



Srithai

Annual Report

2014



SAVE MATERIAL
ENERGY
THE WORLD



SRITHAI SUPERWARE PUBLIC COMPANY LIMITED

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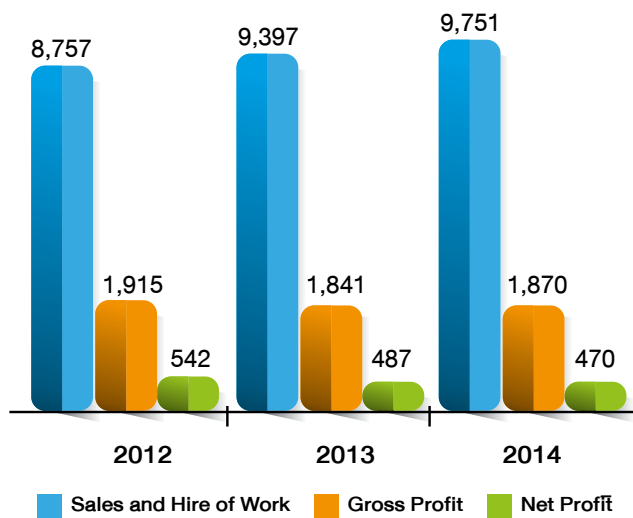
Highlight of Consolidated Financial Statements

Unit : Million Baht

| | 2014 | 2013 | 2012 |
|--------------------------------------------------------|---------|---------|---------|
| CONSOLIDATED BALANCE SHEETS | | | |
| Assets | 10,516 | 10,126 | 9,325 |
| Liabilities | 5,784 | 5,561 | 4,867 |
| Shareholders' equity | 4,732 | 4,565 | 4,458 |
| CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME | | | |
| Sales and hire of work | 9,751 | 9,397 | 8,757 |
| Gross profit | 1,870 | 1,841 | 1,915 |
| Selling & Administrative expenses | (1,336) | (1,248) | (1,256) |
| Other income (Other expenses) | 174 | 145 | 148 |
| Finance costs - interest expense | (168) | (167) | (135) |
| Profit before income tax | 540 | 571 | 672 |
| Net profit for the year (Owners of the parent) | 470 | 487 | 542 |
| CONSOLIDATED STATEMENTS OF CASH FLOWS | | | |
| Net cash receipt from operating activities | 731 | 711 | 829 |
| Net cash payments for investing activities | (616) | (981) | (1,167) |
| Net cash receipts from financing activities | (79) | 266 | 557 |
| Cash and cash equivalents, closing balance | 473 | 437 | 441 |
| KEY FINANCIAL RATIOS | | | |
| Current Ratio (times) | 1.23 | 1.42 | 1.33 |
| Account Receivable Turnover (days) | 71.28 | 68.01 | 67.11 |
| Inventory Turnover (days) | 37.10 | 36.36 | 32.16 |
| Account Payable Turnover (days) | 43.82 | 44.60 | 46.64 |
| Gross Profit Ratio to Sales (%) | 19.18 | 19.59 | 21.87 |
| Net Profit Ratio to Total Revenues (%) | 4.77 | 5.12 | 6.11 |
| Return on Total Assets (%) | 4.55 | 5.01 | 6.22 |
| Debt to Equity Ratio (time) | 1.22 | 1.22 | 1.09 |

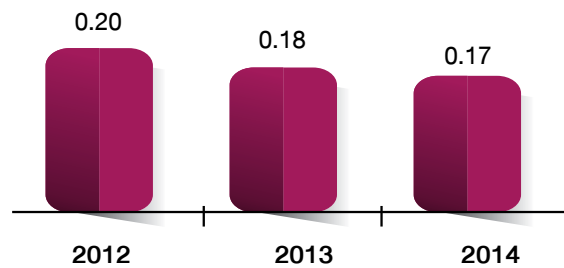
Operation Results

(Unit : Million Baht)



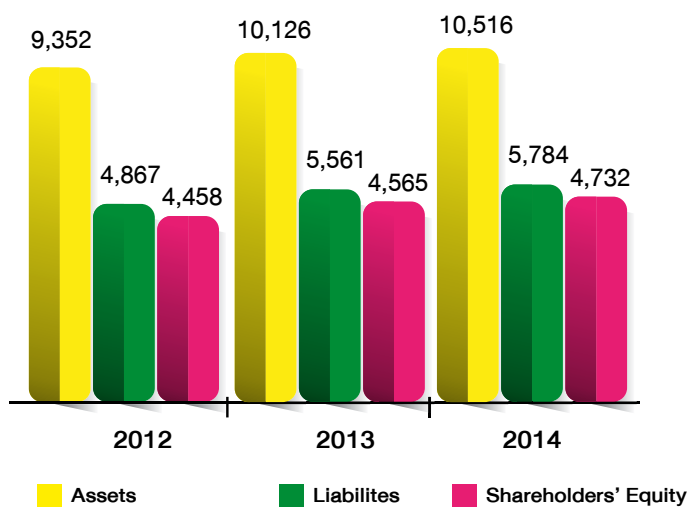
Earning per Share

(Unit : Baht)



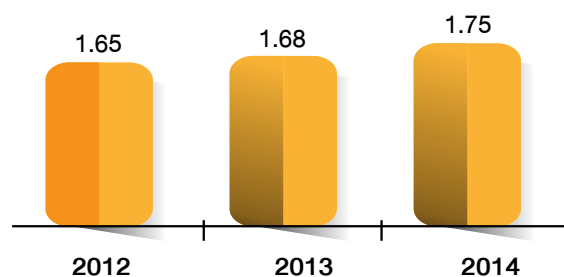
Assets, Liabilities and Shareholders' Equity

(Unit : Million Baht)



Book Value per Share

(Unit : Baht)



MESSAGE FROM THE CHAIRMAN



We celebrated our 51st anniversary in 2014 - marking our existence of more than half a century. It is an achievement to be proud of. We faced both successes and challenges with external factors that affected the sales and marketing of our products - the economic and political condition in the country had a negative impact on the purchasing power and confidence of our consumers. Certain internal factors, such as the variation of our product portfolio, the expansion of our network marketing business and the setting up of production bases in foreign countries in preparation for welcoming the arrival of Asean Economics Community in the year 2015, also affected our sales.

Consequently, it was the first time since the inception of our Company that sales of the whole group almost reached Baht 10,000 million. The external factors resulted in minimal sales growth at 3.7% for the year 2014. The growth rate was relatively low as compared with that of the preceding year as it was further affected by such external factors as decreased purchasing power, plummeting prices of agricultural products and a higher household debt level. These factors had a negative impact on the demand for industrial goods, even though food and beverage industries showed continual growth. Therefore, products under food and beverage packagings such as food boxes and closures and preforms had a higher sales growth as compared to those of other product groups.

Our Srithai Network business, previously known as Snatur, had the highest growth rate amongst our whole group of companies. Srithai Network's high quality products have proven to be extremely effective, resulting in a sharp increase in sales and the number of members. In order to accommodate this development, Srithai Network will be expanding its office space this coming year to serve the growing business.

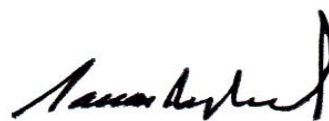
In addition, we expanded our food and beverage packaging line as it experienced yet another year of high growth rate. We keep on adapting our products to the need of our customers for more convenience in their busy lifestyles. This has made them very popular items in every market demographic. Also, its rapid success has been the result of marketing strategy involving connection with large companies and regional markets as well as the continued investment in increasing the production capacity.

We have set up our third factory in Vietnam-the Srithai (Hanoi) Company Limited. Expected to start operations in 2015, it will focus on manufacturing beverage packaging products. Furthermore, we have planned to add value to our products by having installed a bottle blower machine connected to fill-up line of a customer. In the future, we shall provide bottle fill-up services to general customers as well.

Domestically, we plan to open the first Srithai Super Outlet in Chonburi Province in early 2015. The outlet will retail a wide variety of household products made of melamine, plastic and other materials for personal and industrial consumption. Plans are in the pipeline to open 4 other similar outlets in the city of Bangkok. For overseas operations, apart from factories in Vietnam and Indonesia, a new Srithai factory in India, also set to begin production in early 2015, will serve the growing demand for our tableware in that country.

Srithai has made significant developments and changes in our over 50 years of existence. We have grown and expanded and branched out to various businesses. We are now a global entity and have adjusted our present corporate brand to reflect the varied businesses we have under the Srithai umbrella. The theme of our corporate brand will continue to reflect our high regard for family values, preservation of the environment and our long cordial ties with our Srithai family of customers, partners, employees and society as a whole. As Srithai continues to expand and grow, we will remain committed to excellence and the Penguin Brand on every product will always signify quality products that consumers can trust.

I sincerely thank each and every one of our shareholders, Board of Directors, executives, and employees, for all the support you have given us making Srithai proudly passing the fiftieth anniversary. I am confident that Srithai shall continue growing with stability and be one of a leading Thai Group of company which brings sustainable reputation to Thailand in the ASEAN region.



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 that 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. Additionally, its Vision and Mission has been communicated to the general public and all stakeholders of the Company in order that they gain acknowledgement of the direction and future of the Company as well as are able to do business with the Company in a confident manner.

In 2014, the Company redefined its Vision and Mission to be more appropriate and aligned with its ongoing strategies and business operations as follows:

Vision

To be the world's largest manufacturer of melamine tableware and ASEAN's leading manufacturer in the plastic injection business.

Mission

- 1. To create a learning and knowledge-sharing environment for the beneficial development of our human capital.**
- 2. To develop and enhance work skills, competency, and competitiveness to accommodate Srithai's value chain.**
- 3. To conduct business with ethical standards and principles of good corporate governance.**
- 4. To develop our organization's efficiency and extend long-term contributions to society to create social capital.**

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 executive 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. Subsequent to the debt restructuring, due to the significant negative impacts from the economic crisis throughout the Asia Pacific Region, the Company's paid up capital has been increased from Baht 400 million to Baht 2,857.0 million.

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 the Company's share repurchase scheme in 2005 for the purpose of financial management being in line with legal requirement.

From the business operations during the past several years the Company has achieved continued growth and revenues with stable financial status and performance. It stemmed from the Company's continuous expansion of its food and beverage packaging products, which is a product group with a high market demand. The Company also adapted its business and strategies relating to the manufacture and marketing of both its core businesses – namely, industrial products and household products. This has effectively reduced the adverse impact from the local and global economies and has also been successful in expanding the Company's manufacturing and customer bases in key overseas markets. The Company's revenues and business shall continue to grow with stability and sustainability through :

- placing importance in investment to expand its business and manufacturing capacity with products that are in great demand in the market as well as have a high growth potential in domestic and overseas markets;
- enhancing production's efficiency;
- improving product quality;
- responding to needs of customers based on environmental friendly manufacturing process;
- effective management that are in accordance with the principles of good corporate governance and of socially responsible.

For the network marketing business, under the new name of "Srithai Network" business starting to use in 2015, 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. In addition to generating more income for Trading Business Line of the Company, we wish to push forward Srithai Network 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, Srithai Network business could expand member-base and customers. The products are exported to neighboring countries such as Myanmar, Laos, Cambodia, and Malaysia, and the business has high potential to grow further.

After passing our fiftieth anniversary in 2013, the Company undertook a 'rebranding' exercise in enhancing its corporate logo under the established corporate branding framework – namely, having only one 'brand' throughout the Group and for all its business lines. This is to enable our customers to easily remember the modernized logo, which is more aligned to the lifestyle of the new younger generation, as well as to enhance a more positive corporate image. The 2 new corporate logos to be used from 2015 onwards are as follows :



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 comprising industrial products and household products; and Trading and Moulds Business Line including subsidiaries making the moulds which is an important component of the plastics business line, and companies undertaking businesses other than those 2 core businesses of the Group. The Company has set its strategy of doing integrated businesses to reduce dependency on outsiders, so that competitiveness of the Group could be enhanced.

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% | Sanko Srithai (Malaysia) | 48.0% | | |
| Srithai (Vietnam) | 100.0% | | | | |
| Srithai (Hanoi) | 100.0% | | | | |
| Srithai Superware Menufacturing | 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% | Sanko Srithai (Malaysia) | 48.0% | | |
| SuperIdea | 100.0% | Thai MFC | 45.0% | | |
| Srithai Nanoplast | 100.0% | Sheewamala | 40.0% | | |
| Srithai (Vietnam) | 100.0% | Srithai Packaging | 39.2% | | |
| Srithai (Hanoi) | 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% | | | | |

Remarks: The 100% equity shareholding in Srithai (Hanoi) Company Limited and 48.0% equity shareholding in Sanko Srithai (Malaysia) SDN. BHD. are indirect shareholdings of the Company via Srithai (Vietnam) Company Limited and Srithai Sanko Co. Ltd., respectively.

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 | | พ.ศ. 2555 | |
|----------------------------------------------------------------------|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Shareholding of Company | Million Baht | % | Million Baht | % | ล้านบาท | % |
| Sales and Service Income | | | | | | | |
| Plastics Business | | | | | | | |
| Household Products | | | | | | | |
| Srithai Superware Public Company Limited | - | 1,554 | 15.7 | 1,715 | 18.0 | 2,000 | 22.5 |
| Korat Thai Tech Company Limited | 100.0 | 238 | 2.4 | 161 | 1.7 | 234 | 2.6 |
| Srithai (Vietnam) Company Limited | 100.0 | 89 | 0.9 | 64 | 0.7 | 49 | 0.6 |
| Srithai Superware India Limited | 82.4 | 71 | 0.7 | 69 | 0.7 | 57 | 0.6 |
| Total Household Products | - | 1,952 | 19.7 | 2,009 | 21.1 | 2,340 | 26.3 |
| Industrial Product | | | | | | | |
| Srithai Superware Public Company Limited | - | 5,107 | 51.5 | 4,867 | 50.9 | 4,595 | 51.6 |
| P.E.T. Blow Company Limited | 100.0 | 32 | 0.3 | 98 | 1.0 | 82 | 0.9 |
| Srithai Nanoplast Company Limited | 100.0 | 22 | 0.2 | 33 | 0.4 | 26 | 0.3 |
| Srithai (Vietnam) Company Limited | 100.0 | 1,294 | 13.0 | 1,071 | 11.2 | 375 | 4.2 |
| Srithai Miyagawa Company Limited | 51.0 | 669 | 6.8 | 678 | 7.1 | 695 | 7.8 |
| Total Plastics Business | - | 7,124 | 71.8 | 6,747 | 70.6 | 5,773 | 64.8 |
| Trading Business and Mould-Making | | | | | | | |
| Srithai Superware Public Company Limited | - | 481 | 4.9 | 425 | 4.4 | 437 | 4.9 |
| Srithai Moulds Company Limited | 71.0 | 73 | 0.7 | 94 | 1.0 | 109 | 1.2 |
| Srithai Miyagawa Company Limited | 51.0 | 121 | 1.2 | 122 | 1.3 | 98 | 1.1 |
| Total Trading Business and Mould-Making | - | 675 | 6.8 | 641 | 6.7 | 644 | 7.2 |
| Total Sales and service income | - | 9,751 | 98.3 | 9,397 | 98.4 | 8,757 | 98.3 |
| Other income | - | 111 | 1.1 | 107 | 1.1 | 111 | 1.2 |
| Share of profit of investment in associates and joint venture | - | 63 | 0.6 | 50 | 0.5 | 42 | 0.5 |
| Total income | - | 9,925 | 100.0 | 9,554 | 100.0 | 8,910 | 100.0 |

Remark Additional information are disclosed in Notes to Financial Statements for the year ended December 31, 2014 No.6 : Segment information, pages 26 – 27.

2.2 Business Operation 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. In 2014, the Company has categorized a group of products according to the strategy of the Company's operations as shown hereunder:-

1. Industrial Products

(a) Description of Product or Service

Categorized into 6 groups

Group 1 Food and Beverage Packaging

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 including beverage bottles using the 'blowing' process.



Group 2 Battery Case



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

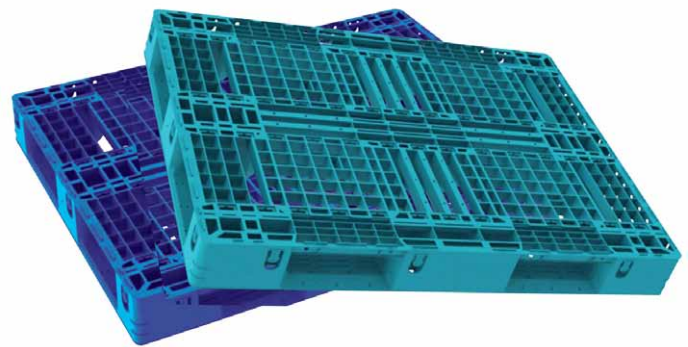
Group 3 Material Handling

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



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

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.



Group 4 Furniture and Houseware



Furniture Tables, Chairs

Household Product Accessories, decorations, and appliances etc.



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.

Group 5 Rigid Packaging

Container Pail for paint, chemical, lubricant and grease.



Garbage Bin Large garbage bin with wheels for sidewalk or public places.

Group 6 Industrial Parts

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



(b) Marketing and Competition

Description of Customer

| | |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Food packaging products | Ready-to-serve food factories, cinema house launching marketing campaign, and convenient stores. |
| Beverage packaging products | Beverage bottlers. |
| Pallets, bottle crates, pails, garbage bins and container crates | End-users such as manufacturing plants. |
| Furniture and Houseware | retailers who distribute the products to the consumers. |
| Industrial parts and battery case | Manufacturers who use the products for further assembly in their production process before putting on sale. |
| Premium product | Brand-owners and retailers for their promotional campaigns. |

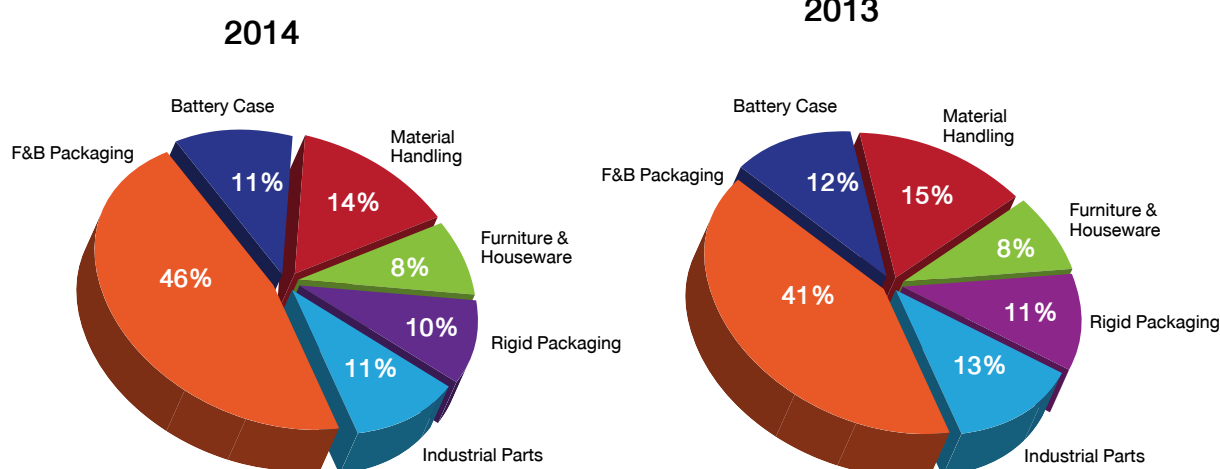
Credit Term Usually a credit term of 30-90 days is granted to customers of plastic products. Sales in grand sale event are made in cash.

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. Focuses are made on wide variety of products and complete integration of services, for example; 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 protections also help support competitive strategy for the Company.

Distribution Channel Plastic products are distributed through the following markets :

Export Sales: 17%

Domestic Sales: 83%



Domestic distributors are Srithai Marketing Company Limited, Siam Melamine Marketing Company Limited, 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 credibility 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 highly efficient production processes that are environmental friendly through using modern machinery and the latest technology, which enables the increase in productivity, reduces labour and energy costs, and reduces carbon gas emission levels from the production process. Currently, the Company has 3 plants for industrial products with combined capacity as being one of the company in Thailand having highest capacity. The Company has extensive experience in the manufacturing of industrial products that require precise specifications of outputs - such as, food and beverage packaging that require high caliber of design and highly specialized production technologies based on cooperation between the Company and foreign business partners in order to meet the exact requirements of our customers.

The Company will not compete directly with small and general consumer plastic products manufacturers, who give importance on pricing rather than on product quality in order to achieve higher market share. However, the Company focuses more on operating its businesses for large industrial products. As such, it is made through offering very high quality and modern design products that meet the requirements of our varied customers or that will help increase the overall operational management of our customers businesses - such as, in their inventory and warehouse management as well as transportation and logistics systems, together with enabling them to achieve increased profitability. In 2014, the Company has given importance to and has continued move forward in the ongoing expansion of its businesses relating to the production output capacity of and the market for food and beverage packaging products together with materials handling and warehousing - such as pallets and crates for industrial use, for which there is a high demand in the market as well as a high growth rate and good profitability. Consequently, the Company has reduced taking orders for automotive and electrical appliances component parts.

For food and beverage packaging products which have very high degree of quality, food safety, and outstanding modern designs, these products have been very well-accepted by and have received the trust of our international customers. In 2014 the Company received the IMDA Awards - 2014, for The Best Thin Wall Packaging category from the In-Mold Decorating Association in the USA. It is the third time that the Company has received such an award, attesting to the continuing successful technological development as well as maintenance of high quality standards on a sustained basis. This has enabled the Company to open up new and enter into additional overseas export markets; such as, the Philippines, Vietnam and Indonesia; and to target entering other markets in Malaysia, Korea, China and Taiwan which will result in higher sales. Additionally, the Company is focusing on the further development of 'ready to eat frozen food' packaging products, through cooperating with our customers in enhancing production process efficiency and developing improved product designs, which has been well received with positive feedback. This market segment and the associated products have a good growth potential, as a result of the market expansion of Ready To Eat (RTE) food due to the current changing urban lifestyles.

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 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, together with providing a comprehensive range of services to include the 'blowing process' for the manufacturing of beverage bottles.

As for material handling products – such as, containers and pallets, the Company has given importance to both product design and development. A comprehensive range of services is also offered to the customers with our assistance in enhancing the efficiency of their operations management relating to warehousing and logistics activities. Such services enable them to gain maximum use and benefits from their available warehousing space and also to reduce inventory wastage. This marketing strategy combined with the high quality products, the latest specific production technology of the Company, and the increasing trend in the food products industry in replacing wooden pallets with those made of plastic, has resulted in the rapid growth of the Company's materials handling products.

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 2014, the Company assessed its market share of each product group as follow:

| Type of product | % |
|---------------------------|----|
| Battery Case | 70 |
| Bottle Crate | 50 |
| container crates | 40 |
| Rigid Packaging | 40 |
| Pallet | 35 |
| Garbage Bin | 30 |
| Furniture | 30 |
| 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, CD&DVD boxes, decoration accessories, battery cases, electrical parts and automotive parts.



Additionally, the Company has 2 plants for industrial products in Vietnam, operating under 2 subsidiaries in which the Company has a 100% equity shareholding, namely, Srithai (Vietnam) Company Limited, together with its subsidiary - Srithai (Hanoi) Company Limited of which the factory is currently under construction and should start operational within 2015.



Srithai (Vietnam) Company Limited

Producing beverage packaging, crates, household products, plastic helmets, and industrial component parts.

Srithai (Hanoi) Company Limited

Producing beverage packaging products and materials handling products.



Major raw materials are various grades of plastic resin which are mainly purchased domestically from dealers of many producers. Hence, there is no problem on raw material quality or shortage. Nevertheless, the prices of plastic resins fluctuate along with the prices of crude oil in the global market. 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. However, the Committee is in charge of monitoring and evaluating the 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. The Company's aims are to participate in reduction of pollution and addressing the issue of global warming, while still maintaining the overall quality of the production process as well as of the useful life cycle of the products themselves. 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, 2014 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.

In 2014, the Company categorized the household products into various groups, based on its marketing strategies i.e. the high-end, middle market, and low-end segments. By so doing, the Company can carry out its products development and production planning activities to meet the specific requirements of each market segment relating to products quality, design, and pricing. The products group are classified as follows:

Group 1 Niche Market

The Niche Market is for products with high quality, well-designed shapes and beautiful decorative, and in trend for customers who have high purchasing power. Focuses are also put on new products designed to look like ceramic ware but are durable for extensive use - such as those in the hotels, restaurant and catering (HORECA) businesses.

- Customers with high purchasing power



- Hotels, Restaurant and Catering (HORECA) businesses



Group 2 Mass Market

The Mass Market is for products available for general use, with beautiful design and varied decorative patterns, suitable for everyday use, and having not too high price.



Group 3 New Emerging Market

New Emerging Market is for customers who do not focus much on beautify designs and decorative patterns, but require high durability and inexpensive prices.



(b) Marketing and Competition

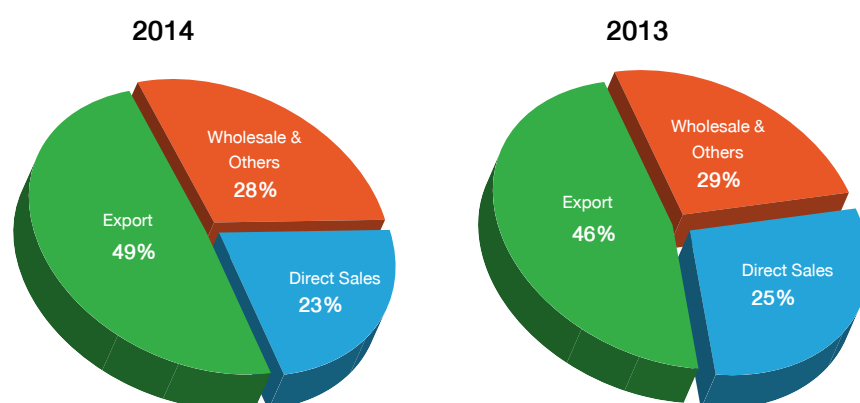
Description of Customers Distributed by wholesale, direct sales to consumers and exporting abroad.

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 placed on high quality products, with beautiful decorative patterns, colorful designs and product shapes that are suitable for each respective product groups.

Distribution Channel Sales of Household products proportion via various channels of distribution in 2014 against 2013 are as follows :



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 oC, 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 doing export 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 and India via many distributors. Additionally, the establishment of Srithai Superware Manufacturing Private Limited, a subsidiary in which the Company has a 100% equity shareholding, will start production and generate sales from in the 2nd quarter of 2015. The Company will then be able to expand its market base, from both direct sales and wholesale activities, in the India market as well as be more price competitive.

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.



As for products under the 'Ektra' brand, it is melamine products with an emphasis on modern designs that correspond to the current in-trend demands for modern and useful products which are well-suited for the 'metro living' urban lifestyles. These will enable the Company's to increasingly expand into a new market and customer base in the high end segment.

The 'Ektra' product group is popular and well received and has expanded satisfactorily. The Company distributes these products through its direct sales channel, leading department stores or premium outlets, and overseas export.

The Company's 'Srithai Super Outlet', located in Chonburi province, will be opened in the 1st quarter of 2015 to offer a comprehensive range of household products produced by the Company and other leading manufacturers. This is to add another sales channel as well as to reinforce consumer's awareness of the Company's quality brand image and products.



Size of the Company as Compared to Competitors'

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



The Company produces its household products made of melamine at the plant in Suranaree Industrial Estate, Nakorn Rachasima province both for domestic sales and overseas export. Major raw material is melamine powder, mainly 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 also has 2 other plants in Vietnam and India, operating under its subsidiaries in which it has a 100% equity shareholding, namely: Srithai (Vietnam) Company Limited that is now operating and Srithai Superware Manufacturing Private Limited that will be operational within the 2nd quarter of 2015.

Srithai (Vietnam) Company Limited



Srithai Superware Manufacturing Private Limited

The Company buys melamine powder from Thai MFC Company Limited more than 50% of the total annual purchase of melamine powder. Thanks to being an affiliate company, purchase price is reasonable and quality is up to international standard, having 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, 2014 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 below:-

(a) Description of Product or Service

Products categorized under trading business line comprise:-

1. **Products distributed via Srithai Network business, previously known as Snatur, can be grouped as follow:-**

- Health Care Product Group
(Healthnovation)



Beautnovation

นวัตกรรมผลิตภัณฑ์เพื่อความงาม



- Beauty Care Product Group
(Beautnovation)

- Family & Home Care Product Group
(Homenovation)

Homenovation

นวัตกรรมผลิตภัณฑ์ในครัวเรือน



Agrinovation

ผลิตภัณฑ์กลุ่มนวัตกรรมเพื่อการเกษตร



- 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 which is plastic food container imported from South Korea with special locking system; and tables, chairs, and sun loungers under brand names "Evolitif" and "Kettal" from France and Spain.



(b) Marketing and Competition

Description of Customer

End users and HORECA businesses consist of Hotel, Restaurant, and Catering businesses.

Credit Term

- 1) For distributors, credit-terms of 90-150 days are granted.
- 2) For direct sales under Single Level Marketing, sales are mainly in cash.
- 3) For Srithai Network under Multi-level Marketing sales are made in cash.
- 4) For grand sale event, sales are made in cash.

Competitive Strategy

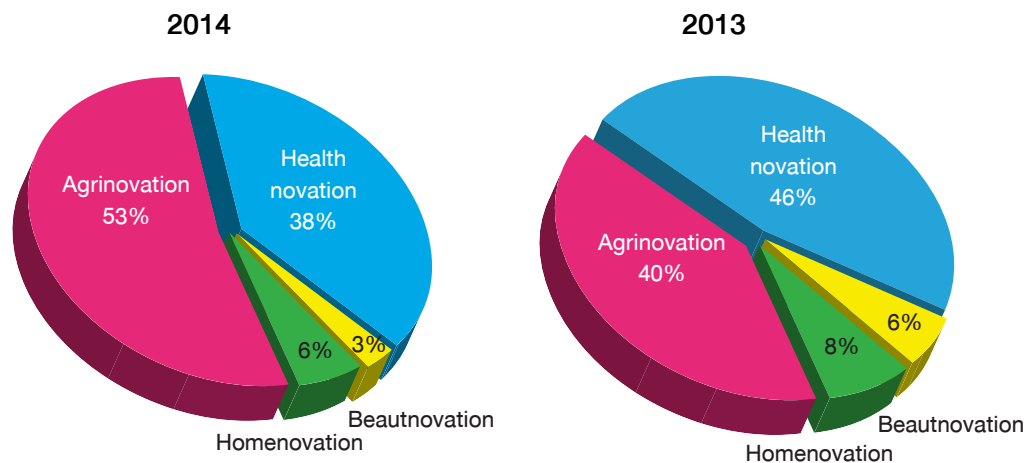
- Focus is made on offering diversified innovative products and quality products which are safe and popular or with large market accommodation in local and foreign markets at affordable prices.
- The Company focuses on selling full range of products or product groups that can be offered to the same target customers. This is carried together with sales promotion.
- Expansion of membership base in the direct sales of single-level marketing and multi-level marketing systems.
- Development of information and communications systems, used for on-line ordering via smart mobile devices, that help enhance direct access to the targeted consumer and other groups, as well as that are convenient, speedy and modern. This also facilitates the achievement of a competitive edge for the Company and enables the products to achieve both fast traction in the market and widespread awareness and recognition to consumers.

Distribution Channel

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 sold by the Company are widely diversified, especially Srithai Network products distributed via network marketing system. The product groups that have gained wide recognition and popularity from consumers are the health care product group, and agriculture-related product group. Various local and overseas parties show an interest to join our business. The launching of those two groups of products and the opening of more distribution centers for agricultural products that now cover almost every province nationwide have resulted in the expansion of customer base and increase in revenues in 2014, despite the intense competition and negative impact from the economic downturn. The sales proportion of each product group under the Srithai Network in 2013 and 2014 are shown below :



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 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. Srithai Network 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 imitate so they 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

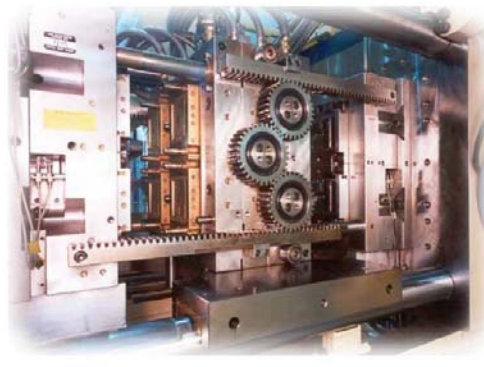
The Company sells to many types of customers including consumers, small businesses, dealers-distributors/representatives as well as to hotels, restaurants and catering (HORECA) business operators. The Company does not have any pending sales that is more than 10% of total full year sales as at December 31, 2014.

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 produce 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 produce products like electrical parts, automotive parts and parts for sanitaryware that need high technology & long production process. The mould-makers under this group require large investments for machinery and equipments as well as software systems in order to be able to produce such moulds. |
| Group 3 | Mould of round shape or square and smooth surface like mould to produce 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. |

Srithai Miyakawa Company Limited and Srithai Moulds Company Limited are classified under Group 2 and 3 in the mould-making industry.

(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) Markets 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. Thanks to the on going positive support for and the development of human resources within the local mould-making industry, it has resulted 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 to be capable of making high precision moulds. As well, they can produce and repair mould for automotive and electrical component parts, sanitary ware, packaging products, and thin-wall products for beverage containers etc., with an increase in annual outputs subject to sizes and complexity of moulds. Since our moulds produced are of the same high quality and pricing is on par with moulds produced by international mould makers that are imported into Thailand, they offer a good alternative option for local business operators. However, as a result of intense pricing competition together with the slowdown in the local automotive industry from the sluggish economy, both companies have endeavored to reduce its production costs, in order to increase its price competitiveness while seeking new customers for revenues increase.

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.

(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. As competition among those import agents is high, our mould-making companies can 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.

December 31, 2014, Srithai Miyagawa Company Limited did not have pending orders more than 10% of total revenue. 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 2015.

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

Producing corrugated paper boxes printed by offset technique for manufacturing operators (made-to-orders).

(b) Marketing and Competition, Competitive Environment

Eventhough facing strong competition, there is no such 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 may rise 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, 2014.

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 order products from the Company from time to time.

2. Institutional customers such as companies or entities both in 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 on 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 approximately 6 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 which involves independent business owners who are Srithai Network 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 buy products 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 buy 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 services to factories producing industrial parts or plastic goods. 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 for their production process. 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, 2014, No. 35 Promotional privileges, pages 66 – 68.

3. RISK FACTORS

3.1 Business Risks

3.1.1 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 group of business. At the same time, the Company has been attempting to reduce orders of automobile parts and electrical appliances. As a result, in 2014, the proportion of income from the food and beverage packaging products made up approximately one-third of total Group's sales, having the tendency to continue to achieve higher rate of sale growth than 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, it will affect the consistent and continuing income generation, or result in declining income for a while.

Risk Counter-Measures

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 consumes less raw materials but produces durable and beautiful products, and the patent on closure which also consumes less 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 current and potential customers from whom the Company is not able to take orders due to 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.

3.1.2 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 or is lower, price of raw material shall then rise or be lower too. Though the Company buys most raw materials from domestic source, the selling prices are referred to world market where prices of raw materials and material supplies are quoted globally in US Dollar. So the fluctuation in foreign exchange rate between Thai Baht and US Dollar has some impact to raw material prices. Moreover, demand and supply 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 adjust domestic selling prices accordingly.

The Company uses plastic and melamine as much as 60 - 70% of the cost of production, the Company faces risk of cost fluctuation and inability to adjust selling price in line with such changes in raw material prices.

Risk Counter-Measures

1. Appoint a Raw Material Purchasing Committee who will monitor movement of raw material prices, consider consumption volume, and negotiate prices with the suppliers inside and outside the country;
2. Consistently seek for additional qualified and standardized raw material from local and overseas sources to secure 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 meet 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.

3.1.3 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 sales business and international business network which may halt growth of the Company's business network and the Company may lose its market share.

Risk Counter-Measures

1. Have efficient plans for the procurement of goods that are appropriate for the respective volume of sales for each type of products 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 or problems regarding obsolete products;
2. Adopt brand awareness strategy to reinforce customers base and brand loyalty (Customer Royalty Program) together with giving importance to creating increased customer satisfaction with regard to the Company's products and services;
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. Additionally, manufacturers and distributors who possess the operational standards in accordance with government regulations relating to the products manufactured are also selected. Agreements are to be in place to safeguard and maintain complete confidentiality of the production process and products components which will assure confidence in the products quality, enhance the good brand image of Company, and prevent the counterfeit and imitation of our products;
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. Product ranges are also expanded for more variety by launching new products demanded by Srithai Network members, 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 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 Srithai Network business owners in an effort in driving up sales and other aspects of business.

3.2 Risks Associated with Production

3.2.1 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.

Risk Counter-Measures

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 abroad.

For plastic products, the Company has no risk of shortage of plastic resin 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.

3.2.2 Labour Risks

Increase in minimum wages nationwide and opening of ASEAN Economic Community in year 2015 helped skill labourers in Thailand to have chances and more choices in their occupations, leading to the shortage of skilled labour and increase in labour costs. These impacts tend to increase every year. The Company's production process of melamine products depends mainly on skilled labour at a large number to serve market expansion.

Risk Counter-Measures

1. Manage production plan efficiently to reduce unnecessary working procedures, and develop Lean Manufacturing Technique in the work process;
2. Establish a training center to provide production training to workers prior to actual production, so as to increase their efficiency and productivity per person;
3. Determine training programs on succession planning, in order to achieve transfer of knowledge to and development of the next generation of workers to have solid knowhow and good understanding of specialized techniques, to improve their thinking process relating to problem solving, as well as to gain more varied and all round knowledges - such as, marketing, production, finance, transport and logistics;
4. Import foreign labours legally for certain production process;
5. 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;
6. Collaborate with educational institute in development of automatic machines or semi-automatic machines to reduce dependence on labours;
7. Expand production base to countries of good potential in labour, which are not facing labour shortage problem, and level of wage is reasonable.

3.3 Financial Risk

3.3.1 Risk of Breaching Financial Covenants

The Company has to comply with financial covenants, as required by the Loan Agreements signed between the Company and 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.

3.3.2 Risk of Foreign Exchange Rates

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

Risk Counter-Measures

Most of the Company's revenue from export is denominated in the US Dollar currency which was 60% of total export revenue each year and increase with the growth of export. However, most of the Company's import is denominated in the US Dollar currency but the expenditure size 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.

3.3.3 Interest Rate Risk

As of December 31, 2014 the Company's borrowed from local commercial banks, consisted of :-

1. Working capital facilities are based on MOR or Money Market Rate which is a floating rate.
2. Long-term loans to finance investments as per business expansion plan each year are based on fixed interest rates and / or floating rates based on the prevailing MLR, THBFIX, fixed deposit rates, and BIBOR.

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:-

- Prepare cash flow projections and investment plans in advance so that the Company has sufficient time to find source of borrowings with appropriate interest rates;
- Source additional revolving credit facilities from various financial institutions, in order to have more options in choosing the most appropriate source of short term funds with a lower interest rate;
- Prepay principal amount as deemed appropriate, in case of excess liquidity, 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 based on various parameters 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.

3.3.4 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, through trying to find out more information about customers and analyzing their respective credit worthiness before granting credit lines. This avoids any significant risks in approving credit lines. The risk of granting credit is at an optimum level eventhough there are limited number of customers under some business line. This is because they have sizable business, and good financial standing. However, the Company also diversifies the risk by having many other smaller and varied categories of customers in the portfolio. Given 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 circumstances are still in doubt.

4. CORE ASSETS

4.1 Fixed Assets of the Company and Its Subsidiaries

4.1.1 Core Assets for Operation and Production

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 49-1-86 rai
 - (In 2014, the Company purchased an additional 88 sq wah plot of land from Amata Nakorn Industrial Estate in Chonburi valued at Baht 2.56 million.)
 - D. Korat Plant Area 48-0-0 rai
- 18 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, 2014 of core assets at each location as follows :

Unit : Million Baht

| Assets | Land and Building | Machine and equipment | Total |
|--------------------------------|-------------------|-----------------------|-----------------|
| Head office and Suksawat Plant | 247.61 | 414.64 | 662.25 |
| Bangpoo Plant | 30.27 | 251.29 | 281.56 |
| Amata Nakorn Chonburi Plant | 303.70 | 2,017.18 | 2,320.88 |
| Korat Plant | 166.56* | 253.71 | 420.27 |
| Distribution Center | 78.39 | - | 78.39 |
| Total | 826.53 | 2,936.82 | 3,763.35 |

Remarks: *Includes the total value of the land and buildings that are not being used for the core business operations of the Company and that are classified as 'Investments Properties'. If the value of these assets are excluded, then the net book value of land and buildings of Korat plant being used for the core business operation, and net book value of total core assets of the Company as at December 31, 2014 would be Baht 115.30 million and Baht 3,712.09 million, respectively.

Net book value of assets increased from those of 2013 with the acquisition of assets netted with assets disposition and depreciation expenses of the year. The Company presented detail of change of net book value of Property, Plant and Equipment in Notes to Financial Statements for the year ended December 31, 2014, No. 14 Property, plant and equipment, net, pages 39 - 43.

The Company had leased an office space for use as sales office of Srithai Network's business for a period of 3 years. The Company has renewed the lease and the rental expense in 2014 was Baht 8.70 million.

Currently, the Company does not have any assets pledged or used as collateral with any financial institutions. Long-term loans outstanding as of December 31, 2014 was Baht 1,893.25 million and additional long-term loans for future investment are only bounded by conditions of negative pledge, which are consistent with the Company's financing policy.

2. 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, with an area of 4-3-57.5 rai. KTT has extended its rental agreement with the Company in 2014 for a period of 3 years, at annual rental rate of Baht 1.50 million. This total area included an additional area for expansion of office facilities.

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 Baht 51.05 million.

Currently, KTT has total revolving credit facilities of Baht 50.0 million, provided by 2 local commercial banks and guaranteed by the Company who holds 100% stake of its shares.

3) 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, with total area of 1-1-11.5 rai. In 2014, the rental agreement has been extended for another 1 year and 9 months, expiring at the end of 2015 at annual rental rate of Baht 3.19 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, 2014 of Baht 32.56 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, 2014, outstanding balances of long-term loan and credit limit of revolving credit facilities were Baht 18.75 million and Baht 25.0 million, respectively.

4. SuperIdea Company Limited

SuperIdea Company Limited had not yet started operation in 2014, so there was no acquisition of assets for running a business.

5. Srithai Nanoplast Company Limited

In 2014, Srithai Nanoplast Company Limited ("SNP") relocated all its business operations and production facilities from the industrial estate of Hemaraj Saraburi Industrial Land Company Limited in Saraburi province that was owned by SNP to Suranaree Industrial Estate, Nakhon Ratchasima province. This is to be more flexible in managing the Group's business operations and to support the need to maximize the utilization of Korat's manufacturing plant that has sufficient space for other uses. It is also part of the overall plans to expand into the northeastern region of Thailand in regards to specific and selected products of the Company. An agreement was made to rent a land and building totaling 1-3-47.4 rai as part of Korat plant, with an annual rent of Baht 0.57 million per year for a period of 1 year and 8 months and expiring at the end of 2015, to be used for the office and manufacturing facilities of SNP.

After relocating all its facilities as mentioned above, SNP sold the land and building formerly owned and where the company was previously located, to a party that is not a connected person to the Group. SNP then used the funds to prepay, in full, existing loans from local commercial banks, resulting in SNP having no outstanding loans, debts or revolving credit facilities with any financial institutions as at December 31, 2014.

SNP owns machines and equipments which are also not pledged with net book value as of December 31, 2014 at Baht 17.17 million.

6. 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 2-0-51.25 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 headquarters and plant at Song Than 1 Industrial Zone, with the period of 48 years from 1997, whereby the rental fee in 2014 was of USD 32,727 equivalent.

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 whereby the rental fee in 2014 was of USD 69,894 equivalent. SVN has the right to extend the contract 4 years at a time, and 16 years in total, expiry in 2032. In the 4th quarter of 2014, SVN was requested by the landlord to have small part of the rented area reduced for public access road. This resulted in a reduction in the annual rent charged without affecting the overall manufacturing output or operations of SVN.

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, 2014, at Baht 45.88 million equivalent.

The machines and equipments are also owned by SVN which are not pledged with net book value as of December 31, 2014 at Baht 571.50 million equivalent.

Long-term loans and revolving credit facilities granted to SVN by a commercial bank in Vietnam and Thailand are guaranteed by the Company who holds 100% stake of its shares. As of December 31, 2014, outstanding balances of long-term loans were Vietnamese Dong 86,573 million and USD 6.04 million, while credit limit of revolving credit facilities was USD 5.0 million.

7. Srithai (Hanoi) Company Limited

Srithai (Hanoi) Company Limited ("SHN") was established in 2014. During the year, SHN had made a land lease agreement with an industrial estate operator for a land plot (totaling 14-0-44.5 rai) for a period of 43 years and a total rental fee of Vietnamese Dong 41,997 million (or equal to Baht 63.00 million) without any monthly rental payments.

SHN is in the process of hiring a contractor to develop and build the manufacturing facilities, which is expected to be completed and start operations within 2015.

8. 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. For the total area of 17-2-70.75 rai with a period of 99 years, SSMP had made a lump sum payment for the entire lease period of Indian Rupee 97.69 million or an equivalent of Baht 48.33 million.

SSMP is under construction of its factory, which is expected to complete in the 2nd quarter of 2015.

9. Srithai Superware India Limited

Office and warehouse are located in Gurgaon, Mumbai, Bangalore, Kolkatta, and Aizawl on lease with the lease period of 3-5 years. The rental expenses for all agreements in 2014 were in total of Baht 2.81 million. As Srithai

Superware India Limited (“SSI”) is running trading business, major assets used by SSI for its business are furniture and office equipment.

10. Srithai Moulds Company Limited

Core assets which are owned by 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 with net book value as of December 31, 2014 at Baht 36.43 million and Baht 67.70 million, respectively. Some assets are still pledged with a commercial bank, such as land (10-3-32.6 rai) with buildings as mortgage for additional long-term loans and revolving credit sought in 2014. They are used for investment and as working capital with outstanding balances as at December 31, 2014 amounting to Baht 14.80 million and Baht 67.0 million, respectively.

11. 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, 2014 of Baht 201.35 million and Baht 403.25 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 at December 31, 2014 of Baht 9.82 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 at December 31, 2014 of Baht 121.68 million and Baht 45.0 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 at December 31, 2014 of Baht 171.85 million and Baht 20.0 million, respectively.

4.1.2 Intangible Assets

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, 2014, No. 15 Intangible assets, net, pages 44 - 45. In addition, the Company’s license periods to be a manufacturer and distributor of goods as stated in agreements as well as the useful life of copyright and computer program utilization range from 5-10 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 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 personnel 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 2014, the Company did not have any valuation made regarding the core assets used for the Company's business and manufacturing operations.

4.4 Investment Properties

The Group has various lands and properties, which are not used in its core business operations but for earning rental income for the longer term or not yet earmarked for any specific purpose in the future. Such assets are currently classified as 'Investments Properties', as presented in the Company's financial statements, which include : vacant land plots, lands and buildings, and condominium units that are located in various locations in Bangkok and other provinces.

