group of Companies were mostly carried out with distributors of the Company. The purposes are for business reasons and satisfying products demand from another party.





### 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. 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 cause any conflict of interest.

In granting financial support to 100% owned subsidiaries, the Company will provide and present to the Board of Directors limit and nature of financial support, reasons and need for such transactions on a case by case basis. The Company will evaluate business environment and need for financial support of each subsidiary in order to provide suitable kind of financial support for sake of maximizing benefit for subsidiaries.

In order for the Company to 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. Tor Chor. 21/2551, and granted the power to the management to approve connected transactions within the criteria stipulated by the Board of Directors.

However, if nature or size of any connected transaction is beyond the scope approved by the Board of Directors, the Company will submit it to the Board of Directors for its consideration to obtain approval from the Shareholders' meeting being in line with the Notification of the Capital Market Supervisory Board No. Tor Chor 21/2551, RE: Rules on Connected Transactions.

### 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.

Future trend of granting financial support by the Company may be rising, subject to need, business expansion policy and growth of companies in Srithai Group, especially subsidiaries.



## Part 3

# FINANCIAL POSITION AND BUSINESS PERFORMANCE

## 13. FINANCIAL OVERVIEW

### 13.1 Financial Statements

#### 13.1.1 Summary of Auditor's Report

The Company had appointed PricewaterhouseCoopers ABAS Limited, "PwC", as its auditor. The auditor has audited Consolidated and Company Financial Statements for the year ended December 31, 2013 and issued an auditor's report expressing unqualified opinion as the attachment.

#### 13.1.2 Consolidated Financial Statements

#### Consolidated Statements of Financial Position

For the years ended December 31

Unit : Million Baht

	2013	2012 Reclassified	2011
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	437.1	441.3	221.9
Short-term investments	7.9	7.4	13.3
Trade accounts receivable, net	1,855.5	1,685.6	1,566.8
Other receivables	59.6	47.5	68.2
Inventories, net	1,475.1	1,351.5	1,154.7
Other current assets	114.3	96.9	79.9
<b>Total current assets</b>	<b>3,949.5</b>	<b>3,630.2</b>	<b>3,104.8</b>
<b>Non-current assets</b>			
Long-term investments	509.1	511.7	456.5
Investments properties, net	134.8	141.1	147.5
Property, plant and equipment, net	5,295.7	4,842.9	4,158.7
Intangible assets, net	49.4	58.0	64.1
Deferred tax assets, net	94.2	75.5	73.6
Leasehold rights	48.3	0.0	0.0
Other non-current assets, net	44.5	65.9	80.2
<b>Total non-current assets</b>	<b>6,176.0</b>	<b>5,695.1</b>	<b>4,980.6</b>
<b>Total assets</b>	<b>10,125.5</b>	<b>9,325.3</b>	<b>8,085.4</b>



## Consolidated Statements of Financial Position (Cont'd)

For the years ended December 31

Unit : Million Baht

	2013	2012 Reclassified	2011
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Bank overdrafts and short-term loans	823.4	841.0	735.0
Long-term loans (maturing within one year)	563.9	532.9	474.8
Trade accounts payable	950.2	922.2	850.8
Other payables	407.1	380.2	387.1
Other current liabilities	36.1	52.5	68.8
<b>Total current liabilities</b>	<b>2,780.7</b>	<b>2,728.8</b>	<b>2,516.5</b>
<b>Non-current liabilities</b>			
Long-term loans	2,466.4	1,852.1	1,224.0
Finance lease liabilities	2.7	0.9	11.9
Employee benefit obligations	310.6	285.6	249.5
<b>Total non-current liabilities</b>	<b>2,779.7</b>	<b>2,138.6</b>	<b>1,485.4</b>
<b>Total liabilities</b>	<b>5,560.4</b>	<b>4,867.4</b>	<b>4,001.9</b>
<b>Shareholders' equity</b>			
Share capital	2,709.9	2,709.9	2,709.9
Premium on treasury shares	19.9	19.9	19.9
Retained earnings	1,678.7	1,523.9	1,198.4
Other components of equity	(72.9)	(24.8)	(48.4)
<b>Total parent's shareholders' equity</b>	<b>4,335.6</b>	<b>4,228.9</b>	<b>3,879.8</b>
Non-controlling interests	229.5	229.0	203.7
<b>Total shareholders' equity</b>	<b>4,565.1</b>	<b>4,457.9</b>	<b>4,083.5</b>
<b>Total liabilities and shareholders' equity</b>	<b>10,125.5</b>	<b>9,325.3</b>	<b>8,085.4</b>

Remark: Statement of Financial Position for the year 2012 as shown above was reclassified for actuarial gain (loss) on defined benefit plan previously recognized in other comprehensive income to be recognized directly in retained earnings.



## Consolidated Statements of Comprehensive Income

For the years ended December 31

Unit : Million Baht

	2013	2012 Reclassified	2011
Sales and service income	9,397.4	8,757.3	7,552.2
Cost of sales and services	(7,556.3)	(6,842.5)	(6,057.9)
<b>Gross profit</b>	<b>1,841.1</b>	<b>1,914.8</b>	<b>1,494.3</b>
Other income	106.9	110.8	96.6
Selling and administrative expenses	(1,247.8)	(1,255.6)	(1,203.1)
Transactions incurred in relation to storm and fire incident	0.0	(4.5)	103.3
Transactions incurred from change in employee benefit policy	0.0	0.0	40.7
Finance costs	(167.0)	(135.2)	(99.4)
Share of profit of investments in associates and joint venture	50.1	41.9	22.9
Reversal (loss) on impairment of investment in subsidiary and associate, net	(12.0)	0.0	0.0
<b>Profit before income tax</b>	<b>571.3</b>	<b>672.2</b>	<b>455.3</b>
Income tax	(52.3)	(94.8)	(171.5)
<b>Net profit for the year</b>	<b>519.0</b>	<b>577.4</b>	<b>283.8</b>
<b>Other comprehensive income:</b>			
Exchange rate differences on translating financial statements	(48.7)	3.8	(2.0)
Gain on remeasuring available-for-sale investments	0.0	21.6	10.0
Actuarial loss on defined employee benefit plans	(34.1)	(15.7)	0.0
<b>Other comprehensive income (expense) for the year, net of tax</b>	<b>(82.8)</b>	<b>9.7</b>	<b>8.0</b>
<b>Total comprehensive income for the year</b>	<b>436.2</b>	<b>587.1</b>	<b>291.8</b>
<b>Profit attributable to :</b>			
Owners of the parent	487.0	541.9	282.0
Non-controlling interest	32.0	35.5	1.8
<b>Net profit for the year</b>	<b>519.0</b>	<b>577.4</b>	<b>283.8</b>
<b>Total comprehensive income attributable to :</b>			
Owners of the parent	404.8	552.3	291.6
Non-controlling interest	31.4	34.8	0.2
<b>Total comprehensive income for the year</b>	<b>436.2</b>	<b>587.1</b>	<b>291.8</b>
<b>Earnings per share</b>			
Basic earnings per share (Baht)	1.80	2.00	1.04

Remarks: Transactions of financial figures shown in the above table were regrouped for the year 2012 so that it was comparable to financial statements for the year 2013 due to its reclassification. It resulted in no change to net profit as reported in the annual report of last year.



## Consolidated Statements of Cash Flows

For the years ended December 31

Unit : Million Baht

	2013	2012	2011
<b>Profit before income tax for the year</b>	<b>571.3</b>	<b>672.2</b>	<b>455.3</b>
Adjustments to reconcile net profit to net cash provided by (paid for) operations :			
Depreciation & amortization	659.7	573.6	498.8
Assets written off from storm & fire incident and other	2.7	16.1	16.0
Gain from disposal of assets	(7.0)	(4.9)	(3.9)
Loss on impairment in value of investments in associates	12.0	0.0	0.0
(Gain) Loss on foreign exchange rate	(16.1)	4.4	(1.9)
Interest income	(8.1)	(3.4)	(2.6)
Share of net profit of investments in associates	(50.1)	(41.9)	(22.9)
Gain from disposal of investments	0.0	0.0	(8.9)
Transactions incurred from change in employee benefit policy	0.0	0.0	(40.7)
Dividend income from other investments	(15.2)	(8.9)	(7.5)
Finance costs	167.0	135.2	99.4
Others	(2.9)	(3.8)	9.5
<b>Changes in operating assets and liabilities</b>			
(Increase) decrease in operating assets			
Trade accounts and other receivables	(213.3)	(157.6)	(310.7)
Inventories	(123.9)	(204.3)	(155.6)
Others	(11.7)	19.1	(14.5)
<b>Increase (decrease) in operating liabilities</b>			
Trade accounts payable and other payables	(3.0)	96.9	(123.5)
Others	(3.7)	1.5	23.0
<b>Cash flows from operating activities</b>	<b>957.7</b>	<b>1,094.2</b>	<b>409.3</b>
Interest paid	(166.1)	(133.7)	(98.1)
Income tax paid	(80.5)	(131.1)	(127.3)
<b>Net cash receipt from operating activities</b>	<b>711.1</b>	<b>829.4</b>	<b>183.9</b>



## Consolidated Statements of Cash Flows (Cont'd)

For the years ended December 31

Unit : Million Baht

	2013	2012	2011
<b>Cash flows from investing activities</b>			
Cash payment for short-term investments	(17.3)	(11.7)	(12.7)
Cash payment for investments in subsidiaries	0.0	0.0	(4.7)
Purchase of assets	(1,051.3)	(1,238.5)	(1,029.1)
Cash receipt from disposal of investments	16.7	17.5	47.2
Proceeds from disposal of assets	15.4	36.1	68.7
Interest receipts	7.9	3.4	2.6
Dividends receipts from long-term investments	48.0	26.0	22.8
<b>Net cash payments for investing activities</b>	<b>(980.6)</b>	<b>(1,167.2)</b>	<b>(905.2)</b>
<b>Cash flows from financing activities</b>			
Increase (decrease) in bank overdrafts and short-term loans	(20.8)	106.0	735.0
Receipt from long-term loans	1,196.7	1,160.7	347.1
Repayment of long-term loans	(579.3)	(474.1)	(336.0)
Dividend payment	(315.7)	(211.0)	(177.9)
Others	(15.6)	(24.4)	(4.5)
<b>Net cash receipt from financing activities</b>	<b>265.3</b>	<b>557.2</b>	<b>563.7</b>
Net increase (decrease) in cash and cash equivalents	(4.2)	219.4	(157.6)
Decrease in cash from changing status of investments in a subsidiary to an associate	0.0	0.0	(7.0)
Cash and cash equivalents, opening balance	441.3	221.9	386.5
<b>Cash and cash equivalents, closing balance</b>	<b>437.1</b>	<b>441.3</b>	<b>221.9</b>



### 13.2 Significant Financial Ratios from the Consolidated Financial Statements

Ratio	Unit	2013	2012	2011
<b>Liquidity Ratio</b>				
Current Ratio	Times	1.42	1.33	1.23
Quick Ratio	Times	0.85	0.80	0.74
Operating Cash Flows Ratio	Times	0.26	0.32	0.09
Account Receivable Turnover	Times	5.29	5.36	5.19
Average Collection Period	Days	68.01	67.11	69.41
Inventory Turnover <sup>(1)</sup>	Times	9.90	11.19	13.62
Inventory Turnover Days	Days	36.36	32.16	26.43
Account Payable Turnover	Times	8.07	7.72	6.55
Average Payment Period	Days	44.60	46.64	54.96
Cash Cycle <sup>(2)</sup>	Days	59.76	52.63	40.89
<b>Profitability Ratio</b>				
Gross Profit to Sales	%	19.59	21.87	19.79
Operating Margin to Sales	%	6.31	7.53	3.86
Non-operating Margin to Total Revenues	%	1.12	1.25	1.26
Operating Cash Flows Margin	%	119.84	125.81	63.16
Net Profit Ratio to Total Revenues	%	5.12	6.11	3.69
Return on Equity	%	10.79	12.69	6.47
<b>Efficiency Ratio</b>				
Return on Total Assets	%	5.01	6.22	3.54
Return on Net Fixed Assets	%	21.09	23.23	17.32
Total Assets Turnover	Times	0.98	1.02	0.96
<b>Financial Policy Ratio</b>				
Debt to Equity Ratio	Times	1.22	1.09	0.98
Interest Coverage Ratio	Times	5.77	8.18	4.17
Operating Cash Flows Coverage (cash basis)	Times	0.36	0.43	0.12
Dividend Payout Ratio <sup>(3)</sup>	%	64.89	64.36	58.13

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

(2) Average Collection Period + Inventory Turnover Days - Average Payment Period

(3) Due to its policy to pay dividend from the net profit of the Company financial statement, the dividend payout ratio in the table is calculated by comparing the dividend payment in the any fiscal year with the net profit of the previous fiscal year in the Company financial statement.



## Analysis of Financial Ratios from the Consolidated Financial Statements

### Liquidity

In the year 2013, financial liquidity of the Group of companies was increased from that of previous year due to increase of current assets more than current liabilities. Increase of current assets was mostly from increase of cash and cash equivalent, trade accounts and notes receivable, and inventories, whereas increase of current liabilities was mostly from short-term loans and current portion of long-term loans maturing within one year, trade accounts payable, and other payables. As a result, current ratio of the Group increased from 1.33 times in 2012 to 1.42 times in 2013. However, the decreased performance, increased interest expenses, and changes in operating assets and liabilities had resulted in less cash generated from operations in 2013 than of previous year and decrease in operating cash flows ratio from 0.32 times in 2012 to 0.26 times in 2013.

In addition, the Group's cash cycle increased from 52.63 days in 2012 to 59.76 days in 2013 due to:-

1. Average Collection Period increased from 67.11 days in 2012 to 68.01 days in 2013 as sales growth of food and beverage packaging products, and declining sales of household products via cash sales channel.
2. Inventory Turnover Days increased from 32.16 days in 2012 to 36.36 days in 2013 in line with increase in volume and cost of finished goods inventory as a result of production increase to support the sales growth of beverage packaging products, and household products holding for shipment and slow turnover from decreased domestic sales.
3. Average Payment Period decreased from 46.64 days in 2012 to 44.60 days in 2013 due to the Group placing orders and keeping raw material as needed in line with production plan together with negotiation with vendors to pay quicker so as to get more proper prices of raw materials.

Taking into consideration the above-mentioned financial ratios and cash cycle, it was deemed that the Group's financial liquidity was sound. Its generated cash flows were sufficient for operations and support of its businesses without causing any trouble.

### Profitability

The Group's gross profit to sales ratio decreased from 21.87% in 2012 to 19.59% in 2013 as a result of the increase in minimum wages, and increase in depreciation expenses from additional assets investment partly under utilized. Sluggish economy dragged sales of household products which yielded high gross profit whereas the Group had to absorb production cost from low utilized capacity. However, measures to control operating expenses to be lower than the previous year, better performance of associates and joint-ventures, and lower corporate income tax rate in 2013 helped cushion the net profit attributable to owners of the parent not to significantly decrease. Net profit ratio to total revenues and return on equity declined from 6.11% and 12.6% in 2012, respectively, to 5.12% and 10.79% in 2013, respectively.

### Efficiency

In 2013, the Group had lower return on net fixed assets from 23.23% in 2012 to 21.09% in 2013, in line with less earnings. Assets value of property, plant and equipment increased during the year from additional acquisition to serve business expansion whilst full blown income have not been generated at early stage of investment.



## Financial Policy

Debt to equity ratio of the Group increased from 1.09 times in 2012 to 1.22 times in 2013 mostly due to additional long-term loan withdrawal to acquire assets and higher dividend payment.

Moreover, the cash flows from operating activities were reduced following the declining net profit and changes in operating assets and liabilities. Increase in interest expenses from additional long-term loan withdrawal for investment, short-term loan to support the business expansion, as well as long-term loans and obligations settlements in 2013 resulted in lower interest coverage ratio and operating cash flows coverage ratio from 8.18 times and 0.43 times in 2012, respectively, to 5.77 times and 0.36 times in 2013 respectively.

Dividend payout ratio was slightly higher from 64.36% in 2012 to 64.89% in 2013 as better performance in 2012 than 2011 in accordance with the policy of the Company to pay dividend not less than 50% of the Company net profit.

Anyhow, formula used in calculation of operating cash flows coverage ratio (cash basis) was as guided by the Office of the Securities and Exchange Commission which was different from the formula used in calculation of the ratio as a financial covenant of the Company. Hence, results of the two methods should not be compared. The Company had disclosed the Detail of Financial Covenants as Loan Agreements under headline 14.1 (G).

## 14. MANAGEMENT DISCUSSION AND ANALYSIS

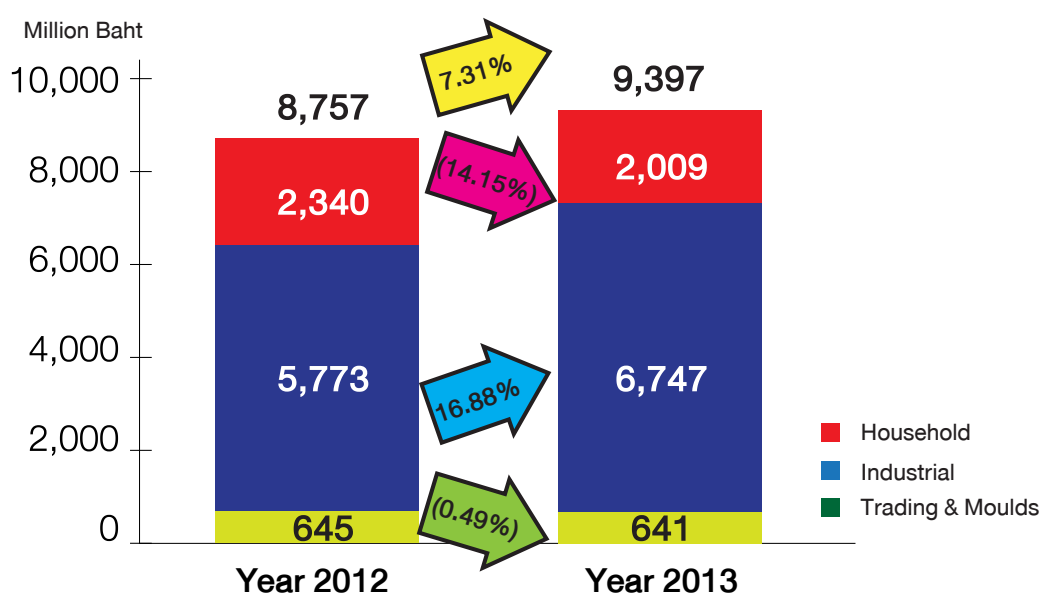
### 14.1 Analysis of Business Performance and Financial Position

#### A. Sales by Segment

Unit : Million Baht

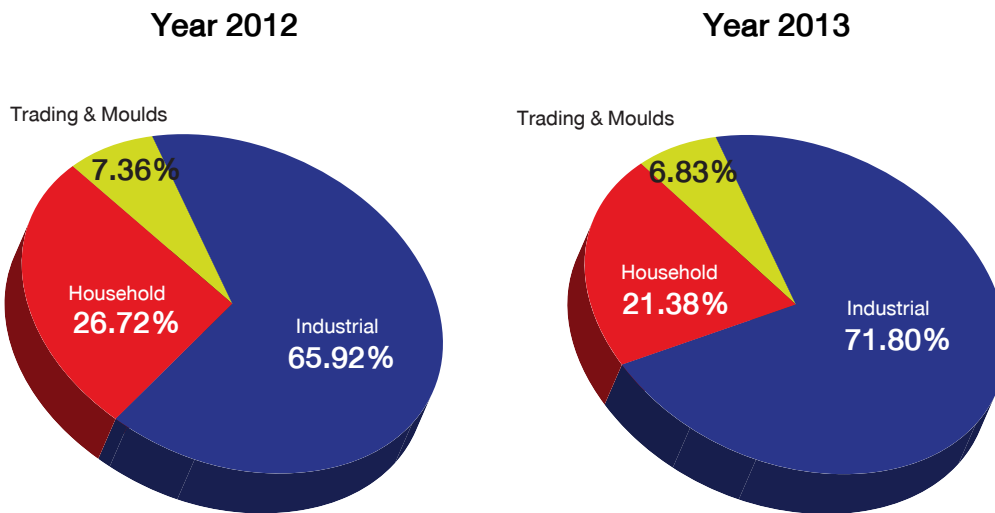
Description	Year 2012		Year 2013		Change from Year 2012	
	Amount	% on sales	Amount	% on sales	Amount Inc (Dec)	% +(-)
Plastics Business Line	8,112.66	92.64%	8,755.94	93.17%	643.28	7.93%
Household Products	2,339.89	26.72%	2,008.74	21.38%	(331.15)	(14.15%)
Domestic production	2,291.25	26.16%	1,944.39	20.69%	(346.85)	(15.14%)
Overseas production	48.64	0.56%	64.35	0.68%	15.71	32.29%
Industrial Products	5,772.77	65.92%	6,747.20	71.80%	974.43	16.88%
Domestic production	5,397.82	61.64%	5,676.14	60.40%	278.32	5.16%
Overseas production	374.95	4.28%	1,071.06	11.40%	696.11	185.65%
Trading and Moulds Business Line	644.66	7.36%	641.49	6.83%	(3.18)	(0.49%)
Total	8,757.32	100.00%	9,397.42	100.00%	640.11	7.31%

#### Sale by Segment





#### Sales proportion by segment



Sales proportion of Industrial Products of 2013 increased from 65.92% to 71.80% compared to previous year whilst that of Household Products sales of 2013 decreased from 26.72% to 21.38% as compared to previous year.

#### **1. Household Products**

Sales of Household Products of 2013 decreased by THB 331.15 million, or 14.15% against previous year due to the impact of domestic economy particularly from household debts increased from over spending in the year 2012 after big flooding in late 2011. Increase in minimum wage caused the cost of living to rise, and unemployment as small businesses closed down. The demand and purchasing power of customers dropped, particularly through the direct sales and local distributors channels. However, export sales slightly increased because of selling price adjustment with major customers. Sales of a subsidiary, Srithai (Vietnam) Company Limited, increased as the subsidiary has focused on seeking new direct customers by ceasing distributor.

#### **2. Industrial Products**

Sales of Industrial Products increased by THB 974.43 million, or 16.88% from beverage packaging of both the Company and overseas subsidiary which received orders from big soft drink and drinking water producers. As well, soaring sales of food packaging products as demand of ready-to-eat food increased together with expansion of convenient stores. The Company has invested in additional machinery in 2013 in order to serve increasing orders. Besides in 2nd quarter of 2013, sales of bottle crate products increased since our major customer changed its whole production line. However, sales of OEM products dropped in line with our policy to gradually terminate order of OEM works because of low margin.

