



Annual Report **2015**

Srithai Superware Public Company Limited

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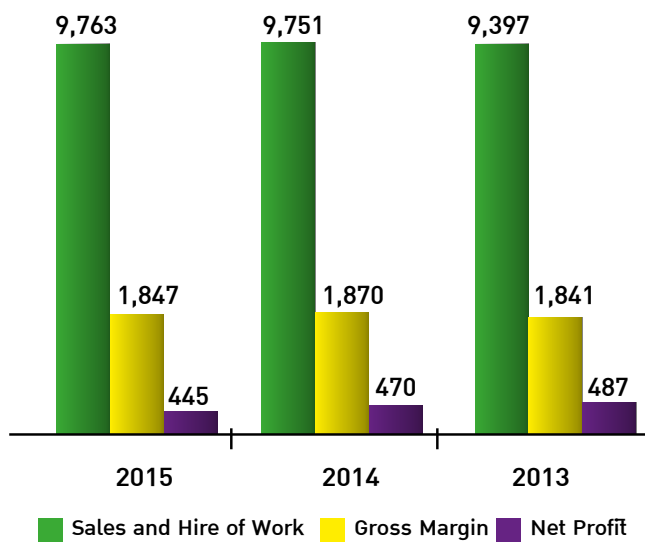
## Highlight of Consolidated Financial Statements

Unit : Million Baht

|                                                        | 2015    | 2014    | 2013    |
|--------------------------------------------------------|---------|---------|---------|
| <b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b>   |         |         |         |
| Assets                                                 | 11,107  | 10,516  | 10,126  |
| Liabilities                                            | 6,150   | 5,784   | 5,561   |
| Shareholders' equity                                   | 4,957   | 4,732   | 4,565   |
| <b>CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME</b> |         |         |         |
| Sales and hire of work                                 | 9,763   | 9,751   | 9,397   |
| Gross profit                                           | 1,847   | 1,870   | 1,841   |
| Selling & Administrative expenses                      | (1,314) | (1,336) | (1,248) |
| Other income (Other expenses)                          | 188     | 174     | 145     |
| Finance costs - interest expense                       | (163)   | (168)   | (167)   |
| Profit before income tax                               | 558     | 540     | 571     |
| Net profit for the year (Owners of the parent)         | 445     | 470     | 487     |
| <b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>           |         |         |         |
| Net cash receipt from operating activities             | 1,167   | 731     | 711     |
| Net cash payments for investing activities             | (1,098) | (616)   | (981)   |
| Net cash receipts from financing activities            | 79      | (79)    | 266     |
| Cash and cash equivalents, closing balance             | 621     | 473     | 437     |
| <b>KEY FINANCIAL RATIOS</b>                            |         |         |         |
| Current Ratio (times)                                  | 1.17    | 1.23    | 1.42    |
| Account Receivable Turnover (days)                     | 72.95   | 71.28   | 68.01   |
| Inventory Turnover (days)                              | 39.37   | 37.10   | 36.36   |
| Account Payable Turnover (days)                        | 43.84   | 43.82   | 44.60   |
| Gross Profit Ratio to Sales (%)                        | 18.92   | 19.18   | 19.59   |
| Net Profit Ratio to Total Revenues (%)                 | 4.51    | 4.77    | 5.12    |
| Return on Total Assets (%)                             | 4.12    | 4.55    | 5.01    |
| Debt to Equity Ratio (time)                            | 1.24    | 1.22    | 1.22    |

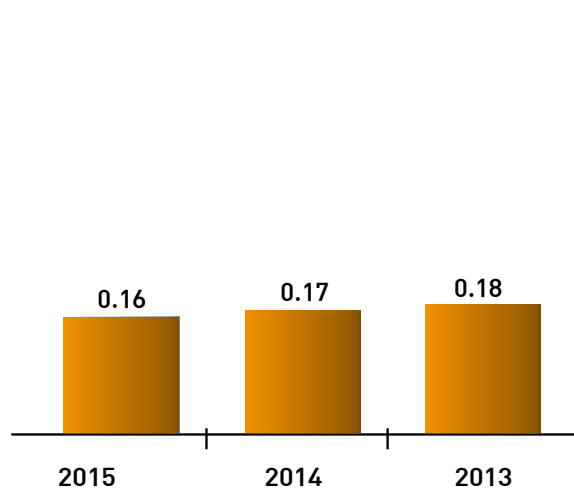
## Operation Results

(Unit : Million Baht)



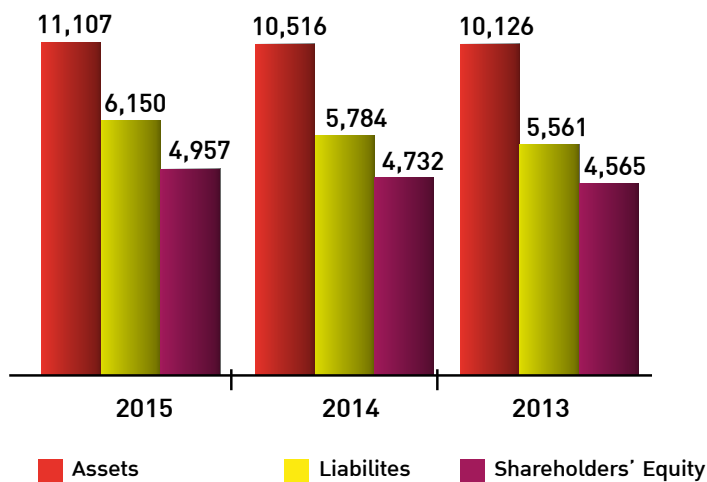
## Earning per Share

(Unit : Baht)



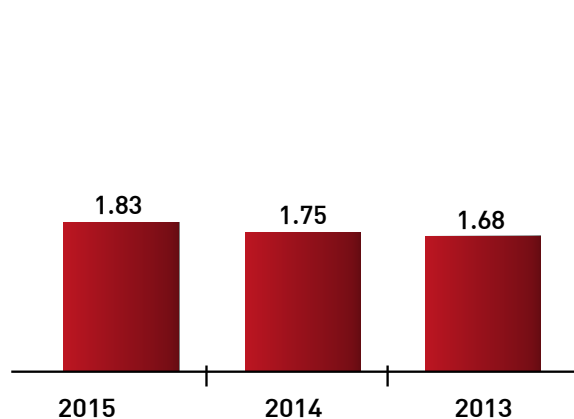
## Assets, Liabilities and Shareholders' Equity

(Unit : Million Baht)



## Book Value per Share

(Unit : Baht)



## MESSAGE FROM THE CHAIRMAN



The year 2015 was marked with major changes for the Southeast Asia Region, Thailand and Srithai. That is the entering into the Asean Economic Community or AEC of the 10 ASEAN countries, in which Srithai has been investing since 1995 providing economic stimulus and stability in the areas where we operate. Our very first factories were in Indonesia and Vietnam, which were then followed by the establishment of offices in Myanmar, Laos and Malaysia. Whereas in Thailand, we have faced with drought, agricultural product price decrease, contraction of export volume, a high level of household debt, and oil price and currency fluctuations and sluggish economy that impacted private and public sectors as well as individuals.

As for the 52<sup>nd</sup> anniversary of Srithai, our strategies emphasize enhancement of production capacity and product portfolio adjustment. As a result of this, on July 2, 2015, we were recategorized by the Stock Exchange of Thailand from the “Home and Office Products” sector under the Consumer Products Industry Group to the “Packaging” sector under the Industrials Industry Group, due to the fact that the plastic packaging business generated over half of the Group’s income and accounted for its immense growth, particularly in the food and beverage packaging group of products.

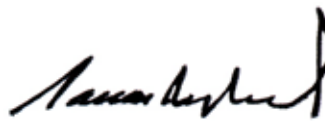
In 2015, Srithai focused on heavy investment in our overseas operations. A factory under our wholly owned subsidiary--Srithai Superware Manufacturing Private Limited--in Gujarat, India, began production of melamine ware in the third quarter of 2015. This allowed us to service our customers in a cost-efficient and time-efficient manner as we did away with the time and resources needed to transport our products from Thailand to India. Hence, it will give us a more competitive advantage and faster penetration into the market.

At the same time, another wholly-owned subsidiary of Srithai (Vietnam) Company Limited, Srithai (Hanoi) Company Limited, opened its factory in December in response to the growing needs of our clients in the North. Situated in Bac Ninh, a district of Hanoi, the factory will help enhance our production capacity there. Srithai (Vietnam) has also recently acquired another plot of land located not far from the current plant where we will build a factory which will exclusively produce melamine ware. When the two factories are complete, Vietnam will become the largest overseas production base of the Srithai Group.

In order to support the high-value investment expansion in Vietnam and open an opportunity for Srithai stakeholders to directly engage as business partners of Srithai (Vietnam), we plan to raise the capital needed by listing Srithai (Vietnam) in the SET of Thailand via a holding company. While Srithai remains the major shareholder, the holding company will be established in Thailand and hold shares of the 2 Vietnamese companies through share transfer from Srithai.

A new domestic venture was also launched on June 15, 2015: the Srithai Super Outlet on Sukhumvit road, Chonburi province. The opening ceremony was graciously presided over by HRH Princess Soamsawali Phravararajatinuddamate. Located on our own plot of land, this outlet store sells our products directly to customers, giving them direct access at a very low price. In the future, we hope to open more Outlet stores in prime locations all over the country.

By adhering to good corporate governance, together with a strong commitment to environmental and social responsibility and the welfare of our whole Srithai family, as well as by carrying on an expansion and progress with steady and secure tending towards greater sustainability, Srithai has become a leading company in Thailand which pursues its self development and searches for new business opportunities both local and abroad. We aim to ensure that Srithai fulfills its role as a participant and contributor to development and progress. I would like to thank our stakeholders, board members, directors, executives and employees for your great support that continues to make Srithai one of the leading companies of 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.

The Company has defined its Vision and Mission to be appropriate and aligned with its ongoing strategies and business operations. The Company reassesses its ongoing 'Vision and Mission' every 5 years so that they properly correspond to the current changing business situation as well as with both the current internal and external factors 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.

The Company implemented a major 'rebranding' campaign in 2015, and started to use the newly designed logos so as to accommodate a more modern and international corporate image that will better support the businesses of the Company as well as be more easily recognized by our clients and customers as follows :

**Corporate Brand****Product Brand****Business Brand**

Additionally, on July 2, 2015, the Stock Exchange of Thailand (SET) has reclassified the Company from the "Home & Office Products" sector under the "Consumer Products" industry group to the "Packaging" sector under the "Industrials" industry group. The purpose is for better clarity for investors as well as to be appropriate to the Company's core businesses, products and revenues stream.

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 in overseas markets - particularly, in the case of its subsidiary located in Vietnam that has resulted in the continued growth of its business and revenues. 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 and especially in the ASEAN countries;
- 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.

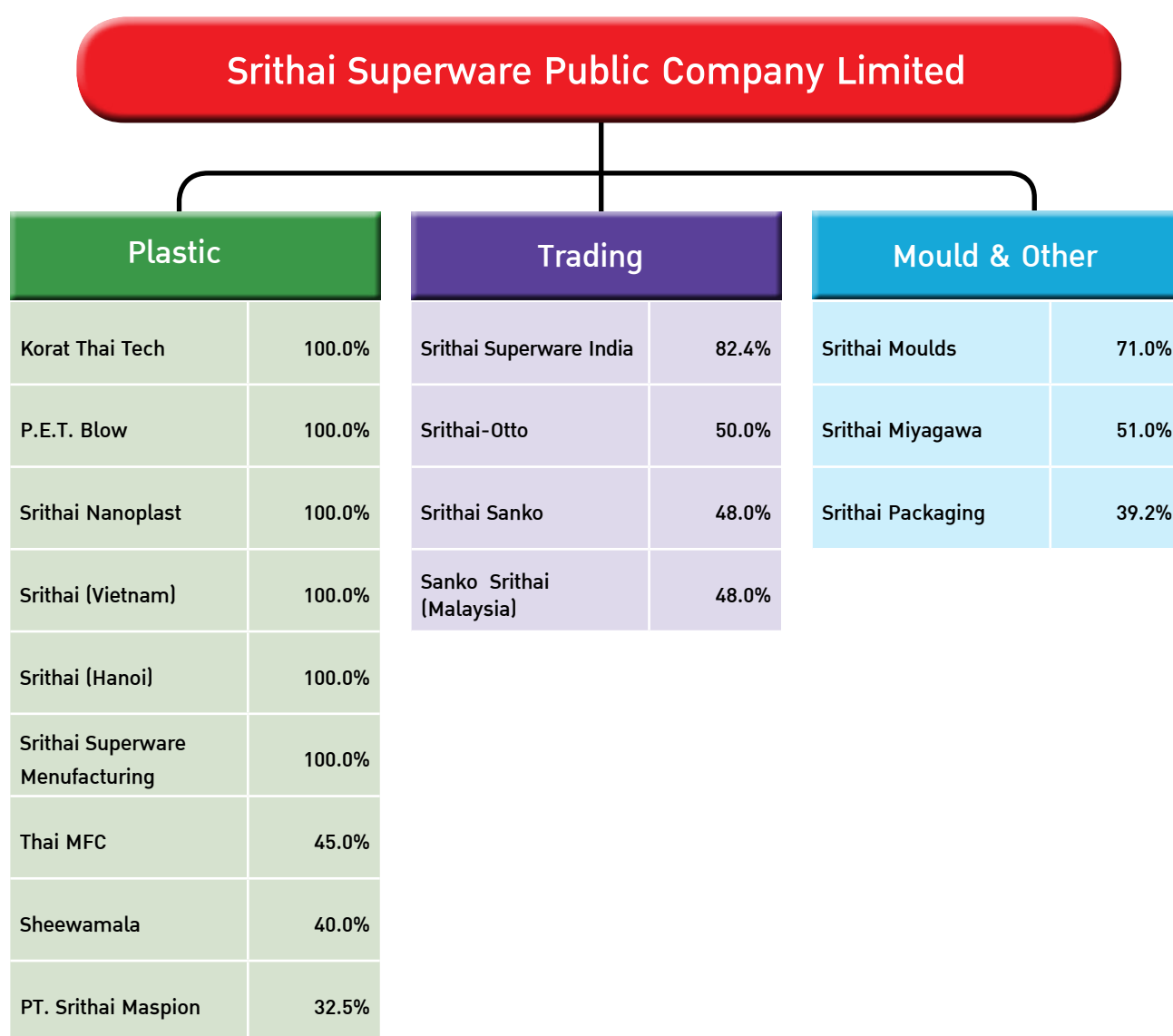
For the network marketing business, under the name of "Srithai Network" which is a business unit under the Trading Business Line, the Company focuses on offering wide range of quality products which are necessary in daily lives or products of daily use with big sized market. They are distributed by sales 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.

### 1.3 Structure of Shareholders of Srithai Superware Group

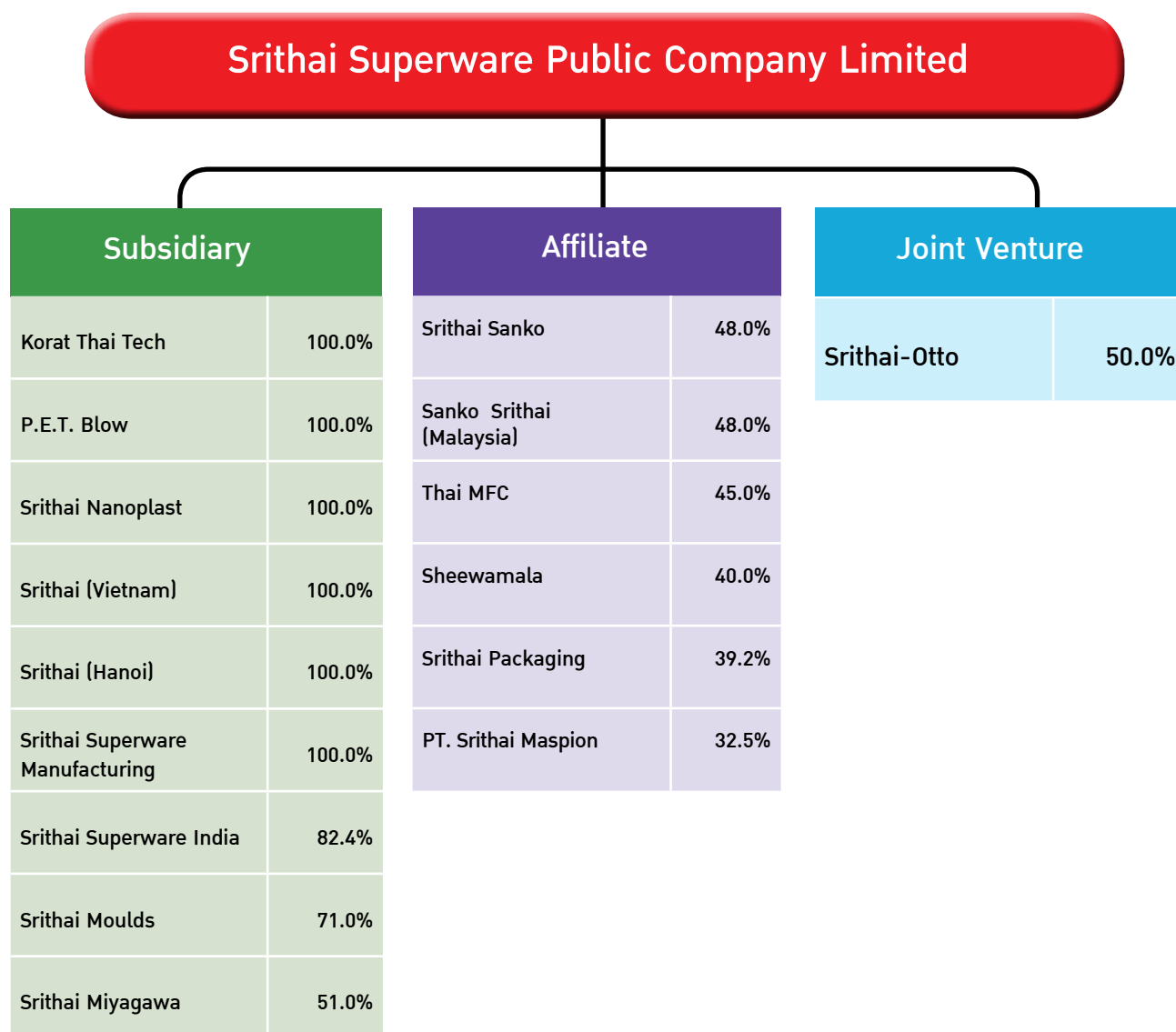
Business outlook of Srithai Superware Group is mostly under the same structure as that of our core businesses, i.e. Plastics Business Line comprising industrial products and household products; and Trading