The net book value and the fair value of such assets, as at December 31, 2014, are Baht 128.43 million and Baht 1,084.48 million, respectively. The Company has presented details of the movements of the book value of these investment properties in Note to Financial Statements as at 31 December, 2014, No.13 Investments properties, net, pages 37 – 38.

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, 2014;
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 & 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 : | Baht 2,709,904,800 Comprising 2,709,904,800 common shares at par value Baht 1.00 (A change in the par value to Baht 1.00 per share from Baht 10.00 per share was registered with the Ministry of Commerce on May 8, 2014) |
| Location : | Head Office 15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140 Tel. : 66 2427 0088 Fax : 66 2428 9675 URL : www.srithaisuperware.com Factories producing plastic industrial products 1) Suksawat Factory 15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140 Tel. : 66 2427 0088 Fax : 66 2874 5010 2) Bangpoo Factory 610 Soi 8A, Bangpoo Industrial Estate, Tambon Prak-Sa, Amphoe Mueang, Samut Prakan Province 10280 Tel. : 66 2324 0922-3 Fax : 66 2324 0924 3) Amata Nakorn Chonburi Factory 700/13 Moo 1, Amata Nakorn Industrial Estate, Tambon Klong Tamru, Amphoe Mueang, Chon Buri Province 20000 Tel. : 66 3821 3250 Fax : 66 3821 3234 Factory producing melamine household products Korat Factory 335 Moo 6, Suranaree Industrial Estate, Ratchasima–Chok Chai Road, Tambon Nongrawiang, Amphoe Mueang, Nakhon Ratchasima Province 30000 Tel. : 66 4421 2100 Fax : 66 4421 2036 Office of Network Marketing Business 9 Pakin Building, 1st Floor, Room no. 109, Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. : 66 2246 1111 Fax : 66 2246 1113 URL : www.srithainetwork.com |
| Accounting Period : | January 1 – December 31 |
| Company Secretary : | Mr.Prin Bholnivas |
| Head of Investor Relations Unit | Srithai Superware Public Company Limited 15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140 Tel. : 66 2427 0088, 66 2874 5016 Fax : 66 2428 9675 |
| Share Registrar : | Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110 Tel. : 66 2229 2888 Fax : 66 2654 5427 |

| | |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Auditor : | Mr. Vichien Khingmontri Certified Public Accountant (Thailand) No. 3977 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 : | Nitiprecha International Law Firm Company Limited 69/33 Soi Athens Theater, Phayathai, Bangkok 10400 Tel. : 66 2252 9494, 66 2251 3225 Fax : 66 2251 3226, 66 2255 5201 |

JURISTIC PERSON IN WHICH THE COMPANY HOLDS, DIRECTLY AND INDIRECTLY, MORE THAN 10% EQUITY

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 par value per share: Baht 10.00 |
| Paid-up Capital | : Baht 30,000,000 |
| Proportion of the Company's shares held | : 100% of the 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 par value per share: Baht 10.00 |
| Paid-up Capital | : Baht 20,000,000 |
| Proportion of the Company's shares held | : 100% of the 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 par value per share Baht 10.00 |
| Paid-up Capital | : Baht 6,250,000 |
| Proportion of the Company's shares held | : 100% of the paid-up capital |

4. Company Name : Srithai Nanoplast Company Limited⁽¹⁾

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 plastic industrial products

Telephone : 0 4421 2650

Fax : 0 4421 2649

Registered Capital : Baht 40,000,000 comprising numbers of shares issued 4,000,000 shares with par value per share: Baht 10.00

Paid-up Capital : Baht 40,000,000

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

⁽¹⁾ Registered relocation and change of business address during 2014, which was made in order to achieve improved operational flexibility and management efficiency.

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 to USD 20,000,000

Paid-up Capital : Equivalent to USD 20,000,000

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

6. Company Name : Srithai (Hanoi) Company Limited ⁽²⁾

Location : 1 Street 3, VSIP Bac Ninh, Tu Son District, Bac Ninh Province, Socialist Republic of Vietnam

Type of Business : Manufacture and distribution of plastic industrial products

Telephone : 84 6503 790023-4

Fax : 84 6503 790025

Registered Capital : Vietnamese Dong 424,920 million

Paid-up Capital : Vietnamese Dong 42,000 million

Proportion of the Company's shares held : 100% of the paid-up capital
(held indirectly via Srithai (Vietnam) Company Limited)

⁽²⁾ The company was established and registered in December 2014.

7. Company Name : Srithai Superware Manufacturing Private Limited

Location : SM-22, GIDC Sanand-II (BoI), Taluka Sanand, Ahmedabad-382170, Gujarat, Republic of India

Type of Business : Manufacture and distribution of melamine tableware

Telephone : 91 792 745 6876

Registered Capital : Indian Rupee 400,000,000 comprising numbers of shares issued 40,000,000 shares with par value per share: Indian Rupee 10.00

Paid-up Capital : Indian Rupee 399,975,000⁽³⁾

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

⁽³⁾ Consisting of a capital totaling Indian Rupee 320.00 million based on the par value per share, with Indian Rupee 79.75 million as 'premium' for the value of the shares.

| | |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| 8. Company Name | : Srithai Superware India Limited |
| Location | : 507 Udyog Vihar, Phase-V, Gurgaon-122001, Haryana, Republic of India |
| Type of Business | : Trading of household products |
| Telephone | : 91 124 411 0404 |
| Fax | : 91 124 411 0505 |
| Registered Capital | : Indian Rupee 50,000,000 comprising numbers of shares issued 5,000,000 shares with par value per share: Indian Rupee 10.00 |
| Paid-up Capital | : Indian Rupee 42,500,000 |
| Proportion of the Company's shares held | : 82.4 % of the paid-up capital |

| | |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------|
| 9. 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, manufacture and distribution of plastic industrial products |
| 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 par value per share: Baht 100.00 |
| Paid-up Capital | : Baht 100,000,000 |
| Proportion of the Company's shares held | : 71.0 % of the paid-up capital |

| | |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------|
| 10. 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 par value per share: Baht 100.00 |
| Paid-up Capital | : Baht 120,000,000 |
| Proportion of the Company's shares held | : 51.0% of the 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 par value per share: Baht 100.00 |
| Paid-up Capital | : Baht 20,000,000 |
| Proportion of the Company's shares held | : 48.0% of the paid-up capital |

| | |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| 2. Company Name | : Sanko Srithai (Malaysia) SDN. BHD. ⁽⁴⁾ |
| Location | : Lot 18, Jalan Sementa 27/91, Section 27, 40400 Shah Alam, Selangor Darul Ehsan, Malaysia |
| Type of Business | : Trading of plastic industrial products |
| Telephone | : 603 5191 4921 |
| Fax | : 603 5191 4926 |
| Registered Capital | : Malaysian Ringgit 500,000 comprising numbers of shares issued 500,000 shares with par value per share: Malaysian Ringgit 1.00 |
| Paid-up Capital | : Malaysian Ringgit 500,000 |
| Proportion of the Company's shares held | : 48.0 % of the paid-up capital (indirectly via Srithai Sanko Company Limited) |

⁽⁴⁾ The company was established and registered during 2014.

3. 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 par value per share: Baht 100.00
 Paid-up Capital : Baht 200,000,000
 Proportion of the Company's shares held : 45.0% of the paid-up capital

4. 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 par value per share: Baht 83.00
 Paid-up Capital : Baht 49,800,000
 Proportion of the Company's shares held : 40.0% of the paid-up capital

5. 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 par value per share: Baht 100.00
 Paid-up Capital : Baht 60,000,000
 Proportion of the Company's shares held : 39.2% of the paid-up capital

6. 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 : Indonesian Rupiah 10,394,130,000 comprising numbers of shares issued 9,320 shares with par value per share: Indonesian Rupiah 1,115,250
 Paid-up Capital : Rupiah 10,394,130,000
 Proportion of the Company's shares held : 32.5% of the 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 par value per share: Baht 10.00 |
| Paid-up Capital | : Baht 10,000,000 |
| Proportion of the Company's shares held | : 50.0% of the 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 par value per share: Baht 1,000.00 |
| Paid-up Capital | : Baht 76,000,000 |
| Proportion of the Company's shares held | : 20.0% of the paid-up capital |

6.2 Other Important Information

In 2014 and subsequent to the financial statements for the period ended December 31, 2014, 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 or the Company's website at www.srithaisuperware.com

Part 2

MANAGEMENT AND CORPORATE GOVERNANCE

7. CAPITAL STRUCTURE

7.1 Securities Issued by the Company

The Company has issued only common shares in its capital structure and no other securities such as preferred stocks, debentures, convertible securities, etc. were issued to raise funds. The Company has a registered capital of Baht 2,709,904,800, full paid-up, comprising 2,709,904,800 shares at a par value of Baht 1.00 each.

The Company does not have an agreement between its major shareholder (Shareholders' Agreement) that affects the sale or the issuance of securities and the administration of the Company. The Company has only those limitations as stated in the Articles of Association of the Company in the holding of ordinary shares by foreign investors. It specifies that foreigner investors can aggregately hold a total of number of shares in the Company of not more than 45% of the total issued common shares. As of December 30, 2014, which was the last day when the Company closed its shareholders register for 2014, foreign shareholders accounted for 3.61% of equity of the Company

7.2 List of Top 10 Major Shareholders as of December 30, 2014

7.2.1 Shareholders who could participate in formulation of corporate policies

| Name | Rank | Shares | % | Major Business |
|---------------------------|------|-------------|-------|--------------------------------------------------|
| MR. SANAN ANGUBOLKUL | 1 | 440,823,510 | 16.27 | Chairman and President of Srithai Superware Pcl. |
| MRS. SRISUDA LERTSUMITKUL | 3 | 150,000,000 | 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 | 163,073,490 | 6.02 |
| MR. SOMYOD LERTSUMITKUL | 4 | 102,208,000 | 3.77 |
| MR. SOMKIEAT LERTSUMITKUL | 5 | 100,500,000 | 3.71 |
| MR. PAIWAN CHARTPITAK | 6 | 89,600,000 | 3.31 |
| MS. BUNNAPA LERTSUMITKUL | 7 | 80,000,000 | 2.95 |
| MR. SOMBAT LERTSUMITKUL | 8 | 78,714,000 | 2.90 |
| THAI NVDR COMPANY LIMITED | 9 | 74,376,660 | 2.74 |
| MS. MITTRADA LERTSUMITKUL | 10 | 68,635,920 | 2.53 |
| Total shares of top 10 major shareholders | | 1,347,931,580 | 49.74 |
| Total common shares | | 2,709,904,800 | 100.00 |

Remark :

- (1) Eventhough some of shareholders in the top 10 major shareholders group have a relationship that is classified as "close relatives" according to the Notification of the Board of Governors of the Stock Exchange of Thailand. The Company is of the opinion that each of them wishes to buy or sell shares on their own accord, and votes according to their own direction. In the past Annual General Meetings, there was no block-voting to any significant degree in an attempt to control resolutions of the shareholders meetings. In consideration of the 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 the name-list of the current top 10 major shareholders as shown in the Company's website before scheduled date of the Annual General Meeting of Shareholders.

7.3 Shareholding of Directors and Executives in the Company

Ratios of shareholding of directors and executives, including their spouses, in the Company as at December 30, 2014 compared to December 27, 2013 are as follows :-

| Name | as of December 2014 | | as of December 2013 | | no. of shares increase (decrease) |
|----------------------------------------|----------------------|---------------|----------------------|---------------|-----------------------------------------|
| | no. of shares | % | no. of shares | % | |
| Mr. Sanan Angubolkul | 440,823,510 | 16.27 | 440,823,510 | 16.27 | 0 |
| Mr. Viroj Lowhaphandu | 0 | 0.00 | 0 | 0.00 | 0 |
| Mr. Enghug Nontikarn and spouse | 59,000 | 0.00 | 59,000 | 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 | 150,000,000 | 5.54 | 150,000,000 | 5.54 | 0 |
| Mr. Manit Ativanichayaphong and spouse | 11,587,200 | 0.43 | 11,487,200 | 0.42 | 100,000 |
| Mr. Naphol Lertsumitkul | 0 | 0.00 | 0 | 0.00 | 0 |
| Mr. Prin Bholnivas | 2,000,000 | 0.07 | 2,000,000 | 0.07 | 0 |
| Mr. Settapong Haemintakun | 0 | 0.00 | 0 | 0.00 | 0 |
| Mr. Prayoon Kajitte | 900,000 | 0.03 | 900,000 | 0.03 | 0 |
| Ms. Bunnapa Lertsumitkul | 80,000,000 | 2.95 | 80,000,000 | 2.95 | 0 |
| Mr. Apisit Tangsatit | 1,420 | 0.00 | 1,420 | 0.00 | 0 |
| Mr. Pawat Chalermpong | 350,000 | 0.02 | 1,000,000 | 0.04 | (650,000) |
| Mr. Pongsak Kantiratanawong | 1,700,000 | 0.06 | 1,580,000 | 0.06 | 120,000 |
| 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 | 1,000 | 0.00 | 1,000 | 0.00 | 0 |
| Total shares | 687,422,130 | 25.37 | 687,852,130 | 25.38 | (430,000) |
| Total issued common shares | 2,709,904,800 | 100.00 | 2,709,904,800 | 100.00 | |

* Revised total number of shares as at December 27, 2013, as if the change in the par value of the common shares of the Company had been Baht 1.00, from the previous par value per share of Baht 10.00 for the sake of effective comparison which has been effective in 2014.

7.4 Dividend Policy

7.4.1 Dividend Policy of the Company

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

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

| Year | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------------------------|-------|-------|-------|-------|-------|
| Earnings per share* (Baht) | 0.40 | 1.03 | 1.17 | 1.70 | 1.56 |
| Dividends per share* (Baht) | 0.35 | 0.60 | 0.75 | 1.10 | 1.00 |
| Dividends / Net profit (%) | 88.53 | 58.13 | 64.36 | 64.89 | 63.95 |

* The total number of shares used in calculating the above ratios is 270,990,480 shares, being the total number of common shares of the Company BEFORE the change in the par value per share which became effective in 2014.

7.4.2 Dividend Policy of Subsidiaries

Since each subsidiary has its own management team, who are free in formulating their dividend policy, the Company could not determine the dividend policy for any subsidiary. However, subsidiaries will usually pay dividends at a reasonable ratio according to their financial status at that time, in the event that they achieve profits and there are no other issues or concerns. There is no pre-determined dividend pay-out ratio.

8. MANAGEMENT

The Board of Directors is responsible for overall management of the Company in accordance with the Company's Articles of Association, and is composed of not fewer than 5 but not more than 12 directors with at least 3 directors required to be independent directors.

At least half of total number of directors must be present at each meeting of the Board of Directors to constitute a quorum. The shareholders meeting are responsible for nominating and electing new board directors, with the term of a directorship being 3 years. Any board director whose term has expired can be nominated and re-elected by the shareholders meeting.

The Company's executives are responsible for conducting the business activities of the Company on behalf of the Board of Directors.

8.1 The 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 Members of the Board of Directors and their Attendance record for 2014

| Name | Position | Board Meetings | |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|
| | | No. of meetings held | No. of meetings attended |
| Mr. Sanan Angubolkul | Chairman, President, and Nomination and Remuneration Committee Member | 6 | 6 |
| Mr. Viroj Lowhaphandu | Independent Director, and Chairman of the Audit Committee | 6 | 6 |
| Mr. Enghug Nontikarn | Independent Director, Audit Committee Member, and Nomination and Remuneration Committee Member | 6 | 6 |
| Mr. Suchat Boonbanjerd Sri | Independent Director, Audit Committee Member, and Chairman of the Good Corporate Governance Committee | 6 | 6 |
| Mrs. Siriporn Sailasuta | Independent Director, Chairperson of the Nomination and Remuneration Committee, and Corporate Governance Committee Member | 6 | 6 |
| Mrs. Srisuda Lertsumitkul ⁽¹⁾ | Director | 6 | 6 |
| Mr. Naphol Lertsumitkul | Director | 6 | 6 |
| Mr. Manit Ativanichayaphong | Director, Good Corporate Governance Committee Member, and Risk Management Sub-Committee Member | 6 | 6 |
| Mr. Prin Bholnivas ⁽²⁾ | Director, Nomination and Remuneration Committee Member, Good Corporate Governance Committee Member, Chairman of the Risk Management Sub-Committee, and Company Secretary | 6 | 6 |

Note :

- (1) Mrs. Srisuda Lertsumitkul resigned from the directorship on January 15, 2015.
- (2) Mr. Prin Bholnivas resigned from the Nomination and Remuneration Committee on November 11, 2014.

Detailed information relating to the Company's board directors is presented in Attachment 1: Details of the Directors, Executives, Controlling Persons, and Company Secretary.

8.1.2 The Company's 'Controlling Persons'

The Company does not have any 'Controlling Persons', as specified 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 and, 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 entitled to vote;
- 2) Individuals who, by circumstances, are able to determine either the appointment or removal of the Company's board directors;
- 3) Individuals, who by circumstances, are able to effectively influence those persons in charge of setting the Company's management policies or operations to follow their commands;
- 4) Individuals, who by circumstances, are able to manage or are responsible for the overall operations of the Company – such as, directors or executives as well as any individual in a position of having the same authorities as the aforementioned persons.

8.2 Executives

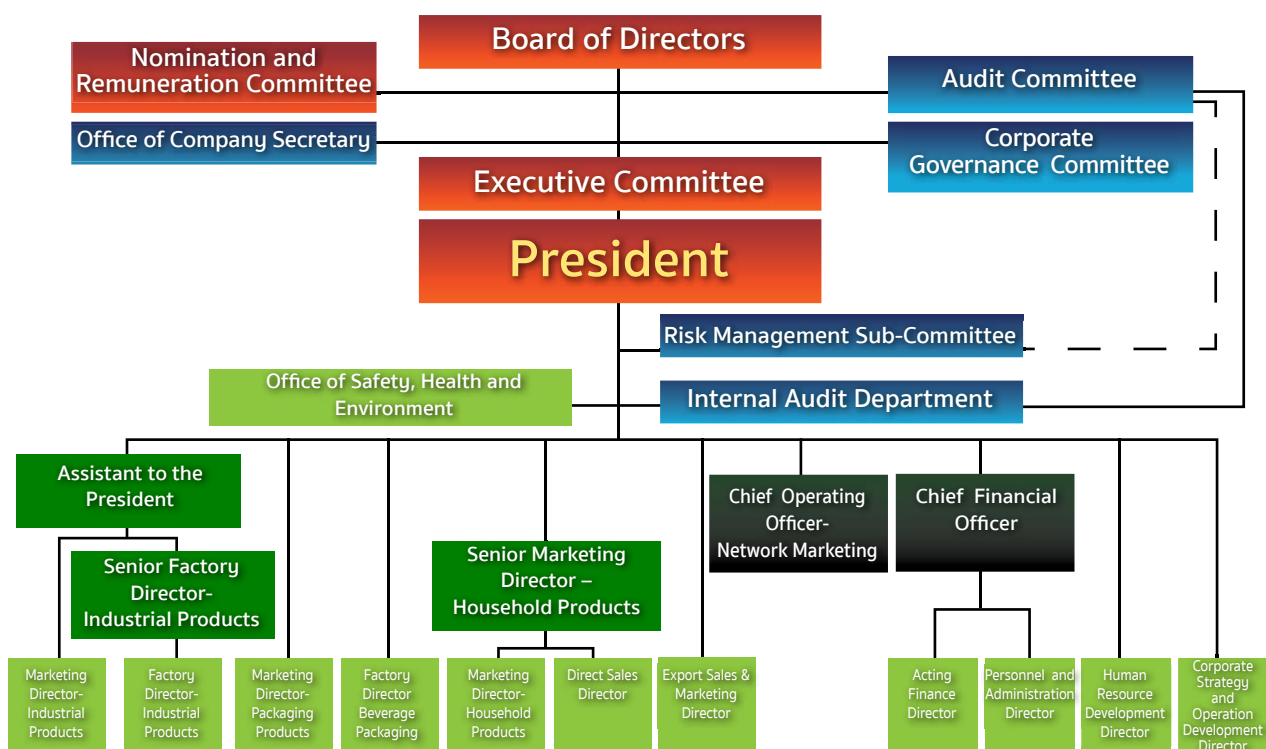
As at December 31, 2014, the Company's executives, under the definition as specified by the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551, comprise the following 15 persons :

| 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 | Tangsatit | 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 |

* Mr. Jarung Srisakul retired in year 2014.

The Company has presented detailed information for these executives in Attachment 1: Details of the Directors, Executives, Controlling Persons, and Company Secretary.

Organization structure of the Company, as at December 31, 2014, is as follows



In consideration of the roles and authorities of those executive at a director level, the Company has deemed it appropriate to classify those holding such positions as falling within four executive levels in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551.

8.3 The Company Secretary

The position of Company Secretary had been held by an executive, i.e. Mr. Prin Bholnivas, since 2008. Detailed information for the Company Secretary with the responsibilities is as presented in Attachment 1: Details of the Directors, Executives, Controlling Persons, and Company Secretary.

8.4 Remuneration of Board Directors and Management

The Company has specific guidelines for determining the remuneration of its board directors and executives, which are reviewed and considered by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall then submit the Board Directors' remuneration to the Board of Directors for consideration and propose to the shareholders meeting for approval. However, the proposed remuneration for its executives is to be considered and approved by the Board of Directors.

Additionally, the Company also has established guidelines in determining remuneration for executives, through a review process by the Nomination and Remuneration Committee that takes into consideration the respective experiences, knowledge, and abilities. The value added contributions of each individual to the Company as well as the appropriateness within the overall established compensation structure of the Company are also considered. The current executive remuneration scheme is divided into 2 key components: monetary compensation, consisting of salary, annual bonus payment and provident fund contribution by the Company; and non-monetary compensation, such as a company car appropriate to the respective management position.

In adjusting the salary and annual bonus payments for Senior executives, the Nomination and Remuneration Committee, with the final approval is given by the Board of Directors, will concur to the proposed policy for the rate of annual salary adjustment and bonus payment that must be in line with the actual performance results of the Company each year. The Nomination and Remuneration Committee will assign the President together with 2 other executive directors to determine the criteria, as well as assign the President and Chief Financial Officer to determine the respective salary adjustment and payment of bonuses for each executive based on their actual performance for the year. The Company has determine a compensation plan for executives and including the President, that is composed of both short term and long term benefits as follows :

- **Short term benefits**

The company pays compensation in the form of salary and bonus payment based on the annual performance evaluation results, together with the following established Key Performance Indicators (KPI) of each business division/department :

- Sales
- Production Output
- Gross Profit
- Costs management and control,

Additionally, a special rate for adjusting the salary and bonus payment may also be considered, based on the actual performance results relative to the established KPIs of the Company.

- **Long term benefits**

The Company is in the process of considering to allow executives to purchase shares of the Company under the 'Employee Joint Investment Program (EJIP)' for listed companies, or to purchase shares of the Company at predetermined prices in accordance with the established Employee Stock Options (ESOP) program.

8.4.1 Financial Remuneration

- 1) Remuneration for the board directors is only meeting allowances that are paid according to their actual meeting attendance (for 2014 vs 2013) as follows:

| Name - Position | Amount (Baht) | |
|------------------------------------------------------------------------------------|------------------|------------------|
| | 2014 | 2013 |
| Board of Directors | | |
| Chairman – Mr. Sanan Angubolkul | 300,000 | 290,000 |
| 8 Directors as comprising : | | |
| Mr. Viroj Lowhaphandu | 150,000 | 145,000 |
| Mr. Enghug Nontikarn | 150,000 | 145,000 |
| Mr. Suchat Boonbanjersri | 150,000 | 145,000 |
| Mrs. Siriporn Sailasuta | 150,000 | 145,000 |
| Mrs. Srisuda Lertsumitkul | 100,000 | 145,000 |
| Mr. Naphol Lertsumitkul | 150,000 | 145,000 |
| Mr. Manit Ativanichayaphong | 150,000 | 145,000 |
| Mr. Prin Bholnivas | 150,000 | 145,000 |
| Total Remuneration of Directors | 1,450,000 | 1,450,000 |
| Audit Committee | | |
| 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 Boonbanjersri | 150,000 | 112,500 |
| Total Remuneration of Audit Committee Members | 650,000 | 612,500 |
| Nomination and Remuneration Committee | | |
| Chairperson of the Nomination and Remuneration Committee – Mrs. Siriporn Sailasuta | 25,000 | 12,500 |
| 3 Nomination and Remuneration Committee Members as comprising : | | |
| Mr. Sanan Angubolkul | 20,000 | 10,000 |
| Mr. Enghug Nontikarn | 20,000 | 10,000 |
| Mr. Prin Bholnivas | 10,000 | 10,000 |
| Total Remuneration of the Nomination and Remuneration Committee Members | 75,000 | 42,500 |
| Good Corporate Governance Committee | | |
| Chairman of the Good Corporate Governance Committee – Mr. Suchat Boonbanjersri | 50,000 | 37,500 |
| 3 Good Corporate Governance Committee Members comprising : | | |
| Mrs. Siriporn Sailasuta | 40,000 | 20,000 |
| Mr. Manit Ativanichayaphong | 30,000 | 30,000 |
| Mr. Prin Bholnivas | 40,000 | 30,000 |
| Total Remuneration of the Good Corporate Governance Committee Members | 160,000 | 117,500 |
| Total | 2,335,000 | 2,222,500 |

Remarks :

1. In 2014, the meeting allowance paid by the Company to each board director was in accordance with the approved resolution of the Annual General Meeting of Shareholders (AGM) No. 33 for 2014, as follows:
 - 1.1 Meeting allowance for Board of Directors

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

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

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

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

The above approved meeting allowances were effective from the date of the Annual General Meeting of Shareholders No. 33.
2. Mrs. Srisuda Lertsumitkul resigned from the directorship on January 15, 2014.
3. Mr. Prin Bholnivas resigned from the Nomination and Remuneration Committee on November 11, 2014.
4. The Company does not give non-financial remuneration to the members of the Risk Management Sub-Committee.

- 2) Remuneration for executives including salary and bonus payments (for 2014 vs 2013) are as follows:

| Remuneration | 2014 | | 2013 | |
|--------------|-------------------|-----------------------|-------------------|-----------------------|
| | Number of persons | Amount (million baht) | Number of persons | Amount (million baht) |
| Salary | 15 | 57.76 | 15 | 55.11 |
| Bonus | 15 | 10.78 | 15 | 9.89 |
| Total | 15 | 68.54 | 15 | 65.00 |

Remarks :

1. The following executives received the above remuneration in 2014 as follows:
 - 1.1 Mr. Sanan Angubolkul
 - 1.2 Mr. Prin Bholnivas
 - 1.3 Mr. Settapong Haemintakun
 - 1.4 Mr. Naphol Lertsumitkul
 - 1.5 Mr. Manit Ativanichayaphong
 - 1.6 Mr. Prayoon Kajitte
 - 1.7 Ms. Bunnapa Lertsumitkul
 - 1.8 Mr. Apisit Tangsatit
 - 1.9 Mr. Pawat Chalermpong
 - 1.10 Mr. Pongsak Kantiratanawong
 - 1.11 Mr. Jarung Srisakul
 - 1.12 Mr. Rakesh Singh
 - 1.13 Mr. Chaichan Chareonsuk
 - 1.14 Mr. Anupoch Pasawat
 - 1.15 Mr. Chairaj Eangtanarat
2. The above payments are inclusive of accrued bonus for the year.

8.4.2 Other Remuneration

1) Other remuneration for board directors

The Company does not give any other financial and non-financial remuneration to the members of the Board of Directors and Board Committee/Sub-Committees.

2) Other remuneration for executives

2.1) Non-financial remuneration

Provident Fund

The Company has set up a Provident Fund for executives and employees in 2013.

In 2014, the Company contributed funds to executives who have joined the Provident Fund membership, totaling Baht 0.19 million.

Other Benefits

The Company provides other benefits for its executives as fundamentally required by law; namely: social security contribution, compensation upon retirement, and other special benefits. These other special benefits are in accordance with the established criteria of the Company; such as: additional funds for retired employees and gold for employees who complete their certain working periods and are not members of the Provident Fund. In 2014, the Company paid Baht 4.23 million in the form of other benefits for its executives.

2.2) Other non-financial remuneration: A Company car.

8.5 Personnel

8.5.1 Manpower Classified by Functions as of December 31

| (Unit : Person) | 2014 | | | | | |
|--------------------------|------------|------------|--------------|------------|-----------------------|--------------|
| | Office | Plant | | | | Total |
| | | Suksawat | Korat | Bangpoo | Amata Nakorn Chonburi | |
| Executive | 12 | 0 | 0 | 1 | 2 | 15 |
| Support Line | 177 | 0 | 0 | 0 | 0 | 177 |
| Sales and Marketing Line | 367 | 0 | 0 | 0 | 0 | 367 |
| Production Line | 0 | 421 | 1,381 | 358 | 646 | 2,806 |
| Total | 556 | 421 | 1,381 | 359 | 648 | 3,365 |

| (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 |

Remarks:

1. In the year 2013, the Company has appointed two substitutes for executives, one to replace an executive who had completed his service term and the other as Direct Sales Director - Household Products.
2. Additional manpower was made for the manufacturing line at Suksawat plant in 2013, but reduced during 2014 due to extension of a production line for plastics industrial products and normal incoming and outgoing cycle of the labour force.
3. The manpower level of the production plants in Korat, Bangpoo and Amata Nakorn in Chonburi for 2014 was reduced compared to 2013 and 2012, thanks to lower labour force requirements as a result of improvements in the production process and additional investments for new machinery and equipments that are more efficient, along with less sales orders received from customers.
4. The Company had 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 2014, the Company paid a total of Baht 857.87 million.

Apart from the provident and welfare funds established by the Company since 2013 to be a welfare benefit for members of executive and staff, in 2014 the Company also determined a 'staff remuneration plan' aimed at being transparent and equitable. This remuneration plan reflects the same components as those of the executives in regards to short term benefits to be given that are based on the annual staff performance evaluation together with the agreed KPIs and the overall operating performance results of the Company for that year. However, for the long term benefits, they have been under consideration by the Company in regards to the proposed rights to buy shares of the Company under the 'Employee Joint Investment Program' (or EJIP) to be available for employees of listed companies or rights to buy shares of the Company at a designated price under the 'Employee Stock Option Program' (or ESOP).

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.

Based on the results of a staff survey relating to requirements for further training and development in 2014, the Office of Human Resource Development determined and developed various training programs for staff members based the importance and priority of these programs, together with associated budgets to support these training activities.

Additionally, the Office of Human Resource Development also placed great importance and actively encouraged 'on the job training' ("OJT") activities' throughout the organization, that involved less cost than running training courses. Such training involved staff actually performing their assigned tasks, under the close supervision and monitoring of their immediate supervisor or an expert for that particular job as well as according to specific procedures, which is beneficial to both the trainee and the organization as a whole in the following manner:

- Create better knowledge and understanding, working skills, and ongoing training and practice in solving work-related problems on the part of trainees while actually performing the duties, or impart new knowledge or new experiences that are beneficial to the organization.
- Get results of the training in the short term.
- Promote a 'learning environment' as well as share know-how and skills within the organization – which is one of the key stated 'mission' of the Company.
- Leverage the 'Tacit Knowledge' within 2 people – the trainee and then expert – that enables others within the organization to have a better understanding; and makes use of such knowledge in an actual working environment in an appropriate manner. At the same time, it enables the trainers/experts to review and update their existing knowledges.
- Promote the relationship between the trainee and the trainer, or among the working group itself.

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 have value added benefits such as enhancement of their capabilities, professional skills, as well as quality of work and quality of life, 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 2014, 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 operates its businesses in a fair manner, upholding the long-practiced culture under an ethical framework, which has been developed to suit the ongoing economic and social changes, and being responsible towards every stakeholder groups. As a result, in 2014 the Company was rated as being “Very Good” in the Corporate Governance Assessment of Thai Listed Companies undertaken by the Stock Exchange of Thailand (SET).

9.1 Good Corporate Governance Policy

The Company’s Board of Directors has established the Good Corporate Governance Policy, as part of the Company’s overall policies, which came into effect in 2004. The Good Corporate Governance Policy Guidelines have been developed and, since then, regularly revised to be current and appropriate to the latest situation.

The Board of Directors appointed a Good Corporate Governance Committee in 2012 to work with the Good Corporate Governance Working Group, which was also established in the same year. This working group is responsible for monitoring, assessing and improving the Company’s Good Corporate Governance Policy, so that it remains appropriate and consistent with the changing economic and social environments as well as with the relevant and applicable laws. It also has to ensure that it is consistent with the Corporate Governance Policy of Thai Listed Companies as specified by the Stock Exchange of Thailand.

In 2013, the Board of Directors approved and published the “Good Corporate Governance Policy (3rd Edition, Revised - 2013)”, which encompasses the following key points:

Good Corporate Governance Policy (3rd Edition, Revised - 2013)

Section 1 – Shareholders’ Rights

The Board respects the rights of all shareholders, as well as has in place policies and practices guidelines to protect these shareholder rights, in order to facilitate shareholders in exercising their various entitled rights in a complete, accurate, transparent and timely manner, as follows:

1. Shareholders’ rights
2. Shareholders meetings
3. Meeting procedures
4. Preparation of minutes of the shareholders meeting and disclosures of approved resolutions

Section 2 – Equitable Treatment of Shareholders

The Board is aware of its duty to oversee the interests of each shareholder with fairness and equality, regardless of whether they are majority or minority shareholders or foreign shareholders.

The Board encourages shareholders to exercise their rights and to look after their own interests through expressing opinions, making recommendations, and casting their votes at the shareholders meetings, in order to actively participate in making decisions regarding any significant changes as well as in the election/appointment of new board directors.

The Board also ensures that the Company discloses any news and information in an accurate, fully comprehensive, transparent and accountable manner, as follows:

1. Release of information before the shareholders meeting
2. Protection of shareholders' rights
3. Equal rights for the Company's Board of Directors and the executives

Section 3 – Roles of Stakeholders

The Board respects the rights of and gives equal treatment to the various involved stakeholders groups, who have been or may potentially be affected by the Company's business operations; such as: employees, shareholders, investors, customers, business partners, competitors, creditors, external auditors, press and media, local communities where the Company's businesses are located, surrounding society, and the government sector.

This is in accordance with the established policies and practices guidelines relating to the rights of various stakeholders groups of the Company, as well as to promote regular cooperation between the Company and such stakeholders in order to build and develop the Company on a stable and sustainable basis as follows:

1. Treatment of employees
2. Business operations in compliance with the framework of 'Fairness'
3. Undertaking practices that are fair and responsible towards local communities and society as a whole, and the environment
4. Anti-Corruption activities, and informing on any misconducts or wrongdoings

Section 4 – Information Disclosures and Transparency

The Board attaches great importance to the disclosure of information in an accurate, fully comprehensive and timely manner as appropriate and according to the situation; such as: financial information, financial status and operating performance results, together with any non-financial information relating to the Company's shareholdings structure, corporate governance matters, and other business-related information. This is for the benefit of all shareholders and outside parties.

The Investor Relations Unit has been established and charged with the responsibility for providing up-to-date information with accuracy and completeness, as well as for ensuring easy access to such information via various channels of communications established by the Company. Investors and outside parties can, therefore, effectively make contact and inquire about the following information in a convenient and speedy manner:

1. Information on the Company, its board directors and its shareholders
2. Good Corporate Governance practices of the Company
3. Operating performance results
4. Timing and appropriateness in disclosing information

Section 5 – Responsibilities of the Board of Directors

The Board of Directors has prescribed Corporate Policies and Practice Guidelines covering the following topics :

1. Structure of the Board of Directors
2. Responsibilities of the Board of Directors
3. Principles guideline for the Board of Directors
4. Duties and responsibilities of the Company's Board of Directors
5. Recruitment and nomination of board directors

6. Board of Directors meetings
7. Holding directorship positions (in other companies) by each board director
8. Chairman of the Board of Directors
9. The CEO/President
10. Term of office for board directors and members of Board Committees/Sub-Committees
11. Holding directorship positions (in other companies) by the CEO/President and executives
12. The positions of the Chairman of the Board of Directors and the CEO/President being held by the same person
13. Remuneration for board directors
14. The Company Secretary
15. Board Committees/Sub-Committees
16. Development of board director's skills
17. Performance assessment and evaluation of the Board of Directors
18. Promoting Good Corporate Governance practices
19. Reports from the Company's Board of Directors

The Company has published a full version of the Good Corporate Governance Policy (3rd Edition, Revised 2013), on the Company's website at www.srithaisuperware.com

9.2 Board of Directors and Board Committees/Sub-Committees

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 states that the Company's Board of Directors is to be composed of "not fewer than 5 but not more than 12 directors, with more than half of the total number of directors must reside in the Kingdom."

The Board of Directors comprises directors with diverse knowledge, experiences and expertise that are considered necessary for the Company's operations. They will devote time in undertaking their responsibilities for the Company's overall interests. Currently, there are 9 directors, 2 of whom are female. Amongst them, 5 directors are executives and representative of the shareholder group, who have knowledge, expertise and capabilities in the Company's businesses; while 4 are independent directors, who have diverse skills and experiences with independent judgments. All directors possess those qualifications in accordance with the criteria as specified by the Securities and Exchange Commission (SEC) and the Company.

The Board of Directors has appointed 3 independent directors to form the Audit Committee, with the duty of supporting the Company's Board of Directors according to the duties and responsibilities as stated in the Charter of the Audit Committee and in accordance with the Announcement of the Stock Exchange of Thailand on the Qualifications and Scope of Work of the Audit Committee (B.E. 2551).

Scope of Authority and Responsibilities of the Board of Directors

The Board has a responsibility towards its shareholders in regards to the Company's business operations and its governance. This is in order to ensure that management complies with the stated policies, objectives and guidelines that will generate maximum benefits and continually increase the economic value added for its shareholders, through the use of good business ethics and taking into consideration of both the current and long-term benefits of all stakeholders as follows:

1. Perform its duties in accordance with the laws, the Objectives and Articles of Association of the Company, as well as with the resolutions of the shareholders meetings;
2. Prescribe corporate business policies, strategic objectives and targets for management to follow;
3. Monitor and oversee that management operates the Company's businesses efficiently, in good faith, and in full compliance with the shareholders' resolutions;
4. Call for a shareholders meeting at least once a year, in order to report the business performance for their acknowledgement and approval, as well as to request for their resolutions on matters that are beyond the scope of authority of the Board of Directors (e.g. declaration of dividends);
5. Call for Board of Directors Meetings at least six times a year;
6. Enter into any business transactions or undertake any actions, which may have a material effect on the Company's financial position/status, obligations regarding its liabilities, and reputation (e.g. borrowing money from financial institutions);
7. Consider any connected transaction(s) between the Company, its subsidiaries or affiliated companies and any connected parties, that does not require the approval of the shareholders' meeting;
8. Establish an internal control system together with efficient internal audit procedures;
9. Direct and monitor the accuracy, completeness and transparency of financial reporting, as well as the reporting of any other information to shareholders and other involved or concerned parties;
10. Establish and define the scope of duty and responsibilities of the various Board Committees/Sub-Committees in regard to any particular issues;
11. Determine and/or change the 'authorized company signatories' who can legally bind the Company;
12. Determine corporate policies, vision and mission of the Company; as well as revise such matters to suit the then current situation;
13. Define business strategies, work plans/activities, and annual budget of the Company;
14. Consider and review risk management policies of the Company to suit current conditions;
15. Follow-up on the results of activities and business performance of the Company on a quarterly and annual basis, comparing these results against agreed budgets and plans;
16. Consider and assess the adequacy of Company's internal control systems;
17. Enter into any contract that is not a normal business activity of the Company, or any contract of a material and significant nature although they may be considered as a normal business activity;
18. Direct and monitor full compliance to the established principles, policies and practices on good corporate governance;
19. Prescribe the 'Codes of Business Conduct' for the Company; and
20. Amend or change, as required, the scope of authority and responsibilities of the Board of Directors, as mentioned above.

The Board of Directors Meeting No. 6/2557 held on December 23, 2014 approved a policy, vision, and mission of the Company with the business strategy, work plans and budgets of the Company for the year 2015.

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

- Duty of Care : The Board must be diligent and prudent in managing all corporate affairs.

- **Duty of Loyalty :** The Board must act in good faith; and must not allow any personal interests to prevail over the overall interests of the Company.
- **Duty of obedience :** The Board must comply with all laws, the Company's Objectives and Articles of Association, the resolutions of Board and shareholders meetings, as well as with all applicable requirements and regulations as specified by the Security and Exchange Commission, the Stock Exchange of Thailand, and any other relevant regulatory agencies.
- **Duty of Disclosure :** The Board must disclose to and inform its shareholders all required information, that is accurate, adequate, transparent and in a timely manner.

The Board also appoints the Executive Committee, which is a group of executives, with sufficient knowledge and capabilities, to perform duties in managing the business operations in full compliance with designated policies and agreed objectives. The Board regularly monitors the Company's performance, while also has the right to independently request any updates of information and data about the Company.

Approval Authority of the Company's Board of Directors

The Company's Board of Directors has the following approval authority, in accordance with the objectives and regulations of the Company, and the resolutions of the shareholders meetings, and as specified by the Public Limited Company Act B.E. (2535) together with Securities and Exchange Act (4th Revision - BE 2551, and BE 2557), such as :

- Approving of a subsidiary, in which the Company holds 100% investment equity, to establish a new company.
- Approving the Company to obtain long term loans and to increase its existing revolving credit facilities from financial institutions
- Approving the Company to guarantee a subsidiary's loan facility obtained from financial institutions

Conditions for Signing by the Authorized Signatories to Legally Bind the Company (as per the Company's Affidavit):

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

Board Meetings

The Board of Directors arranges to hold at least 6 Board of Directors' meetings per year, and determines the dates, time, and venues for the meetings in advance for the whole year. Board directors have the duty to attend at least 80 per cent of such meetings. In 2014, there were 6 Board of Directors' meetings and non-executive directors met together among themselves once without any executives present, with the attendance record of each board director being presented in Item 8.1 "Board of Directors".

The Company Secretary has the duty to gather and organize all required information to be presented to the Chairman of the Board for consideration and determining the proposed agenda for each Board of Directors' meeting. The invitation for the meeting and all supporting documents shall be sent out to all board directors not less than 7 days prior to the scheduled meeting date, in order to allow board members sufficient time for studying and reviewing all proposed agenda items for the overall benefit of and fairness towards all shareholders and stakeholder groups.

Generally, the meeting agenda will consist of : acknowledgement or review of financial statements (as reviewed or audited by the external auditors and approved by the Audit Committee); consideration and monitoring of the Company's operations to assess whether they are in accordance with agreed policies and plans; consideration for approval of important issues relating to the Company's operations (such as, vision, mission, and strategies, as well as financial goals, plans and budgets); acknowledgement of the performance of the Company's Board of Directors and Board Committee/

Sub-Committees; acknowledgement of the holding of the Company's shares by directors and executives, consideration of any proposed connected transactions and asset acquisition or disposal (if any); and any other agenda items proposed by the executives.

In the Board of Directors' meeting, the Chairman assigns the Company Secretary to present a summary of the key contents or points for each agenda item, in order to hear the opinions of board directors, and then to conclude them as the meeting's resolutions for further action. Directors are given the opportunity to express their opinions and to debate each agenda item in a sufficient manner. Executives are also invited to attend board meetings in order to provide more detailed information, whenever deemed appropriate and necessary.

If any board director attending the meeting has a conflict of interests relating to any agenda item, the Company Secretary will then request that director to leave the meeting room while the agenda item is being discussed and considered by the Board. There must be at least two - thirds (2/3rd) of all directors attending and present at the meeting, with the right to vote, to cast their votes for any resolution, as prescribed by the Company's Good Corporate Governance Policy. The 'majority vote' from those directors present at the meeting with the right to vote shall be considered as the resolution of the Board of Directors' meeting. Further, unless the agenda concerns the appointment of a new board director to replace a vacant directorship, due to a reason other than the expiry of his/her term of office, the resolution to appoint a new director will then require at least three – fourths (3/4) of the votes from the remaining directors present - as specified in the Company's Articles of Association (Article 17 and Article 21).

The Company Secretary takes notes of the discussions and is responsible for preparing the minutes of the board meeting with complete details. The minutes will then be approved by the Board of Directors, together with all supporting documents. They are then to be properly filed, in order to be readily available for future examination or reference by directors or any other involved organizations as required.

Term of Office for Board Directors and Members of Board Committees/Sub-Committees

The Board of Directors has set the terms of office for board directors in accordance with the Company's Articles of Association, which also complies with the Public Limited Company Act. It also stipulated that one-third of the board directors shall retire at every Annual General Meeting of Shareholders. Those directors who have vacated their position can be re-appointed as a board director, if proposed and re-elected by the shareholders' meeting. Further, should any board director resign from being a director, that director shall also no longer be a member of any Board Committees/Sub-Committees.

Currently 8 (of the total 9) Company directors have had a term of office exceeding 9 years. However, all such directors are well-qualified and have extensive experiences in a variety of business areas that include manufacturing and other related areas. As such, they are all able to effectively determine the strategic directions of the Company and monitor that the activities of management groups are in accordance with the established corporate objectives for the maximum benefit to the all shareholders on an equal basis, as well as to oversee the interests of all stakeholder groups in an equitable manner. For these reasons, they have all received the full confidence and trust of the shareholders, and have been re-elected as board directors at the Annual General Meeting of Shareholders on a continuing basis.

Holding Director Positions in Other Listed Companies

In order to perform the functions as a board director independently and with adequate time to effectively supervise the Company's operations, the Company requires that its board directors hold other directorship positions concurrently in not more than 5 other listed companies. In the year 2014, all its board directors have complied with this requirement.

In holding a directorship position in other listed companies, the director must comply strictly with Section 86 of the Public Limited Company Act (B.E. 2535), stating that a director is prohibited from being involved with any other businesses of the same nature as and/or directly in competition with the Company.

Reports from the Company's Board of Directors

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

The Board of Directors, represented by the Chairman, prepares a Report on Its Responsibilities for the Financial Statements including reports by the Sub-Committees as appointed by the Board as shown in Attachment 5.

The Chairman of the Board of Directors

The Board of Directors has elected and appointed, as the Chairman of the Board of Directors, Mr. Sanan Angubolkul, with the following duties and responsibilities:

1. Be a leader in regards to establishing corporate policies, the Company's vision, and the governance of executives as well as Board Sub-Committees, so as to achieve those objectives according to outlined business activities and work plans;
2. Preside over board meetings and shareholders meetings of the Company;
3. Ensure the performance of the Board is in compliance with the Company's Articles of Association as well as all applicable relevant laws;
4. Encourage and support board directors in expressing any opinions; and avoid unduly influencing any directors to agree with the opinions of any particular director;
5. Cast the 'deciding vote' - in the event of a tie-vote, where the Board has voted with each side having an equal number of votes;
6. Take the lead in prescribing and complying to the Company's business ethics, corporate culture, and Good Corporate Governance Policy;
7. Provide recommendations, and separate the roles and responsibilities of the Board of Directors and those of executives;
8. Represent the Company's Board of Directors towards external parties, and take the lead in any clarifications or communications to the public, shareholders and various stakeholder groups.