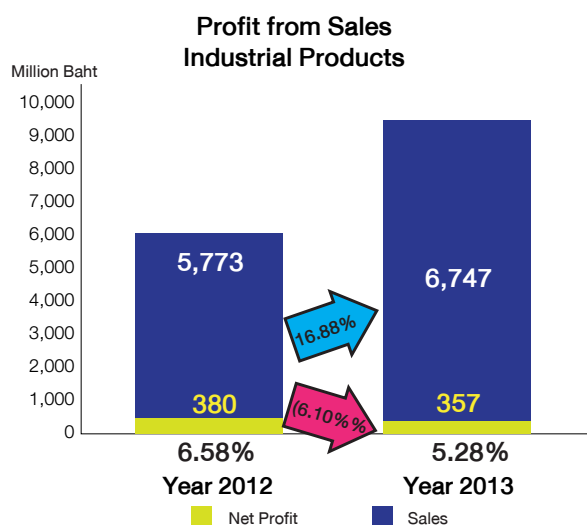
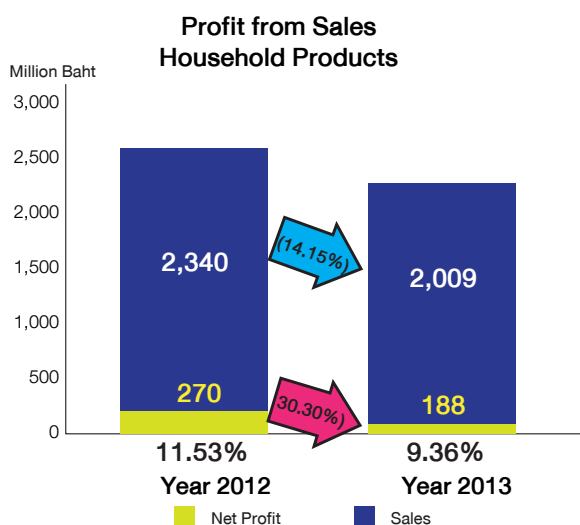
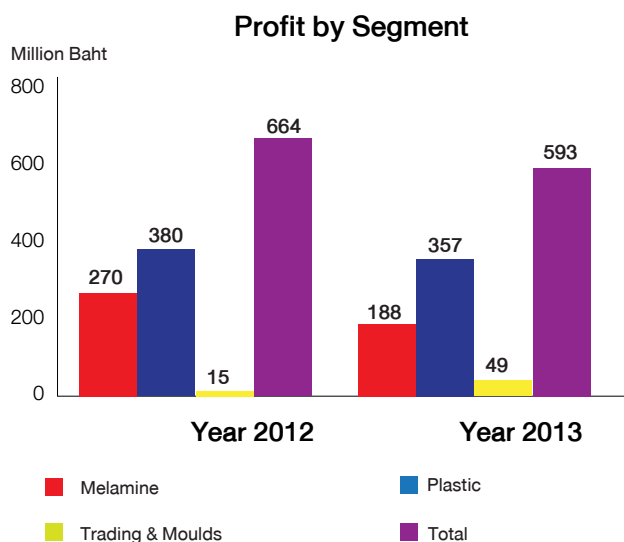
#### **3. Trading Business Line and Moulds Business Line**

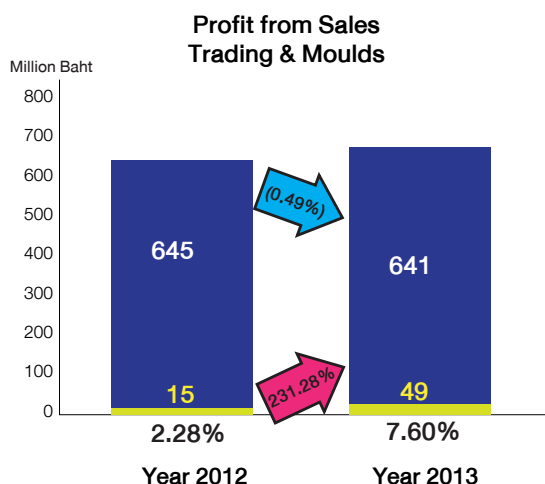
Sales of Trading Business Line and Moulds Business Line dropped by THB 3.18 million, or 0.49% against previous year. This is due to high sales in 2012 resulting from recovery of Automotive Industry after big flooding and government's policy of first car. However, there was less impact to sales in 2013 because in the year 2013 the Company sold moulds of terminated OEM products to relevant customers. Additionally, surging sales were from SNatur networking business from innovative agricultural products and health products as well as increase in number of sales membership.

## B. Profit from Sales by Segment

Unit : Million Baht

Description	Year 2012		Year 2013		Change from Year 2012	
	Amount	% on sales	Amount	% on sales	Amount Inc (Dec)	% +(-)
Profit from sales by segment						
Plastic Business Line	649.54	8.01%	544.62	6.22%	(104.92)	(16.15%)
Household products	269.83	11.53%	188.07	9.36%	(81.76)	(30.30%)
Industrial products	379.71	6.58%	356.55	5.28%	(23.16)	(6.10%)
Trading and Moulds Business Line	14.71	2.28%	48.74	7.60%	34.03	231.28%
<b>Total</b>	<b>664.25</b>	<b>7.59%</b>	<b>593.36</b>	<b>6.31%</b>	<b>(70.90)</b>	<b>(10.67%)</b>





### 1. Household Products

Profits from sales of Household Products dropped by 30.30% against the previous year, whereby profit to sales ratio lowered from 11.53% to 9.36%. Key reasons as such were the increase in minimum wage to THB 300 per day, which has been in effect since January 1, 2013, and annual wages increment in April 2013. The sluggish economy had adversely affected sales through the direct sales channel, which generates highest gross profit for the Company, to be lower than previous year. Moreover, production capacity dropped as sales declined resulting in higher rate of fixed production costs, whereby the Company was unable to adjust selling price since latest adjustment in previous year, and selling expenses also increased to boost sales.

### 2. Industrial Products

Profits from sales of Industrial Products decreased as compared to previous year being 6.10%. The profit to sales ratio was lower from 6.58% in the previous year to 5.28% due to higher production cost from minimum wage increase to THB 300 per day and annual wages increment. Moreover, fixed overhead costs increased because the capacity was not fully used from increasing in machinery investment to serve sales growth of food and beverage packaging products.

### 3. Trading and Moulds Business Line

Profits from sales of Trading and Moulds Business Line increased by 231.28% against the previous year. The profit to sales ratio is 7.60% against that of previous year being 2.28% due to sharply increased of profit for network business in Trading Business line. Network business has sales growth of agricultural innovative and health products, having high margin, netted with the lower profit of Moulds Business line. The reasons were because of less order from customers against last year of when Automotive Industry recovered after flood crisis and the government introduced the first car policy.

### Consolidated Financial Informationm (partial)

Unit : Million Baht

Description	Year 2012	Year 2013	Change from Year 2012	
			Amount Inc (Dec)	% +(-)
Sales	8,757.32	9,397.42	640.10	7.31%
Gross profit (%)	21.87%	19.59%	(2.27%)	(10.40%)
EBIT (Profit before interest and tax)	807.40	738.32	(69.08)	(8.56%)
Net profit attributable to owners of the parent	541.88	486.97	(54.91)	(10.13%)
% Net profit on sales	6.19%	5.18%	(1.01%)	(16.25%)
Earnings per share (Baht)	2.00	1.80	(0.20)	(10.00%)

## C. Gross Profit Ratio

Unit : Million Baht

Gross profit ratio dropped against previous year. The key reasons were higher labour costs as a result of the government's policy to increase the minimum wage to THB 300 per day, higher fixed costs absorption due to idle production capacity, and unadjustable selling price as a result of strong competition and slow down economy. Meanwhile, sales of Household Products, particularly direct sales channel which normally generates high gross profit, dropped against previous year.

## D. Operating Results

The Group was able to manage selling and administrative expenses well together with decrease in corporate income tax rate from 23% to 20% and some tax exemption of promotional activities under the Board of Investment's privileges. However, declining in gross profit, higher finance costs, and loss on impairment of investment in an overseas associate resulted in decrease in the Group's net profit by 10.13% against previous year.

## E. Consolidated Statements of Financial Position (partial)

Description	Dec 31, 2012	Dec 31, 2013	Change from Year 2012	
	Amount	Amount	Amount Inc (Dec)	% +(-)
Trade accounts receivable, net	1,685.62	1,855.46	169.83	10.08%
Inventories, net	1,351.49	1,475.14	123.65	9.15%
Property, plant and equipment, net	4,842.89	5,295.73	452.84	9.35%
Leasehold right	-	48.33	48.33	100.00%
Other non-current assets	65.92	44.51	(21.40)	(32.47%)
<b>Total assets</b>	<b>9,325.30</b>	<b>10,125.51</b>	<b>800.21</b>	<b>8.58%</b>
Bank overdrafts and short-term loans	840.96	823.45	(17.51)	(2.08%)
Trade accounts payable	922.23	950.21	27.97	3.03%
Long-term loans	2,385.01	3,030.29	645.28	27.06%
Employee benefit obligations	285.63	310.55	24.92	8.73%
<b>Total liabilities</b>	<b>4,867.39</b>	<b>5,560.37</b>	<b>692.97</b>	<b>14.24%</b>
Unappropriated retained earnings	1,363.91	1,496.73	132.82	9.74%
Non-controlling interests	228.98	229.52	0.55	0.24%
<b>Total shareholders' equity</b>	<b>4,457.91</b>	<b>4,565.14</b>	<b>107.24</b>	<b>2.41%</b>

As of December 31, 2013, the financial position has been changed from December 31, 2012 as follows:

- Increase in trade accounts receivable due to soaring sales of food and beverage packaging products of the Group.
- Increase in inventories due to decrease in local sales of household products and increase in product cost.
- Increase in property, plant and equipment due to additional acquisition of assets netted with depreciation and disposal of the year.
- Leasehold right being land leasehold for the factory of a subsidiary in India, with the period of 99 years.
- Decrease in other non-current assets due to sales of moulds of OEM customers during the year according to the Company's policy to terminate OEM products.
- Decrease in bank overdrafts and short-term loans following the change in working capital of the Group, withdrawal of long-term loans, and repayment of short-term loans.
- Increase in trade accounts payable due to purchase of production supplies to support the expansion of sales.





- Increase in long-term loans due to withdrawal for investment in operating assets, netted with loan repayments less than withdrawal during the year.
- Increase in employee benefit obligations due to recognition of post-employment benefits and other long-term employment benefits, netted with benefits payment during the year and actuarial gain and loss on defined employee benefit plans as at December 31, 2013.
- Increase in unappropriated retained earnings by THB 132.82 million from net profit attributable to the owners of the parent company for the year ended December 31, 2013 amounting to THB 486.97 million, netted with the legal reserve amounting to THB 22 million, the dividend payment in respect of operating results of 2012 amounting to THB 298.08 million, and the recognition of actuarial loss on defined employee benefit plans in statements of comprehensive income.
- Increase in non-controlling interests due to net profit for the year ended December 31, 2013, netted with dividend payment and acquisition of shares of Srithai Nanoplast Company Limited from former shareholders.

#### F. Consolidated Statements of Cash Flow (partial)

Description	12 months Dec 31, 2012	12 months Dec 31, 2013	Change from Prior period
Cash flows from operating activities	829.39	711.06	(118.33)
Cash flows from investing activities	(1,167.20)	(980.53)	186.67
Cash flows from financing activities	557.15	265.30	(291.85)
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>219.35</b>	<b>(4.17)</b>	<b>(223.52)</b>
Cash and cash equivalents, opening balance	221.94	441.29	219.35
<b>Cash and cash equivalents, closing balance</b>	<b>441.29</b>	<b>437.12</b>	<b>(4.17)</b>

The Group's significant cash inflow/outflow for the year of 2013 were as follow:

1. Net cash receipts from operating activities decreased from previous year due to lower profit before income tax from operation results, increase in finance costs as well as change in working capital.
2. Net cash payments for investing and net cash receipts from financing activities decreased from previous year as the Group acquired assets less than previous year and plan and incurred more bank overdrafts and short term loans, netted with increased long-term loans repayments and dividend payments.

#### G. 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 based on the Company financial statements that have to be maintained for the whole tenure of loan agreements are as follow:-

1. Debt to Equity Ratio not more than 2 times.

##### Definition and formula

D:E Ratio = Total liabilities ÷ Total shareholders' equity (from statement of financial position)

2. Debt Service Coverage Ratio "DSCR" not less than 1.1 times.

##### Definition and formula

DSCR = EBITDA ÷ (Interest expense + Long-term loans outstanding (maturing within one year))

EBITDA means earning before finance costs and corporate income tax (from statement of comprehensive income) + depreciation and amortisation (from statement of cash flows).

- a. Interest expense means finance cost (from statement of comprehensive income)
- b. Long-term loans outstanding (maturing within one year) means principal amount of long-term loans due in that year (from current portion of long-term loans outstanding in statement of financial position of the previous year)

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

(Unit : Times )	Financial Covenant	Year 2013
Debt to Equity Ratio	Not more than 2.0	0.99
Debt Service Coverage Ratio	Not less than 1.1	1.88

In consideration of stable financial position and good operating result as shown in the financial ratios in the table above, the Company has no problem in maintaining its financial covenants.

## H. Significant Events of the Year 2013 and Subsequent Events after the Reporting Date

The new accounting policy – Foreign currency translation did not have significant impact on the financial statements. Nevertheless, the Company faced series of major events in the year 2013. 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, Company's website, and Notes to the Company Financial Statement. The important changes and significant events were :

### 1. Investments in Subsidiaries and Associates

#### 1.1 Investment in Srithai (Vietnam) Company Limited

- **Capital Increase**

Srithai (Vietnam) Company Limited ("SVN") , a subsidiary held 100% shareholding by the Company, registered a capital increase of USD 11.1 million to support capital expenditure in setting up a production line of beverage packaging products and expansion of production capacity of melamine household products, with total registered capital of USD 20.0 million. In 2012, the Company paid a part of the increased share capital amounting USD 2.1 million and provided a short-term loan amounting USD 6.0 million to support working capital of SVN.

On January 3, 2013, the Company has entered into an agreement to convert such short-term loan to capital increase in SVN. As a result, the outstanding balance of unpaid capital increase of SVN is USD 3.0 million according to the Board resolution. The Company will pay up the share capital of SVN as deemed suitable to financial position of SVN and its cash requirement.

- **Reversal of Loss on Impairment of Investment**

In the 2nd quarter of 2013, the Company's management had considered reversing the provision for impairment of investment in a subsidiary, Srithai (Vietnam) Company Limited, recorded in the Company financial statements at THB 48.20 million. The management determined that the forecast of performance and its expectations of market development and adjustment of the business's direction would result in betterment of the financial position and business's operation of the subsidiary. The reversed amount is presented under 'Reversal (loss) on impairment of investment in subsidiary and associate' in the Company statements of comprehensive income.



## 1.2 Change in Nature of Business of a Subsidiary

In the 1st quarter of 2013, the Board of Directors passed a resolution approving change in nature of business of PET Siam Company Limited ("PETS") by co-investing with a foreign investor. PETS will then be engaged in manufacturing and/or distributing plastic furniture of high quality and modern looking. Design of the furniture will be focused on European creative style. This is for expansion of domestic and overseas markets. In order to enjoy promotional privileges in place of PETS. Significant changes are as follow :-

Particulars	Before Change	After Change
1) Name of the Company	PET Siam Company Limited ("PETS")	A new name as mutually agreed by both investors.
2) Nature of Business	Hire-of-work business of blowing beverage packaging products and/or other packaging products	Manufacturing by injection moulding technique and distributing of plastic furniture
3) Registered Capital	THB 25 million	Not exceeding THB 80 million
4) Percentage of Shareholding by the Company	100%	Not exceeding 65%
5) Status of the Investment	A subsidiary	A subsidiary

On June 7, 2013, the Extraordinary Shareholders' meeting of PETS approved the change of the company's name to SuperIdea Company Limited ("SuperIdea"). The change was registered with the Ministry of Commerce on June 19, 2013. However, SuperIdea has not changed its registered capital. The Company still holds 100% shareholding because it is under consideration of the appropriate type of business and investment plans of SuperIdea.

## 1.3 Establishment of Srithai Superware Manufacturing Private Limited

During the year 2013, the Company registered a new subsidiary, Srithai Superware Manufacturing Private Limited ("SSMP"), in Ahmedabad city in Gujarat state of India for engagement in manufacture and distribution of melamine household products. SSMP's registered capital shall not exceed INR 500 million, equivalent to THB 300 million and the Company holds 100% of shares. Objective of the establishment is in line with our investment policy of expanding production capacity of melamine household products in countries of high potential of market growth such as Vietnam and India. Furthermore, it is in alleviation of labour shortage problem and high labour cost problem in Thailand. As well as it is deployed as a manufacturing and exporting base to customers in South Asia and Middle East in the future.

In 2013 and the 1st quarter of 2014, the Company partially paid for the share capital of INR 110.1 million and INR 49.9 million, respectively, totalling INR 160.0 million. The payment is for its establishment cost, leasehold land, and plant construction deposit. The Company expects that SSMP will operate and earn income in early 2015.

## 1.4 Additional Investment in Srithai Nanoplast Company Limited

On May 14, 2013, the Board of Directors of the Company passed a resolution to acquire shares of Srithai Nanoplast Company Limited ("SNP"), a subsidiary by purchasing shares from 4 former shareholders at the net asset value of the subsidiary as at March 31, 2013 being THB 10.63 per share, totalling THB 12.76 million. The purposes of investment are for business expansion of the Group and full support given to SNP to improve its business management and performance. The Company has already paid for acquired share capital and registered with the Ministry of Commerce in May 2013. After the acquisition, the Company's holding in the subsidiary has increased from 70.00% to 100.00%.

Since two of such four former shareholders are ordinary persons who have relationship with the Company's Director and Executive under definition of "Close Relatives", the acquisition of shares from such persons then fall within the scope of transaction that may have a conflict of interest or deem as being related party transaction. The Company, however, has fully complied with the prescribed regulations of the Securities and Exchange Act and relevant authorities, and disclosed the investment in SNP through the information system of the Stock Exchange of Thailand (ELCID) and under headline 12 Related Party Transaction.

#### 1.5 Investment in a Newly Established Subsidiary

On November 12, 2013, the Board of Directors of the Company had passed a resolution approving the investment in a new subsidiary, which will be a joint venture with business partner(s) and incorporated in the Republic of Indonesia. The new subsidiary will engage in the manufacture and distribution of beverage packaging products in order to increase manufacturing line and expand beverage packaging in overseas markets with a registered share capital not exceeding THB 500.00 million. The Company will hold at least 60.00% shareholding in the subsidiary. The Company is under negotiation with partner(s).

#### 1.6 Impairment of Investment in Beijing Huatai Replica of Porcelain Products Company Limited

In the 2nd quarter of 2013, the Company's management had considered and determined to set up additional provision for impairment of investment in an associate, Beijing Huatai Replica of Porcelain Products Company Limited, of THB 12.04 million and THB 15.87 million which equals to the net book value of investment in the associate in the consolidated and company financial statements, respectively. The management made its determination based on the associate's declining performance and increasing in cumulative deficits, furthermore the associate had already shutdown its business operation. At the Board of Directors' Meeting of an associate on May 25, 2013, a resolution was passed to process the company's liquidation according to the law. The provision is presented under loss on impairment of investment in associate in the statements of comprehensive income.

## 2. Borrowings

### 2.1 Long-term Loans

During 2013 the Board of Directors approved receiving a financial support by borrowing a long-term loan for the credit limit of THB 1,200 million for investment plan of the year 2013. The Company had borrowed and signed a loan agreement with a bank in the 4th quarter of 2013 for a credit limit of THB 600 million. Duration of loan was 7 years with interest rates comprising both fixed throughout the loan agreement duration and float rates based on BIBOR-3-month plus margin. The loan was fully drawn down. The remainder portion of THB 600 million, loan will be raised within 2014.

The Board of Directors and Management are very careful in borrowing more loans as source of fund to support business operation. The Company has focused on appropriate cost of fund and term & conditions of the loans so as to avoid difficulty in making repayments or breaching of any financial covenant obligation as required by loan agreements. However, financial liquidity of the Company is at appropriate level and sufficient for supporting business operation. There is no difficulty in making repayment. Details of long-term loans as of December 31, 2013 amounting THB 2,400.84 million are shown in the Notes to Financial Statements for the year ended December 31, 2013 No. 19 Long-term loans, Pages 50-55.



## 2.2 Revolving Credit Facilities

In the year 2013, the Company had increased revolving credit facilities from local commercial banks for total amount over THB 2,000 million. The Company is currently enjoying total revolving credit facilities from all financial institutions at approximately THB 5 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.

## 2.3 Financial Support to 2 Subsidiaries

In 2013, the Company has revised its financial support in the form of guarantees to 2 subsidiaries whose shares were 100% owned by the Company as follow. :-

- Increase in the amount of trade guarantee limit with a raw material supplier in favour of Srithai (Vietnam) Company Limited from not exceeding USD 2.0 million to not exceeding USD 5.0 million and binding until December 31, 2014. This is for supporting Srithai (Vietnam) Company Limited to have flexible procurement with better raw material price and support the increasing demand of raw material usage as sales increase.
- Decrease in corporate guarantee limit in favour of Korat Thai Tech Company Limited with a local bank from THB 50.0 million to THB 25.0 million. This is due to better performance and surplus cash flow of Korat Thai Tech Company Limited resulting in ability to prepay all remaining loan amount to the lenders without prepayment fee.

## 3. Others

### 3.1 New Appointments and Replacements of Executives

In the 1st quarter of the year 2013, the Company had appointed and replaced Executives as follow :-

- Mr. Chairaj Eangtanarat had been appointed as Direct Sales Director in place of Mr. Manit Ativanichayaphong who was then Acting Direct Sales Director, effective on January 2, 2013.
- Mr. Anupoch Pasawat had been appointed as Factory Director - Beverage Packaging in place of the Executive who retired by expired contract, effective on January 2, 2013.

### 3.2 Appropriation of Net Profit and Dividend Payment

The Company set as legal reserve the sum of THB 24,000,000 for the year 2012 and paid dividend to shareholders at the rate of THB 1.10 per share in 2013 amounting THB 298,089,528, equivalent to 64.89% of net profit as per the Company financial statements.

Moreover, at the Annual General Meetings of Shareholders of 3 subsidiaries, Srithai Moulds Company Limited, Korat Thai Tech Company Limited, and Srithai Miyagawa Company Limited, approved and paid dividend in respect of companies' net profit of the year 2012 as follow:

Company	percentage of shareholder	Dividend per share	Dividend payment
Attached Sheet	-	THB 1.10	THB 298.08 million (payment on May 23, 2013)
Subsidiaries			
- Srithai Moulds Co., Ltd.	71.00	THB 10.00	THB 10.00 million
- Korat Thai Tech Co., Ltd.	100.00	THB 10.00	THB 30.00 million
- Srithai Miyagawa Co., Ltd.	51.00	THB 25.00	THB 30.00 million

### 3.3 Assessments of Corporate Governance and Annual General Meeting of Shareholders for the Year 2013

In year 2013, the Company received an “Excellent” on its corporate governance, assessed by the Thai Institute of Directors Association. The Company also received an “Excellent (Top 100 Scores)” on quality of its Annual General Meeting of Shareholders assessed by the Thai Investors Association. It demonstrates the efforts of the Company to keep and improve its standard of Corporate Governance.

### 3.4 Post Statement of Financial Position Event

- **Change in Par value**

On February 25, 2014, the Board of Directors of the Company passed a resolution to propose changing the par value from THB 10.00 per share to THB 1.00 per share, and changing in the number of issued and paid-up shares from 270,990,480 shares to 2,709,904,800 shares. However, such changes shall be proposed to the Annual General Meeting of Shareholders No.33 (year 2014) for further consideration and approval.

- **Approval of Appropriation of Net Profit and Dividend Payment**

On February 25, 2014, the Board of Directors of the Company passed a resolution to appropriate net profit for the year 2013 (operating results of January to December 2013) for the legal reserve amounting to THB 22,000,000 and the dividend payment to shareholders in 2014 at THB 1.00 per share, totalling THB 270,990,480, equivalent to 63.95% of net profit as per the Company financial statements. However, the approval for the dividend payment shall be proposed to the Annual General Meeting of Shareholders No. 33 (year 2014) for further consideration and approval.

## 14.2 Outlook for the Year 2014

### 1. Household Products

Export sales of Household Products in 2014 are expected to be better off 2013 as the Company will enter the HORECA (Hotel, Restaurant and Catering) market in Latin America and focus on variety of product shapes and designs for each customer groups by co-designing product with European and Middle East customers which are our top sales. Besides, the Company will improve quality of products in order to strengthen product to be Global Brand, and establish plant in India in 2014 which will serve India market and generate more profitable from reducing import duty burden.

Domestic sales of Household Products through direct sales channel will adjust its strategy by approaching urbanization style products and lifestyle products. The Group has introduced many of creative products in order to access new target (Customer Touch Point) and broaden customer base to New Generation both Gen-X and Gen-Y or Metro Living target groups. This will help build sales leaders and sales executives for sustainable business in the future. Moreover, the Company will enter the HORECA market and extend to E-Commerce channel. These will help push 2013 sales to rise.

### 2. Industrial Products

Sales of beverage packaging products under Industrial Products in 2014 are expected to rise not less than 20% from 2013. There is fierce competition in beverage industry especially non-carbonated soft drink e.g. green tea and herbal drink. The double-digit growth is stemmed from the world-renowned beverage producers entering market in Vietnam, Cambodia, Laos, and Myanmar. Hence, the Company has invested in additional machinery in our subsidiary in Vietnam. The Company also has domestically additional investment plan in order to serve both existing and new customer demands. With these strategies, the Company will become Regional Supplier of the world-renowned beverage producers. Our Vietnam subsidiary is also increasing production capacity for serving other customers by looking for big local producers. Export sales will be growing due to Southeast Asian customers being satisfied with our product quality.