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



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



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                                          | % Shareholding of Company | 2015         |       | 2014         |       | 2013         |       |
|---------------------------------------------------------------|---------------------------|--------------|-------|--------------|-------|--------------|-------|
|                                                               |                           | Million Baht | %     | Million Baht | %     | Million Baht | %     |
| Sales and Service Income                                      |                           |              |       |              |       |              |       |
| Plastics Business                                             |                           |              |       |              |       |              |       |
| Household Products                                            |                           |              |       |              |       |              |       |
| Srithai Superware Public Company Limited                      | -                         | 1,541        | 15.5  | 1,554        | 15.7  | 1,715        | 18.0  |
| Korat Thai Tech Company Limited                               | 100.0                     | 276          | 2.8   | 238          | 2.4   | 161          | 1.7   |
| Srithai (Vietnam) Company Limited                             | 100.0                     | 147          | 1.5   | 89           | 0.9   | 64           | 0.7   |
| Srithai Superware Manufacturing Private Limited               | 100.0                     | 3            | 0.0   | 0            | 0.0   | 0            | 0.0   |
| Srithai Superware India Limited                               | 82.4                      | 73           | 0.7   | 71           | 0.7   | 69           | 0.7   |
| Total Household Products                                      | -                         | 2,040        | 20.5  | 1,952        | 19.7  | 2,009        | 21.1  |
| Industrial Products                                           |                           |              |       |              |       |              |       |
| Srithai Superware Public Company Limited                      | -                         | 4,760        | 47.8  | 5,107        | 51.5  | 4,867        | 50.9  |
| P.E.T. Blow Company Limited                                   | 100.0                     | 16           | 0.2   | 32           | 0.3   | 98           | 1.0   |
| Srithai Nanoplast Company Limited                             | 100.0                     | 15           | 0.2   | 22           | 0.2   | 33           | 0.4   |
| Srithai (Vietnam) Company Limited                             | 100.0                     | 1,388        | 13.9  | 1,294        | 13.0  | 1,071        | 11.2  |
| Srithai (Hanoi) Company Limited                               | 100.0                     |              |       | 0            | 0.0   | 0            | 0.0   |
| Srithai Miyagawa Company Limited                              | 51.0                      | 1,076        | 10.8  | 669          | 6.8   | 678          | 7.1   |
| Total Industrial Products                                     | -                         | 7,255        | 72.9  | 7,124        | 71.8  | 6,747        | 70.6  |
| Trading Business and Mould-Making                             |                           |              |       |              |       |              |       |
| Srithai Superware Public Company Limited                      | -                         | 251          | 2.5   | 481          | 4.9   | 425          | 4.4   |
| Srithai Moulds Company Limited                                | 71.0                      | 98           | 1.0   | 73           | 0.7   | 94           | 1.0   |
| Srithai Miyagawa Company Limited                              | 51.0                      | 119          | 1.2   | 121          | 1.2   | 122          | 1.3   |
| Total Trading Business and Mould-Making                       | -                         | 468          | 4.7   | 675          | 6.8   | 641          | 6.7   |
| Total Sales and Service Income                                | -                         | 9,763        | 98.1  | 9,751        | 98.3  | 9,397        | 98.4  |
| Other income                                                  | -                         | 109          | 1.1   | 111          | 1.1   | 107          | 1.1   |
| Share of profit of investment in associates and joint venture | -                         | 79           | 0.8   | 63           | 0.6   | 50           | 0.5   |
| Total income                                                  | -                         | 9,951        | 100.0 | 9,925        | 100.0 | 9,554        | 100.0 |

Remark

- Srithai Superware Manufacturing Private Limited started operations and achieved revenues in 2015.
- Srithai (Hanoi) Company Limited is a subsidiary of Srithai (Vietnam) Company Limited and, thus, is an indirect subsidiary of the Company. It started operations and earned revenues in 2015.
- Additional information are disclosed in the Notes to Financial Statements for the year ended December 31, 2015 No.6 : Segment information, pages 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 5 groups :

##### Group 1 Food and Beverage Packaging

Food Packaging : Plastic package for containing food and beverage, produced with thin-wall injection technology, comprising :-

- 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 : Screw cap and preform of soft drink bottle and PET bottle including beverage bottles using the 'blowing' process



## Group 2 Rigid Packaging

**Container** : Pail for paint, chemical, lubricant and grease



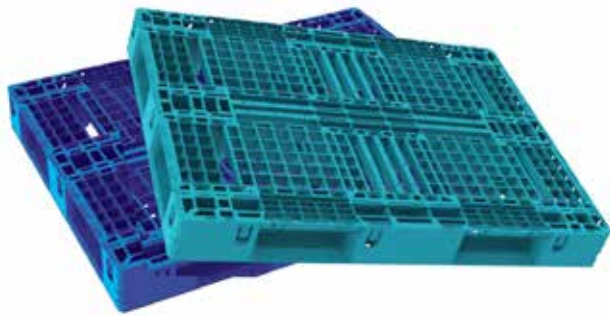
## Group 3 Material Handling



**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

**Garbage Bin** : Large bin with wheels for sidewalk or public places



#### Group 4 Furniture and Houseware



**Furniture** : Tables, chairs

**Household Product** : Accessories, decorations, and appliances etc





**Premium Product** : 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 Automotive Industry Products and Others

### Battery Case



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

**Automotive Component Parts** : Used in the assembly of various automobiles and motor cycles



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

## (b) Marketing and Competition

### Description of Customer

|                                                                       |                                                                                                                 |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>Food Packaging</b>                                                 | Ready-to-serve food factories, cinema house launching marketing campaign, and convenient stores                 |
| <b>Beverage Packaging</b>                                             | Beverage bottlers                                                                                               |
| <b>Pallet, Bottle Crates, Pails, Garbage Bins and Container</b>       | End-users such as manufacturing plants                                                                          |
| <b>Furniture and Houseware</b>                                        | Retailers who distribute the products to the consumers                                                          |
| <b>Premium Product</b>                                                | Directly sold to products brand-owners or various retailers, for use in their marketing promotional campaigns   |
| <b>Automobiles Component Parts, Battery Case and Industrial Parts</b> | For manufacturers who use the products for further assembly in their production process before putting on sale. |

**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.
- 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.
- Large-scale manufacturing base in Vietnam together with products patents will facilitate in achieving customers' confidence as well as enhance the overall competitiveness of the Company's products.

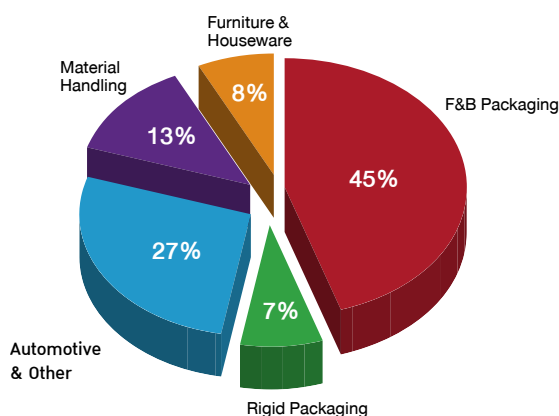
### Distribution Channel

Plastic products are distributed through the following markets :

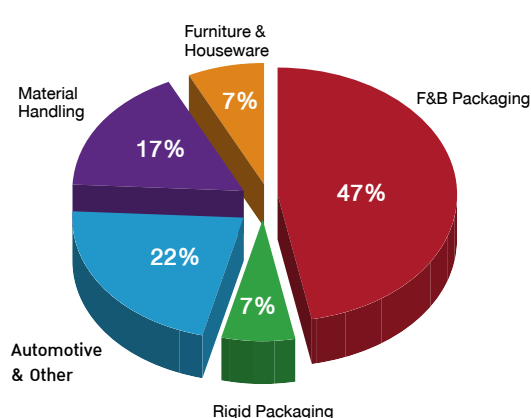
Export Sales: 16%

Domestic Sales: 84%

**Sales Proportion  
2015**



**Sales Proportion  
2014**



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 others. There are thousands of plastic factories in the country, most of which are relatively small like shop-house factories or household factories with low investment and low technology. Only few plastic factories considered large enough can produce quality products to serve individuals and businesses as it requires high investment, strict quality control, and advanced technology. Additionally, brand name is also important in creating creditability among customers, especially for manufacturing of industrial parts which requires high quality and punctuality of delivery.

The Group is the leader in plastic industry with highly efficient production processes that are environmental friendly through using modern machinery and the latest technology, as well as owning the products' patents. This enables the increased productivity as well as usage reduction of raw materials, labour and energy costs in the manufacturing process in accordance with the Company's '3 Save Guidelines' : Save Material, Save Energy, Save the World. 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 2015, the Company has given importance to and has continued to 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 including products for materials handling and warehousing - such as pallets and crates for industrial use. These products are in high market demand with a high growth rate and good profitability. The Company has plans for further expansion of this activity – especially within the ASEAN countries.

Our food packaging products has achieved efficient production processes, earned quality standards certification – especially standards relating to both high quality and safety of the products to be used for containing food, received the certification relating to “The Carbon Footprint Reduction Label Scheme for Food Box” from the Glasshouse Gas Management Organization (a public organization) as well as made use of the innovative IML (In Mould Labeling) and Thin Recess Injection Molding (“TRIM”) production technology. These have enabled the Group's food packaging products to be differentiated from and to effectively compete with other food packaging manufacturers in regards to quality, prominent color designs, and environmental friendliness. Our production processes have also saved the overall costs for our customers through the use of less raw materials and energy, while still maintaining the quality and potential long life usage of these products. Furthermore, these products have received various awards in international competitions, which is a testimony to their increasing well-acceptance and popularity among our international consumers. The Company has been able to open up new overseas markets and, thus, enabled the achievement of revenues growth. Additionally, the Company has continuously developed food packaging products for ready-to-eat frozen foods, through improving the effectiveness of our manufacturing processes, collaborating with our customer in product designs and development, and ongoing expansion into new overseas markets. All of these correspond to the ever-increasing market expansion by the food services products industry to meet the prevailing growth trends of the urban consumers lifestyle, despite the business slowdown resulting from the current social issues relating to illegal activities in the fishing industry and the associated human trafficking issues.

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 cycle time. With successful product launching in Vietnam coupled with the opening of a new manufacturing facility near Hanoi in the northern part of Vietnam in Q4/2015, the Group 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, while providing a comprehensive range of services to include the 'blowing process' for the manufacturing of beverage bottles. As being committed to developing and producing such 'light weighted' beverage packaging products, the Company has been able to attract more customers as well as have the opportunity to expand into other new markets and customer bases in the future. 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.

With regard to the automotive component parts products, through modern manufacturing processes, specialized production techniques for this business undertaken by the Company, and cooperation with overseas industry alliance partners who possess the relevant specialized technical knowhow and expertise in the automotive component parts industry, the Company has continued its ongoing development of the production process for battery cases, and driven the Company to be a leader in this product category for both production market share aspects. As such, sales of the battery case and automotive component parts product groups can still grow further, corresponding to the overall growth of the automotive industry sector through the proactive business growth effort undertaken by the automobile manufacturers.

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 cannot 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 2015, 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 and its subsidiary - Srithai (Hanoi) Company Limited.



#### **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 since the selling price of some products are calculated on a 'cost plus' basis, or based on an agreement. The Company tries to avoid accepting orders of long-term delivery.

Eventhough our production process does not have any impact on environment and even have received various certifications of accepted environmental safety standards, the Company still regularly places much importance to protecting and preserving the environment. The Company focuses on reduction of pollution and addressing the issue of global warming, while still maintaining the overall efficiency of the production process as well as of the useful life cycle of the products themselves, so as to make the most valuable use of the limited available natural resources. 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, 2015 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.

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, its products development and production planning activities can be carried out to meet the specific requirements of each market segment relating to products quality, design, and pricing. The products groups 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 pricing not too high.



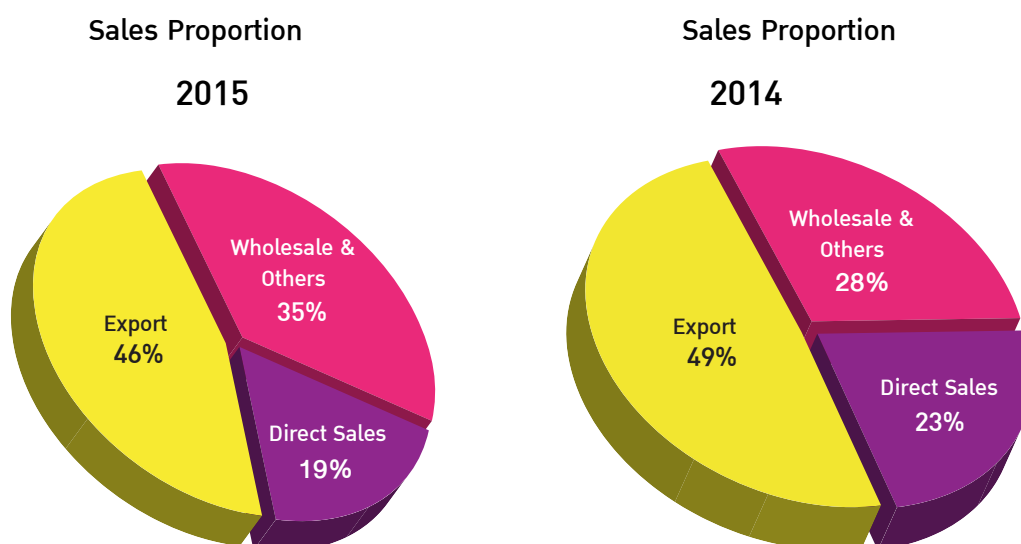
## Group 3 New Emerging Market

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



## (b) Marketing and Competition

|                                 |                                                                                                                                                                                                                                                              |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description of Customers</b> | Distributed by wholesale, and direct sales channels to consumers, and exporting abroad.                                                                                                                                                                      |
| <b>Credit Term</b>              | 1) Direct sales are mostly made in cash.<br>2) Domestic distributors and foreign distributors receive a credit-term of 30-150 days.<br>3) Export customers buy in cash or receive a credit-term of 30-60 days.<br>4) Sales in grand sales event are in cash. |
| <b>Competitive Strategy</b>     | Emphasis is placed on high quality products, with beautiful decorative patterns, colorful designs and product shapes that are suitable for each respective product groups.                                                                                   |
| <b>Distribution Channel</b>     | Sales proportion of household products via various channels of distribution in 2015 against 2014 are as follows :                                                                                                                                            |



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

## (c) Competitive Environment

Household products made of melamine powder, which is heat resistant up to 100°C, is suitable for using as food container because it is safe for consumer. There are only a few producers of this product in the country. Melamine products of the Company become popular in the markets both domestic and abroad due to its durability, beautiful and colorful decoration, and high quality raw material made of 100% melamine powder. Hence, quality and safety to consumers can be assured. The Company has been doing export to more than 100 countries and market could be expanded further.

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.



The 'Ektra' product group under the 'Ektra' brand 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. It is popular and well received, and has achieved continuously increasing sales. The Company distributes these products through its direct sales channel, leading department stores or premium outlets, and overseas export.

Despite the fact that current competition in the household products market is intense – especially in the poor quality products imported from overseas - together with the sluggish economic environment and declining consumer demands, the Company has still managed to remain the market leader for melamine products. As well, it is confident to be able to maintain its present market share in Thailand, and to continue driving higher sales in the overseas markets. This will result in the growth of the Company's overall household products, through the strengths strategies and business operations of the Group as follows:

- The Group is the largest 100% melamine products manufacturer in the world, with a total production capacity of more than 15,000 tons per year from the Company's large manufacturing facilities located in Thailand as well as of its subsidiaries located in Vietnam and India, that can meet the current customers' demand and the potential increase in sales.
- The Company possesses the modern manufacturing technology to implement a Lean Manufacturing process for its household products and to develop more automated manufacturing processes. The Company also continually collaborates with various educational institutions in research and development in order to find more effective production techniques. Additionally, it has an experienced Knowledge Management Team that records, documents and disseminates or transfers technical knowhow acquired by the Company to its next generation of employees, so as to maintain the standards of operations, create positive 'role model' teams to be prepared for as well as to support the ongoing business expansion by the Company – especially in expanding its manufacturing bases overseas.
- Both marketing base and production base are expanded to Vietnam and India, that have a large working age population, with an appropriate and affordable local wage structure. The positive factors for Vietnam are the economic growth trend and the high consumer purchasing power, both of which have resulted in the prosperous sales growth of household products in the Vietnam market. While in the Indian market, having multiple sales channels, together with the recent opening of the new factory of Srithai Superware Manufacturing Private Limited in Q3/2015, will facilitate further business expansion in India and a more price-oriented competition, as well as the development of what will be a solid manufacturing base for future exports to other neighboring markets or to the Middle East countries.

- The sales channels in the Thai market are added more through opening a factory outlet store – or the Srithai Super Outlet located in Chonburi Province. It is the first and only combined and comprehensive sales outlet of a full line of various brands of household products manufactured by the Company, products of other leading manufacturers, and imported products with appropriately prices and quality. The Srithai Super Outlet offers the Company the opportunity to have a direct access to consumers, so as to get to learn firsthand about their needs and preferences and then to be able to respond to such needs in an exact and direct manner.