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 those of executives. Apart from undertaking the stated duties and overseeing the performance of the executives at the policy level, the Board of Directors also defines the duties and responsibilities of executives relating to the position of the President, and other executive positions. This is to ensure that the respective scope of authority and responsibilities are clearly defined, as well as to allow the Board of Directors to effectively monitor and assess their annual performances in an appropriate manner as follows:

Scope of Authority and Responsibilities of the President

1. Manage and supervise the Company's business operations in accordance with the established directions and goals of the Company; and to strengthen the Company's businesses according to the policies of the Board of Directors;

2. Manage and implement both short-term and long-term business plans, in order to achieve the Company's objectives and goals;
3. Implement effective financial management, in order to achieve a proper and stable financial structure for the Company;
4. Undertake and manage proactive public relations as well as foster good relationships with every stakeholder groups, in order to create a positive and sustainable image for the Company ;
5. Implement risk management activities in a proper and efficient manner;
6. Undertake and manage the organization's activities regarding environmental responsibility and Corporate Social Responsibility (CSR);
7. Supervise and perform the assigned duties according to the applicable laws, as well as adhere strictly to the Company's established objectives, rules, and regulations;
8. Perform any other duties as assigned by the Board of Directors.

Scope of Authority and Responsibilities of Executives

Executives shall manage the Company's operations, in order to ensure that agreed activities and work plans are implemented, and that policies of the Board are followed. Executives will carry out any responsibilities as assigned by the Board of Directors as follows:

1. Manage, direct, and monitor the performance of the Company businesses to ensure efficiency as well as compliance with the established directions and targets of the Company; and maintain the operational strength of the businesses as required by the policies of the Board of Directors;
2. Review any agenda items to be proposed to the Board of Directors; as well as carry out any assignments given by the Board of Directors;
3. Report its performance results to the Board of Directors;
4. Plan and review the progress of all short-term and long-term plans, so as to achieve the stated objectives and targets of the Company;
5. Plan and undertake effective financial management, so as to diminish any potential financial burdens and to stabilize the financing structure of the Company; and
6. Perform assigned duties in compliance with the relevant laws as well as the Objectives and Articles of Association of the Company.

Moreover, the Company has prescribed specific levels of authority for executives, which includes the respective types of transactions allowed to be executed together with the approval value limits. This is to facilitate an effective flexibility for the executives, as well as to clearly define the power of authorization of the Board of Directors and the executives in accordance with the relevant rules and regulations of involved agencies.

The two positions of the Chairman of the Board and the President of the Company are held by the same person, who represents the group of major shareholders. Presently, the Company considers that this doubling of positions be appropriate under this circumstance due to the fact that this person has possessed experiences in the core business of the Company for a very long time, as well as has been widely and well recognized among the business community.

In doubling of the two positions at the same time, the Chairman and President has recognized and clearly separated the respective duties and responsibilities of each position, which includes day-to-day management of the Company, chairing board meetings as well as shareholders meetings, etc. He is clearly able to effectively perform these duties and

to make decisions under the scope of authority of each respective position. Therefore, this doubling of the two positions by the one and the same person would enhance overall managerial efficiency as follows:

- In the capacity as Chairman of the Board, he could immediately obtain the most updated information regarding business operations from the Company's executives, which supports and facilitates his close monitoring of business operations within the established policy framework laid down by the Board of Directors. In the capacity as the President of the Company, he could also better oversee and manage compliances to the established business policies specified by the Board of Directors.
- In the capacity as Chairman of the Board, he has to chair shareholders meetings as well as Board of Directors meetings. He has to manage these meetings to ensure that each meeting proceeds according to the established agenda in a legal manner and that the meeting's attendees are allowed to freely express their opinions. He can respond to any questions raised in the meeting both in his role as a member of the top management of the Company and as the representative of the Board of Directors at the same time.

However, with the required ratio of the independent directors at more than one-third of the total number of board directors, the Board of Directors is able to achieve an effective balance of power. As well, opinions can be expressed effectively and freely in regards to reviewing executives' performance.

Holding Directorship Positions in Other Companies by the President and Executives

In the event where the President and executives have been nominated/elected to hold directorship positions in other companies not within the Group (regardless of whether those companies are listed or not), the President and executives must report this appointment to the Board of Directors.

Such other companies, in which the President and executives are elected as directors, must not operate businesses in competition with those of the Company. Further, the total number of other companies in which the President and any executives respectively hold directorship positions must not exceed five listed companies, which is in accordance with the same regulations as applicable for a board director.

In 2014, there were no situations where this required limitation on holding directorship positions in other companies have been exceeded.

9.2.2 Duties and Responsibilities of Members of Board Sub-Committees

The Board of Directors approves the appointment of members of the various Board Sub-Committees. They are assigned to perform duties in helping to review as well as verify various detailed information of relevant matters and issues, in order to alleviate the overall burden of the Board of Directors in various areas as follows:

1) The Audit Committee

The Board of Directors has appointed the Audit Committee, comprising three (3) independent directors, at least one of whom must possess specific relevant knowledge, expertise and experiences in accountancy.

The Audit Committee performs the duty of governance, in order to ensure that the preparation and disclosures of accurate and complete financial reports and information are in full compliance with the required financial reporting standards, as well as in accordance with the adequate internal control system and internal audit procedures.

The Audit Committee's composition, together with the qualifications and duties of its members, are pursuant to the established the Audit Committee Charter, which complies with the applicable regulations specified by the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Audit Committee must report its performance to the Board of Directors at least once every quarter; as well as annually assess the performance of the Audit Committee. The Report of the Audit Committee is also prepared for disclosure in Company's Annual Report, as stipulated by the Stock Exchange of Thailand.

Names of the Audit Committee members and their meetings attendance record for 2014 are as follows:

| Name | | Position | Actual 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 | Boonbanjerd Sri | Audit Committee Member | 4/4 |

Mr. Viroj Lowhaphandu is knowledgeable and well-experienced in accounting, auditing, finance and taxation. Both Mr. Enghug Nontikarn and Mr. Suchat Boonbanjerd Sri are knowledgeable and well experienced in finance, banking and accounting.

Duties and Responsibilities of the Audit Committee

1. Ensure that the financial reports of the Company are accurate and adequately disclosed information as required, through coordinating with the external auditor and the executive responsible for their preparation on a quarterly and annual basis. The Audit Committee may recommend the external auditor to review or audit any particular transaction deemed necessary and significant during the audit exercise;
2. Review and ensure that suitable and effective internal control system as well as internal audit procedures for the Company are established and regularly updated. The review exercise is to be carried out together with both the external auditor and the internal auditor;
3. Select and propose, for approval, the nomination of the external auditor, together with the audit fees, taking into consideration the trustworthiness, resourcefulness, and existing volume of work on hand of the proposed candidates being considered for nomination, as well as to propose the termination of the Company's external auditor as appropriate.
4. Review any proposed connected transactions or other transactions that may involve a conflict of interests, so as to ensure full compliance to the requirements of all involved government/regulatory agencies;
5. Review policies relating to financial management, risk management, and adherence to business codes of ethics by executives; and review jointly with involved executives any significant reports that are to be made public as required by law;
6. Prepare a report on the activities of the Audit Committee, which is to be signed by Chairman of the Audit Committee; and disclose such reports in the Company's Annual Report, whereby the report will consist of the following information:
 - 6.1 Opinions on the process of preparing the Company's financial reports and disclosures of the information contained in these reports in regards to their accuracy, reliability and adequacy;
 - 6.2 Opinions on the adequacy and effectiveness on of the internal control system of the Company;
 - 6.3 Rationales for proposing that the assignment of the present external auditor should be extended by another year;
 - 6.4 Opinions on the Company's compliance with the Securities and Exchange Act, as well as all the rules and regulations of the Stock Exchange of Thailand and any relevant regulatory laws that are applicable to the business operations of the Company;
 - 6.5 Any other reports deemed necessary for disclosure to the general public and investors within the scope of duties and responsibilities as assigned by the Board.

7. Hold the Audit Committee meetings on the following subject matters:
 - 7.1 Review all financial statements and other relevant financial reports, established accounting principles and practices, current compliance with accepted accounting standards, the financial viability of the Company, and any changes in significant accounting policies together with rationales of the executives in formulating such accounting policies; all of which are then to be presented to the Board for further public disclosures;
 - 7.2 Review the Company's internal control systems and internal audit procedures;
 - 7.3 Review the proposed annual internal audit plans and coordinate each activity of the approved audit plan; as well as review and evaluate, jointly with the internal auditor and external auditor, the audit exercise. The Audit Committee will enquire the extent of the audit plan, so as to ensure that any potential irregularities or weaknesses relating to the internal control systems can be detected and identified;
 - 7.4 Review, together with the internal auditor, any problems and limitations arising during the internal audit exercise; and evaluate the performance of the internal auditor;
 - 7.5 Review, together with external auditor, any problems and limitations arising during the external audit exercise;
 - 7.6 Review, together with the internal auditor and external auditor, the proposed audit plan relating to the procedures and controls of electronic data processing activities; and review the proposed security measures aimed at preventing any irregularities or malpractices relating to the computer system that may be undertaken by staff members or outsiders;
 - 7.7 Compliance with the Securities and Exchange Act, all regulations of the Stock Exchange of Thailand, and any other relevant regulatory laws applicable to the businesses operations of the Company;
 - 7.8 Undertake a self-assessment of the Audit Committee in regards to its overall performance and achievement of specific assignments.
8. Review and ensure both the accuracy and adequacy of all financial reporting;
9. Consider appointing, transferring or terminating the Head of the Company's Internal Audit Unit; as well as, jointly with the management, undertake a performance evaluation and merits or disciplinary punishments (if any) of the Head of Internal Audit Unit;
10. Review, jointly with the management, the policies and adequacy of risk management activities relating to any sensitive aspects of the Company;
11. Review the financial management policies of the Company;
12. Report to the Board on the activities and tasks of the Audit Committee;
13. Perform any other duties as assigned by the Board of Directors and as mutually agreed to;
14. Review the Charter of the Audit Committee - whenever required or deemed appropriate.

The Audit Committee has performed its duties and responsibilities with all due care, and has strictly adhered to the requirements of the Stock Exchange of Thailand's Announcement (BE 2551) with regard to the qualifications and scope of work of the Audit Committee. In 2014, the Audit Committee held four meetings with the external auditors together with the Company's financial and accounting executives, and the internal auditor, and as well as one meeting with the Company's external auditors without any executives being present.

The Audit Committee has also been assigned as the authorized recipient of any information from informants relating to any alleged fraudulent actions that are illegal or non-compliance to specified relevant regulations and rules of the Company in accordance with the Company's "whistle blower program". This is so that proper investigations of

the alleged misconducts or wrongdoings can take place before specific recommended actions can be submitted to the Board of Directors for further consideration. During 2014, there were no such complaints or information regarding any supposed misconducts under the “whistle blower program”.

The Audit Committee must report its activities and performance to the Board at least once every quarter; and annually assess the performance of the Audit Committee. The Audit Committee’s

Report is also prepared for disclosure in the Company’s Annual Report, as stipulated by the Stock Exchange of Thailand as follows :

1. Review of the Financial Reports
2. Review on Risk Management
3. Review of Compliance with Good Corporate Governance Policies
4. Supervision of Compliance with Relevant Rules and Regulations as Prescribed by the Regulators
5. Review on Internal Control Systems
6. Consideration of the Appointment of Certified Public Accountant for the Year 2015

Moreover, the Audit Committee undertakes a self-evaluation of the performance of the Audit Committee every fiscal year, in order to assess that its overall performance is within the scope of authority and responsibilities of the Audit Committee as specified by the Stock Exchange of Thailand.

Members of the Audit Committee have a term of office of three years; with the current term being valid until the end of 2015.

2) Nomination and Remuneration Committee

The Board of Directors has appointed the Nomination and Remuneration Committee, comprising 3 members, one of whom is executives while the other two are independent directors. The Chairman of the Nomination and Remuneration Committee is an independent director.

Names of the Nomination and Remuneration Committee members and their meetings attendance record for 2014 are as follows:

| Name | | Position | Actual Attendance / Total number of meetings (times) |
|---------------|-------------|---------------------------------------------------------------------------------|---------------------------------------------------------|
| Mrs. Siriporn | Sailasuta | Chairperson 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 | 1/2 |

* Mr. Prin Bholnivas resigned from the Nomination and Remuneration Committee on November 11, 2014, but still acts as the Secretary of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has the duty to consider the criteria and types of remuneration for board directors and executives, in order to give its opinion to the Board of Directors. For board director's remunerations, comprising only payments of 'meeting attendance fees', the Board will propose these for approval by the shareholders meeting.

The Nomination and Remuneration Committee also has the duty to consider the criteria and procedures for recruiting persons with the required qualifications to be nominated and appointed as board directors and executives, together with selection process and eventual proposal of selected executive candidates to the Board of Directors .

However, in the case of the appointment of board directors, final approval by the shareholders meeting is required.

Responsibilities of the Nomination and Remuneration Committee

1. Consider and review the Company's organization chart, together with the required qualification of board directors and executives of the Company;
2. Approve the organization chart that is appropriate for the businesses of the Company;
3. Select qualified person for nomination as candidates for board director positions, in the event of a vacancy occurring or if a director has completed the term in office;
4. Consider and approve the appointment of executives, once recruited and proposed by the management in the event of a vacancy occurring or a new executive position is added;
5. Consider and propose the remuneration structure for board directors and executives - such as, salary/retainer fees, severance pay, bonus payment, welfare and benefits, and meeting allowance fees, as well as any other financial or non-financial compensation;
6. Annually evaluate the performance of the Nomination and Remuneration Committee, and report to the Board of Directors;
7. Perform any other assignments in regards to the nomination and/or remuneration of board directors and executives, as assigned by the Board of Directors.

In 2014, the Nomination and Remuneration Committee held two meetings, and reported its performance to the Board of Directors. An annual assessment of the Nomination and Remuneration Committee was also undertaken through a self-evaluation process. Moreover, a 'Report of the Nomination and Remuneration Committee' is also included in the Company's Annual Report.

Members of the Nomination and Remuneration Committee have a term of office of three years, with the current term being valid until the end of 2015.

3) Good Corporate Governance Committee

The Board of Directors has appointed the Good Corporate Governance Committee to oversee, manage and follow up on good corporate governance practices of the Company. Members of the Committee comprise a total of 4 board directors - 2 of whom are independent directors and the other 2 are executive directors. The Chairman of the Good Corporate Governance Committee is an independent director.

Names of the Good Corporate Governance Committee members and their meetings attendance record for 2014 are as follows :

| Name | | Position | Actual Attendance / Total number of meetings (times) |
|---------------|-------------------|----------------------------------------------------------------------------|------------------------------------------------------|
| Mr. Suchat | Boonbanjersri | Chairman of the Good Corporate Governance Committee (Independent Director) | 4/4 |
| Mrs. Siriporn | Sailasuta | Good Corporate Governance Committee Member (Independent Director) | 4/4 |
| Mr. Manit | Ativanichayaphong | Good Corporate Governance Committee Member | 3/4 |
| Mr. Prin | Bholnivas | Good Corporate Governance Committee Member and Secretary | 4/4 |

Responsibilities of the Good Corporate Governance Committee

1. Determine, for approval by the Board of Directors, good corporate governance policies and principles that are appropriate for the Company, within the specified legal framework, criteria, and rules and regulations of the relevant supervisory or regulatory organizations (such as the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and other involved government agencies), as well as in accordance with international standards of and guidelines for good corporate governance;
2. Direct, supervise and advise the board directors and executives of the Company in carrying out their assigned duty and responsibilities to be in accordance with established good corporate governance policies, so as to achieve positive results and sustainability for the Company;
3. Consider, review and improve good corporate governance policies, on a regular basis, as required to ensure its continued conformity with international standards and guidelines on good corporate governance principles and practices, as well as the relevant laws, criteria, applicable rules and regulations, and the businesses of the Company;
4. Issue an annual evaluation report on the Company's good corporate governance practices for submission to the Board of Directors, together with its opinions and any recommendations for improvements as deemed appropriate;
5. Recommend requirements and practices guidelines regarding good business moral ethics, as well as required or expected practices on the part of the Company's board directors, executives and staff;
6. Appoint working groups to support good corporate governance-related practices and activities as necessary;
7. Undertake any other good corporate governance-related tasks as assigned by the Board of Directors

In 2014, the Good Corporate Governance Committee organized four meetings, and reported its performance to the Board of Directors. An annual assessment of the Committee was also undertaken through a self-evaluation process, and a Report of the Good Corporate Governance Committee was prepared, which has been included in the Company's Annual Report.

Members of the Good Corporate Governance Committee have a term of office of three fiscal years. The current term is valid until the end of 2014; with their term of office has been extended for another year until the end of 2015 so that the expiry of the term of office will coincide with that of other Sub Committees.

4) 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 appropriate risk management procedures and activities at the operational levels.

Names of the Risk Management Sub-Committee members and their meetings attendance record in 2014 are as follows :

| Name | Position | Actual attendance/ Total number of meetings (times) |
|--------------------------------------------|-----------------------------------------------|--------------------------------------------------------|
| Mr. Prin Bholnivas | Chairman of the Risk Management Sub-Committee | 12/12 |
| Mr. Manit Ativanichayaphong ⁽¹⁾ | Member | 8/12 |
| Mr. Apisit Tangsatit | Member | 11/12 |
| Mr. Pawat Chalermpong | Member | 11/12 |
| Mr. Pramual Pinyo | Member | 12/12 |
| Mr. Chaichan Chareonsuk | Member | 12/12 |
| Mr. Somsong Raksapol | Member | 9/12 |
| Mr. Chairaj Eangtanarat ⁽²⁾ | Member | 1/12 |
| Mr. Tanatch Sripan | Member and Secretary | 12/12 |

Note :

- (1) Mr. Manit Ativanichayaphong resigned from the Risk Management Sub-Committee member on November 25, 2014.
- (2) Mr. Chairaj Eangtanarat was appointed a member of the Risk Management Sub-Committee (replacing Mr. Manit Ativanichayaphong) as per the Company's Board of Directors resolution at the Board Meeting No.6/2557 held on December 23, 2014.

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

Responsibilities of the Risk Management Sub-Committee

1. Study, review and evaluate all possible risk factors, including the trend of any probable impacts on the organization relating to both internal and external risks, at least, for these 4 key areas as described below:
 - 1.1 Financial risks
 - 1.2 Operational risks
 - 1.3 Business risks
 - 1.4 Other external risks factors
2. Formulate policies on risk management, and propose them to the Board of Directors for review and final approval;
3. Formulate strategies, appropriate organization structure, and required resources for use in the management of risks, in compliance with the established risk management policies and business directions of the Company;
4. Set up a 'risk-appetite' and acceptance criteria of the operations of the Company, in regards to financial limits and nature of transactions for consideration and approval by the Board of Directors; which the criteria will then be used as a basis of the business operations in various situations for each risk area;
5. Monitor and review policies, strategies and their implementation to ensure that risk management strategies are appropriately complied with;
6. Authorized to appoint working group(s) responsible for continuously evaluating and monitoring overall risks throughout the organization;
7. Perform any other tasks as assigned by the Board of Directors.

In 2014, the Risk Management Sub-Committee held a total of 12 meetings, and reported its performance to the Audit Committee for consideration before reporting it to the Board of Directors on a quarterly basis. An annual assessment of the Risk Management Sub-Committee's performance was also undertaken through a self-evaluation process.

The Company's Board of Directors has approved the Risk Management Sub-Committee to be responsible for reviewing and assessing various risk factors relating to any corrupt or fraudulent activities on a regular basis. With the approval of the Audit Committee, the Internal Audit Unit has been assigned to incorporate the review of possible corrupt or fraudulent activities into its annual audit activities plan, as well as to undertake regular assessments and monitoring of any risks relating to any corrupt or fraudulent activities.

Members of the Risk Management Sub-Committee have a term of office of three fiscal years, with the current term being valid until the end of 2015.

9.3 Nomination and Appointment of Directors and Executives

9.3.1 Recruitment of Directors

There have not been any changes to the Company's Board of Directors during 2014; although the Company has determined policies relating to this matter as follows:

The Board of Directors assigned the Nomination and Remuneration Committee to be responsible for recruiting candidates who possess the required qualifications as well as who do not have any qualifications prohibited by law, to be appointed as director or executive. The candidates must possess the knowledge, capabilities and extensive experiences that will help to enable the Company in achieving sustainable growth. Such qualified persons will then be proposed to the Board of Directors,

1. For consideration and appointment as a board director to replace any director (who has been terminated or retired from being a director before the official expiry date of their incumbent term of office) at the next Board of Directors' Meeting immediately after the vacancy. Unless the retiring director's remaining term of office is less than 2 months, the new director will hold the directorship position until the end of the remaining term of office of the former director being replaced. A resolution to appoint a replacement of director requires a least three – fourths (3/4) of the total votes of the remaining number of directors (as stated in Article 17 of the Company's Articles of Association).
2. For proposal to the Annual General Meeting of Shareholders, for consideration and approval, the appointment of a new board director either to replace a director whose term of office has expired, or in the event where the total number of board directors of the Company has been formally increased. This is accordance with the criteria and procedures as specified in Article 13 and Article 14 of the Company's Articles of Association as follows:

"Article 13: The directors shall be elected by the shareholders' meeting in accordance with the following criteria and procedures :

- (1) Each shareholder shall have one share for one vote;
- (2) Each shareholder shall exercise all of his or her shares according to (1) to vote for one or more directors but cannot divide the votes to specific director more or less than the others;
- (3) Persons who receive the highest votes arranged in order from higher to lower are elected to be the directors of the Company in a number equal to that of the number of directors to be appointed. In the event of a tied vote for a lower place, which would make the number of directors greater than that required, the chairman of the meeting shall have a casting vote."

“Article 14 : At every annual general meeting, one-third (1/3) of the directors, or if the number of directors cannot be divided exactly into three parts, the number of directors nearest to one-third (1/3) shall vacate office. The directors who vacate office in the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the directors who have remained in office for the longest time shall vacate office.”

Shareholders can elect a director individually, with each candidate being nominated will require more than half of the votes of the shareholders attending the Annual General Meeting of Shareholders meeting and having the right to vote.

Moreover, the Board of Directors has established the policy for the Nomination and Remuneration Committee to consider selecting the candidates for being appointed as a board director from the list of names proposed by shareholders. As such, the Company has given the rights and opportunity to all shareholders to nominate qualified candidates each year at least 3 months before the last day of the fiscal year. Qualified candidates can also be selected and nominated from the list of Registered Chartered Directors of the Thai Institute of Directors Association, or other qualified persons possessing the knowledge and related experiences as well as with an appropriate diversity of background. The Board of Directors shall be composed of members, with diverse knowledge, capabilities and experiences in manufacturing, finance, accountancy, marketing, as well as accounting and tax laws, who would be suitable for the business operations and strategies of the Company.

In accordance with the composition of the diversity of the Board, currently those directors who are not executives of the Company are: Mr. Suchat Boonbanjerd Sri and Mrs. Siriporn Sailasuta, possessing extensive knowledge of and experiences in the manufacturing, but are not businesses that are our direct competitors.

The Company has not prescribed the maximum numbers of times in being nominated as a board director, nor any limitations relating to age in being considered for a directorship. In this regard, Article 14 of the Company's Articles of Association shall be observed and complied with. However, in the case of independent directors, they must fulfill all the required criteria as specified by the Company as well as be in accordance with those qualifications stipulated by the Securities and Exchange Commission - as per 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 any 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 fees of 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 directors may be assigned by the Board of Directors to make decisions regarding the operations of the Company, parent company, subsidiaries, associated companies, or other subsidiary companies of the same (or equal) status, major shareholders, or a controlling person of the Company, whereby the assigned decision is undertaken as a collective decision.

All four independent directors of the Company have fully met the specified qualifications and criteria, and have carried out their responsibilities appropriately throughout their term of office. However, three of the independent directors have been in office for more than 9 consecutive years, which is not consistent with the Guideline of Corporate Governance of Thai Listed Companies for the Year 2014 as prescribed by the Thai Institute of Directors Association. The Board of Directors has deemed, however, that this does not affect their performances or ability to express independent opinions.

Moreover, all four independent directors possess extensive knowledge of the Company's businesses, and have devoted their time, abilities and experiences in finance, accountancy and banking accordingly for the overall interests of the Company. They have good relationships with the Company's businesses and organization, which results in maximum benefits being achieved for the Company and all of its stakeholders. They have also carried out their duties with all due care, loyalty and full transparency, without any possible conflict of interests. For these reasons, during the Annual General Meeting of Shareholders No.33 (for the year 2014), the Board of Directors proposed to the meeting to re-appoint one such a board director, who possesses the required qualifications of and is one of the independent directors (ie: Mr. Suchat Boonbanjerd Sri) for another term. The meeting then approved the re-appointment as proposed by the Board of Directors.

9.3.2 Nomination of Executives

The Company's executives have the duty to nominate, to the Nomination and Remuneration Committee, persons possessing the appropriate qualifications suitable for the Company's businesses for consideration to be appointed as the Company's executives. The Nomination and Remuneration Committee will then report any such appointments to the Board of Directors for their acknowledgement.

However, in nominating and appointing suitable executives, the Company does not only consider external candidates but also gives the opportunity to existing senior-level personnel to advance their career in becoming future executives of the Company. The qualified internal candidates are recruited through a selection process that takes into consideration their outstanding performances and acceptance by their superiors and work colleagues. They are assessed individually in regards to key career aspects. The Company can then plan training and development programs to enhance their specifically required knowledge and leadership skills, together with assigning them to new challenging responsibilities. This process is aimed at effectively preparing those qualified Company personnel for future promotions to executive roles, in the event an executive position becomes vacant or if additional executive positions are needed as a result of ongoing business expansion or changes in the Company's organization structure.

During 2014, the Company's Board of Directors approved policies and guidelines relating to 'Succession Plan' for executive positions to be used by the management in preparing suitably qualified senior-level personnels who possess the required knowledge, capabilities and experiences, to best meet the Company's long term organization development and associated human resources requirements. However, in 2014, no new executive was appointed.

9.3.3 Development of Directors

Newly Appointed Directors

The Board of Directors has assigned the Company Secretary to prepare these corporate information; such as, a Director's Handbook, the Company's Strategic Directions, Good Corporate Governance Policies & Guidelines, Corporate Social Responsibility Policies, and the Code of Business Ethics. An orientation program is also carried out relating to an introduction to the Company's businesses and business operation guidelines, together with other relevant information for newly appointed board directors. However, in 2014, no new board directors were appointed.

Current Board Directors

The Board of Directors has assigned the Company Secretary to select suitable skills development programs and training courses for directors of listed companies organized by reputable institutions - such as, the Capital Market Academy and the Thai Institute of Directors Association. This is to allow board directors to participate in such trainings or seminars that will enhance their knowledge and skills as a Company director on a regular basis.

In 2014, four of the Company's board directors attended various seminars and training courses :

1. The Federation of Accounting Professions
 - 1.1 Mr. Viroj Lowhaphandu for Audit Committee - Financial Expert;
2. The Thai Institute of Directors Association
 - 2.1 Mr. Prin Bholnivas for Anti-Corruption - The Practical Guide
 - 2.2 Mr. Naphol Lertsumitkul for Anti-Corruption -The Practical Guide; and the Director Certification Program Update (DCPU)
 - 2.3 Mrs. Siriporn Sailasuta for Chartered Director Class

Other information relating to the various courses and seminars attended by each board director is disclosed in “Details of the Directors, Executives, Controlling Party and the Company Secretary”, as shown in Attachment 1.

9.3.4 Performance Assessments of the Board of Directors and the President

The Board of Directors undertook a performance assessment of the entire Board of Directors as well as of individual directors; and also carried out an annual performance assessment of the President, who holds the highest executive position of the Company. These assessments cover the following operational aspects :

- A. Performance Assessment of the entire Board of directors, through a self-evaluation process, was undertaken in regards to these key areas or criteria:
 1. Board Policy
 2. Board Performance
 3. Board Structure
 4. Board Style
 5. Board Meetings
 6. Board Members
- The Company Secretary used the respective results of the evaluation of each individual director to calculate an ‘average score for each area’ together with the ‘overall cumulative average score’ of all the individual areas. The results were categorized into ‘very good’, ‘good’, ‘satisfactory’, and ‘needs improvement’. These scores are then being presented to the Board of Directors.
- B. Performance Assessment of individual directors through a self-evaluation process, was undertaken in regards to these key areas:
 1. Strategies
 2. Moral Ethics and Values
 3. Knowledge
 4. Commitment and diligence
 5. Carrying out the duties of a director
 6. Self development
 7. Performance evaluation

Each director sent the respective evaluation results for each director to the Company Secretary for safe keeping as confidential information before presenting in summary to the Board of Directors meeting of how many directors received scores in these categories: ‘very good’, ‘good’, ‘satisfactory’, and ‘needs improvement’ in accordance with the established criteria.

C. Assessment of the President

All directors, excluding the director who is also the President, evaluated the performance of the President according to the following criteria:

1. Leadership skills
2. Strategic planning
3. Business management and oversight
4. Financial management
5. Human resource management
6. Communications skills
7. Relationship with the Board of Directors
8. Performance evaluation

The Company Secretary collected and compiled all the evaluation results for each director, based on the established criteria, for use in calculating the average score for each criteria. The scores were then summarized into these categories: 'very good', 'good', 'satisfactory', and 'needs improvement' before presenting it to the Board of Directors.

Moreover, the Audit Committee, the Nomination and Remuneration Committee and the Good Corporate Governance Committee have carried out an annual performance assessment for each of the Committee, using the same evaluation criteria process and criteria for evaluating the Board of Directors.

9.4 Monitoring the Operations of Subsidiary and Associate Companies

At present, the Company has made investments in several subsidiary and associate companies - in Thailand and overseas. Most of these subsidiaries and associates operate under the same core business structure of the Company, which include Plastics Business Line (comprising industrial products and household products) and Trading Business Line. The Company has defined its core business strategy to reduce dependency on parties outside of the Group, as well as to strengthen its competitiveness.

In order to monitor the performances of the subsidiaries and associates, the Company has appointed key personnel to represent the Company. The Company's directors and/or executives take up directorships or executive positions in these subsidiaries and associates, in proportion to number of shares held by the Company, so as to look after its overall interests as a shareholder. Even though the appointments of these Company representatives do not need to obtain approval from the Board of Directors, they must be well qualified and suitable as well as gain approval from the management. As well, they must be Company executives already in charge of a similar business line as that of the subsidiaries or associates so that their oversight activities can be fully effective.

In terms of voting in the Board of Directors' meetings or shareholders' meetings of these subsidiary or associate companies, the Company's representatives are empowered to make decisions or to undertake tasks relating to the general business operations of those companies without having to obtain approval from the Company's Board of Directors prior to the casting their votes or making decisions. In such activities, they must always take into consideration the maximum benefits for the subsidiaries or associates as a priority, together with the possible impacts to the Company as a shareholder. For example, a decision involving connected transactions, prices and trading terms must be on 'an arm's length basis' or closest to normal current market conditions. However, in the event that the representatives need to cast votes on any significant agenda items, they must first obtain approval from the Company's Board of Directors.

In 2014, none of the Company's subsidiaries and associates executed any shareholders' agreements that would have any significant effect in restricting or limiting the power of the Company in managing the businesses, nor in casting votes according to

its proportion of the shares held, nor in receiving any benefits other than those gained under normal business conditions based on the proportion of shares held.

In the case of the subsidiaries, the Company mostly holds a 100% equity and has full legal power to set policies and manage the operations. The Company has established regulations and requirements that the appointed Company representatives will manage and encourage the subsidiaries to comply with the same guidelines as those of the Company's when undertaking any connected transactions, acquisitions or disposals of assets, or any other important transactions; as well as disclosing their financial position and operational results in an accurate and complete manner. This also includes the supervision of recording and maintaining the financial data of the subsidiaries, so that the Company can easily monitor and collect the required information for the preparation of the financial reports accurately and completely. Moreover, the Audit Committee assigns the Company's Internal Audit Department to audit the operations of the subsidiaries and associates, in order to review the effectiveness of the internal control system and ensure that they effectively comply with the agreed annual audit plans or detect any possible misconduct.

9.5 Restrictions on the Use of Inside Information

The Company has implemented various measures on preventing the possible use of 'inside information' by directors and executives for personal benefits, or on trading of Company's shares. Any trading of Company's shares is strictly prohibited during the period of 15 days before the end of each financial quarter and up to one day before the day the Company discloses its operating performance results for that period to the Stock Exchange of Thailand and the general public. Another measure is the requirement for directors and executives to report their Company's shares trading transactions to the Board of Directors or to the President respectively. Apart from being subjected to the penalty codes of the Company, offenders of this requirement are also personally subjected to the legal penalties imposed by the Securities and Exchange Act (No.4) B.E. 2551.

During 2014, the Board of Directors approved and published the new Company's rules and regulations (updated in 2014) relating to trading of Company shares by directors and executives. It is required that directors and executives report their Company shares trading transactions to the Chairman of the Board or the Company Secretary, in advance, at least 1 working day prior to the actual transaction is conducted.

Further, according to the Company's Good Corporate Governance Policies, board directors are required to report the acquisition and/or disposal of Company's shares to the Board of Directors every quarter. Executives are also required to report any such share transactions to the Company Secretary on a quarterly basis.

In 2014, one director, Mr. Manit Ativanichayaphong, reported share transactions and changes in his holdings of the Company's shares. He purchased the Company's shares under normal trading conditions on the SET without making use of 'inside information' of the Company whatsoever.

9.6 Audit Fees for 2014

1. Audit fees

The Company and its subsidiaries paid audit fee to PricewaterhouseCoopers ABAS Limited, ("PwC"), and business related to PwC in the past accounting year for the sum of Baht 3.42 million and Vietnamese Dong 489.04 million.

2. Non-audit fees

The Company and its subsidiaries paid non-audit fees for the auditing as per requirement of the Board of Investment (BOI), review and audit of subsidiaries and associates' financial statements, and preparation of information package for the consolidated financial statements to PwC in the past accounting year for the sum of Baht 0.83 million and Vietnamese Dong 6.50 million. The Company and its subsidiaries had completely recorded all abovementioned non-audit fees as expenses in the year 2014.

9.7 Compliance with Good Corporate Governance Principles in Other Areas

Apart from the governance and oversight as stated above, in 2014 the Company also complied with the specific Good Corporate Governance Principles in other areas as follows:

9.7.1 Shareholders' Rights

The Company places great importance on its duty to oversee the interests of each shareholder group with fairness and equality, regardless of whether they are majority or minority shareholders or foreign shareholders. This is in accordance with the applicable laws on basic shareholder's rights; such as, the right to receive a share of the profits as dividends, and to transfer their share holdings. Further, it also complies with the Company's Articles of Association, which is stated that "A shareholder has one vote per one share held".

The Company has established policies and practices guidelines to protect the rights of all shareholders, and to facilitate them in exercising these rights in various areas in a complete, accurate, transparent, and timely manner. This is to ensure that all shareholders have the right to participate in directing the business operations or in making decisions on any significant matters during the shareholders meetings, through being able to enquire, express their opinions, and exercise their votes. This also includes being able to nominate qualified candidates to be elected as board directors to represent shareholders.

The Company ensures the rights of shareholders as follows :

1. Shareholders' Meetings

The Company arranges that the Annual General Meeting of Shareholders (AGM) takes place within 4 months from the end of the financial year, as required by the Public Limited Company Act (B.E. 2535).

For any urgent events or significant issues that may affect overall shareholders' interests, shareholders can exercise their legal right in proposing to the Board of Directors to call an Extraordinary General Meeting of Shareholders (EGM) during the year.

The Company has assigned Thailand Securities Depository Co., Ltd., as its Share Registrar, to dispatch Letter of Invitation to the scheduled shareholders meeting, which also includes the proposed agenda together with any relevant significant information, opinions of the Board of Directors on each agenda item, the Company's Annual Report, and other accompanying documents relating to the shareholders meeting - such as, proxy forms and a clear instruction manual of the associated procedures. The same information will also be disclosed, on the respective websites of the Company and of the Stock Exchange of Thailand to inform all shareholders in advance, 30 days prior to the Letters of Invitation to the meeting being dispatched.

The Company facilitates shareholders in exercising their rights to participate and cast their votes during the meeting without imposing any conditions that would hinder their opportunity to participate - such as, complicated registration process or voting procedures.

The Company also encourages all shareholders to submit any questions, names of qualified nominee-candidates for consideration as possible new directors; or to propose any agenda items, at least 3 months in advance before the end of the fiscal year. This is to allow the Board of Directors to consider whether it is appropriate to include any such proposed items or questions as part of the agenda of the Annual General Meeting of Shareholders No. 34 (for the year 2015). As such, on September 29, 2014, the Company informed shareholders of this right via the websites of the Company and the Stock Exchange of Thailand. Any proposed items or questions were advised to be submitted to the Company anytime during October 1, 2014 – December 31, 2014. As at the end of this period, no names of any nominee-candidates for directorship or other agenda items were submitted by any shareholders.

The Company also facilitates those shareholders who are not able to attend the meeting themselves in allowing them the opportunity:

- 1) To send in a proxy form, on which the shareholder can specify their desired vote - agree or disagree or abstain - for each agenda item, including an explanation of the simple process in assigning a proxy vote. This will allow and ensure that shareholders can be well prepared in advance and that their proxies can attend the meeting without any problems.
- 2) To appoint an independent director as the authorized proxy - with at least 1 independent director being assigned by the Company as an officially designated proxy for shareholders.

2. Letters of Invitation to Shareholders

At least 30 days prior to the schedule date, the Company also disseminates the same information as contained in the Letter of Invitation to the Shareholders' Meeting via the websites of the Company and of the Stock Exchange of Thailand. On March 27, 2014, such information was disseminated for the scheduled previous Annual General Meeting of Shareholders No. 33 (for the year 2014).

The Letter of Invitation to the Shareholders' Meeting contains all the data and information that will be sufficient for decision-making by shareholders in regards to each agenda item being considered; namely:

- 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-Committees 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 Association.

3. Meeting Procedures

For the shareholders meeting, all the members of the Board of Directors consisting of the Chairman of the Board, 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 involved executives place great importance to the meeting by attending, in order to demonstrate their accountability to shareholders.

The shareholders make use of the voting ballots in casting their votes, so as to ensure full transparency and traceability. The Company also arranges for legal consultants and shareholders' representatives from the shareholders meeting to be present as witnesses in the counting and monitoring of all votes exercised.

The Company Secretary informs the meeting about the meeting regulations and procedures together with the accompanying information of each agenda, as well as the process for exercising and counting the votes of shareholders for each respective agenda item, in accordance with the Articles of Association of the Company. For those agenda items in which any directors have any vested interests or are involved in any way, those directors will be asked to leave the meeting and also to abstain from voting on that matter.

The Chairman conducts the meeting strictly according to the respective agenda items specified in the Letter of Invitation. No additional agenda items are allowed to be added without an advance notice having been given to all shareholders. The Chairman allocates sufficient time for shareholders to adequately express their opinions, raise any questions, and give any suggestions for each agenda item. Before requesting the meeting to vote on any agenda item, the Chairman (or the Company Secretary) clearly explains or answers any questions from shareholders, because all questions and suggestions are considered important.

4. Preparation of the Minutes of Shareholders Meetings and Disclosures of Resolutions

After the end of every shareholders meeting, the Company discloses a summary of all the resolutions made through the SET's electronic information dissemination system (ELCID) on the same day or before 09.00AM. of the following day. Further, a full version (in Thai and English) of the official minutes of the shareholders meeting, which contains disclosures of all relevant data and sufficient information as well as details of the votes casted (i.e. agreed, disagreed or abstained) together with any suggestions, questions and responses made for each agenda item, is posted on the Company's website.

For 2014, the Company received evaluation relating to its 'AGM Checklist' from the Thai Investors' Association, and was awarded a full 100 points again for the 3rd consecutive year.

9.7.2 Fair Treatment of All Shareholders

The Company currently has a registered and paid-up capital of Baht 2,709,904,800 comprising 2,709,904,800 common shares. On December 30, 2014 the Company has a "free float" of 52.01% of the total shares issued and paid up held by retail investors, 7.06 % by institutional investors, and 22.31% by the Company's directors.

In 2014, the treatment to all shareholders by the Company was as follows:

1. Preparation of the Annual Report

The Company prepares the Annual Report 2013 and sent out to shareholders within 4 months after the end of the fiscal year.

2. Advance Notification before the Shareholders' Meeting

The Company sent the Letter of Invitation to the Shareholders' Meeting (in Thai and English) to all shareholders, in order to provide information regarding proposed agenda items together with associated objectives, reasons and opinions of the Board of Directors for each agenda item; meeting procedures and voting process; proxy forms; as well as the proposed meeting venue and time considered as appropriate.

In 2014, the Company sent out the Letter of Invitation via the Company's Shares Registrar on April 8, 2014, which was 21 days prior to the scheduled meeting date. The same Letter of Invitation was also advertised to notify the proposed meeting date in newspapers for three consecutive days being at least three days before the scheduled date.

3. Protection of Shareholders' Rights

The Company offers all shareholders the right to propose any meeting agenda items, without having to collect together the normal combined required total number of shares as specified by law. However, the Company, represented by the Board of Directors, reserves the right to consider whether to approve adding any such proposed agenda items by strictly complying with the law.

The shareholders' meeting will proceed in sequence according to the agenda items as notified in the notice of the shareholders meeting. No other agenda item shall be added to the meeting other than those as specified in the notice of the shareholders meeting without advance notice made to all shareholders. This is in order to be fair to any shareholders not able to attend the meeting.

4. Equal Rights for the Company's Board of Directors / Executives

The Board imposes the Conflict of Interests Policy and the Securities Trading and Inside Information Policy as part of the Company's regulations. All board directors, executives and employees of the Company must acknowledge and strictly adhere to, in order to prevent any directors or executives from misusing 'inside information' for either personal gains or for the benefit of others.

These regulations cover the acquisition or disposal of Company's shares, which must be strictly avoided before the official public disclosure of the Company's financial statements quarterly/at the end of the fiscal year or any important information for any other special circumstances. As such, the Company's board directors, executives and employees must acknowledge and strictly adhere to the following regulations:

- 1) Control and restrictions on the use of inside information (as specified in detail under Item 9.5 : "Restriction of Inside Information").
- 2) For any connected transactions or transactions that might result in a Conflict of Interests:

The Board of Directors has the policy to strictly comply with the established guidelines, procedures and required disclosure of connected transactions, as specified by the Capital Market Supervisory Board and the Stock Exchange of Thailand, to control and oversee transactions between the Company and its subsidiaries with any connected parties (such as, executives, major shareholders, or controlling persons) which may result in a conflict of interests. This is to ensure full transparency and maximum benefits to the Company and its shareholders.

Throughout 2014, the Company undertook connected transactions that were considered part of its normal business activities to support normal ongoing business operations, and/or related to short-term rental of properties. The Company observed both the prices and associated terms 'on an arm's length basis' and/or under the criteria specified by the Board of Directors. Such transactions are disclosed under Item 12 : "Connected Transactions".

- 3) Acquisition or Disposal of Assets

The Board of Directors has established policies on transactions associated with the 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 Considered as an Acquisition or Disposal of Assets" and the Notification of the Board of Governors of the Stock Exchange of Thailand "Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets (B.E. 2547)".

During 2014, the Company did not undertake any acquisition or disposal of assets of any material value or that required approval from the shareholders' meeting as required by the law.

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

The Company requires that the Company's board directors and executives provide information and report on any conflict of interests situations on their part with any connected persons. Such reports will be maintained by the Company Secretary, in compliance with all applicable and relevant laws. In the Board of Directors' meeting, if any matters under consideration may be associated with a conflict of interests on the part of any director present, then that director shall leave the meeting during the discussion of that matter in order to ensure complete transparency and fairness.

In 2014, the Company announced regulations (updated in 2014) relating to trading transactions of the Company shares by directors and executives. The Company's directors and executives are required to report any potential Company shares trading transactions to the Chairman of the Board or the Company Secretary at least 1 working day in advance prior to conducting any such transactions. All directors and executives have then reported in advance prior to executing any such transactions every time.

9.7.3 Roles of Stakeholders

The Company respects the rights of and provides fairness to all stakeholder groups, who have or may have been affected by the Company's business operations. These stakeholders include the Company's personnels, shareholders, investors, customers, trading/business partners, competitors, creditors, independent auditors and press and media, together with local communities where the Company's businesses are located, surrounding society, and the government sector. The Company also regularly promotes cooperation with various stakeholder groups, so as to achieve continued stability and sustainable development for the Company.

In 2014, based on the recommendations of the Good Corporate Governance Committee, the Company's Board of Directors approved and published an updated edition of the Company's Business Ethics (1st revision - 2014)', so that it will be appropriate to the current situation and business operations of the Company. In this revised edition, it also incorporated the Company's 26 Policies and Practices Guidelines relating to the 'Role of Stakeholders' (as published in 2013) with the following details :

Guidelines on Business Ethics (1st revised - 2014) and Good Corporate Governance Policies (3rd revision – 2014)

| No. | Business Ethics & Code of Conduct (1st Revision) | No. | Good Corporate Governance Policies (3rd Revision) |
|-----|---------------------------------------------------------------------------|-----|-----------------------------------------------------------------|
| 1. | Responsibilities to Shareholders | 1.1 | Policy and Practices Guideline on Treatment of Shareholders |
| 2. | Conflicts of Interests | 2.1 | Policy and Practices Guideline on 'Conflicts of Interests' |
| 3. | Purchase/Sale of Shares of the Company and Disclosure of Information/News | 3.1 | Policy and Practices Guideline Relating to the Press and Media |
| | | 3.2 | Policy and Practices Guideline on the Use of Inside Information |
| 4. | Conduct Towards Customers, and Product Quality | 4.1 | Policy and Practices Guideline on the Treatment of Customers |

| No. | Business Ethics & Code of Conduct (1st Revision) | No. | Good Corporate Governance Policies (3rd Revision) |
|-----|--------------------------------------------------------------------------|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. | Conduct Towards Business Partners and/or Creditors | 5.1 | Policy and Practices Guideline on the Treatment of Business Partners |
| | | 5.2 | Policy and Practices Guideline on the Treatment of Creditors |
| 6. | Conduct Towards Business Competitors | 6.1 | Policy and Practices Guideline on the Treatment of Business Competitors |
| 7. | Conduct Towards the Staff | 7.1 | Policy and Practices Guideline on Occupational Health & Safety in the Workplace, and the Working Environment. |
| | | 7.2 | Policy and Practices Guideline on Staff Remuneration and Welfare |
| | | 7.3 | Policy and Practices Guideline on Developing Employees' Knowledge and Capability |
| | | 7.4 | Policy and Practices Guideline Relating to Violation of Human Rights |
| | | 7.5 | Policy and Practices Guideline Relating to Complaints |
| 8. | Staff Conduct and Treatment of Co-Workers | 8.1 | Policy and Practices Guideline on Employees' Conduct and Treatment of Co-Workers |
| | | 8.2 | Policy and Practices Guideline on the Prevention of Sexual Harassment in the Workplace |
| 9. | Safeguarding and Using the Company's Assets and Resources | 9.1 | Policy and Practices Guideline on Violations of Intellectual Property Rights |
| | | 9.2 | Policy and Practices Guideline on Employees' Responsibilities towards the Company's Property/Assets |
| | | 9.3 | Policy and Practices Guideline on Efficient Utilization of Resources |
| | | 9.4 | Policy and Practices Guideline on Energy Conservation |
| 10. | Receiving or Giving of any Bribes and Gifts, and Entertaining Activities | 10.1 | Policy and Practices Guideline on Anti-Corruption and on Prohibiting any Form of Bribery in return for the Business Benefits of the Company |
| | | 10.2 | Policy and Practices Guideline on Giving Gifts or Entertaining Activities |
| | | 10.3 | Policy and Practices Guideline on the Protection of and Fairness to Informants on any Corruption or Non-Compliances with Applicable Laws, Rules and Regulations |
| 11. | Responsibility Towards Society and the Common Good | 11.1 | Policy and Practices Guideline on the Treatment of Society |
| | | 11.2 | Policy and Practices Guideline on Community Development |
| | | 11.3 | Policy and Practices Guideline on Operating the Business within Environmental Standards |
| 12. | Internal Control and Internal Audit Systems, and Financial Reports | 12.1 | Policy and Practices Guideline on Internal Control Systems and Financial Reports |

The Company has published its **Business Ethics (1st revised – 2014)** on its website at www.srithaisuperware.com

9.7.4 Disclosure of Information and Transparency

The Board attaches great importance to the disclosure of information with accuracy, completeness and in a timely manner. Such information is disclosed in accordance with the situation relating to financial information (such as financial circumstances, and performance) as well as non-financial information (such as shareholdings structure, Company governance, and other business-related information), in order to benefit all shareholders and outside persons. The Investor Relations Unit is assigned to be responsible for providing and disclosing such up-to-date information with accuracy and completeness, as well as for providing easy access via all communications channels arranged by the Company. Hence, investors and outsiders can effectively contact the Investor Relations Unit to inquire about such information in a convenient and speedy manner as follows:

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

The following information about the Company, Board of Directors and shareholders, as well as other related information are disclosed:

- Vision and mission
- Business operations
- The Company's Articles of Association
- The Company/Group structure and business management structure, including any changes thereto
- Names and details of the Company's Board of Directors and executives
- Shareholding structure; information on major shareholders holding, directly or indirectly, 5% or more of all the outstanding paid-up shares with voting rights; shareholders ratio, as well as details of shareholdings held, directly or indirectly, by board directors and executives via their spouses/family members
- Price movements of the Company's shares which links to other credible website e.g. www.settrade.com
- Direct channels of communications, with assigned independent directors, for informants (or whistle blowers) to inform on any alleged corruption or acts of non-compliance with the relevant applicable laws, rules and regulations.