Sales of food packaging products under Industrial Products are growing in 2014 following the expansion of convenient stores and ready-to-eat food. People's lifestyles nowadays need quickness and convenience so there is increase in ready-to-eat food consumption and the use of convenient stores. In addition, to follow the Company's environmental preservation campaign, 3 SAVES, we are developing new technology for food packaging called Trim which reduces weight of products, therefore, raw material consumption is reduced. The production of Trim technology will start for export in the 1st quarter of 2014. The Company will use this technology for developing others food packaging products which will help boost sales and profit in the future.

### **3. Trading Business Line and Moulds Business Line**

Sales of Trading Business Line and Moulds Business Line is expected to rise in 2014 especially SNatur networking business. Success and earnings of the sales members have inspired sales members from other companies to join SNatur. The external factor being unemployment rate of 2014 tends to be higher. Therefore, SNatur networking business will be another choice for those unemployed people and those who want to work on their own. Moreover, SNatur products are acceptable for quality and support the need of daily products especially dietary supplement, skin care, etc. These lead many of the young age to join SNatur. For the agricultural innovative products which the Company is a sole distributor, we also received good responses with soaring sales from this channel. The expansion of ASEAN market in order to support AEC especially Myanmar and Laos which the Company already have sales distributor are also growing well. The Company are expanding to Cambodia in order to push sales to hit target.

# Attachment no. 1

## Details of the Directors, Executives, Controlling Persons and Company Secretary

### 1. Background Information about Directors, Executives, Controlling Persons and Company Secretary

#### 1) Mr. Sanan Angubolkul



Age : 67 years  
 Nationality : Thai  
 Present Position : Chairman, President, and  
 Nomination 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 (as of December 27, 2013)  
 Relationship among  
 Directors and Management : None  
 Illegal acts in the past 10 years : None  
 Training Course : Chairman 2000 Program, class no. 4/2001  
 Thai Institute of  
 Directors Association (IOD) Director Accreditation Program (DAP)  
 Other Training : Top Executive Program in Commerce and Trade  
 2<sup>nd</sup> 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 Degree in Business Administration	-
Sripatum University	Honorary Doctorate	Marketing
Rajamangala University of Technology ISAN	Honorary Doctorate Degree in Business Administration	Management
Suranaree University of Technology	Honorary Doctorate Degree in Engineering	Production Engineering
The National Defence College of Thailand	Certificate of Achievement, 3rd Class	-
Mahachulalongkornrajavidyalaya University	Honorary Doctorate Degree in Philosophy	Social Science





**Experience:**

Company	Position	Time Period
Srithai Superware Public Company Limited	Chairman, President, and Nomination 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 Nomination and Remuneration Committee Member

2) Non-listed Companies:

2.1) Srithai Superware Group :

Company	Position
<b>Subsidiary Company</b>	
1. Korat Thai Tech Company Limited	Executive Director
2. P.E.T. Blow Company Limited	Director
3. Srithai (Vietnam) Company Limited	Chairman
4. Srithai Moulds Company Limited	Chairman
5. Srithai Miyagawa Company Limited	Chairman
<b>Associated Company</b>	
1. Srithai Sanko Company Limited	Executive Director
2. Thai MFC Company Limited	Director
3. Srithai Packaging Company Limited	Director
4. PT. Srithai Maspion Indonesia	Director
<b>Joint Venture Company</b>	
Srithai-Otto (Thailand) Company Limited	Executive Director

2.2) Other Companies:

Company	Position
<b>Related Party Company</b>	
1. S.Sahatara (Thailand) Company Limited	Director
2. Toho Foam (Thailand) Company Limited	Director
<b>Other Company</b>	
1. LN Srithai Comm Company Limited	Director
2. Nissen Chemitec (Thailand) 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 : 7 | No. of meetings attended : 7 |
| - Nomination and Remuneration Committee meetings | No. of meetings held : 2 | No. of meetings attended : 2 |

Tenure of directorship : 11 years (since the Company was released from the Rehabilitation Plan in July 2002 till present time)



## 2) Mr. Viroj Lowhaphandu



Age : 84 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 (as of December 27, 2013)  
 Relationship among Directors and Management : None  
 Illegal acts in the past 10 years : None  
 Training Course : Director Certification Program (DCP) Class 3/2000  
 Thai Institute of Directors Association (IOD) : Audit Committee Program (ACP) Class 22/2008  
 Role of the Chairman Program (RCP) Class 24/2010  
 Anti-Corruption for Executive Program (ACEP) Class 5/2013  
 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 Degree	Accounting
Sripatum University	Honorary Doctorate Degree in Business Administration	Finance and Banking
Rangsit University	Honorary Doctorate Degree in Philosophy	Politics and Economics
The University of the Thai Chamber of Commerce	Honorary Arts Degree of Doctor of Philosophy	Accounting
The National Defence College of Thailand	Certificate of Achievement, 22nd 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
Srithai Superware Public Company Limited	Independent Director, and Chairman of the Audit Committee
Central Plaza Hotel Public Company Limited	Advisor to the Audit Committee

**2) Non-listed Companies:**

2.1) Srithai Superware Group : None

**2.2) Other Companies:**

Company	Position
The Joint Doctoral Program in Business Administration (JDBA)	Director
Thammasat Association	Advisor

**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 : 7	No. of meetings attended : 7
- Audit Committee meetings	No. of meetings held : 4	No. of meetings attended : 4
- Meeting among Independent Directors and auditors without attendance of Management	No. of meetings held : 1	No. of meetings attended : 1

**Tenure of directorship** : 11 years (since the Company was released from the Rehabilitation  
Plan in July 2002 till present time)



### 3) Mr. Enghug Nontikarn



Age : 57 years  
 Nationality : Thai  
 Present Position : Independent Director, Audit Committee Member, and  
 Nomination and Remuneration Committee Member

Authority to sign for the Company as

per Certification Document : None

No. of share : 5,900 shares or 0.00 percent (as of December 27, 2013)  
 (included shares held by spouse)

Relationship among

Directors and Management : 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
Siam City Bank Public Company Limited	Senior Executive Vice President	A.D. 2005 – 2011

#### Present Positions in Companies:

##### 1) Listed Companies:

Company	Position
Srithai Superware Public Company Limited	Independent Director, Audit Committee Member, and Nomination and Remuneration Committee Member
Thanachart Bank Public Company Limited	Executive Vice President Treasury and Debt Capital Markets

##### 2) Non-listed Companies:

2.1) Srithai Superware Group : None

## 2.2) Other Companies

Company	Position
Tris Corporation 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 : 7	No. of meetings attended : 7
- Audit Committee meetings	No. of meetings held : 4	No. of meetings attended : 4
- Nomination and Remuneration Committee meetings	No. of meetings held : 2	No. of meetings attended : 2
- Meeting among Independent Directors and auditors without attendance of Management	No. of meetings held : 1	No. of meetings attended : 1

**Tenure of directorship** : 11 years (since the Company was released from the Rehabilitation Plan in July 2002 till present time)



#### 4) Mr. Suchat Boonbanjerd Sri



Age : 54 years  
 Nationality : Thai  
 Present Position : Independent Director, Audit Committee Member,  
 and Chairman of the Good Corporate Governance Committee  
 Authority to sign for the Company  
 as per Certification Document : None  
 No. of share : None (as of December 27, 2013)  
 Relationship among  
 Directors and Management : None  
 Illegal acts in the past 10 years : None  
 Training Course : Directors Certification Program (DCP)  
 Thai Institute of Audit Committee Program (ACP)  
 Directors Association (IOD)  
 Other Training : Executive Development Program (EDP)  
 Leadership Development Program (LDP),  
 Thai Listed Companies Association

#### Education:

Institution	Degree	Major
Chulalongkorn University	Bachelor (2nd 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

**Experience (Cont'd) :**

Company	Position	Time Period
Aeronautical Radio of Thailand Company Limited, a state enterprise under the Ministry of Transport and Communication	Director	A.D. 2001 – 2002
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, Audit Committee Member, and Chairman of the Good Corporate Governance Committee

**2) Non-listed Companies:**

2.1) Srithai Superware Group : None

**2.2) Other Companies:**

Company	Position
Practicum Engineering Company Limited	Chairman
Knight Club Capital Asset Management 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 : 7	No. of meetings attended : 7
- Audit Committee meetings	No. of meetings held : 4	No. of meetings attended : 3
- Good Corporate Governance Committee meeting	No. of meetings held : 2	No. of meetings attended : 2
- Meeting among Independent Directors and auditors without attendance of Management	No. of meetings held : 1	No. of meetings attended : 1

Tenure of directorship : 11 years (since August 2002 till present time)





## 5) Mrs. Siriporn Sailasuta



Age : 67 years  
 Nationality : Thai  
 Present Position : Independent Director, Chairwoman of the Nomination and Remuneration Committee, and Good Corporate Governance Committee Member

### Authority to sign for the Company

as per Certification Document : None  
 No. of share : None (as of December 27, 2013)

### Relationship among

Directors and Management : 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, 42nd 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, Chairwoman of the Nomination and Remuneration Committee, and Good Corporate Governance 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 : 7	No. of meetings attended : 7
- Nomination and Remuneration Committee meetings	No. of meetings held : 2	No. of meetings attended : 2
- Good Corporate Governance Committee meetings	No. of meetings held : 4	No. of meetings attended : 3
- Meeting among Independent Directors and auditors without attendance of Management	No. of meetings held : 1	No. of meetings attended : 1

**Tenure of directorship** : 6 years (since 2008 till present time)



## 6) Mrs. Srisuda Lertsumitkul



Age : 73 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 (as of December 27, 2013)  
 Relationship among  
 Directors and Management : 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 : 7                      No. of meetings attended : 7

Tenure of directorship : 11 years(since the Company was released from the  
 Rehabilitation Plan in July 2002 till present time)

## 7) Mr. Naphol Lertsumitkul



Age : 52 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 : None (as of December 27, 2013)  
 Relationship among Directors and Management : 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 : Director Certification Program (DCP)  
 Directors Association (IOD)

### 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

Company	Position
Subsidiary Company Srithai Miyagawa Company Limited	Director

##### 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 : 7 No. of meetings attended : 7

Tenure of directorship : 11 years (since the Company was released from the Rehabilitation Plan in July 2002 till present time)



## 8) Mr. Manit Ativanichayaphong



Age : 68 years  
 Nationality : Thai  
 Present Position : Director, Good Corporate Governance Committee Member, Risk Management Sub-committee Member, and Senior Marketing Director - Household Products  
 Authority to sign for the Company as per Certification Document : Yes  
 No. of share (included shares held by spouse) : 1,148,720 shares or 0.42 percent (as of December 27, 2013)  
 Relationship among Directors and Management : None  
 Illegal acts in the past 10 years : None  
 Training Course : Director Accreditation Program (DAP)  
 Thai Institute of Director Certification Program (DCP)  
 Directors Association (IOD)

### 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, Good Corporate Governance Committee Member, Risk Management Sub-committee Member, and Senior Marketing Director - Household Products

2) Non-listed Companies:

2.1) Srithai Superware Group

Company	Position
<b>Subsidiary Company</b>	
1. Korat Thai Tech Company Limited	Director
2. Srithai Superware Manufacturing Private Limited	Director
3. Srithai Superware India Limited	Director
<b>Associated Company</b>	
1. Thai MFC Company Limited	Director
2. PT. Srithai Maspion Indonesia	Director

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 : 7	No. of meetings attended : 7
- Good Corporate Governance Committee meetings	No. of meetings held : 4	No. of meetings attended : 4
- Risk Management Sub-committee meetings	No. of meetings held : 11	No. of meetings attended : 10

Tenure of directorship : 11 years (since the Company was released from the Rehabilitation Plan  
in July 2002 till present time)



## 9) Mr. Prin Bholnivas



Age : 57 years  
 Nationality : Thai  
 Present Position : Director, Nomination and Remuneration Committee Member,  
 Good Corporate Governance Committee Member,  
 Chairman of the Risk Management Sub- committee,  
 Company Secretary, Chief Financial Officer,  
 and Acting Finance and Accounting Director

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

No. of share : 200,000 Shares or 0.07 percent (as of December 27, 2013)

Relationship among  
 Directors and Management : None

Illegal acts in the past 10 years : None

Training Course : Director Accreditation Program (DAP)  
 Thai Institute of Director Certification Program (DCP)  
 Directors Role of the Compensation Committee (RCC)  
 Association (IOD) 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  
 ASEAN CG Scorecard  
 Anti-Corruption for Executive Program (ACEP)

### 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, Nomination and Remuneration Committee Member, Good Corporate Governance Committee Member, Chairman of the Risk Management Sub-committee, Company Secretary, Chief Financial Officer, and Acting Finance and Accounting Director

**2) Non-listed Companies:**

**2.1) Srithai Superware Group**

Company	Position
Subsidiary Company	
1. Korat Thai Tech Company Limited	Director
2. P.E.T. Blow Company Limited	Director
3. Srithai (Vietnam) Company Limited	Director
4. Srithai Superware Manufacturing Private Limited	Director
5. Srithai Superware India Limited	Director
6. Srithai Moulds Company Limited	Director
Associated Company	
1. Srithai Sanko Company Limited	Director
2. Thai MFC Company Limited	Director
3. Srithai Packaging Company Limited	Director
Joint Venture Company	
Srithai-Otto (Thailand) Company Limited	Director

**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 : 7	No. of meetings attended : 7
- Audit Committee meetings	No. of meetings held : 4	No. of meetings attended : 4
- Nomination and Remuneration Committee meetings	No. of meetings held : 2	No. of meetings attended : 2
- Good Corporate Governance Committee meetings	No. of meetings held : 4	No. of meetings attended : 4
- Risk Management Sub-committee meetings	No. of meetings held : 11	No. of meetings attended : 11

**Tenure of directorship** : 11 years (since the Company was released from the Rehabilitation Plan in July 2002 till present time)





## 10) Mr. Settapong Haemintakun



Age : 52 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 (as of December 27, 2013)  
 Relationship among  
 Directors and Management : 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) Company Limited	Managing Director	A.D. 2002 - 2005
Synergy Worldwide Marketing (Thailand) Company Limited	Country Manager	A.D. May 2005 – May 2007
Agel Enterprises (Thailand) Company Limited	Regional Director of Southeast Asia	A.D. May 2007 – Apr. 2010

### 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 : 63 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 (as of December 27, 2013)  
 Relationship among Directors and Management : None  
 Illegal acts in the past 10 years : None

### Education :

Institution	Degree	Major
Bangkok Technical College	Associate	-

### Experience:

Institution	Degree	Major
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 : 51 years  
 Nationality : Thai  
 Present Position : Human Resource Development Director  
 Authority to sign for the Company as per Certification Document : None  
 No. of share : 8,000,000 Shares or 2.95 percent (as of December 27, 2013)  
 Relationship among Directors and Management : 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:

Institution	Degree	Major
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 : 55 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 : 142 Shares or 0.00 percent (as of December 27, 2013)  
 Relationship among Directors and Management : 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

##### 2.1) Srithai Superware Group:

Company	Position
Subsidiary Company	
1. SuperIdea Company Limited	Director
2. Srithai Miyagawa Company Limited	Director
Associated Company	
Srithai Sanko Company Limited	Director

##### 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 : 11 No. of meetings attended : 8

## 14) Mr. Pawat Chalermpong



Age : 53 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 : 100,000 Shares or 0.04 percent (as of December 27, 2013)  
 Relationship among  
 Directors and Management : 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

Company	Position
Subsidiary Company	
1. SuperIdea Company Limited	Director
2. Srithai Nanoplast Company Limited	Director
Associated Company	
Srithai Sanko Company Limited	Management
Joint Venture Company	
Srithai-Otto (Thailand) Company Limited	Executive Director

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 : 11      No. of meetings attended : 10



## 15) Mr. Pongsak Kantiratanawong



Age : 55 years  
 Nationality : Thai  
 Present Position : Marketing Director - Packaging Products  
 Authority to sign for the Company as per Certification Document : None  
 No. of share : 158,000 Shares or 0.06 percent (as of December 27, 2013)  
 Relationship among Directors and Management : None  
 Illegal acts in the past 10 years : None

### Education:

Institution	Degree	Major
Chulalongkorn University	Bachelor of Science	Biochemistry
Thammasat University	M.B.A.	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

## 16) Mr. Jarung Srisakul



Age : 59 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 (as of December 27, 2013)  
 Relationship among  
 Directors and Management : None  
 Illegal acts in the past 10 years : None

### Education:

Institution	Degree	Major
Saint Louis University	B.Sc. in Engineering	Telecommunication
Saint Louis University	M.Sc. in Engineering	Management Engineering

### 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 : 11 No. of meetings attended : 6\*

\*Mr. Jarung Srisakul was assigned to be a management of Srithai (Vietnam) Company Limited which is a subsidiary during the year 2013. He, therefore, has been stationed in the Socialist Republic of Vietnam and could not attend the meetings.





## 17) Mr. Rakesh Singh

Age : 50 years  
 Nationality : Thai  
 Present Position : Corporate Strategy and Operation Development Director  
 Authority to sign for the Company as per Certification Document : None  
 No. of share : None (as of December 27, 2013)  
 Relationship among Directors and Management : 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	Corporate Strategy and Operation Development Director

#### 2) Non-listed Companies:

##### 2.1) Srithai Superware Group

Company	Position
Subsidiary Company	
1. Srithai Superware Manufacturing Private Limited	Executive Director
2. Srithai Superware India Company Limited	Executive Director

##### 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

## 18) Mr. Chaichan Chareonsuk



Age : 44 years  
 Nationality : Thai  
 Present Position : Export Sales & Marketing Director  
 Authority to sign for the Company  
 as per Certification Document : None  
 No. of share : None (as of December 27, 2013)  
 Relationship among  
 Directors and Management : None  
 Illegal acts in the past 10 years : None

### Education:

Institution	Degree	Major
Chulalongkorn University	Bachelor (Second Class Honour)	Chemical Technology
Asian Institute of Technology	Master	Industrial Engineering and Management
Shinawatra University	Doctor of Philosophy	Management Science

### Experience:

Company	Position	Time Period
Thai Paper Company Limited (SCG Group)	Production Engineer	A.D.1991 – 1995
Cemen Thai Chemicals Company Limited (SCG Group)	Project Analysts	A.D. 1995 – 1997
Thai MMA Company Limited (SCG Group)	Sales and Logistics Manager	A.D. 1997 – 2002
Srithai Superware Public Company Limited	Export Sales Manager	A.D. 2003 – 2005
Srithai Superware Public Company Limited	Business Development Export Manager	A.D. 2006 - 2011

### Present Positions in Companies:

#### 1) Listed Companies:

Company	Position
Srithai Superware Public Company Limited	Export Sales & Marketing Director

#### 2) Non-listed Companies:

##### 2.1) Srithai Superware Group



Company	Position
Subsidiary Company Srithai Nanoplast Company Limited	Executive Director

2.2) Other Companies

Company	Position
Best & Bright Products Company 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 : 11

No. of meetings attended : 11

## 19) Mr. Anupoch Pasawat



(being executive since January 2, 2013)

Age : 61 years  
 Nationality : Thai  
 Present Position : Factory Director-Beverage Packaging Product  
 Authority to sign for the Company  
 as per Certification Document : None  
 No. of share : None (as of December 27, 2013)  
 Relationship among  
 Directors and Management : None  
 Illegal acts in the past 10 years : None

### Education:

Institution	Degree	Major
University of Wisconsin – Madison, Wisconsin, U.S.A.	Bachelor of Engineering	Mechanical Engineering

### Experience:

Company	Position	Time Period
Huamark Floor Tile Company Limited	Engineer	A.D.1978 – 1980
Colgate – Palmolive (Thailand) Limited	Associate Director - Manufacturing	A.D. 1981–2012

### Present Positions in Companies:

#### 1) Listed Companies:

Company	Position
Srithai Superware Public Company Limited	Factory Director-Beverage Packaging Product

#### 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



## 20) Mr. Chairaj Eangtanarat

(being executive since January 2, 2013)



Age : 52 years  
 Nationality : Thai  
 Present Position : Direct Sales Director  
 Authority to sign for the Company  
 as per Certification Document : None  
 No. of share : 100 Shares or 0.00 percent (as of December 27, 2013)  
 (included shares held by spouse)  
 Relationship among  
 Directors and Management : None  
 Illegal acts in the past 10 years : None

### Education:

Institution	Degree	Major
Ramkhamkaeng University	Bachelor	Business Administration - Finance and Banking

### Experience:

Company	Position	Time Period
Srithai Superware Public Company Limited	Secretary to the Chairman and President	A.D. 1988 – 2005
Srithai Superware Public Company Limited	Sales Manager – Ektra and Lock & Lock Products	A.D. 2005– 2008
Srithai Superware Public Company Limited	Direct Sales Manager	A.D. 2008– 2012

### Present Positions in Companies:

#### 1) Listed Companies:

Company	Position
Srithai Superware Public Company Limited	Direct Sales 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

## 2. Duties and Responsibility of the Company Secretary

Duties and responsibility of the Company Secretary as prescribed in the Securities and Exchange Act (No.4) B.E.2551 are as follow:-

1. **Duty concerning holding a meeting**
  - 1.1. 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. Gather and prepare documents to be sent to the Company's directors and the shareholders;
  - 1.3. Follow and revise the procedures of the Board of Directors' meeting and the Annual General Meeting of Shareholders;
  - 1.4. Gather and file the documents for the meeting and the minutes of the meeting.
2. **Conforming to Laws and Regulations**
  - 2.1. Ensure that the Company's operations follow the Memorandum of Association and the Articles of Association of the Company;
  - 2.2. Ensure that the Company and the Company's Board of Directors conform to related laws such as preparation of the Directors Registration, handling of connected transaction, acquisition or disposal of assets, etc;
  - 2.3. Ensure that the Company and the Company's Board of Directors conform to regulations of the Stock Exchange of Thailand regarding disclosure of information as well as to regulations of the Office of the Securities and Exchange Commission in its accountability as issuer of securities to the public;
  - 2.4. Revise the progress and provide consultancy, suggestion, and support on matters of Good Corporate Governance, and the Codes of Best Practice for Directors and Executives.
3. **Preparation, gathering, and dissemination of information**
  - 3.1. Prepare draft of message of the Board of Directors and report by the Board of Directors on its responsibility to the Company's financial statements to be shown in the annual report;
  - 3.2. Co-ordinate in preparation and dissemination of the annual report and the financial reports 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. Gather and update the Company's shareholder-list and request the Share Registrar for cooperation;
  - 3.4. Examine and follow the movement of the shareholder-list to prevent being taken over;
  - 3.5. Gather information and report on security holding as per 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. Provide report of information pursuant to regulations of the Stock Exchange of Thailand such as connected transaction, acquisition or disposal of assets, etc.
4. **Other related duties**
  - 4.1. Provide suggestion and hand to the Company's daily management in order to achieve the objective of the Company;
  - 4.2. Be the center of communication and provide information to the Non-Executive directors;



- 4.3. Contact with shareholders in making announcements such as dividend payment, etc;
- 4.4. 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. 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 outsiders to make contact with the Company;
- 4.6. Provide knowledge to the directors of the Company.

### **3. History of the Company's Directors and Executives**

The Company's directors and executives do not have the history record of being penalized in the last 5 years regarding the violation of the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546 for the following cases :

1. Serious wrongdoing or negligence;
2. Disclosure or dissemination of information or messages which are false and may cause misunderstanding or conceal facts that should be revealed as they might affect the decision making of shareholders, investors, or related parties;
3. Unfair or exploitative behaviours on investors in their sales / purchases of securities or derivatives, or having participated in or supported such behaviours.