- A new product line is introduced under the 'The Potters' brand, which are house ware products that give great importance to the overall design and decorative patterns, which emphasizes a 'mix and match' usage. This brand is based upon a unique product-related story that is communicated via an artistic cartoon medium. The artistic cartoon medium has been designed and drawn especially for this 'The Potters' branded products so as to give them an added value, and respond to the needs of the new younger generation. 'The Potters' branded products does not only include the Company's melamine plate and dishes products, but also include other house ware and kitchen ware products that are made from fabric materials, such as: aprons, place mats/dining table settings, heat resistant gloves for use in handling hot dishes/plates, and small side pillows. These products are sold as a complete set of house ware or kitchen ware in the form of a uniform designed 'collection set'. The Company plans to develop 3 differing designs of the 'collection sets' of products, namely: spring-summer design, autumn –winter design, and a festive design for special festivals during the year. 'The Potters' brand of products has been officially launched in Thailand in 2015 and sold under the kitchen ware section of 6 Central Department Stores, after its initial launch in Hong Kong with well-received by consumers.



- Further product development activities are undertaken and aimed at achieving product differentiation to meet the needs of all customer groups –both in the domestic and overseas export markets - as well as to correspond, in a timely manner, to the current changing market situation. This will be carried out in collaboration with raw materials producers, mould makers and decal producers in regards to product innovation. By seeking out new color designs and production techniques, it will create value addition to the products, and focus on using more natural raw materials to be mixed with the melamine powder that will help preserve the environment. Currently, the Company offers special melamine products as outcome from new innovative processes, namely: ‘Porceline’ houseware products that are plates and bowls with the look, shiny appearance and feel as if they were made from ceramics, and easy to clean. However, the product’s strengths, compared to those made out ceramics, are that they do not break easily, have shining colorful appearance, and have distinct decorative designs and a metallic look.

- Porceline Product



- Shining Colorful Product

- Products with metallic-like designs motifs and colors





- Products that include natural materials (bamboo pith) in its designs and decorative patterns

- Ongoing improvements have been made to working styles of the members, group leaders, and the management of Direct Sales teams in Thailand, in order to adapt to the changing trends in the overall social environment of the new generation by stressing on the Human Capital. The mechanism has been deployed through educating and creating a consciousness or mindset of being an entrepreneur in own business, revising compensation scheme, and providing support for sales promotions campaigns and increased sales opportunities for the sales members. These are aimed at creating greater confidence, on their part, and motivation in jointly driving business and sales growth.

#### **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, Nakhon Rachasima province both for domestic sales and overseas export. Major raw material is melamine powder, mainly 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 and Srithai Superware Manufacturing Private Limited.

**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 many of customers in domestic and export markets, both consumers and distributors. There was no pending order amounted more than 10% of total revenue as of December 31, 2015.

## 2.2.2 Trading Business Line

Apart from 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** can be grouped as follow:-

- Health Care Product Group  
(Healthnovation)



- Beauty Care Product Group  
(Beautnovation)



- Beauty Care Product Group  
(Beautnovation)

- Family & Home Care Product Group  
(Homenovation)





- Agriculture-related Product Group  
(Agrinovation)

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

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



- Imported Products e.g. Lock & Lock which is South Korea's plastic food container with special locking system; and tables, chairs, and sun loungers under brand names "Evolutif" and "Kettal" from France and Spain.



## (b) Marketing and Competition

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description of Customer</b> | End users and HORECA businesses consist of Hotel, Restaurant, and Catering businesses.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Credit Term</b>             | <ol style="list-style-type: none"> <li>1) For distributors, credit-terms of 90-150 days are granted.</li> <li>2) For direct sales under Single Level Marketing, sales are mainly in cash.</li> <li>3) For Srithai Network under Multi-level Marketing, sales are made in cash.</li> <li>4) For grand sale event, sales are made in cash.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Competitive Strategy</b>    | <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Membership base is expanded in the direct sales of single-level marketing and multi-level marketing systems.</li> <li>• Information and communications systems are developed and 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 reach both fast traction in the market and widespread awareness and recognition to consumers.</li> </ul> |
| <b>Distribution Channel</b>    | Sale made directly to consumers and via distributors. Direct sales channel 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. 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 product with declining life cycle. 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 products that are well-accepted by and popular with consumers are those in the 'Healthnovation' as well as Agrinnovation products group.

Srithai Network Business has been impacted, during 2015, by the overall sluggish economic situation, the drought crisis, low prices for agricultural commodities, high household debts, and decreasing consumer purchasing power, as well as higher degree of competition due to the continued increasing number of network marketing operators. All of which resulted in the total sales of the Srithai Network business to decrease compared to 2014. Despite this, the Company is confident that the Srithai Network is a positive business and a leading choice in the Thai market for those wanting to undertake a network marketing activity. Also, the Company believes that it will be able to maintain its competitive status within the market, together with achieving continued increase in total sales for the future due to the following strengths and planned business activities:

- Financial strength that can support network marketing business, wide recognition in society and business world.
- Efficient resources in hand such as membership base under direct sales system, modern information technology, and showrooms scattered in all regions.

- 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.
- Expanding the business through leveraging on the successful opening of 'agrinovations' products sales and distribution centers throughout almost all provinces within the country, by establishing the Food Matrix Express sales centers, in which many potential members are interested, with many centers having been already opened during 2015. The objective is to cover all provinces in Thailand similar to the 'Agrinovation' business. As such, with an aim at expanding the various distribution channels and the customers base on a wider basis.
- Deploying proactive operating strategies, in regards to new products launches, holding various training sessions together with associated seminars and activities to attract new members. Reactive strategies are also undertaken – such as, undertaking surveys among members to learn, firsthand, of their requirements and to obtain relevant inputs. These inputs will then be used to improve the business plans that will better correspond to the prevailing economic situation as well as prevailing consumer behaviors.
- Cooperating and collaborating with business partner leaders, in creating a common corporate culture and mindset that are focused on solving any issues or weaknesses relating to the Network Marketing business. This is in order to enhance the business systems and procedures, so as to create better confidence in this business activity so all members will act and undertake activities in the same direction that will then achieve the same benefits for everyone.
- Focusing on increasing the overall membership base and expanding overseas markets – especially within the ASEAN countries, so as to minimize any adverse effects from a negative economic situation in Thailand.
- Giving great importance to and undertaking continuing development of the online sales business/market that is increasingly becoming an accepted and popular modern marketing channel among the new social generation. This is order to both add another sales channel for our business partners, who are accustomed to the online sales activities via the internet, and also to enable the Company's products to be more widely known and recognized.

The Company carefully studies potential products and markets before launching any product. It must be assured 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 and 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 the 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 products 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 sale that is more than 10% of total full year sales as at December 31, 2015.

## 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 Miyagawa 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 keep 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 ongoing 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**

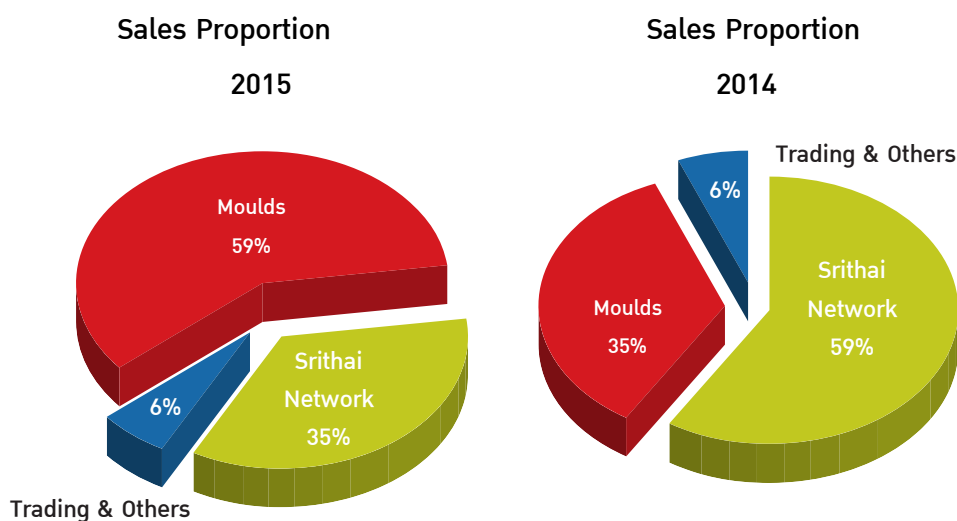
Iron ingot is the raw material of mould-making. There are many import agents for iron ingots in Thailand. As competition among those import agents is high, our mould-making companies can procure iron ingots easily without shortage of supply.

### **(e) Pending Orders**

Mould making process 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, 2015, Srithai Miyagawa Company Limited and Srithai Moulds Company Limited did not have pending orders more than 10% of total revenue.

Proportion of sales of the Network Business, Mould -making Business and Trading & Others Business – for full year 2015 compared to 2014 :



## 2. Other Line of Business

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

### Srithai Packaging Company Limited

#### (a) Description of Product or Service

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, 2015.

## 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 producers 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 5-6 times a year at the Company's premises. 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 its 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, 2015, No. 36 Promotional privileges, pages 73 – 75.

## 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. As a result, in 2015, 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 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 customers 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 the Company has a stable financial foundation, it is ready to invest in the food and beverage packaging products that requires high-value machinery and production equipment. Moreover, having a large manufacturing base for these same products located in both Thailand and Vietnam is a unique strength of the Group. That creates greater confidence, on the part of the major soft drinks and beverages producers, in regards to the Group's product quality, continuity of production operations and ability to deliver the products as required by our major clients. 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 keep pace 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 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. Arrange to have a regular meeting of 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 materials 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;

8. Determine selling prices for some product groups under a 'cost plus' framework or basis as well as on changes in the prices of raw materials for a specific period as mutually agreed with the customers. This will enable the Company to maintain its profit margins at an appropriate level and that do not fluctuate much based on the changing raw materials prices.

### 3.1.3 Risk of Competition of Direct Sale Business and Network

The direct sales and network sector 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 and network business and international business network which may halt growth of the Company's business direct sales and 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 Direct Sales and 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 Direct Sales and 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 Group's demand for melamine powder had increased along with the business growth and the expansion of our manufacturing bases in India and Vietnam. Therefore, the Group 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, growth of various industries and opening of ASEAN Economic Community in year 2015 helped skill labourers in Thailand to have chances and more choices in their occupations. Apart from those factors, as Thailand is starting to become an aging society with a declining labour force, this will lead to the shortage of skilled labour and increase in labour costs so as to attract workers to work with. 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 plan, 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 whereas 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 as well as local borrowings by subsidiaries all are also subject to risk of foreign exchange fluctuation. In such case, the Group cannot forecast income, cost, financial expenses 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 and the expenditure size is mainly up to investment in assets each year. As such, 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.

With regard to overseas subsidiaries, their revenues are booked in the respective local currencies as 90% of their total sales were made to local customers. At the same time, they import raw materials, production machinery and equipments, with borrowing size of the US Dollar transactions varying with the demand and for raw materials, annual investment budget, financing policy and interest rate in US Dollars. The subsidiaries manage their foreign exchange related risks through determining the policies to minimize risks relating to the sourcing of fund and the applicable interest rates according to the same guidelines and similar manner as the Company as well as appropriate to their respective situations. As such, they expand their customer base to include overseas customers that will derive some revenues in foreign currencies, source some raw materials locally in order to reduce the overall quantity of imported raw materials, or negotiate with some suppliers/distributors to transact in currencies other than the US Dollar. The purpose is to diversify their foreign exchange related risks as well as to reduce the possible impact of being too dependent on any one particular currency. Additionally, effective planning of required investment, sourcing of required borrowed funds, as well as entering into the appropriate forward foreign exchange contracts are additional means to minimize the foreign exchange rates risks.

### 3.3.3 Interest Rate Risk

As of December 31, 2015 the Company's borrowing from local commercial banks, consisted of :-

1. Working capital facilities which are based on MOR or Money Market Rate, a floating rate.
2. Long-term loans to finance investments as per business expansion plan each year which are quoted by 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 using fixed interest rate or floating rate which is 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 sales – both domestic and export-being on credit, existing and new customers, and expansion of customer base under different credit terms, the Company has exposed to credit risk that customers might not pay their dues.

#### Risk Counter-Measures

The Company has set up criteria for customer credit rating, tried to find out more information about customers, and analyzed their respective credit worthiness before granting credit lines. The risk of granting credit is at an optimum level eventhough there are limited number of customers under some business line since 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
  - D. Korat Plant                                                      Area 48-0-0 rai
- 18 Distribution centers and Srithai Super Outlet 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, 2015 of core assets at each location as follows :

Unit : Million Baht

| Assets                         | Land and Building | Machine and equipment | Total           |
|--------------------------------|-------------------|-----------------------|-----------------|
| Head office and Suksawat Plant | 247.38            | 402.51                | 649.89          |
| Bangpoo Plant                  | 28.49             | 263.27                | 291.76          |
| Amata Nakorn Chonburi Plant    | 290.08            | 1,961.66              | 2,251.74        |
| Korat Plant                    | * 157.75          | 259.79                | 417.54          |
| Distribution Center            | 75.89             | -                     | 75.89           |
| <b>Total</b>                   | <b>799.59</b>     | <b>2,887.23</b>       | <b>3,686.82</b> |

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, 2015 were Baht 106.49 million and Baht 3,635.56 million, respectively.

Despite the Company having acquired additional assets, the net book value of assets increased from those of 2014 from 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, 2015, No. 15 Property, plant and equipment, net, pages 44 - 48.

The Company had leased an office space for use as sales office of Srithai Network's business for period of 1 - 3 years. The Company has the rental expense and other service expense in 2015 of Baht 12.10million which is an increase from 2014. This is due to an increase in the overall rented space required to support the increased in both the Srithai Network activities and its members, as well as to be used as the main meeting facilities or for related activities of this business.

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, 2015 was Baht 2,121.43 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 rais. 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, 2015 of Baht 45.05 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 2015, PETB renewed its rental agreement with the Company, on a year-by-year basis, with an annual rental fee of Baht 3.19 million. However, in the latest rental agreement in 2015, PETB has asked for a reduction in the total rented space, so as to correspond to its plans to reduce the overall production capacity of PETB as a result of declining major client's orders with no replacement.

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, 2015 of Baht 27.68 million.

In Quarter 4/2015, PETB prepaid the total amount of an outstanding long term loan to a local commercial bank, through receiving financial support in the form of short term loans from 2 other wholly-owned subsidiaries of the Company. This is so that PETB can reduce its financing expenses while considering its long term business strategies. Additionally, PETB requested to cancel its revolving facilities, together with revoking the guarantees given by the Company. As such, as at December 31, 2015 PETB did not have any outstanding debt obligations to or any credit facilities from any financial institutions.

## **4) SuperIdea Company Limited**

Since registering the Company, SuperIdea Company Limited ("SPI") had not yet started operations so there was no acquisition of assets for running a business. Furthermore, SPI has no longer have any need to conduct or operate any business, it, therefore, registered for the company's dissolution in accordance with the resolution of the Extraordinary Shareholders' Meeting, and completed the liquidation during 2015.

## **5) Srithai Nanoplast Company Limited**

Srithai Nanoplast Company Limited ("SNP"), that uses part of the Korat factory premises (totaling 1-3-47.5 rai) as its offices and production facility, renewed its rental agreement with the Company, in 2015, on a year-by-year basis, with a total annual rental fee of Baht 0.57 million.

SNP owns machines and equipments which are also not pledged with net book value as of December 31, 2015 at Baht 15.64 million.

SNP has no outstanding loans, debts or revolving credit facilities with any financial institutions.

## 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 estates in Vietnam, comprising:

Contract 1 is a land lease contract for headquarter and plant at Song Than 1 Industrial Zone, with the period of 48 years from 1997. The rental fee in 2015 was US Dollars 32,727 equivalent.

Contract 2 is a land with building lease for a plant at Viet Huong Industrial Zone with a period of 4 years from 2011. The rental fee in 2015 was US Dollars 67,419 equivalent. SVN has the right to extend the contract 4 years at a time, and 16 years in total, expiry in 2032.

SVN holds ownership over the headquarter and plant at Song Than 1 Industrial Zone. Both plants are not pledged and had net book value as of December 31, 2015, at Baht 64.38 million equivalent.

The machines and equipments are also owned by SVN which are not pledged with net book value as of December 31, 2015 at Baht 624.07 million equivalent.

In Q3/2015, SVN executed another land lease agreement with an industrial estate operator in Vietnam, that is located not far from the existing headquarter and manufacturing facility of SVN, with a total area of 18-3-75 rai, for a period of 43 years. The leasehold rights fee totaled the equivalent of US Dollars 1.55 million, without any monthly rents payable. The overall aim is for SVN to have additional manufacturing facilities to support its planned future business and production capacity expansion.

With its strong financial circumstances together with receiving full confidence from local commercial banks in Vietnam as well as in Thailand, in Q4/2015 SVN was able to revoke the guarantees for its long term loans and revolving credit facilities given by the Company. The remaining debt obligation is only a 'negative pledge': not to undertake any other financial transactions or obligations that involves the current as well as future assets of SVN. As of December 31, 2015, outstanding balances of long-term loans were Vietnamese Dongs 69,284 million and US Dollars 4.67 million, while credit limit of revolving credit facilities was US Dollars 10.0 million.

## 7) Srithai (Hanoi) Company Limited

Srithai (Hanoi) Company Limited ("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 for construction of office and factory with total fee of Vietnamese Dongs 42,039 million (or equivalent to Baht 63.06 million) without any monthly rental payments.

SHN, which started its operations in Q4/2015, has the freehold ownership of the HO buildings and production facilities, without any attached pledged obligations to any party. As at December 31, 2015, it had a total net book value of Baht 173.76 million equivalent.

With regards to the production machinery and equipments, SHN also has freehold ownership, without any attached pledge obligations to any party and as at December 31, 2015 had a total net book value of Baht 148.52 million equivalent.

Revolving credit facilities given to SHN by both a local commercial bank in Vietnam as well as by a commercial bank in Thailand, in Q1/2016, totaled US Dollars 5.0 million, with a guarantee given by SVN, which holds a 100.0% equity shareholding.