In 2014, the Company did not receive information from informants relating to any alleged fraudulent actions that are illegal or non-compliance to specified relevant regulations and rules of the Company in accordance with the Company's "whistle blower program".

2. The Company's Good Corporate Governance Policies and Practices

The Board of Directors has stipulated that the following information on the Company's Corporate Governance matters be disclosed on the Company's website and Annual Report:

- Good Corporate Governance policies, risk management policies, environmental care policies, together with results from complying with such policies and including identification of and reasons for each case of non-compliance.
- Roles and duties of the Board of Directors, Board Committees/Sub-Committees, number of Board/Board Committee meetings and the attendance record of each director, together with ongoing training and professional knowledge improvements of board directors.
- Remuneration policies for board directors or executives, which corresponds to the required contributions, duties and responsibilities of each person, together with details of the forms or types of compensation to be given.
- Reports on the Company shares held by directors and executives, any significant shareholdings and connected transactions that are considered and approved by the Board of Directors.
- Required Business Ethics for directors and employees.

- Information on the external auditors together with relevant qualifications, audit fees, and other professional (non-audit) services fees, and the external auditors' independence.

3. Operating Performance

The Board arranges to have accurate financial reports that are in accordance with generally accepted accounting principles and standards and audited by independent auditors. Management Discussion and Analysis of the Company's operating performance results, business opportunities and obstacles, industry environment and conditions, and competitive activities are also provided. Additionally, clearly measurable and achievable key performance indicators (KPIs) are established and agreed for the Company's performance goals; and these KPIs are also used in assessing the business's competitiveness in the industry. The Company's internal and external risk factors are analyzed, so as to determine concrete guidelines and policies for their prevention and measurement of related results.

These financial reports are disclosed on the Company's website at the end of every quarter and annually. Moreover, the Company also discloses other news and information through announcements and press interviews - via printed media, television, and radio; and participates in investors-related activities arranged by the Stock Exchange of Thailand - such as :

1. Thailand Focus 2014 & Competencies Growth Potential on August 27, 2014
2. Opportunity Day event on September 11, 2014
3. Shareholders' visit on November 20, 2014

4. Timely and Proper Disclosure of Information

The Board has policy for disclosing information, whether related to financial or non-financial matters, at the appropriate time and with full fairness to all stakeholder groups. Such information is disclosed in accordance with the criteria or regulations specified by the Stock Exchange of Thailand. Any significant information will be first disclosed to the public via a press conference or through the Stock Exchange of Thailand, so as not to benefit any particular group of persons.

In the event that there is a need to disclose any information to any involved person(s), specific measures are then to be taken to ensure that the aforementioned person(s) maintain confidentiality of the said information until the Company either officially discloses that information to the public or considers disclosing the information to the public immediately.

The Company places great importance to the Company's securities analysis report by financial analysts from all financial institutions, which will also be disseminated on the Company's website. However, the Company refrains from expressing its opinions or assessing the opinions or estimates of such financial analyses, unless any significant content errors exist. The Company will explain details and establish a good understanding with such financial analysts, as deemed appropriate, in order not to create any possible misunderstanding among investors, who make use of such analyses and reports.

5. Investor Relations

The Company has assigned Office of the Company Secretary to perform the duties of the Investor Relations Unit, including making available a section dedicated to Investor Relation (IR) on the Company's website. This is to enable shareholders/investors to have easy access to any relevant information as well as to have a channel of communication with Company directors and executives. The Office of the Company Secretary also compiles all questions, comments and suggestions received via telephone, fax or the Company's website IR section, and forwards them to board directors and executives for their responses, follow-up actions and progress reports as deemed appropriate.

10. CORPORATE SOCIAL RESPONSIBILITY

10.1 Overall Policy

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 (“CSR Committee”) comprising 14 members of its executives and expert as follows :

| | |
|--------------------------------|------------------------------------|
| 1. Mr. Sanan Angubolkul | Chairman of the CSR Committee |
| 2. Mr. Prin Bholnivas | Vice Chairman of the CSR Committee |
| 3. Mr. Settapong Haemintakun | CSR Committee Member |
| 4. Mr. Manit Ativanichayaphong | CSR Committee Member |
| 5. Mr. Apisit Tangsatit | CSR Committee Member |
| 6. Mr. Pawat Chalermpong | CSR Committee Member |
| 7. Mr. Pongsak Kantiratanawong | CSR Committee Member |
| 8. Mr. Chaichan Chareonsuk | CSR Committee Member |
| 9. Mr. Prayoon Kajitte | CSR Committee Member |
| 10. Ms. Bunnapa Lertsumitkul | CSR Committee Member |
| 11. Mr. Pramual Pinyo | CSR Committee Member |
| 12. Mr. Surasit Sirisompop | CSR Committee Member |
| 13. Mr. Somsong Raksapol | CSR Committee Member and Secretary |
| 14. Mr. Bandit Hiranvivatkul | Advisor of the CSR Committee |

The Committee has the duty and responsibility to set directions and approaches that are related to corporate social responsibility. These 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 within the framework of conducting its business ethics as well as the principles of good corporate governance. This is in order 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), Business Ethics (1st revised edition -2014), and Policies and Practices Guideline for Good Corporate Governance – Section on the Role of 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 that has been continually adopted up to the present time 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. These 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) Manage 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) Respect 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 an Office of Safety, Health and Environment. 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 activities of the Company relating to its employees are as follows:

- 1) Set up a provident fund for employees with Tisco Asset Management Company Limited managing the fund.
- 2) Ensure that the working environment is completely safe. The Company has received reports of a total of 17 incidents of staff-related accidents at its 4 plants that necessitated work to stop for not more than 3 days.
- 3) Arrange to undertake further development of the knowledges and capabilities of its employees. Every year the Company holds various training courses for not less than 50% of all its employees, in accordance with the Labor Skills Development Act B.E. 2545, etc.

In 2014, the Company received no significant complaint from employees.

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 committee on safety, health and environment in workplace has been established in each plant to effectively conduct the schemes under a uniform system with the same standards throughout the organization, which includes inspection, ongoing improvement, and evaluation of safety standards.

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.

The Company attaches importance on its human resources by organizing activities for its employees regularly. Various activities were organized by the Company and with external organizations as follows :

- You Dee Mee Suk Project
- Labor Safety and Good Health Program
- Drug Free Workplace Award

All such activities are undertaken with the aim of enabling the employees to have a better quality of life following the principles of 'Sufficiency Economy' of His Majesty the King, together with a safe and healthy way of life as well as totally free from use of drugs. Additionally, the Company has established its 'Srithai Training Center' program, that promotes its staff – especially those in the production - to learn and develop their skills before actually taking up their duties. The Thai language courses for foreign labour are also arranged to enable them to better communicate with others at work. A suggestion box is available for workers to make suggestions and submit complaints - in any of these 3 languages: Thai, Myanmar and Cambodian languages. This is to enable the Company to make any improvements or provide any clarification on work related issues for the sake of better understanding amongst its workers. Besides, it is a genuine indication of its intent to give fair and equal treatment to all its workers regardless of their nationality.

In 2014, Bangpoo and Korat plants received the Excellent Establishment on Labour Relations and Welfare Award 2014 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 price, quality, safety, warranty, and product and service development so as to better meet continual customer needs;
- Give importance to trade partner from the process of procurement, selection, evaluation and doing business together for the maximum benefits of the Company with fair returns for both parties;
- Conduct business within the framework of fair rules; use professional competitive manners in compliance with good competition means in order to benefit consumers. 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 as well as required laws;
- 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 received certificates regarding product standards as follows :

Standard on Quality Management System for Automotive Industry

Bangpoo plant was certified with the quality management system for automobile industry ISO/TS 16949:2009, which is technical specifications for automotives 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

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

The Company gives importance to its production processes, at the Suksawat and Amata Nakorn-Chonburi plants, in regards to consumer safety and health, where food and beverage packaging products are manufactured. The Company has also undertaken to implement improvements to the basic environment for the production processes at these plants, together with complying to all the regulations of the relevant official agencies on a continuous basis. This is so that its production processes and the Company's products achieve international standards of quality and safety. As well, it creates confidence on the Company's customers, who are business operators in food and beverage industry, including consumers.

Both plants have received Good Manufacturing Practice (GMP) certification - or good manufacturing practices relating to production of food products, together with Hazard Analysis and Critical Control Point (HACCP) certification relating to the analysis of hazards and vital control points in the production of food products. Furthermore, additional certifications regarding safety and food quality standards have been received as follows:

- Amata Nakorn, Chonburi plant received the certificate of the Food Safety Certification (FSSC 22000: 2011), which is verification of safety standards in the production of food products from SGS.
- Suksawat plant received certification of the BRC/IOP (Issue 4) regarding food safety standards, for food packaging from TUV NORD at early 2015, which makes Suksawat plant the first injection plant in Thailand to receive this certification with a 'grade A' score.

Awards on Business Operations Received in 2014

- **The 1st ASEAN Plastics Award**

On October 22, 2014, the Company received the 1st ASEAN Plastics Award – Gold Class for Food Rigid Packaging from the ASEAN Federation of Plastic Industries (AFPI). It is an award given to businesses that has pioneered in the development of research that have made use of the achieved innovations for commercial purposes within the ASEAN Region.

- **Outstanding Achievement in Quality Management 2014**

On November 26, 2014, the Company received an Outstanding Achievement in Quality Management 2014 Award from the Ministry of Industry. This is an award given to businesses that have received the TISI/ISO

9001 certification for its management systems, and capability to be a role model for other businesses regarding its initiatives in innovation and diligent efforts to create new ideas that benefit the overall industry in the country. The award was given to a company based on actual operational achievements and results relating to its policies and strategies, resources management, processes management, monitoring, evaluation, together with assessing the outcomes for making further improvements and knowledge management.

- **Winner of the Asia Pacific Entrepreneurship Award 2014**

On November 26, 2014, Mr. Sanan Angubolkul, Chairman & President, received the Winner of the Asia Pacific Entrepreneurship Award 2014 from Enterprise Asia. It is an award given to business leaders who have made outstanding achievements in the development of their businesses as well as have achieved continuous successes that have been recognized within the Asia Pacific Region.

- **The Prime Minister's Industry Award - 2014 for Outstanding Achievement in Small and Medium Industries Management**

On November 26, 2014, Korat Thai Tech Company Limited received the Outstanding Achievement in Small and Medium Industries Management Award from the Ministry of Industry. This award is given to small and medium businesses, that have good management systems, clearly defined business plans, continuous profitability, as well as achieved actual results in these 6 key areas: business operations, finance, quality of its products and services, marketing and customers, human resources, corporate development and adaptability, and business ethics and corporate social responsibility towards local communities - in order to drive the development of its business towards achieving international standards of operations.

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, all the 3 plants, Suksawat, Bangpoo and Korat 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. However, in 2015, the Korat plant plans to raise its CSR standards beyond the 'Beginner' standard, for which it was given the CSE-DIW Award.

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, so that other business operators will also see the importance of as well as be recognized for such activities both in Thailand and other ASEAN countries. The Company also gives importance on efficient energy management, and promotes the energy management having outstanding, efficient and continuing results. 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.



Additionally, the Company has made use of the Thin Recess Injection Molding (“TRIM”) technology in its production process. The technology is based on product designs with reduced thickness of walls that is developed for its food packaging products. The Company started with its 64 oz food bucket that reduces raw materials as well as energy used in its production, but has the same effective and usage quality as the old product. In 2014, the Company received an award for this innovative product, namely the IMDA Award 2014 (In-Mold Decorating Association Award 2014) - for The Best Thin Wall Packaging Product Category from the In-Mold Decorating Association in the USA. It is an award given to a business operator making use of the innovative In-Mold Decorating system in its production process combined with the In Mould Labeling and TRIM technology to produce packaging products that are both strong and beautifully designed.



The Company gives importance to the a 3-save guideline: Save Material, Save Energy, Save the World, which was defined and used to drive CSR related activities that has now become a part of the working culture of all the workers in the organization. This guideline has been adopted through giving great importance to 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 as well as effective use of its products. 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.

The Company received a certificate on Standards from the Greenhouse Gas Management Organization in using Carbon Label for 2 food container items, which is another successful achievement 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 apply for the Carbon Label for the 29/25 bottle closure as appropriate depending on the opportunity and factors necessary for the application.



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, namely 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, such as joining 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 able to become a model factory in energy preservation for the Department of Alternative Energy Development and Energy Preservation, Ministry of Energy. Those interested, students and lecturers from educational institutions were invited to participate in a seminar for sharing the knowledge and experiences at the Company's factory. As such, Company has disseminated its work and measures that made it successful in energy preservation, as well as organized joint activities and assessment.

The Company has received the Energy Management ISO 50001:2011 certification, relating to its energy management standards for 2 plants. It reflects its commitment and successful intent to genuinely operate its businesses under the

principles of efficient energy management. 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.

During the past several years, the Company's manufacturing plants have received various awards relating to energy savings, and again in 2014 as follow :

- **Thailand's Energy Award -2104 – for energy conservation in the transportation category**

On November 21, 2014, the Korat plant was given the Thailand Energy Award -2014 - for energy conservation in the transportation category from the Alternative Energy Development and Energy Efficiency Department, Ministry of Industry. This award is given to transportation business and/or manufacturing operators who incorporate efficient transportation management systems in regards to energy conservation, showcasing successful achievements as well as creating greater awareness on the part of other business operators to follow or adapt so that they can also achieve similar successes on a sustainable basis. The award has 5 categories, namely: alternative energy usage, energy conservation, human resources, use of creative energy, and for promoting energy conservation or alternative energy.

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. Consequently, the Company has received certifications relating the environment as follows :

- 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 further Level 4 (Green Culture).

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 Report for Sustainable Growth 2014, and will publicize it on the Company's website accordingly.

10.3 Business Operations that Affect Social Responsibility

In 2014, 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 to 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 be 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, Vice Chairman of the Thai Chamber of Commerce, 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. The Company was not limited to donation of money, goods and public service, but inclusive of other community development activities, such as :

- Encourage and support 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;
- Arrange 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;
- Encourage and promote the Company's staff to realize the importance of CSR and to continuously participate in activities which promote CSR within and outside the Company in order to gain knowledge and understand the benefits of CSR activities to the Company's business;
- Promote 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.
- Participate in the 'Promoting Thai industries to Invest in the Republic of Vietnam' program. This is a joint cooperation program between the Institute of Management Education of Thailand (IMET) Foundation, the Board of Trade of Thailand, and the Thai Chamber of Commerce. The objectives are to promote and provide advice on management and investments to those Thai SMEs business with high potential and keen interest to expand and invest in Vietnam, by working in the capacity as a voluntary mentor having extensive experiences in being a Thai business already achieved success in Vietnam. The Company has signed up as one of many Thai businesses willing to be a mentor under the program.

The Company has prepared a Corporate Social Responsibility Report for Sustainable Growth 2014, 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 Practices Guideline 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 2014, the Board of Directors approved the Company to officially declare its position and intent through participating in the Private Sector Collective Action Coalition Against Corruption (CAC) initiative. The Company has also established policies and practices guideline on anti-corruption, based on the Company's commitment to conduct its businesses in a fully transparent and accountable manner, with equitable treatment towards all stakeholder groups, as well as giving great importance to being against all forms of corruption. As such, these policies and practices guideline have been communicated to all of the Company's Board Directors, members of executives and employees at all levels together with all stakeholders, which are as follows:

1. Any operational activities must not lead to any possibility of either receiving or giving of bribes from/to any stakeholders and other parties involved in the assigned responsibilities including government or private sector officials, for the sake of illegally or inappropriately gaining any benefits or causing a loss of any benefits to others, which include any actions in the following manner:
 - 1.1. Not receiving monetary benefits, goods or any other types of benefits, that may induce acts of misconduct in the course of discharging one's responsibilities;
 - 1.2. Not giving any monetary benefits, goods or any other types of benefits, aimed at inducing the recipients to make decisions or to undertake any actions, which lack adherence to any established rules and regulations;
 - 1.3. Not being an agent or representative in offering any monetary benefits, goods or any other types of benefits to those involved with the Company's business or officials of government agencies and of other organizations, with the aim of acquiring any special and inappropriate special privileges or inducing any actions lack adherence to any established rules and regulations.
2. Any activities relating to sourcing or procurement and contracting out work must be undertaken in accordance with the established Company regulations and procedures, in an equitable, transparent and accountable manner.

3. Any entertainment activities or other expenditures incurred must be in compliance with contractual conditions, must be undertaken in the name of the Company, as well as must be of an appropriate and reasonable value that is accountable.
4. All contributions to charities are required to be made in accordance with the following procedures and guidelines:
 - 4.1. Contributions to charities in the form of cash or other types of Company assets made in the name of the Company: Recipients must be bone fide foundations, public charity organizations, temples, hospitals and other medical/relief services organizations, or other organizations for social benefits having an official certificate of accreditation or that are creditable. Such contributions must also be accountable, and be made in accordance with the established Company rules and regulations.
 - 4.2. Contributions to charities in the form of cash or other types of personal assets made in the name of an individual person: These must not involve or allude to the possibility of any corruption, hidden agenda and intent to gain inappropriate or illegal benefits.
5. Giving of monetary contributions or any other types of the Company assets to support the activities of any external organization or parties must be done in the name of the Company only. Such contributions must be aimed at benefiting local communities or society as a whole, as well as at enhancing the Company's corporate image and reputation. The disbursement of such contributions must be based on clearly defined objectives together with appropriate supporting documentation that can be audited, as well as made in accordance with the established approval procedures and processes of the Company.
6. The Company is firmly committed to its impartial political stance and does not give, directly or indirectly, any such support to any specific political party, member of a political party or election candidate for political offices, as well as any organization or person involved in politics. Additionally, the Company does not permit any executive or staff to undertake any activities involved with politics while still holding a position within the Company; as well as does not authorize the use of any Company assets in regards to any political activities.
7. Directors, executives and staff must discharge their respective duties and responsibilities with transparency and always keep in mind the benefit of the Company. They should also not neglect their duty or abandon their responsibility when they come across any activities, which are or may be considered as acts of corruption or misconduct that may have a direct or indirect impact on the Company. If incurred, they should submit the relevant information to or file a complaint with the Company in accordance with the established policy, procedures and guidelines of the Company relating to good corporate governance principles.
8. In the event that any staff member refuses to undertake any acts of corruption, that may result in loss of benefits or business opportunities for the Company, that person will not be punished or disciplined in any way or be transferred or be demoted, as well as will not receive any negative impacts whatsoever. The Company will always protect and treat in an equitable manner any staff member, who refuses to undertake any acts of corruption, or who acts as an informant or submits a complaint regarding with any acts of corruption or misconduct by others that involves the Company, in accordance with the established policy, procedures and guidelines of the Company relating to good corporate governance principles.
9. The Company has embedded the steadfast cooperation and full adherence to this anti-corruption policy and practices guidelines as part of the KPI's used in its annual staff performance evaluation process and consideration for staff promotion and career advancement.
10. Directors/executives/staff found to be involved with any acts of corruption or misconduct will receive disciplinary punishment according to the rules and regulations of the Company, and may also be subject to legal prosecution according to the applicable laws.

11. Executives are responsible for communicating and informing this matter to all staff, in order to ensure full awareness and understanding; as well as for overseeing that all staff members and any other involved parties comply with this policy and operating guidelines.
12. Directors have the duty in and responsibility of assessing and reviewing that effective and efficient compliance with as well as full adherence to this policy and practices guideline are achieved, in order to establish and maintain, on a sustained basis, anti-corruption practices as a key component of the Company's corporate value and culture.

The Company has communicated these anti-corruption policies and practices guidelines on the Company website: www.srithaisuperware.com; and, during 2014, has undertaken the following activities relating to anti-corruption :

- Arranged for Board Directors and involved members of executives to attend training courses, held by the Thai-IOD, on anti-corruption, namely: Anti – Corruption : The Practical Guide.
- Prepared a 'Good Business Ethics for Business Partners' for the Company's business partners sign and acknowledge, so that all associated transactions are undertaken on the business ethics and equitable basis; whereby the Company received good cooperation in this regard.
- Created the 'Srithai Superware Public Company Limited Fully Cooperates with and Joins in Anti-corruption Actions', signage as shown below, for use in its public relations campaigns – both internally and externally.



- Determined a self evaluation form, with various groupings of anti-corruption measures that includes a total of 17 core categories under 3 key headings : namely, Strategy, Process, and Human Resources. This is for use in defining action plans that support the Company's anti-corruption measures, as well as for ongoing monitoring and auditing activities.
- Determined key internal course headings relating to anti-corruption that will be incorporated in the staff training programs for 2015.

The Risk Management Sub-Committee has reviewed the assessment of risks as a result of any acts of corruption within the organization in regards to key transactions during 2014. As such, there were no incidents that may have caused any significant risks for the Company.

The Company makes available the internal control systems 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 Boonbanjersri 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. INTERNAL CONTROLS AND RISK MANAGEMENT

11.1 Opinion of the Board of Directors on the Internal Control Systems

The Board of Directors arranged to have established a system of internal control that is adequate and appropriate to the Company's business operations. A set of systematic risk management measures was provided through assessing and analyzing various possible external as well as internal risk factors that may have impact on the business. The Audit Committee and the Risk Management Sub-Committee were appointed and adopted respective Charters that clearly define the duties and responsible of each Committee, in order to reasonably ensure that the Company has in place an adequate and appropriate systems of internal control to effectively support the achievement of the corporate objectives and goals as follows:

- Policies and goals of the Company.
- Information systems and financial reports that are accurate and reliable.
- Regulations, policies, and operations procedures of the Company together with all relevant applicable laws are complied with.
- All assets of the Company actually do exist, and are kept in good order,
- with such assets protected from being used by directors or executives in an illegal manner or without authorization.
- All business operations are conducted and all resources are used in an efficient manner.
- Any irregularities are detected and known in order to be early warning signs of possible dangers, which will help reduce and mitigate risks to acceptable levels.

At the Board of Directors meeting No. 6/2557, held on December 23, 2014, the Company's Board conducted an assessment of the adequacy of the Company's internal control systems. The assessment was based on the principles and guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand, which have been revised in accordance with the COSO Internal Controls Integrated Framework 2014 and consist of 5 key aspects (as shown below). From this assessment, the Board concluded that the Company has in place internal control systems that is adequate and appropriate, and that no significant deficiencies have been found in regards to the Company's internal control systems and financial reports, with details as follows:

1. Control Environment

The Company has clearly defined various operations objectives and goals for its businesses that are measurable. These comprise detailed business activities, strategic plans, corporate vision, budgets and associated KPI's in order to create shareholder value, to meet the needs of its customers based on environmentally friendly production activities with social responsibility, and to develop and enhance the knowledge and capabilities of the Company's staff. The Company's Board of Directors is independent from the executives and is responsible for overseeing and monitoring the activities of the executives to ensure that their activities are in accordance with the plans.

The Company has established a corporate structure comprising various lines of management with authorization and responsibilities in order to effectively control and reduce the risks of any possible situations of conflict of interests.

2. Risks Assessment

The Company has established a Risk Management Sub-Committee, comprising Board Directors and involved members of the executive. The Risk Management Sub-Committee is responsible for reviewing and assessing potential external risks factors – such as, government policies, macroeconomic conditions, technological changes, together with internal risk factors that may impact the achievement of the objectives and goals, business plans, and overall business operations of the Company.

The Risk Management Sub-Committee assesses various information in regards to their potential likelihood and possible impacts, in order to define an appropriate 'risk matrix' to serve as guideline in determining measures and action plans to meet such identified risks. The Sub-Committee assigns related executives and staff to implement and monitor the progress of risk management activities, and then to report their progress to the Risk Management Sub-Committee.

The Risk Management Sub-Committee carries out its duties under the oversight of the Audit Committee. It reports the performance to the Audit Committee and the Board of Directors on a quarterly basis.

3. Control Activities

The Company's Board of Directors appoints 3 Board Committees, namely: the Audit Committee, the Good Corporate Governance Committee, and the Nomination and Remuneration Committee with 1 Sub-Committee - the Risk Management Sub-Committee. All these Board Committees and Sub-Committee undertake activities in accordance with their respective scope of duties and responsibilities, in order to facilitate and support the sustainable growth of the Company in the long term.

The Company has established a segregation of duties into 3 areas to ensure that effective check-and-balance systems are in place consisting of 1) approval responsibility, 2) responsibility for recording accounting transactions and information, and 3) responsibility for safeguarding assets.

The Company has established, in writing, the approval authority for business transactions and approval limits, based on the respective executives level. Guidelines for overseeing and monitoring any connected and related-party transactions in accordance with the legal requirements are also provided.

Additionally, important regulations are developed or revised in accordance with the relevant official requirements as specified by government or regulatory agencies as well as with current operational procedures and working conditions. This is to ensure that the current internal control systems remain adequate and appropriate.

4. Information & Communications

The Company places great importance on the information technology system as well as on internal and external communications. These are key factors in being able to learn about and be aware of the Company's performance as well as in supporting the decision making process of the Board of Directors and the executives with accurate and timely information. The Board of Directors are, thus, able to have access to sufficient important information and all supporting documents for its meetings. The Company Secretary is required to send out at least 7 days prior to every Board meeting for use by the Board in considering agenda items as well as being able to request the Company to provide any additional documents.

The Company has determined the right or authority to access information regarding the operational areas or aspects of the Company. For the sake of security and maintaining confidentiality as well as in recognition of current advances in technology and importance of its informational technology system, the Company has developed procedures to oversee its IT equipments and to regularly back up all important information and data.

Additionally, the Company has established an 'internal web - information system' for use by every staff level as a means access to information and any Company communications. The Company's official website www.srithaisuperware.com is a channel of communications to communicate with and disseminate news or information to all stakeholders and those interested in the Company's businesses.

5. Monitoring Activities

The Company's executives are responsible for driving forward the business of the Company, in accordance with corporate policies, objectives and goals. Executives are also responsible for solving any problems that may occur, or for adjusting and adapting any operational activities to be aligned with the latest changing situation in the event that

actual results deviate from established targets or operational plans. It is required to report, on a quarterly basis, actual performance results based on the approved plans and objectives to the Board of Directors.

The Company has assigned the Internal Audit Department to be responsible for auditing, monitoring, and assessing all operational activities on a regular basis. Its findings must be reported together with recommendations for any improvements or corrective measures to be implemented by executives in order to ensure that the Company always has in place appropriate internal control systems. The Internal Audit Department performs its duties in an independent manner under the oversight of the Audit Committee.

11.2 Opinion of the Audit Committee on the Internal Control Systems

The Audit Committee has regularly reviewed the internal control systems with the Company's Auditors and Internal Auditors on quarterly and annual basis. All parties have opinion that the Company has in place appropriate and adequate internal control systems. In 2014, the Audit Committee did not find any significant deficiencies in the internal control systems; nor did the Auditors find any alarming situations that would require prompt corrective action, nor any serious fraudulent situations or illegal acts that may have any significant impact on the reputation or financial status of the Company.

The Audit Committee has also disclosed its opinion regarding its review of the internal control systems in the Report of the Audit Committee as shown in Attachment 4.

11.3 Head of Internal Audit Department and Head of Compliance Department

Internal Audit Department reports directly to the Audit Committee and the President. Its responsibilities cover auditing, evaluating the internal controls system, and monitoring the risk management system and corporate governance practices, in order to ensure that the Company has in place such systems that are adequate, effective and efficient in accordance with the Company's objectives.

The Internal Audit Department is an independent functioning unit and is allocated with adequate resources and budgets appropriate for carrying out its audit activities on the Company's operations and compliance with all relevant laws, rules and regulations.

The annual audit plan was prepared by taking into consideration the relevant risk factors, and was approved by the Audit Committee. The Internal Audit Department's findings and performance report was submitted to the Audit Committee and the President. A summary of these internal audit findings are also reported in the Board of Directors meetings on a quarterly basis.

The Company's Internal Audit Manager is Mr. Tanatch Sripan, who has been appointed by the Audit Committee since 2008. Mr. Tanatch Sripan is fully independent and has performed his duties with knowledge, skills and a good understanding of the Company's business and operations. He is dedicated and has fully supported other activities connected with the Internal Audit function such as, the Audit Committee Secretary, Risk Management Sub-Committee, and Good Corporate Governance Working Group. The Company considers that he is fully capable and suitable for the duties as assigned by the Audit Committee. The Audit Committee and the executives have jointly evaluated the performance and merit (or punishment) of Internal Audit Manager, in accordance with the Charter of Audit Committee. The resume of the Internal Audit Manager is disclosed in Attachment 3: Details Regarding the Company's Internal Audit Supervisor and Compliance Operational Supervisor.

Furthermore, in 2014, the Company set-up the Compliance Unit as part of the Office of the Company Secretary. Details of its responsibilities are disclosed in Attachment 3: Details Regarding the Company's Internal Audit Supervisor and Compliance Operational Supervisor.

12. RELATED-PARTY TRANSACTIONS

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

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 2014 are as follows:

| Company Name / Relationship | Nature of Business | Type / Value of Transactions in 2014 | Necessity / Reasonableness |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Srithai Moulds Company Limited 1. A subsidiary whose 71.0% of shares held by the Company. 2. 29.0% of shares held by executives of the Company and relatives of some executives. | Mould Making Service | 1. Normal business transactions amounted to Baht 42.93 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 2014 | Necessity / Reasonableness |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Srithai Moulds Company Limited (Cont'd) | | <p>2. Transactions involving assets or service amounted to Baht 9.99 million</p> <p>3. Dividend income amounted to Baht 3.55 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>Srithai Packaging Company Limited</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> | Manufacture and Distribution of Paper Boxes | Normal business transactions amounted to Baht 12.54 million | 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>Srithai Marketing Company Limited</p> <p>1. A related company.</p> <p>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.</p> <p>3. It has long been a distributor and trade partner for the Company.</p> | Distributor of House-Ware Products | <p>1. Normal business transactions amounted to Baht 197.01 million</p> <p>2. Supporting normal business transaction amounted to Baht 4.89 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 under the criteria approved by the Board of Directors of the Company.</p> <p>2. Transactions supporting normal business on renting 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.</p> |

| Company Name / Relationship | Nature of Business | Type / Value of Transactions in 2014 | Necessity / Reasonableness |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Siam Melamine Marketing Company Limited 1. A related company. 2. 70.0% 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 Baht 106.33 million 2. Supporting normal business transactions amounted to Baht 0.53 million. 3. A short-term property rent amounted to Baht 0.87 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 renting 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. 3. Short-term property rent of land with building provided by the Company on a yearly basis. The rental rate was reasonable as its location, market rental rate and economic condition were taken into consideration. |
| Srithai Stainless Company Limited 1. A related company. 2. 60.0% of shares held by relatives of some executives of the Company, who also serve as directors of Srithai Stainless Company Limited. | Manufacture and Distribution of Kitchenware and Furniture | 1. Normal business transactions amounted to Baht 1.91 million 2. Supporting normal business transactions amounted to Baht 0.05 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. |

| Company Name / Relationship | Nature of Business | Type / Value of Transactions in 2014 | Necessity / Reasonableness |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| S.Sahatara (Thailand) Company Limited 1. A related company. 2. 100.0% of shares held by an executive of the Company and his relatives. Some of them serve as directors of S.Sahatara (Thailand) Company Limited. | Stickers and Labels Printing | 1. Normal business transactions amounted to Baht 3.10 million. 2. Transactions involving assets or service amounted to Baht 0.49 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 entered into a service contract with S.Sahatara (Thailand) Company Limited for the development of barcode printing on the price label of the Company's products. The Company did not hire an independent appraiser to appraise such services / assets acquired because the values were 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. |
| Toho Foam (Thailand) Company Limited 1. A related company. 2. 73.2 % of shares held by an executive of the Company and his relatives. Some of them serve as directors of Toho Foam (Thailand) Company Limited. | Manufacture and Sale of EPE Foam | No related party transaction in the year 2014 | ---- |

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 with 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 2014 in the Notes to Financial Statements for the year ended December 31, 2014, No. 34 Related party transactions, pages 61 – 65.

Related-party transactions in the form of financial support previously existed and no further changed in 2014 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 Baht 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 Baht 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 subsidiaries or associates or related companies apart from those aforementioned.

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 the subsidiaries to be competitiveness.

In addition, the connected transactions executed with persons who might have conflict of interest or be 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. The power was also granted to the executives 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 prior to obtaining approval from the shareholders' meeting, which is 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 executive. 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 financial support provided by the Company may be rising, subject to need, business expansion policy and growth of companies in Srithai Group, especially subsidiaries.

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, 2014 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

| | 2014 | 2013 | 2012 Reclassified |
|------------------------------------|-----------------|-----------------|----------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 472.9 | 437.1 | 441.3 |
| Short-term investments | 5.8 | 7.9 | 7.4 |
| Trade accounts receivable, net | 1,992.4 | 1,855.5 | 1,685.6 |
| Other receivables | 108.6 | 59.6 | 47.5 |
| Inventories, net | 1,599.5 | 1,475.1 | 1,351.5 |
| Other current assets | 133.0 | 114.3 | 96.9 |
| Total current assets | 4,312.2 | 3,949.5 | 3,630.2 |
| Non-current assets | | | |
| Long-term investments | 467.4 | 509.1 | 511.7 |
| Investments properties, net | 128.4 | 134.8 | 141.1 |
| Property, plant and equipment, net | 5,373.1 | 5,295.7 | 4,842.9 |
| Intangible assets, net | 52.8 | 49.4 | 58.0 |
| Deferred tax assets, net | 97.7 | 94.2 | 75.5 |
| Leasehold right | 46.3 | 48.3 | 0.0 |
| Other non-current assets | 38.1 | 44.5 | 65.9 |
| Total non-current assets | 6,203.8 | 6,176.0 | 5,695.1 |
| Total assets | 10,516.0 | 10,125.5 | 9,325.3 |

Consolidated Statements of Financial Position (Cont'd)
For the years ended December 31

Unit : Million Baht

| | 2014 | 2013 | 2012 Reclassified |
|---------------------------------------------------|-----------------|-----------------|----------------------|
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Bank overdrafts and short-term loans | 1,452.3 | 823.4 | 841.0 |
| Long-term loans (maturing within one year) | 619.9 | 563.9 | 532.9 |
| Trade accounts payable | 968.4 | 950.2 | 922.2 |
| Other payables | 429.3 | 407.1 | 380.2 |
| Other current liabilities | 41.6 | 36.1 | 52.5 |
| Total current liabilities | 3,511.5 | 2,780.7 | 2,728.8 |
| Non-current liabilities | | | |
| Long-term loans | 1,955.2 | 2,466.4 | 1,852.1 |
| Finance lease liabilities | 20.6 | 2.7 | 0.9 |
| Employee benefit obligations | 296.6 | 310.6 | 285.6 |
| Total non-current liabilities | 2,272.4 | 2,779.7 | 2,138.6 |
| Total liabilities | 5,783.9 | 5,560.4 | 4,867.4 |
| Shareholders' equity | | | |
| Share capital | 2,709.9 | 2,709.9 | 2,709.9 |
| Premium on treasury shares | 19.9 | 19.9 | 19.9 |
| Retained earnings | 1,877.8 | 1,678.7 | 1,523.9 |
| Other components of equity | (101.2) | (72.9) | (24.8) |
| Total parent's shareholders' equity | 4,506.4 | 4,335.6 | 4,228.9 |
| Non-controlling interests | 225.7 | 229.5 | 229.0 |
| Total shareholders' equity | 4,732.1 | 4,565.1 | 4,457.9 |
| Total liabilities and shareholders' equity | 10,516.0 | 10,125.5 | 9,325.3 |

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. As such, this is to be in line with the actual type of classifications together with reclassification of items reported within the Financial Statements for the years 2013 and 2014.

Consolidated Statements of Comprehensive Income

For the years ended December 31

Unit : Million Baht

| | 2014 | 2013 | 2012 Reclassified |
|------------------------------------------------------------------------------|----------------|----------------|----------------------|
| Sales and service income | 9,750.9 | 9,397.4 | 8,757.3 |
| Cost of sales and services | (7,880.8) | (7,556.3) | (6,842.5) |
| Gross profit | 1,870.1 | 1,841.1 | 1,914.8 |
| Other income | 110.7 | 106.9 | 110.8 |
| Selling and administrative expenses | (1,336.7) | (1,247.8) | (1,255.6) |
| Transactions incurred in relation to storm | 0.0 | 0.0 | (4.5) |
| Finance costs | (167.7) | (167.0) | (135.2) |
| Share of profit of investments in associates and joint venture | 63.2 | 50.1 | 41.9 |
| Reversal (loss) on impairment of investment in subsidiary and associate, net | 0.0 | (12.0) | 0.0 |
| Profit before income tax | 539.6 | 571.3 | 672.2 |
| Income tax | (52.1) | (52.3) | (94.8) |
| Net profit for the year | 487.5 | 519.0 | 577.4 |
| Other comprehensive income: | | | |
| Exchange rate differences on translating financial statements | (22.8) | (48.7) | 3.8 |
| Gain (Loss) on remeasuring available-for-sale investments | (5.3) | 0.0 | 21.6 |
| Actuarial loss on defined employee benefit plans | 0.0 | (34.1) | (15.7) |
| Other comprehensive income (expense) for the year, net of tax | (28.1) | (82.8) | 9.7 |
| Total comprehensive income for the year | 459.4 | 436.2 | 587.1 |

Profit attributable to :

| | | | |
|--------------------------------|--------------|--------------|--------------|
| Owners of the parent | 470.1 | 487.0 | 541.9 |
| Non-controlling interest | 17.4 | 32.0 | 35.5 |
| Net profit for the year | 487.5 | 519.0 | 577.4 |

Total comprehensive income attributable to :

| | | | |
|------------------------------------------------|--------------|--------------|--------------|
| Owners of the parent | 441.8 | 404.8 | 552.3 |
| Non-controlling interest | 17.6 | 31.4 | 34.8 |
| Total comprehensive income for the year | 459.4 | 436.2 | 587.1 |

Earnings per share

| | | | |
|---------------------------------|------|------|------|
| Basic earnings per share (Baht) | 0.17 | 0.18 | 0.20 |
|---------------------------------|------|------|------|

Remarks:

- Transactions of financial statements shown in the above table were regrouped for the year 2012, so that they are comparable to financial statements for the year 2013 and 2014 due to its reclassification with no change to net profit as reported in the annual report for 2012 and 2013.
- The Company has calculated the Earnings per Share (EPS) for 2012 and 2013 using a total of 2,709,904,800 shares, which are the revised total number of ordinary shares subsequent to the change in the par value of these shares in 2014 for the sake of comparison with the EPS for 2014.

Consolidated Statements of Cash Flows

For the years ended December 31

Unit : Million Baht

| | 2014 | 2013 | 2012 |
|-------------------------------------------------------------------------------------|--------------|--------------|----------------|
| Profit before income tax for the year | 239.6 | 571.3 | 672.2 |
| Adjustments to reconcile net profit to net cash provided by (paid for) operations : | | | |
| Depreciation & amortization | 721.0 | 659.7 | 573.6 |
| Assets written off from storm & fire incident and other | 6.6 | 2.7 | 16.1 |
| Loss on impairment in value of investments in associates | 0.0 | 12.0 | 0.0 |
| Gain from disposal of assets | (12.2) | (7.0) | (4.9) |
| Employee benefits expense | 24.9 | (16.1) | 4.4 |
| Actuarial gain – other long-term employment benefits | 0.0 | (25.9) | 0.0 |
| (Gain) loss on foreign exchange rate | (13.6) | (16.1) | 4.4 |
| Share of net profit of investments in associates | (63.2) | (50.1) | (41.9) |
| Finance costs-interest expense | 167.7 | 167.0 | 135.2 |
| Others | (16.0) | (2.9) | (3.8) |
| Changes in operating assets and liabilities | | | |
| (Increase) decrease in operating assets | | | |
| Trade accounts and other receivables | (245.1) | (213.3) | (157.6) |
| Inventories | (129.4) | (123.9) | (204.3) |
| Others | (21.0) | (11.7) | 19.1 |
| Increase (decrease) in operating liabilities | | | |
| Trade accounts payable and other payables | 30.0 | (3.0) | 96.9 |
| Employee benefits paid | (38.9) | (14.9) | (15.0) |
| Others | 30.1 | (14.9) | (14.5) |
| Cash flows from operating activities | 980.5 | 957.7 | 1,094.2 |
| Interest paid | (1668.) | (166.1) | (133.7) |
| Income tax paid | (82.9) | (80.5) | (131.1) |
| Net cash receipt from operating activities | 730.8 | 711.1 | 829.4 |

Consolidated Statements of Cash Flows (Cont'd)

For the years ended December 31

Unit : Million Baht

| | 2014 | 2013 | 2012 |
|----------------------------------------------------------------------------|----------------|----------------|------------------|
| Cash flows from investing activities | | | |
| Payment for short-term investments | (47.3) | (17.3) | (11.7) |
| Payment for purchase of assets | (795.9) | (1,051.3) | (1,238.5) |
| Purchase of assets | (1,051.3) | (1,238.5) | (1,029.1) |
| Cash receipt from disposal of investments | 49.2 | 16.7 | 17.5 |
| Proceeds from disposal of assets | 55.0 | 15.4 | 36.1 |
| Interest receipts | 7.0 | 7.9 | 3.4 |
| Dividends receipts from long-term investments | 116.3 | 48.0 | 26.0 |
| Net cash payments for investing activities | (615.7) | (980.6) | (1,167.2) |
| Cash flows from financing activities | | | |
| Increase (decrease) in bank overdrafts and short-term loans | 628.8 | (20.8) | 106.0 |
| Receipt from long-term loans | 184.8 | 1,196.7 | 1,160.7 |
| Proceeds from disposal of fixed assets under sales and leaseback agreement | 27.8 | 0.0 | 0.0 |
| Repayment of long-term loans | (642.8) | (579.3) | (474.1) |
| Dividend payment | (274.5) | (315.7) | (211.0) |
| Others | (3.4) | (15.6) | (24.4) |
| Net cash receipt (payments) from financing activities | (79.3) | 265.3 | 557.2 |
| Net increase (decrease) in cash and cash equivalents | 35.8 | (4.2) | 219.4 |
| Cash and cash equivalents, opening balance | 437.1 | 441.3 | 221.9 |
| Cash and cash equivalents, closing balance | 472.9 | 437.1 | 441.3 |

13.2 Significant Financial Ratios from the Consolidated Financial Statements

| Ratio | Unit | 2014 | 2013 | 2012 |
|--------------------------------------------|-------|--------|--------|--------|
| Liquidity Ratio | | | | |
| Current Ratio | Times | 1.23 | 1.42 | 1.33 |
| Quick Ratio | Times | 0.73 | 0.85 | 0.80 |
| Operating Cash Flows Ratio | Times | 0.23 | 0.26 | 0.32 |
| Account Receivable Turnover | Times | 5.05 | 5.29 | 5.36 |
| Average Collection Period | Days | 71.28 | 68.01 | 67.11 |
| Inventory Turnover(1) | Times | 9.70 | 9.90 | 11.19 |
| Inventory Turnover Days | Days | 37.10 | 36.36 | 32.16 |
| Account Payable Turnover | Times | 8.22 | 8.07 | 7.72 |
| Average Payment Period | Days | 43.82 | 44.60 | 46.64 |
| Cash Cycle(2) | Days | 64.55 | 59.76 | 52.63 |
| Profitability Ratio | | | | |
| Gross Profit to Sales | % | 19.18 | 19.59 | 21.87 |
| Operating Margin to Sales | % | 5.47 | 6.31 | 7.53 |
| Non-operating Margin to Total Revenues | % | 1.12 | 1.12 | 1.25 |
| Operating Cash Flows Margin | % | 137.01 | 119.84 | 125.81 |
| Net Profit Ratio to Total Revenues | % | 4.77 | 5.12 | 6.11 |
| Return on Equity | % | 10.11 | 10.79 | 12.69 |
| Efficiency Ratio | | | | |
| Return on Total Assets | % | 4.55 | 5.01 | 6.22 |
| Return on Net Fixed Assets | % | 20.96 | 21.09 | 23.23 |
| Total Assets Turnover | Times | 0.96 | 0.98 | 1.02 |
| Financial Policy Ratio | | | | |
| Debt to Equity Ratio | Times | 1.22 | 1.22 | 1.09 |
| Interest Coverage Ratio | Times | 5.88 | 5.77 | 8.18 |
| Operating Cash Flows Coverage (cash basis) | Times | 0.43 | 0.36 | 0.43 |
| Dividend Payout Ratio(3) | % | 63.95 | 64.89 | 64.36 |

(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 current fiscal year with the net profit of the previous fiscal year of in the Company financial statement that is used as a basis for dividends declaration.