## Attachment no. 2

### Director of Subsidiaries

The name list of the Board of Directors of Srithai (Vietnam) Company Limited, which is the only subsidiary that contributed income in 2013 over 10% of the Group's total income in the consolidated statement of comprehensive income for the year ended on December 31, 2013, is as follows :

Company	Title
Mr. Sanan Angubolkul	Chairman
Mr. Prin Bholnivas	Director
Mr. Santi Visawameteekul	Executive Director





## Attachment no. 3

### Details regarding the Company's Internal Audit Supervisor and Compliance Supervisor

#### 1. Details of Internal Audit Supervisor

Name-Surname : Mr. Tanatch Sripan  
 Age : 47 years  
 Nationality : Thai  
 Present Position : Internal Audit Manager,  
 Audit Committee Secretary, and Risk  
 Management Sub-committee Member



Authority to sign for the Company as per  
 Certification Document : None  
 No. of share : None (as of December 27, 2013)  
 Relationship among  
 Directors and Management : None  
 Illegal acts in the past 10 years : None

Training Course : Company Secretary Program (CSP)  
 Thai Institute of Effective Minutes Taking (EMT)  
 Directors Association (IOD) Anti-Corruption : The Practical Guide (ACPG)

Other Training : Enterprise Risk Management,  
 The Institute of Internal Auditors of Thailand  
 Enterprise Risk Management,  
 National Institute of Development Administration  
 How can Internal Auditor support Audit Committee,  
 Federation of Accounting Professions

#### Education:

Institution	Degree	Major
Ramkhamkaeng University	Bachelor	Accounting
Ramkhamkaeng University	Master	General Management

#### Experience:

Company	Position	Time Period
Srithai Superware Public Company Limited	Internal Audit Manager	A.D. 2001 – Present

**Present Positions in Companies:**

**1) Listed Companies:**

Company	Position
Srithai Superware Public Company Limited	Internal Audit Manager, Audit Committee Secretary, and Risk Management Sub-committee Member

**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:**

- Audit Committee meetings No. of meetings held : 4 No. of meetings attended : 4

- Risk Management Sub-committee meetings No. of meetings held : 11 No. of meetings attended : 10

**Manpower of Internal Audit Department** : 4 persons (inclusive of Department Manager)

## **2. Details of Compliance Supervisor of the Company and Responsibilities**

The Company is in the process of considering the establishment of Compliance Unit of the Company as well as settings its duties and responsibilities.



## Attachment no.4

### Report of the Nomination and Remuneration Committee

To: Shareholders  
Srithai Superware Public Company Limited

The Nomination and Remuneration Committee has been appointed by the Board of Directors in August 2005. The purposes are to comply with the Company's good corporate governance policies and good corporate governance principles of the Stock Exchange of Thailand to help the Board of Directors to recruit and nominate transparently potential directors and top executives, to assure fairness to all groups of stakeholders, and to assure efficiency of the businesses. The present Nomination and Remuneration Committee's term in office would be completed by the end of the year 2015.

#### Performance of the Nomination and Remuneration Committee

In 2013, the Nomination and Remuneration Committee held 2 meetings. The number of times each member of the Nomination and Remuneration Committee attending the meeting was as follows:

Name	Position	Number of Times Attending the Meeting / Number of Total Meetings (Times)
Mrs. Siriporn Sailasuta	Chairwoman of the Nomination and Remuneration Committee	2/2
Mr. Sanan Angubolkul	Nomination and Remuneration Committee Member	2/2
Mr. Enghug Nontikarn	Nomination and Remuneration Committee Member	2/2
Mr. Prin Bholnivas	Nomination and Remuneration Committee Member and Secretary of the Committee	2/2

Performances of the Nomination and Remuneration Committee during the year 2013 could be summarized as follows:-

1. Considered nomination of directors to replace the Company's Directors whose terms have been completed, and change of directors' remuneration structure rates for consideration by the Board of Directors of the Company for further proposing to the Annual General Meeting of Shareholders no. 32 (of the year 2013);
2. Considered adjustment of salaries of executives for the year 2013;
3. Considered extension of the term in office of 2 executives;
4. Considered payment of bonus to Company's executives for performance of the year 2013.

On Behalf of the Nomination and Remuneration Committee

Srithai Superware Public Company Limited

Mrs. Siriporn Sailasuta

Chairwoman of the Nomination and Remuneration Committee

## Report of the Good Corporate Governance Committee

To: Shareholders

Srithai Superware Public Company Limited

The Good Corporate Governance Committee had been appointed by the Board of Directors in May 2012 in order to perform the duties of developing, directing, and following up compliance to good corporate governance policy of the Company continually and effectively. The present Good Corporate Governance Committee's term in office would be completed by the end of the year 2014.

In the year 2013, the Good Corporate Governance Committee held 4 meetings. Number of meeting attended by each member of Good Corporate Governance Committee was as follows :

Name	Position	Number of attendance/ Total number of meetings (times)
Mr. Suchat Boonbanjerd Sri	Chairman of the Good Corporate Governance Committee	4/4
Mrs. Siriporn Sailasuta	Good Corporate Governance Committee Member	3/4
Mr. Manit Ativanichayaphong	Good Corporate Governance Committee Member	4/4
Mr. Prin Bholnivas	Good Corporate Governance Committee Member and Secretary	4/4

Performance in the year 2013 of the Good Corporate Governance Committee in cooperation with the Good Corporate Governance Working Group as appointed by the Good Corporate Governance Committee was as follow :

1. Prepared and proposed to the Board of Directors for approval and publication of the Good Corporate Governance Policy of the Company, Third Revised Edition (2013) in conformity with Principles of Good Corporate Governance for Listed Companies for the year 2012 of the Stock Exchange of Thailand and Criteria of Survey on Corporate Governance Report of Thai Listed Companies for the year 2013 of the Thai Institute of Directors Association.
2. Prepared and proposed to the Board of Directors for approval and publication of 26 policies and practice guidelines following the Principles of Good Corporate Governance under the category Role of Stakeholders.
3. Prepared and proposed to the Board of Directors for approval of the Board Diversity Structure.
4. Prepared and proposed to the Board of Directors for approval of the use of performance assessment criteria for the Board of Directors and Sub-Committees consisting of :
  - 4.1 Assessment criteria for the Board of Directors (as a whole Board);
  - 4.2 Assessment criteria for Directors (as individual);
  - 4.3 Assessment criteria for Sub-Committees.

The Good Corporate Governance Committee has commitment to always develop management of the Company under Good Corporate Governance Policy in order to add value and enhance sustainability for the Company, shareholders and all groups of stakeholders of the Company in the long run.

On Behalf of the Good Corporate Governance Committee

Srithai Superware Public Company Limited



Mr. Suchat Boonbanjerd Sri

Chairman of the Good Corporate Governance Committee



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

To: Shareholders

Srithai Superware Public Company Limited

The Board of Directors is accountable for correctness of financial report and financial information of Srithai Superware Public Company Limited and its subsidiaries. Financial statements have been prepared in accordance with the Thai Generally Accepted Accounting Principles and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. Accounting policies are consistently and appropriately applied with discreet judgment and reasonably estimate including sufficient disclosure of significant information in notes to financial statement which have been audited and expressed with unqualified opinion by the external auditor who is independent. As such, the financial report and financial information shall reflect financial position, operating performance and cashflow information correctly, and transparently for benefits of shareholders and investors.

The Board of directors performs the duties of directing, monitoring and developing compliance to good corporate governance policy. Additionally, the duties include making available and in force risk management system and internal control system in order to assure that concerned information and accounting transactions were recorded correctly, completely, timely and sufficiently in order to safeguard the Company's assets. The Board also assures observance of laws and relevant regulations and prevention of risk from significant misconduct or fraudulence.

The Audit Committee has been appointed by the Board of Directors consisting of all Independent Directors. The Committee is responsible for reviewing accounting policies, quality of financial reports, internal control system, internal audit system, risk management, compliance with Good Corporate Governance Policy and considering the conduct and disclosure of related party transaction information completely, sufficiently and properly. The Committee has expressed its opinion in the Report of the Audit Committee as shown in this Annual Report.

The Board of Directors opines that overall internal control system of the Company is sufficient and suitable to be reasonably ensured that financial statements of Srithai Superware Public Company Limited and consolidated financial statements of Srithai Superware Public Company Limited and its subsidiaries for the year ended December 31, 2013 present fairly in all material respects the financial position, operation results, and cash flows in accordance with Financial Reporting Standards and comply with other relevant laws and regulations.

Mr. Sanan Angubolkul

Chairman of the Board

Srithai Superware Public Company Limited

## Report of the Audit Committee

To Shareholders

Srithai Superware Public Company Limited

The Audit Committee of Srithai Superware Public Company Limited ("the Company") comprises 3 Independent Directors who have the expertise and experiences in different fields such as accounting, law, finance and banking under the requirements of the Stock Exchange of Thailand. They are also independent in performing duties according to the Charter of the Audit Committee. Besides, the Chairman of the Audit Committee is not involved in other committees. The Audit Committee of 2013 consisted of:

- |                               |                                 |
|-------------------------------|---------------------------------|
| 1. Mr. Viroj Lowhaphandu      | Chairman of the Audit Committee |
| 2. Mr. Enghug Nontikarn       | Audit Committee Member          |
| 3. Mr. Suchat Boonbanjerd Sri | Audit Committee Member          |

In 2013, the Audit Committee organized 5 meetings, 4 of which were solely for the Audit Committee and the last one was a joint meeting between the independent directors and external auditor without presence of executive of the Company.

### 1. Review on Financial Reports

The Audit Committee has performed their duties strictly as assigned by the Company's Board of Directors and those required by the Notification of the Stock Exchange of Thailand Re: Qualifications and Scope of Work of the Audit Committee, B.E. 2551.

The Audit Committee was committed to emphasize and enhance the operational system to be in line with relevant rules and regulations, the preparation of financial reports, the risk management, and the good internal control system. In each meeting, the Committee independently consulted and discussed amongst members about significant information for the preparation of financial reports, as well as asked questions regarding any suspicious misconducts of the Company and requested for the audit plans of the external auditor for current and next financial years.

The Audit Committee reviewed significant information in the quarterly and annual financial statements of 2013 of Srithai Superware Public Company Limited and its subsidiaries. The reviews were held together with the Company's external auditor, executives of finance and accounting function, and Head of Internal Audit Department in order to consider financial reports, disclosure of notes to financial statements, important accounting policies and estimates, as well as observations from the review and audit of the external auditor prior to the approval of the financial statements which have been audited and expressed with unqualified opinion, and submission for the Board of Directors' consideration.

The Audit Committee opined that the Company's financial statements for the year 2013 present fairly, in all material respects in accordance with Financial Reporting Standards and disclose sufficient information in conformity with the standards as prescribed by the Federation of Accounting Professions Under the Royal Patronage of His Majesty the King. It was then deemed appropriate to submit it to the Board of Directors for approval before further consideration of the Shareholders' Meeting.

### 2. Review on Risk Management

The Audit Committee regularly inquired and monitored the operations, as well as advised Risk Management Sub-committee on quarterly basis. This encompasses all risk factors as a result of changes in business and environmental conditions, and risk management measures to cope with those factors which significantly affect the business.



### **3. Supervision of Compliance with Relevant Rules and Regulations as Prescribed by the Regulators**

The Audit Committee had reviewed compliance to relevant rules and regulations as prescribed by the regulators including related transactions which may cause conflicts of interest among the Company and stakeholders. The result of such review found no case within the scope of breaching the Securities and Exchange Commission Acts, the regulations of the Stock Exchange of Thailand, or any laws relating to the business of the Company. As well, the related transactions were in accordance with the nature course of business.

### **4. Review on Compliance with Good Corporate Governance Policy**

The Audit Committee had reviewed the compliance with good governance policies and found that the Good Corporate Governance Committee has set the policies and practice guidelines, as well as continuously monitored the results. This is to ensure that the operation has been carried out with transparency and fairness in order to create trust and confidence for stakeholders. The Company has consecutively received good rating from the assessment of Good Corporate Governance of listed companies by the Stock Exchange of Thailand.

### **5. Review on Internal Control System**

The Audit Committee, external auditor, and Internal Auditor had reviewed the Company's internal control system. They shared the same opinion that the Company has sufficient, appropriate and efficient internal control system. There was no material deficiency on the internal control system and the Company's financial statements. For any observations found by the external auditor or Internal Audit Department, the Audit Committee would regularly suggest and press the Company's management to take corrective actions.

### **6. Consideration of the Appointment of Certified Public Accountant for the Year 2014**

The Audit Committee had reviewed the performance of the external auditor from PricewaterhouseCoopers ABAS Limited during the past fiscal year. It was viewed that they have good knowledge and understanding of the Company's business, and have worked with independence, neutrality, reliability, and capability in completing the audit assignment of financial statements completely, accurately, and timely with satisfactory. The Audit Committee therefore recommended the Board of Directors to propose to the Shareholders' Meeting to appoint either Mr. Vichien Khingmontri CPA no. 3977, or Ms. Anutai Poomsurakul CPA no. 3873, or Mr. Chanchai Chaiprasit CPA no. 3760 from PricewaterhouseCoopers ABAS Limited to be the Company's auditor for the fiscal year 2014 with total audit fee of Baht 1,800,000 (One Million and Eight Hundred Thousand Baht only).

On Behalf of the Audit Committee

Srithai Superware Public Company Limited

(Mr. Viroj Lowhaphandu)

Chairman of the Audit Committee



## AUDITOR'S REPORT

To the Shareholders of Srithai Superware Public Company Limited

I have audited the accompanying consolidated and company financial statements of Srithai Superware Public Company Limited and its subsidiaries and of Srithai Superware Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

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*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 of Srithai Superware Public Company Limited and its subsidiaries and of Srithai Superware Public Company Limited as at 31 December 2013, and its consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Vichien Khingmontri  
Certified Public Accountant (Thailand) No. 3977  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
25 February 2014



**Srithai Superware Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2013**

	Notes	Consolidated		Company	
		2013	2012	2013	2012
			Reclassified		Reclassified
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	437,117,224	441,288,433	215,856,126	232,169,465
Short-term investments	8	7,858,770	7,358,536	-	-
Trade accounts receivable, net	9	1,855,457,482	1,685,624,170	1,674,540,952	1,522,602,065
Other receivables - third parties		52,943,475	46,649,965	30,912,289	35,177,430
- related parties, net	34.2	6,699,179	904,453	11,256,998	4,872,024
Short-term loan to a related party	34.2	-	-	-	182,914,200
Inventories, net	10	1,475,138,671	1,351,492,945	1,131,539,015	1,042,173,822
Other current assets		114,290,528	96,879,970	88,614,959	53,725,048
<b>Total current assets</b>		<b>3,949,505,329</b>	<b>3,630,198,472</b>	<b>3,152,720,339</b>	<b>3,073,634,054</b>
<b>Non-current assets</b>					
Investments in subsidiaries, net	11.1	-	-	761,800,125	456,714,525
Investments in associates, net	11.1	288,172,289	293,691,731	184,113,258	199,978,123
Investments in joint venture	11.1	14,313,342	11,406,239	4,999,800	4,999,800
Other long-term investments, net	12	206,616,354	206,616,354	140,769,970	140,769,970
Investment properties, net	13	134,779,114	141,125,198	499,214,447	504,880,126
Property, plant and equipment, net	14	5,295,733,845	4,842,889,670	4,176,798,801	3,868,198,442
Intangible assets, net	15	49,383,359	57,931,020	39,114,428	48,564,595
Deferred tax assets, net	16	94,162,249	75,525,487	68,417,644	59,467,287
Leasehold right	17	48,330,147	-	-	-
Other non-current assets		44,514,183	65,915,067	21,927,380	67,785,828
<b>Total non-current assets</b>		<b>6,176,004,882</b>	<b>5,695,100,766</b>	<b>5,897,155,853</b>	<b>5,351,358,696</b>
<b>Total assets</b>		<b>10,125,510,211</b>	<b>9,325,299,238</b>	<b>9,049,876,192</b>	<b>8,424,992,750</b>

The notes to the consolidated and company financial statements on pages 9 to 70 form an integral part of these financial statements.



**Srithai Superware Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2013**

		Consolidated		Company	
		2013	2012	2013	2012
			Reclassified		Reclassified
Notes	Baht	Baht	Baht	Baht	Baht
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans	18	823,449,663	840,961,459	820,000,000	790,000,000
Long-term loans (maturing within one year)	19	563,878,278	532,901,427	435,091,938	463,470,227
Trade accounts payable - third parties		837,645,983	794,532,300	571,423,566	667,637,751
- related parties	34.2	112,561,983	127,701,776	122,262,729	170,392,411
Other payables - third parties	20	404,595,970	377,011,296	285,333,755	271,466,377
- related parties	34.2	2,474,859	3,207,943	3,502,743	9,066,166
Other current liabilities		36,132,749	52,451,214	25,790,381	41,533,850
<b>Total current liabilities</b>		<b>2,780,739,485</b>	<b>2,728,767,415</b>	<b>2,263,405,112</b>	<b>2,413,566,782</b>
<b>Non-current liabilities</b>					
Long-term loans	19	2,466,413,261	1,852,106,539	1,965,748,880	1,300,840,818
Finance lease liabilities		2,660,506	887,907	-	-
Employee benefit obligations	24	310,552,945	285,631,020	265,234,764	246,347,843
<b>Total non-current liabilities</b>		<b>2,779,626,712</b>	<b>2,138,625,466</b>	<b>2,230,983,644</b>	<b>1,547,188,661</b>
<b>Total liabilities</b>		<b>5,560,366,197</b>	<b>4,867,392,881</b>	<b>4,494,388,756</b>	<b>3,960,755,443</b>
<b>Shareholders' equity</b>					
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
Retained earnings					
Appropriated - legal reserve	26	182,000,000	160,000,000	182,000,000	160,000,000
Unappropriated		1,496,725,906	1,363,905,290	1,600,758,216	1,531,508,087
Other components of equity	27	(72,939,778)	(24,810,563)	42,896,000	42,896,000
<b>Total parent's shareholders' equity</b>		<b>4,335,619,348</b>	<b>4,228,927,947</b>	<b>4,555,487,436</b>	<b>4,464,237,307</b>
Non-controlling interests		229,524,666	228,978,410	-	-
<b>Total shareholders' equity</b>		<b>4,565,144,014</b>	<b>4,457,906,357</b>	<b>4,555,487,436</b>	<b>4,464,237,307</b>
<b>Total liabilities and shareholders' equity</b>		<b>10,125,510,211</b>	<b>9,325,299,238</b>	<b>9,049,876,192</b>	<b>8,424,992,750</b>

The notes to the consolidated and company financial statements on pages 9 to 70 form an integral part of these financial statements.



**Srithai Superware Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2013**

	Notes	Consolidated		Company	
		2013	2012	2013	2012
		Baht	Reclassified Baht	Baht	Reclassified Baht
Sales and service income	28	9,397,421,494	8,757,315,768	7,169,075,744	7,181,681,643
Cost of sales and services	28, 34.4	(7,556,282,689)	(6,842,474,505)	(5,800,143,207)	(5,619,848,453)
<b>Gross profit</b>		<b>1,841,138,805</b>	<b>1,914,841,263</b>	<b>1,368,932,537</b>	<b>1,561,833,190</b>
Other income	34.3	106,906,527	110,747,865	225,394,522	179,958,378
Selling expenses	30, 34.4	(857,393,367)	(855,688,557)	(764,504,466)	(773,238,458)
Administrative expenses	30, 34.4	(390,387,696)	(399,913,590)	(278,764,718)	(304,645,820)
Other expenses		-	(4,472,903)	-	(4,354,151)
Finance costs	29	(167,000,062)	(135,182,956)	(123,607,480)	(115,625,015)
Share of profit of investments in associates and joint venture	11.2	50,099,483	41,890,136	-	-
Reversal (loss) on impairment of investment in subsidiary and associate, net	11.3 (b)	(12,044,661)	-	32,335,135	(4,200,000)
<b>Profit before income tax</b>		<b>571,319,029</b>	<b>672,221,258</b>	<b>459,785,530</b>	<b>539,728,124</b>
Income tax	16.3	(52,365,234)	(94,859,354)	(36,023,042)	(80,357,492)
<b>Net profit for the year</b>		<b>518,953,795</b>	<b>577,361,904</b>	<b>423,762,488</b>	<b>459,370,632</b>
<b>Other comprehensive income:</b>					
Exchange rate differences on translating financial statements		(48,657,389)	3,834,433	-	-
Gain on remeasuring available-for-sale investments		2,045	21,678,126	-	21,676,000
Actuarial loss on defined employee benefit plans		(34,072,134)	(15,732,002)	(34,437,021)	(11,111,117)
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(82,727,478)</b>	<b>9,780,557</b>	<b>(34,437,021)</b>	<b>10,564,883</b>
<b>Total comprehensive income for the year</b>		<b>436,226,317</b>	<b>587,142,461</b>	<b>389,325,467</b>	<b>469,935,515</b>
<b>Profit attributable to:</b>					
Owners of the parent		486,968,088	541,881,902	423,762,488	459,370,632
Non-controlling interests		31,985,707	35,480,002	-	-
<b>Net profit for the year</b>		<b>518,953,795</b>	<b>577,361,904</b>	<b>423,762,488</b>	<b>459,370,632</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		404,766,739	552,367,219	389,325,467	469,935,515
Non-controlling interests		31,459,578	34,775,242	-	-
<b>Total comprehensive income for the year</b>		<b>436,226,317</b>	<b>587,142,461</b>	<b>389,325,467</b>	<b>469,935,515</b>
<b>Earnings per share</b>	31				
Basic earnings per share		1.80	2.00	1.56	1.70

The notes to the consolidated and company financial statements on pages 9 to 70 form an integral part of these financial statements.

**Consolidated (Baht)**

**Annual Report 2013**  
**Srithai Superware Public Company Limited**

The notes to the consolidated and company financial statements on pages 9 to 70 form an integral part of these financial statements.

**Srithai Superware Public Company Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the year ended 31 December 2013**

		Company (Baht)						
Notes	Issued and paid-up share capital (Note 25)	Premium on treasury shares (Note 25)	Appropriated retained earnings - legal reserve (Note 26)	Unappropriated retained earnings (Note 27)	Other components of equity			Total shareholders' equity
					Available-for-sale investments (Note 27)	Actuarial gain (loss) on defined employee benefit plans	Total other components of equity	
Opening balance as at 1 January 2013								
2	2,709,904,800	19,928,420	160,000,000	1,542,619,204	42,896,000	(11,111,117)	31,784,883	4,464,237,307
	-	-	-	(11,111,117)	-	11,111,117	11,111,117	-
Opening balance as at 1 January 2013 (Reclassified)								
32	2,709,904,800	19,928,420	160,000,000	1,531,508,087	42,896,000	-	42,896,000	4,464,237,307
	-	-	-	423,762,488	-	-	-	423,762,488
	-	-	-	(34,437,021)	-	-	-	(34,437,021)
	-	-	-	(298,075,338)	-	-	-	(298,075,338)
	-	-	22,000,000	(22,000,000)	-	-	-	-
Closing balance as at 31 December 2013								
	2,709,904,800	19,928,420	182,000,000	1,600,758,216	42,896,000	-	42,896,000	4,555,487,436
Opening balance as at 1 January 2012								
	2,709,904,800	19,928,420	136,000,000	1,310,491,432	21,220,000	-	21,220,000	4,197,544,652
	-	-	-	459,370,632	-	-	-	459,370,632
	-	-	-	-	21,676,000	(11,111,117)	10,564,883	10,564,883
32	-	-	-	(203,242,860)	-	-	-	(203,242,860)
	-	-	24,000,000	(24,000,000)	-	-	-	-
Closing balance as at 31 December 2012								
	2,709,904,800	19,928,420	160,000,000	1,542,619,204	42,896,000	(11,111,117)	31,784,883	4,464,237,307

The notes to the consolidated and company financial statements on pages 9 to 70 form an integral part of these financial statements.