## 8) Srithai Superware Manufacturing Private Limited

Srithai Superware Manufacturing Private Limited ("SSMP") signed a land lease contract with an industrial estate operator in India for constructing the office and factory. 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 Rupees 98.46 million or an equivalent of Baht 48.72 million.

SSMP, which started operations in Q3/2015, has a freehold ownership of the office buildings and manufacturing facilities, without any pledged obligations to any party. The total net book value, as at December 31, 2015, equaled to Baht 133.17 million equivalent.

With regards to production machinery, and equipments, SSMP also owns them freehold without any pledged obligations to any party. The total net book value, as at December 31, 2015, equaled to Baht 84.81 million equivalent.

## 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 2015 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, 2015 at Baht 34.29 million and Baht 58.74 million, respectively. Some assets are 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 2015. They are used for investment and as working capital with outstanding balances of long term loans and credit limit of revolving credit facilities as at December 31, 2015 amounting to Baht 17.77 million and Baht 37.0 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, 2015 of Baht 187.90 million and Baht 403.44 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 tenure of loan agreement. This long-term loan is under energy conservation project with outstanding balance as at December 31, 2015 of Baht 4.18 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 tenure of loan agreement. Outstanding balances of long-term loan and credit limit of revolving credit facilities as at December 31, 2015 equaled to Baht 98.60 million and Baht 40.0 million, respectively.
3. Some machines have been mortgaged to a commercial bank as collateral for long-term loans and revolving credit facilities, with the commitment that such assets, in total or in part, will not be used in regards to any other legal transactions or will not be subjected to any other associated obligations whatsoever during the tenure of the loan agreement. The outstanding balances of long-term loan and credit limit of revolving credit facilities as at December 31, 2015 equaled to Baht 134.35 million and Baht 55.0 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. 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. Details and book value of the intangible assets have been shown in Notes to Financial Statements for the year ended December 31, 2015, No. 16 Intangible assets, net, pages 49 – 50.

### 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 personnels with suitable qualifications and experiences in that business. They will either take up a directorship or executive positions, or attend shareholders' meeting of the subsidiaries and associates with certain 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 2015, 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 long-term earning as rental income 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 Bangkok and other provinces.

The net book value and the fair value of such assets, as at December 31, 2015, were Baht 122.49 million and Baht 1,080.65million, respectively. The Company has presented details of the movements of the book value of these investment properties in Notes to Financial Statements as at December 31, 2015, No.14 Investments properties, net, pages 42 – 43.

## 5. LEGAL DISPUTE

The Company and its subsidiaries have no lawsuit or legal dispute fell under the following criteria :

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, 2015;
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

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Company Name :</b>                    | Srithai Superware Public Company Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Symbol :</b>                          | SITHAI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Registration Number :</b>             | 0107536001516                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Nature of Business :</b>              | <ol style="list-style-type: none"> <li>1. Manufacture and distribution of plastic industrial products and melamine household products</li> <li>2. Trading business by sourcing of products locally and abroad</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Registered and Paid up Capital :</b>  | <p>Baht 2,709,904,800</p> <p>Comprising 2,709,904,800 common shares at par value Baht 1.00</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Location :</b>                        | <p><b>Head Office</b></p> <p>15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140</p> <p>Tel. : 66 2427 0088 Fax : 66 2428 9675</p> <p>URL : <a href="http://www.srithaisuperware.com">www.srithaisuperware.com</a></p> <p><b>Factories producing plastic industrial products</b></p> <ol style="list-style-type: none"> <li><b>1. Suksawat Factory</b><br/>15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140<br/>Tel. : 66 2427 0088 Fax : 66 2874 5010</li> <li><b>2. Bangpoo Factory</b><br/>610 Soi 8A, Bangpoo Industrial Estate, Tambon Prak-Sa, Amphoe Mueang, Samut Prakan Province 10280<br/>Tel. : 66 2324 0922-3 Fax : 66 2324 0924</li> <li><b>3. Amata Nakorn Chonburi Factory</b><br/>700/13 Moo 1, Amata Nakorn Industrial Estate, Tambon Klong Tamru, Amphoe Mueang, Chon Buri Province 20000<br/>Tel. : 66 3821 3250 Fax : 66 3821 3234</li> </ol> <p><b>Factory producing melamine household products</b></p> <p><b>Korat Factory</b></p> <p>335 Moo 6, Suranaree Industrial Estate, Ratchasima–Chok Chai Road, Tambon Nongrawiang, Amphoe Mueang, Nakhon Ratchasima Province 30000<br/>Tel. : 66 4421 2100 Fax : 66 4421 2036</p> <p><b>Office of Network Marketing Business</b></p> <p>9 Pakin Building, 1st Floor, Room no. 109, Ratchadaphisek Road, Dindaeng, Bangkok 10400<br/>Tel. : 66 2246 1111 Fax : 66 2246 1113<br/>URL : <a href="http://www.srithainetwork.com">www.srithainetwork.com</a></p> |
| <b>Accounting Period :</b>               | January 1 – December 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Company Secretary /</b>               | Mr.Prin Bholnivas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Head of Investor Relations Unit :</b> | <p><b>Srithai Superware Public Company Limited</b></p> <p>15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140</p> <p>Tel. : 66 2427 0088, 66 2874 5016 Fax : 66 2428 9675</p> <p><b>Thailand Securities Depository Company Limited</b></p> <p>93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Khwaeng Din Daeng, Khet Din Daeng, Bangkok 10400</p> <p>Tel. : 66 2009 9000 Fax : 66 2009 9991</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Share Registrar :</b>                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

**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 :** **1. 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

**2. Marut & Rujira Bunnag Law Office**  
 16-18 Bunsiri Road, Khwaeng San Chao Pho Suea,  
 Khet Phra Nakhon, Bangkok 10200  
 Tel. : 66 2221 2191-4 Fax : 66 2226 3321, 66 2622 1262

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

### Subsidiary Companies

|                                         |                                                                                                                                       |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Company Name</b>                  | <b>: Korat Thai Tech Company Limited</b>                                                                                              |
| 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                                                                                                         |

|                                         |                                                                                                             |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <b>2. Company Name</b>                  | <b>: P.E.T. Blow Company Limited</b>                                                                        |
| 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                                                                               |

|                                         |                                                                                                             |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <b>3. Company Name</b>                  | <b>: SuperIdea Company Limited <sup>(1)</sup></b>                                                           |
| 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                                                                               |

<sup>(1)</sup> Termination and liquidation of the company was complete and registered during 2015.

**4. Company Name : Srithai Nanoplast 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 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

**5. Company Name : Srithai (Vietnam) Company Limited <sup>(2)</sup>**

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 US Dollar 40,000,000

Paid-up Capital : Equivalent to US Dollar 40,000,000

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

<sup>(2)</sup> A capital increase from US Dollar 20.0 million to US Dollar 40.0 million was registered in Q1/2015.

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

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 270,000 million

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

**7. Company Name : Srithai Superware Manufacturing Private Limited**

Location : SM-22, GIDC Sanand-II (Bol), 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 600,000,000 comprising numbers of shares issued 60,000,000 shares with par value per share: Indian Rupees 10.00

Paid-up Capital : Indian Rupee 600,000,000 <sup>(3)</sup>

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

<sup>(3)</sup> When combined with the paid in premium on the share value (of the existing paid-up capital) totaling Indian Rupee 149.975 million, the total value of investment in this subsidiary is equal to Indian Rupee 749.975 million.

|                                         |                                                                                                                             |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>8. Company Name</b>                  | <b>: Srithai Superware India Limited</b>                                                                                    |
| 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                                                                                             |

|                                         |                                                                                                               |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>9. Company Name</b>                  | <b>: Srithai Moulds Company Limited</b>                                                                       |
| 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                                                                               |

|                                         |                                                                                                               |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>10. Company Name</b>                 | <b>: Srithai Miyagawa Company Limited</b>                                                                     |
| 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

|                                         |                                                                                                            |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------|
| <b>1. Company Name</b>                  | <b>: Srithai Sanko Company Limited</b>                                                                     |
| 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.**

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)

**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

|                                         |                                                                                                                                          |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <b>6. Company Name</b>                  | <b>: PT. Srithai Maspion Indonesia</b>                                                                                                   |
| 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 Rupiah1,115,250 |
| Paid-up Capital                         | : Indonesian Rupiah 10,394,130,000                                                                                                       |
| Proportion of the Company's shares held | : 32.5% of the paid-up capital                                                                                                           |

### Joint Venture Company

|                                         |                                                                                                           |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------|
| <b>1. Company Name</b>                  | <b>: Srithai-Otto (Thailand) Company Limited</b>                                                          |
| 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

|                                         |                                                                                                             |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <b>1. Company Name</b>                  | <b>: LN Srithai Comm Company Limited</b>                                                                    |
| 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 2015 and subsequent to the financial statements date for the period ended December 31, 2015, the Company did not have any information and/or events that might significantly affect the decision making of investors, other than those which have been disclosed by the Company to investors in a fair manner through the ELCID channel of the Stock Exchange of Thailand as well as on the Company's website and notes to its financial statement.

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

## Part 2

# MANAGEMENT AND CORPORATE GOVERNANCE

## 7. 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 shares in the Company of not more than 45% of the total issued common shares. As of December 30, 2015, which was the last day when the Company closed its shareholders register for 2015, foreign shareholders accounted for 4.15% 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 the Company |

#### 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          |
| MRS. SRISUDA LERTSUMITKUL                        | 3    | 150,000,000          | 5.54          |
| MR. SOMYOD LERTSUMITKUL                          | 4    | 103,650,500          | 3.82          |
| MR. SOMKIEAT LERTSUMITKUL                        | 5    | 101,000,000          | 3.73          |
| MS. BUNNAPA LERTSUMITKUL                         | 6    | 80,000,000           | 2.95          |
| MR. SOMBAT LERTSUMITKUL                          | 7    | 79,126,200           | 2.92          |
| MR. PAIWAN CHARTPITAK                            | 8    | 74,700,000           | 2.76          |
| MS. MITTRADA LERTSUMITKUL                        | 9    | 68,935,920           | 2.54          |
| MR. PAISARN CHARTPITAK                           | 10   | 55,700,000           | 2.05          |
| <b>Total shares of top 10 major shareholders</b> |      | <b>1,317,009,620</b> | <b>48.60</b>  |
| <b>Total common shares</b>                       |      | <b>2,709,904,800</b> | <b>100.00</b> |

Remark :

- (1) Eventhough some of shareholders in the top 10 major shareholders group have a relationship that is classified as "close relatives", as specified in 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 discretion. 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 the shareholding of directors and executives, including their spouses and children not yet of legal age, in the Company as at December 30, 2015 compared to December 30, 2014 are as follows :-

| Name                              | as of December 2015  |               | as of December 2014  |               | 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              | 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                                 |
| Mr. Manit Ativanichayaphong       | 11,587,200           | 0.43          | 11,587,200           | 0.43          | 0                                 |
| 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              | 0.04          | 900,000              | 0.04          | 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             | 1,050,000            | 0.04          | 350,000              | 0.01          | 700,000                           |
| Mr. Pongsak Kantiratanawong       | 1,650,000            | 0.06          | 1,700,000            | 0.06          | (50,000)                          |
| 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           | 1,000                | 0.00          | 1,000                | 0.00          | 0                                 |
| <b>Total shares</b>               | <b>538,072,130</b>   | <b>19.86</b>  | <b>537,422,130</b>   | <b>19.83</b>  | <b>650,000</b>                    |
| <b>Total issued common shares</b> | <b>2,709,904,800</b> | <b>100.00</b> | <b>2,709,904,800</b> | <b>100.00</b> |                                   |

## 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 that the Company has no retained losses.

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 with details as follows :-

| Year                        | 2014  | 2013  | 2012  | 2011  | 2010  |
|-----------------------------|-------|-------|-------|-------|-------|
| Earnings per share* (Baht)  | 0.15  | 0.16  | 0.17  | 0.12  | 0.10  |
| Dividends per share* (Baht) | 0.10  | 0.10  | 0.11  | 0.75  | 0.06  |
| Dividends / Net profit (%)  | 65.86 | 63.95 | 64.89 | 64.36 | 58.13 |

\* The total number of shares used in calculating the above ratios is 2,709,904,800 shares, being the total number of common shares of the Company subsequent to the change in the par value per share which became effective in 2014.

#### 7.4.2 Dividend Policy of Subsidiaries

Each subsidiary company does not have any established dividend policy. However, the dividend policy will be considered for each year, based on their respective operating net profit. As such, if there are no retained losses or any other necessary reasons, the subsidiaries will then approve a dividend payment for that year at a rate that is deemed appropriate to their respective financial status at that time. Factors also taken into account include the amount of net profit, the business operations environment for those subsidiaries, as well as any applicable conditions and restrictions, contractual obligations or covenants and relevant regulations for payments of dividend for each respective country in which the subsidiaries operate.

However, in the past, with regard to the payment of dividends by the subsidiaries each year, there has been no restriction or limitations imposed by any external authority that has resulted in the subsidiaries being unable to pay dividends as approved and announced.

## 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. In 2015, the Company have 8 directors in the Board of 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. Suchat Boonbanjerd Sri, Mr. Prin Bholnivas, Mr. Enghug Nontikarn,  
Mr. Mani Ativanichayaphong, Mr. Naphol Lertsumitkul

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

### 8.1.1 Members of the Board of Directors and their Attendance record for 2015

| Name                               | Position                                                                                                                       | Board Meetings       |                          |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|
|                                    |                                                                                                                                | No. of meetings held | No. of meetings attended |
| <b>Mr. Sanan Angubolkul</b>        | Chairman, President, and Nomination and Remuneration Committee Member                                                          | 6                    | 6                        |
| <b>Mr. Viroj Lowhaphandu</b>       | Independent Director, and Chairman of the Audit Committee                                                                      | 6                    | 6                        |
| <b>Mr. Enghug Nontikarn</b>        | Independent Director, Audit Committee Member, and Nomination and Remuneration Committee Member                                 | 6                    | 6                        |
| <b>Mr. Suchat Boonbanjerdsri</b>   | Independent Director, Audit Committee Member , and Chairman of the Good Corporate Governance Committee                         | 6                    | 4                        |
| <b>Mrs. Siriporn Sailasuta</b>     | Independent Director, Chairperson of the Nomination and Remuneration Committee, and Good Corporate Governance Committee Member | 6                    | 5                        |
| <b>Mr. Naphol Lertsumitkul</b>     | Director                                                                                                                       | 6                    | 6                        |
| <b>Mr. Manit Ativanichayaphong</b> | Director, and Good Corporate Governance Committee Member                                                                       | 6                    | 6                        |
| <b>Mr. Prin Bholnivas</b>          | Director, Good Corporate Governance Committee Member, Chairman of the Risk Management Sub-Committee, and Company Secretary     | 6                    | 6                        |

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

### 8.2.1 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

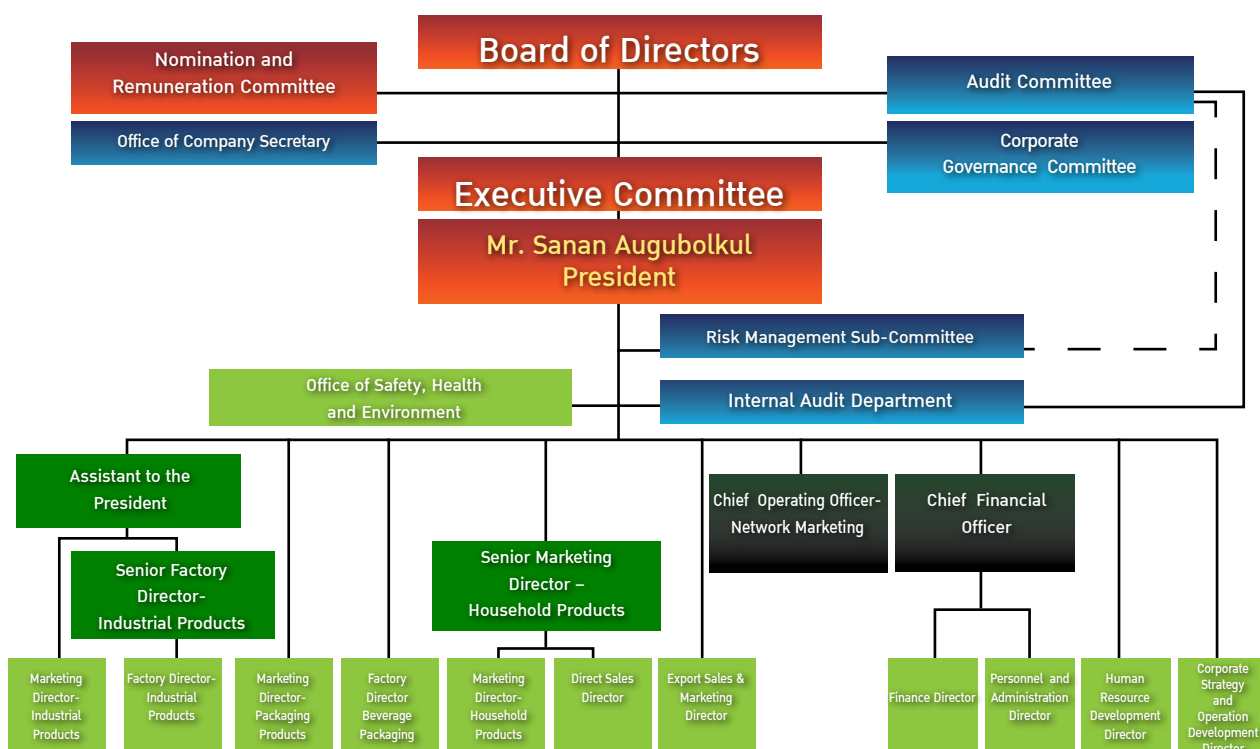
As at December 31, 2015, the Company's executives, under the definition as specified by the Notification of the Capital Market Supervisory Board No. Tor Chor. 23/2551, comprise the following 14 persons :

| 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. Mani      | 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. Rakesh    | Singh             | Corporate Strategy and Operation Development Director               |
| 12.  | Mr. Chaichan  | Chareonsuk        | Export Sales & Marketing Director                                   |
| 13.  | Mr. Anupoch   | Pasawat           | Factory Director - Beverage Packaging                               |
| 14.  | Mr. Chairaj   | Eangtanarat       | Direct Sales Director                                               |

\* Mr. Mani Ativanichayaphong retired from the title of Senior Marketing Director - Household Products and Mr. Prayoon Kajitte retired from the title of Personnel and Administration Director since January 1, 2015 due to the expiration of the extension of original date of retirement.