Analysis of Financial Ratios from the Consolidated Financial Statements

Liquidity

In the year 2014, financial liquidity of the Group of companies was decreased from that of previous year due to increase of current liabilities more than current assets. Increase of current liabilities was mostly from short-term loans rather than long-term loans. As for the current assets, they mainly consisted of trade receivables and inventories on hand. As a result, Current Ratio of the Group decreased from 1.42 times in 2013 to 1.23 times in 2014. Operation Cash Flow Ratio decreased from 0.26 times in 2013 to 0.23 times in 2014, due to higher portion of average current liabilities than the increase in net cash flow from operating activities from depreciation expenses.

In addition, the Group's cash cycle increased from 59.76 days in 2013 to 64.55 days in 2014 as follows :

1. Average Collection Period increased from 68.01 days in 2013 to 71.28 days in 2014, as a result of increased sales of packaging products of the Group, decreased sales of household products that are mostly sold on a cash basis, together with some customers having long overdue payments that are being closely chased up by the Company.
2. Inventory Turnover Days increased from 36.36 days in 2013 to 37.10 days in 2014, as a result of the Company's high level of raw materials and plastic packaging products inventories to meet expected sales during the year-end festival, and finished goods of subsidiaries in the Mould Business Line awaiting delivery.
3. Average Payment Period decreased from 44.60 days in 2013 to 43.82 days in 2014, as a result of raw materials purchased as needed for production and quicker payments for an appropriate cost.

Despite the lower Liquidity Ratios for 2014 against the previous year, there is no adverse impact on the overall operations of the Group. The overall liquidity and cash cycle of the Group are considered at an appropriate level, and operating cashflows are still adequate. Besides, credit facilities from various financial institutions are sufficient to meet and support ongoing business operations of the Group on a continuing basis without any obstacles.

Profitability

The Group's Gross Profit to Sales Ratio decreased from 19.59% in 2013 to 19.18% in 2014 as a result of depreciation expenses increase from additional investment whereas assets partly under-utilized. Overall declining consumer purchasing power from the domestic sluggish economy caused a decrease in sales proportion of household products, that have a good gross margin, as compared to the previous year. Additionally, the Company had to bear fixed overheads in not producing at maximum capacity. Nevertheless, the improving performance results of the Group's associate and joint venture companies for 2014 has yielded the Net Profit Attributable to the Parent Company to slightly decrease only 3.47% against 2013. The Net Profit Ratio to Total Revenues has then decreased from 5.12% in 2013 to 4.77% in 2014. Return on Equity was lower to 10.11% in 2014 from 10.79% in 2013 as a result of the declining net profit and the increase of Shareholders' Equity arising from net profit of the year after dividend payment.

Efficiency

In 2014, the Group had lower Return on Net Fixed Assets Ratio from 21.09% in 2013 to 20.96% in 2014, in line with less earnings. Assets value of property, plant and equipment increased during the year from additional acquisition to serve business expansion.

Financial Policy

Debt to Equity Ratio of the Group maintained with no change from 2013 at 1.22 times. This was a result of the increase in total liabilities from short term loans instead of drawing down from long term loan facilities, trade and other payables), which was close to the increase in shareholders' equity from the net profit for the year after dividend payment.

Interest Coverage Ratio increased from 5.77 times in 2013 to 5.88 times in 2014 and Operating Cash Flows Coverage Ratio (cash basis) from 0.36 times to 0.43 times due to :

- the increase in cash flow from operations of the Group, resulting from the increase in depreciation netted with changes in operating assets and liabilities;
- the slightly increase in interests expenses due higher repayment amount of long term loans, decrease in draw down of new long term credit facilities, and the use of short term loans bearing lower interest costs for working capital and for supporting business expansion instead of long term;
- the decrease in total investments and dividend payments.

Dividend Payout Ratio was slightly decreased from 64.89% in 2013 to 63.95% in 2014 as lower performances in 2013 than 2012 but still 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 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 cannot be compared. The Company had disclosed detail of financial covenants as per loan agreements under section 14.2 (F) Financial Covenants on Loan Agreements.

14. MANAGEMENT DISCUSSION AND ANALYSIS

14.1 OVERVIEW : Operating Results for the Company and Subsidiaries

In the year of 2014, sales of the Company and subsidiaries increased by 3.76% whereas gross profit ratio decreased from 19.59% to 19.18% of sales against last year. The Group had net profit for the period amounting to Baht 487.48 million, attributable to owners of the parent of Baht 470.06 million, a decrease by Baht 16.92 million or 3.47% from the previous year. Earnings per share was Baht 0.17, lower than being Baht 0.18 last year.

Non-recurring item affecting the financial statements of this year was the change in 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 from 270,990,480 shares to 2,709,904,800 shares without change in capital value. The changes were registered with the Ministry of Commerce on May 8, 2014.

Unit : Million Baht

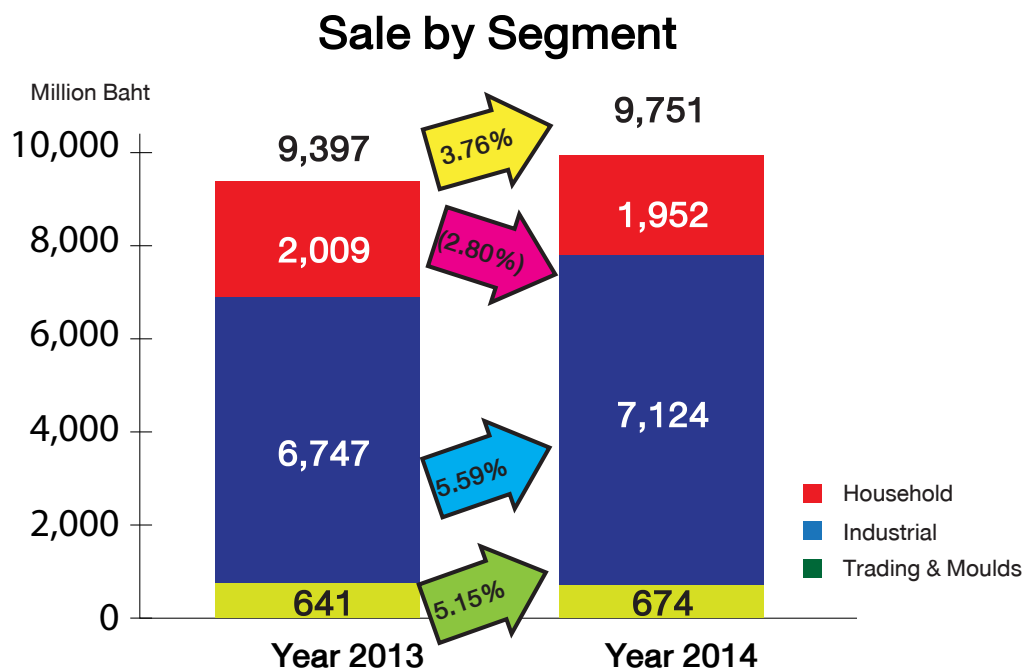
| Description | Year 2014 | Year 2013 | Changes from Year 2013 | |
|-------------------------------------------------|-----------|-----------|------------------------|---------|
| | | | Amount Inc (Dec) | % +(-) |
| Sales | 9,750.93 | 9,397.42 | 353.51 | 3.76% |
| Gross profit (%) | 19.18% | 19.59% | (0.41%) | (2.11%) |
| EBIT (Profit before interest and tax) | 707.30 | 738.32 | (31.02) | (4.20%) |
| Net profit attributable to owners of the parent | 470.06 | 486.97 | (16.92) | (3.47%) |
| % Net profit on sales | 4.82% | 5.18% | (0.36%) | (6.97%) |
| Earnings per share (Baht) | 0.17 | 0.18 | (0.01) | |

14.2 ANALYSIS: Financial operations in the year of 2014

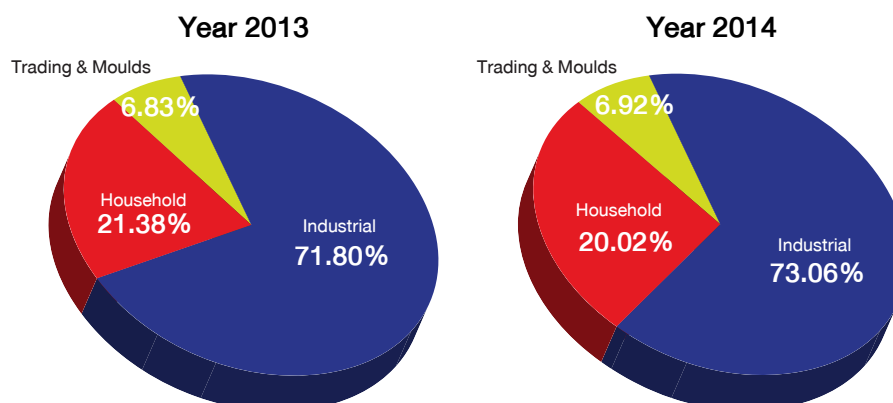
a. Sales by segment

Unit : Million Baht

| Description | Year 2014 | | Year 2013 | | Changes from Year 2013 | |
|-----------------------------------------|-----------------|----------------|-----------------|----------------|------------------------|----------------|
| | Amount | % on sales | Amount | % on sales | Amount Inc (Dec) | % +(-) |
| Plastics Business Line | 9,076.43 | 93.08% | 8,755.94 | 93.17% | 320.50 | 3.66% |
| Household Products | 1,952.40 | 20.02% | 2,008.74 | 21.38% | (56.34) | (2.80%) |
| Domestic production | 1,863.26 | 19.11% | 1,944.39 | 20.69% | (81.13) | (4.17%) |
| Overseas production | 89.14 | 0.91% | 64.35 | 0.68% | 24.80 | 38.53% |
| Industrial Products | 7,124.03 | 73.06% | 6,747.20 | 71.80% | 376.83 | 5.59% |
| Domestic production | 5,829.47 | 59.78% | 5,676.14 | 60.40% | 153.33 | 2.70% |
| Overseas production | 1,294.56 | 13.28% | 1,071.06 | 11.40% | 223.50 | 20.87% |
| Trading and Moulds Business Line | 674.50 | 6.92% | 641.49 | 6.83% | 33.01 | 5.15% |
| Total | 9,750.93 | 100.00% | 9,397.42 | 100.00% | 353.50 | 3.76% |



Sales proportion by segment



Sales proportion of Plastics Business Line and Trading and Moulds Business Line of the year of 2014 were close to those of the year 2013. Plastics Business Line comprises Industrial Products and Household Products. Sales proportion of Industrial Products increased from 71.80% to 73.06% whereas Household Products decreased from 21.38% to 20.02%. Sales of Trading and Moulds Business Line increased from 6.83% to 6.92%.

1) Household Products

Sales of Household Products of the year 2014 decreased by Baht 56.34 million, or 2.80% against the previous year due to the decrease in domestic sales of distributors channels and direct sales channels as a result of the local political unrest during the first half of the year. After having a new government in the 3rd quarter, the economy was more stable, the private investment started recovery in the 4th quarter, and budget disbursements relating to public sector investments were speeded up. However, domestic consumption showed only a slight upward trend because of high household debts, declining in agricultural commodities' prices, as well as our products being durable. These factors resulted in the sluggish in demand for the Company's products and purchasing power of local customers.

Export sales increased as compared to previous year from the major markets such as Europe, the United States of America, and Japan. The United States of America economy is expected to see strong growth thanks to an improved employment rate that should help boost household spending. Japan has also started to see signs of recovery since the sales tax increase took effect in the 2nd quarter. The Japanese government's push for the YEN depreciation has also contributed to the economic recovery in Japan. Meanwhile, the EU zone will likely continue to see an economic slowdown compared to the first half of this year. However, Europe is the high sales growth market of the Group. The Company has extended products to new markets such as Hotel, Restaurant and Catering ("HORECA") segment which focuses on quality and reliability of delivery. Melamine products are becoming more popular for the HORECA business sector because they are widely used as a substitute for glassware or ceramic ware (both of which tend to easily crack or break), have reasonable prices, and are able to be used with dishwashers. Also the Company has continuously launched newly designed melamine products. Moreover, since Thailand's Generalized System Preferences (GSP) status will be terminated early next year, many European buyers then piled up their inventories.

An overseas subsidiary, Srithai (Vietnam) Company Limited, has experienced soaring sales thanks to the focus on sales directly to customers instead of through distributors, and entering into new markets. In addition, buoyant economy in Vietnam raised consumer spending. The AEC market is the potential one with high purchasing power.

2) Industrial Products

Sales of Industrial Products increased by Baht 376.83 million, or 5.59% compared to the year 2013. The major increase was from sales of beverage packaging since the 2 major soft drink producers had fiercely launched sales promotion and marketing campaigns for World Cup Football in the year 2014.

Sales of food packaging products contracted slightly compared to last year and the Company could not have continuous production due to minimal growth of household consumption, Thai consumers' purchasing power not fully recovered, raw material problems of food producers, and illegal labor problem of fishing industry. Nevertheless, export sales of food packaging products using the IML (or In Mould Labeling) production technology has soared up owing to becoming more popular and widely accepted – especially in the Philippines, Indonesia and Vietnam.

Overall sales of Industrial Products other than Food and Beverage Packaging in this year decreased against last year especially during late of the year 2014 as prices of plastic resin, a major raw material, dropped according to price of world crude oil. Some customers delayed their orders waiting for lower price. Products with declining sales in the year of 2014 were bottle crates as our major customer already changed its whole production line in the year of 2013, battery cases from the impact of declining production of automotive industry, garbage bin and plastic furniture due to limited procurement budget from the government, and the Company's policy to reduce production and sales of OEM products. However, sales of pallets, container and take-away products increased as a result of the Company's strategies by having products co-designed and logistics co-developed with the customers.

An overseas subsidiary, Srithai (Vietnam) Company Limited, has soaring sales especially sales of beverage packaging products according to economic growth, higher consumer spending, and World Cup trend. Moreover, the movies cineplex business in Vietnam is expanding as foreign investors have invested in new malls/ department stores. Thus, sales of products relating to the movies cineplex business has a good growth potential, and has stimulated higher demand for food packaging products using the innovative IML (In Mould Labeling) manufacturing technology.

3) Trading and Moulds Business Line

Sales of Trading and Moulds Business Line of the year 2014 increased by Baht 33.01 million, or 5.15% compared to last year. The reason was mainly from increase in sales of Trading Business Line especially the network marketing business which has kept on expansion since 2013. The increase in demand for products related to agricultural and health care, thanks to the introduction of new products of these 2 groups in this year. Currently, the Company is the only seller in Thailand of agricultural care products for organic grass and weed killers, and its expansion of new distribution centers for agricultural care products has well-received and has continually grown. Recent start up of new foreign businesses activities in Malaysia and Singapore also helped generate ongoing sales increases for these products. Sales support campaigns for independent business entrepreneurs have driven the rapid expansion of the network marketing business as well as the increase in number of independent representatives, especially the young generation, which have enabled to push sales significantly.

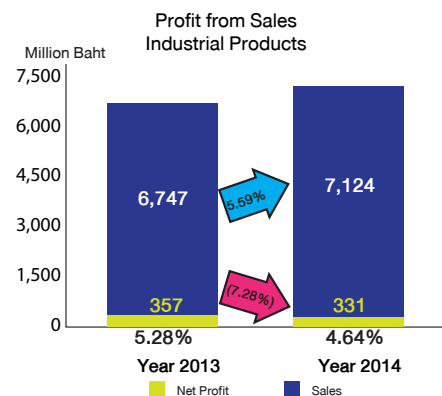
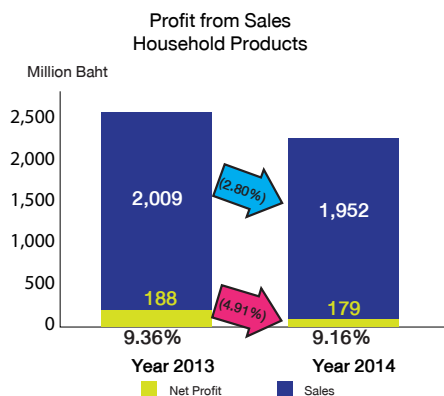
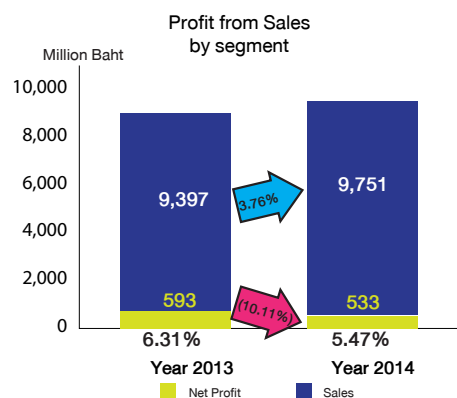
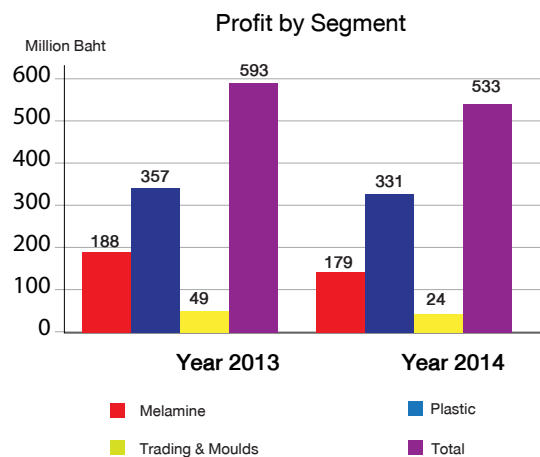
Sales of Moulds Business Line decreased in line with declining in Thailand's automobiles industry resulting from:-

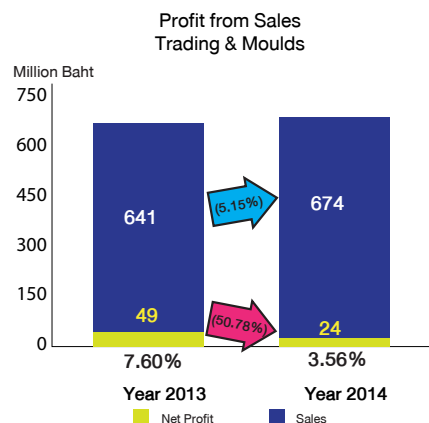
1. Ongoing slowdown in automotive sales following a turmoil economy;
2. Impact of the previous government's first-car policy which artificially drove up car demand and increased total household debts;
3. Fewer new models together with some 'minor changes' for new cars being launched this year resulting in less consumer's interests in buying new cars;
4. The Company's policy to cease production and sales of automotive component parts since the 2nd quarter of 2013.

B. Profit from sales by segment

Unit : Million Baht

| Description | Year 2014 | | Year 2013 | | Changes from Year 2013 | |
|-------------------------------------|---------------|--------------|---------------|--------------|------------------------|-----------------|
| | Amount | % on sales | Amount | % on sales | Amount Inc (Dec) | % +(-) |
| Profit from sales by segment | | | | | | |
| Plastic Business Line | 509.41 | 5.61% | 544.62 | 6.22% | (35.21) | (6.47%) |
| Household products | 178.82 | 9.16% | 188.07 | 9.36% | (9.24) | (4.91%) |
| Industrial products | 330.58 | 4.64% | 356.55 | 5.28% | (25.97) | (7.28%) |
| Trading and Moulds Business Line | 23.99 | 3.56% | 48.74 | 7.60% | (24.75) | (50.78%) |
| Total | 533.40 | 5.47% | 593.36 | 6.31% | (59.96) | (10.11%) |





Profit from sales by segment of the year 2014 decreased by Baht 59.96 million, or 10.11% compared to previous year:

1 Household Products

Profits from sales of Household Products dropped by 4.91% against previous year, whereby profit to sales ratio decreased from 9.36% to 9.16% due to decrease in sales portion of higher gross margin products of domestic sales. Declining purchasing power under sluggish economy forced consumers to control their spending. Production capacity was then not fully utilized, pushing unit cost of production to increase. As export sales comprising mostly made-to-order products increased, gross margin ratio to sales tended to be lower.

2 Industrial Products

Profits from sales of Industrial Products dropped by 7.28% as compared to previous year. Profit to sales ratio was lower from 5.28% in previous year to 4.64% as sales proportion of high gross profit products decreased especially garbage bin, battery case, and pail. This was attributable to declining in purchasing power, delay of budget spending for mega projects, decreased sales of automotive parts of subsidiary from the downtrend of local car market, effect of first car policy, high household debts, and limited expansion of real estate business.

3 Trading and Moulds Business Line

Profits from sales of Trading and Moulds Business Line decreased by 50.78% against previous year. Profit to sales ratio was lower from 7.60% in previous year to 3.56% due to decrease in profit from Moulds Business Line of subsidiaries. The result of which came from downtrend of local car market and the Company's policy to reduce production and sales of OEM products.

C Selling and administrative expenses

Unit : Million Baht

| Description | Year 2014 | | Year 2013 | | Changes from Year 2013 | |
|------------------------------------|-----------|------------|-----------|------------|------------------------|--------|
| | Amount | % on sales | Amount | % on sales | Amount Inc (Dec) | % +(-) |
| Selling and administrative expense | 1,336.71 | 13.71% | 1,247.78 | 13.28% | 88.92 | 7.13% |

Selling and administrative expenses increased as compared to previous year due to increase in sales promotion expenses of network marketing business and direct sales business. This is because there are events for products launching, training courses, rewards; increase in advertising expenses; domestic and export transportation expenses in line with sales; and annual salary and wages increment.

D ANALYSIS: The Consolidated Financial Position

Unit : Million Baht

| Description | As at Dec 31, 2014 | As at Dec 31, 2013 | Changes from Dec 31, 2013 | |
|--------------------------------------|-----------------------|-----------------------|---------------------------|--------------|
| | Amount | Amount | Amount Inc (Dec) | % +(-) |
| Trade accounts receivable, net | 1,992.36 | 1,855.46 | 136.91 | 7.38% |
| Inventories, net | 1,599.49 | 1,475.14 | 124.35 | 8.43% |
| Property, plant and equipment, net | 5,373.05 | 5,295.73 | 77.32 | 1.46% |
| Total assets * | 10,516.04 | 10,125.51 | 390.53 | 3.86% |
| Bank overdrafts and short-term loans | 1,452.30 | 823.45 | 628.85 | 76.37% |
| Trade accounts payable | 968.42 | 950.21 | 18.21 | 1.92% |
| Long-term loans | 2,575.10 | 3,030.29 | (455.19) | (15.02%) |
| Employee benefit obligations | 296.57 | 310.55 | (13.99) | (4.50%) |
| Total liabilities * | 5,783.93 | 5,560.37 | 223.56 | 4.02% |
| Unappropriated retained earnings | 1,674.79 | 1,496.73 | 178.07 | 11.90% |
| Non-controlling interests | 225.67 | 229.52 | (3.85) | (1.68%) |
| Total shareholders' equity * | 4,732.11 | 4,565.14 | 166.97 | 3.66% |

Note : * Total lines extracted from Consolidated Statements of Financial Position.

As of December 31, 2014, the consolidated financial position has been changed from December 31, 2013 as follows:

- Increase in trade accounts receivable due to soaring sales of beverage packaging products of the Company and a subsidiary in Vietnam as a result of continuous sales promotion campaigns by major soft drink producers till the end of this year. Moreover, increase of accounts receivable of a subsidiary which received big project by the end of year 2014.
- Increase in inventories from raw material purchase of a subsidiary in Vietnam in order to serve soaring sales, and increase in molds for sale of a subsidiary.
- Increase in property, plant and equipment from additional acquisition of machinery of the Group netted with depreciation expenses and disposal during the period.
- Increase in bank overdrafts and short-term loans following the need in working capital of the Group and withdrawal of short-term loans.
- Increase in trade accounts payable because the Group made purchase in order to serve soaring sales.
- Decrease in long-term loans thanks to loan repayments with amount higher than withdrawal for investment in operating assets. The Company has no withdrawal of long-term loan during the year.
- Decrease in employee benefit obligations for benefits payment to those retired employee, netted with recognition of post-employment benefits and other long-term employment benefits during the period.
- Increase in unappropriated retained earnings by Baht 178.07 million from increase in net profit attributable to the owners of the parent company for the year ended December 31, 2014 amounting to Baht 470.06 million, netted with dividend payment in respect of operating result of 2013 amounting to Baht 270.99 million and legal reserve amounting to Baht 21.00 million.

- Decrease in non-controlling interests from dividend payment, netted with increase in net profit for year ended December 31, 2014.

E Liquidity analysis by consolidated statements of cash flow (partial)

Unit : Million Baht

| Description | 12 months | 12 months | Change from Prior period |
|-----------------------------------------------------|--------------|--------------|-----------------------------|
| | Dec 31, 2014 | Dec 31, 2013 | |
| Cash flows from operating activities | 730.83 | 711.06 | 19.77 |
| Cash flows from investing activities | (615.73) | (980.53) | 364.80 |
| Cash flows from financing activities | (79.26) | 265.30 | (344.56) |
| Net increase (decrease) in cash and cash equivalent | 35.84 | (4.17) | 40.01 |
| Cash and cash equivalents, opening balance | 437.12 | 441.29 | (4.17) |
| Cash and cash equivalents, closing balance | 472.96 | 437.12 | 35.84 |

The Group's significant cash inflow/outflow transactions for the year of 2014 were as follow:

- 1) Net cash receipts from operating activities were higher than previous year thanks to performance of the period, better management of operating assets and liabilities, and increase in depreciation from investment in operating assets.
- 2) Net cash payments for investing were lower than last year as higher dividend received from associates and joint venture and lower assets acquisition.
- 3) Net cash receipts from financing activities were lower than last year from higher amount of long-term loans repayments, and lower new long-term loans withdrawal.

The Group is confident that it can maintain sufficient cash flows together with proper liquidity level to be able to support business. As at December 31, 2014, the Group has unutilized credit facility consisting of bank overdrafts, long-term loan and working capital worth more than Baht 5 billion which is enough for liquidity. As well, the Company is under the process of additional fund raising to support the Group's business.

F. Financial Covenants on Loan Agreements

Currently, there are no significant conditions of the loan agreements, executed by the Company, that may impact the normal operations or the expansion of the Company's businesses. Only financial ratios, based on the financial statements of the Company, need to be met and/or maintained during the valid term of such loan agreements as follows:

1. Debt to Equity (D/E) Ratio : not exceeding 2.0 times

Definition and calculation of the D/E Ratio

$D/E \text{ Ratio} = \text{Total Debts} \div \text{Total Shareholders' Equity (as per the Statement of Financial Position)}$

2. Debt Service Coverage Ratio (DSCR) : not less than 1.1 times

Definition and calculation of the DSCR

$DSCR = EBITDA \div (\text{Interests payable} + \text{Portion of the long term payable within 1 year})$

Based on the method of calculation as specified in the loan agreements using the Company's financial statements, the financial ratios are as follows:

| Financial ratios (times) | Required | As at end 2014 |
|--------------------------|-------------------------|----------------|
| D/E Ratio | Not exceeding 2.0 times | 0.95 |
| DSC Ratio | Not less than 1.1 times | 1.76 |

During 2014, the Company made a prepayment one of its long term loans prior to its maturity date to a local financial institution without incurring any surcharges. If this prepayment is excluded, the Company's debt service coverage ratio for 2014 will be equal to 2.07 times. Upon analyzing the above financial figures with strong financial circumstance and positive operating performance, the Company is considered not having any problems in maintaining these financial ratios.

G. Significant Events during 2014 and Post Statement of Financial Position Events

During 2014, Srithai Group has not adopted any new accounting policies in addition to those already in place from the previous year. However, several significant events have occurred, which have already been publically disclosed once that specified matter was approved by a resolution of the Board of Directors. Furthermore, in accordance with the Stock Exchange of Thailand's disclosure requirements, these important events were disclosed via the SET's ELCID and website as well as in the Notes to the Financial Statements, which can be summarized as follows:

1. Investments in Subsidiary and Joint Venture Companies

1.1 Investment in Srithai (Vietnam) Company Limited

In the 4th quarter of 2014, the Company paid up the remaining capital amount of US\$ 3.0 million into Srithai (Vietnam) Company Limited ("SVN"), a subsidiary in which the Company holds a 100% equity, as part of the capital increase of US\$ 11.1 million being registered by SVN since 2012. The investment is for expanding the production line of beverage packaging products as well as for increasing the production capacity of household melamine products. This additional capital payment results in the total registered capital of SVN amounting to US\$20.0 million being fully paid up.

1.2 Investment in Srithai Superware Manufacturing Private Limited

During 2014, the Company paid the additional share capital totaling Indian Rupee 289.9 million into Srithai Superware Manufacturing Private Limited ("SSMP"), a subsidiary in which the Company holds a 100% equity. The fund is to be used for construction of the manufacturing facilities and installation of the production line of SSMP, located in Ahmedabad, Gujarat State. As at December 31, 2014, the total paid up capital of SSMP is equal to Indian Rupee 400.0 million.

Since construction of the manufacturing facilities and installation of the production line of SSMP has progressed far and is near to completion, SSMP is expected to start operations and generate revenues within the 1st quarter of 2015. As a result, the Company will need to pay the remaining capital of Indian Rupee 100 million within the 1st quarter of 2015 in accordance with the resolution of the Company's Board of Directors approving SSMP's total registered capital of Indian Rupee 500.0 million.

1.3 Investment in a New Subsidiary

On September 30, 2014, the Company's Board of Directors approved that Srithai (Vietnam) Company Limited ("SVN") can invest in establishing a new subsidiary in Vietnam. The new company will manufacture and distribute food and beverage packaging products as well as plastic

industrial products. SVN will hold a 100% equity in this new company, with a registered capital equal to not more than US\$ 20.0 million (or equal to not more than Baht 650.0 million), which is equivalent to the total value of investments in land, buildings and production line of the company. The new company will become a subsidiary of SVN and that of the Company.

The investment is aimed at increasing the overall production facilities and capacity of SVN in the northern region of Vietnam in addition to the existing facilities located in the southern part of the country. It will also create a geographical competitive advantage for the Company, which will facilitate SVN to capture increased customers' sales orders and/or its future market expansion into a new customer base.

In December 2014, SVN successfully registered this new local subsidiary, called Srithai (Hanoi) Company Limited ("SHN"), located in the Vietnam-Singapore Industrial Park in Bac Ninh Province, Vietnam, with a registered capital of Vietnamese Dong 424,920 million (or equal to US\$ 20.0 million). SVN has paid to SHN a partial amount of the registered capital totaling Vietnamese Dong 42,000 million (or equal to US\$ 2.0 million) for use in securing the leasehold rights for the land and as a deposit for the construction of the manufacturing facilities. The Company expects SHN will begin operations and generate revenues within 2015. The source of funds for the investment by SVN in SHN, totaling US\$ 20.0 million, will come from capital increase of SVN of which the registration has been completed in the 1st quarter of 2015. The Company will be the sole investor through using funds from the Company's own operating cash flow and additional loans obtained from financial institutions by the Company in Thailand.

The Company has paid a partial amount of the additional capital for SVN, totaling US\$ 3.0 million, during the 1st quarter of 2015.

1.4 Investments in a New Associate

During 2014, Srithai Sanko Company Limited ("SSK"), an associate in which the Company holds a 48% equity, registered the establishment of Sanko Srithai (Malaysia) SDN. BHD. ("SSM"), located in Selangor Darul Ehsan State, Malaysia. The new associate's business is to sell plastic industrial products, with a registered capital of Malaysia Ringgit 500,000 and SSK holding a 100% equity. In the 4th quarter of 2014, SSK has already paid to SSM the full amount of the registered capital from the operating cash flow of SSK. This new investment is aimed at expanding SSK's market and customer bases in Malaysia. SSM becomes an associate with the Company having an indirect ownership of 48% of its equity.

1.5 Liquidation of Beijing Huatai Replica of Porcelain Products Company Limited

In the 4th quarter of 2014, Beijing Huatai Replica of Porcelain Products Company Limited, an associate in which the Company holds a 40% equity, successfully registered the liquidation of the company with the Chinese Government Agency after ceasing its operations since 2013 due to its declining operating performance and increasing accumulated losses. The Company made provisions in the consolidated financial statements and the Company's financial statements, for the impaired value of its investment in this associate, equal to the remaining investment value of Baht 12.04 million and Baht 15.87 million, respectively. The provision is classified as a 'Reversal (loss) on impairment of investment in subsidiary and associate, net' in the Comprehensive Income Statement.

2. Loans

2.1 Long Term Loans Facilities

During 2014, the Company has sourced unsecured long term loans from 2 commercial banks as well as a leasing company in Thailand with a combined total loan facilities of Baht 1,100 million, for use in supporting the Company's investment plans. This is in accordance with the remaining part of the total loan facilities approved by the Board of Directors in 2013, together with a portion of the additional loan facility being approved by the Board of Directors in 2014. The Company signed these 3 loan agreements during the 4th quarter of 2014. As at December 31, 2014, the Company has yet to drawdown the total amount of these loan facilities. The Company also plans to source the remaining portion of the total loan facility, approved by the Board in 2014, as appropriate and required during 2015 based on the Company's financial status and planned investments.

The loan facilities acquired by the Company during 2014 have the following terms: 1 facility has a term of 5 years and 6 months, while the other 2 facilities have a term of 7 years. All 3 facilities have 2 types of interest rates, namely: fixed interest rates for the full term, and a floating interest rate based on FDR6M (ie: 6 months fixed deposit rate) plus an additional percentage. This is in line with the Company's policy of diversifying its risks and establishing a balance with regards to the interest rates for its long term loans. Currently, interest rates on the Company's loan facilities composed of both fixed interest rates and floating interest rates based on MLR, THBFIX, FDR (ie: fixed deposit rates) and BIBOR.

In raising additional debts as sources of funds to support the Company's business, the Board of Directors and the executives have taken careful and full consideration of various aspects. This is in order to ensure that the Company will have reasonable costs of funds with appropriate terms and conditions. As well, the Company will not have any problems in repaying such debts or any risks whatsoever in being unable to meet various conditions under the loan facilities. The Company has disclosed details of its existing long debt obligations as at December 31, 2014 totaling Baht 1,893.2 million in the note to the financial statements for the year ended December 31, 2014: under Note 19 : Long Term Loans on pages 49 – 53.

2.2 Revolving Credit Facilities

In 2014, the Company raised additional revolving credit facilities with a commercial bank by Baht 200.0 million. The total amount of the Company's revolving credit facilities with various financial institutions is then combined to be more than Baht 5,000 million, for use as working capital in its business operations and to support further business expansion of the Company. This also enables the Company to choose and allocate the use of the available credit facilities as appropriate in regards to the cost of funds.

2.3 Intercompany Loans between 2 Subsidiaries

In the 4th quarter of 2014, PET Blow Company Limited (PETB) acquired from and signed a short term loan agreement for Baht 10.0 million with Korat Thai Tech Company Limited ("KTT") at a fixed interest rate for use as its working capital. PETB has already made a partial drawdown from KTT, and it has an outstanding debt of Baht 8.0 million as at December 31, 2014. This intercompany loan between PETB and KTT, with each being a subsidiary in which the Company has a 100% equity, is aimed at supporting businesses within the Group to have cost of funds and returns at an appropriate level for each respective subsidiary company.

3. Other Matters

3.1 Changes to the Share Par Value

At the Company's Annual General Meeting of Shareholders No. 33 (for the year 2014) held on April 29, 2014, the resolution was made to approve changing the 'par value' of the Company's share from Baht 10.00 per share to Baht 1.00 per share, and also changing the number of Company shares issued and fully paid up from 270,990,480 shares to be 2,709,904,800 shares. Accordingly, the Company has registered these approved changes with the Ministry of Commerce on May 8, 2014.

3.2 Appropriation of Net Profit and Dividend Payment

The Company has appropriated its net profit for the year 2013 period to be allocated for required legal reserves totaling Baht 22,000,000, as well as for making a dividend payment to its shareholders at the rate of Baht 1.00 per share in 2014, totaling Baht 270,990,480 or equal to 63.95% of the net profit of the Company only. The calculation of dividend payment per share is based on the number of outstanding common shares of the Company prior to the recent change in the par value of these shares, which then totaled 270,990,480 shares.

Additionally, at the Annual General Meeting of Shareholders of the 3 subsidiaries, namely: Srithai Moulds Company Limited, Korat Thai Tech Company Limited and Srithai Miyagawa Company Limited, each approved a resolution to make a dividend payment from their respective net profits for the year 2013 period as follows

| Name of Company | % Equity Shareholding | Dividend per Share | Total Payment |
|------------------------------------------|-----------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Srithai Superware Public Company Limited | - | Baht 1.00 | Baht 270.99 million (As per an AGM resolution on April 29, 2014 approving a dividend payment with actual payment made on May 27, 2014) |
| Subsidiaries | | | |
| - Srithai Mould Company Limited | 71.00% | Baht 5.00 | Baht 5.00 million (As per an AGM resolution on March 31, 2014 approving a dividend payment) |
| - Korat Thai Tech Company Limited | 100.00% | Baht 23.00 | Baht 69.00 million (As per an AGM resolution on April 4, 2014 approving a dividend payment) |
| - Srithai Miyagawa Company Limited | 51.00% | Baht 34.00 | Baht 40.80 million (As per an AGM resolution on April 24, 2014 approving a dividend payment) |

3.3 Resignation of Board Directors and Member of Board Committee during the Year

During the year, 2 Board Directors and Member of Board Committee of the Company resigned prior to the completion of their current term of office as follows:

- Mr. Prin Bholnivas resigned from the Nomination and Remuneration Committee on November 11, 2014.
- Mrs. Srisuda Lertsumitkul resigned from being a Board Director of the Company on January 15, 2015.

At present, the Company has not yet appointed anyone to replace the above persons for these 2 positions.

3.4 Results of the Annual Evaluation of Corporate Governance Practices and Assessment of the Quality of the Annual General Meeting of Shareholders for 2014

In 2014, the Thai Institute of Directors Association (IOD) evaluated the overall degree of corporate governance practices of the Company as "Very Good". As well, the Thai Investors Association (TIA) also assessed the quality of the Company's Annual General Meeting of Shareholders (AGM) in 2014 as being "Excellent" with a full score of 100 points. Both of these evaluation results reflect the achievements of the Company in maintaining the high standards for its business operations and for its ongoing improvement.

3.5 Subsequent Event after the Ending Date of the Financial Statements

- Approval for the Appropriation of the Company's Net Profit and Dividend Payment

On February 27, 2015, the Board of Directors approved the appropriation of the Company's net profit for the year 2014 period (ie: January to December 2014) as follows: for required legal reserves totaling Baht 21,000,000, and for dividend payment at the rate of Baht 0.10 per share totaling Baht 270,990, 480 (or equal to 65.86 % of the net profit of the Company only). Such Board resolutions will be proposed and submitted for approval at the Company's Annual General Meeting of Shareholders No. 34 (for the year 2015).

14.3 BUSINESS OUTLOOK FOR 2015

1. Household Products

Domestic market

- An improved and upward business trend is expected to coincide with Thailand's projected economic growth for 2015. The Company has adjusted various aspects of its business operations to be in line with the expected positive economic climate, values and market trends, especially those relating to the direct sales channels by independent sales representatives as follows:
 1. Several initiatives would be launched to increase the earnings potential of direct sales representatives or members, through introducing various new fast selling products – including consumer and fashion products, that are currently in demand in the market. This is to increase interest in this business channel among the new generation and attraction for them to apply to become direct sales members in the direct sales business.
 2. Given the growth of interests of the overseas direct sales business leaders within the ASEAN Region to buy products from Thailand for selling in their own countries, the Company sees good opportunities to increase sales and associated revenues from this business activity.
 3. Direct sales activity has expanded significantly, and created new opportunities to become not only a business-to-consumer (B2C) sales activity but also a business-to-business (B2B) sales activity, leading to expansion into and covering a very wide range of customer groups.
 4. Modern and up-to-date technology systems will be introduced, such as: online sales process, home delivery services, pick-up service at nearby convenience stores, in order to facilitate business members.
 5. New business events will be initiated to drive sales.

- The Company's 'Srithai Super Outlet', located in Chonburi province, will be opened in the 1st quarter of 2015 to offer a comprehensive range of household products produced by the Company and other leading manufacturers. This is to add another sales channel as well as to reinforce consumer's awareness of the Company's quality brand image and products.
- Strategies for each distribution channels will be varied depending on market segmentation as follow:
 1. Niche market: This market is for high-end quality products incorporating beautiful designs and modern decorative patterns, that are well-suited to the new trends of customers with high purchasing power; or quality products with an appearance resembling ceramic ware but much more durable for extensive use by and meeting the needs of the hotels, restaurants and catering or HORECA businesses.
 2. Mass market: Products for this market are well-designed with beautiful decorative patterns and moderate price, very suitable for general daily use.
 3. New emerging market: Consumers in this market segment require durable and inexpensive products, without focusing on the product's designs or decorative patterns.

Export Markets

- **Export sales in 2015 are projected to increase from 2014 through following strategies:**
 1. Focus on the Europe and Middle East markets that account for 50% of total export sales, since melamine products are still the top selling items in these markets – especially in the HORECA market segment, where further product will be co-developed together with the customers.
 2. With regard to the AEC, focus on Cambodia, Laos, Myanmar, Vietnam, and Indonesia through establishing more sales representatives.
 3. Launch new products for 2015, while still focusing on the existing key success factors, i.e. : producing and selling 'life style products' with a variety of decorative designs and shapes that meet the requirements of each respective customer groups.
 4. Initiate various brand-building activities to increase consumer awareness and confidence.
 5. Increase 'outdoor product' lines since they are durable and not easily breakable, currently having more demand by consumers.
- The new manufacturing plant of a subsidiary, recently established in India, is under construction and will start production within the 2nd quarter of 2015. The subsidiary will facilitate the expansion of direct sales as well as wholesales activities in India market. Price competitive products are to be offered since previously all products were imported from Thailand with high import taxes. For this market, the Group will focus on selling Superware and Ektra brands to be more accepted and in demand due to their good quality, strength and durability, and beautiful designs.
- The new 'Concept Store' under the "The Potter since 2012" brand will be launched in order to enhance the positioning of melamine products and meet demand of up market consumers with high purchasing power. The Company has already established a market for melamine product in Hong Kong and has also received many requests from other countries interested in this product – such as, Singapore, Malaysia and Australia.

2. Industrial Products

Beverage packaging product

- In 2015, sales for beverage packaging products are expected to be higher than in 2014 since the beverage industry will remain an outstanding growth sector, attracting many investors and making it an intensively competitive market sector. As such, this is a good opportunity for the Company to increase its sales revenues for beverage packaging products by focusing on major beverage producers.
- Another subsidiary has been recently established in Hanoi, Vietnam, to be a manufacturing base for packaging products and the factory is under construction. Commercial production is expected to start in the 4th quarter of 2015, which will help increase the overall production output to support the expected growth of the local beverage industry sector and economy, and market extension into North Vietnam, resulting in saving costs and delivery time.

Food packaging products

- Sales are expected to increase in 2015. The Company is in the process of developing and launching new 'food box' products to boost sales, and expects to gain new customers for the products using the IML (in mould labeling) manufacturing technology. This is especially so for Vietnam, the Philippines, Indonesia, Korea, and China markets, due to the popular trends in these markets in 2015.

Other Industrial Products

- For 2015, sales for all products in this group are expected to increase, particularly for containers, pallets and other products that are used as 'free premiums' with sales of other consumer products. This is due to expected growth in domestic consumption, resulting from accelerated budget disbursements by the public sector that will eventually increase people's overall purchasing power. Demand for paint pails is also an upward trend as a result of the improved situation for the property sector.

3. Trading and Moulds Business Line

Trading Business Line

- Year 2015 will be a 'golden year' for the Network Marketing Sales Business due to the following factors:
 1. New 'Food Matrix' food supplement products, which was awarded the 'noble prize'-like award of quality assurance would be launched. The Company has been granted the exclusive rights to import, distribute, and market these products in Asia. It is expected to be well accepted by and in great demand from young and health conscious consumers, as well as be a core product group to help increase sales, profits and positive reputation for the Company.
 2. The rebranding (of the network marketing business) as 'Srithai Network' will facilitate an increase in consumer acceptance and better recognition for both the 'Srithai Network' brand and business, together with improved access to the target market groups, resulting in the expansion of this business line.
 3. Various sales promotion campaigns and marketing support activities are to be undertaken for the benefit of the independent businessmen, which will help smoothen business expansion at a break through pace.
 4. New sales support IT systems (called the 'super IT' system) and associated up to date applications will be invested to enable sales activities to be performed via smart phones for the sake of convenience and speed, as well as create a unique competitive advantage in the MLM business.

5. The head office's working space and facilities will be enlarged together with new meeting rooms to meet the needs of an increase in Bangkok-based business partners.
6. Strategies to drive and support the expansion of market coverage for these products will be implemented in key AEC countries, namely: Malaysia, Singapore, Myanmar, Cambodia, Laos, and Vietnam, via establishing more sales and distribution channels.

Moulds Business Line

- It is expected that sales revenues will increase in 2015 corresponding to the recovery of the automobile industry. The 'eco car' program is the main driver for growth in the automobile market in the coming year. The BOI currently has approved Phase 2 of the Eco Car promotion scheme which is a key factor in supporting, from a policy view point, an increase in productivity and level of production outputs.

Furthermore, the following factors will also help the subsidiaries to receive more sales orders:

- Meeting the needs of the middle class family segment having higher purchasing power, which enables them to be able to buy and own more automobiles.
- People adapting to a more urban lifestyle, such as using smaller and compact 'city' cars that are easier to drive in the city.
- Growing concerns about the environment, with new cars being designed to emitted less pollution into the environment.

4. Fund raising from capital market

- The Company has entered into a contract with a financial advisor for the feasibility study of listing our Vietnam business in the Stock Exchange of Thailand within 2016. This is for securing source of fund to expand business in this region.

5. A Joint Venture for furniture distribution

- SuperIdea Company Limited, a subsidiary, is expected to operate its distribution of modern style furniture products in the 3rd quarter of 2015. This is a joint venture with an Italian investor who has expertise in global furniture design.

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 |
|-----------------------------------------|--------------------|
| Subsidiary Company | |
| 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 |
| Associated Company | |
| 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 |
| Joint Venture Company | |
| Srithai-Otto (Thailand) Company Limited | Executive Director |

2.2) Other Companies:

| Company | Position |
|------------------------------------------|----------|
| Related Party Company | |
| 1. S.Sahatara (Thailand) Company Limited | Director |
| 2. Toho Foam (Thailand) Company Limited | Director |
| Other Company | |
| 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 : 6 No. of meetings attended : 6
 - Nomination and Remuneration Committee meetings No. of meetings held : 2 No. of meetings attended : 2

Tenure of directorship : 22 years (since 1993 till present time)

2) Mr. Viroj Lowhaphandu



Age : 85 years
Nationality : Thai
Present Position : Independent Director, and Chairman of the Audit Committee
Date of Directorship : May 31, 1994
Authority to Sign for the Company as per Certification Document : None
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| NONE | NONE | NONE |
| 0.00% | - | 0.00% |

Relationship among

Directors and Executives : None
Illegal Acts in the Past 10 Years : None
Training Course : Before year 2014
Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) Class 3/2000
 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
 : Year 2014
 -None-
Other Training : Before year 2014
 Certified Professional Internal Auditors
 Certified Public Accountant (Thailand)
 : Year 2014
 Audit Committee Financial Expert

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, and Advisor to the Board of Directors |

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 |
| Association of Accountants, Thammasat University | Advisor |
| Faculty of Commerce and Accountancy, Thammasat University | 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 : 6 | No. of meetings attended : 6 |
| - Audit Committee meetings | No. of meetings held : 4 | No. of meetings attended : 4 |
| - Meeting among Independent Directors and auditors without attendance of executives | No. of meetings held : 1 | No. of meetings attended : 1 |

Tenure of directorship : 21 years (since 1994 till present time)

3) Mr. Enghug Nontikarn



Age : 58 years
Nationality : Thai
Present Position : Independent Director, Audit Committee Member, and
Nomination and Remuneration Committee Member
Date of Directorship : May 31, 1994
**Authority to Sign for the Company as
per Certification Document** : None
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| 59,000* | NONE | 59,000 |
| 0.00% | - | 0.00 % |

* Changed the total number of shares as of December 27, 2013, as if resulting from a change in the par value per share of the Company's share (from Baht 10 per share to be Baht 1 per share) that actually took place during 2014 in order to facilitate an effective actual comparison.