**Srithai Superware Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2013**

	Notes	Consolidated		Company	
		2013	2012	2013	2012
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Cash generated from operations	33.1	957,727,289	1,094,205,156	510,503,644	1,104,655,463
Interest paid		(166,117,890)	(133,706,432)	(122,869,983)	(116,010,300)
Income tax paid		(80,549,623)	(131,105,230)	(44,689,118)	(102,680,986)
Net cash receipts from operating activities		711,059,776	829,393,494	342,944,543	885,964,177
<b>Cash flows from investing activities</b>					
Cash payment for short-term investments	8	(17,323,863)	(11,674,766)	-	-
Cash payment for investments in subsidiaries	11.1	-	-	(75,514,000)	(87,277,209)
Purchase of fixed assets	33.2	(996,714,246)	(1,226,904,760)	(786,893,707)	(713,663,446)
Purchase of intangible assets	33.2	(7,300,594)	(11,614,731)	(3,289,812)	(5,920,685)
Purchase of leasehold rights		(47,294,571)	-	-	-
Cash payment for short-term loan to a related party		-	-	(8,000,000)	(220,135,826)
Cash receipt from disposal of short-term investments	8	16,739,860	17,511,469	-	-
Proceeds from disposals of fixed assets and intangible assets		15,411,737	36,040,510	35,042,112	173,636,773
Cash receipt from repayment of short-term loan to a related party and interest income		-	-	8,264,719	34,875,207
Interest receipt		7,901,672	3,409,479	2,230,947	972,519
Dividend receipts from investments in subsidiaries and associates	33.2	32,869,500	17,150,854	85,267,520	29,349,004
Dividend receipts from other investments		15,179,904	8,880,000	15,179,904	8,880,000
Net cash payments for investing activities		(980,530,601)	(1,167,201,945)	(727,712,317)	(779,283,663)
<b>Cash flows from financing activities</b>					
Increase (decrease) in bank overdrafts and short-term loans		(20,789,795)	105,992,959	30,000,000	95,000,000
Receipt from long-term loans	19	1,196,728,000	1,160,684,500	1,100,000,000	600,000,000
Receipt from short-term loan from a related party		3,000,000	3,200,000	-	-
Repayment of long-term loans	19	(579,337,827)	(474,097,338)	(463,470,227)	(458,643,055)
Repayment of finance lease liabilities		(2,867,444)	(24,380,830)	-	(720,221)
Repayment of short-term loan from a related party		(3,000,000)	(3,200,000)	-	-
Cash payment for investments in subsidiaries	11.1	(12,756,000)	-	-	-
Dividend payment	32	(298,075,338)	(203,242,860)	(298,075,338)	(203,242,860)
Dividends paid to non-controlling interests in subsidiaries		(17,601,980)	(7,801,850)	-	-
Receipt from investment of non-controlling interests		-	8	-	-
Net cash receipts from financing activities		265,299,616	557,154,589	368,454,435	32,393,864
<b>Net increase (decrease) in cash and cash equivalents</b>		(4,171,209)	219,346,138	(16,313,339)	139,074,378
Cash and cash equivalents, opening balance		441,288,433	221,942,295	232,169,465	93,095,087
<b>Cash and cash equivalents, closing balance</b>	7	437,117,224	441,288,433	215,856,126	232,169,465
<b>Non cash transactions</b>					
Conversion of loan to investment in a subsidiary	11.3 (a)	-	-	181,371,600	-

The notes to the consolidated and company financial statements on pages 9 to 70 form an integral part of these financial statements.



**Srithai Superware Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2013**

**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, 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 2014.

**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 (“TAS”) 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 information in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

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.

During the period, the Group had reclassified actuarial gain (loss) on defined benefits plan recognised in other comprehensive income to be recognised directly in retained earnings, reclassified loss/reversal of loss on impairment in value of investments in associates recognised in administrative expenses to be presented separately as reversal (loss) on impairment of investment in subsidiary and associates and transactions incurred in relation to storm and fire incident as other expenses.

Consolidated			Company		
Before Reclassified Baht	Reclassi- fication Baht	After Reclassified Baht	Before Reclassified Baht	Reclassi- fication Baht	After Reclassified Baht

**Statement of Financial Position**

**As at 31 December 2012**

Unappropriated retained earnings	1,377,002,854	(13,097,564)	1,363,905,290	1,542,619,204	(11,111,117)	1,531,508,087
Other components of equity	(37,908,127)	13,097,564	(24,810,563)	31,784,883	11,111,117	42,896,000
	<u>1,339,094,727</u>	<u>-</u>	<u>1,339,094,727</u>	<u>1,574,404,087</u>	<u>-</u>	<u>1,574,404,087</u>





**Srithai Superware Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2013**

**2 Accounting policies (Cont'd)**

**2.1 Basis for preparation (Cont'd)**

	<b>Consolidated</b>			<b>Company</b>		
	<b>Before Reclassified Baht</b>	<b>Reclassi- fication Baht</b>	<b>After Reclassified Baht</b>	<b>Before Reclassified Baht</b>	<b>Reclassi- fication Baht</b>	<b>After Reclassified Baht</b>
<b>Statement of Comprehensive Income</b>						
<b>For the year ended 31 December 2012</b>						
Administrative expenses	-	-	-	(308,845,820)	4,200,000	(304,645,820)
Reversal (loss) on impairment of investment in subsidiary and associate - net	-	-	-	-	(4,200,000)	(4,200,000)
Transactions incurred in relation to storm and fire incident	(4,472,903)	4,472,903	-	(4,354,151)	4,354,151	-
Other expenses	-	(4,472,903)	(4,472,903)	-	(4,354,151)	(4,354,151)
	<u>(4,472,903)</u>	<u>-</u>	<u>(4,472,903)</u>	<u>(313,199,971)</u>	<u>-</u>	<u>(313,199,971)</u>

The statement of financial position as at 1 January 2012 has not been presented as a corresponding figure due to having no effect from the reclassification.

**2.2 New accounting standards, new financial reporting standards, new interpretations and amendments to accounting standards**

- a) New accounting standards, revised accounting standards and new financial reporting standards which are effective on 1 January 2013 and are relevant to the Group are:

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

TAS 12 requires tax expenses to be recognised for current and deferred tax. The Group had already adopted this standard, as a consequence, it has no impact to assets, liabilities and retained earnings. Accounting policy of income taxes is provided in Note 2.14.

TAS 20 applies in accounting for, and in the disclosure of, government grants and in the disclosure of other forms of government assistance. TAS 20 has no impact to the Group's financial statements.

TAS 21 (Revised 2009) requires the Company to determine the functional currency which is the currency of the primary economic environment in which the entity operates. The Company assessed and concluded that the functional currency of the Company is Thai Baht. As a consequence, applying TAS 21 (Revised 2009) has no impact to assets, liabilities and retained earnings. The new accounting policy is described in Note 2.4.

TFRS 8 requires the operating segment to be described in the same manner as internal reporting used by the chief operating decision-maker. The new accounting policy is described in Note 2.22. The impact to the Group in applying TFRS 8 is only on a disclosure.

**Srithai Superware Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2013**

**2 Accounting policies (Cont'd)**

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

- b) Revised accounting standards, revised financial reporting standards and related interpretations that are not yet effective and have not been early adopted by the Group are:

**Revised accounting standards, revised financial reporting standards which are effective on or after 1 January 2014 are as follow:**

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interest in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of assets
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-based Payment
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Group.

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This standard has no impact to the Group.

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. The management is currently assessing the impact of applying this standard.

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. This standard has no impact to the Group.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2011. This standard has no impact to the Group.



**Srithai Superware Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2013**

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**2 Accounting policies (Cont'd)**

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

- b) Revised accounting standards, revised financial reporting standards and related interpretations that are not yet effective and have not been early adopted by the Group are: (Cont'd)

**Revised accounting standards, revised financial reporting standards which are effective on or after 1 January 2014 are as follow: (Cont'd)**

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. This standard has no impact to the Group.

TAS 28 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loses joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Group.

TAS 36 (Revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. This standard has no impact to the Group.

TAS 38 (revised 2012) clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. This standard has no impact to the Group.

TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. This standard has no impact to the Group.

TFRS 3 (revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. This standard has no impact to the Group.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This standard has no impact to the Group.

TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This standard has no impact to the Group.

**Srithai Superware Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2013**

**2 Accounting policies (Cont'd)**

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

- b) Revised accounting standards, revised financial reporting standards and related interpretations that are not yet effective and have not been early adopted by the Group are: (Cont'd)

**New interpretations of Thai Financial Reporting Interpretations Committed (TFRIC) and Thai Standard Interpretations Committee (TSIC) which are effective for the periods beginning on or after 1 January 2014 are as follows:**

TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under TAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. This interpretation has no impact to the Group.

TFRIC 5 provides guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. This interpretation has no impact to the Group.

TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economies, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. This interpretation has no impact to the Group.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. This interpretation has no impact to the Group.



**Srithai Superware Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2013**

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**2 Accounting policies (Cont'd)**

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

- b) Revised accounting standards, revised financial reporting standards and related interpretations that are not yet effective and have not been early adopted by the Group are: (Cont'd)

**New interpretations of Thai Financial Reporting Interpretations Committed (TFRIC) and Thai Standard Interpretations Committee (TSIC) which are effective for the periods beginning on or after 1 January 2014 are as follows: (Cont'd)**

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. This interpretation has no impact to the Group.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact to the Group.

TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. This interpretation has no impact to the Group.

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS17 "Leases". The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS38 "Intangible Assets". This interpretation has no impact to the Group.

**New accounting standard which is effective on 1 January 2016 are as follows:**

TFRS 4	Insurance Contracts
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TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

**Srithai Superware Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2013**

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**2 Accounting policies (Cont'd)**

**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 fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

A list of the Group's subsidiaries is set out in Note 11.





**Srithai Superware Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2013**

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**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 and are initially recognised at cost 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 (Note 2.13 for the impairment of assets).

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. 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. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

A list of the Group's associates is set out in Note 11.

**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 11.

**2.4 Foreign currency translation**

**(a) Functional and presentation currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the company's functional and the group's presentation currency.

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

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**2 Accounting policies (Cont'd)**

**2.4 Foreign currency translation (Cont'd)**

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each income statements and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

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

**2.5 Cash and cash equivalents**

In the consolidated and company statement of cash flows, cash and cash equivalents comprise cash on hand, cheque on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. 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 profit or loss within administrative expenses.

**2.7 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost of inventories are determined on the standard cost basis which adjusted 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.





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**2 Accounting policies (Cont'd)**

**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 statement of financial position 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 statement of financial position 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.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction costs.

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

Available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. Unrealised gains and losses incurred when its fair value changed are credited/charged against gain (loss) on remeasuring available-for-sale investments in other comprehensive income.

General investments are carried at cost less impairment loss.

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 comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. 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 Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

The investment property of the Group comprises land and building held for long-term rental yields and land whose future use is currently undetermined.

Investment property is recorded at cost less accumulated depreciation and provision for impairment. Cost is measured at related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalized while acquisition as construction is actively underway and cease once the asset is substantially complete, or suspended if development of the asset is suspended.

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**2 Accounting policies (Cont'd)**

**2.9 Investment properties (Cont'd)**

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 years
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Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

**2.10 Property, plant and equipment and depreciation**

Property, plant and equipment is 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate assets, as appropriated, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

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

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

Buildings	20 years
Land improvement	5 years
Building improvement	5 years
Machinery and equipment	5 to 20 years
Furniture and office equipment	5 to 8 years
Motor vehicles	7 to 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are recognised as other gains/(losses), net in profit or loss.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset during the period of time required to complete and prepare the property for its intended use.



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**2 Accounting policies (Cont'd)**

**2.11 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 undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated statement of financial position.

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, and identified according to operating segment.

**2.12 Intangible assets**

**2.12.1 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 5 years.

**2.12.2 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 5 to 10 years. Intangible assets are not revalued.

**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.

**2.14 Deferred income taxes and income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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**2 Accounting policies (Cont'd)**

**2.14 Deferred income taxes and income taxes (Cont'd)**

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investment in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**2.15 Other non-current assets**

Leasehold right

Leasehold right of lands and buildings is amortised using the straight-line method over the lease period of 48 to 99 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.

**2.16 Leases**

**a) Where the Group 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 profit or loss 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 profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each 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.

**b) Where the Group is the lessor**

**Operating leases**

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. 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.



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**2 Accounting policies (Cont'd)**

**2.17 Employee benefits**

The Group's employee benefits comprise of other long-term employee benefits and post-employment benefits both for defined contribution plans and defined benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period and adjusted with unrecognised past-service costs. The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit plans are charged or credited to equity in other comprehensive income in the period in which they arise. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for other long-term employee benefits are recognised in profit and loss.

Past-service costs are recognised immediately in profit or loss, unless the changes to the benefit plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

**Post-employment benefits**

**- Defined contribution plans**

The Group has set up a provident fund, being a defined contribution plan, of which the assets are held in a separate trust fund. The provident fund is funded by payments from employees and by the Group. The Group's contributions to the provident fund are charged to profit and loss in the years to which they relate.

**- Defined benefit plans**

Under the Labour Law applicable in Thailand and the Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement at age 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at rate of 300 days of final salary and may be supplemented based on management's judgement.

**Other long-term employee benefits**

The Group has schemes to award gold and money to employees who have provided services to the Group at every 5 years anniversary, for a maximum of 8 times.

**2.18 Provisions**

Provisions, 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.

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**2 Accounting policies (Cont'd)**

**2.19 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.

According to the Public Limited Companies Act. (No.2) B.E. 2544, Treasury Stock Rules, the Company that repurchase its shares has to dispose all of the repurchased shares within a specified period. If the Company does not dispose all treasury shares within the specified period, it has to reduce its paid-up share capital for offsetting with the treasury shares and the difference between the lower of the repurchase value and the par value should be recognised as premium on treasury shares.

**2.20 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of 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:

- 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.

**2.21 Dividends**

Dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders.

**2.22 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as President that makes strategic decisions.

Segment information is presented in respect of the Group's business segments which is based on the Group's management and internal reporting structure as per presented in Note 6.

**3 Financial risk management**

**3.1 Financial risk factors**

The principle financial risks faced by the Group are exchange rate risk, interest 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 Notes 18 and 19). 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.



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**3 Financial risk management (Cont'd)**

**3.1 Financial risk factors (Cont'd)**

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 other major currencies is diversification of foreign exchange risk and lessening of impact on dependence on any particular currency. This also includes netting off cash inflow and cash outflow in foreign currency using a Natural Hedge.

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, by using financial tool to mitigate risk on fluctuation of interest rates and ascertain finance cost for the Group, 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.



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**3 Financial risk management (Cont'd)**

**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.

**3.3 Fair value estimation**

The fair value of available-for-sale investments is based on quoted market prices at the statements of financial position date. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the statements of financial position date.

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.

Information on the fair values of borrowings is set out in Note 19.

**4 Critical accounting estimates, assumption and judgements**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

**a) Impairment of investments in a subsidiary and associates**

The investments in a subsidiary and associates are reported using the cost method in the Company financial statements. A provision for impairment was recognised as the cost of the investments in a subsidiary and associates exceeded the recoverable amount, which determines by the value in use. As to whether the impairment provision should be provided or reversed, the management made an assessment by considering from past performance, external factors that may affect the business operations, and produced and reviewed financial forecast and expected future cash inflow. The Group use Weighted Average Cost of Capital (WACC) of the company as discount rate in determining the current estimate of value in use.

**b) 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.

**c) Employee benefit obligations**

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.





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**4 Critical accounting estimates, assumption and judgements (Cont'd)**

**c) Employee benefit obligations (Cont'd)**

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit obligations.

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 24.

**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.

In order to obtain the promotional privileges from the Board of Investment, the Group has to maintain minimum capital investment as specified in each certificate.

**6 Segment information**

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 from net sales. Other income and other expenses were unallocated. Fixed assets are allocated to each segment based on their utilisations.

	Consolidated					
	For the year ended 31 December 2013 (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 service income	2,316,181	67,513	5,740,474	1,074,054	688,411	9,886,633
Revenue from subsidiaries	(371,793)	(3,167)	(64,337)	(2,991)	(46,924)	(489,212)
Total sales and service income	1,944,388	64,346	5,676,137	1,071,063	641,487	9,397,421
Profit from sales by segment	184,731	3,336	285,450	71,100	48,741	593,358
Gain on foreign exchange rate, net						1,300
Other income						105,607
Finance costs						(167,000)
Share of profit of investments in associates and joint venture						50,099
Loss on impairment of investment in associate						(12,045)
Profit before income tax						571,319
Income tax						(52,365)
Net profit for the year						518,954
Fixed assets	516,799		4,541,014		196,620	5,254,433
Other unallocated fixed assets						41,301
Other unallocated assets						4,829,776
Consolidated total assets						10,125,510

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**6 Segment information (Cont'd)**

	Consolidated				
	For the year ended 31 December 2012 (Baht'000)				
	Plastics business line				
	Household products		Industrial products		Trading and moulds business line
	Domestic Production	Overseas Production	Domestic Production	Overseas Production	
Sales and service income	2,486,358	48,643	5,463,583	381,477	704,705
Revenue from subsidiaries	(195,112)	-	(65,768)	(6,524)	(60,046)
Total sales and service income	2,291,246	48,643	5,397,815	374,953	644,659
Profit from sales by segment	266,788	3,041	361,814	17,894	14,717
Loss on foreign exchange rate, net					
Other income					
Other expenses					
Finance costs					
Share of profit of investments in associates and joint venture					
Profit before income tax					
Income tax					
Net profit for the year					
Fixed assets	668,636		3,980,124		141,030
Other unallocated fixed assets					
Other unallocated assets					
Consolidated total assets					

**7 Cash and cash equivalents**

Cash and cash equivalents as at 31 December comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Cash on hand	7,065,208	6,610,140	5,332,550	6,156,025
Cheque on hand	18,207,915	18,121,015	18,168,215	18,121,015
Deposits with banks				
- current accounts	75,112,625	85,365,528	3,632,191	10,826,184
- saving accounts	289,054,579	307,742,847	188,365,463	196,712,712
- fixed deposits	47,676,897	23,448,903	357,707	353,529
Total cash and cash equivalents	437,117,224	441,288,433	215,856,126	232,169,465

As at 31 December 2013, the average interest rate of saving deposits at banks is between 0.10% to 2.75% per annum (2012: 0.05% to 0.88% per annum).

As at 31 December 2013, fixed deposits at banks represent 1-month to 3-month fixed deposits carrying interest at the rate of 1.50% to 1.75% per annum (2012: 1.75% to 3.00% per annum).



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**8 Short-term investments**

Short-term investments as at 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Fixed deposits pledged at bank	98,940	103,900	-	-
Fixed deposits	7,669,925	7,166,776	-	-
Local mutual fund units which are classified as available-for-sale investments	78,836	78,836	-	-
<u>Add</u> Fair value reserves	11,069	9,024	-	-
Total short-term investments	<u>7,858,770</u>	<u>7,358,536</u>	<u>-</u>	<u>-</u>

As at 31 December 2013, fixed deposits of a subsidiary amounting to Baht 0.09 million (2012: Baht 0.10 million) are pledged as collateral for tax guarantee.

As at 31 December 2013, fixed deposits of subsidiaries represent 3-month to 12-month fixed deposits at banks carrying interest at the rate of 1.75% to 8.75% per annum (2012: 2.00% to 8.25% per annum).

As at 31 December 2013, short-term investments of a subsidiary amounting to Baht 0.08 million (2012: Baht 0.08 million) represent local mutual fund units at bank classified as available-for-sale investments.

The movements of short-term investments for the years ended 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Opening book value	7,358,536	13,276,312	-	-
Increase in short-term investments	17,323,863	11,674,766	-	-
Disposals	(16,739,860)	(17,511,469)	-	-
Fair value changes of available-for-sale investments	2,045	2,127	-	-
Currency translation differences	(85,814)	(83,200)	-	-
Closing book value	<u>7,858,770</u>	<u>7,358,536</u>	<u>-</u>	<u>-</u>

**9 Trade accounts receivable, net**

Trade accounts receivable as at 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Trade accounts receivable - third parties	1,528,902,928	1,344,118,158	1,294,067,519	1,104,136,626
<u>Less</u> Allowance for doubtful accounts	<u>(4,829,402)</u>	<u>(4,739,504)</u>	<u>(4,215,679)</u>	<u>(4,426,284)</u>
Trade accounts receivable - third parties, net	1,524,073,526	1,339,378,654	1,289,851,840	1,099,710,342
Trade accounts receivable - related parties (Note 34.2)	331,383,956	346,245,516	384,689,112	422,891,723
Total trade accounts receivable, net	<u>1,855,457,482</u>	<u>1,685,624,170</u>	<u>1,674,540,952</u>	<u>1,522,602,065</u>

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**9 Trade accounts receivable, net (Cont'd)**

Trade accounts receivable can be aged as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Not yet due	1,310,423,471	1,257,875,480	1,104,163,978	1,093,156,841
Overdue not exceeding 3 months	430,916,641	381,431,907	417,828,682	354,712,116
Overdue 3 to 6 months	71,793,209	17,022,451	84,726,227	20,856,193
Overdue 6 to 12 months	38,988,351	22,196,871	42,676,892	37,281,117
Overdue 12 months	8,165,212	11,836,965	29,360,852	21,022,082
Total	1,860,286,884	1,690,363,674	1,678,756,631	1,527,028,349
<u>Less</u> Allowance for doubtful accounts	(4,829,402)	(4,739,504)	(4,215,679)	(4,426,284)
Total trade accounts receivable, net	<u>1,855,457,482</u>	<u>1,685,624,170</u>	<u>1,674,540,952</u>	<u>1,522,602,065</u>

**10 Inventories, net**

Inventories as at 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Finished goods	808,919,425	717,359,950	688,173,728	599,628,086
Work in process	175,651,314	175,271,078	89,654,986	90,081,439
Raw materials	349,485,818	364,315,344	262,850,518	255,570,011
Supplies	89,713,148	93,952,720	81,103,683	85,376,331
Moulds for sales	22,661,272	9,515,225	18,888,929	17,569,444
	1,446,430,977	1,360,414,317	1,140,671,844	1,048,225,311
<u>Less</u> Allowance for obsolescence	(11,956,327)	(14,206,826)	(9,000,000)	(11,000,000)
Allowance for net realisable value	(2,287,327)	(3,126,456)	(1,000,000)	(1,000,000)
	1,432,187,323	1,343,081,035	1,130,671,844	1,036,225,311
Goods in transit	42,951,348	8,411,910	867,171	5,948,511
Total inventories, net	<u>1,475,138,671</u>	<u>1,351,492,945</u>	<u>1,131,539,015</u>	<u>1,042,173,822</u>

Allowance for obsolescence and allowance for net realisable value as at 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Allowance for obsolescence				
Finished goods	5,180,455	3,361,954	4,800,000	2,500,000
Work in process	672,100	672,100	200,000	200,000
Raw materials	2,991,470	6,060,470	1,500,000	4,800,000
Supplies	3,112,302	4,112,302	2,500,000	3,500,000
Total allowance for obsolescence	11,956,327	14,206,826	9,000,000	11,000,000
Allowance for net realisable value				
Finished goods	2,230,000	1,550,500	1,000,000	1,000,000
Work in process	57,327	1,575,956	-	-
Total allowance for net realisable value	2,287,327	3,126,456	1,000,000	1,000,000
Total allowance for obsolescence and allowance for net realisable value	<u>14,243,654</u>	<u>17,333,282</u>	<u>10,000,000</u>	<u>12,000,000</u>



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**10 Inventories, net (Cont'd)**

The cost of inventories recognised as expense and included in “cost of sales” amounted to Baht 7,528.60 million and Baht 5,800.14 million (2012: Baht 6,815.65 million and Baht 5,619.85 million) in the consolidated and company statement of comprehensive income, respectively.

The Group had reversed allowance for obsolescence and allowance for net realisable value amounted to Baht 3.09 million and Baht 2.00 million in the consolidated and company statement of comprehensive income, respectively.