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, 2015, 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 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 determined 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 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 payments may also be considered, based on the actual performance results relative to the KPIs of the Company.

- **Long term benefits**

The Company does not yet have a policy regarding long term benefits, but 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.

Remuneration for the Company's Board Directors and Executives in 2015 is shown below :

#### 8.4.1 Financial Remuneration

- 1) Overall remuneration for the board directors are approved by the Shareholders Meeting. Only meeting allowances are paid according to their actual meeting attendance (for 2015 vs 2014) as follows:

| Name - Position                                                                    | Amount (Baht)    |                  |
|------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                    | 2015             | 2014             |
| <b>Board of Directors</b>                                                          |                  |                  |
| Chairman – Mr. Sanan Angubolkul                                                    | 300,000          | 300,000          |
| 8 Directors as comprising :                                                        |                  |                  |
| Mr. Viroj Lowhaphandu                                                              | 150,000          | 150,000          |
| Mr. Enghug Nontikarn                                                               | 150,000          | 150,000          |
| Mr. Suchat Boonbanjersri                                                           | 100,000          | 150,000          |
| Mrs. Siriporn Sailasuta                                                            | 125,000          | 150,000          |
| Mrs. Srisuda Lertsumitkul                                                          | 0                | 100,000          |
| Mr. Naphol Lertsumitkul                                                            | 150,000          | 150,000          |
| Mr. Mani Ativanichayaphong                                                         | 150,000          | 150,000          |
| Mr. Prin Bholnivas                                                                 | 150,000          | 150,000          |
| <b>Total Remuneration of Directors</b>                                             | <b>1,275,000</b> | <b>1,450,000</b> |
| <b>Audit Committee</b>                                                             |                  |                  |
| Chairman of the Audit Committee – Mr. Viroj Lowhaphandu                            | 350,000          | 350,000          |
| 2 Audit Committee Members as comprising :                                          |                  |                  |
| Mr. Enghug Nontikarn                                                               | 150,000          | 150,000          |
| Mr. Suchat Boonbanjersri                                                           | 150,000          | 150,000          |
| <b>Total Remuneration of Audit Committee Members</b>                               | <b>650,000</b>   | <b>650,000</b>   |
| <b>Nomination and Remuneration Committee</b>                                       |                  |                  |
| Chairperson of the Nomination and Remuneration Committee – Mrs. Siriporn Sailasuta | 37,500           | 25,000           |
| 3 Nomination and Remuneration Committee Members as comprising :                    |                  |                  |
| Mr. Sanan Angubolkul                                                               | 30,000           | 20,000           |
| Mr. Enghug Nontikarn                                                               | 30,000           | 20,000           |
| Mr. Prin Bholnivas                                                                 | 0                | 10,000           |
| <b>Total Remuneration of the Nomination and Remuneration Committee Members</b>     | <b>97,500</b>    | <b>75,000</b>    |
| <b>Good Corporate Governance Committee</b>                                         |                  |                  |
| Chairman of the Good Corporate Governance Committee – Mr. Suchat Boonbanjersri     | 50,000           | 50,000           |
| 3 Good Corporate Governance Committee Members comprising :                         |                  |                  |
| Mrs. Siriporn Sailasuta                                                            | 30,000           | 40,000           |
| Mr. Mani Ativanichayaphong                                                         | 30,000           | 30,000           |
| Mr. Prin Bholnivas                                                                 | 40,000           | 40,000           |
| <b>Total Remuneration of the Good Corporate Governance Committee Members</b>       | <b>150,000</b>   | <b>160,000</b>   |
| <b>Total</b>                                                                       | <b>2,172,500</b> | <b>2,335,000</b> |

## Remarks :

1. In 2015, the meeting allowance paid by the Company to each board director was in accordance the approved amount of not more than Baht 2,490,000, in total, as per the resolution of the Annual General Meeting of Shareholders (AGM) No. 34 (for 2015), as follows:
  - 1.1 Meeting allowance for Board of Directors
 

|                         |                                    |
|-------------------------|------------------------------------|
| Chairman                | Baht 300,000 per annum             |
| Directors               | Baht 150,000 per annum /per person |
| Total Meeting allowance | Baht 1,500,000 per annum in total  |
  - 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 |
| Total Meeting allowance         | Baht 650,000 per annum in total     |
  - 1.3 Meeting allowance for the Nomination and Remuneration Committee
 

|                                                          |                                    |
|----------------------------------------------------------|------------------------------------|
| Chairperson 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 |
| Total Meeting allowance                                  | Baht 170,000 per annum in total    |
  - 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 |
| Total Meeting allowance                             | Baht 170,000 per annum in total    |

The above approved meeting allowances were effective from the date of the Annual General Meeting of Shareholders.
2. Mrs. Srisuda Lertsumitkul resigned from the directorship on January 15, 2014.
3. 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 2015 vs 2014) are as follows:

| Remuneration | 2015              |                       | 2014              |                       |
|--------------|-------------------|-----------------------|-------------------|-----------------------|
|              | Number of persons | Amount (million baht) | Number of persons | Amount (million baht) |
| Salary       | 14                | 58.28                 | 15                | 57.76                 |
| Bonus        | 14                | 7.87                  | 15                | 10.78                 |
| <b>Total</b> | <b>14</b>         | <b>66.15</b>          | <b>15</b>         | <b>68.54</b>          |

## Remarks :

The following executives received the above remuneration in 2015 as follows:

1. The following executives received the above remuneration in 2015 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. Rakesh Singh
  - 1.12 Mr. Chaichan Chareonsuk
  - 1.13 Mr. Anupoch Pasawat
  - 1.14 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 Committees/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 2015, the Company contributed funds to executives who have joined the Provident Fund membership, totaling Baht 0.20 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 2015, the Company paid Baht 3.84 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)          | 2015       |            |              |            |                       |              |
|--------------------------|------------|------------|--------------|------------|-----------------------|--------------|
|                          | Office     | Plant      |              |            |                       | Total        |
|                          |            | Suksawat   | Korat        | Bangpoo    | Amata Nakorn Chonburi |              |
| Executive                | 12         | 0          | 0            | 0          | 2                     | 14           |
| Support Line             | 174        | 0          | 0            | 0          | 0                     | 174          |
| Sales and Marketing Line | 369        | 0          | 0            | 0          | 0                     | 369          |
| Production Line          | 0          | 422        | 1,448        | 345        | 644                   | 2,859        |
| <b>Total</b>             | <b>555</b> | <b>422</b> | <b>1,448</b> | <b>345</b> | <b>646</b>            | <b>3,416</b> |

| (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        |
| <b>Total</b>             | <b>556</b> | <b>421</b> | <b>1,381</b> | <b>359</b> | <b>648</b>            | <b>3,365</b> |

| (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        |
| <b>Total</b>             | <b>572</b> | <b>433</b> | <b>1,696</b> | <b>388</b> | <b>718</b>            | <b>3,807</b> |

## Remarks:

1. In the year 2015, one executive was retired, whereby a replacement appointment has not yet been made.
2. The manpower level of the production plants, in 2014, of all the 4 plants was reduced compared to 2013, 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.
3. Additional manpower was made for the manufacturing line at Korat plant in 2015, based on the increased in production capacity. The manpower in the Head Office, Suksawat plant, Bangpoo plant, and Amata Nakorn, Chonburi plant all in 2015 remained more or less the same as those in 2014 due to the incoming/ outgoing cycle of the labour forces.
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 and all nationality 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 2015, the Company paid the said remunerations for a total of Baht 913.07 million.

Apart from the provident and welfare funds provided by the Company to be a welfare benefit for members of executive and staff, 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

Human resources are one of the most important components of the Company, to which the Company gives ongoing great importance through the principle of "Employees Come First". This is because its employees are the key driving force for its business operations to proceed in the established and desired direction. While at the same time, its employees must be happy and enjoy their works. Thus, 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.

Besides training programs for staff members based on the importance and priority of courses, the Office of Human Resource Development placed great importance and actively encouraged 'on the job training' ("OJT") activities throughout the organization. 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.

This is in order to create new knowledge, skills and a full understanding of the assigned responsibility, as well as to practice how to effectively think and solve any associated problems for that specific job activity on the part of the trainee. It also establishes a situation of learning and sharing of experienced knowhow within the organization.

Furthermore, in 2015, the Company actively campaigned to promote and arranged to hold various courses on good corporate governance principles and practices as well as on business ethics for the management and all staff members throughout the Company and at all its operating facilities. Such training courses will also be expanded to cover daily workers. The overall objective is to instill into the consciousness of its employee a sense of being responsible to all stakeholders, together with the need to conduct the Company's businesses in a transparent, fair and equitable, and fully accountable manner. This shall be made through strict adherence to operating standards of the Company, which must be maintained and further developed to support and enable the organization to grow on a sustainable basis.

In 2015, the Company held or arranged various training courses and seminars for its staff—both internally and outside the Company. On an average, each employee received 10 hours and 30 minutes of training during the year which cover :

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

### **Creating Organizational Culture**

The Company has a vision and determination to develop its business to become a world-class company. By doing so, the organization could grow firmly and sustainably. The personnel should 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 2015, the Company had launched continually campaigns and activities in each aspect of 4S 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 2015 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 and involved regulatory authorities.

The Board of Directors approved and published the “Good Corporate Governance Policy (3rd Edition, Revised - 2013)” in order to be appropriate and correspond to the amended regulations 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 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](http://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 8 directors, 1 of whom is female. Amongst them, 4 directors are executives and representatives of the shareholder group, who have knowledge, expertise and capabilities in the Company's businesses; while 4 including the lady are independent directors, who have diverse skills and experiences with independent judgments. All directors possess those qualifications under 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 Objects 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 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 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. 6/2558 held on December 25, 2015 had reviewed a policy, vision, and mission of the Company with the business strategy, work plans and budgets of the Company for the year 2016.

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 Objects and Articles of Association, the resolutions of Board and shareholders meetings, as well as with all applicable requirements and regulations as specified by the Securities 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 compliance with designated policies and 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, in 2015, the following approval authority, in accordance with the objects 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 – B.E. 2551, and B.E. 2557), such as :

- Approving the Company to guarantee a subsidiary's credit line obtained from a local supplier
- Approving the Company to obtain long term loans and to increase its existing revolving credit facilities from financial institutions
- Approving the Capital Increase of a subsidiary
- Approving the Company to invest in a newly established company for expansion of overseas business and market

### 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 2015, there were 6 Board of Directors' meetings and independent 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 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. Besides, 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, most of 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 objects 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 2015, 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 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 Objects 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 existing 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 current proportion of the independent directors at half 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 2015, they all complied with the specified regulations.

### **9.2.2 Duties and Responsibilities of Members of Board Sub-Committees**

The Board of Directors approves the appointment of members of the Board Sub-Committees. They are assigned to perform duties in helping to review as well as verify detailed information of relevant matters and issues, in order to alleviate the 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, with 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 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 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 2015 are as follows:

| Name                       | Position                        | Actual attendance/<br>Total number of meetings (times) |                  |
|----------------------------|---------------------------------|--------------------------------------------------------|------------------|
|                            |                                 | Normal Meetings                                        | Special Meetings |
| Mr. Viroj Lowhaphandu      | Chairman of the Audit Committee | 4/4                                                    | 1/1              |
| Mr. Enghug Nontikarn       | Audit Committee Member          | 4/4                                                    | 1/1              |
| 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 disclose 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 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 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 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 Opinions on the adequacy of Anti-Corruption measures ("Fraud and Corruption");
  - 6.6 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, 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 works. 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 works; and evaluate the performance of the internal auditor;
  - 7.5 Review, together with external auditor, any problems and limitations arising during the external audit works;
  - 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 Monitor the progress in the implementation of the Anti-Corruption measures from the reports submitted by the management or the Internal Audit Unit, as well as the progress of information investigation submitted by and received from informants under the Whistle Blower Program;
  - 7.9 Other tasks as assigned by the Company's Board of Directors;
  - 7.10 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 (B.E. 2551) with regard to the qualifications and scope of work of the Audit Committee. In 2015, the Audit Committee held 5 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 2015, 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. Revision on Charter of the Audit Committee
7. Consideration of the Appointment of Certified Public Accountant for the Year 2016
8. Evaluation of the performance of the Audit Committee

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. They received approval by the Company’s Board of Directors to extend its term of office for another 3 years for the period 2016 to 2018, as per a Board resolution at the Board of Directors Meeting No.5/2558 on November 13, 2015.

## 2) Nomination and Remuneration Committee

The Board of Directors has appointed the Nomination and Remuneration Committee, comprising 3 members, one of whom is executive 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 2015 are as follows:

| Name          |            | Position                                                                        | Actual Attendance /<br>Total number of meetings (times) |
|---------------|------------|---------------------------------------------------------------------------------|---------------------------------------------------------|
| Mrs. Siriporn | Sailasuta  | Chairperson of the Nomination and Remuneration Committee (Independent Director) | 3/3                                                     |
| Mr. Sanan     | Angubolkul | Nomination and Remuneration Committee Member                                    | 3/3                                                     |
| Mr. Enghug    | Nontikarn  | Nomination and Remuneration Committee Member (Independent Director)             | 3/3                                                     |

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, it comprises only payments of ‘meeting attendance fees’ whereby the Board will propose 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, 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 2015, the Nomination and Remuneration Committee held 3 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 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. They received approval by the Company's Board of Directors to extend its term of office for another 3 years for the period 2016 to 2018, as per a Board resolution at the Board of Directors Meeting No.5/2558 on November 13, 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 2015 are as follows :

| Name          |                   | Position                                                                   | Actual Attendance / Total number of meetings (times) |
|---------------|-------------------|----------------------------------------------------------------------------|------------------------------------------------------|
| Mr. Suchat    | Boonbanjedsri     | Chairman of the Good Corporate Governance Committee (Independent Director) | 4/4                                                  |
| Mrs. Siriporn | Sailasuta         | Good Corporate Governance Committee Member (Independent Director)          | 3/4                                                  |
| Mr. Manit     | Ativanichayaphong | Good Corporate Governance Committee Member                                 | 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 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 2015, 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 2015. They received approval by the Company's Board of Directors to extend its term of office for another 3 years for the period 2016 to 2018, as per a Board resolution at the Board of Directors Meeting No.5/2558 on November 13, 2015.

#### 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 2015 are as follows :

| Name                    | Position                                      | Actual attendance/<br>Total number of meetings (times) |
|-------------------------|-----------------------------------------------|--------------------------------------------------------|
| Mr. Prin Bholnivas      | Chairman of the Risk Management Sub-Committee | 12/12                                                  |
| Mr. Apisit Tangsatit    | Member                                        | 11/12                                                  |
| Mr. Pawat Chalermpong   | Member                                        | 12/12                                                  |
| Mr. Pramual Pinyo       | Member                                        | 11/12                                                  |
| Mr. Chaichan Chareonsuk | Member                                        | 12/12                                                  |
| Mr. Somsong Raksapol    | Member                                        | 7/12                                                   |
| Mr. Chairaj Eangtanarat | Member                                        | 12/12                                                  |
| Mr. Tanatch Sripan      | Member and Secretary                          | 10/12                                                  |

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 2015, 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. They received approval by the Company's Board of Directors to extend its term for the period 2016 to 2018, as per a Board resolution at the Board of Directors Meeting No.5/2558 on November 13, 2015.

## 9.3 Nomination and Appointment of Directors and Executives

### 9.3.1 Recruitment of Directors

In 2015, the Company's Board of Directors approved policies and guidelines regarding the nomination of the Company's Board Directors, in order that the processes of selection and nomination of Board Directors are in accordance with the applicable specified laws and principles of good corporate governance, as well as are undertaken in clearly defined procedures and in a transparent manner. This is also in order to enable the Company to recruit and appoint board directors, who possess the required qualifications that are appropriate to the Company's businesses, as well as to support the intended growth of businesses on a sustainable basis. The operating guidelines are as follows:

1. Determine the appropriate number of Board Directors to be appointed;
2. Determine the required and appropriate diversity of the composition of the Board of Directors;
3. Define an appropriate nomination procedures and processes;
4. Nominate and appoint board directors as specified in the Company's Articles of Association.

In 2015, one of the Company's board directors resigned from the Company's Board of Directors. The Board of Directors, therefore, 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 as well as in accordance with the established policies and guidelines relating to the nomination of Board Directors as follows :

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) or as otherwise considered and determined.
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, associate 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, associate 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, associate 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, associate 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, associate 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, associate 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, associate 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, associate companies, or other subsidiaries 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 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.34 (for the year 2015), 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: Mrs. Siriporn Sailasuta) 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 personnels 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.

The Company's Board of Directors approved policies and guidelines relating to 'Succession Plan' for executive positions, including the President, 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. The criteria shall cover the followings :

1. Determining senior executive position needs to be in accordance with the established policies and operating guidelines.
2. Determining the required and relevant qualifications, knowledge and capabilities as well as experiences for each executive position; whereby consideration of both qualified candidates from both within and outside the organization should be made.
3. Undertaking a job performance results evaluation together with assessing the knowledge and capabilities possessed by the executives in accordance with the established principles and guidelines.
4. Considering to approve the proposed appointment of qualified persons, who have gone through the established recruitment process, to senior executive positions together with associated and appropriate compensation plan by the Nomination and Compensation Committee.

There was no appointment of a new executive in 2015.

### 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 2015, no new board director was 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 2015, one director, Mr. Viroj Lowhaphandu attended seminar with The Thai Institute of Directors Association for Advanced Audit Committee Program (AACP)

Additionally, information with regard to attendance in training courses and participation in seminars has been disclosed in Attachment 1: Details of the Directors, Executives, Controlling Persons and Company Secretary.