Relationship among

Directors and Executives : None
Illegal Acts in the Past 10 Years : None
Training Course : Before year 2014
Director Accreditation Program (DAP)
Thai Institute of Directors Association (IOD)
: Year 2014
-None-

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 : 6 | No. of meetings attended : 6 |
| - 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 executives | No. of meetings held : 1 | No. of meetings attended : 1 |

Tenure of directorship : 21 years (since 1994 till present time)

4) Mr. Suchat Boonbanjerd Sri



Age : 55 years
Nationality : Thai
Present Position : Independent Director, Audit Committee Member,
and Chairman of the Good Corporate Governance Committee
Date of Directorship : August 21, 2002
Authority to Sign for the Company
as per Certification Document : None
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| NONE | NONE | NONE |
| 0.00% | - | 0.00% |

Relationship among

Directors and Executives : None
Illegal Acts in the Past 10 Years : None
Training Course : Before year 2014
Thai Institute of Directors Association (IOD) : Directors Certification Program (DCP)
Audit Committee Program (ACP)
: Year 2014
- None -
Other Training : Before year 2014
- Executive Program Capital Market Academy
- Executive Development Program (EDP)
- Leadership Development Program (LDP),
Thai Listed Companies Association
: Year 2014
- None -

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 |

Experience (Cont'd) :

| Company | Position | Time Period |
|----------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------|
| Dynamic Eastern Finance (1991) Public Company Limited | Managing Director | A.D. 1996 – 1997 |
| Financial Restructuring Authority of Thailand | Non core Sale Department | A.D. 1997 – 1998 |
| Sub-Committee on Fiscal, Banking and Financial Institution, House of Representatives | Advisor | A.D. 1999 – 2000 |
| Siam University | Guest Lecturer, M.B.A. Program | A.D. 2000 |
| Aeronautical Radio of Thailand Company Limited, a state enterprise under the Ministry of Transport and Communication | Director | A.D. 2001 – 2002 |
| 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 : 6 | No. of meetings attended : 6 |
| - Audit Committee meetings | No. of meetings held : 4 | No. of meetings attended : 4 |
| - Good Corporate Governance Committee meeting | No. of meetings held : 4 | No. of meetings attended : 4 |
| - Meeting among Independent Directors and auditors without attendance of executives | No. of meetings held : 1 | No. of meetings attended : 1 |

Tenure of directorship : 13 years (since 2002 till present time)

5) Mrs. Siriporn Sailasuta



Age : 68 years
Nationality : Thai
Present Position : Independent Director, Chairperson of the Nomination and Remuneration Committee, and Good Corporate Governance Committee Member
Date of Directorship : March 3, 2008
Authority to Sign for the Company as per Certification Document : None
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| NONE | NONE | NONE |
| 0.00% | - | 0.00% |

Relationship among

Directors and Executives : None
Illegal Acts in the Past 10 Years : None
Training Course : Before year 2014
Thai Institute of Directors Association (IOD) : Director Certification Program (DCP)
 Financial Statements for Directors (FSD)
 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, Chairperson 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 : 6 | No. of meetings attended : 6 |
| - 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 |
| - Meeting among Independent Directors and auditors without attendance of executives | No. of meetings held : 1 | No. of meetings attended : 1 |

Tenure of directorship : 7 years (since 2008 till present time)

6) Mrs. Srisuda Lertsumitkul



Age : 74 years
Nationality : Thai
Present Position : Director
Date of Directorship : January 1, 1993
Authority to Sign for the Company as per Certification Document : None
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| 150,000,000* | NONE | 150,000,000 |
| 5.54% | - | 5.54% |

* Changed the total number of shares as of December 27, 2013, as if resulting from a change in the par value per share of the Company's share (from Baht 10 per share to be Baht 1 per share) that actually took place during 2014 in order to facilitate an effective actual comparison.

Relationship among

Directors and Executives : Mother of Mr. Naphol and Ms. Bunnapa Lertsumitkul

Illegal Acts in the Past 10 Years : None

Training Course : None

Thai Institute of

Directors Association (IOD)

Education :

| Institution | Degree | Major |
|-------------|-------------------|-------|
| - | Elementary school | - |

Experience:

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

Present Positions in Companies:

1) Listed Companies:

| Company | Position |
|------------------------------------------|----------|
| Srithai Superware Public Company Limited | Director |

2) Non-listed Companies:

2.1) Srithai Superware Group : None

2.2) Other Companies : None

3) Position in Competing Companies /

Company Related to Business of the

Company that Conflict of Interest

May Arise : None

Attendance:

- Board meetings

No. of meetings held : 6

No. of meetings attended : 4

Note : Mrs. Srisuda Lertsumitkul resigned from the directorship on January 15, 2015.

Tenure of directorship : 22 years (since 1993 till present time)

7) Mr. Naphol Lertsumitkul



Age : 53 years
Nationality : Thai
Present Position : Director and Assistant to the President
Date of Directorship : December 31, 1993
Authority to Sign for the Company
as per Certification Document : Yes
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| NONE | NONE | NONE |
| 0.00% | - | 0.00% |

Relationship among

Directors and Executives : Son of Mrs. Srisuda Lertsumitkul and elder brother of Ms. Bunnapa Lertsumitkul
Illegal Acts in the Past 10 Years : None
Training Course : Before year 2014
Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP)
 Director Certification Program (DCP)
 : Year 2014
 Director Certification Program Update (DCPU)

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 : 6 No. of meetings attended : 6

Tenure of directorship : 21 years (since 1994 till present time)

8) Mr. Mani Ativanichayaphong



Age : 69 years
Nationality : Thai
Present Position : Director, Good Corporate Governance Committee Member, and Senior Marketing Director - Household Products
Date of Directorship : January 1, 1993
Authority to Sign for the Company as per Certification Document : Yes
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| 11,487,200* | NONE | 11,587,200 |
| 0.42% | - | 0.43% |

* Changed the total number of shares as of December 27, 2013, as if resulting from a change in the par value per share of the Company's share (from Baht 10 per share to be Baht 1 per share) that actually took place during 2014 in order to facilitate an effective actual comparison.

(included shares held by spouse)

Relationship among

Directors and Executives : None
Illegal Acts in the Past 10 Years : None
Training Course : Before year 2014
Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP)
 : Director Certification Program (DCP)
 : Year 2014
 -None-

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, and Senior Marketing Director - Household Products |

2) **Non-listed Companies:**

2.1) **Srithai Superware Group**

| Company | Position |
|----------------------------------------------------|----------|
| Subsidiary Company | |
| 1. Korat Thai Tech Company Limited | Director |
| 2. Srithai Superware Manufacturing Private Limited | Director |
| 3. Srithai Superware India Limited | Director |
| Associated Company | |
| 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 : 6 | No. of meetings attended : 6 |
| - Good Corporate Governance Committee meetings | No. of meetings held : 4 | No. of meetings attended : 3 |
| - Risk Management Sub-Committee meetings | No. of meetings held : 12 | No. of meetings attended : 8 |

Note : Mr. Manit Ativanichayaphong resigned from the Risk Management Sub-Committee member on November 25, 2014.

Tenure of directorship : 22 years (since 1993 till present time)

9) Mr. Prin Bholnivas



Age : 58 years
Nationality : Thai
Present Position : Director, Good Corporate Governance Committee Member, Chairman of the Risk Management Sub - Committee, Company Secretary, Chief Financial Officer, and Acting Finance and Accounting Director
Date of Directorship : July 3, 2002
Authority to Sign for the Company as per Certification Document : Yes
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| 2,000,000* | NONE | 2,000,000 |
| 0.07% | - | 0.07% |

* Changed the total number of shares as of December 27, 2013, as if resulting from a change in the par value per share of the Company's share (from Baht 10 per share to be Baht 1 per share) that actually took place during 2014 in order to facilitate an effective actual comparison.

Relationship among

Directors and Executives : None
Illegal Acts in the Past 10 Years : None
Training Course : Before year 2014
Thai Institute of Directors Association (IOD) :
 Director Accreditation Program (DAP)
 Director Certification Program (DCP)
 Role of the Compensation Committee (RCC)
 Audit Committee Program (ACP)
 Company Secretary Program
 Developing Corporate Governance Policy
 D&O Insurance Mitigating Directors Liabilities Risk
 Monitoring the Internal Audit Function
 Director Nomination Best Practices
 ASEAN CG Scorecard
 : Year 2014
 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, 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 (Hanoi) Company Limited | Director |
| 5. Srithai Superware Manufacturing Private Limited | Director |
| 6. Srithai Superware India Limited | Director |
| 7. Srithai Moulds Company Limited | Director |
| Associated Company | |
| 1. Srithai Sanko Company Limited | Director |
| 2. Sanko Srithai (Malaysia) SDN.BHD | Director |
| 3. Thai MFC Company Limited | Director |
| 4. 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 : 6 | No. of meetings attended : 6 |
| - 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 : 1 |
| - Good Corporate Governance Committee meetings | No. of meetings held : 4 | No. of meetings attended : 4 |
| - Risk Management Sub-Committee meetings | No. of meetings held : 12 | No. of meetings attended : 12 |

Note : Mr. Prin Bholnivas resigned from the Nomination and Remuneration Committee on November 11, 2014, but still acts as the Secretary of the Nomination and Remuneration Committee.

Tenure of directorship : 13 years (since 2002 till present time)

10) Mr. Settapong Haemintakun



Age : 53 years
Nationality : Thai
Present Position : Chief Operating Officer - Network Marketing
Authority to Sign for the Company as per Certification Document : None
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| NONE | NONE | NONE |
| 0.00% | - | 0.00% |

Relationship among

Directors and Executives : 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 : 64 years
Nationality : Thai
Present Position : Personnel and Administration Director
Authority to Sign for the Company as per Certification Document : None
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| 900,000* | NONE | 900,000 |
| 0.03% | - | 0.03% |

* Changed the total number of shares as of December 27, 2013, as if resulting from a change in the par value per share of the Company's share (from Baht 10 per share to be Baht 1 per share) that actually took place during 2014 in order to facilitate an effective actual comparison.

Relationship among

Directors and Executives : 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 : 52 years
Nationality : Thai
Present Position : Human Resource Development Director
Authority to Sign for the Company as per Certification Document : None
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| 80,000,000* | NONE | 80,000,000 |
| 2.95% | - | 2.95% |

* Changed the total number of shares as of December 27, 2013, as if resulting from a change in the par value per share of the Company's share (from Baht 10 per share to be Baht 1 per share) that actually took place during 2014 in order to facilitate an effective actual comparison.

Relationship among

Directors and Executives : 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 : 56 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

Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| 1,420* | NONE | 1,420 |
| 0.00% | - | 0.00% |

* Changed the total number of shares as of December 27, 2013, as if resulting from a change in the par value per share of the Company's share (from Baht 10 per share to be Baht 1 per share) that actually took place during 2014 in order to facilitate an effective actual comparison.

Relationship among

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 : 12

No. of meetings attended : 11

14) Mr. Pawat Chalermpong



Age : 54 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

Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| 1,000,000* | NONE | 350,000 |
| 0.04% | - | 0.02% |

* Changed the total number of shares as of December 27, 2013, as if resulting from a change in the par value per share of the Company's share (from Baht 10 per share to be Baht 1 per share) that actually took place during 2014 in order to facilitate an effective actual comparison.

Relationship among

Directors and Executives : 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 | |
| 1. Srithai Sanko Company Limited | Executive |
| 2. Sanko Srithai (Malaysia) SDN.BHD. | Director |
| 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 : 12 No. of meetings attended : 11

15) Mr. Pongsak Kantiratanawong



Age : 56 years
Nationality : Thai
Present Position : Marketing Director - Packaging Products
Authority to Sign for the Company as per Certification Document : None
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| 1,580,000* | NONE | 1,700,000 |
| 0.06% | - | 0.06% |

* Changed the total number of shares as of December 27, 2013, as if resulting from a change in the par value per share of the Company's share (from Baht 10 per share to be Baht 1 per share) that actually took place during 2014 in order to facilitate an effective actual comparison.

Relationship among

Relationship among

Directors and Executives : 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 : 60 years
Nationality : Thai
Present Position : Factory Director - Industrial Products
Authority to Sign for the Company as per Certification Document : None
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| NONE | NONE | NONE |
| 0.00% | - | 0.00% |

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 | Factory Director - Industrial Products |

2) Non-listed Companies:

2.1) Srithai Superware Group : None

| Company | Position |
|----------------------------------|----------|
| Subsidiary Company | |
| 1. Srithai Hanoi 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

17) Mr. Rakesh Singh

Age : 51 years
Nationality : Thai
Present Position : Corporate Strategy and Operation Development Director
Authority to Sign for the Company as per Certification Document : None
Shareholding in the Company (including those of spouse)



Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| NONE | NONE | NONE |
| 0.00% | - | 0.00% |

Relationship among

Directors and Executives : 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 : 45 years
Nationality : Thai
Present Position : Risk Management Sub-Committee Member, and
Export Sales & Marketing Director

Authority to Sign for the Company as per Certification Document : None
Shareholding in the Company (including those of spouse)



Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| NONE | NONE | NONE |
| 0.00% | - | 0.00% |

Relationship among Directors and Executives : None
Illegal Acts in the Past 10 Years : None
Training Course : Year 2014
Thai Institute of Directors Association (IOD) : Risk Management Committee Program (RMP)

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 | Risk Management Sub-Committee Member, and 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 : 12

No. of meetings attended : 12

19) Mr. Anupoch Pasawat



Age : 62 years
Nationality : Thai
Present Position : Factory Director-Beverage Packaging Product
Authority to Sign for the Company as per Certification Document : None
Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| NONE | NONE | NONE |
| 0.00% | - | 0.00% |

Relationship among

Directors and Executives : 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



Age : 53 years
Nationality : Thai
Present Position : Risk Management Sub-Committee Member, and
Direct Sales Director

Authority to Sign for the Company

as per Certification Document : None

Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| 1,000* | NONE | 1,000 |
| 0.00% | - | 0.00% |

* Changed the total number of shares as of December 27, 2013, as if resulting from a change in the par value per share of the Company's share (from Baht 10 per share to be Baht 1 per share) that actually took place during 2014 in order to facilitate an effective actual comparison.

Relationship among

Directors and Executives : None

Illegal Acts in the Past 10 Years : None

Training Course : Year 2014

Thai Institute of Directors Risk Management Committee Program (RMP)

Association (IOD)

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 | Risk Management Sub-Committee Member, and 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

Attendance:

- Risk Management Sub-Committee meetings No. of meetings held : 12 No. of meetings attended : 1

Noted : Mr. Chairaj Eangtanarat was appointed a member of the Risk Management Sub-Committee (replacing Mr. Manit Ativanichayaphong) as per the Company's Board of Directors resolution at the Board Meeting No.6/2014 held on December 23, 2014.

2. Duties and Responsibility of the Company Secretary

Duties and responsibility of the Company Secretary is in accordance with Section 89/15 of the Securities and Exchange Act (4th Amended Issue) BE 2551 as follows :

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 of the meetings and the minutes of the meetings;
- 1.5 Coordinate and monitor that the Company's activities to be conducted in accordance with the resolutions of the Company's Board of Directors and the shareholders' meetings.

2. Conforming to Laws and Regulations

- 2.1 Observe that the Company's operations follow the Memorandum of Association and the Articles of Association;
- 2.2 Ensure for safe keeping disclosures reports of vested interests submitted by board directors and executive members of the Company;
- 2.3 Monitor 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;
- 2.4 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 capacity as issuer of securities to the public;
- 2.5 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 presented 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 Monitor and review movements or changes in the shareholder-list in order to assess any possible accumulation of a bloc of the Company's shares by person(s) aiming to exert undue influence on or take over the Company; as well as contact and coordinate relevant persons as necessary to ensure that the Company complies with all applicable laws, rules and regulatory requirements in the event that it receives any offers to purchase its shares;

- 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 not yet of a legal age 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 relevant laws, 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 Search for and enquire about various sources of knowledge and development programs for recommendation to the Company's board directors, so as to enhance their knowledge and skills;
- 4.7 Be in charge of the 'Compliance Unit' as the duties and responsibilities specified in Attachment 3: Information Regarding the Head of the Company's 'Compliance Unit' and Associated Duties and Responsibilities";
- 4.8 Undertake any other duties as assigned by the Company's Board of Directors.

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 2014 over 10% of the Group's total income in the consolidated statement of comprehensive income for the year ended on December 31, 2014.

| 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 Operational Supervisor

1. Details of Internal Audit Supervisor

Name-Surname : Mr. Tanatch Sripan
Age : 48 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

Shareholding in the Company (including those of spouse)

Unit: Number of Shares

| As at December 27, 2013 | Net change during the year (+ or -) | As at December 30, 2014 |
|-------------------------|-------------------------------------|-------------------------|
| NONE | NONE | NONE |
| 0.00% | - | 0.00% |

Relationship among

Directors and Executives : None

Illegal Acts in the Past 10 Years : None

Training Course : Before year 2014

Thai Institute of Directors Association (IOD)
 Company Secretary Program (CSP)
 Effective Minutes Taking (EMT)
 Anti-Corruption : The Practical Guide (ACPG)
 Anti-Corruption : The Practical Guide (ACPG)
 : Year 2014
 -None-

Other Training

: Before year 2014
 - 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
 : Year 2014
 - Governance Risk Management and Compliance,
 TRIS Corporation Limited

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 : 12 | No. of meetings attended : 12 |

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

2. Details of the Head of the Company's Compliance Unit and Scope of Responsibilities

In 2014, the Company established the Compliance Unit, as part of the Office of the Company Secretary, with the following scope of duty and responsibilities:

- 2.1 Monitor, review, and assess any applicable changes to the rules, regulatory requirements, and associated standards of compliance, together with preparing a summary report of the impacts of such changes and revisions to the Company's businesses for acknowledgement by the Company's Board of Directors and executives.
- 2.2 Recommend the establishment of and/or revisions to relevant Company policies, rules, regulations, and implementation plans to be in compliance with related applicable laws, regulatory requirements, and standards.
- 2.3 Recommend to the organization any legal preventive measures, to ensure that the business/ project activity plans and the overall operations of the Company will achieve their respective objectives and goals.
- 2.4 Advise and propose to the Board of Directors, executives, and staff recommendations relating to any relevant applicable laws, rules, regulations, and standards.
- 2.5 Review and monitor any operational errors or activities that are not in accordance with the specified applicable laws, and then propose recommendations for any corrective actions and procedural guidelines for submission to the Board of the Directors and executives.
- 2.6 Coordinate and establish good working relationships with the external regulatory agencies relevant to the Company's business operations.

Attachment no.4

Report of the Nomination and Remuneration Committee

To: Shareholders
Srithai Superware Public Company Limited

The Nomination and Remuneration Committee was appointed by the Board of Directors in August 2005 to help the Board of Directors recruit and nominate, in a transparent manner, prospective Board Directors and executives, in order to ensure full fairness to all stakeholders groups and greater business efficiency. As such, this is in compliance with the Company's good corporate governance policies and practices, as well as the good corporate governance principles of the Stock Exchange of Thailand. The current Nomination and Remuneration Committee's term of office will expire at the end of 2015.

Performance of the Nomination and Remuneration Committee

During 2014, the Nomination and Remuneration Committee held 2 meetings, with number of meetings attended by each member of the Nomination and Remuneration Committee being as follows:

| Name | Position | Number of Times Attending the Meeting / Number of Total Meetings (Times) |
|-------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Mrs. Siriporn Sailasuta | Chairperson 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 | 1/2 |

* Mr. Prin Bholnivas resigned from the Nomination and Remuneration Committee on November 11, 2014; but still remained as the Secretary of the Nomination and Remuneration Committee.

The overall activities and performance of the Nomination and Remuneration Committee during 2014 are summarized as follows:

1. Considered nomination of Board Directors, whose terms have expired and who were due for retiring by rotation, for consideration by the Board of Directors prior to proposing to the Annual General Meeting of Shareholders (No. 33) in 2014;
2. Considered remunerations of the Directors for consideration by the Board of Directors before proposing to the Annual General Shareholders Meeting (No. 33) in 2014;
3. Considered adjustments for salaries of executives for 2014;
4. Considered proposed bonus payments for the Company's executives, based on their performances in 2014;
5. Considered the proposed extension of the term in office of an executive;
6. Undertook a self assessment of the Nomination and Remuneration Committee's performance for 2014;
7. Prepared the Report of the Remuneration and Compensation Committee for disclosure in the Company's Annual Report for 2014.

On Behalf of the Nomination and Remuneration Committee

Srithai Superware Public Company Limited



Mrs. Siriporn Sailasuta

Chairperson 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 was appointed by the Board of Directors in May 2012, in order to perform the duties of developing, directing, and effectively monitoring full compliance to good corporate governance policies and practices of the Company on a continuing basis. The current Good Corporate Governance Committee's term of office will expire at the end of 2015.

During 2014, the Good Corporate Governance Committee held 4 meetings, with the number of meetings attended by each member of the Good Corporate Governance Committee being 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 | 4/4 |
| Mr. Manit | Ativanichayaphong | Good Corporate Governance Committee Member | 3/4 |
| Mr. Prin | Bholnivas | Good Corporate Governance Committee Member and Secretary | 4/4 |

The performance of the Good Corporate Governance Committee for 2014, working in collaboration with the Good Corporate Governance Working Group as appointed by the Good Corporate Governance Committee and approved by the Board of Directors, is summarized below:

1. Supported the Company to participate in the SET AWARD 2014 program;
2. Supported the Company to become a signatory member of the Private Sector Collective Action Coalition Against Corruption;
3. Approved the Company's anti-corruption policies and practices guidelines;
4. Approved the proposed 'succession plan' policy for the Company's executives;
5. Announced the Company's revised Code of Ethics and Business Conduct (update - No. 1/2014);
6. Supported the establishment of the 'Compliance Unit' as part of the Office of the Company Secretary;
7. Announced the Regulations for the Trading of the Company's Shares for Board Directors and Executives (2014), that require Board Directors and executives to make prior disclosures of any Company's shares transactions to the Chairman or Company Secretary at least 1 day in advance;
8. Undertook a self assessment of the Good Corporate Governance Committee's performance for 2014;
9. Prepared the Report of the Good Corporate Governance Committee for disclosure in the Company's Annual Report for 2014.

The Good Corporate Governance Committee is determined to fully commit to developing the Company's management practices within the established Good Corporate Governance principles and policies framework, in order to add value and enhance the Company's sustainability for the benefit of shareholders as well as all stakeholder groups 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 Responsibilities to the Financial Statements

To: **Shareholders**

Srithai Superware Public Company Limited

The Company's Board of Directors places great importance on supervising and overseeing that the Company has conducted its businesses in accordance with the established good corporate governance policies and practices. The Board is responsible for and ensures that the financial statements of Srithai Superware Public Company Limited and its subsidiary companies are prepared according to Thai Accounting Standards, in compliance with the Accounting Professions Act B.E. 2543 and the financial reporting requirements of the Securities and Exchange Commission.

The Board of Directors has selected accounting policies that are appropriate and have been consistent in use for the preparation of the consolidated and Company financial statements with all due care, comprehensiveness and reasonable estimates. Disclosures of any significant information have been adequately made in the notes to the financial statements. The financial statements have been audited and approved, without any qualifying statements by the certified independent external auditor, as well as have been reviewed by the Audit Committee. As such, the Company's financial statements reflect the true financial condition and the performance results of the Company for sake of the benefit of shareholders and general investors.

The Board of Directors has undertaken its duties in developing, overseeing and promoting the principles of good corporate governance in order that the operations of the Company's businesses are conducted in an effective, transparent, and creditable manner. Effective internal control and risk management systems have been established to ensure that all financial information of the Company are accurate and complete, the Company's assets are protected, and any fraudulent or significant irregularities are prevented. The Board of Directors has appointed the Audit Committee, comprising totally of independent directors, responsible for supervising the overall quality of the Company's financial reports; reviewing the internal control, systems, risk management systems, and compliance with the established good corporate governance policies and practices, disclosing the complete and sufficient related transactions, and overseeing the compliance with applicable requirements as specified by relevant regulatory agencies. Opinions on these areas of responsibilities have been expressed in the Report of the Audit Committee as shown in the Annual Report for 2014.

The Board of Directors is of the opinion that overall internal control systems of the Company is adequate and appropriate to reasonably ascertain that the financial statements of Srithai Superware Public Company Limited and the consolidated financial statements of Srithai Superware Public Company Limited and its subsidiaries, for the year ended December 31, 2014, fairly present in all material respects the financial position, operational performance results, and cash flows in accordance with Financial Reporting Standards and in compliance with other relevant laws and applicable regulations.

On Behalf of the Board of Directors

Srithai Superware Public Company Limited



Mr. Sanan Angubolkul

Chairman of the Board

Report of the Audit Committee

To Shareholders

Srithai Superware Public Company Limited

The Audit Committee of Srithai Superware Public Company Limited comprises independent directors who earn relevant expertise such as in finance, accounting and tax matters and are independent. They do not own any Company shares and all possess the required qualifications as specified by the Stock Exchange of Thailand, consisting of the following members:

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

The Audit Committee has performed its duties according to the responsibilities assigned by the Board of Directors, and as specified by the Stock Exchange of Thailand regarding the qualifications and scope of duties of the Audit Committee promulgated in 2008. The Audit Committee is determined to commit to enhancing correct operational systems, relevant applicable regulations regarding financial reporting, risk management, and effective internal audit procedures. This will enable the Company to run its businesses with transparency, honesty, and fairness to achieve the highest degree of benefits for its shareholders.

In each Audit Committee meeting during the year, the Audit Committee discussed and reviewed in an independent manner, significant information regarding the preparation of financial statements, as well as questioned any transactions where it was suspected that the Company may have undertaken irregularity. The Audit Committee also asked the external auditor about the details of their annual audit plan on quarterly basis of which feedback and inputs were used to further improve the effectiveness of those audit activities for the internal auditors. During 2014, the Audit Committee held a total of five meetings, with every member of the Audit Committee attending each meeting. Of these meetings, four were held by the independent directors with the external auditors. One meeting was held without the Company's executives being present to enquire any doubts on the financial statements of the Company as well as to independently receive any comments from the external auditors. Key discussion points of the meetings are summarized as follows:

1. Review of the Financial Reports

During 2014, the Audit Committee had reviewed significant information of the quarterly and annual financial statements of Srithai Superware Public Company Limited and its subsidiaries. The reviews were held with the Company's external auditors, executives of the finance and accounting function, and head of the internal audit department. The purposes covered consideration of financial reports, disclosure of notes to the financial statements, important accounting policies and estimates; any further observations resulting from the review and audit exercise by the external auditors prior to certifying the financial statements which have been audited without any qualifying opinions or statements, and submission for consideration by the Board of Directors.

The Audit Committee is of the opinion that the Company's financial statements, for the year 2014, present fairly in all material respects in accordance with the required Financial Reporting Standards, as well as timely disclose sufficient information. It was then considered appropriate to submit it to the Board of Directors for consideration, before proposing for approval at the Annual General Meeting of Shareholders.

2. Review on Risk Management

The Audit Committee places great importance on the management of risks, through monitoring operational activities and making recommendations to the Risk Management Sub-Committee for improvements on a regular basis. The Audit Committee is of the opinion that such risk management procedures can adequately meet various possible risk factors that may significantly affect the Company's businesses.

3. Review of Compliance with Good Corporate Governance Policies

The Audit Committee is determined to have the Company conduct its businesses in a transparent, fair and ethical manner to create a full degree trust, creditability, and confidence of its stakeholders through regularly monitoring and reviewing the compliance with the Company's good corporate governance policies and practices. The Audit Committee recommended and proposed that the Board of Directors declare its stance on anticorruption in joining as a signatory

member of the Private Sector Collective Action Coalition Against Corruption since August 27, 2014. Additionally, at all meetings of the Audit Committee, the head of internal audit department also makes a report on information, submitted by and received from informants, on possible irregular or fraudulent activities or incidents of non-compliance with any legal and other regulations under the Company's 'Whistle Blower Program'. For 2014, no information was received from any informants regarding such irregularities.

Overall, during 2014, the Company has continued to seriously comply with the established good corporate governance policies and practices. As a result, in the annual corporate governance assessment program (CGR 2014) by the Thai Institute of Directors Association, the Company achieved a "very good" CG rating.

4. Supervision of Compliance with Relevant Rules and Regulations as Prescribed by the Regulators

The Audit Committee had reviewed and assessed the Company's compliance to relevant rules and regulations as prescribed by applicable regulatory agencies/organizations. The Committee is of the opinion that the Company has operated its businesses in compliance with the Securities and Exchange Acts, the regulations of the Stock Exchange of Thailand, and the relevant laws and regulations applicable for the Company's businesses.

5. Review on Internal Control Systems

The Audit Committee, external auditors, and internal auditors had reviewed the Company's internal control systems and shared the same opinion that the Company had in place adequate, appropriate and efficient internal control systems. There were no material deficiencies in the internal control systems and in the Company's financial statements. In the event any observations or comments are expressed by the external auditors or the internal auditors, the Audit Committee would then recommend and urge the Company's executives to take corrective actions accordingly.

The Audit Committee is responsible for supervising and overseeing the internal audit department, through approving its annual audit plans and reviewing the findings of such audit exercises and activities that are submitted to the Audit Committee every quarter. Regular advices have been consequently given for improvements to the internal audit department for overall benefit of the Company.

6. Consideration of the Appointment of Certified Public Accountant for the Year 2015

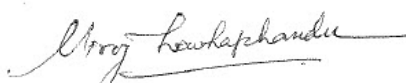
The Audit Committee had reviewed performance of the external auditors from PricewaterhouseCoopers ABAS Limited. The Committee is of the opinion that the auditor is fully independent in undertaking its audit activities, has a good understanding of the Company's businesses with extensive expertise in the audit profession and appropriate relevant experiences, has performed well, and is trustworthy. Besides, they have the approved qualifications required by the Securities and Exchange Commission.

The Audit Committee has, therefore, recommended to the Board of Directors to propose to the Annual General Meeting of Shareholders for 2015 the appointment of 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 external auditor for the fiscal year in 2015 with a total audit fee of Baht 1,800,000 (One Million and Eight Hundred Thousand Baht only).

7. Performance Evaluation of the Audit Committee

The Audit Committee undertakes a self-evaluation of the performance of the Audit Committee every fiscal year, in order to assess that its overall performance is within the scope of authority and responsibilities of the Audit Committee as specified by the Stock Exchange of Thailand.

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 2014, 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.

PricewaterhouseCoopers ABAS Ltd.
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T: +66 (0) 2344 1000, +66 (0) 2824 5000 F: +66 (0) 2286 5050, www.pwc.com/th

*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 2014, 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
27 February 2015

Srithai Superware Public Company Limited
Statement of Financial Position
As at 31 December 2014

| | | Consolidated | | Company | |
|------------------------------------------|--------------|-----------------------|-----------------------|----------------------|----------------------|
| | | 2014 | 2013 | 2014 | 2013 |
| | Notes | Baht | Baht | Baht | Baht |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 472,956,895 | 437,117,224 | 268,054,860 | 215,856,126 |
| Short-term investments | 8 | 5,837,202 | 7,858,770 | - | - |
| Trade accounts receivable, net | 9 | 1,992,362,351 | 1,855,457,482 | 1,752,883,533 | 1,674,540,952 |
| Other receivables - third parties | | 107,652,551 | 52,943,475 | 32,841,858 | 30,912,289 |
| Other receivables - related parties, net | 34.2 | 976,238 | 6,699,179 | 21,684,345 | 11,256,998 |
| Inventories, net | 10 | 1,599,487,486 | 1,475,138,671 | 1,100,397,940 | 1,131,539,015 |
| Other current assets | | 132,987,073 | 114,290,528 | 98,815,551 | 88,614,959 |
| Total current assets | | 4,312,259,796 | 3,949,505,329 | 3,274,678,087 | 3,152,720,339 |
| Non-current assets | | | | | |
| Investments in subsidiaries | 11.1 | - | - | 1,013,632,825 | 761,800,125 |
| Investments in associates, net | 11.1 | 253,116,119 | 288,172,289 | 184,113,258 | 184,113,258 |
| Investments in joint venture | 11.1 | 14,298,886 | 14,313,342 | 4,999,800 | 4,999,800 |
| Other long-term investments, net | 12 | 200,016,354 | 206,616,354 | 134,169,970 | 140,769,970 |
| Investment properties, net | 13 | 128,433,029 | 134,779,114 | 493,548,769 | 499,214,447 |
| Property, plant and equipment, net | 14 | 5,373,054,475 | 5,295,733,845 | 3,945,958,229 | 4,176,798,801 |
| Intangible assets, net | 15 | 52,836,730 | 49,383,359 | 32,514,560 | 39,114,428 |
| Deferred tax assets, net | 16 | 97,704,542 | 94,162,249 | 66,529,910 | 68,417,644 |
| Leasehold right, net | 17 | 46,243,403 | 48,330,147 | - | - |
| Other non-current assets | | 38,072,822 | 44,514,183 | 20,061,930 | 21,927,380 |
| Total non-current assets | | 6,203,776,360 | 6,176,004,882 | 5,895,529,251 | 5,897,155,853 |
| Total assets | | 10,516,036,156 | 10,125,510,211 | 9,170,207,338 | 9,049,876,192 |

The notes to the consolidated and company financial statements on pages 9 to 68 form an integral part of these financial statements.

Srithai Superware Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2014

| | | Consolidated | | Company | |
|---------------------------------------------------------------------------|--------------|-----------------------|-----------------------|----------------------|----------------------|
| | | 2014 | 2013 | 2014 | 2013 |
| | Notes | Baht | Baht | Baht | Baht |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term loans | 18 | 1,452,299,200 | 823,449,663 | 1,330,000,000 | 820,000,000 |
| Long-term loans (maturing within one year) | 19 | 619,919,200 | 563,878,278 | 472,245,600 | 435,091,938 |
| Trade accounts payable - third parties | | 860,291,338 | 837,645,983 | 541,031,858 | 571,423,566 |
| Trade accounts payable - related parties | 34.2 | 108,129,087 | 112,561,983 | 168,462,000 | 122,262,729 |
| Other payables - third parties | 20 | 428,561,037 | 404,595,970 | 265,999,615 | 285,333,755 |
| Other payables - related parties | 34.2 | 787,194 | 2,474,859 | 5,872,686 | 3,502,743 |
| Other current liabilities | | 41,566,271 | 36,132,749 | 25,736,320 | 25,790,381 |
| Total current liabilities | | 3,511,553,327 | 2,780,739,485 | 2,809,348,079 | 2,263,405,112 |
| Non-current liabilities | | | | | |
| Long-term loans | 19 | 1,955,179,661 | 2,466,413,261 | 1,421,003,280 | 1,965,748,880 |
| Finance lease liabilities | | 20,626,366 | 2,660,506 | - | - |
| Employee benefit obligations | 24 | 296,568,017 | 310,552,945 | 249,196,093 | 265,234,764 |
| Total non-current liabilities | | 2,272,374,044 | 2,779,626,712 | 1,670,199,373 | 2,230,983,644 |
| Total liabilities | | 5,783,927,371 | 5,560,366,197 | 4,479,547,452 | 4,494,388,756 |
| Shareholders' equity | | | | | |
| Share capital | 25 | | | | |
| Authorised share capital | | | | | |
| Ordinary shares 2,709,904,800 shares of par Baht 1 each | | | | | |
| (31 December 2013: Ordinary shares 270,990,480 shares of par Baht 10 each | | <u>2,709,904,800</u> | <u>2,709,904,800</u> | <u>2,709,904,800</u> | <u>2,709,904,800</u> |
| Issued and paid-up share capital | | | | | |
| Ordinary shares 2,709,904,800 shares of par Baht 1 each | | | | | |
| (31 December 2013: 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 | 203,000,000 | 182,000,000 | 203,000,000 | 182,000,000 |
| Unappropriated | | 1,674,792,911 | 1,496,725,906 | 1,720,210,666 | 1,600,758,216 |
| Other components of equity | 27 | (101,187,888) | (72,939,778) | 37,616,000 | 42,896,000 |
| Total parent's shareholders' equity | | 4,506,438,243 | 4,335,619,348 | 4,690,659,886 | 4,555,487,436 |
| Non-controlling interests | | 225,670,542 | 229,524,666 | - | - |
| Total shareholders' equity | | 4,732,108,785 | 4,565,144,014 | 4,690,659,886 | 4,555,487,436 |
| Total liabilities and shareholders' equity | | 10,516,036,156 | 10,125,510,211 | 9,170,207,338 | 9,049,876,192 |

The notes to the consolidated and company financial statements on pages 9 to 68 form an integral part of these financial statements.

Srithai Superware Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2014

| | Notes | Consolidated | | Company | |
|---------------------------------------------------------------------------------|---------------|----------------------|----------------------|----------------------|----------------------|
| | | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Sales and service income | 28 | 9,750,926,710 | 9,397,421,494 | 7,279,370,843 | 7,169,075,744 |
| Cost of sales and services | 28, 34.4 | (7,880,823,634) | (7,556,282,689) | (5,935,789,690) | (5,800,143,207) |
| Gross profit | | 1,870,103,076 | 1,841,138,805 | 1,343,581,153 | 1,368,932,537 |
| Other income | 34.3 | 110,739,826 | 106,906,527 | 324,716,803 | 225,394,522 |
| Selling expenses | 30, 34.4 | (913,243,986) | (857,393,367) | (821,264,990) | (764,504,466) |
| Administrative expenses | 30, 34.4 | (423,461,555) | (390,387,696) | (288,337,276) | (278,764,718) |
| Finance costs | 29 | (167,747,321) | (167,000,062) | (125,427,565) | (123,607,480) |
| Share of profit of investments in associates and joint venture | 11.2 | 63,165,436 | 50,099,483 | - | - |
| Reversal (loss) on impairment of investment in subsidiary and associate, net | 11.3 (c), (d) | - | (12,044,661) | - | 32,335,135 |
| Profit before income tax | | 539,555,476 | 571,319,029 | 433,268,125 | 459,785,530 |
| Income tax | 16.3 | (52,076,669) | (52,365,234) | (21,825,495) | (36,023,042) |
| Profit for the year | | 487,478,807 | 518,953,795 | 411,442,630 | 423,762,488 |
| Other comprehensive income: | | | | | |
| Exchange rate differences on translating financial statements | | (22,789,614) | (48,657,389) | - | - |
| Gain (Loss) on remeasuring available-for-sale investments | | (5,291,069) | 2,045 | (5,280,000) | - |
| Actuarial loss on defined employee benefit plans | | - | (34,072,134) | - | (34,437,021) |
| Other comprehensive income (expense) for the year, net of tax | | (28,080,683) | (82,727,478) | (5,280,000) | (34,437,021) |
| Total comprehensive income for the year | | 459,398,124 | 436,226,317 | 406,162,630 | 389,325,467 |
| Profit attributable to: | | | | | |
| Owners of the parent | | 470,057,185 | 486,968,088 | 411,442,630 | 423,762,488 |
| Non-controlling interests | | 17,421,622 | 31,985,707 | - | - |
| Profit for the year | | 487,478,807 | 518,953,795 | 411,442,630 | 423,762,488 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent | | 441,809,075 | 404,766,739 | 406,162,630 | 389,325,467 |
| Non-controlling interests | | 17,589,049 | 31,459,578 | - | - |
| Total comprehensive income for the year | | 459,398,124 | 436,226,317 | 406,162,630 | 389,325,467 |
| Earnings per share | | | | | |
| Basic earnings per share | 31 | 0.17 | 0.18 | 0.15 | 0.16 |

The notes to the consolidated and company financial statements on pages 9 to 68 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 2014

| | Consolidated (Baht) | | | | | | | | | |
|---------------------------------------------------|--------------------------------------------|--------------------------------------|----------------------------------------------------------|----------------------------------|--------------------------------------------------------------------|--------------------------------------|--------------------------------------------|----------------------------|---------------------------|----------------------------|
| | Attributable to owners of the parent | | | | | Other components of equity | | | | |
| | | | | | | Other comprehensive income (expense) | | | | |
| | Translation | | | | | | | | | |
| 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 | adjustment for investments in overseas subsidiaries and associates | Available-for-sale investments | Total other components of equity (Note 27) | Total owners of the parent | Non-controlling interests | Total shareholders' equity |
| Opening balance as at 1 January 2014 | 2,709,904,800 | 19,928,420 | 182,000,000 | 1,496,725,906 | (115,846,847) | 42,907,069 | (72,939,778) | 4,335,619,348 | 229,524,666 | 4,565,144,014 |
| Net profit for the year | - | - | - | 470,057,185 | - | - | - | 470,057,185 | 17,421,622 | 487,478,807 |
| Other comprehensive income (expense) for the year | - | - | - | - | (22,957,041) | (5,291,069) | (28,248,110) | (28,248,110) | 167,427 | (28,080,683) |
| Dividends | - | - | - | (270,990,180) | - | - | - | (270,990,180) | (21,443,173) | (292,433,353) |
| Legal reserve | - | - | 21,000,000 | (21,000,000) | - | - | - | - | - | - |
| Closing balance as at 31 December 2014 | 2,709,904,800 | 19,928,420 | 203,000,000 | 1,674,792,911 | (138,803,888) | 37,616,000 | (101,187,888) | 4,506,438,243 | 225,670,542 | 4,732,108,785 |
| Opening balance as at 1 January 2013 | 2,709,904,800 | 19,928,420 | 160,000,000 | 1,363,905,290 | (67,715,587) | 42,905,024 | (24,810,563) | 4,228,927,947 | 228,978,410 | 4,457,906,357 |
| Net profit for the year | - | - | - | 486,968,088 | - | - | - | 486,968,088 | 31,985,707 | 518,953,795 |
| Other comprehensive income (expense) for the year | - | - | - | (34,072,134) | (48,131,260) | 2,045 | (48,129,215) | (82,201,349) | (526,129) | (82,727,478) |
| Dividends | - | - | - | (298,075,338) | - | - | - | (298,075,338) | (17,601,980) | (315,677,318) |
| Legal reserve | - | - | 22,000,000 | (22,000,000) | - | - | - | - | - | - |
| Additional investment in a subsidiary | - | - | - | - | - | - | - | - | (13,311,342) | (13,311,342) |
| Closing balance as at 31 December 2013 | 2,709,904,800 | 19,928,420 | 182,000,000 | 1,496,725,906 | (115,846,847) | 42,907,069 | (72,939,778) | 4,335,619,348 | 229,524,666 | 4,565,144,014 |

The notes to the consolidated and company financial statements on pages 9 to 68 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 2014

| | Company (Baht) | | | | | | |
|---------------------------------------------------|--------------------------------------------|--------------------------------------|----------------------------------------------------------|--------------------------------------------|--------------------------------|--------------------------------------------|----------------------------|
| | 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 26) | Other components of equity | | |
| | | | | | Available-for-sale investments | Total other components of equity (Note 27) | Total shareholders' equity |
| Notes | | | | | | | |
| Opening balance as at 1 January 2014 | 2,709,904,800 | 19,928,420 | 182,000,000 | 1,600,758,216 | 42,896,000 | 42,896,000 | 4,555,487,436 |
| Net profit for the year | - | - | - | 411,442,630 | - | - | 411,442,630 |
| Other comprehensive income (expense) for the year | - | - | - | - | (5,280,000) | (5,280,000) | (5,280,000) |
| Dividends | - | - | - | (270,990,180) | - | - | (270,990,180) |
| Legal reserve | - | - | 21,000,000 | (21,000,000) | - | - | - |
| Closing balance as at 31 December 2014 | 2,709,904,800 | 19,928,420 | 203,000,000 | 1,720,210,666 | 37,616,000 | 37,616,000 | 4,690,659,886 |
| Opening balance as at 1 January 2013 | 2,709,904,800 | 19,928,420 | 160,000,000 | 1,531,508,087 | 42,896,000 | 42,896,000 | 4,464,237,307 |
| Net profit for the year | - | - | - | 423,762,488 | - | - | 423,762,488 |
| Other comprehensive income (expense) for the year | - | - | - | (34,437,021) | - | - | (34,437,021) |
| Dividends | - | - | - | (298,075,338) | - | - | (298,075,338) |
| Legal reserve | - | - | 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 |

The notes to the consolidated and company financial statements on pages 9 to 68 form an integral part of these financial statements.

Srithai Superware Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2014

| | | Consolidated | | Company | |
|---------------------------------------------------------------------------------------|----------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | 2014 | 2013 | 2014 | 2013 |
| | Notes | Baht | Baht | Baht | Baht |
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 33.1 | 980,491,887 | 957,727,289 | 802,881,756 | 510,503,644 |
| Interest paid | | (166,812,906) | (166,117,890) | (126,060,131) | (122,869,983) |
| Income tax paid | | (82,848,998) | (80,549,623) | (35,490,738) | (44,689,118) |
| Net cash receipts from operating activities | | <u>730,829,983</u> | <u>711,059,776</u> | <u>641,330,887</u> | <u>342,944,543</u> |
| Cash flows from investing activities | | | | | |
| Cash payment for short-term investments | 8 | (47,343,995) | (17,323,863) | - | - |
| Cash payment for investments in subsidiaries | 11.1 | - | - | (251,832,700) | (75,514,000) |
| Purchase of fixed assets | 33.2 | (781,609,484) | (996,714,246) | (379,574,190) | (786,893,707) |
| Purchase of intangible assets | 33.2 | (14,327,096) | (7,300,594) | (1,690,440) | (3,289,812) |
| Purchase of leasehold rights | 17 | - | (47,294,571) | - | - |
| Cash payment for short-term loan to a related party | | - | - | - | (8,000,000) |
| Cash receipt from disposal of short-term investments | 8 | 49,193,126 | 16,739,860 | - | - |
| Proceeds from disposals of fixed assets and intangible assets | | 55,032,774 | 15,411,737 | 98,962,082 | 35,042,112 |
| Cash receipt from repayment of short-term loan to a related party and interest income | | - | - | - | 8,264,719 |
| Interest receipt | | 7,034,914 | 7,901,672 | 3,938,688 | 2,230,947 |
| Dividend receipts from investments in subsidiaries, associates, and joint venture | 33.2 | 104,103,198 | 32,869,500 | 197,460,025 | 85,267,520 |
| Dividend receipts from other investments | | 12,186,500 | 15,179,904 | 12,186,500 | 15,179,904 |
| Net cash payments for investing activities | | <u>(615,730,063)</u> | <u>(980,530,601)</u> | <u>(320,550,035)</u> | <u>(727,712,317)</u> |
| Cash flows from financing activities | | | | | |
| Increase (decrease) in bank overdrafts and short-term loans | 18 | 628,849,537 | (20,789,795) | 510,000,000 | 30,000,000 |
| Receipt from long-term loans | 19 | 184,800,000 | 1,196,728,000 | - | 1,100,000,000 |
| Receipt from short-term loan from a related party | | - | 3,000,000 | - | - |
| Proceeds from disposal of fixed assets under sales and leaseback agreement | | 27,767,239 | - | - | - |
| Repayment of long-term loans | 19 | (642,781,478) | (579,337,827) | (507,591,938) | (463,470,227) |
| Repayment of finance lease liabilities | | (3,414,194) | (2,867,444) | - | - |
| Repayment of short-term loan from a related party | | - | (3,000,000) | - | - |
| Cash payment for investments in subsidiaries | 11.3 | - | (12,756,000) | - | - |
| Dividend payment | 32 | (270,990,180) | (298,075,338) | (270,990,180) | (298,075,338) |
| Dividends paid to non-controlling interests in subsidiaries | | (3,491,173) | (17,601,980) | - | - |
| Net cash receipts (payments) from financing activities | | <u>(79,260,249)</u> | <u>265,299,616</u> | <u>(268,582,118)</u> | <u>368,454,435</u> |
| Net increase (decrease) in cash and cash equivalents | | 35,839,671 | (4,171,209) | 52,198,734 | (16,313,339) |
| Cash and cash equivalents, opening balance | | <u>437,117,224</u> | <u>441,288,433</u> | <u>215,856,126</u> | <u>232,169,465</u> |
| Cash and cash equivalents, closing balance | 7 | <u>472,956,895</u> | <u>437,117,224</u> | <u>268,054,860</u> | <u>215,856,126</u> |
| Non cash transactions | | | | | |
| Conversion of loan to investment in a subsidiary | 11.1 | - | - | - | 181,371,600 |
| Purchase of property, plant and equipment under finance lease | | 27,767,239 | 3,078,579 | - | - |

The notes to the consolidated and company financial statements on pages 9 to 68 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 2014

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 27 February 2015.