**11 Investments in subsidiaries, associates and joint venture**

- 11.1 The movements in book value of investments in subsidiaries, associates and joint venture for the years ended 31 December comprise the following:

Subsidiaries

	<b>Company Cost method</b>	
	<b>2013 Baht</b>	<b>2012 Baht</b>
Opening net book amount	456,714,525	369,437,316
Investment in subsidiaries (Note 11.3 (a))	256,885,600	87,277,209
Reversal of loss on impairment of investment in a subsidiary (Note 11.3(b))	48,200,000	-
Closing net book amount	<u>761,800,125</u>	<u>456,714,525</u>

Associates

	<b>Consolidated Equity method</b>		<b>Company Cost method</b>	
	<b>2013 Baht</b>	<b>2012 Baht</b>	<b>2013 Baht</b>	<b>2012 Baht</b>
Opening net book amount	293,691,731	273,828,807	199,978,123	204,178,123
Share of profit of investments in associates	47,192,380	38,921,754	-	-
Dividends received	(38,192,103)	(17,562,109)	-	-
Reversal of loss on impairment of investment in associates (Note 11.3 (b))	-	-	-	5,800,000
Impairment in investment in an associate (Note 11.3 (b))	(12,044,661)	-	(15,864,865)	(10,000,000)
Currency translation differences	(2,475,058)	(1,496,721)	-	-
Closing net book amount	<u>288,172,289</u>	<u>293,691,731</u>	<u>184,113,258</u>	<u>199,978,123</u>

Joint venture

	<b>Consolidated Equity method</b>		<b>Company Cost method</b>	
	<b>2013 Baht</b>	<b>2012 Baht</b>	<b>2013 Baht</b>	<b>2012 Baht</b>
Opening net book amount	11,406,239	8,437,857	4,999,800	4,999,800
Share of profit of investment in joint venture	2,907,103	2,968,382	-	-
Closing net book amount	<u>14,313,342</u>	<u>11,406,239</u>	<u>4,999,800</u>	<u>4,999,800</u>

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**11 Investments in subsidiaries, associates and joint venture (Cont'd)**

11.2 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 2013						
	Country of incorporation	Assets	Liabilities	Revenues	Profit (Loss)	Percentage of share holding
		Baht	Baht	Baht	Baht	
<b><u>Associates</u></b>						
<b><u>Local</u></b>						
	Thailand	104,559,366	78,170,304	198,214,840	16,755,849	48.0
	Thailand	234,542,419	40,073,831	319,079,932	29,957,813	45.0
	Thailand	30,258,688	4,664,148	33,650,453	4,055,283	40.0
	Thailand	75,238,322	36,846,356	38,987,955	(3,531,131)	39.2
		444,598,795	159,754,639	589,933,180	47,237,814	
<b><u>Foreign</u></b>						
	China	47,370,196	39,784,623	4,378,990	(4,304,304)	40.0
	Indonesia	23,681,066	6,016,454	40,381,276	4,258,870	32.5
		71,051,262	45,801,077	44,760,266	(45,434)	
		515,650,057	205,555,716	634,693,446	47,192,380	
Total associates						
<b><u>Joint venture</u></b>						
<b><u>Local</u></b>						
	Thailand	18,966,071	4,533,339	30,113,958	2,907,103	50.0
		18,966,071	4,533,339	30,113,958	2,907,103	
		534,616,128	210,089,055	664,807,404	50,099,483	
Total associates and joint venture						

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**11 Investments in subsidiaries, associates and joint venture (Cont'd)**

11.2 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 2012						
Country of incorporation	Assets Baht	Liabilities Baht	Revenues Baht	Profit (Loss) Baht	Percentage of share holding	
<b>Associates</b>						
<b>Local</b>						
Srithai Sanko Co., Ltd.	100,109,142	72,659,664	200,506,099	9,551,753	48.0	
Thai MFC Co., Ltd.	228,968,549	46,160,352	347,672,741	23,305,802	45.0	
Sheewamala Co., Ltd.	31,202,409	9,663,153	43,767,177	7,468,000	40.0	
Srithai Packaging Co., Ltd.	56,645,429	14,297,959	42,663,885	(1,166,076)	39.2	
	416,925,529	142,781,128	634,609,902	39,159,479		
<b>Foreign</b>						
Beijing Huatai Replica of Porcelain Products Co., Ltd.	46,806,413	31,443,075	13,715,987	(5,035,137)	40.0	
PT. Srithai Maspion Indonesia	24,760,175	7,893,748	42,733,941	4,797,412	32.5	
	71,566,588	39,336,823	56,449,928	(237,725)		
Total associates	488,492,117	182,117,951	691,059,830	38,921,754		
<b>Joint venture</b>						
<b>Local</b>						
Srithai-Otto (Thailand) Co., Ltd.	16,629,650	4,548,808	30,635,402	2,968,382	50.0	
Total joint venture	16,629,650	4,548,808	30,635,402	2,968,382		
Total associates and joint venture	505,121,767	186,666,759	721,695,232	41,890,136		

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**11 Investments in subsidiaries, associates and joint venture (Cont'd)**

**11.3 Significant events**

**a) Investment in subsidiaries**

Srithai (Vietnam) Company Limited

During the year 2012, Srithai (Vietnam) Company Limited, a subsidiary, registered a capital increase of US dollars 11.10 million. The Board of Directors of Srithai Superware Public Company Limited passed a resolution to invest in an increased capital according to a 100% shareholding. The Company paid a part of the increased share capital being US dollars 2.10 million or equivalent to Baht 66.03 million.

On 3 January 2013, the Company additionally paid an increased share capital in the subsidiary by converting short-term loan to share capital amounting to US Dollars 6.00 million or equivalent to Baht 181.37 million.

Srithai Superware Manufacturing Private Limited

During the year 2013, the Company registered a new subsidiary, Srithai Superware Manufacturing Private Limited, in India with a registered share capital of Indian Rupees 120.00 million according to the resolution of the Board of Directors of the subsidiary. The subsidiary is engaged in the manufacture and distribution of melamine products. The Company holds 100.00% shareholding in the subsidiary and partially paid for the share capital of Rupees 110.10 million, or equivalent to Baht 62.76 million.

Srithai Nanoplast Company Limited

On 14 May 2013, the Board of Directors of the Company passed a resolution to acquire shares of Srithai Nanoplast Company Limited, a subsidiary. The Company acquired by purchasing shares from former shareholders at the net asset value of the subsidiary as at 31 March 2013 being Baht 10.63 per share, totalling Baht 12.76 million. After the acquisition, the Company's holding in the subsidiary has increased from 70.00% to 100.00%.

Newly established subsidiary

On 12 November 2013, the Board of Directors of the Company had passed a resolution approving the investment in a new subsidiary, which will be a joint venture with allied partner(s) and incorporated in the Republic of Indonesia. The new subsidiary will engage in the manufacture and distribution of beverage packaging products in order to increase manufacturing line and expand beverage packaging in overseas markets with a registered share capital not exceeding Baht 500.00 million. The Company will hold at least 60.00% shareholding in the subsidiary. As at 31 December 2013, the Company is under negotiation with partner(s).

P.E.T. Blow Company Limited

On 9 March 2012, the Extraordinary Shareholders' Meeting of P.E.T. Blow Company Limited, a subsidiary, passed a resolution to call for paid-up the remaining 75.00% of entire registered share capital amounting to Baht 15.00 million. The Company has paid up in full according to its 100% shareholding.

SuperIdea Company Limited (Formerly named "PET Siam Company Limited")

On 20 March 2012, the Company registered to incorporate a subsidiary, PET Siam Company Limited, which is engaged in the manufacture of blown beverage packaging and/or other packaging, with a registered share capital of Baht 25.00 million. The Company had a 100% shareholding in the subsidiary. The subsidiary called for 25.00% paid-up share capital amounting to Baht 6.25 million. The Company has paid the called for paid-up share capital on 30 March 2012.

On 7 June 2013, the Extraordinary Shareholders' meeting of PET Siam Company Limited approved the change of the company's name to SuperIdea Company Limited. The change was registered with the Ministry of Commerce on 19 June 2013.





**Srithai Superware Public Company Limited**  
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**11 Investments in subsidiaries, associates and joint venture (Cont'd)**

**11.3 Significant events (Cont'd)**

**a) Investment in subsidiaries (Cont'd)**

Srithai Superware India Limited

During the year 2012, the Company had registered for increasing the Company's shareholding in a subsidiary. This is due to the other two shareholders having no intention for further investment in additional call for paid-up shares according to their 30.00% shareholding. As a result, the Company having equity interest in the subsidiary increased from 70.00% to 82.35% of the paid-up capital of the subsidiary.

**b) Impairment of investments in a subsidiary and an associate**

Srithai (Vietnam) Company Limited

In the 2<sup>nd</sup> quarter of 2013, the Company's management had considered and determined to reverse the provision for impairment of investment in a subsidiary, Srithai (Vietnam) Company Limited, recorded in the Company's financial statements at Baht 48.20 million. The reversed amount is presented under reversal on impairment of investment in subsidiary in the statement of comprehensive income.

The management determined that the forecast of performance and its expectations of market development and adjustment of the business's direction would result in betterment of the financial position and business's operation of the subsidiary. Furthermore, the cash flow projection has been prepared based on the most recent financial budgets approved by management and discounted over the business license period of the subsidiary by the Company's weighted average cost of capital at 14.06%.

Beijing Huatai Replica of Porcelain Products Co., Ltd.

In 2012, according to a review of an impairment provision in respect of an investment in Beijing Huatai Replica of Porcelain Products Company Limited, an associate, management concluded that it was appropriate to set up an impairment provision in the Company financial statement at the amount of Baht 10.00 million due to its declining performance and increasing in cumulative deficits.

In the 2<sup>nd</sup> quarter of 2013, the Company's management had considered and determined to set up additional provision for impairment of investment in an associate, Beijing Huatai Replica of Porcelain Products Company Limited, of Baht 12.04 million and Baht 15.87 million which equals to the net book value of investment in the associate in the consolidated and company financial statements, respectively. The management made its determination based on the associate declining performance and increasing in cumulative deficits, furthermore the associate had already shutdown its business operation. At the Board of Directors' Meeting of an associate on 25 May 2013, a resolution was passed to process the company's liquidation according to the law. The provision is presented under loss on impairment of investment in associate in the statement of comprehensive income.

Sheewamala Company Limited

In 2012, following a review of an impairment provision previously booked in respect of an investment in Sheewamala Company Limited, an associate, management concluded that it was appropriate to reverse this provision in the Company financial statement, at the amount of Baht 5.80 million due to an expansion of the associate's business and betterment of the operation performance during the pass years. The provision is presented under reversal (loss) on impairment of investment in associate in the statement of comprehensive income.



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**11 Investments in subsidiaries, associates and joint venture (Cont'd)**

**11.3 Significant events (Cont'd)**

**c) Associate's liquidation**

Srithai WBG Company Limited

During the year 2012, the Central Bankruptcy Court finalised its investigation and judged an associate, Srithai WBG Company Limited, to be insolvent with effect from 8 June 2011. Therefore in 2012, the Company had written-off investments in associate amounting to Baht 3.76 million, and short-term loans and accrued interest income amounting to Baht 1.04 million for which impairment was already reserved in full.

**d) Dividend payment of subsidiaries**

Srithai Moulds Company Limited

At the Annual General Shareholders' Meeting of Srithai Moulds Company Limited on 26 March 2013, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2012 at Baht 10.00 per share, totalling Baht 10.00 million. The Company received a dividend of Baht 7.10 million according to its 71.00% shareholding.

Korat Thai Tech Company Limited

At the Annual General Shareholders' Meeting of Korat Thai Tech Company Limited on 5 April 2013, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2012 of Baht 10.00 per share, totalling Baht 30.00 million. The Company received a dividend of Baht 30.00 million according to its 100.00% shareholding.

Srithai Miyagawa Company Limited

At the Annual General Shareholders' Meeting of Srithai Miyagawa Company Limited on 22 April 2013, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2012 at Baht 25.00 per share, totalling Baht 30.00 million. The Company received a dividend of Baht 15.30 million according to its 51.00% shareholding.

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**11 Investments in subsidiaries, associates and joint venture (Cont'd)**

11.4 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 31 December 2013		Cost method 31 December 2012		
					31 December 2013	31 December 2012	Cost	Allowance for impairment	Net book value	Cost for impairment	Allowance for impairment
<b>Subsidiaries</b>											
<b>Local</b>											
Korat Thai Tech Co., Ltd.	Manufacture of melamine	Thailand	Shareholder	30,000,000	100.0	100.0	29,999,970	-	29,999,970	-	29,999,970
P.E.T. Blow Co., Ltd.	Manufacture of plastic	Thailand	Shareholder	20,000,000	100.0	100.0	19,999,970	-	19,999,970	-	19,999,970
Superidea Co., Ltd.	(formerly "PET Siam Co., Ltd.)	Thailand	Shareholder	6,250,000	100.0	100.0	6,249,993	-	6,249,993	-	6,249,993
Srithai Nanoplast Co., Ltd.		Thailand	Shareholder	40,000,000	100.0	70.0	40,755,980	-	40,755,980	-	27,999,980
Srithai Moulds Co., Ltd.		Thailand	Shareholder	100,000,000	71.0	71.0	82,000,000	-	82,000,000	-	82,000,000
Srithai Miyagawa Co., Ltd.		Thailand	Shareholder	120,000,000	51.0	51.0	61,200,000	-	61,200,000	-	61,200,000
							240,205,913	-	227,449,913	-	227,449,913
<b>Foreign</b>											
Srithai (Vietnam) Co., Ltd.	Manufacture of plastic and melamine	Vietnam	Shareholder	277,877 Million Dong	100.0	100.0	433,745,712	-	433,745,712	(48,200,000)	204,174,112
Srithai Superware Manufacturing Pvt. Ltd.	Manufacture of melamine	India	Shareholder	110.10 Million Rupee	100.0	-	62,758,000	-	62,758,000	-	-
Srithai Superware India Ltd.	Trading of melamine	India	Shareholder	42.50 Million Rupee	82.4	82.4	25,090,500	-	25,090,500	-	25,090,500
							521,594,212	-	277,464,612	(48,200,000)	229,264,612
							761,800,125	-	504,914,525	(48,200,000)	456,714,525
Total investments in subsidiaries											

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**11 Investments in subsidiaries, associates and joint venture (Cont'd)**

11.4 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)			
						Equity method		Cost method		Cost method	
						31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012
								Cost for impairment	Cost for impairment	Net book value	Net book value
<b>Associates</b>											
<b>Local</b>											
Srithai Sanko Co., Ltd	Trading of plastic	Thailand	Shareholder	20,000,000	48.0	20,108,808	17,752,059	9,599,400	9,599,400	9,599,400	9,599,400
Thai MFC Co., Ltd.	Manufacture of melamine powder	Thailand	Shareholder	200,000,000	45.0	193,820,814	181,863,001	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	-	-	52,500,000	52,500,000	(52,500,000)	-
Sheewamala Co., Ltd.	Manufacture of plastic and melamine	Thailand	Shareholder	49,800,000	40.0	22,658,587	18,603,305	19,920,000	19,920,000	-	19,920,000
Srithai Packaging Co., Ltd.	Manufacture of packaging	Thailand	Shareholder	60,000,000	39.2	39,242,071	43,243,601	27,156,000	27,156,000	-	27,156,000
Soko Srithai Co., Ltd*	Manufacture of plastic	Thailand	Shareholder	250,000,000	24.0	-	-	48,384,880	48,384,880	(48,384,880)	-
						275,830,280	261,461,966	247,560,280	247,560,280	(100,884,880)	146,675,400
<b>Foreign</b>											
Beijing Huatai Replica of Porcelain Products Co., Ltd*	Manufacture of melamine	China	Shareholder	10.6 Million Yuan	40.0	-	15,363,338	25,864,865	25,864,865	(10,000,000)	15,864,865
PT. Srithai Masipon Indonesia	Manufacture of melamine	Indonesia	Shareholder	Million. Rupiah	32.5	12,342,009	16,866,427	37,437,858	37,437,858	-	37,437,858
						12,342,009	32,229,765	63,302,723	63,302,723	(10,000,000)	53,302,723
Total investments in associates						288,172,289	293,691,731	310,863,003	310,863,003	(110,884,880)	199,978,123
<b>Joint venture</b>											
<b>Local</b>											
Srithai-Orto (Thailand) Co., Ltd	Trading of plastic	Thailand	Shareholder	10,000,000	50.0	14,313,342	11,406,239	4,999,800	4,999,800	-	4,999,800
Total investments in joint venture						14,313,342	11,406,239	4,999,800	4,999,800	-	4,999,800
Total investments in associates and joint venture						302,485,631	305,097,970	315,862,803	315,862,803	(110,884,880)	204,977,923

\* Associates were dissolved and have been under the process of liquidation. As at 31 December 2013, the Group has not recognised share of accumulated losses in associates which exceed the Group's interest totaling of Baht 7.37 million (2012 : Baht 7.37 million).



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**12 Other long-term investments, net**

12.1 Other long-term investments as at 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<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	53,620,000	53,620,000	53,620,000	53,620,000
	<u>93,600,000</u>	<u>93,600,000</u>	<u>93,600,000</u>	<u>93,600,000</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.	5,169,970	5,169,970	8,669,970	8,669,970
Others (less than 5% holding)	9,300,000	9,300,000	9,300,000	9,300,000
	<u>116,016,354</u>	<u>116,016,354</u>	<u>50,169,970</u>	<u>50,169,970</u>
<u>Less</u> Allowance for impairment loss of investments	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>
	<u>113,016,354</u>	<u>113,016,354</u>	<u>47,169,970</u>	<u>47,169,970</u>
Total other long-term investments, net	<u>206,616,354</u>	<u>206,616,354</u>	<u>140,769,970</u>	<u>140,769,970</u>

12.2 The movements in book value of other long-term investments for the years ended 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Opening net book amount	206,616,354	174,216,354	140,769,970	108,369,970
Fair value reserves on available-for-sale investments increase during the year	-	32,400,000	-	32,400,000
Closing net book amount	<u>206,616,354</u>	<u>206,616,354</u>	<u>140,769,970</u>	<u>140,769,970</u>



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**13 Investment property, net**

The movements of investment property for the year ended 31 December comprise the following:

	<b>Consolidated</b>		
	<b>Land Baht</b>	<b>Land and building Baht</b>	<b>Total Baht</b>
<b>As at 1 January 2012</b>			
Cost	27,250,000	177,928,490	205,178,490
<u>Less</u> Accumulated depreciation	-	(57,707,208)	(57,707,208)
Net book value	<u>27,250,000</u>	<u>120,221,282</u>	<u>147,471,282</u>
<b>For the year ended 31 December 2012</b>			
Opening net book value	27,250,000	120,221,282	147,471,282
Depreciation charge (Note 30)	-	(6,346,084)	(6,346,084)
Closing net book value	<u>27,250,000</u>	<u>113,875,198</u>	<u>141,125,198</u>
<b>As at 31 December 2012</b>			
Cost	27,250,000	177,928,490	205,178,490
<u>Less</u> Accumulated depreciation	-	(64,053,292)	(64,053,292)
Net book value	<u>27,250,000</u>	<u>113,875,198</u>	<u>141,125,198</u>
<b>For the year ended 31 December 2013</b>			
Opening net book value	27,250,000	113,875,198	141,125,198
Depreciation charge (Note 30)	-	(6,346,084)	(6,346,084)
Closing net book value	<u>27,250,000</u>	<u>107,529,114</u>	<u>134,779,114</u>
<b>As at 31 December 2013</b>			
Cost	27,250,000	177,928,490	205,178,490
<u>Less</u> Accumulated depreciation	-	(70,399,376)	(70,399,376)
Net book value	<u>27,250,000</u>	<u>107,529,114</u>	<u>134,779,114</u>
Fair value as at 31 December 2012	363,180,000	500,063,250	863,243,250
Fair value as at 31 December 2013	363,180,000	500,063,250	863,243,250

As at 31 December 2012 investment property of a subsidiary which stated in the consolidated financial statement at cost of Baht 10.45 million has been pledged as a security for borrowings. The subsidiary has already released these collateral assets during the year 2013.



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**13 Investment property, net (Cont'd)**

The movements of investment property for the year ended 31 December comprise the following: (Cont'd)

	<b>Company</b>		
	<b>Land Baht</b>	<b>Land and building Baht</b>	<b>Total Baht</b>
<b>As at 1 January 2012</b>			
Cost	201,543,000	359,529,898	561,072,898
<u>Less</u> Accumulated depreciation	-	(50,527,094)	(50,527,094)
Net book value	<u>201,543,000</u>	<u>309,002,804</u>	<u>510,545,804</u>
<b>For the year ended 31 December 2012</b>			
Opening net book value	201,543,000	309,002,804	510,545,804
Depreciation charge (Note 30)	-	(5,665,678)	(5,665,678)
Closing net book value	<u>201,543,000</u>	<u>303,337,126</u>	<u>504,880,126</u>
<b>As at 31 December 2012</b>			
Cost	201,543,000	359,529,898	561,072,898
<u>Less</u> Accumulated depreciation	-	(56,192,772)	(56,192,772)
Net book value	<u>201,543,000</u>	<u>303,337,126</u>	<u>504,880,126</u>
<b>For the year ended 31 December 2013</b>			
Opening net book value	201,543,000	303,337,126	504,880,126
Depreciation charge (Note 30)	-	(5,665,679)	(5,665,679)
Closing net book value	<u>201,543,000</u>	<u>297,671,447</u>	<u>499,214,447</u>
<b>As at 31 December 2013</b>			
Cost	201,543,000	359,529,898	561,072,898
<u>Less</u> Accumulated depreciation	-	(61,858,451)	(61,858,451)
Net book value	<u>201,543,000</u>	<u>297,671,447</u>	<u>499,214,447</u>
Fair value as at 31 December 2012	363,180,000	486,520,000	849,700,000
Fair value as at 31 December 2013	363,180,000	486,520,000	849,700,000

The fair value of the Group's investment property is determined by independent professionally qualified valuers who hold a recognised relevant professional qualification and have experience in the locations and categories of the investment properties valued.

Amounts recognised in profit and loss that are related to investment property are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013 Baht</b>	<b>2012 Baht</b>	<b>2013 Baht</b>	<b>2012 Baht</b>
Rental income	6,846,159	7,225,642	6,377,150	6,756,633

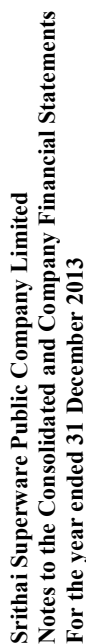
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**14 Property, plant and equipment, net**

The movements of property, plant and equipment for the years ended 31 December comprise the following:

	Consolidated							
	Land and buildings	Land improvement	Building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Work under installation	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 1 January 2012								
Cost	1,095,689,170	16,108,913	358,866,029	4,510,669,443	288,544,044	155,148,130	242,526,321	6,667,552,050
Less Accumulated depreciation	(286,391,459)	(15,983,490)	(251,665,481)	(1,620,174,868)	(206,285,205)	(123,349,139)	-	(2,503,849,642)
Provision for impairment	-	-	-	(4,985,178)	-	-	(40,000)	(5,025,178)
Net book value	809,297,711	125,423	107,200,548	2,885,509,397	82,258,839	31,798,991	242,486,321	4,158,677,230
For the year ended 31 December 2012								
Opening net book value	809,297,711	125,423	107,200,548	2,885,509,397	82,258,839	31,798,991	242,486,321	4,158,677,230
Additions	56,896,410	600,000	14,716,397	442,787,912	18,326,282	5,095,213	678,387,595	1,216,809,809
Depreciation charge (Note 30)	(39,211,535)	(42,020)	(35,001,628)	(390,144,934)	(23,828,811)	(9,243,520)	-	(497,472,448)
Disposals - cost	(323,085)	-	(58,692)	(49,023,444)	(7,624,955)	(37,186,683)	-	(94,216,859)
- accumulated depreciation	323,084	-	54,252	19,502,084	7,516,200	34,368,689	-	61,764,309
- reversal of impairment	-	-	-	1,285,178	-	-	-	1,285,178
Assets written off - cost	-	-	(5,532,576)	(17,159,053)	(6,106,196)	-	-	(28,797,825)
- accumulated depreciation	-	-	5,482,515	11,718,591	6,024,062	-	-	23,225,168
Reclassification - cost	-	-	-	1,976,801	-	-	-	1,976,801
- accumulated depreciation	-	-	-	(354,270)	-	-	-	(354,270)
Transfer within account	47,954,873	-	3,956,716	524,691,613	5,830	-	(576,609,032)	-
Foreign exchange rate adjustment	-	-	-	-	(4,581)	(2,842)	-	(7,423)
Closing net book value	874,937,458	683,403	90,817,532	3,430,789,875	76,566,670	24,829,848	344,264,884	4,842,889,670
As at 31 December 2012								
Cost	1,200,217,368	16,708,913	371,947,874	5,413,943,272	292,934,250	123,026,711	344,304,884	7,763,083,272
Less Accumulated depreciation	(325,279,910)	(16,025,510)	(281,130,342)	(1,979,453,397)	(216,367,580)	(98,196,863)	-	(2,916,453,602)
Provision for impairment	-	-	-	(3,700,000)	-	-	(40,000)	(3,740,000)
Net book value	874,937,458	683,403	90,817,532	3,430,789,875	76,566,670	24,829,848	344,264,884	4,842,889,670





The movements of property, plant and equipment for the years ended 31 December comprise the following: (Cont'd)

**As at 31 December 2013**

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 and buildings	Land improvements	Building improvements	Machinery and equipment	Furniture and office equipment	Motor vehicles	Work under installation
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>As at 1 January 2012</b>							
Cost							
Less Accumulated depreciation	1,023,749,148 (223,064,556)	16,108,913 (15,983,490)	337,375,207 (240,505,064)	3,975,700,106 (1,437,354,835)	215,490,620 (166,511,178)	135,108,955 (109,979,028)	232,603,958 -
Provision for impairment	-	-	-	(3,700,000)	-	-	-
Net book value	800,684,592	125,423	96,870,143	2,534,645,271	48,979,442	25,129,927	232,603,958
<b>For the year ended 31 December 2012</b>							
Opening net book value	800,684,592	125,423	96,870,143	2,534,645,271	48,979,442	25,129,927	232,603,958
Additions	6,728,000 (27,141,007)	600,000 (42,020)	12,683,320 (31,896,841)	380,543,856 (341,431,557)	12,904,881 (13,510,360)	2,553,400 (6,725,463)	288,466,296 -
Depreciation charge (Note 30)							
Disposals - cost	-	-	(58,692)	(194,431,402)	(8,542,878)	(35,792,188)	-
- accumulated depreciation	-	-	54,252	46,943,994	7,541,787	33,006,707	-
Assets written off - cost	-	-	(248,453)	(16,167,523)	(1,434,223)	-	-
- accumulated depreciation	-	-	198,392	10,886,061	1,370,316	-	-
Reclassification - cost	-	-	-	2,471,801	-	-	-
- accumulated depreciation	-	-	-	(370,770)	-	-	-
Transfer within account	39,322,373	-	3,945,725	389,823,144	-	-	(433,091,242)
Closing net book value	819,593,958	683,403	81,547,846	2,812,912,875	47,308,965	18,172,383	87,979,012
<b>As at 31 December 2012</b>							
Cost							
Less Accumulated depreciation	1,069,799,521 (250,205,563)	16,708,913 (16,025,510)	353,697,107 (272,149,261)	4,537,939,983 (1,721,327,108)	218,418,399 (171,109,434)	101,870,167 (83,697,784)	87,979,012 -
Provision for impairment	-	-	-	(3,700,000)	-	-	-
Net book value	819,593,958	683,403	81,547,846	2,812,912,875	47,308,965	18,172,383	87,979,012



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**14 Property, plant and equipment, net (Cont'd)**

Addition in the consolidated financial statements includes assets leased under finance leases where the Group is the lessee of Baht 3.08 million (2012: Baht 1.38 million).