### 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 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. Composition, structure and qualifications of the Board of Directors
  2. Role, duties and responsibilities of the Board of Directors
  3. Board of Directors Meetings
  4. Discharging the responsibility as a board director
  5. Relationship with the management
  6. Self-development by Board Directors and development of the members of the management

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.

In 2015, the Board of Directors jointly undertook a performance evaluation of the Board as a group, and achieved an overall 'very good'. However, due to the fact that the rating for 'Self Development of Board Directors and Development of the Management' criteria was considered as requiring further opportunities for improvements, the Office of the Company Secretary was assigned to support this matter through searching for relevant training programs for Board Directors and the management to attend accordingly.

- 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 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.

In 2015, the Board of Directors undertook a self-evaluation of their respective individual performances that achieved an overall 'very good' rating. However, it was considered that the categories for 'Strategies' and 'Commitment and Diligence' should have further opportunities for improvements, so all the Board Directors have been informed of this matter accordingly.

- 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 and Moulds 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 2015, 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 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.

Additionally, 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 2015, there was no transaction or change in the ownership of the Company's shares by the Company's Board Directors. As for executives, there were 2 persons who had transacted trading of the Company's shares i.e. Mr. Pawat Chalermpong and Mr. Pongsak Kantiratanawong. However, such transactions were made on a normal basis without using inside information.

## 9.6 Audit Fees for 2015

### 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 3.46 million and Vietnamese Dong 580.00 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 0.86 million. The Company and its subsidiaries had completely recorded all abovementioned non-audit fees as expenses in the year 2015.

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

Apart from the governance and oversight as stated above, in 2015 the Company also complied with the 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. 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 the ability 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, 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, 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 agenda or questions as part of the agenda of the Annual General Meeting of Shareholders No. 35 (for the year 2016). As such, on September 29, 2015, the Company informed shareholders of this right via the websites of the Company and the Stock Exchange of Thailand. Any proposed agenda or questions were advised to be submitted to the Company anytime during October 1, 2015 – December 31, 2015. As at the end of this period, no names of any nominee-candidates for directorship or any additional agenda 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, 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 scheduled date, the Company also disseminates the 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, 2015, such information was disseminated for the Annual General Meeting of Shareholders No. 34 (for the year 2015). Such notification had also been made on the same day via the SET's Electronic Information Dissemination System ("ELCID").

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 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 presents 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 Annual General Meeting of Shareholders by attending, in order to demonstrate their accountability to shareholders. However, in the Annual General Meeting of Shareholders No. 34 (for the year 2015), the Chairman of the Audit Committee could not attend the meeting.

The shareholders make use of the voting ballots in casting their votes, so as to ensure 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, in accordance with the Articles of Association of the Company. For those agenda 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 specified in the Letter of Invitation. No additional agenda 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. Before requesting the meeting to vote on any agenda, 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 09.00

AM. of the following day. A detail 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 sent to the Stock Exchange of Thailand within 14 days after the Annual General Meeting of Shareholders Both Thai and English versions are subsequently posted on the Company's website.

For 2015, the Company received evaluation relating to its 'AGM Checklist' from the Thai Investors' Association with a score of 97.25 points from total of 100 points and has been rated "100" for many consecutive years.

### 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, 2015 the Company had a "free float" of 52.13% of the total shares issued and paid up held by retail investors, 7.87% by institutional investors, and 16.77% by the Company's directors.

In 2015, the treatment to all shareholders by the Company was as follows:

#### 1. Preparation of the Annual Report

The Company prepares the Annual Report 2014 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 together with associated objectives, reasons and opinions of the Board of Directors for each agenda; meeting procedures and voting process, part of Articles of Association relating to the Meeting; proxy forms; as well as the proposed meeting venue and time considered as appropriate.

In 2015, the Company sent out the Letter of Invitation via the Company's Shares Registrar on April 8, 2015, 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, 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 by strictly complying with the law.

The shareholders' meeting will proceed in sequence according to the agenda as notified in the notice of the shareholders meeting. No other agenda 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 : "Restrictions on the Use 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 2015, 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 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 : "Related-Party 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 2015, 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.

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 (1<sup>st</sup> revised - 2014) and Good Corporate Governance Policies

| No. | Business Ethics<br>(1 <sup>st</sup> Revised - 2014)                       | No. | Good Corporate Governance Policies<br>Section 3 Roles of Stakeholders                                         |
|-----|---------------------------------------------------------------------------|-----|---------------------------------------------------------------------------------------------------------------|
| 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                                                  |
| 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                                                         |

| No. | Business Ethics<br>(1 <sup>st</sup> Revised - 2014)                      | No.  | Good Corporate Governance Policies<br>Section 3 Roles of Stakeholders                                                                                           |
|-----|--------------------------------------------------------------------------|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 (1<sup>st</sup> revised – 2014) on its website at [www.srithaisuperware.com](http://www.srithaisuperware.com)

In 2015, the Company arranged to hold trainings/seminars on good corporate governance and good business ethics for the management and Company staff. These training sessions were held for monthly workers and will then be extended to cover daily workers as well as staff of the Group working at all the subsidiaries.

Additionally, the Company has assigned the Human Resources Development Division together with the Information Technology Department to determine measures to monitor, on a regular basis, the actual understanding of such matters on the part of the staff by undertaking activities and surveys through the internal web together with other associated activities internally within the offices and also at the factories.

#### 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
- The annual Company information (Form 56-1), the Company's Annual Report and Financial Statements – that disclose information for the current year and retrospectively for 3 years
- Names and details of the Company's Board of Directors and executives
- Shareholding structure; information on major shareholders holding on the top 10, directly or indirectly, by their spouses and minor children who are not yet of legal age.
- Price movements of the Company's shares which links to other credible website e.g. [www.settrade.com](http://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 2015, 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 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 disclosed other news and information through announcements and press interviews - via printed media, television, and radio; and participated in investors-related activities arranged by the Stock Exchange of Thailand - such as :

- (1) Thai Equity Yield Play Corporate Access Day event on January 22, 2015
- (2) SET Thai Corporate Day event on January 27, 2015
- (3) Opportunity Day event on September 3, 2015
- (4) Shareholders' and investors' Company Visit on September 16, 2015
- (5) Thailand Focus event on December 4, 2015

#### **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 Relations (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, society, and environment which focus on benefits of living together and growing 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, related parties, 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 respects human rights and interests of stakeholders by complying with the laws and other regulations or relevant international standards. It is also committed to be developed and improved in order to continuously and sustainably create a foundation of corporate social responsibility alongside its business growth with continuity.”

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 as follows :

1. Set directions and approaches that are related to corporate social responsibility;
2. Set the plans, and allocate investment budgets and necessary expenses;
3. Appoint sub-committees, and provide advice as necessary;
4. Monitor, and assess performances by using key indicators to be agreed upon by the Committee;
5. Promote good corporate governance, and place importance on systematic, transparent and traceable work standards.

Apart from having product quality which is a strength and manufacturing process that does not affect society and environment, earning certified standard by external organizations regarding the Company's products, managing energy and environment, and providing channels coupled with monitoring of complaints from both internal and external parties, the Company has applied 3 Save: Save Material, Save Energy, Save the World as a notion, guideline and driver of the corporate social responsibility as well as pushing it to become an organization culture. The Company has confidence that personnels are one of the key success factors of the corporate social responsibility which will build sustainable growth to the Company. CSR Implementation has been set as one of the annual working plan agendas that is brainstormed and implemented by every department continuously in order to make it as direct duty and responsibility of all personnels as well as building awareness of importance and advantages of the corporate social responsibility amongst personnels. Moreover, supports, developments or gap identification are also needed 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 and equal welfare for every nationality, 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, which is managed by an experienced, knowledgeable and skilled asset management company, as well as provide training and educate personnels to realize importance of savings for retirement preparation.
- 2) Ensure that the working environment is completely safe. The Company has received reports and collected statistic of staff-related accidents at its 4 plants regularly and continuously. In 2015, the Company had no severe accident occurring to staff of the 4 plants.
- 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. The Company arranged internal and external training for staff with average training hours of 10 hours and 30 minutes per person per year.

In 2015, 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 as to create awareness of safety in a workplace with necessarily basic knowledge and sufficient carefulness, pollution-free workplace and happy working as follows :

- Train employees before they start working
- Prepare a work manual
- Disseminate information about safety
- Invest in and improve work process
- Have a committee of safety, health and environment management, a subcommittee of safety, health and environment management together with working teams of safety, health and environment management in each plant. This is in order to supervise standard compliance of each plant in the organization systematically and effectively, set target, and provide guideline and standard of safety, health and environment management.

- Arrange activities to promote awareness amongst staff and take part in safety supervision, improvement and evaluation.

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. The other 3 plants are Amata Nakorn Chonburi, Bangpoo and Suksawat plants are about to apply for certification on occupational health and safety management OHSAS 18001:2007. However, the 3 plants have fully complied with the laws related to safety.

The Company uses and manages its assets appropriately. Even though 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.

Operating of safety, health and environment in 2015, were as follows :

- Observed works related to safety, health and environment as a good guideline.
- Formulated a manual of safety health and environment so that each plant will have consistent guidelines, and regulations.



- Arranged a week of safety, health and environment to reduce accident and illness from work to zero.
- Conducted annual employee health checkup according to the laws.

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 (Live Well with Happiness)
- Labor Safety and Good Health Program
- Drug Free Workplace Award and To Be Number Once Project
- Happy Workplace Project

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 2015, Korat plant which has the highest numbers of labours among 4 plants received the Excellent Establishment on Labour Relations and Welfare Award from the Department of Labour Protection and Welfare, Ministry of Labour for 10 consecutive years. Bangpoo plant also received such award for 5 consecutive years. 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.

Moreover, Korat plant also received additional awards in 2015 :

- 1) Award on the Standard on Prevention and Solution to Drug Problems in an Establishment, from the Office of Labour Protection and Welfare, Nakorn Ratchasima
- 2) Outstanding Practice Awards in Health, Safety and Environment from the Department of Labor Protection and Welfare, Ministry of Labour
- 3) Certificate on standard and model of To Be Number One in a workplace, diamond level, year 1, from the Department of Mental Health, Ministry of Public Health

### **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

The Company's 4 plants received the certificate on the Standards on Quality Management: ISO 9001: 2008 from the URS, which validates that all plant's production has continuous and qualified development and improvement systems and efficiency. Currently the 4 plants are preparing their readiness and formulating a plan to upgrade the certificate from version 2008 to version 2015 in 2016.

### Standard on Food Quality and Safety

The Company gives importance to its production processes, especially 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 the Good Manufacturing Practice (GMP) certification - or good manufacturing practices relating to production of food products, together with the 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 a 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 the TUV NORD in 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 2015

- **Prime Minister's Export Award 2015 (Best Thai Brand)**

On September 17, 2015, Korat plant received the Prime Minister's Export Award 2015 (Best Thai Brand) from the Institute of Design and Innovation Promotion, Department of International Trade Promotion, Ministry of Commerce. The award is given to Thai exporters under their own brand with high value including marketing activities under their own brand which reflects good Thai image.



- **ASEAN Excellent Enterprise & Businessman Award**

On November 27, 2015, Mr. Sanan Angubolkul, Chairman and President, received the ASEAN Excellent Enterprise & Businessman Award from the Vietnam Industry and Trade Information Center (VITIC). The award is given to a businessman having creativity in bringing success to the business, supporting economy growth of the country and the ASEAN Economic Community, being a pioneer of innovation and technology development, protecting society and environment, participating in locals and society development project, and receiving the ISO and certificate on morality from agencies.



- **ASEAN Admired Brands Award**

On November 27, 2015, the Company received the ASEAN Admired Brands Award from the Vietnam Industry and Trade Information Center (VITIC) which is given to enterprises that have product brand trusted by customers, have market shares in foreign countries or region with determination to create and develop brands as well as are certified by the ISO and certificate on morality from agencies.



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

The Company recognizes the responsibility towards society and friendliness 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.

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. In 2015, Korat plant received the CSR-DIW Award 2015, whereas Amata Nakorn plant in Chonburi was upgraded to the CSR-DIW Continuous Award 2015 from continuous development of nearby community.

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 to have outstanding, efficient and continuing results. This can be summarized as follows :

##### Products and Innovation for Environmental Conservation

To follow 3 Save: Save Material, Save Energy, Save the World, the Company focuses on continuous product development, especially beverage packaging products i.e. screw lid and preformed soft drink and water bottles (PET) which promotes the CSR of soft drink and water business entrepreneur since they are lightweight products manufactured from innovation that reduces materials and costs for the Company's customers. At present, the Company advances to another step of manufacturing preformed soft drink and water bottles with lesser materials by 10% which also saves energy. This emphasizes efficient use of resources and environmental conservation.



Moreover, the Company has a technology that reduces materials of food packaging products. All processes are under the concept of 3 Save: Save Material, Save Energy, Save the World which helps environmental conservation as follows :

- 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.

- Change of transfer packaging of preformed products is made from wooden pallet and paper box to mesh pallet can reduce use of paper and wood significantly. Moreover, it also reduces costs of transfer packaging of the Company's preformed products.
- Manufacturing process is developed for food packaging products to reduce use of resources and energy by maintaining efficiency of manufacturing process and use of the products that can lower carbon dioxide equivalent while taking part in reducing pollution and global warming. Suksawat Plant, a plant manufacturing the products, received a certificate of "The Carbon Footprint Reduction Label Scheme for Food Box" from the Greenhouse Gas Management Organization (Public Organization) in May 2015.
- Suksawat Plant received an honorable award from the Bureau of Logistics, Department of Primary Industries and Mines for participating as a pilot workplace of a project "Best Practice for Green Supply Chain of Export-Oriented Industry" which aims to reduce environmental impact and strengthen competitiveness of Thai industries in global market. Thai entrepreneurs are supported to improve internal and external business operations based on the Green Supply Chain Logistics Management, G-SCLM from knowledge base of logistics and supply chain management together with environmental management for friendly operations and supply chain.
- Korat Plant received a certificate from the Greenhouse Gas Management Organization (Public Organization) in September 2015 for participating in a project of Low Emission Support Scheme : LESS. It is a project for entrepreneurs who received the ISO 50001 and get certified by the Greenhouse Gas Management Organization (Public Organization) for reduction of greenhouse gas as required.



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 executed energy conservation measures as follows :

- Invested in new machines with high production efficiency and energy saving in order to replace obsolete machines that consume high energy.

- Maintained and improved manufacturing process. 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.
- Developed and promoted efficient energy preservation and reduction of pollution
- Collaborated 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.
- Invited honorary guests and external executives or specialists to give advice of energy conservation and energy management as well as share knowledge to the Company's energy working team for effectively operating energy conservation project.

Due to 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 TUV NORD (Thailand) Limited ("TUV NORD") for its plastic injection process in food and industrial containers, and Korat plant received the certificate from the 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.

In 2015, the Company arranged supporting activities for energy conservation as follows :

- Changed to use LED light bulbs in an office and part of the plants.
- Installed insulation covering some injection molding machines, especially machines that are installed and manufacture products in air-conditioned room, so that the machines will not lose heat for melting materials before molding, and it will help air conditioning system.
- Invested in high capability machines or replaced old machines i.e. water chillers, pneumatic machine, and cooling systems for machines and area in the plants.

### **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 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).

Srithai Network, one of the Company's businesses units has created the **'1 Province 1 Pesticide-Free Vegetable Plot with Srithai' Project**. The project aims to promote organic agriculture by providing training, suggestions and demonstration of pesticide-free vegetable plot for local farmers as well as supporting the Company's S-Matrix related products. The products are organic innovative plant foods which are eco-friendly and increase production. Farmers are anticipated to become a model of chemical free. Besides environmental conservation regarding pollution reduction in land, water, and agricultural products, the project also helps promote the Company's products.

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 2015, and will publicize it on the Company's website accordingly.

### 10.3 Business Operations that Affect Social Responsibility

In 2015, 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 Rogatien 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, Honorary Consul-General of the Republic of Maldives to Thailand, and President of Thai-Vietnam Business Council .

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;

- Run activities to educate locals regarding revenue generation and self reliance based on the sufficiency economy as well as give opportunity to nearby community to study and visit manufacturing process of the Company;
- Encourage and promote the Company's staff to realize the importance of the CSR and to continuously participate in activities which promote the CSR within and outside the Company in order to gain knowledge and understand the benefits of the 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. In December 2015, the Company received the Excellence Award of Supporting People with Disability from the Ministry of Social Development and Human Security, and a certificate from the Thai Chamber of Commerce in supporting and promoting the "1 Company for 1 Community" project under a category of Best Practice of inequality income reduction scheme. The Company received the two honorary awards in seriously and continuously supporting the disabled.



- 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.
- Participate as a member of the Thai-Vietnam Business Council which is a mechanic of building relations of trading and investment as well as pushing resolution and obstacles of the Thai-Vietnam business. Moreover, it is a channel giving suggestions to Thai entrepreneurs who are interested to invest in Vietnam and Vietnamese entrepreneurs who are interested to invest in Thailand.

The Company has prepared a Corporate Social Responsibility Report for Sustainable Growth 2015, 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 practices guideline 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](http://www.srithaisuperware.com). In 2015 the Company has continued the operations from 2014 as follows :

- Arranged training or seminar courses regarding the matters for related executives, such as the Thaipat Institute, the Thai Institute of Directors, etc.
- Improved a channel to receive employees' complaints which employees can send complaints to a specified mailbox in order to have confidence in protection of whistleblowers.
- Provided workshop of anti corruption matter for employees under functions which are risky to cause or incite corruption e.g. sales department, marketing department, procurement department, accounting-finance department.
- Introduced a form supplementing disbursement of expenditure for corruption risk assessment of activities that are risky for causing or inciting corruption.

In 2015, the Company was evaluated about Anti-Corruption Progress Indicator of Thai registered companies of the year 2015 which was conducted by the Thaipat Institute. The Company was rated at level 3 (Established), higher than the rating in 2014 of level 2 (Declared). The Company has continued to carry on the process with an attempt to eventually get rated at level 4 (Certified) and level 5 (Extended).