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 Financial Reporting Standards (“TFRS”) 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.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

2 Accounting policies (Cont'd)

2.2 New and revised accounting standards and financial reporting standards, and new and revised related interpretations of accounting standards and financial reporting standards

1) New financial reporting standards and revised financial reporting standards which are effective on 1 January 2014 are as follows:

| | |
|-----------------------|------------------------------------------------------------------------------------------------------|
| 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 |
| 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 |

Commencing on 1 January 2014, the Group has applied the aforementioned accounting standards. However, the application of those accounting standards has no significant impacts to the financial statements being presented, except the following accounting standard:

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. The Group's management choose to present the breakdown of other comprehensive income in the statement of changes in equity.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

2 Accounting policies (Cont'd)

2.2 New and revised accounting standards and financial reporting standards, and new and revised related interpretations of accounting standards and financial reporting standards (Cont'd)

2) New financial reporting standards and revised financial reporting standards are effective on 1 January 2015. The Group has not early adopted these standards:

| | |
|-------------------------|------------------------------------------------------------------------------------------------------|
| TAS 1 (revised 2014) | Presentation of financial statements |
| TAS 2 (revised 2014) | Inventories |
| TAS 7 (revised 2014) | Cash flow statements |
| TAS 8 (revised 2014) | Accounting policies, changes in accounting estimates and errors |
| TAS 10 (revised 2014) | Events after the reporting period |
| TAS 11 (revised 2014) | Construction contract |
| TAS 12 (revised 2014) | Income taxes |
| TAS 16 (revised 2014) | Property, plant and equipment |
| TAS 17 (revised 2014) | Leases |
| TAS 18 (revised 2014) | Revenue |
| TAS 19 (revised 2014) | Employee benefits |
| TAS 20 (revised 2014) | Accounting for government grants & disclosure of government assistance |
| TAS 21 (revised 2014) | The effects of changes in foreign exchange rates |
| TAS 23 (revised 2014) | Borrowing costs |
| TAS 24 (revised 2014) | Related party disclosures |
| TAS 26 (revised 2014) | Accounting and reporting by retirement benefit plans |
| TAS 27 (revised 2014) | Separate financial statements |
| TAS 28 (revised 2014) | Investments in associates and joint ventures |
| TAS 29 (revised 2014) | Financial reporting in hyperinflationary economies |
| TAS 33 (revised 2014) | Earnings per share |
| TAS 34 (revised 2014) | Interim financial reporting |
| TAS 36 (revised 2014) | Impairment of assets |
| TAS 37 (revised 2014) | Provisions, contingent liabilities and contingent assets |
| TAS 38 (revised 2014) | Intangible assets |
| TAS 40 (revised 2014) | Investment property |
| TFRS 2 (revised 2014) | Share-based payments |
| TFRS 3 (revised 2014) | Business combinations |
| TFRS 5 (revised 2014) | Non-current asset held for sale and discontinued operations |
| TFRS 6 (revised 2014) | Exploration for and evaluation of mineral resources |
| TFRS 8 (revised 2014) | Operating segments |
| TFRS 10 | Consolidated financial statements |
| TFRS 11 | Joint arrangements |
| TFRS 12 | Disclosure of interest in other entities |
| TFRS 13 | Fair value measurement |
| TSIC 10 (revised 2014) | Government assistance - No specific relation to operating activities |
| TSIC 15 (revised 2014) | Operating leases - Incentives |
| TSIC 25 (revised 2014) | Income taxes - changes in the tax status of an entity or its shareholders |
| TSIC 27 (revised 2014) | Evaluating the substance of transactions involving the legal form of a lease |
| TSIC 29 (revised 2014) | Service concession arrangements: Disclosures |
| TSIC 31 (revised 2014) | Revenue - barter transactions involving advertising services |
| TSIC 32 (revised 2014) | Intangible assets - Web site costs |
| TFRIC 1 (revised 2014) | Changes in existing decommissioning, restoration and similar liabilities |
| TFRIC 4 (revised 2014) | Determining whether an arrangement contains a lease |
| TFRIC 5 (revised 2014) | Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds |
| TFRIC 7 (revised 2014) | Applying the restatement approach under IAS29 Financial reporting in hyperinflationary economies |
| TFRIC 10 (revised 2014) | Interim financial reporting and impairment |
| TFRIC 12 (revised 2014) | Service concession arrangements |
| TFRIC 13 (revised 2014) | Customer loyalty programmes |
| TFRIC 14 (revised 2014) | TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction |
| TFRIC 15 (revised 2014) | Agreements for the construction of real estate |
| TFRIC 17 (revised 2014) | Distributions of non-cash assets to owners |
| TFRIC 18 (revised 2014) | Transfers of assets from customers |
| TFRIC 20 | Stripping costs in the production phase of a surface mine |

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

2 Accounting policies (Cont'd)

2.2 New and revised accounting standards and financial reporting standards, and new and revised related interpretations of accounting standards and financial reporting standards (Cont'd)

2) New financial reporting standards and revised financial reporting standards are effective on 1 January 2015. The Group has not early adopted these standards: (Cont'd)

The Group will apply the aforementioned accounting standards from 1 January 2015. The Group's management assessed and determined that there were no significant impacts to the financial statements being presented except the following accounting standard.

TAS 1 (revised 2014), the main change is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

3) Revised financial reporting standard which is effective on 1 January 2016 is as follow:

TFRS4 (revised 2014)

Insurance contracts

The Group's management assessed that the standard is not relevant to the Group.

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.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

2 Accounting policies (Cont'd)

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

2.3.1 Investments in subsidiaries (Cont'd)

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.

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.

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.

In the Company's separate financial statements, investments in associates are accounted for using the cost method.

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.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

2 Accounting policies (Cont'd)

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.

(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 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 for doubtful accounts 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.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

2 Accounting policies (Cont'd)

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 (based on normal operating capacity). Manufacturing overheads include costs directly related to the units of production and those systematically allocated from variable and fixed production overheads, but exclude borrowing costs. Work-to-order is stated at actual cost.

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

2.8 Investments

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

- (1) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the 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.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

2 Accounting policies (Cont'd)

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.

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 |
|-----------|----------|

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.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

2 Accounting policies (Cont'd)

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

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.

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.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

2 Accounting policies (Cont'd)

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.

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.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

2 Accounting policies (Cont'd)

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.

2.17 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.18 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.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
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2 Accounting policies (Cont'd)

2.18 Employee benefits (Cont'd)

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 or 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 or 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.

2.19 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.

2.20 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.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

2 Accounting policies (Cont'd)

2.21 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.

2.22 Dividends

Dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders.

2.23 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.

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.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

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 balancing the fixed interest rate and floating interest rate loans using a Natural Hedge, by considering borrowing money from sources with interest rate other than MLR, by using financial tool to mitigate and diversify 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 despite a few numbers of customers in some business segments. However, such a circumstance should not pose a significant threat to the business as most of these customers are well-known and financially healthy. Moreover, the Group's large numbers of customers are not only dispersed, but also 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.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2014

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.

Srithai Superware Public Company Limited
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For the year ended 31 December 2014

4 Critical accounting estimates, assumption and judgements (Cont'd)

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.

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 was unallocated. Fixed assets are allocated to each segment based on their utilisations.

| | Consolidated | | | | | |
|----------------------------------------------------------------|------------------------------------------------|---------------------|---------------------|---------------------|----------------------------------|------------|
| | For the year ended 31 December 2014 (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 | 2,180,948 | 89,832 | 5,922,573 | 1,351,954 | 708,950 | 10,254,257 |
| Revenue from subsidiaries | (317,687) | (688) | (93,104) | (57,396) | (34,455) | (503,330) |
| Total sales and service income | 1,863,261 | 89,144 | 5,829,469 | 1,294,558 | 674,495 | 9,750,927 |
| Profit from sales by segment | 169,925 | 8,899 | 231,690 | 98,892 | 23,992 | 533,398 |
| Gain on foreign exchange rate, net | | | | | | 8,573 |
| Other income | | | | | | 102,167 |
| Finance costs | | | | | | (167,747) |
| Share of profit of investments in associates and joint venture | | | | | | 63,165 |
| Profit before income tax | | | | | | 539,556 |
| Income tax | | | | | | (52,077) |
| Profit for the year | | | | | | 487,479 |
| Fixed assets | 687,561 | | 4,474,040 | | 173,954 | 5,335,555 |
| Other unallocated fixed assets | | | | | | 37,499 |
| Other unallocated assets | | | | | | 5,142,982 |
| Consolidated total assets | | | | | | 10,516,036 |

Srithai Superware Public Company Limited
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6 Segment information (Cont'd)

| | 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) |
| 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 |

7 Cash and cash equivalents

Cash and cash equivalents as at 31 December comprise the following:

| | Consolidated | | Company | |
|---------------------------------|---------------------|------------------|------------------|------------------|
| | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Cash on hand | 5,730,991 | 7,065,208 | 4,227,725 | 5,332,550 |
| Cheque on hand | 6,152,190 | 18,207,915 | 6,152,190 | 18,168,215 |
| Deposits with banks | | | | |
| - current accounts | 116,034,040 | 75,112,625 | 3,328,331 | 3,632,191 |
| - savings accounts | 307,178,615 | 289,054,579 | 253,985,555 | 188,365,463 |
| - fixed deposits | 37,861,059 | 47,676,897 | 361,059 | 357,707 |
| Total cash and cash equivalents | 472,956,895 | 437,117,224 | 268,054,860 | 215,856,126 |

As at 31 December 2014, the average interest rate of saving deposits at banks is between 0.05% to 2.00% per annum (2013: 0.10% to 2.75% per annum).

As at 31 December 2014, fixed deposits at banks represent 1-month to 3-month fixed deposits carrying interest at the rate of 1.10% to 4.00% per annum (2013: 1.50% to 1.75% per annum).

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8 Short-term investments

Short-term investments as at 31 December comprise the following:

| | Consolidated | | Company | |
|-----------------------------------------------------------------------------------|---------------------|------------------|----------------|-------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Fixed deposits pledged at bank | 96,620 | 98,940 | - | - |
| Fixed deposits | 5,740,582 | 7,669,925 | - | - |
| Local mutual fund units which are classified as available-for-sale investments | - | 78,836 | - | - |
| <u>Add</u> Fair value reserves | - | 11,069 | - | - |
| Total short-term investments | <u>5,837,202</u> | <u>7,858,770</u> | <u>-</u> | <u>-</u> |

As at 31 December 2014, fixed deposits of a subsidiary amounting to Baht 0.10 million (2013: Baht 0.10 million) are pledged as collateral for tax guarantee.

As at 31 December 2014, fixed deposits of subsidiaries represent 3-month to 12-month fixed deposits at banks carrying interest at the rate of 3.00% to 8.00% per annum (2013: 1.75% to 8.75% per annum).

As at 31 December 2013, short-term investments of a subsidiary amounting to 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:

| | Consolidated | | Company | |
|---------------------------------------------------------|---------------------|------------------|----------------|-------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Opening book value | 7,858,770 | 7,358,536 | - | - |
| Increase in short-term investments | 47,343,995 | 17,323,863 | - | - |
| Disposals | (49,193,126) | (16,739,860) | - | - |
| Fair value changes of available-for-sale investments | - | 2,045 | - | - |
| Currency translation differences | (172,437) | (85,814) | - | - |
| Closing book value | <u>5,837,202</u> | <u>7,858,770</u> | <u>-</u> | <u>-</u> |

9 Trade accounts receivable, net

Trade accounts receivable as at 31 December comprise the following:

| | Consolidated | | Company | |
|------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Trade accounts receivable - third parties | 1,663,518,727 | 1,528,902,928 | 1,351,324,630 | 1,294,067,519 |
| <u>Less</u> Allowance for doubtful accounts | <u>(8,691,732)</u> | <u>(4,829,402)</u> | <u>(5,042,186)</u> | <u>(4,215,679)</u> |
| Trade accounts receivable - third parties, net | 1,654,826,995 | 1,524,073,526 | 1,346,282,444 | 1,289,851,840 |
| Trade accounts receivable - related parties (Note 34.2) | 337,535,356 | 331,383,956 | 406,601,089 | 384,689,112 |
| Total trade accounts receivable, net | <u>1,992,362,351</u> | <u>1,855,457,482</u> | <u>1,752,883,533</u> | <u>1,674,540,952</u> |

Srithai Superware Public Company Limited
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9 Trade accounts receivable, net (Cont'd)

Trade accounts receivable can be aged as follows:

| | Consolidated | | Company | |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Not yet due | 1,432,992,889 | 1,310,423,471 | 1,133,618,764 | 1,104,163,978 |
| Overdue not exceeding 3 months | 452,111,609 | 430,916,641 | 460,345,599 | 417,828,682 |
| Overdue 3 to 6 months | 50,156,840 | 71,793,209 | 62,589,220 | 84,726,227 |
| Overdue 6 to 12 months | 48,008,920 | 38,988,351 | 66,322,266 | 42,676,892 |
| Overdue 12 months | 17,783,825 | 8,165,212 | 35,049,870 | 29,360,852 |
| Total | 2,001,054,083 | 1,860,286,884 | 1,757,925,719 | 1,678,756,631 |
| <u>Less</u> Allowance for doubtful accounts | (8,691,732) | (4,829,402) | (5,042,186) | (4,215,679) |
| Total trade accounts receivable, net | <u>1,992,362,351</u> | <u>1,855,457,482</u> | <u>1,752,883,533</u> | <u>1,674,540,952</u> |

10 Inventories, net

Inventories as at 31 December comprise the following:

| | Consolidated | | Company | |
|------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Finished goods | 815,269,465 | 808,919,425 | 674,642,970 | 688,173,728 |
| Work in process | 179,843,589 | 175,651,314 | 81,402,214 | 89,654,986 |
| Raw materials | 363,160,953 | 349,485,818 | 259,205,080 | 262,850,518 |
| Supplies | 91,174,023 | 89,713,148 | 81,790,752 | 81,103,683 |
| Moulds for sales | 115,798,662 | 22,661,272 | 11,882,553 | 18,888,929 |
| | <u>1,565,246,692</u> | <u>1,446,430,977</u> | <u>1,108,923,569</u> | <u>1,140,671,844</u> |
| <u>Less</u> Allowance for obsolescence | (15,109,598) | (11,956,327) | (12,000,000) | (9,000,000) |
| Allowance for inventories cost in excess of net realisable value | (2,256,224) | (2,287,327) | (1,000,000) | (1,000,000) |
| | <u>1,547,880,870</u> | <u>1,432,187,323</u> | <u>1,095,923,569</u> | <u>1,130,671,844</u> |
| Goods in transit | 51,606,616 | 42,951,348 | 4,474,371 | 867,171 |
| Total inventories, net | <u>1,599,487,486</u> | <u>1,475,138,671</u> | <u>1,100,397,940</u> | <u>1,131,539,015</u> |

Allowance for obsolescence and allowance for inventories cost in excess of net realisable value as at 31 December comprise the following:

| | Consolidated | | Company | |
|-------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Allowance for obsolescence | | | | |
| Finished goods | 8,378,598 | 5,180,455 | 7,800,000 | 4,800,000 |
| Work in process | 672,100 | 672,100 | 200,000 | 200,000 |
| Raw materials | 3,346,598 | 2,991,470 | 1,900,000 | 1,500,000 |
| Supplies | 2,712,302 | 3,112,302 | 2,100,000 | 2,500,000 |
| Total allowance for obsolescence | <u>15,109,598</u> | <u>11,956,327</u> | <u>12,000,000</u> | <u>9,000,000</u> |
| Allowance for inventories cost in excess of net realisable value | | | | |
| Finished goods | 2,230,000 | 2,230,000 | 1,000,000 | 1,000,000 |
| Work in process | 26,224 | 57,327 | - | - |
| Total allowance for inventories cost in excess of net realisable value | <u>2,256,224</u> | <u>2,287,327</u> | <u>1,000,000</u> | <u>1,000,000</u> |
| Total allowance for obsolescence and allowance for inventories cost in excess of net realisable value | <u>17,365,822</u> | <u>14,243,654</u> | <u>13,000,000</u> | <u>10,000,000</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 7,843.55 million and Baht 5,935.79 million (2013: Baht 7,528.60 million and Baht 5,800.14 million) in the consolidated and company statement of comprehensive income, respectively.

The Group had recorded allowance for obsolescence and allowance for inventories cost in excess of net realisable value amounted to Baht 3.12 million and Baht 3.00 million (2013: reversal of allowance for inventory of 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

| | Company Cost method | |
|-------------------------------------------------------------------------------|--------------------------------|----------------------|
| | 2014 Baht | 2013 Baht |
| Opening net book amount | 761,800,125 | 456,714,525 |
| Investment in subsidiaries - cash payment (Note 11.3 (a)) | 251,832,700 | 75,514,000 |
| Investment in a subsidiary - conversion of loan to investment (Note 11.3 (a)) | - | 181,371,600 |
| Reversal of loss on impairment of investment in a subsidiary (Note 11.3 (d)) | - | 48,200,000 |
| Closing net book amount | <u>1,013,632,825</u> | <u>761,800,125</u> |

Associates

| | Consolidated Equity method | | Company Cost method | |
|----------------------------------------------------------|---------------------------------------|----------------------|--------------------------------|----------------------|
| | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Opening net book amount | 288,172,289 | 293,691,731 | 184,113,258 | 199,978,123 |
| Share of profit of investments in associates | 62,179,932 | 47,192,380 | - | - |
| Dividend income | (97,891,511) | (38,192,103) | - | - |
| Impairment in investment in an associate (Note 11.3 (c)) | - | (12,044,661) | - | (15,864,865) |
| Currency translation differences | 655,409 | (2,475,058) | - | - |
| Closing net book amount | <u>253,116,119</u> | <u>288,172,289</u> | <u>184,113,258</u> | <u>184,113,258</u> |

Joint venture

| | Consolidated Equity method | | Company Cost method | |
|------------------------------------------------|---------------------------------------|----------------------|--------------------------------|----------------------|
| | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Opening net book amount | 14,313,342 | 11,406,239 | 4,999,800 | 4,999,800 |
| Share of profit of investment in joint venture | 985,504 | 2,907,103 | - | - |
| Dividend income | (999,960) | - | - | - |
| Closing net book amount | <u>14,298,886</u> | <u>14,313,342</u> | <u>4,999,800</u> | <u>4,999,800</u> |

Srithai Superware Public Company Limited
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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 2014 | | | | | | |
|-------------------------------------|----------------------------------------|----------------|---------------------|------------------|-----------------------|-----------------------------|
| | Country of incorporation | Assets Baht | Liabilities Baht | Revenues Baht | Profit (Loss) Baht | Percentage of share holding |
| Associates | | | | | | |
| Local | | | | | | |
| | Thailand | 107,845,705 | 77,523,265 | 213,241,906 | 16,612,602 | 48.0 |
| | Srithai Sanko Co., Ltd. ⁽¹⁾ | 199,297,435 | 46,506,815 | 372,111,845 | 39,332,897 | 45.0 |
| | Thai MFC Co., Ltd. | 31,576,873 | 5,761,727 | 32,420,185 | 4,211,006 | 40.0 |
| | Sheewamala Co., Ltd. | 81,168,433 | 44,818,269 | 60,784,500 | (2,156,703) | 39.2 |
| | Srithai Packaging Co., Ltd. | 419,888,446 | 174,610,076 | 678,558,436 | 57,999,802 | |
| Foreign | | | | | | |
| | Indonesia | 22,178,210 | 7,812,002 | 45,140,411 | 4,180,130 | 32.5 |
| | PT. Srithai Maspion Indonesia | 22,178,210 | 7,812,002 | 45,140,411 | 4,180,130 | |
| | Total associates | 442,066,656 | 182,422,078 | 723,698,847 | 62,179,932 | |
| Joint venture | | | | | | |
| Local | | | | | | |
| | Thailand | 18,429,091 | 4,129,717 | 27,330,146 | 985,504 | 50.0 |
| | Srithai-Otto (Thailand) Co., Ltd. | 18,429,091 | 4,129,717 | 27,330,146 | 985,504 | |
| | Total joint venture | | | | | |
| | Total associates and joint venture | 460,495,747 | 186,551,795 | 751,028,993 | 63,165,436 | |

(1) Include share portion of Sanko Srithai (Malaysia) SDN. BHD. which is a subsidiary of Srithai Sanko Co., Ltd. having 100% of shareholding

Srithai Superware Public Company Limited
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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 2013 | | | | | | |
|--------------------------------------------------------|----------------|---------------------|------------------|-----------------------|-----------------------------|--|
| Country of incorporation | Assets Baht | Liabilities Baht | Revenues Baht | Profit (Loss) Baht | Percentage of share holding | |
| Associates | | | | | | |
| Local | | | | | | |
| Srithai Sanko Co., Ltd. | 104,559,366 | 78,170,304 | 198,214,840 | 16,755,849 | 48.0 | |
| Thai MFC Co., Ltd. | 234,542,419 | 40,073,831 | 319,079,932 | 29,957,813 | 45.0 | |
| Sheewamala Co., Ltd. | 30,258,688 | 4,664,148 | 33,650,453 | 4,055,283 | 40.0 | |
| Srithai Packaging Co., Ltd. | 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 | | |
| Foreign | | | | | | |
| Beijing Huatai Replica of Porcelain Products Co., Ltd. | 47,370,196 | 39,784,623 | 4,378,990 | (4,304,304) | 40.0 | |
| PT. Srithai Maspion 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) | | |
| Total associates | 515,650,057 | 205,555,716 | 634,693,446 | 47,192,380 | | |
| Joint venture | | | | | | |
| Local | | | | | | |
| Srithai-Otto (Thailand) Co., Ltd. | 18,966,071 | 4,533,339 | 30,113,958 | 2,907,103 | 50.0 | |
| Total joint venture | 18,966,071 | 4,533,339 | 30,113,958 | 2,907,103 | | |
| Total associates and joint venture | 534,616,128 | 210,089,055 | 664,807,404 | 50,099,483 | | |

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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

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. The payment is for an increase in share capital that the subsidiary registered in 2012.

On 10 November 2014, the Company paid for the additional share capital in Srithai (Vietnam) Company Limited, a subsidiary, amounting to US dollars 3.00 million or equivalent to Baht 98.34 million according to a 100.00% shareholding. The payment is for an increase in share capital that the subsidiary registered in 2012.

Srithai Superware Manufacturing Private Limited

On 3 May 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. The Company partially paid for the share capital and premium on share capital of Indian Rupees 88.10 million and Indian Rupees 22.00 million, respectively, or totalling equivalent to Baht 62.76 million.

During the year 2014, Srithai Superware Manufacturing Private Limited, a subsidiary, has registered to increase its capital from Indian Rupees 120.00 million to Indian Rupees 400.00 million according to the resolution of the Board of Directors of the subsidiary. The Company paid for the additional share capital and premium on share capital of the subsidiary amounting to Indian Rupees 231.90 million and Indian Rupees 57.98 million, respectively, or totalling equivalent to Baht 153.49 million according to its 100.00% shareholding.

Newly established indirect subsidiary - Srithai (Hanoi) Company Limited

On 10 December 2014, Srithai (Vietnam) Company Limited, a wholly owned subsidiary, registered Srithai (Hanoi) Company Limited in the Socialist Republic of Vietnam. Srithai (Hanoi) Company Limited will engage in the manufacture and distribution of food and beverage packaging products, and plastic industrial products with a registered share capital of Vietnamese Dong 424,920 million. The subsidiary holds 100.00% shareholding in Srithai (Hanoi) Company Limited and partially paid for the share capital of Vietnamese Dong 42,000 million. Srithai (Hanoi) Company Limited is a subsidiary of Srithai (Vietnam) Company Limited and indirect subsidiary of the Company.

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%.

SuperIdea Company Limited (Formerly named "PET Siam Company Limited")

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.

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11 Investments in subsidiaries, associates and joint venture (Cont'd)

11.3 Significant events (Cont'd)

b) Newly established indirect associate

Sanko Srithai (Malaysia) SDN. BHD.

On 14 March 2014, Srithai Sanko Company Limited, an associate, registered Sanko Srithai (Malaysia) SDN. BHD. in Malaysia engaging in distribution of plastics products with a registered share capital of Malaysian Ringgit 500,000.00. The associate holds 100.00% shareholding. According to this investment, the Company has indirect interest of 48.00% in Sanko Srithai (Malaysia) SDN. BHD. The associate had paid up share capital of Sanko Srithai (Malaysia) SDN. BHD. in full.

c) Associate's dissolution and liquidation

Beijing Huatai Replica of Porcelain Products Co., Ltd.

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 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.

On 4 December 2014, the associate's liquidation was confirmed of completion by the government of the People's Republic of China. The Company has not received any return from the associate's liquidation. As at 31 December 2014, the Company had written-off investment in the associate which impairment was already reserved in full.

d) Impairment of investments in a subsidiary

Srithai (Vietnam) Company Limited

In the 2nd 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%.

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11 Investments in subsidiaries, associates and joint venture (Cont'd)

11.3 Significant events (Cont'd)

e) Dividend payment of subsidiaries

Srithai Moulds Company Limited

At the Annual General Shareholders' Meeting of Srithai Moulds Company Limited on 31 March 2014, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2013 at Baht 5.00 per share, totalling Baht 5.00 million. The Company received a dividend of Baht 3.55 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 4 April 2014, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2013 of Baht 23.00 per share, totalling Baht 69.00 million. The Company received a dividend of Baht 69.00 million according to its 100.00% shareholding.

Srithai Miyagawa Company Limited

At the Annual General Shareholders' Meeting of Srithai Miyagawa Company Limited on 24 April 2014, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2013 at Baht 34.00 per share, totalling Baht 40.80 million. The Company received a dividend of Baht 20.81 million according to its 51.00% shareholding.

Srithai Superware Public Company Limited
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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:

| | Nature of business | Country of incorporation | Nature of relationship | Paid up capital | Percentage of shareholding | | Company (Unit : Baht) | |
|--------------------------------------------------|-------------------------------------|--------------------------|------------------------|---------------------------------|----------------------------|------------------|---------------------------------|------------------|
| | | | | | 31 December 2014 | 31 December 2013 | 31 December 2014 | 31 December 2013 |
| Subsidiaries | | | | | | | | |
| Local | | | | | | | | |
| Korat Thai Tech Co., Ltd. | Manufacture of melamine | Thailand | Shareholder | 30,000,000 | 100.0 | 100.0 | 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 |
| SuperIdea Co., Ltd. | Manufacture of plastic | Thailand | Shareholder | 6,250,000 | 100.0 | 100.0 | 6,249,993 | 6,249,993 |
| Srithai Nanoplast Co., Ltd. | Manufacture of plastic | Thailand | Shareholder | 40,000,000 | 100.0 | 100.0 | 40,755,980 | 40,755,980 |
| Srithai Moulds Co., Ltd. | Manufacture of moulds and plastic | Thailand | Shareholder | 100,000,000 | 71.0 | 71.0 | 82,000,000 | 82,000,000 |
| Srithai Miyagawa Co., Ltd. | Manufacture of moulds and plastic | Thailand | Shareholder | 120,000,000 | 51.0 | 51.0 | 61,200,000 | 61,200,000 |
| | | | | | | | 240,205,913 | 240,205,913 |
| Foreign | | | | | | | | |
| Srithai (Vietnam) Co., Ltd | Manufacture of plastic and melamine | Vietnam | Shareholder | 341,702 Million Vietnamese Dong | 100.0 | 100.0 | 532,085,712 | 433,745,712 |
| Srithai Superware Manufacturing Pvt. Ltd. | Manufacture of melamine | India | Shareholder | 320.00 Million Indian Rupees | 100.0 | 100.0 | 216,250,700 | 62,758,000 |
| Srithai Superware India Ltd. | Trading of melamine | India | Shareholder | 42.50 Million Indian Rupees | 82.4 | 82.4 | 25,090,500 | 25,090,500 |
| | | | | | | | 773,426,912 | 521,594,212 |
| Total investments in subsidiaries | | | | | | | 1,013,632,825 | 761,800,125 |
| Indirect Subsidiary | | | | | | | | |
| Subsidiary of Srithai (Vietnam) Co., Ltd. | | | | | | | | |
| Srithai (Hanoi) Co., Ltd. | Manufacture of plastic | Vietnam | Indirect Shareholder | 42,000 Million Vietnamese Dong | 100.0 | - | 42,000 | - |
| | | | | | | | (equivalent to 63 Million Baht) | |
| At Cost (Unit : Million Vietnamese Dong) | | | | | | | 31 December 2014 | 31 December 2013 |

Srithai Superware Public Company Limited
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For the year ended 31 December 2014

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)

| | Consolidated (Unit : Baht) | | | | Company (Unit : Baht) | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------|------------------------|-------------------------|-----------------------|--------------------------|---------------------------|------------------|
| | Percentage of shareholding | | Equity method | | Cost method | | Cost method | |
| | 31 December 2014 | 31 December 2013 | 31 December 2014 | 31 December 2013 | Cost | Allowance for impairment | Net book value | Cost |
| Associates | | | | | | | | |
| Local | Nature of business | Country of incorporation | Nature of relationship | Paid up capital | 31 December 2014 | 31 December 2013 | 31 December 2014 | 31 December 2013 |
| Srihai Sanko Co., Ltd. Thai MFC Co., Ltd. S.K.I. Ceramics Co., Ltd. ⁽²⁾ Sheewamala Co., Ltd. Srihai Packaging Co., Ltd. Soko Srihai Co., Ltd. ⁽²⁾ | Trading of plastic | Thailand | Shareholder | 20,000,000 | 48.0 | 48.0 | 26,642,040 ⁽¹⁾ | 20,108,808 |
| | Manufacture of melamine powder | Thailand | Shareholder | 200,000,000 | 45.0 | 45.0 | 152,153,711 | 193,820,814 |
| | Manufacture of ceramics | Thailand | Shareholder | 125,000,000 | 42.0 | 42.0 | - | - |
| | Manufacture of plastic | Thailand | Shareholder | 49,800,000 | 40.0 | 40.0 | 22,868,793 | 22,658,587 |
| | Manufacture of packaging | Thailand | Shareholder | 60,000,000 | 39.2 | 39.2 | 37,085,367 | 39,242,071 |
| | Manufacture of plastic | Thailand | Shareholder | 250,000,000 | 24.0 | 24.0 | - | - |
| | | | | | 238,749,911 | 275,830,280 | 247,560,280 | (100,884,880) |
| Foreign | | | | | | | | |
| Beijing Huatai Replica of Porcelain Products Co., Ltd. ⁽³⁾ | Manufacture of melamine | China | Shareholder | 10.6 Million Yuan | 40.0 | - | - | - |
| PT. Srihai Masipon Indonesia | Manufacture of melamine | Indonesia | Shareholder | 10,394.1 Million Rupiah | 32.5 | 32.5 | 14,366,207 | 12,342,009 |
| | | | | | | | 14,366,207 | 12,342,009 |
| | | | | | | | 253,116,118 | 288,172,289 |
| Total investments in associates | | | | | | | 284,998,138 | (100,884,880) |
| Joint venture | | | | | | | | |
| Local | | | | | | | | |
| Srihai-Otto (Thailand) Co., Ltd. | Trading of plastic | Thailand | Shareholder | 10,000,000 | 50.0 | 50.0 | 14,298,886 | 14,313,342 |
| | | | | | | | 14,298,886 | 14,313,342 |
| Total investments in joint venture | | | | | | | | |
| | | | | | | | | |
| Total investments in associates and joint venture | | | | | 267,415,004 | 302,485,631 | 289,997,938 | (100,884,880) |
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- (1) Investment as equity method includes share of profit from Sanko Srithai (Malaysia) SDN. BHD, which is a subsidiary of Srithai Sanko Co., Ltd. having 100% shareholding
- (2) Associates were dissolved and have been under the process of liquidation. As at 31 December 2014, the Group has not recognised share of accumulated losses in associates which exceed the Group's interest totaling of Baht 7.37 million
- (3) The associate has completed its liquidation in 2014

Srithai Superware Public Company Limited
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12 Other long-term investments, net

12.1 Other long-term investments as at 31 December comprise the following:

| | Consolidated | | Company | |
|------------------------------------------------------------------|---------------------|--------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| <u>Listed company</u> (Available-for-sale investments) | | | | |
| Union Plastic Public Company Limited | 39,980,000 | 39,980,000 | 39,980,000 | 39,980,000 |
| <u>Add</u> Fair value reserves on available-for-sale investments | 47,020,000 | 53,620,000 | 47,020,000 | 53,620,000 |
| | <u>87,000,000</u> | <u>93,600,000</u> | <u>87,000,000</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>200,016,354</u> | <u>206,616,354</u> | <u>134,169,970</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:

| | Consolidated | | Company | |
|-------------------------------------------------------------------------------------------|---------------------|--------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Opening net book amount | 206,616,354 | 206,616,354 | 140,769,970 | 140,769,970 |
| Fair value reserves on available-for-sale investments increase (decrease) during the year | (6,600,000) | - | (6,600,000) | - |
| Closing net book amount | <u>200,016,354</u> | <u>206,616,354</u> | <u>134,169,970</u> | <u>140,769,970</u> |

Srithai Superware Public Company Limited
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13 Investment property, net

The movements of investment property for the year ended 31 December comprise the following:

| | Consolidated | | |
|--------------------------------------------|----------------------|---------------------------------------|-----------------------|
| | Land Baht | Land and building Baht | Total Baht |
| As at 1 January 2013 | | | |
| 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> |
| For the year ended 31 December 2013 | | | |
| 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> |
| As at 31 December 2013 | | | |
| 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> |
| For the year ended 31 December 2014 | | | |
| Opening net book value | 27,250,000 | 107,529,114 | 134,779,114 |
| Depreciation charge (Note 30) | - | (6,346,085) | (6,346,085) |
| Closing net book value | <u>27,250,000</u> | <u>101,183,029</u> | <u>128,433,029</u> |
| As at 31 December 2014 | | | |
| Cost | 27,250,000 | 177,928,490 | 205,178,490 |
| <u>Less</u> Accumulated depreciation | - | (76,745,461) | (76,745,461) |
| Net book value | <u>27,250,000</u> | <u>101,183,029</u> | <u>128,433,029</u> |
| Fair value as at 31 December 2013 | 363,180,000 | 500,063,250 | 863,243,250 |
| Fair value as at 31 December 2014 | 434,910,000 | 649,574,306 | 1,084,484,306 |

Srithai Superware Public Company Limited
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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)

| | Company | | |
|--------------------------------------------|----------------------|---------------------------------------|-----------------------|
| | Land Baht | Land and building Baht | Total Baht |
| As at 1 January 2013 | | | |
| 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> |
| For the year ended 31 December 2013 | | | |
| 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> |
| As at 31 December 2013 | | | |
| 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> |
| For the year ended 31 December 2014 | | | |
| Opening net book value | 201,543,000 | 297,671,447 | 499,214,447 |
| Depreciation charge (Note 30) | - | (5,665,678) | (5,665,678) |
| Closing net book value | <u>201,543,000</u> | <u>292,005,769</u> | <u>493,548,769</u> |
| As at 31 December 2014 | | | |
| Cost | 201,543,000 | 359,529,898 | 561,072,898 |
| <u>Less</u> Accumulated depreciation | - | (67,524,129) | (67,524,129) |
| Net book value | <u>201,543,000</u> | <u>292,005,769</u> | <u>493,548,769</u> |
| Fair value as at 31 December 2013 | 363,180,000 | 486,520,000 | 849,700,000 |
| Fair value as at 31 December 2014 | 434,910,000 | 632,461,500 | 1,067,371,500 |

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:

| | Consolidated | | Company | |
|---------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Rental income | 5,214,599 | 6,846,159 | 4,794,543 | 6,377,150 |

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)

| | Consolidated | | | | | | | |
|--------------------------------------------|--------------------|-------------------|-----------------------|-------------------------|--------------------------------|----------------|-------------------------|-----------------|
| | Land and buildings | Land improvements | Building improvements | Machinery and equipment | Furniture and office equipment | Motor vehicles | Work under installation | Total |
| | | | | | | | | |
| For the year ended 31 December 2014 | | | | | | | | |
| Opening net book value | 848,540,937 | 935,133 | 77,557,492 | 3,746,876,007 | 68,044,564 | 32,471,106 | 521,308,606 | 5,295,733,845 |
| Additions | 11,626,659 | 206,186 | 15,774,146 | 372,823,117 | 49,299,448 | 7,185,589 | 326,236,542 | 783,151,687 |
| Depreciation charge (Note 30) | (44,771,334) | (271,075) | (31,559,591) | (530,371,902) | (27,147,069) | (7,470,710) | - | (641,591,681) |
| Disposals - cost | (23,655,306) | - | (294,085) | (80,133,005) | (3,826,855) | (7,603,163) | - | (115,512,414) |
| - accumulated depreciation | 5,172,631 | - | 32,304 | 29,151,933 | 3,794,348 | 7,334,016 | - | 45,485,232 |
| Assets written off - cost | - | - | (6,599,157) | (17,201,137) | (20,017,612) | - | - | (43,817,906) |
| - accumulated depreciation | - | - | 6,599,145 | 12,168,189 | 20,015,933 | - | - | 38,783,267 |
| Reclassification - cost | - | - | - | 7,984,500 | 8,211,128 | - | - | 16,195,628 |
| - accumulated depreciation | - | - | - | (700,500) | (8,368,628) | - | - | (9,069,128) |
| Transfer within account | 97,122,450 | - | 8,642,306 | 528,482,669 | 3,441,945 | - | (637,689,370) | - |
| Reversal of fixed assets impairment | - | - | - | 3,700,000 | - | - | - | 3,700,000 |
| Foreign exchange rate adjustment | - | - | - | - | (3,253) | (802) | - | (4,055) |
| Closing net book value | 894,036,037 | 870,244 | 70,152,560 | 4,072,779,871 | 93,443,949 | 31,916,036 | 209,855,778 | 5,373,054,475 |
| As at 31 December 2014 | | | | | | | | |
| Cost | 1,301,681,751 | 17,390,099 | 407,509,526 | 6,979,468,314 | 341,933,495 | 118,336,386 | 209,895,778 | 9,376,215,349 |
| <u>Less</u> Accumulated depreciation | (407,645,714) | (16,519,855) | (337,356,966) | (2,906,688,443) | (248,489,546) | (86,420,350) | - | (4,003,120,874) |
| Allowance for impairment | - | - | - | - | - | - | (40,000) | (40,000) |
| Net book value | 894,036,037 | 870,244 | 70,152,560 | 4,072,779,871 | 93,443,949 | 31,916,036 | 209,855,778 | 5,373,054,475 |

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 | Total |
| | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht |
| As at 1 January 2013 | | | | | | | | |
| Cost | 1,069,799,521 | 16,708,913 | 353,697,107 | 4,537,939,983 | 218,418,399 | 101,870,167 | 87,979,012 | 6,386,413,102 |
| Less Accumulated depreciation | (250,205,563) | (16,025,510) | (272,149,261) | (1,721,327,108) | (171,109,434) | (83,697,784) | - | (2,514,514,660) |
| Allowance for impairment | - | - | - | (3,700,000) | - | - | - | (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 | 3,868,198,442 |
| For the year ended 31 December 2013 | | | | | | | | |
| Opening net book value | 819,593,958 | 683,403 | 81,547,846 | 2,812,912,875 | 47,308,965 | 18,172,383 | 87,979,012 | 3,868,198,442 |
| Additions | 7,253,580 | 475,000 | 10,072,966 | 173,232,932 | 10,791,860 | 10,906,000 | 582,676,822 | 795,409,160 |
| Depreciation charge (Note 30) | (27,199,762) | (223,270) | (30,045,090) | (381,796,179) | (13,528,564) | (4,692,413) | - | (457,485,278) |
| Disposals - cost | - | - | (2,038,700) | (51,813,634) | (3,849,263) | (17,955,198) | - | (75,656,795) |
| - accumulated depreciation | - | - | 2,038,698 | 23,715,895 | 3,727,928 | 17,767,182 | - | 47,249,703 |
| Assets written off - cost | - | - | - | (10,208,567) | (165,885) | - | - | (10,374,452) |
| - accumulated depreciation | - | - | - | 9,375,549 | 82,472 | - | - | 9,458,021 |
| Transfer within account | - | - | 4,254,176 | 283,052,886 | - | - | (287,307,062) | - |
| Closing net book value | 799,647,776 | 935,133 | 65,829,896 | 2,858,471,757 | 44,367,513 | 24,197,954 | 383,348,772 | 4,176,798,801 |
| As at 31 December 2013 | | | | | | | | |
| Cost | 1,077,053,101 | 17,183,913 | 365,985,549 | 4,932,203,600 | 225,195,111 | 94,820,969 | 383,348,772 | 7,095,791,015 |
| Less Accumulated depreciation | (277,405,325) | (16,248,780) | (300,155,653) | (2,070,031,843) | (180,827,598) | (70,623,015) | - | (2,915,292,214) |
| Allowance for impairment | - | - | - | (3,700,000) | - | - | - | (3,700,000) |
| Net book value | 799,647,776 | 935,133 | 65,829,896 | 2,858,471,757 | 44,367,513 | 24,197,954 | 383,348,772 | 4,176,798,801 |

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 | Total |
| | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht |
| For the year ended 31 December 2014 | | | | | | | | |
| Opening net book value | 799,647,776 | 935,133 | 65,829,896 | 2,858,471,757 | 44,367,513 | 24,197,954 | 383,348,772 | 4,176,798,801 |
| Additions | 2,562,700 | 206,186 | 14,121,846 | 193,465,190 | 13,002,187 | 7,185,589 | 131,387,050 | 361,930,748 |
| Depreciation charge (Note 30) | (26,942,545) | (271,075) | (27,519,416) | (423,439,471) | (13,566,240) | (4,791,311) | - | (496,530,058) |
| Disposals - cost | - | - | - | (154,106,794) | (3,651,534) | (7,603,163) | - | (165,361,491) |
| - accumulated depreciation | - | - | - | 59,232,797 | 3,619,034 | 7,334,015 | - | 70,185,846 |
| Assets written off - cost | - | - | (1,774,959) | (16,629,001) | (7,484,132) | - | - | (25,888,092) |
| - accumulated depreciation | - | - | 1,774,947 | 11,865,075 | 7,482,453 | - | - | 21,122,475 |
| Transfer within account | - | - | 8,642,306 | 404,258,059 | - | - | (412,900,365) | - |
| Reversal of fixed assets impairment | - | - | - | 3,700,000 | - | - | - | 3,700,000 |
| Closing net book value | 775,267,931 | 870,244 | 61,074,620 | 2,936,817,612 | 43,769,281 | 26,323,084 | 101,835,457 | 3,945,958,229 |
| As at 31 December 2014 | | | | | | | | |
| Cost | 1,079,615,801 | 17,390,099 | 386,974,742 | 5,359,191,054 | 227,061,632 | 94,403,395 | 101,835,457 | 7,266,472,180 |
| <u>Less</u> Accumulated depreciation | (304,347,870) | (16,519,855) | (325,900,122) | (2,422,373,442) | (183,292,351) | (68,080,311) | - | (3,320,513,951) |
| Allowance for impairment | - | - | - | - | - | - | - | - |
| Net book value | 775,267,931 | 870,244 | 61,074,620 | 2,936,817,612 | 43,769,281 | 26,323,084 | 101,835,457 | 3,945,958,229 |

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14 Property, plant and equipment, net (Cont'd)

Consolidated financial information

During the year ended 31 December 2014, the additions of a subsidiary included Baht 27.77 million assets acquired from financial lease agreements. (2013: Baht 3.08 million).

During the year ended 31 December 2014, the disposals of a subsidiary included the carrying amount of assets under sales and leaseback agreements of Baht 27.26 million. Net gain on disposals of such assets amounting to Baht 0.51 million were recognised as deferred revenue and amortised over the lease term.

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:

| | Consolidated | | Company | |
|-----------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Cost 2014 Million Baht | Cost 2013 Million Baht | Cost 2014 Million Baht | Cost 2013 Million Baht |
| Subsidiaries: | | | | |
| Srithai Moulds Company Limited | | | | |
| - Land, buildings and machinery | 26.2 | 26.2 | - | - |
| Srithai Miyagawa Company Limited | | | | |
| - Land and machinery | 317.8 | 226.8 | - | - |
| Srithai Nanoplast Company Limited | | | | |
| - Land and machinery | - | 19.1 | - | - |

During the year 2013, 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.

During the year 2014, Srithai Nanoplast Company Limited has already released a mortgage of land and building which are collateral for overdrafts, long-term loans, and working capital facilities from a local bank.