**Commitments**

The Group has mortgaged part of the land, buildings and machineries to banks as collateral for overdrafts, long-term loans and working capital facilities from bank as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>Cost 2013 Million Baht</b>	<b>Cost 2012 Million Baht</b>	<b>Cost 2013 Million Baht</b>	<b>Cost 2012 Million Baht</b>
Srithai Superware Public Company Limited				
- Land and buildings	-	619.0	-	619.0
Subsidiaries:				
Srithai Moulds Company Limited				
- Land, buildings and machinery	26.2	38.5	-	-
Srithai Miyagawa Company Limited				
- Land and machinery	226.8	166.3	-	-
Srithai Nanoplast Company Limited				
- Land and machinery	19.1	19.1	-	-

During the year, the Company has already released a mortgage of land and building which are collateral for overdrafts, long-term loans, and working capital facilities from 2 local banks.



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**15 Intangible assets, net**

Intangible assets as at 31 December comprise the following:

	<b>Consolidated</b>			
	<b>Software copyright and operational computer software Baht</b>	<b>Work under installation- computer software Baht</b>	<b>Production technique patents Baht</b>	<b>Total Baht</b>
<b>As at 1 January 2012</b>				
Cost	124,467,331	321,600	39,289,855	164,078,786
<u>Less</u> Accumulated amortisation	(87,277,762)	-	(12,317,618)	(99,595,380)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	36,824,766	321,600	26,972,237	64,118,603
<b>For the year ended 31 December 2012</b>				
Opening net book value	36,824,766	321,600	26,972,237	64,118,603
Additions	9,733,654	412,560	-	10,146,214
Amortisation charge	(10,189,628)	-	(4,048,985)	(14,238,613)
Transfer within account	332,160	(332,160)	-	-
Assets written off - cost	(4,635,527)	-	-	(4,635,527)
- accumulated amortisation	4,635,527	-	-	4,635,527
Reclassification - cost	(2,471,801)	-	-	(2,471,801)
- accumulated amortisation	370,770	-	-	370,770
Foreign exchange rate adjustment	5,847	-	-	5,847
Closing net book value	34,605,768	402,000	22,923,252	57,931,020
<b>As at 31 December 2012</b>				
Cost	127,413,130	402,000	39,289,855	167,104,985
<u>Less</u> Accumulated amortisation	(92,442,559)	-	(16,366,603)	(108,809,162)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	34,605,768	402,000	22,923,252	57,931,020
<b>For the year ended 31 December 2013</b>				
Opening net book value	34,605,768	402,000	22,923,252	57,931,020
Additions	4,560,622	2,350,050	-	6,910,672
Amortisation charge	(11,392,018)	-	(4,048,986)	(15,441,004)
Transfer within account	1,367,500	(1,367,500)	-	-
Assets written off - cost	(24,252)	-	-	(24,252)
- accumulated amortisation	15,349	-	-	15,349
Foreign exchange rate adjustment	(8,426)	-	-	(8,426)
Closing net book value	29,124,543	1,384,550	18,874,266	49,383,359
<b>As at 31 December 2013</b>				
Cost	133,317,000	1,384,550	39,289,855	173,991,405
<u>Less</u> Accumulated amortisation	(103,827,654)	-	(20,415,589)	(124,243,243)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	29,124,543	1,384,550	18,874,266	49,383,359

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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
<b>As at 1 January 2012</b>				
Cost	101,080,643	321,600	39,289,855	140,692,098
<u>Less</u> Accumulated amortisation	(69,201,220)	-	(12,317,618)	(81,518,838)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	31,514,620	321,600	26,972,237	58,808,457
<b>For the year ended 31 December 2012</b>				
Opening net book value	31,514,620	321,600	26,972,237	58,808,457
Additions	4,039,608	412,560	-	4,452,168
Amortisation charge	(8,254,289)	-	(4,048,985)	(12,303,274)
Transfer within account	332,160	(332,160)	-	-
Disposals - cost	(507,348)	-	-	(507,348)
- accumulated amortisation	215,623	-	-	215,623
Reclassification - cost	(2,471,801)	-	-	(2,471,801)
- accumulated amortisation	370,770	-	-	370,770
Closing net book value	25,239,343	402,000	22,923,252	48,564,595
<b>As at 31 December 2012</b>				
Cost	102,473,262	402,000	39,289,855	142,165,117
<u>Less</u> Accumulated amortisation	(76,869,116)	-	(16,366,603)	(93,235,719)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	25,239,343	402,000	22,923,252	48,564,595
<b>For the year ended 31 December 2013</b>				
Opening net book value	25,239,343	402,000	22,923,252	48,564,595
Additions	549,840	2,350,050	-	2,899,890
Amortisation charge	(8,301,071)	-	(4,048,986)	(12,350,057)
Transfer within account	1,367,500	(1,367,500)	-	-
Closing net book value	18,855,612	1,384,550	18,874,266	39,114,428
<b>As at 31 December 2013</b>				
Cost	104,390,602	1,384,550	39,289,855	145,065,007
<u>Less</u> Accumulated amortisation	(85,170,187)	-	(20,415,589)	(105,585,776)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	18,855,612	1,384,550	18,874,266	39,114,428



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**16 Deferred income taxes**

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15.00% to 33.99% (2012: 15.00% to 33.99%).

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income taxes as at 31 December comprise the following:

	Notes	Consolidated		Company	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Deferred tax assets	16.1	104,886,249	86,249,487	79,141,644	70,191,287
Deferred tax liabilities	16.2	(10,724,000)	(10,724,000)	(10,724,000)	(10,724,000)
Deferred income taxes, net		<u>94,162,249</u>	<u>75,525,487</u>	<u>68,417,644</u>	<u>59,467,287</u>

**16.1 Deferred tax assets**

The movements in the components of deferred income tax assets during the years is as follows:

	Consolidated						
	1 January 2012 Baht	Transaction recorded in Profit and Loss Baht	Transaction recorded directly to Equity Baht	31 December 2012 Baht	Transaction recorded in Profit and Loss Baht	Transaction recorded directly to Equity Baht	31 December 2013 Baht
Tax loss carry forward	4,356,898	3,584,569	-	7,941,467	3,402,812	-	11,344,279
Allowance for impairment of investments	17,900,310	2,276,667	-	20,176,977	5,172,973	-	25,349,950
Employee benefit obligations	49,908,574	3,719,821	3,933,000	57,561,395	(3,968,839)	8,518,033	62,110,589
Foreign exchange rate adjustment	(886,110)	-	(432,984)	(1,319,094)	-	(452,823)	(1,771,917)
Others	2,266,154	(377,412)	-	1,888,742	5,964,606	-	7,853,348
	<u>73,545,826</u>	<u>9,203,645</u>	<u>3,500,016</u>	<u>86,249,487</u>	<u>10,571,552</u>	<u>8,065,210</u>	<u>104,886,249</u>

	Company						
	1 January 2012 Baht	Transaction recorded in Profit and Loss Baht	Transaction recorded directly to Equity Baht	31 December 2012 Baht	Transaction recorded in Profit and Loss Baht	Transaction recorded directly to Equity Baht	31 December 2013 Baht
Allowance for impairment of investments	17,900,310	2,276,667	-	20,176,977	5,172,973	-	25,349,950
Employee benefit obligations	44,330,718	2,161,072	2,777,779	49,269,569	(4,831,871)	8,609,255	53,046,953
Others	1,138,534	(393,793)	-	744,741	-	-	744,741
	<u>63,369,562</u>	<u>4,043,946</u>	<u>2,777,779</u>	<u>70,191,287</u>	<u>341,102</u>	<u>8,609,225</u>	<u>79,141,644</u>

**16.2 Deferred tax liabilities**

The movements in the components of deferred tax liabilities during the years is as follows:

	Consolidated and Company				
	1 January 2012 Baht	Transaction recorded directly to Equity Baht	31 December 2012 Baht	Transaction recorded directly to Equity Baht	31 December 2013 Baht
Available - for - sale investments	-	10,724,000	10,724,000	-	10,724,000

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**16 Deferred income taxes (Cont'd)**

**16.3 Income tax expense**

Income tax expense for the years ended 31 December comprises the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Current income tax expense	62,936,786	104,062,999	36,364,144	84,401,438
Deferred income tax				
- Deferred tax assets (Note 16.1)	(10,571,552)	(9,203,645)	(341,102)	(4,043,946)
- Deferred tax liabilities (Note 16.2)	-	-	-	-
	<u>52,365,234</u>	<u>94,859,354</u>	<u>36,023,042</u>	<u>80,357,492</u>

A reconciliation between current income tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Profit before tax	571,319,029	672,221,258	459,785,530	539,728,124
Tax rate	20%	23%	20%	23%
The result of the accounting profit multiplied by the income tax rate	114,263,806	154,610,889	91,957,106	124,137,469
Effect of exempted income and extra deduction expenses	(8,382,728)	(8,327,663)	(25,824,423)	(14,829,669)
Effect from (income)/expenses not deductible for tax purpose	(3,638,471)	3,651,278	(8,611,388)	2,662,695
Profit exempt from corporate income tax due to promotional privilege from BOI	(40,903,779)	(44,593,819)	(21,498,253)	(31,613,003)
Share of net (profit)/loss from investments				
- equity method	(10,019,897)	(9,634,731)	-	-
Effect of different tax rates	1,046,303	(846,600)	-	-
Income tax	<u>52,365,234</u>	<u>94,859,354</u>	<u>36,023,042</u>	<u>80,357,492</u>

The Group's and the Company's weighted average applicable tax rate were 9.17% and 7.83%, respectively (2012 : 14.11% and 14.88%, respectively).

The allocation of taxable profit under BOI privileges between corporate income tax exemption and non corporate income tax exemption.

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Corporate income tax exemption	33%	29%	37%	27%
Non corporate income tax exemption	67%	71%	63%	73%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>





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**17 Leasehold right**

Leasehold right represents leasehold right on land of Srithai Superware Manufacturing Private Limited, a subsidiary, for the period of 99 years. The subsidiary paid for the leasehold right of Rupee 97.69 million or equivalent to Baht 48.33 million.

**18 Bank overdrafts and short-term loans**

Bank overdrafts and short-term loans as at 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Bank overdrafts	449,663	1,791,459	-	-
Short-term loans from banks				
- Baht	823,000,000	790,000,000	820,000,000	790,000,000
- US Dollar	-	49,170,000	-	-
Total bank overdrafts and short-term loans	<u>823,449,663</u>	<u>840,961,459</u>	<u>820,000,000</u>	<u>790,000,000</u>

As at 31 December 2013, short-term loans in Thai Baht from local banks amounting to Baht 823.00 million (2012: Baht 790.00 million), represent promissory notes due at call with a period not exceeding 3 months, bearing fixed interest rate over loan period (2012: fixed interest rate over loan period).

As at 31 December 2012, short-term loans in US Dollars of an overseas subsidiary amounting to US Dollars 1.58 million (equivalent to Baht 49.17 million) represent short-term loans contracts with a period not exceeding 3 months, bearing interest at Cost of Fund plus margin of a bank in Vietnam and are secured by Srithai Superware Public Company Limited.

**19 Long-term loans**

Long-term loans as at 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<u>Long-term loans</u>				
- Baht	2,614,105,939	2,024,974,966	2,400,840,818	1,764,311,045
- Vietnam Dong - Vietnam Dong 103,862 million (2012: Vietnam Dong 64,323 million)	166,179,200	96,484,500	-	-
- US dollars - US dollars 7.41 million (2012: US dollars 8.45 million)	250,006,400	263,548,500	-	-
Total long-term loans	<u>3,030,291,539</u>	<u>2,385,007,966</u>	<u>2,400,840,818</u>	<u>1,764,311,045</u>

Long-term loans are due for repayments as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Current portion of long-term loans	563,878,278	532,901,427	435,091,938	463,470,227
Loans due later than 1 year and not later than 3 years	1,151,626,521	917,236,478	901,666,600	706,337,538
Loans due later than 3 years and not later than 5 years	868,462,940	618,388,561	676,017,280	386,798,280
Loans due later than 5 years	446,323,800	316,481,500	388,065,000	207,705,000
	<u>2,466,413,261</u>	<u>1,852,106,539</u>	<u>1,965,748,880</u>	<u>1,300,840,818</u>
Total long-term loans	<u>3,030,291,539</u>	<u>2,385,007,966</u>	<u>2,400,840,818</u>	<u>1,764,311,045</u>



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**19 Long-term loans (Cont'd)**

The movements of long-term loans for the years ended 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Opening balance	2,385,007,966	1,698,741,804	1,764,311,045	1,622,954,100
Additions	1,196,728,000	1,160,684,500	1,100,000,000	600,000,000
Repayment	(579,337,827)	(474,097,338)	(463,470,227)	(458,643,055)
Foreign exchange rate adjustment	27,893,400	(321,000)	-	-
Closing balance	<u>3,030,291,539</u>	<u>2,385,007,966</u>	<u>2,400,840,818</u>	<u>1,764,311,045</u>



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**19 Long-term loans (Cont'd)**

**19.1 The requirements and conditions for long-term loans comprise the following:**

Contract No.	Consolidated Long-term loans as of		Company	Loan Purpose	Loan Limit	Interest rate and repayment terms	Guarantees and collaterals
	31 December 2013 (Million Baht)	31 December 2012 (Million Baht)					
1	3.7	35.6	Parent company Srithai Superware Public Company Limited	The energy preservation project	Baht 302.1 million (1 agreement comprising 9 loans)	Fixed interest rate over loan period, and at MLR of local banks.  Repayment is due every three months from December 2007 to 2014.	a) the lenders will be nominated as the first beneficiary of the Company's all risk insurance.
2	2,397.2	1,616.2	Srithai Superware Public Company Limited	Investment in building improvement, machinery, moulds, and factory equipment	Baht 3,434.6 million (17 agreements comprising 18 loans)	5 loans bear fixed interest rate over loan period. 13 loans bear fixed interest rate, MLR less margin, Prime Rate less margin, THBFIX 3-month plus margin, FDR 6-month plus margin and BIBOR 3-month plus margin of local banks.  Repayment is due every three months from June 2009 to 2020.	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	-	112.5	Srithai Superware Public Company Limited	Restoration of the Amata Nakorn Chonburi plant	Baht 300.0 million (1 agreement comprising 1 loan)	Fixed interest rate over loan period.  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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**19 Long-term loans (Cont'd)**

**19.1 The requirements and conditions for long-term loans comprise the following: (Cont'd)**

Contract No.	Consolidated		Company	Loan Purpose	Loan Limit	Interest rate and repayment terms	Guarantees and collaterals
	31 December 2013 (Million Baht)	31 December 2012 (Million Baht)					
4	-	1.6	Local subsidiaries Srithai Moulds Company Limited	The energy preservation project	Baht 15.0 million	Fixed interest rate over loan period. 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 Notes 13 and 14).
5	182.7	175.1	Srithai Miyagawa Company Limited	The energy preservation project	Baht 231.3 million	Fixed interest rate MLR less margin. Repayment is due every month from July 2006 to 2017.	The subsidiary has mortgaged its land and machinery (as described in Note 14) and two land parcels and buildings including prospective construction on the land parcels being covenanted not to 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	-	50.0	Korat Thai Tech Company Limited	Investment in machinery and factory equipment	Baht 50.0 million	Fixed interest rate and MLR less margin of local banks. Repayment is due every three months from December 2012 to 2019.	Guaranteed by Srithai Superware Public Company Limited.



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**19 Long-term loans (Cont'd)**

**19.1 The requirements and conditions for long-term loans comprise the following: (Cont'd)**

Contract No.	Consolidated Long-term loans as of		Company	Loan Purpose	Loan limit	Interest rate and repayment terms	Guarantees and collaterals
	31 December 2013 (Million Baht)	31 December 2012 (Million Baht)					
7	22.9	25.0	Local subsidiaries P.E.T. Blow Company Limited	Investment in machinery and factory equipment	Baht 25.0 million	Interest rate at MLR less margin of local bank. Repayment is due every three months from September 2013 to 2019.	Guaranteed by Srithai Superware Public Company Limited.
8	7.6	9.0	Srithai Nanoplast Company Limited	Investment in machinery and factory equipment	Baht 9.0 million	Interest rate at MLR less margin of local bank Repayment is due every three months from February 2013 to 2019.	The subsidiary has mortgaged its land and machinery (as described in Note 14).
9	416.2 (Vietnam Dong 103,862 million and US Dollars 7.41 million)	360.0 (Vietnam Dong 64,323 million and US Dollars 8.45 million)	Overseas subsidiary Srithai (Vietnam) Company Limited	Investment in machinery and factory equipment	Equivalent to US dollars 8.78 million And Vietnam Dong 104,140 million (2012 : US dollars 9.03 million And Vietnam Dong 104,140 million)	Interest rate at Cost of Fund plus margin of a bank in Vietnam. Repayment will be due for a period of 7 years from the date of the first draw down with 1 year grace period for principal repayment.	Guaranteed by Srithai Superware Public Company Limited.
Total	3,030.3	2,385.0					

The Company and subsidiaries must comply with other conditions and restrictions for long-term loans provided for in the agreements.

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**19 Long-term loans (Cont'd)**

**19.2 The interest rate exposure on the borrowings of the Group and the Company comprises the following:**

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Total borrowings:				
at fixed rates	885,983,739	311,025,752	867,859,818	282,371,831
at floating rates	2,144,307,800	2,073,982,214	1,532,981,000	1,481,939,214
	<u>3,030,291,539</u>	<u>2,385,007,966</u>	<u>2,400,840,818</u>	<u>1,764,311,045</u>

The interest rates at the statement of financial position date were as follows:

bank borrowings 3.58% to 13.00% 3.00% to 14.50% 3.58% to 6.38% 4.00% to 7.38%

The carrying values and fair value of long-term loans are as follow:

	Consolidated		Company	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Long-term loans - carrying value	3,030.3	2,385.0	2,400.8	1,764.3
Long-term loans - fair value	2,835.0	2,298.2	2,250.7	1,689.9

The fair values of long-term loans are based on discounted cash flows using a discount rate from the borrowing market rates which are available to the Group and the Company at the statement of financial position date. The carrying amounts of short-term loans are shown at an approximate fair value.

**19.3 Unutilised credit facilities**

Unutilised credit facilities as at 31 December comprise the following:

	Consolidated					
	31 December 2013			31 December 2012		
	Overdraft	Long-term loan facilities	Working capital facilities	Overdraft	Long-term loan facilities	Working capital facilities
	Baht	Baht	Baht	Baht	Baht	Baht
Floating rate						
- draw down within 1 year	-	54,470,000	-	-	105,740,167	-
- draw down with no timeframe limitation	221,550,337	-	283,766,400	191,407,629	-	197,652,485
Fixed rate						
- draw down with no timeframe limitation	-	-	4,308,879,961	-	-	2,039,487,184
	<u>221,550,337</u>	<u>54,470,000</u>	<u>4,592,646,361</u>	<u>191,407,629</u>	<u>105,740,167</u>	<u>2,237,139,669</u>
	Company					
	31 December 2013			31 December 2012		
	Overdraft	Long-term loan facilities	Working capital facilities	Overdraft	Long-term loan facilities	Working capital facilities
	Baht	Baht	Baht	Baht	Baht	Baht
Floating rate						
- draw down with no timeframe limitation	175,000,000	-	-	145,000,000	-	-
Fixed rate						
- draw down with no timeframe limitation	-	-	4,248,879,961	-	-	1,979,487,184
	<u>175,000,000</u>	<u>-</u>	<u>4,248,879,961</u>	<u>145,000,000</u>	<u>-</u>	<u>1,979,487,184</u>



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**20 Other payables - third parties**

Other payables as at 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Payable of long-term assets	126,352,439	84,338,408	77,112,937	64,776,392
Other payables	14,671,526	42,844,329	12,803,708	39,232,234
Advance receipt from customers	66,011,110	77,841,743	24,060,554	24,373,431
Accrued commission expenses	58,550,819	43,513,219	58,539,619	42,917,956
Accrued utility expenses	30,970,851	33,752,672	28,937,848	31,174,864
Accrued staff cost	19,464,059	22,184,444	16,288,322	16,211,569
Current portion of finance lease liabilities	1,014,856	2,405,755	-	-
Others	87,560,310	70,130,726	67,590,767	52,779,931
Total other payables - third parties	<u>404,595,970</u>	<u>377,011,296</u>	<u>285,333,755</u>	<u>271,466,377</u>

**21 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 statement of financial position 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 statement of financial position 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.

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 statement of financial position date. As at 31 December 2013 and 2012, the Group has no outstanding forward foreign exchange contracts.

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**22 Contingent liabilities and bank guarantee**

**22.1 Contingent liabilities**

Contingent liabilities as at 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Guarantee of related parties' loans	876.24	681.87	872.24	681.87

**22.2 Bank guarantee**

As at 31 December, the Group's bankers have issued letters of guarantee on behalf of the Group as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
In respect of electricity usage	60.28	60.20	57.48	57.40
Other guarantee	3.16	0.13	2.32	0.01

**23 Commitments**

Commitments as at 31 December comprise the following:

**23.1 Capital commitments**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Commitment for purchase of machinery, moulds and equipment	54.09	114.44	46.77	77.70
Commitment for installation of facilities system	10.53	-	10.53	-
Commitment for land and building improvements	51.10	6.99	-	3.88
Commitment for purchase of software program	2.36	5.31	1.06	0.56

**23.2 Operating lease commitments**

The Company and subsidiaries have entered into operating lease agreements for land, buildings, cars, computers, computer servers and computer network services. As at 31 December, the future minimum lease payments under non-cancellable operating leases comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>	<b>Million Baht</b>
Not later than 1 year	31.03	29.97	25.38	25.73
Later than 1 year and not later than 2 years	23.52	14.87	19.30	10.62
Later than 2 years and not later than 5 years	19.79	12.86	13.43	5.22
Later than 5 years	28.62	17.27	-	-
	<b>102.96</b>	<b>74.97</b>	<b>58.11</b>	<b>41.57</b>





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**24 Employee benefit obligations**

Employee benefit obligations as at 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Statement of financial position				
Post-employment benefits	204,874,532	150,836,764	172,381,635	122,416,918
Other long-term employment benefits	105,678,413	134,794,256	92,853,129	123,930,925
	<u>310,552,945</u>	<u>285,631,020</u>	<u>265,234,764</u>	<u>246,347,843</u>
(Profit) or loss				
Post-employment benefits	17,336,850	20,337,484	13,132,535	15,322,028
Other long-term employment benefits	14,288,347	10,629,504	10,827,406	8,374,803
Actuarial gain	(25,858,435)	-	(25,743,310)	-
Reduction in past service cost	(8,548,531)	-	(8,477,075)	-
	<u>(2,781,769)</u>	<u>30,966,988</u>	<u>(10,260,444)</u>	<u>23,696,831</u>

During the year 2013, there are 512 staff and 444 staff of the Group and the Company changed the benefit scheme from defined benefit plan to defined contribution plan. This result in reduction in past service cost of Baht 8.55 million and Baht 8.48 million, respectively.