The result reflects the Company's determination in formulating a policy of not bribing officials, not related and being against persons related to corruption as well as assessing business risk to identify risky operations of the Company or subsidiaries. Employees are communicated and trained about Anti-Corruption policy and guideline. Moreover, compliance with the policy and policy review will be monitored by the Board of Directors.

The Good Corporate Governance Committee assigned the Risk Management Sub-Committee to review the assessment of risks as a result of any acts of corruption within the organization in regards to key transactions during 2015. 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). 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 an 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. For employees or staff of the Company, in 2015 the Company has added a channel to receive employees' complaints which employees can send a complaint to a specified mailbox in order to have confidence in protection of whistleblowers.
3. 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](mailto:viroj_low@srithaisuperware.com)
    - 2) Mr. Enghug Nontikarn E-mail address : [enghug\\_non@srithaisuperware.com](mailto:enghug_non@srithaisuperware.com)
    - 3) Mr. Suchat Boonbanjersri E-mail address : [suchat\\_boo@srithaisuperware.com](mailto:suchat_boo@srithaisuperware.com)
    - 4) Mrs. Siriporn Sailasuta E-mail address : [siriporn\\_sai@srithaisuperware.com](mailto: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, 2 and 3, the complainer is not required to reveal his/her identity. However, if the complainer is able to identify him/herself, the complainer is requested to disclose the complainer's first and last names, telephone number, facsimile, or email address. The Company can later on inform outcome of the action or ask for additional information.

## 11. INTERNAL CONTROL AND RISK MANAGEMENT

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

The Board of Directors arranged to have established a system of internal control and risk management. 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 responsible for these activities 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. 6/2558, held on December 25, 2015, 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 covered 5 core operational aspects of the COSO Internal Controls Integrated Framework. 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. In summary, the abovementioned 5 core operational aspects are 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.

All staff are informed of their job description including their respective scope of duty and responsibilities, the compensation and associated welfare benefits schemes appropriate to their job performance as well as prospects for career advancement within the Company that is based on the succession plans.

## **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 for 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 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 the respective documents 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. Upon the conclusion of the meeting, the Company Secretary will then distribute copies of the Minutes to all Board Directors within 14 days.

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](http://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 strategies, 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 significantly from strategies, goal and business plan. 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 2015, 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 material 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 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 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 President 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.

The Compliance Unit is part of the Office of the Company Secretary. The Company Secretary is responsible for its activities oversight. 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 2015 are as follows:

| Company Name / Relationship                                                                                                                                                                                                                                                                                     | Nature of Business                                                        | Type / Value of Transactions in 2015                        | Necessity / Reasonableness                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Srithai Moulds Company Limited</b><br>1. A subsidiary whose 71.0% of shares held by the Company.<br>2. 29.0% of shares held by executives of the Company and relatives of some executives.                                                                                                                   | Mould Making Service and Manufacture and Distribution of Plastic Products | Normal business transactions amounted to Baht 43.42 million | 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. |
| <b>Srithai Packaging Company Limited</b><br>1. An associate whose 39.2% of shares held by the Company.<br>2. 9.8% of shares held by an executive of the Company and relatives of some executives.<br>3. A relative of some executives of the Company serves as a director in Srithai Packaging Company Limited. | Manufacture and Distribution of Paper Boxes                               | Normal business transactions amounted to Baht 17.34 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.                 |

| Company Name / Relationship                                                                                                                                                                                                                                                                | Nature of Business                                    | Type / Value of Transactions in 2015                                                                                                                                                                              | Necessity / Reasonableness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Srithai Marketing Company Limited</b><br>1. A related company.<br>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.<br>3. It has long been a distributor and trade partner for the Company. | Distributor of Houseware Products                     | 1. Normal business transactions amounted to Baht 227.18 million<br><br>2. Supporting normal business transactions amounted to Baht 7.73 million                                                                   | 1. Normal inter-company transactions for products of one party demanded by another party to support and generate revenue of its main business under normal trade terms and prices under the criteria approved by the Board of Directors of the Company.<br><br>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.                                                                                                                                                                                                                                                                                     |
| <b>Siam Melamine Marketing Company Limited</b><br>1. A related company.<br>2. 70.0% of shares held by relatives of some executives of the Company.<br>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 109.20 million<br><br>2. Supporting normal business transactions amounted to Baht 0.35 million.<br><br>3. Short-term property rent amounted to Baht 0.78 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.<br><br>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.<br><br>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. |

| Company Name / Relationship                                                                                                                                                                                                   | Nature of Business                                        | Type / Value of Transactions in 2015                                                                                                          | Necessity / Reasonableness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Srithai Stainless Company Limited</b><br>1. A related company.<br>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 3.92 million<br><br>2. Supporting normal business transactions amounted to Baht 0.14 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.<br><br>2. Transactions supporting normal business on letting an area for display and sales of products in a Grand Sale fair which is organized by the Company every year. The rental rate was the same as those charged to other tenants. |
| <b>S.Sahatara (Thailand) Company Limited</b><br>1. A related company.<br>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                              | Normal business transactions amounted to Baht 3.96 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.                                                                                                                                                                                                                                              |
| <b>Toho Foam (Thailand) Company Limited</b><br>1. A related company.<br>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 Distribution of EPE Foam                  | No related party transaction in the year 2015                                                                                                 | ----                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>P. C. Container Company Limited</b><br>1. A related company.<br>2. 56.0% of shares held by relatives of some executives of the Company, who also serve as directors of P. C. Container Company Limited                     | Manufacture and Distribution of Plastic Products          | Short-term property rent amounted to Baht 0.48 million                                                                                        | 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.                                                                                                                                                                                                                                                                                                                             |

| Company Name / Relationship                                                                                                                                                                                     | Nature of Business                               | Type / Value of Transactions in 2015                   | Necessity / Reasonableness                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>P. E. T. Container Company Limited</b><br>1. A related company.<br>2. 55.8% of shares held by relatives of some executives of the Company, who also serve as directors of P. E. T. Container Company Limited | Manufacture and Distribution of Plastic Products | Short-term property rent amounted to Baht 0.30 million | 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. |

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 comply with the criteria approved by the Board of Directors. The Company has disclosed details of related party transactions for the year 2015 in the Notes to Financial Statements for the year ended December 31, 2015, No. 35 Related party transactions, pages 68 - 72.

The guarantees were revoked because financial status of the respective subsidiaries had improved with no outstanding financial obligations and thus they received trust and confidence from those financial institutions. However, as at December 31, 2015, the Company still had outstanding related transactions in the form of providing financial support to subsidiaries which were in accordance with the resolutions approved by the Board of Directors 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 wholly-owned subsidiary, for guarantee limit of USD 6.5 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 wholly-owned subsidiary, for guarantee limit of Baht 50 million for supporting its business.

## 2. Need for Related-party Transactions

The Company has attached an importance on the investment in the business related and/or connected to the plastics 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 the Group of companies. As a result, most companies under the Group have similar businesses and products or are supporting arms of main businesses of the Company. Related-party transactions frequently occurred among the Group due to its need to purchase or sell products or services to other parties within the Group 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 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 Audit Committee and 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 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. Proportion of share interests held by the Company in the respective subsidiary is also considered in the event it is not a wholly-owned subsidiary.

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 Audit Committee and the Board of Directors for its consideration prior to approval and / or 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 the Group, especially subsidiaries.

## Part 3

# FINANCIAL POSITION AND BUSINESS PERFORMANCE

## 13. FINANCIAL OVERVIEW

### 13.1 Financial Statements

#### 13.1.1 Summary of the 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, 2015 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

|                                    | 2015            | 2014            | 2013            |
|------------------------------------|-----------------|-----------------|-----------------|
| <b>Assets</b>                      |                 |                 |                 |
| <b>Current assets</b>              |                 |                 |                 |
| Cash and cash equivalents          | 621.0           | 472.9           | 437.1           |
| Temporary investments              | 3.9             | 5.8             | 7.9             |
| Trade accounts receivable, net     | 1,928.2         | 1,992.4         | 1,855.5         |
| Other receivables                  | 103.8           | 108.6           | 59.6            |
| Inventories, net                   | 1,658.4         | 1,599.5         | 1,475.1         |
| Other current assets               | 85.2            | 133.0           | 114.3           |
| <b>Total current assets</b>        | <b>4,400.5</b>  | <b>4,312.2</b>  | <b>3,949.5</b>  |
| <b>Non-current assets</b>          |                 |                 |                 |
| Long-term investments              | 414.7           | 467.4           | 509.1           |
| Investments properties, net        | 122.5           | 128.4           | 134.8           |
| Property, plant and equipment, net | 5,851.6         | 5,373.1         | 5,295.7         |
| Intangible assets, net             | 45.4            | 52.8            | 49.4            |
| Deferred tax assets, net           | 106.3           | 97.7            | 94.2            |
| Leasehold rights                   | 112.7           | 46.3            | 48.3            |
| Other non-current assets, net      | 53.4            | 38.1            | 44.5            |
| <b>Total non-current assets</b>    | <b>6,706.6</b>  | <b>6,203.8</b>  | <b>6,176.0</b>  |
| <b>Total assets</b>                | <b>11,107.1</b> | <b>10,516.0</b> | <b>10,125.5</b> |

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

For the years ended December 31

Unit : Million Baht

|                                                    | 2015            | 2014            | 2013            |
|----------------------------------------------------|-----------------|-----------------|-----------------|
| <b>Liabilities and shareholders' equity</b>        |                 |                 |                 |
| <b>Current liabilities</b>                         |                 |                 |                 |
| Bank overdrafts and short-term loans               | 1,751.6         | 1,452.3         | 823.4           |
| Long-term loans (maturing within one year)         | 661.0           | 619.9           | 563.9           |
| Trade accounts payable                             | 959.3           | 968.4           | 950.2           |
| Other payables                                     | 333.6           | 429.3           | 407.1           |
| Other current liabilities                          | 58.0            | 41.6            | 36.1            |
| <b>Total current liabilities</b>                   | <b>3,763.5</b>  | <b>3,511.5</b>  | <b>2,780.7</b>  |
| <b>Non-current liabilities</b>                     |                 |                 |                 |
| Long-term loans                                    | 1,994.7         | 1,955.2         | 2,466.4         |
| Finance lease liabilities                          | 12.9            | 20.6            | 2.7             |
| Employee benefit obligations                       | 378.9           | 296.6           | 310.6           |
| <b>Total non-current liabilities</b>               | <b>2,386.5</b>  | <b>2,272.4</b>  | <b>2,779.7</b>  |
| <b>Total liabilities</b>                           | <b>6,150.0</b>  | <b>5,783.9</b>  | <b>5,560.4</b>  |
| <b>Shareholders' equity</b>                        |                 |                 |                 |
| Share capital                                      | 2,709.9         | 2,709.9         | 2,709.9         |
| Premium on treasury shares                         | 19.9            | 19.9            | 19.9            |
| Retained earnings                                  | 2,020.1         | 1,877.8         | 1,678.7         |
| Other components of equity                         | (37.5)          | (101.2)         | (72.9)          |
| <b>Equity attributable to owners of the parent</b> | <b>4,712.4</b>  | <b>4,506.4</b>  | <b>4,335.6</b>  |
| Non-controlling interests                          | 244.7           | 225.7           | 229.5           |
| <b>Total shareholders' equity</b>                  | <b>4,957.1</b>  | <b>4,732.1</b>  | <b>4,565.1</b>  |
| <b>Total liabilities and shareholders' equity</b>  | <b>11,107.1</b> | <b>10,516.0</b> | <b>10,125.5</b> |

**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31**

Unit : Million Baht

|                                                                                  | 2015           | 2014           | 2013           |
|----------------------------------------------------------------------------------|----------------|----------------|----------------|
| Sales and service income                                                         | 9,762.8        | 9,750.9        | 9,397.4        |
| Cost of sales and services                                                       | (7,915.3)      | (7,880.8)      | (7,556.3)      |
| <b>Gross profit</b>                                                              | <b>1,847.5</b> | <b>1,870.1</b> | <b>1,841.1</b> |
| Other income                                                                     | 109.2          | 110.7          | 106.9          |
| Selling and administrative expenses                                              | (1,314.2)      | (1,336.7)      | (1,247.8)      |
| Finance costs                                                                    | (162.9)        | (167.7)        | (167.0)        |
| Share of profit of investments in associates and joint venture                   | 78.7           | 63.2           | 50.1           |
| Loss on impairment of investment in associate                                    | 0.0            | 0.0            | (12.0)         |
| <b>Profit before income tax</b>                                                  | <b>558.3</b>   | <b>539.6</b>   | <b>571.3</b>   |
| Income tax                                                                       | (80.1)         | (52.1)         | (52.3)         |
| <b>Profit for the year</b>                                                       | <b>487.5</b>   | <b>487.5</b>   | <b>519.0</b>   |
| <b>Other comprehensive income (expense), net of tax:</b>                         |                |                |                |
| Items that will not be reclassified subsequently to profit or loss               |                |                |                |
| Remeasurements of post-employment benefit obligations                            | (45.1)         | 0.0            | (42.6)         |
| Income tax on items that will not be reclassified subsequently to profit or loss | 9.4            | 0.0            | 8.5            |
| <b>Total items that will not be reclassified subsequently to profit or loss</b>  | <b>(35.7)</b>  | <b>0.0</b>     | <b>(34.1)</b>  |
| Item that will be reclassified subsequently to profit or loss                    |                |                |                |
| Change in value of available-for-sale investments                                | (28.4)         | (6.6)          | 0.0            |
| Currency translation differences                                                 | 86.2           | (22.8)         | (48.7)         |
| Income tax on items that will be reclassified subsequently to profit or loss     | 5.7            | 1.3            | 0.0            |
| Total items that will be reclassified subsequently to profit or loss             | 63.5           | (28.1)         | (48.7)         |
| <b>Other comprehensive income (expense) for the year, net of tax</b>             | <b>27.8</b>    | <b>(28.1)</b>  | <b>(82.8)</b>  |
| <b>Total comprehensive income for the year</b>                                   | <b>506.0</b>   | <b>459.4</b>   | <b>436.2</b>   |
| <b>Profit attributable to :</b>                                                  |                |                |                |
| Owners of the parent                                                             | 445.0          | 470.1          | 487.0          |
| Non-controlling interests                                                        | 33.2           | 17.4           | 32.0           |
| <b>Net profit for the year</b>                                                   | <b>478.2</b>   | <b>487.5</b>   | <b>519.0</b>   |
| <b>Total comprehensive income attributable to :</b>                              |                |                |                |
| Owners of the parent                                                             | 476.9          | 441.8          | 404.8          |
| Non-controlling interests                                                        | 29.1           | 17.6           | 31.4           |
| <b>Total comprehensive income for the year</b>                                   | <b>506.0</b>   | <b>459.4</b>   | <b>436.2</b>   |
| <b>Earnings per share</b>                                                        |                |                |                |
| Basic earnings per share (Baht)                                                  | 0.16           | 0.17           | 0.18           |

## Remarks:

- Transactions of financial statements shown in the above tables were regrouped for the year 2013, so that they are comparable to the financial statements for the year 2014 and 2015 due to their reclassification with no change to net profit as reported in the annual report for 2013 and 2014.
- The Company has calculated the Earnings per Share (EPS) for 2013 though using a total of 2,709,904,800 shares, which is the revised total number of ordinary shares subsequent to the change in the par value of these shares implemented in 2014, for the sake of easy comparison of the actual EPS for 2014 and 2015.