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15 Intangible assets, net

Intangible assets as at 31 December comprise the following:

| | Consolidated | | | |
|--------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------|-----------------------|
| | Software copyright and operational computer software Baht | Work under installation- computer software Baht | Production technique patents Baht | Total Baht |
| As at 1 January 2013 | | | | |
| 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) |
| Allowance for impairment | (364,803) | - | - | (364,803) |
| Net book value | <u>34,605,768</u> | <u>402,000</u> | <u>22,923,252</u> | <u>57,931,020</u> |
| For the year ended 31 December 2013 | | | | |
| 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 | <u>29,124,543</u> | <u>1,384,550</u> | <u>18,874,266</u> | <u>49,383,359</u> |
| As at 31 December 2013 | | | | |
| 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) |
| Allowance for impairment | (364,803) | - | - | (364,803) |
| Net book value | <u>29,124,543</u> | <u>1,384,550</u> | <u>18,874,266</u> | <u>49,383,359</u> |
| For the year ended 31 December 2014 | | | | |
| Opening net book value | 29,124,543 | 1,384,550 | 18,874,266 | 49,383,359 |
| Additions | 7,613,450 | 10,021,913 | - | 17,635,363 |
| Amortisation charge | (10,666,690) | - | (3,808,985) | (14,475,675) |
| Transfer within account | 2,624,550 | (2,624,550) | - | - |
| Assets written off - cost | (10,128,558) | (72,000) | (1,200,000) | (11,400,558) |
| - accumulated amortisation | 10,128,558 | - | 1,200,000 | 11,328,558 |
| Reversal of intangible assets impairment | 364,803 | - | - | 364,803 |
| Foreign exchange rate adjustment | 880 | - | - | 880 |
| Closing net book value | <u>29,061,536</u> | <u>8,709,913</u> | <u>15,065,281</u> | <u>52,836,730</u> |
| As at 31 December 2014 | | | | |
| Cost | 134,183,958 | 8,709,913 | 38,089,855 | 180,983,726 |
| <u>Less</u> Accumulated amortisation | (105,122,422) | - | (23,024,574) | (128,146,996) |
| Allowance for impairment | - | - | - | - |
| Net book value | <u>29,061,536</u> | <u>8,709,913</u> | <u>15,065,281</u> | <u>52,836,730</u> |

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15 Intangible assets, net (Cont'd)

Intangible assets as at 31 December comprise the following: (Cont'd)

| | Company | | | |
|--------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------|-----------------------|
| | Software copyright and operational computer software Baht | Work under installation- computer software Baht | Production technique patents Baht | Total Baht |
| As at 1 January 2013 | | | | |
| 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) |
| Allowance for impairment | (364,803) | - | - | (364,803) |
| Net book value | <u>25,239,343</u> | <u>402,000</u> | <u>22,923,252</u> | <u>48,564,595</u> |
| For the year ended 31 December 2013 | | | | |
| 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 | <u>18,855,612</u> | <u>1,384,550</u> | <u>18,874,266</u> | <u>39,114,428</u> |
| As at 31 December 2013 | | | | |
| 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) |
| Allowance for impairment | (364,803) | - | - | (364,803) |
| Net book value | <u>18,855,612</u> | <u>1,384,550</u> | <u>18,874,266</u> | <u>39,114,428</u> |
| For the year ended 31 December 2014 | | | | |
| Opening net book value | 18,855,612 | 1,384,550 | 18,874,266 | 39,114,428 |
| Additions | 403,490 | 3,284,500 | - | 3,687,990 |
| Amortisation charge | (6,771,676) | - | (3,808,985) | (10,580,661) |
| Assets written off - cost | (8,416,628) | (72,000) | (1,200,000) | (9,688,628) |
| - accumulated depreciation | 8,416,628 | - | 1,200,000 | 9,616,628 |
| Transfer within account | 2,624,550 | (2,624,550) | - | - |
| Reversal of intangible assets impairment | 364,803 | - | - | 364,803 |
| Closing net book value | <u>15,476,779</u> | <u>1,972,500</u> | <u>15,065,281</u> | <u>32,514,560</u> |
| As at 31 December 2014 | | | | |
| Cost | 99,002,014 | 1,972,500 | 38,089,855 | 139,064,369 |
| <u>Less</u> Accumulated amortisation | (83,525,235) | - | (23,024,574) | (106,549,809) |
| Allowance for impairment | - | - | - | - |
| Net book value | <u>15,476,779</u> | <u>1,972,500</u> | <u>15,065,281</u> | <u>32,514,560</u> |

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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 30.00% (2013: 15.00% to 30.00%).

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 | |
|----------------------------|-------|-------------------|-------------------|-------------------|-------------------|
| | | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Deferred tax assets | 16.1 | 107,108,542 | 104,886,249 | 75,933,910 | 79,141,644 |
| Deferred tax liabilities | 16.2 | (9,404,000) | (10,724,000) | (9,404,000) | (10,724,000) |
| Deferred income taxes, net | | <u>97,704,542</u> | <u>94,162,249</u> | <u>66,529,910</u> | <u>68,417,644</u> |

16.1 Deferred tax assets

The movements in the components of deferred income tax assets during the years are as follows:

| | Consolidated | | | | | | |
|--------------------------------------------|---------------------------|-------------------------------------------------------|----------------------------------------------------------|-----------------------------|-------------------------------------------------------|----------------------------------------------------------|-----------------------------|
| | 1 January 2013 Baht | Transaction recorded in Profit and Loss Baht | Transaction recorded directly to equity Baht | 31 December 2013 Baht | Transaction recorded in Profit and Loss Baht | Transaction recorded directly to Equity Baht | 31 December 2014 Baht |
| Tax loss carry forward | 7,941,467 | 3,402,812 | - | 11,344,279 | 2,776,735 | - | 14,121,014 |
| Allowance for impairment of investments | 20,176,977 | 5,172,973 | - | 25,349,950 | - | - | 25,349,950 |
| Employee benefit obligations | 57,561,395 | (3,968,839) | 8,518,033 | 62,110,589 | (2,796,986) | - | 59,313,603 |
| Foreign exchange rate adjustment | (1,319,094) | - | (452,823) | (1,771,917) | - | (427,729) | (2,199,646) |
| Others | 1,888,742 | 5,964,606 | - | 7,853,348 | 2,670,273 | - | 10,523,621 |
| | <u>86,249,487</u> | <u>10,571,552</u> | <u>8,065,210</u> | <u>104,886,249</u> | <u>2,650,022</u> | <u>(427,729)</u> | <u>107,108,542</u> |
| | Company | | | | | | |
| | 1 January 2013 Baht | Transaction recorded in Profit and Loss Baht | Transaction recorded directly to equity Baht | 31 December 2013 Baht | Transaction recorded in Profit and Loss Baht | Transaction recorded directly to Equity Baht | 31 December 2014 Baht |
| Allowance for impairment of investments | 20,176,977 | 5,172,973 | - | 25,349,950 | - | - | 25,349,950 |
| Employee benefit obligations | 49,269,569 | (4,831,871) | 8,609,255 | 53,046,953 | (3,207,734) | - | 49,839,219 |
| Others | 744,741 | - | - | 744,741 | - | - | 744,741 |
| | <u>70,191,287</u> | <u>341,102</u> | <u>8,609,225</u> | <u>79,141,644</u> | <u>(3,207,734)</u> | <u>-</u> | <u>75,933,910</u> |

16.2 Deferred tax liabilities

The movements in the components of deferred tax liabilities during the years are as follows:

| | Consolidated and Company | | | | |
|------------------------------------|---------------------------|-------------------------------------------------------|-----------------------------|-------------------------------------------------------|-----------------------------|
| | 1 January 2013 Baht | Transaction recorded directly to Equity Baht | 31 December 2013 Baht | Transaction recorded directly to Equity Baht | 31 December 2014 Baht |
| Available - for - sale investments | 10,724,000 | - | 10,724,000 | (1,320,000) | 9,404,000 |

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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:

| | Consolidated | | Company | |
|----------------------------------------|---------------------|-------------------|-------------------|-------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Current income tax expense | 54,726,691 | 62,936,786 | 18,617,761 | 36,364,144 |
| Deferred income tax | | | | |
| - Deferred tax assets (Note 16.1) | (2,650,022) | (10,571,552) | 3,207,734 | (341,102) |
| - Deferred tax liabilities (Note 16.2) | - | - | - | - |
| | <u>52,076,669</u> | <u>52,365,234</u> | <u>21,825,495</u> | <u>36,023,042</u> |

A reconciliation between current income tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

| | Consolidated | | Company | |
|-------------------------------------------------------------------------------|---------------------|-------------------|-------------------|-------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Profit before tax | 539,555,476 | 571,319,029 | 433,268,125 | 459,785,530 |
| Tax rate | 20% | 20% | 20% | 20% |
| The result of the accounting profit multiplied by the income tax rate | 107,911,095 | 114,263,806 | 86,653,625 | 91,957,106 |
| Effect of exempted income and extra deduction expenses | (11,247,071) | (8,382,728) | (49,578,306) | (25,824,423) |
| Effect from (income)/expenses not deductible for tax purpose | 12,042,535 | (7,037,914) | 10,199,971 | (8,611,388) |
| Profit exempt from corporate income tax due to promotional privilege from BOI | (47,088,823) | (40,903,779) | (25,449,795) | (21,498,253) |
| Utilisation of previously unrecognised tax losses | 1,115,915 | 3,399,443 | - | - |
| Share of net (profit)/loss from investments | | | | |
| - equity method | (12,633,087) | (10,019,897) | - | - |
| Effect of different tax rates | 1,976,105 | 1,046,303 | - | - |
| Income tax | <u>52,076,669</u> | <u>52,365,234</u> | <u>21,825,495</u> | <u>36,023,042</u> |

The Group's and the Company's weighted average applicable tax rate were 9.65% and 5.04% respectively (2013 : 9.17% and 7.83%, respectively).

The allocation of taxable profit under BOI privileges between corporate income tax exemption and non corporate income tax exemption.

| | Consolidated | | Company | |
|------------------------------------|---------------------|-------------|----------------|-------------|
| | 2014 | 2013 | 2014 | 2013 |
| Corporate income tax exemption | 44% | 33% | 58% | 37% |
| Non corporate income tax exemption | 56% | 67% | 42% | 63% |
| | <u>100%</u> | <u>100%</u> | <u>100%</u> | <u>100%</u> |

Deferred income tax assets are recognised for tax loss carried forward only to the extent that realisation of the related tax benefit through the future taxable profits is realisable. The Company has unrecognised tax losses of Baht 9,166,641 (2013 : Baht 17,718,933), to carry forward against future taxable income; these tax losses will expire in 2019.

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17 Leasehold right, net

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 Indian Rupees 97.69 million or equivalent to Baht 48.33 million. Leasehold right as at 31 December comprise the following:

| | Consolidated | |
|----------------------------------------------------------------------------------------|---------------------|-------------------|
| | 2014 | 2013 |
| | Baht | Baht |
| Current portion of leasehold right (presented in other receivables – third parties) | 476,736 | - |
| Leasehold right dues later than 1 year | 46,243,403 | 48,330,147 |
| Total leasehold right, net | <u>46,720,139</u> | <u>48,330,147</u> |

The movements of leasehold right for the years ended 31 December comprise the following.

| | Consolidated | |
|----------------------------------|---------------------|-------------------|
| | 2014 | 2013 |
| | Baht | Baht |
| Opening book value | 48,330,147 | - |
| Addition | - | 47,294,571 |
| Amortisation | (513,643) | - |
| Currency translation differences | (1,096,365) | 1,035,576 |
| Closing book value | <u>46,720,139</u> | <u>48,330,147</u> |

18 Bank overdrafts and short-term loans

Bank overdrafts and short-term loans as at 31 December comprise the following:

| | Consolidated | | Company | |
|--------------------------------------------|----------------------|--------------------|----------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Bank overdrafts | - | 449,663 | - | - |
| Short-term loans from banks | | | | |
| - Baht | 1,364,000,000 | 823,000,000 | 1,330,000,000 | 820,000,000 |
| - US Dollar | 88,299,200 | - | - | - |
| Total bank overdrafts and short-term loans | <u>1,452,299,200</u> | <u>823,449,663</u> | <u>1,330,000,000</u> | <u>820,000,000</u> |

As at 31 December 2014, short-term loans in Thai Baht from local banks amounting to Baht 1,364.00 million (2013: Baht 823.00 million), represent promissory notes due at call with a period not exceeding 3 months, bearing fixed interest rate over loan period (2013: fixed interest rate over loan period).

As at 31 December 2014, short-term loans in US Dollars of an overseas subsidiary amounting to US Dollars 2.58 million (equivalent to Baht 88.30 million) represent short-term loans contracts with a period not exceeding 6 months, bearing interest at Cost of Fund plus margin of a bank in Vietnam and are secured by Srithai Superware Public Company Limited (2013: Nil).

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19 Long-term loans

Long-term loans as at 31 December comprise the following:

| | Consolidated | | Company | |
|-----------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| <u>Long-term loans</u> | | | | |
| - Baht | 2,230,143,661 | 2,614,105,939 | 1,893,248,880 | 2,400,840,818 |
| - Vietnamese Dong - Vietnamese Dong 86,573 million (2013: Vietnamese Dong 103,862 million) | 138,516,800 | 166,179,200 | - | - |
| - US dollars - US dollars 6.04 million (2013: US dollars 7.41 million) | 206,438,400 | 250,006,400 | - | - |
| Total long-term loans | <u>2,575,098,861</u> | <u>3,030,291,539</u> | <u>1,893,248,880</u> | <u>2,400,840,818</u> |

Long-term loans are due for repayments as follows:

| | Consolidated | | Company | |
|------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Current portion of long-term loans | 619,919,200 | 563,878,278 | 472,245,600 | 435,091,938 |
| Loans due later than 1 year and not later than 3 years | 1,031,499,061 | 1,151,626,521 | 711,298,280 | 901,666,600 |
| Loans due later than 3 years and not later than 5 years | 780,015,000 | 868,462,940 | 575,705,000 | 676,017,280 |
| Loans due later than 5 years | 143,665,600 | 446,323,800 | 134,000,000 | 388,065,000 |
| | <u>1,955,179,661</u> | <u>2,466,413,261</u> | <u>1,421,003,280</u> | <u>1,965,748,880</u> |
| Total long-term loans | <u>2,575,098,861</u> | <u>3,030,291,539</u> | <u>1,893,248,880</u> | <u>2,400,840,818</u> |

The movements of long-term loans for the years ended 31 December comprise the following:

| | Consolidated | | Company | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Opening balance | 3,030,291,539 | 2,385,007,966 | 2,400,840,818 | 1,764,311,045 |
| Additions | 184,800,000 | 1,196,728,000 | - | 1,100,000,000 |
| Repayment | (642,781,478) | (579,337,827) | (507,591,938) | (463,470,227) |
| Foreign exchange rate adjustment | 2,788,800 | 27,893,400 | - | - |
| Closing balance | <u>2,575,098,861</u> | <u>3,030,291,539</u> | <u>1,893,248,880</u> | <u>2,400,840,818</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 | | Company | Loan Purpose | Loan Limit | Interest rate and repayment terms | Guarantees and collaterals |
|--------------|------------------------------------|------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | 31 December 2014 (Million Baht) | 31 December 2013 (Million Baht) | | | | | |
| 1 | - | 3.7 | <u>Parent company</u> Srithai Superware Public Company Limited | The energy preservation project | Baht 47.7 million (1 agreement comprising 1 loan) | Fixed interest rate over loan period. Repayment is due every three months from September 2008 to 2014. | As at 31 December 2014, there is no collateral. |
| 2 | 1,893.2 | 2,397.2 | Srithai Superware Public Company Limited | Investment in building improvement, machinery, moulds, factory equipment and investment in overseas subsidiaries | Baht 3,434.6 million (17 agreements comprising 18 loans) | 5 loans bear fixed interest rate over loan period. 13 loans bear interest rate at fixed, MLR less margin, Prime Rate less margin, THBFIX 3-month plus margin, FDR 6-month plus margin and BIBOR 3-month plus margin. Repayment is due every three months from June 2009 to 2020. | 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. |

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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 2014 (Million Baht) | 31 December 2013 (Million Baht) | | | | | |
| 3 | 14.8 | - | Local subsidiaries Srithai Moulds Company Limited | Investment in building | Baht 14.8 million | Interest rate at MLR less margin. Repayment is due every three months from January 2015 to 2021. | The subsidiary has mortgaged its current land and buildings, as well as those to be acquired in the future. (as described in Notes 13 and 14). |
| 4 | 303.3 | 182.7 | Srithai Miyagawa Company Limited | The energy preservation project and investment in machinery and building | Baht 401.3 million | Fixed interest rate and MLR less margin. Repayment is due every month from July 2006 to 2020. | 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. |

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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 2014 (Million Baht) | 31 December 2013 (Million Baht) | | | | | |
| 5 | 18.8 | 22.9 | 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. |
| 6 | - | 7.6 | 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). As at 31 December 2014, there is no collateral from the release during the year 2014. |
| 7 | 345.0 (Vietnamese Dong 86,573 million and US Dollars 6.04 million) | 416.2 (Vietnamese Dong 103,862 million and US Dollars 7.41 million) | Overseas subsidiary Srithai (Vietnam) Company Limited | Investment in machinery and factory equipment | Equivalent to US dollars 8.78 million and Vietnamese Dong 104,140 million (2013 : US dollars 8.78 million and Vietnamese 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 | 2,575.1 | 3,030.3 | | | | | |

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 | |
|-------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Total borrowings: | | | | |
| at fixed rates | 330,440,061 | 885,983,739 | 320,622,880 | 867,859,818 |
| at floating rates | 2,244,658,800 | 2,144,307,800 | 1,572,626,000 | 1,532,981,000 |
| | <u>2,575,098,861</u> | <u>3,030,291,539</u> | <u>1,893,248,880</u> | <u>2,400,840,818</u> |

The interest rates at the statement of financial position date were as follows:

bank borrowings 4.00% to 11.50% 3.58% to 13.00% 3.36% to 6.25% 3.58% to 6.38%

The carrying values and fair value of long-term loans are as follow:

| | Consolidated | | Company | |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Long-term loans - carrying value | 2,575.1 | 3,030.3 | 1,893.2 | 2,400.8 |
| Long-term loans - fair value | 2,443.6 | 2,835.0 | 1,778.2 | 2,250.7 |

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 2014 | | | 31 December 2013 | | |
| | 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 | - | 320,000,000 | - | - | 54,470,000 | - |
| - draw down with no timeframe limitation | 208,238,720 | - | 113,055,437 | 221,550,337 | - | 283,766,400 |
| Fixed rate | | | | | | |
| - draw down within 1 year | - | 800,000,000 | - | - | - | - |
| - draw down with no timeframe limitation | - | - | 3,923,735,429 | - | - | 4,308,879,961 |
| | <u>208,238,720</u> | <u>1,120,000,000</u> | <u>4,036,790,866</u> | <u>221,550,337</u> | <u>54,470,000</u> | <u>4,592,646,361</u> |
| | Company | | | | | |
| | 31 December 2014 | | | 31 December 2013 | | |
| | 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 | - | 300,000,000 | - | - | - | - |
| - draw down with no timeframe limitation | 165,000,000 | - | - | 175,000,000 | - | - |
| Fixed rate | | | | | | |
| - draw down within 1 year | - | 800,000,000 | - | - | - | - |
| - draw down with no timeframe limitation | - | - | 3,863,735,429 | - | - | 4,248,879,961 |
| | <u>165,000,000</u> | <u>1,100,000,000</u> | <u>3,863,735,429</u> | <u>175,000,000</u> | <u>-</u> | <u>4,248,879,961</u> |

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20 Other payables - third parties

Other payables as at 31 December comprise the following:

| | Consolidated | | Company | |
|----------------------------------------------|---------------------|--------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Payable of long-term assets | 99,743,488 | 126,352,439 | 58,056,240 | 77,112,937 |
| Other payables | 48,900,620 | 43,539,498 | 47,029,825 | 41,671,680 |
| Advance receipt from customers | 82,204,857 | 66,011,110 | 18,023,747 | 24,060,554 |
| Accrued commission expenses | 65,406,298 | 58,550,819 | 65,404,106 | 58,539,619 |
| Accrued utility expenses | 33,379,656 | 30,970,851 | 30,548,408 | 28,937,848 |
| Accrued staff cost | 19,461,945 | 19,464,059 | 17,280,089 | 16,288,322 |
| Dividend payable | 17,952,000 | - | - | - |
| Current portion of finance lease liabilities | 8,255,077 | 1,014,856 | - | - |
| Others | 53,257,096 | 58,692,338 | 29,657,200 | 38,722,795 |
| Total other payables - third parties | <u>428,561,037</u> | <u>404,595,970</u> | <u>265,999,615</u> | <u>285,333,755</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 2014 and 2013, 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:

| | Consolidated | | Company | |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Guarantee of related parties' loans | 893.58 | 876.24 | 889.58 | 872.24 |

22.2 Bank guarantee

As at 31 December, the Group's bankers had issued letters of guarantee on behalf of the Group as follows:

| | Consolidated | | Company | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| In respect of electricity usage | 57.76 | 60.28 | 54.66 | 57.48 |
| Other guarantee | 4.01 | 3.16 | 3.90 | 2.32 |

23 Commitments

Commitments as at 31 December comprise the following:

23.1 Capital expenditure commitments

| | Consolidated | | Company | |
|------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Commitment for purchase of machinery, moulds and equipment | 141.30 | 54.09 | 82.06 | 46.77 |
| Commitment for installation of facilities system | 32.21 | 10.53 | 17.59 | 10.53 |
| Commitment for land and building improvements | 24.93 | 51.10 | 4.04 | - |
| Commitment for purchase of software program | 2.26 | 2.36 | 0.70 | 1.06 |
| Commitment for purchase of motor vehicle | 3.00 | - | 3.00 | - |

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:

| | Consolidated | | Company | |
|-----------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Not later than 1 year | 29.83 | 31.03 | 23.29 | 25.38 |
| Later than 1 year and not later than 2 years | 21.74 | 23.52 | 16.91 | 19.30 |
| Later than 2 years and not later than 5 years | 10.47 | 19.79 | 6.36 | 13.43 |
| Later than 5 years | 27.87 | 28.62 | - | - |
| | 89.91 | 102.96 | 46.56 | 58.11 |

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24 Employee benefit obligations

Employee benefit obligations as at 31 December comprise the following:

| | Consolidated | | Company | |
|-------------------------------------|---------------------|--------------------|--------------------|---------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Statement of financial position | | | | |
| Post-employment benefits | 196,933,886 | 204,874,532 | 162,393,428 | 172,381,635 |
| Other long-term employment benefits | 99,634,131 | 105,678,413 | 86,802,665 | 92,853,129 |
| | <u>296,568,017</u> | <u>310,552,945</u> | <u>249,196,093</u> | <u>265,234,764</u> |
| (Profit) or loss | | | | |
| Post-employment benefits | 15,392,205 | 17,336,850 | 11,095,672 | 13,132,535 |
| Other long-term employment benefits | 9,797,964 | 14,288,347 | 7,743,212 | 10,827,406 |
| Actuarial gain | - | (25,858,435) | - | (25,743,310) |
| Reduction in past service cost | (300,511) | (8,548,531) | (300,511) | (8,477,075) |
| | <u>24,889,658</u> | <u>(2,781,769)</u> | <u>18,538,373</u> | <u>(10,260,444)</u> |

During the year 2014, there are 22 staff and 22 staff (2013: 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 0.3 million and Baht 0.3 million, respectively (2013: Baht 8.55 million and Baht 8.48 million).

The movement in the defined benefit obligations during the year is as follows:

| | Consolidated | | Company | |
|----------------------------|---------------------|--------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Opening balance | 310,552,945 | 285,631,020 | 265,234,764 | 246,347,843 |
| Current service cost | 15,952,097 | 19,811,870 | 11,792,925 | 14,235,676 |
| Interest cost | 9,238,072 | 11,813,327 | 7,045,959 | 9,724,264 |
| Negative past service cost | (300,511) | (8,548,531) | (300,511) | (8,477,075) |
| Actuarial loss | - | 16,731,732 | - | 17,302,967 |
| Benefits paid | (38,874,586) | (14,886,473) | (34,577,044) | (13,898,911) |
| Closing balance | <u>296,568,017</u> | <u>310,552,945</u> | <u>249,196,093</u> | <u>265,234,764</u> |

The principal actuarial assumptions used were as follows:

| | Consolidated | | Company | |
|------------------------------|---------------------|----------------|----------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| Discount rates | 3.97% - 4.79% | 3.97% - 4.79% | 3.97%-4.79% | 3.97%-4.79% |
| 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%-67.00% |

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25 Share capital and premium on treasury shares

Share capital as at 31 December comprises the following:

| | Number of shares | Ordinary shares Baht | Premium on treasury shares Baht | Total Baht |
|---------------------------------|-----------------------------|-------------------------------------|----------------------------------------------------|-----------------------|
| As at 31 December 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 |
| Split of shares | 2,438,914,320 | - | - | - |
| As at 31 December 2014 | <u>2,709,904,800</u> | <u>2,709,904,800</u> | <u>19,928,420</u> | <u>2,729,833,220</u> |

The Company's registered share capital as at 31 December 2014 comprises 2,709,904,800 ordinary shares (2013: 270,990,480 ordinary shares) of Baht 1 each (2013: Baht 10 each). All issued shares are fully paid-up.

At the Company's Annual General Shareholders' Meeting on 29 April 2014, the meeting has approved 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 from 270,990,480 shares to 2,709,904,800 shares. The authorised and paid-up share capital remain unchanged being Baht 2,709,904,800. The change was registered with the Ministry of Commerce on 8 May 2014.

26 Legal reserve

Legal reserve as at 31 December comprises the following:

| | Consolidated | | Company | |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Opening balance | 182,000,000 | 160,000,000 | 182,000,000 | 160,000,000 |
| Appropriation during the year | 21,000,000 | 22,000,000 | 21,000,000 | 22,000,000 |
| Closing balance | <u>203,000,000</u> | <u>182,000,000</u> | <u>203,000,000</u> | <u>182,000,000</u> |

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 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:

| | Consolidated | | Company | |
|-------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Fair value reserves on available-for-sale investments | | | | |
| - Short-term investments | - | 11,069 | - | - |
| - Other long-term investments | 37,616,000 | 42,896,000 | 37,616,000 | 42,896,000 |
| Total fair value reserves on available-for-sale investments | 37,616,000 | 42,907,069 | 37,616,000 | 42,896,000 |
| Translation adjustment for investment in overseas subsidiaries and associates | (138,803,888) | (115,846,847) | - | - |
| Total other components of equity | <u>(101,187,888)</u> | <u>(72,939,778)</u> | <u>37,616,000</u> | <u>42,896,000</u> |

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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:

| | Consolidated | | Company | |
|--------------------------------------------------------------|---------------------|-------------------|-------------------|-------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Opening balance | 42,907,069 | 42,905,024 | 42,896,000 | 42,896,000 |
| Increase from fair value reserves | | | | |
| - Short-term investments | - | 2,045 | - | - |
| - Other long-term investments, net tax | (5,280,000) | - | (5,280,000) | - |
| Decrease from disposal of available - for - sale investments | (11,069) | - | - | - |
| Closing balance | <u>37,616,000</u> | <u>42,907,069</u> | <u>37,616,000</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:

| | Consolidated | | Company | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Sales | 8,888,511,369 | 8,502,568,484 | 7,279,370,843 | 7,169,075,744 |
| Service income | 862,415,341 | 894,853,010 | - | - |
| Total sales and service income | <u>9,750,926,710</u> | <u>9,397,421,494</u> | <u>7,279,370,843</u> | <u>7,169,075,744</u> |
| Cost of sales | 7,148,476,112 | 6,832,847,088 | 5,935,789,690 | 5,800,143,207 |
| Cost of services | 732,347,522 | 723,435,601 | - | - |
| Total cost of sales and services | <u>7,880,823,634</u> | <u>7,556,282,689</u> | <u>5,935,789,690</u> | <u>5,800,143,207</u> |

29 Finance costs

Finance costs for the years ended 31 December comprise the following:

| | Consolidated | | Company | |
|---------------------------------------|---------------------|--------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Interest expense from bank borrowings | 167,346,595 | 165,594,624 | 125,427,565 | 123,607,480 |
| Interest expense from finance leases | 400,726 | 1,405,438 | - | - |
| Total finance costs | <u>167,747,321</u> | <u>167,000,062</u> | <u>125,427,565</u> | <u>123,607,480</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.

| | Consolidated | | Company | |
|-------------------------------------------------------------------------------------|---------------------|---------------|----------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Staff costs | 1,312,977,825 | 1,201,484,855 | 897,253,780 | 896,188,507 |
| Depreciation (Notes 13,14) | 647,937,766 | 582,331,757 | 502,195,736 | 463,150,957 |
| Advertising and sales promotion | 393,757,610 | 351,163,950 | 392,391,802 | 339,269,473 |
| Repair and maintenance | 165,537,519 | 156,389,637 | 146,885,196 | 138,827,710 |
| Transportation | 182,592,640 | 183,387,839 | 132,444,442 | 129,577,317 |
| Operating lease rentals | 48,918,831 | 47,753,386 | 36,937,105 | 36,146,842 |
| Amortisation of assets | 73,104,777 | 77,334,976 | 53,146,016 | 55,573,903 |
| Assets written-off | 6,553,262 | 2,691,186 | 6,284,239 | 2,675,752 |
| Loss on impairment of investment in subsidiary and associate (reversal) (Note 11.1) | - | 12,044,661 | - | (32,335,135) |
| (Gain) loss on foreign exchange rate, net | (8,573,111) | (1,299,644) | (3,328,942) | (18,245,042) |

31 Basic earnings per share

The Company presents basic earnings per share in the statement of comprehensive income which is computed by dividing the profit by the weighted-average number of paid-up ordinary shares outstanding during the year.

| | Consolidated | | Company | |
|----------------------------------------------------------------|---------------------|---------------|----------------|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| Profit attributable to equity holders of the parent (Baht) | 470,057,185 | 486,968,088 | 411,442,630 | 423,762,488 |
| Weighted average number of outstanding ordinary shares (Share) | 2,709,904,800 | 2,709,904,800 | 2,709,904,800 | 2,709,904,800 |
| Basic earnings per share (Baht) | 0.17 | 0.18 | 0.15 | 0.16 |

The Company recalculates basic earnings per share for the year ended 31 December 2013 for the purpose of comparability in financial information, which is calculated by using weighted average number of ordinary shares as if the par value and the number of issued and paid-up share capital was changed in consistent with the change in the par value and the number of issued and paid-up share capital during the year ended 31 December 2014.

There are no potential dilutive ordinary shares issued for the years ended 31 December 2014 and 2013.

32 Dividends

2014

At the Company's Annual General Shareholders' Meeting on 29 April 2014, the meeting has approved a dividend in respect of the Company's net profit for the year 2013 of Baht 1.00 per share, totalling Baht 270.99 million and the Company paid all dividends during the year ended 31 December 2014.

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.

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33 Cash flows from operating activities and supplementary cash flows information

33.1 Cash flows from operating activities

Reconciliation of profit to cash flows from operating activities comprises the following:

| | Notes | Consolidated | | Company | |
|------------------------------------------------------------------------------------------------------------|--------|----------------------|----------------------|--------------------|--------------------|
| | | 2014 Baht | 2013 Baht | 2014 Baht | 2013 Baht |
| Profit before income tax for the year | | 539,555,476 | 571,319,029 | 433,268,125 | 459,785,530 |
| Adjustments to reconcile net profit to net cash provided by (paid for) operations: | | | | | |
| Depreciation | 13, 14 | 647,937,766 | 582,331,757 | 502,195,736 | 463,150,957 |
| Amortisation | | 58,629,102 | 61,893,972 | 42,565,355 | 43,223,846 |
| Amortisation of intangible assets | 15 | 14,475,675 | 15,441,004 | 10,580,661 | 12,350,057 |
| Assets written off | | 6,553,262 | 2,691,186 | 6,284,239 | 2,675,752 |
| Allowance for doubtful accounts | | 4,035,823 | 300,503 | 1,000,000 | - |
| Allowance for inventory obsolescence and for inventories cost in excess of net realisable value (reversal) | 10 | 3,122,168 | (3,089,628) | 3,000,000 | (2,000,000) |
| Loss on impairment in value of investments in subsidiary and associates (reversal) | 11.3 | - | 12,044,661 | - | (32,335,135) |
| Reversal of fixed assets impairment | 14 | (3,700,000) | - | (3,700,000) | - |
| Reversal of intangible assets impairment | 15 | (364,803) | - | (364,803) | - |
| (Gain) loss on disposal of fixed and intangible assets | | (12,184,571) | (6,951,403) | (21,401,439) | (8,699,340) |
| Employee benefits expense | 24 | 24,889,658 | 23,076,666 | 18,538,373 | 15,482,865 |
| Actuarial gain - other long-term employment benefits | 24 | - | (25,858,435) | - | (25,743,310) |
| Unrealised (gain) loss on foreign exchange rate | | (13,588,276) | (16,131,960) | (3,846,826) | (18,030,818) |
| Interest income | | (6,913,388) | (8,136,458) | (3,952,810) | (2,490,810) |
| Share of profit of investments in associates and joint venture | 11.2 | (63,165,436) | (50,099,483) | - | - |
| Dividend income from investments in subsidiaries, associates, and joint venture | 34.3 | - | - | (192,248,298) | (90,590,123) |
| Dividend income from other investments | | (12,186,500) | (15,179,904) | (12,186,500) | (15,179,904) |
| Finance costs-interest expense | 29 | 167,747,321 | 167,000,062 | 125,427,565 | 123,607,480 |
| | | <u>1,354,843,277</u> | <u>1,310,651,569</u> | <u>905,159,378</u> | <u>925,207,047</u> |
| Changes in operating assets and liabilities | | | | | |
| (Increase) decrease in operating assets: | | | | | |
| Trade accounts receivable | | (137,697,027) | (149,076,099) | (73,742,956) | (129,638,531) |
| Other receivables | | (107,393,806) | (64,259,046) | (44,460,800) | (38,934,393) |
| Inventories | | (129,446,674) | (123,909,300) | 26,911,722 | (89,579,417) |
| Other current assets | | (15,249,277) | (30,585,165) | (7,482,425) | (34,889,909) |
| Other assets | | (5,784,340) | 18,869,509 | 1,845,448 | 45,829,281 |
| Increase (decrease) in operating liabilities: | | | | | |
| Trade accounts payable | | 30,764,507 | 26,433,773 | 15,686,795 | (144,188,266) |
| Other payables | | (780,876) | (29,475,159) | (559,110) | (1,984,761) |
| Other current liabilities | | 30,110,689 | 13,963,680 | 14,100,748 | (7,418,496) |
| Employee benefits paid | 24 | (38,874,586) | (14,886,473) | (34,577,044) | (13,898,911) |
| Cash generated from operations | | <u>980,491,887</u> | <u>957,727,289</u> | <u>802,881,756</u> | <u>510,503,644</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:

| | Consolidated | | Company | |
|-------------------------------------------------------------------------------------|---------------------|--------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Property, plant and equipment | | | | |
| Additions (Note 14) | 783,151,687 | 1,040,335,934 | 361,930,748 | 795,409,160 |
| <u>Less</u> Decrease (increase) in payables of fixed assets | 26,608,951 | (42,014,031) | 19,056,697 | (12,336,545) |
| Fixed assets increased by finance lease | (27,767,239) | (3,078,579) | - | - |
| Decrease (increase) in amounts due to related parties of fixed assets | (320,486) | - | (1,349,826) | 2,350,170 |
| Unrealised (gain) loss on exchange rate | (63,429) | 1,470,922 | (63,429) | 1,470,922 |
| Payment for purchase of fixed assets | <u>781,609,484</u> | <u>996,714,246</u> | <u>379,574,190</u> | <u>786,893,707</u> |
| Intangible assets | | | | |
| Additions (Note 15) | 17,635,363 | 6,910,672 | 3,687,990 | 2,899,890 |
| <u>Less</u> Decrease (increase) in payables of intangible assets | (3,308,267) | 389,922 | (1,997,550) | 389,922 |
| Payment for purchase of intangible assets | <u>14,327,096</u> | <u>7,300,594</u> | <u>1,690,440</u> | <u>3,289,812</u> |
| Dividend income | | | | |
| Dividends of investments in subsidiaries, associates, and joint venture (Note 34.3) | 98,891,471 | 38,192,103 | 192,248,298 | 90,590,123 |
| <u>Less</u> Decrease (increase) in dividend receivable | 5,322,603 | (5,322,603) | 5,322,603 | (5,322,603) |
| <u>Less</u> Realised loss on exchange rate | (110,876) | - | (110,876) | - |
| Dividends received from subsidiaries, associates, and joint venture | <u>104,103,198</u> | <u>32,869,500</u> | <u>197,460,025</u> | <u>85,267,520</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:

| Company name | Relationship |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------|
| Srithai Marketing Co., Ltd. | shares held by relatives of executives of the Company and some of them serve as directors |
| Siam Melamine Marketing Co., Ltd. | shares held by relatives of executives of the Company |
| Srithai Stainless Co., Ltd. | shares held by relatives of executives of the Company and some of them serve as directors |
| 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

| | Consolidated | | Company | |
|----------------------------------------------------|---------------------|--------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Trade accounts receivable – related parties | | | | |
| Subsidiaries | - | - | 120,280,840 | 107,138,340 |
| Associates | 145,420,436 | 142,554,349 | 145,420,436 | 142,554,349 |
| Joint venture | 6,511,199 | 7,741,160 | 6,466,345 | 7,741,160 |
| Other related parties | 185,603,721 | 181,088,447 | 134,433,468 | 127,255,263 |
| Total trade accounts receivable - related parties | <u>337,535,356</u> | <u>331,383,956</u> | <u>406,601,089</u> | <u>384,689,112</u> |
| Other receivables - related parties, net | | | | |
| Subsidiaries | - | - | 20,708,107 | 4,557,819 |
| Associates - dividend receivable | - | 6,295,183 | - | 6,295,183 |
| - other receivable | 764,188 | 1,154,080 | 764,188 | 1,154,080 |
| Joint venture | 139,931 | 141,041 | 139,931 | 141,041 |
| Other related parties | 72,119 | 81,455 | 72,119 | 81,455 |
| Total other receivables - related parties | <u>976,238</u> | <u>7,671,759</u> | <u>21,684,345</u> | <u>12,229,578</u> |
| Less Allowance for doubtful accounts | - | (972,580) | - | (972,580) |
| Total other receivables - related parties, net | <u>976,238</u> | <u>6,699,179</u> | <u>21,684,345</u> | <u>11,256,998</u> |

Srithai Superware Public Company Limited
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34 Related party transactions (Cont'd)

34.2 Outstanding balances as at the years ended (Cont'd)

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.

During the year 2014, Korat Thai Tech Company Limited had received the repayment in full.

P.E.T. Blow Company Limited

As at 31 December 2014, Korat Thai Tech Company Limited, a subsidiary, has granted a short-term loan of Baht 8.00 million to P.E.T. Blow 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

On 3 January 2013, the Company has entered into an agreement with Srithai (Vietnam) Company Limited, the subsidiary, to convert all short-term loan balance to increase share capital of the subsidiary 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 (Note 11.3 (a)).

| | Consolidated | | Company | |
|-------------------------------------------------|---------------------|--------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Trade accounts payable - related parties | | | | |
| Subsidiaries | - | - | 92,811,986 | 38,251,238 |
| Associates | 94,810,513 | 105,335,861 | 66,980,289 | 79,782,490 |
| Joint venture | 78,707 | - | 78,707 | - |
| Other related parties | 13,239,867 | 7,226,122 | 8,591,018 | 4,229,001 |
| Total trade accounts payable - related parties | <u>108,129,087</u> | <u>112,561,983</u> | <u>168,462,000</u> | <u>122,262,729</u> |
| Other payables - related parties | | | | |
| Subsidiaries - other payables | - | - | 4,010,142 | 989,899 |
| - payable for fixed assets | - | - | 1,075,350 | 46,010 |
| Associates | 370,408 | 2,446,530 | 370,408 | 2,438,505 |
| Other related parties - other payables | 96,300 | 28,329 | 96,300 | 28,329 |
| - payable for fixed assets | 320,486 | - | 320,486 | - |
| Total other payables - related parties | <u>787,194</u> | <u>2,474,859</u> | <u>5,872,686</u> | <u>3,502,743</u> |

Srithai Superware Public Company Limited
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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:

| | Consolidated | | Company | |
|----------------------------------------|---------------------|--------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| <u>Sales and service income</u> | | | | |
| Subsidiaries | - | - | 137,974,495 | 162,700,871 |
| Associates | 381,895,575 | 320,791,210 | 381,895,575 | 320,788,620 |
| Joint venture | 34,361,459 | 36,140,217 | 34,216,087 | 35,984,146 |
| Other related parties | 401,028,698 | 448,404,819 | 285,973,842 | 393,132,655 |
| Total sales and service income | 817,285,732 | 805,336,246 | 840,059,999 | 912,606,292 |
| <u>Other income</u> | | | | |
| <u>Service income</u> | | | | |
| Subsidiaries | - | - | 29,140,528 | 26,982,845 |
| Associates | 5,211,950 | 3,854,938 | 5,211,950 | 3,854,938 |
| Joint venture | 610,234 | 628,952 | 610,234 | 628,952 |
| Other related parties | 1,306,200 | 1,712,601 | 1,048,740 | 1,712,601 |
| Total | 7,128,384 | 6,196,491 | 36,011,452 | 33,179,336 |
| <u>Management fee income</u> | | | | |
| Subsidiaries | - | - | 4,020,000 | 4,320,000 |
| Joint venture | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Total | 1,000,000 | 1,000,000 | 5,020,000 | 5,320,000 |
| <u>Interest income</u> | | | | |
| Subsidiaries | - | - | - | 264,718 |
| Total | - | - | - | 264,718 |
| <u>Dividend income</u> | | | | |
| Subsidiaries | - | - | 93,356,827 | 52,398,020 |
| Associates | 97,891,511 | 38,192,103 | 97,891,511 | 38,192,103 |
| Joint venture | 999,960 | - | 999,960 | - |
| Total | 98,891,471 | 38,192,103 | 192,248,298 | 90,590,123 |
| Total other income | 107,019,855 | 45,388,594 | 233,279,750 | 129,354,177 |
| <u>Sales of fixed assets</u> | | | | |
| Subsidiaries | - | - | 95,115,000 | 24,796,038 |
| Associates | 48,000 | - | 48,000 | - |
| Total sales of fixed assets | 48,000 | - | 95,163,000 | 24,796,038 |

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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:

| | Consolidated | | Company | |
|------------------------------------------|---------------------|--------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| <u>Cost of sales and services</u> | | | | |
| <u>Purchases of goods</u> | | | | |
| Subsidiaries | - | - | 352,326,570 | 304,489,947 |
| Associates | 406,573,836 | 432,845,457 | 287,171,997 | 348,063,331 |
| Joint venture | 358,181 | 63,771 | 333,281 | 63,771 |
| Other related parties | 34,801,710 | 36,475,700 | 22,273,235 | 25,686,280 |
| Total | <u>441,733,727</u> | <u>469,384,928</u> | <u>662,105,083</u> | <u>678,303,329</u> |
| <u>Expenses</u> | | | | |
| <u>Service expenses</u> | | | | |
| Subsidiaries | - | - | 7,895,190 | 5,776,578 |
| Associates | 1,042,600 | 4,087,535 | 1,042,600 | 4,087,535 |
| Other related parties | 5,385,826 | 4,866,274 | 5,385,826 | 4,866,274 |
| Total | <u>6,428,426</u> | <u>8,953,809</u> | <u>14,323,616</u> | <u>14,730,387</u> |
| <u>Purchases of fixed assets</u> | | | | |
| Subsidiaries | - | - | 15,181,821 | 17,070,000 |
| Other related parties | 487,220 | 43,550 | 487,220 | 43,550 |
| Total | <u>487,220</u> | <u>43,550</u> | <u>15,669,041</u> | <u>17,113,550</u> |

34.4 Directors and managements' remuneration

Directors and managements' remuneration for the years ended 31 December comprise the following:

| | Consolidated | | Company | |
|-----------------------------------------------|---------------------|--------------------|-------------------|-------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | Baht | Baht | Baht | Baht |
| Directors' remuneration | 2,335,000 | 2,222,500 | 2,335,000 | 2,222,500 |
| Managements' remuneration | | | | |
| Short-term employee benefits | 108,816,359 | 106,421,597 | 68,665,255 | 65,096,715 |
| Post-employment benefits | 6,071,291 | 3,362,211 | 4,258,577 | 2,620,905 |
| Other long-term employee benefits | 40,400 | 64,641 | 36,816 | 61,057 |
| Total directors and managements' remuneration | <u>117,263,050</u> | <u>112,070,949</u> | <u>75,295,648</u> | <u>70,001,177</u> |

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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"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (12 January 2007) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 11 January 2020). |
| | 1339(2)/2550 | 14 February 2007 | 7 years | plastic products | <ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (7 December 2007) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 6 December 2019). |
| | 1872(2)/2554 | 18 January 2011 | 8 years | melamine products | <ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years 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). |
| | 1529(2)/2555 | 6 March 2012 | 7 years | plastic products | <ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (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). |
| | 1872(2)/2556 | 14 May 2013 | 7 years | plastic products | <ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (28 February 2014) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 27 February 2026). |

Srithai Superware Public Company Limited
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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"> 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). |
| | 2458(5)/2554 | 19 July 2011 | 8 years | moulds production and repair | <ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (12 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). |
| | 1268(5)/2556 | 5 March 2012 | 8 years | plastic products | <ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (20 February 2014) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 19 February 2027). |
| Subsidiary : Srithai Nanoplast Company Limited | 1838(2)/2547 | 18 August 2004 | 7 years | plastic products | <ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (1 April 2005) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 31 March 2017). |
| | 1960(2)/2555 | 8 June 2012 | 7 years | plastic products | <ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land 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). |
| Subsidiary : Korat Thai Tech Company Limited | 1616(5)/2554 | 18 April 2011 | 8 years | melamine products | <ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (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). |
| Subsidiary : P.E.T. Blow Company Limited | 1067(5)/2555 | 14 March 2011 | 8 years | plastic products | <ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (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). |

Srithai Superware Public Company Limited
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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) | | | | | |
|-----------------------------------|------------------------|-----------------------|--------------|-------------------|-----------------------|--------------|
| | 2014 | | | 2013 | | |
| | Promoted activity | Non-promoted activity | Total | Promoted activity | Non-promoted activity | Total |
| Revenue | | | | | | |
| Domestic sales and service income | 1,235 | 4,076 | 5,311 | 1,198 | 3,814 | 5,012 |
| Export sales and service income | 695 | 1,273 | 1,968 | 1,004 | 1,153 | 2,157 |
| Total sales and service income | <u>1,930</u> | <u>5,349</u> | <u>7,279</u> | <u>2,202</u> | <u>4,967</u> | <u>7,169</u> |

36 Post statement of financial position event

Additional investment in subsidiaries

Srithai Superware Manufacturing Private Limited

On 9 February 2015, the Company paid for the additional share capital of Srithai Superware Manufacturing Private Limited, a subsidiary, being share capital and premium on share capital amounting to Indian Rupees 80.00 million and 20.00 million, respectively, or totalling to Baht 52.80 million according to its 100.00% shareholding.

Srithai (Vietnam) Company Limited

Srithai (Vietnam) Company Limited has registered increase its registered capital from US dollars 20.00 million to 40.00 million in February 2015. This was approved by a resolution of the Board of Directors of the Company on 30 September 2014. The Company will wholly invest in the increase registered capital according to its 100.00% shareholding. The Company partially paid for additional investment share capital in a subsidiary amounting to US dollars 3.00 million or equivalent to Baht 97.95 million on 11 February 2015.

Approval of dividends

On 27 February 2015, the Board of Directors of the Company passed a resolution to propose the dividend payment from the operating results of 2014 at Baht 0.10 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. 34 (year 2015) for further consideration and approval.



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