The movement in the defined benefit obligations during the year is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Opening balance	285,631,020	249,542,875	246,347,843	221,653,598
Current service cost	19,811,870	20,225,085	14,235,676	14,289,871
Interest cost	11,813,327	10,741,903	9,724,264	9,406,960
Negative past service cost	(8,548,531)	-	(8,477,075)	-
Actuarial loss	16,731,732	19,665,002	17,302,967	13,888,896
Benefits paid	(14,886,473)	(14,543,845)	(13,898,911)	(12,891,482)
Closing balance	<u>310,552,945</u>	<u>285,631,020</u>	<u>265,234,764</u>	<u>246,347,843</u>

The principal actuarial assumptions used were as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Discount rates	3.97% - 4.79%	3.81% - 4.63%	3.97%-4.79%	3.81% - 4.53%
Future salary increase rates	3.00% - 7.52%	3.00% - 7.52%	3.00%-6.00%	3.00% - 6.00%
Staff turnover rates	0.00% - 81.00%	0.00% - 81.00%	3.00%-67.00%	3.00% - 81.00%

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**25 Share capital and premium on treasury shares**

Share capital as at 31 December comprises the following:

	<b>Number of shares</b>	<b>Ordinary shares Baht</b>	<b>Premium on treasury shares Baht</b>	<b>Total Baht</b>
As at 31 December 2011	270,990,480	2,709,904,800	19,928,420	2,729,833,220
Issue of shares during the year	-	-	-	-
As at 31 December 2012	270,990,480	2,709,904,800	19,928,420	2,729,833,220
Issue of shares during the year	-	-	-	-
As at 31 December 2013	270,990,480	2,709,904,800	19,928,420	2,729,833,220

The Company's registered share capital as at 31 December 2013 comprises 270,990,480 ordinary shares (2012: 270,990,480 ordinary shares) of Baht 10 each (2012: Baht 10 each). All issued shares are fully paid-up.

**26 Legal reserve**

Legal reserve as at 31 December comprises the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013 Baht</b>	<b>2012 Baht</b>	<b>2013 Baht</b>	<b>2012 Baht</b>
Opening balance	160,000,000	136,000,000	160,000,000	136,000,000
Appropriation during the year	22,000,000	24,000,000	22,000,000	24,000,000
Closing balance	182,000,000	160,000,000	182,000,000	160,000,000

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.

**27 Other components of equity**

Other components of equity as at 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013 Baht</b>	<b>2012 Baht</b>	<b>2013 Baht</b>	<b>2012 Baht</b>
Fair value reserves on available-for-sale investments				
- Short-term investments	11,069	9,024	-	-
- Other long-term investments	42,896,000	42,896,000	42,896,000	42,896,000
Total fair value reserves on available-for-sale investments	42,907,069	42,905,024	42,896,000	42,896,000
Translation adjustment for investment in overseas subsidiaries and associates	(115,846,847)	(67,715,587)	-	-
Total other components of equity	(72,939,778)	(24,810,563)	42,896,000	42,896,000



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**27 Other components of equity (Cont'd)**

The movements of fair value reserves on available-for-sale investments for the years ended 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013 Baht</b>	<b>2012 Baht</b>	<b>2013 Baht</b>	<b>2012 Baht</b>
Opening balance	42,905,024	21,226,898	42,896,000	21,220,000
Increase from fair value reserves				
- Short-term investments	2,045	2,126	-	-
- Other long-term investments, net tax	-	21,676,000	-	21,676,000
Closing balance	<u>42,907,069</u>	<u>42,905,024</u>	<u>42,896,000</u>	<u>42,896,000</u>

**28 Sales and service income, and cost of sales and services**

Sales and service income, and cost of sales and services for the years ended 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013 Baht</b>	<b>2012 Baht</b>	<b>2013 Baht</b>	<b>2012 Baht</b>
Sales	8,502,568,484	7,855,587,464	7,169,075,744	7,181,681,643
Service income	894,853,010	901,728,304	-	-
Total sales and service income	<u>9,397,421,494</u>	<u>8,757,315,768</u>	<u>7,169,075,744</u>	<u>7,181,681,643</u>
Cost of sales	6,832,847,088	6,113,474,611	5,800,143,207	5,619,848,453
Cost of services	723,435,601	728,999,894	-	-
Total cost of sales and services	<u>7,556,282,689</u>	<u>6,842,474,505</u>	<u>5,800,143,207</u>	<u>5,619,848,453</u>

**29 Finance costs**

Finance costs for the years ended 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013 Baht</b>	<b>2012 Baht</b>	<b>2013 Baht</b>	<b>2012 Baht</b>
Interest expense from bank borrowings	165,594,624	133,466,918	123,607,480	115,613,477
Interest expense from finance leases	1,405,438	1,716,038	-	11,538
Total finance costs	<u>167,000,062</u>	<u>135,182,956</u>	<u>123,607,480</u>	<u>115,625,015</u>

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**30 Expenses by nature**

The following expenditures, classified by nature, have been charged in arriving at operating profit for the years ended 31 December.

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Staff costs	1,201,484,855	1,217,285,419	896,188,507	880,915,936
Depreciation (Notes 13,14)	582,331,757	503,818,532	463,150,957	426,412,926
Advertising and sales promotion	351,163,950	366,407,167	339,269,473	357,614,382
Repair and maintenance	156,389,637	148,445,567	138,827,710	131,960,664
Transportation	158,238,839	144,719,476	129,577,317	116,638,348
Operating lease rentals	72,902,386	55,246,775	36,146,842	34,045,780
Amortisation of assets	77,334,976	69,802,774	55,573,903	56,908,740
Assets written-off	2,691,186	16,075,405	2,675,752	15,898,071
Loss on impairment of investment in associate (reversal) (Note 11.1)	12,044,661	-	(32,335,135)	4,200,000
(Gain) loss on foreign exchange rate, net	(1,299,644)	5,014,788	(18,245,042)	4,888,076

**31 Basic earnings per share**

The Company presents basic earnings per share in the statement of comprehensive income which is computed by dividing the net profit by the weighted-average number of paid-up ordinary shares outstanding during the year.

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Net profit attributable to equity holders of the parent (Baht)	486,968,088	541,881,902	423,762,488	459,370,632
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)	1.80	2.00	1.56	1.70

There are no potential dilutive ordinary shares issued for the years ended 31 December 2013 and 2012.

**32 Dividends**

**2013**

At the Annual General Meeting of shareholders on 26 April 2013, the meeting has approved a dividend in respect of the Company's net profit for the year 2012 of Baht 1.10 per share totalling of Baht 298.08 million and the Company paid all dividends during the year ended 31 December 2013.

**2012**

At the Annual General Meeting of shareholders on 27 April 2012, the meeting has approved a dividend in respect of the Company's net profit for the year 2011 of Baht 0.75 per share totalling of Baht 203.24 million and the Company paid all dividends during the year ended 31 December 2012.



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**33 Cash flows from operating activities and supplementary cash flows information**

**33.1 Cash flows from operating activities**

Reconciliation of net profit to cash flows from operating activities comprises the following:

	Notes	Consolidated		Company	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
<b>Profit before income tax for the year</b>		571,319,029	672,221,258	459,785,530	539,728,124
Adjustments to reconcile net profit to net cash provided by (paid for) operations:					
Depreciation	13, 14	582,331,757	503,818,532	463,150,957	426,412,926
Amortisation		61,893,972	55,564,161	43,223,846	44,605,465
Amortisation of intangible assets	15	15,441,004	14,238,613	12,350,057	12,303,274
Assets written off		2,691,186	6,435,151	2,675,752	6,257,817
Assets written off from storm incident		-	9,640,254	-	9,640,254
Allowance for doubtful accounts		300,503	-	-	-
Allowance for inventory obsolescence and for net realisable value (reversal)	10	(3,089,628)	(3,826,294)	(2,000,000)	(5,000,000)
Loss on impairment in value of investments in subsidiary and associates (reversal)	11.3	12,044,661	-	(32,335,135)	4,200,000
(Gain) loss on disposal of fixed and intangible assets		(6,951,403)	(4,898,818)	(8,699,340)	(19,474,875)
Unrealised (gain) loss on foreign exchange rate		(16,131,960)	4,370,363	(18,030,818)	9,026,019
Interest income		(8,136,458)	(3,417,698)	(2,490,810)	(2,856,588)
Share of profit of investments in associates and joint venture	11.2	(50,099,483)	(41,890,136)	-	-
Dividend income from investments in subsidiaries and associates	34.3	-	-	(90,590,123)	(29,349,004)
Dividend income from other investments		(15,179,904)	(8,880,000)	(15,179,904)	(8,880,000)
Finance costs-interest expense	29	167,000,062	135,182,956	123,607,480	115,625,015
		<u>1,313,433,338</u>	<u>1,338,558,342</u>	<u>935,467,492</u>	<u>1,102,238,427</u>
<b>Changes in operating assets and liabilities</b>					
<b>(Increase) decrease in operating assets:</b>					
Trade accounts receivable		(149,076,099)	(124,622,817)	(129,638,531)	(30,201,531)
Other receivables		(64,259,046)	(32,967,525)	(38,934,393)	(25,154,245)
Inventories		(123,909,300)	(204,275,752)	(89,579,417)	(99,508,430)
Other current assets		(30,585,165)	8,454,032	(34,889,909)	1,681,152
Other assets		18,869,509	10,663,852	45,829,281	19,715,030
<b>Increase (decrease) in operating liabilities:</b>					
Trade accounts payable		26,433,773	71,616,748	(144,188,266)	106,421,978
Other payables		(29,475,159)	25,332,028	(1,984,761)	15,073,320
Other current liabilities		13,963,680	(14,976,895)	(7,418,496)	3,584,413
Employee benefit obligations		(17,668,242)	16,423,143	(24,159,356)	10,805,349
<b>Cash generated from operations</b>		<u>957,727,289</u>	<u>1,094,205,156</u>	<u>510,503,644</u>	<u>1,104,655,463</u>

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**33 Cash flows from operating activities and supplementary cash flows information (Cont'd)**

**33.2 Supplementary cash flows information comprises the following:**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013 Baht</b>	<b>2012 Baht</b>	<b>2013 Baht</b>	<b>2012 Baht</b>
<b>Property, plant and equipment</b>				
Additions (Note 14)	1,040,335,934	1,216,809,809	795,409,160	704,479,753
<u>Less</u> Decrease (increase) in payables of fixed assets	(42,014,031)	12,011,326	(12,336,545)	11,246,955
Fixed assets increased by finance lease	(3,078,579)	(1,376,313)	-	-
Decrease (increase) in amounts due to related parties of fixed assets	-	-	2,350,170	(1,523,200)
Unrealised (gain) loss on exchange rate	1,470,922	(540,062)	1,470,922	(540,062)
Payment for purchase of fixed assets	<u>996,714,246</u>	<u>1,226,904,760</u>	<u>786,893,707</u>	<u>713,663,446</u>
<b>Intangible assets</b>				
Additions (Note 15)	6,910,672	10,146,214	2,899,890	4,452,168
<u>Less</u> Decrease (increase) in payables of intangible assets	389,922	1,468,517	389,922	1,468,517
Payment for purchase of intangible assets	<u>7,300,594</u>	<u>11,614,731</u>	<u>3,289,812</u>	<u>5,920,685</u>
<b>Dividend income</b>				
Dividends of investments in subsidiaries and associates (Note 34.3)	38,192,103	17,150,854	90,590,123	29,349,004
<u>Less</u> Increase in dividend receivable	(5,322,603)	-	(5,322,603)	-
Dividends received from subsidiaries and associates	<u>32,869,500</u>	<u>17,150,854</u>	<u>85,267,520</u>	<u>29,349,004</u>

**34 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 11.4.

The relationships between the Company and related parties that are transacted with are as the following:

<b>Company name</b>	<b>Relationship</b>
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
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



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**34 Related party transactions (Cont'd)**

**34.1 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**

The Group received a management fee which was transacted with related parties 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.

**34.2 Outstanding balances as at the years ended**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Trade accounts receivable</b>				
Subsidiaries	-	-	107,138,340	76,678,978
Associates	142,554,349	133,153,870	142,554,349	133,153,870
Joint venture	7,741,160	7,650,850	7,741,160	7,618,079
Other related parties	181,088,447	205,440,796	127,255,263	205,440,796
Total trade accounts receivable - related parties	<u>331,383,956</u>	<u>346,245,516</u>	<u>384,689,112</u>	<u>422,891,723</u>
<b>Other receivables - related parties, net</b>				
Subsidiaries	-	-	4,557,819	3,967,571
Associates - dividend receivable	6,295,183	972,580	6,295,183	972,580
- other receivable	1,154,080	538,140	1,154,080	538,140
Joint venture	141,041	145,188	141,041	145,188
Other related parties	81,455	221,125	81,455	221,125
Total other receivables - related parties	<u>7,671,759</u>	<u>1,877,033</u>	<u>12,229,578</u>	<u>5,844,604</u>
Less Allowance for doubtful accounts	<u>(972,580)</u>	<u>(972,580)</u>	<u>(972,580)</u>	<u>(972,580)</u>
Total other receivables - related parties, net	<u>6,699,179</u>	<u>904,453</u>	<u>11,256,998</u>	<u>4,872,024</u>

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**34 Related party transactions (Cont'd)**

**34.2 Outstanding balances as at the years ended (Cont'd)**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Short-term loan and accrued interest income</b>				
Subsidiary	-	-	-	182,914,200

**Subsidiary**

**Srithai Nanoplast Company Limited**

As at 31 December 2013, Korat Thai Tech Company Limited, a subsidiary, has granted a short-term loan of Baht 6.00 million to Srithai Nanoplast Company Limited, another subsidiary, under credit facility Baht 10.00 million of a short-term loan agreement charging interest at the fixed rate of 4.00% per annum. The payment of interest is due every month and repayment of principal is due within 1 year.

**Srithai (Vietnam) Company Limited**

As at 31 December 2012, Srithai (Vietnam) Company Limited has been granted a short-term loan amounting to US Dollars 6.00 million or equivalent to Baht 182.91 million under credit facility US Dollars 9.00 million of a short-term loan agreement bearing interest at SIBOR (3 months) plus margin with no collateral. The payment of interest is due every month and repayment of principal is due within 1 year. On 3 January 2013, the Company has entered into an Agreement with the subsidiary to convert all short-term loan balance to increase share capital of the subsidiary (Note 11.3 (a)).

**Korat Thai Tech Company Limited**

During the year 2012, the Company has granted a short-term loan of Baht 33.00 million to Korat Thai Tech Company Limited, a subsidiary, under credit facility Baht 50.00 million of a short-term loan agreement charging interest at the fixed rate of 7.00% per annum. The purpose of the short-term loan is to support subsidiary's working capital. As at 31 December 2012, the Company had received the repayment in full.

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Trade accounts payable - related parties</b>				
Subsidiaries	-	-	38,251,238	52,438,277
Associates	105,335,861	112,261,324	79,782,490	104,242,307
Joint venture	-	123,570	-	123,570
Other related parties	7,226,122	15,316,882	4,229,001	13,588,257
Total trade accounts payable - related parties	112,561,983	127,701,776	122,262,729	170,392,411
<b>Other payables - related parties</b>				
Subsidiaries - other payables	-	-	989,899	3,479,163
- payable for fixed assets	-	-	46,010	2,396,180
Associates	2,446,530	3,207,943	2,438,505	3,190,823
Other related parties	28,329	-	28,329	-
Total other payables - related parties	2,474,859	3,207,943	3,502,743	9,066,166





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**34 Related party transactions (Cont'd)**

**34.3 Transactions during the years**

Revenues for the years ended 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b><u>Sales and service income</u></b>				
Subsidiaries	-	-	162,700,871	148,930,791
Associates	320,791,210	343,934,389	320,788,620	343,934,389
Joint venture	36,140,217	32,656,931	35,984,146	32,462,203
Other related parties	448,404,819	534,868,355	393,132,655	534,868,355
<b>Total sales and service income</b>	<b>805,336,246</b>	<b>911,459,675</b>	<b>912,606,292</b>	<b>1,060,195,738</b>
<b><u>Other income</u></b>				
<b><u>Service income</u></b>				
Subsidiaries	-	-	26,982,845	22,217,045
Associates	3,854,938	2,721,350	3,854,938	2,721,350
Joint venture	628,952	614,410	628,952	614,410
Other related parties	1,712,601	1,655,195	1,712,601	1,655,195
<b>Total</b>	<b>6,196,491</b>	<b>4,990,955</b>	<b>33,179,336</b>	<b>27,208,000</b>
<b><u>Management fee income</u></b>				
Subsidiaries	-	-	4,320,000	4,155,000
Joint venture	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>5,320,000</b>	<b>5,155,000</b>
<b><u>Interest income</u></b>				
Subsidiaries	-	-	264,718	1,875,207
<b>Total</b>	<b>-</b>	<b>-</b>	<b>264,718</b>	<b>1,875,207</b>
<b><u>Dividend income</u></b>				
Subsidiaries	-	-	52,398,020	12,198,150
Associates	38,192,103	17,150,854	38,192,103	17,150,854
<b>Total</b>	<b>38,192,103</b>	<b>17,150,854</b>	<b>90,590,123</b>	<b>29,349,004</b>
<b>Total other income</b>	<b>45,388,594</b>	<b>23,141,809</b>	<b>129,354,177</b>	<b>63,587,211</b>
<b><u>Sales of fixed assets</u></b>				
Subsidiaries	-	-	24,796,038	158,202,204
<b>Total sales of fixed assets</b>	<b>-</b>	<b>-</b>	<b>24,796,038</b>	<b>158,202,204</b>



**Srithai Superware Public Company Limited**  
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**34 Related party transactions (Cont'd)**

**34.3 Transactions during the years (Cont'd)**

Expenses for the years ended 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b><u>Cost of sales and services</u></b>				
<b><u>Purchases of goods</u></b>				
Subsidiaries	-	-	304,489,947	163,650,365
Associates	432,845,457	521,768,336	348,063,331	431,565,870
Joint venture	63,771	233,897	63,771	233,897
Other related parties	36,475,700	41,981,618	25,686,280	33,631,206
Total	<u>469,384,928</u>	<u>563,983,851</u>	<u>678,303,329</u>	<u>629,081,338</u>
<b><u>Expenses</u></b>				
<b><u>Service expenses</u></b>				
Subsidiaries	-	-	5,776,578	5,729,700
Associates	4,087,535	3,961,255	4,087,535	3,961,255
Other related parties	4,866,274	1,233,146	4,866,274	1,233,146
Total	<u>8,953,809</u>	<u>5,194,401</u>	<u>14,730,387</u>	<u>10,924,101</u>
<b><u>Purchases of fixed assets</u></b>				
Subsidiaries	-	-	17,070,000	9,138,299
Other related parties	43,550	62,000	43,550	-
Total	<u>43,550</u>	<u>62,000</u>	<u>17,113,550</u>	<u>9,138,299</u>

**34.4 Directors and managements' remuneration**

Directors and managements' remuneration for the years ended 31 December comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Directors' remuneration	2,222,500	1,650,000	2,222,500	1,650,000
Managements' remuneration				
Short-term employee benefits	106,421,597	100,193,765	65,096,715	62,815,407
Post-employment benefits	3,362,211	1,748,763	2,620,905	1,300,149
Other long-term employee benefits	64,641	23,030	61,057	19,875
Total directors and managements' remuneration	<u>112,070,949</u>	<u>103,615,558</u>	<u>70,001,177</u>	<u>65,785,431</u>



### 35 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	1764(4)/2548	13 July 2005	8 years	plastic products	<ul style="list-style-type: none"> <li>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).</li> </ul>
	1339(2)/2550	14 February 2007	7 years	plastic products	<ul style="list-style-type: none"> <li>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).</li> </ul>
	1872(2)/2554	18 January 2011	8 years	melamine products	<ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (19 September 2012) 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 18 September 2025).</li> </ul>
	1529(2)/2555	6 March 2012	7 years	plastic products	<ul style="list-style-type: none"> <li>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 (4 September 2012) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 3 September 2024).</li> </ul>
	1872(2)/2556	14 May 2013	7 years	plastic products	<ul style="list-style-type: none"> <li>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 (not yet started) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period.</li> </ul>

**35 Promotional privileges (Cont'd)**

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: (Cont'd)

Company	No. of BOI card	Date of approval	Period	Product	Significant privilege
Subsidiary : Srithai Moulds Company Limited	1684(1)/or/2546	21 November 2003	8 years	moulds production and repair	<ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (3 March 2005 to 2 March 2013).</li> </ul>
	2458(5)/2554	19 July 2011	8 years	moulds production and repair	<ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (12 March 2013) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 11 March 2026).</li> </ul>
	1268(5)/2556	5 March 2012	8 years	plastic products	<ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (not yet started) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period.</li> </ul>
Subsidiary : Srithai Nanoplast Company Limited	1838(2)/2547	18 August 2004	7 years	plastic products	<ul style="list-style-type: none"> <li>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).</li> </ul>
	1960(2)/2555	8 June 2012	7 years	plastic products	<ul style="list-style-type: none"> <li>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 and working capital from the date income is first derived (10 August 2012) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 9 August 2024).</li> </ul>
Subsidiary : Korat Thai Tech Company Limited	1616(5)/2554	18 April 2011	8 years	melamine products	<ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (19 July 2011) 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 18 July 2024).</li> </ul>
Subsidiary : P.E.T. Blow Company Limited	1067(5)/2555	14 March 2011	8 years	plastic products	<ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (3 February 2012) and 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 2 February 2025).</li> </ul>



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**35 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)					
	2013			2012		
	Promoted activity	Non-promoted activity	Total	Promoted activity	Non-promoted activity	Total
<b>Revenue</b>						
Domestic sales and service income	1,198	3,814	5,012	1,363	4,139	5,502
Export sales and service income	1,004	1,153	2,157	644	1,036	1,680
Total sales and service income	<u>2,202</u>	<u>4,967</u>	<u>7,169</u>	<u>2,007</u>	<u>5,175</u>	<u>7,182</u>

**36 Post statement of financial position event**

Change in par value

On 25 February 2014, The Board of Directors of the Company passed a resolution to change the par value from Baht 10.00 per share to Baht 1.00 per share and change in the number of issued and paid-up shares is from 270,990,480 shares to 2,709,904,800 shares. However, the change in par value shall be proposed to the Annual General Meeting of Shareholders No. 33 (year 2014) for further consideration and approval.

Approval of dividends

On 25 February 2014, the Board of Directors of the Company passed a resolution to propose the dividend payment from the operating results of 2013 at Baht 1.00 per share, totalling Baht 270.99 million. However, the approval for the dividend payment shall be proposed to the Annual General Meeting of Shareholders No. 33 (year 2014) for further consideration and approval.

Investment in a subsidiary

On 13 February 2014, the Company paid for the additional share capital of Srithai Superware Manufacturing Private Limited, a subsidiary, amounting to Rupee 49.90 million, or equivalent to Baht 26.42 million. The subsidiary is under the process of increasing its registered share capital from Rupee 120.00 million to Rupee 250.00 million.



**บริษัท ศรีไทยซูเปอร์แวร์ จำกัด (มหาชน)**  
**Srithai Superware Public Company Limited**

15 ถนนสุขสวัสดิ์ ซอย 36 แขวงบางปะกอก

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