**Consolidated Statements of Cash Flows**  
**For the years ended December 31**

Unit : Million Baht

|                                                                        | 2015           | 2014         | 2013         |
|------------------------------------------------------------------------|----------------|--------------|--------------|
| <b>Profit before income tax for the year</b>                           | <b>558.3</b>   | <b>539.6</b> | <b>571.3</b> |
| Adjustments to reconcile net profit to net cash provided by (paid for) |                |              |              |
| operations :                                                           | 781.9          | 721.0        | 659.7        |
| Depreciation & amortization                                            | 12.8           | 6.6          | 2.7          |
| Assets written off                                                     | (15.7)         | (12.2)       | (7.0)        |
| Gain from disposal of assets                                           | 28.5           | 24.9         | 23.1         |
| Employee benefits expense                                              |                |              |              |
| Actuarial (gain) loss – from other long-term employment benefits       | 27.5           | 0.0          | (25.9)       |
| (Gain) loss on foreign exchange rate                                   | (4.7)          | (13.6)       | (16.1)       |
| Dividend income from investments in associates and joint venture       | (78.7)         | (63.2)       | (50.1)       |
| Finance costs-interest expense                                         | 162.9          | 167.7        | 167.0        |
| Others                                                                 | 12.4           | (16.0)       | (14.2)       |
| <b>Changes in operating assets and liabilities</b>                     |                |              |              |
| <b>(Increase) decrease in operating assets</b>                         |                |              |              |
| Trade accounts and other receivables                                   | 30.0           | (245.1)      | (213.3)      |
| Inventories                                                            | (46.2)         | (129.4)      | (123.9)      |
| Others                                                                 | 35.1           | (21.0)       | (11.7)       |
| <b>Increase (decrease) in operating liabilities</b>                    |                |              |              |
| Trade accounts payable and other payables                              | (84.3)         | 30.0         | (3.0)        |
| Employee benefits paid                                                 | (20.7)         | (38.9)       | 14.0         |
| Others                                                                 | 5.4            | 30.1         | (14.9)       |
| <b>Cash flows from operating activities</b>                            | <b>1,404.5</b> | <b>980.5</b> | <b>957.7</b> |
| Interest paid                                                          | (162.2)        | (166.8)      | (166.1)      |
| Income tax paid                                                        | (75.3)         | (82.9)       | (80.5)       |
| <b>Net cash receipt from operating activities</b>                      | <b>1,167.0</b> | <b>730.8</b> | <b>711.1</b> |

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

For the years ended December 31

Unit : Million Baht

|                                                              | 2015             | 2014           | 2013           |
|--------------------------------------------------------------|------------------|----------------|----------------|
| <b>Cash flows from investing activities</b>                  |                  |                |                |
| Cash for temporary investments                               | (147.3)          | (47.3)         | (17.3)         |
| Purchase of assets                                           | (1,249.9)        | (795.9)        | (1,051.3)      |
| Cash receipt from disposal of temporary investments          | 149.3            | 49.2           | 16.7           |
| Proceeds from disposal of assets                             | 32.0             | 55.0           | 15.4           |
| Interest receipts                                            | 7.0              | 7.0            | 7.9            |
| Dividends receipts from long-term investments                | 110.5            | 116.3          | 48.0           |
| <b>Net cash payments for investing activities</b>            | <b>(1,098.4)</b> | <b>(615.7)</b> | <b>(980.6)</b> |
| <b>Cash flows from financing activities</b>                  |                  |                |                |
| Increase (decrease) in short-term loans                      | 299.3            | 628.8          | (20.8)         |
| Receipt from long-term loans                                 | 805.2            | 184.8          | 1,196.7        |
| Repayment of long-term loans                                 | (734.4)          | (642.8)        | (579.3)        |
| Dividend payment                                             | (281.0)          | (274.5)        | (315.7)        |
| Others                                                       | (9.6)            | 24.4           | (15.6)         |
| <b>Net cash receipt (payments) from financing activities</b> | <b>79.5</b>      | <b>(79.3)</b>  | <b>265.3</b>   |
| Net increase (decrease) in cash and cash equivalents         | 148.1            | 35.8           | (4.2)          |
| Cash and cash equivalents, opening balance                   | 472.9            | 437.1          | 441.3          |
| <b>Cash and cash equivalents, closing balance</b>            | <b>621.0</b>     | <b>472.9</b>   | <b>437.1</b>   |

## 13.2 Significant Financial Ratios from the Consolidated Financial Statements

| Ratio                                                 | Unit  | 2015   | 2014   | 2013   |
|-------------------------------------------------------|-------|--------|--------|--------|
| <b>Liquidity Ratio</b>                                |       |        |        |        |
| Current Ratio                                         | Times | 1.17   | 1.23   | 1.42   |
| Quick Ratio                                           | Times | 0.71   | 0.73   | 0.85   |
| Operating Cash Flows Ratio                            | Times | 0.32   | 0.23   | 0.26   |
| Account Receivable Turnover                           | Times | 4.93   | 5.05   | 5.29   |
| Average Collection Period                             | Days  | 72.95  | 71.28  | 68.01  |
| Inventory Turnover <sup>(1)</sup>                     | Times | 9.14   | 9.70   | 9.90   |
| Inventory Turnover Days                               | Days  | 39.37  | 37.10  | 36.36  |
| Account Payable Turnover                              | Times | 8.21   | 8.22   | 8.07   |
| Average Payment Period                                | Days  | 43.84  | 43.82  | 44.60  |
| Cash Cycle <sup>(2)</sup>                             | Days  | 68.48  | 64.55  | 59.76  |
| <b>Profitability Ratio</b>                            |       |        |        |        |
| Gross Profit to Sales                                 | %     | 18.92  | 19.18  | 19.59  |
| Operating Margin to Sales                             | %     | 5.46   | 5.47   | 6.31   |
| Non-operating Margin to Total Revenues <sup>(3)</sup> | %     | 1.11   | 1.12   | 1.12   |
| Operating Cash Flows Margin                           | %     | 218.85 | 137.01 | 119.84 |
| Net Profit Ratio to Total Revenues <sup>(3)</sup>     | %     | 4.51   | 4.77   | 5.12   |
| Return on Equity                                      | %     | 9.19   | 10.11  | 10.79  |
| <b>Efficiency Ratio</b>                               |       |        |        |        |
| Return on Total Assets                                | %     | 4.12   | 4.55   | 5.01   |
| Return on Net Fixed Assets                            | %     | 20.47  | 20.96  | 21.09  |
| Total Assets Turnover                                 | Times | 0.91   | 0.96   | 0.98   |
| <b>Financial Policy Ratio</b>                         |       |        |        |        |
| Debt to Equity Ratio                                  | Times | 1.24   | 1.22   | 1.22   |
| Interest Coverage Ratio                               | Times | 8.66   | 5.88   | 5.77   |
| Operating Cash Flows Coverage (cash basis)            | Times | 0.51   | 0.43   | 0.36   |
| Dividend Payout Ratio <sup>(4)</sup>                  | %     | 65.86  | 63.95  | 64.89  |

- (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) Total Revenues = Sales and Service Income + Other Income
- (4) 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 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 2015, financial liquidity of the Group was decreased from that of previous year, due to an increase of current liabilities more than current assets. Increase of current liabilities was mostly from short-term loans withdrawn in lieu of long-term loans, whereas the increase in current assets was from cash on hand or cash equivalent items together with inventory on hand, resulting in the Group having a decreased Current Ratio from 1.23 times in 2014 to 1.17 times in 2015. Given the increased depreciation and amortization expenses in 2015 together with less effects from changes in operating assets and liabilities than that of 2014, this resulted in an overall significant increase in the Net Cash Receipts from Operating Activities compared to the previous year, as well as a higher rate of increase than average current liabilities. As such, the Group achieved an improved Operating Cash Flows Ratio from 0.23 times in 2014 to 0.32 times in 2015.

In addition, the Group's cash cycle increased from 64.55 days in 2014 to 68.48 days in 2015 due to:-

1. Average Collection Period increased from 71.28 days in 2014 to 72.95 days in 2015, as a result of increased sales for household products and industrial products of the subsidiaries. In addition, sales of household products and trading business which are transacted in cash in the Thai market decreased as well as there are long overdue payments from some customers up which the Group is chasing.
2. Inventory Turnover Days increased from 37.10 days in 2014 to 39.37 days in 2015 from the increase in quantity of both raw materials and finished goods inventory. The inventories are of the household as well as industrial product lines being kept to meet and support the increased sales orders and the expansion of new channel of distribution during 2015 i.e. the factory outlet or the Srithai Super Outlet.
3. Average Payment Period increased very marginally from 43.82 days in 2014 to 43.84 days in 2015, from the purchase and stock piling of raw materials necessary to meet the production plans, together with the payment term negotiations to obtain appropriate raw material prices. However, the decreased purchases of products for the trading business line corresponding to the decline in its sales as well the decrease in core raw material costs against the previous year caused the Average Payment Period not to be much longer.

Despite the lower Liquidity Ratios for 2015 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, whereas 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 19.18% in 2014 to 18.92% in 2015, as a result of increased depreciation expenses in line with additional investments in assets, the Group's inability to fully utilize these new assets, and the new 2 overseas subsidiaries having just started partial operations in late 2015. As such, the assets have not generated their full scale of revenues with appropriate return on investments. As overall domestic purchasing power has declined due to the economic slowdown, proportion of domestic sales of both household products and the trading business line, having high gross profits, decreased when compared to the previous year. Additionally, the Company had to bear the fixed overhead production costs while still not operating at full capacity. Nevertheless, the overall improved operating results of the household and industrial products lines as well as of the associates and a joint venture for 2015 had caused the Net Profit Attributable to Owners of the Parent to slightly decrease by 5.33% against last year. The Net Profit Ratio to Total Revenues of the Group was down from 4.77% in 2014 to 4.51% in 2015. The Return on Equity Ratio also decreased from 10.11% in 2014 to 9.19% in 2015 corresponding to the decline in overall profits and the increase in average Shareholders' Equity, as a result of the net profit after deducting the dividend payments.

## Efficiency Ratio

In 2015, the Return on Net Fixed Assets Ratio was lowered from 20.96% in 2014 to 20.47% in 2015, in line with less earnings whereas value of property, plant and equipment increased during the year from additional acquisition to serve business expansion together with the new manufacturing facilities in India and Vietnam.

## Financial Policy

The Group had the Debt to Equity Ratio of 1.22 times in 2014 against 1.24 times in 2015, due to the increase in the total liabilities exceeding the increase in total amount of shareholders' equity. The increase in total liabilities resulted from additional loans drawdown for investments in additional assets and for working capital, while the shareholders' equity increased corresponding to the increased net profits after deducting the dividend payment.

Additionally, the significant increase in the Net Cash Receipts from Operating Activities of the Group came from the increase in depreciation netted with the changes in the operating assets and liabilities. The decrease in finance costs resulted from the repayment of long term loans together with the delay in drawdown of long term loan facilities through using short term loans instead, which have lower interest rates, for working capital and support of business expansion during the year. This enabled the Group to achieve an improved Interest Coverage Ratio from 5.88 times in 2014 to 8.66 times in 2015. At the same time, despite the Group having higher commitments as a result of the repayment of long term loans together with making additional investments, the increase in Net Cash Receipts from Operating Activities was much higher. The Operating Cash Flow Coverage Ratio then improved from 0.43 times in 2014 to 0.51 times in 2015.

The Dividend Payment Ratio increased from 63.95% in 2014 to 65.86% in 2015, as a result of paying out a dividend per share at the same rate as 2014, despite the net profit in 2014 being lower against 2013. This Dividend Payment Ratio is in line with the Company's policy of paying 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 (SEC), 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 details of all 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

For the year ended 2015, consolidated revenues of the Company and its subsidiaries has increased by 0.12% Year-On-Year (YoY). Gross Margin has decreased to 18.92% (from 19.18%) of total revenues. As such consolidated net income of 2015 is Baht 478.23 million, that is attributable to the Owners of the Parent Company which is Baht 445.01 million, a decrease of Baht 25.05 million (or 5.33%) YoY. This represents an earnings per share (EPS) of Baht 0.16 – a decrease of Baht 0.01 YoY (from Baht 0.17). There are non-recurring transactions of any significant impact to the financial statements for 2015 which are gain of foreign exchange totaling Baht 17.57 million, compared to gain on foreign exchange of Baht 8.57 million in the last year, as a result of the weakening value of the Thai Baht against the US Dollar, and recognition of allowance for impairment of investment in P.E.T. Blow Company Limited totaling Baht 20.00 million, which is equivalent to the full investment amount in the Company's financial statements.

Consolidated financial information (partial)

Unit : Million Baht

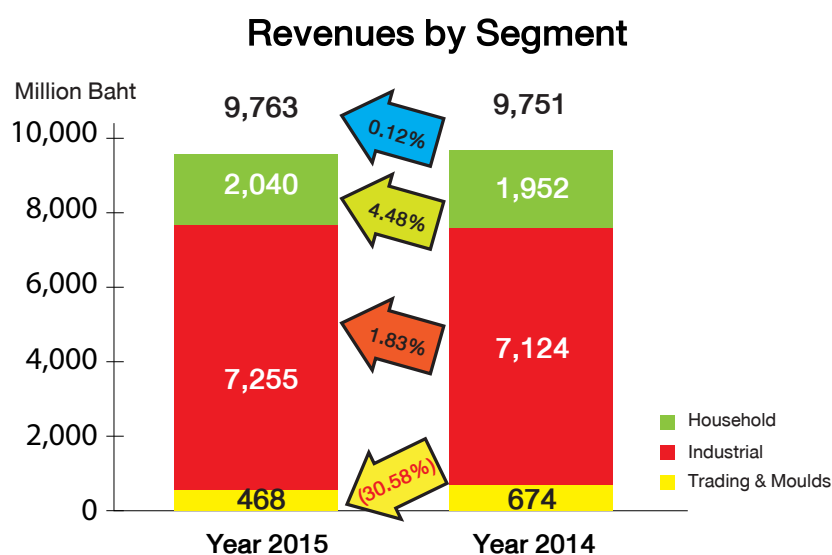
| Description                                     | Year 2015 | Year 2014 | Change from Year 2014 |         |
|-------------------------------------------------|-----------|-----------|-----------------------|---------|
|                                                 |           |           | Amount<br>Inc (Dec)   | % +(-)  |
| Sales                                           | 9,762.81  | 9,750.93  | 11.88                 | 0.12%   |
| Gross profit (%)                                | 18.92%    | 19.18%    | (0.26%)               | (1.36%) |
| EBIT (Profit before interest and tax)           | 721.20    | 707.30    | 13.90                 | 1.97%   |
| Net profit attributable to owners of the parent | 445.01    | 470.06    | (25.05)               | (5.33%) |
| % Net profit on sales                           | 4.56%     | 4.82%     |                       |         |
| Earnings per share (Baht)                       | 0.16      | 0.17      |                       |         |

## 14.2 Analysis of the Operating Results for 2015

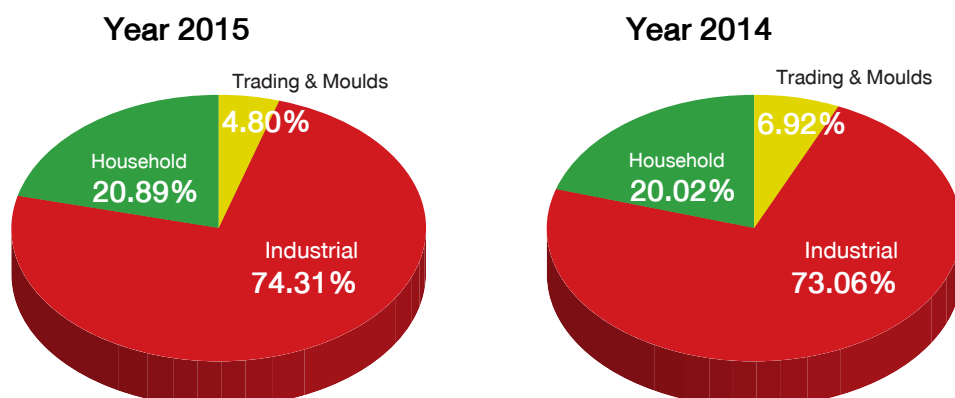
### A. Revenues - by Types of Business

Unit : Million Baht

| Description                             | Year 2015       |                | Year 2014       |                | Changes from Year 2014 |                 |
|-----------------------------------------|-----------------|----------------|-----------------|----------------|------------------------|-----------------|
|                                         | Amount          | % on sales     | Amount          | % on sales     | Amount Inc (Dec)       | % +(-)          |
| <b>Plastics Business Line</b>           | <b>9,294.55</b> | <b>95.20%</b>  | <b>9,076.43</b> | <b>93.08%</b>  | <b>218.12</b>          | <b>2.40%</b>    |
| <b>Household Products</b>               | <b>2,039.86</b> | <b>20.89%</b>  | <b>1,952.40</b> | <b>20.02%</b>  | <b>87.46</b>           | <b>4.48%</b>    |
| Domestic production                     | 1,889.82        | 19.36%         | 1,863.26        | 19.11%         | 26.56                  | 1.43%           |
| Overseas production                     | 150.04          | 1.54%          | 89.14           | 0.91%          | 60.90                  | 68.32%          |
| <b>Industrial Products</b>              | <b>7,254.69</b> | <b>74.31%</b>  | <b>7,124.03</b> | <b>73.06%</b>  | <b>130.66</b>          | <b>1.83%</b>    |
| Domestic production                     | 5,866.02        | 60.09%         | 5,829.47        | 59.78%         | 36.55                  | 0.63%           |
| Overseas production                     | 1,388.67        | 14.22%         | 1,294.56        | 13.28%         | 94.11                  | 7.27%           |
| <b>Trading and Moulds Business Line</b> | <b>468.26</b>   | <b>4.80%</b>   | <b>674.50</b>   | <b>6.92%</b>   | <b>(206.24)</b>        | <b>(30.58%)</b> |
| <b>Total</b>                            | <b>9,762.81</b> | <b>100.00%</b> | <b>9,750.93</b> | <b>100.00%</b> | <b>11.88</b>           | <b>0.12%</b>    |



## Revenues Proportion by Business Line



Revenue proportion by business lines for the Plastics Business line, in 2015 compared to last year, increased from 93.08% to 95.20% of total revenues – comprising an increase in the Household Products from 20.02% to 20.89% and the Industrial Products increase from 73.06% to 74.31%, while the Trading & Moulds Business Lines declining from 6.92% to 4.80%.

### 1) Household Products

Sales of Household Products in 2015 increased by Baht 87.46 million (or 4.48%) YoY compared to 2014, due to marketing strategy changes of a foreign subsidiary which is Srithai (Vietnam) Company Limited causing higher sales volume from retail/wholesale customers, modern trade customers, and HORECA group (Hotel, Restaurant and Catering). Economic growth of Vietnam has increased consumption of Vietnamese consumers. The AEC markets still have high potential and purchasing power. Moreover, a newly established subsidiary in India which is Srithai Superware Manufacturing Private Limited has gradually generated sales volume in the last quarter.

However, domestic sales via the direct sales channel decreased in 2015 against the previous year, stemming from the slowdown economy, and the continuing high household debt level which puts downward pressure on spending. Furthermore, export was still sluggish due to deceleration in economy of Middle East countries as a result of lower oil price which is major goods of the Middle East countries. This caused lower export sales to the Company. Meanwhile, domestic sales through distributors increased from melamine product orders as premium goods by a major convenience store operator which received good feedbacks from consumers.

### 2) Industrial Products

Sales of Industrial Products in 2015 increased by Baht 130.66 million (or 1.83%) YoY, as follows:

- Industrial products – automotive parts sold by a subsidiary increased significantly, starting as of late last year, due to the launch of new car models with minor changes. Furthermore, automobile manufacturing has been expanded in the last quarter due to the excise tax restructuring that will collect tax from emission of Carbon Dioxide (CO<sub>2</sub>) which affects price of some models and has pushed consumers to purchase those cars quicker.
- Sales of food packaging products increased compared to last year, especially In-Mould Labeling (IML) products and Topper products with copyright cartoon printed. Good feedbacks were received along with popular movies coming out during the year, despite lower sales of other products under this type pursuant to illegal labor used in the fishing industry which adversely impacts Thai food industry.

- Sales of beverage packaging products decreased against 2014, since in the previous year there was the Football World Cup event that caused the 2 major global soft drinks manufacturers undertaking their related marketing promotional campaigns. As well, export sales of preform products to Indonesia, Philippines, and Laos decreased in this year as customers procured the products by themselves. Furthermore, sales prices were lower corresponding to the declining costs of raw material since late last year, whilst new 'lightweight' products were developed using less raw materials which resulted in a reduction of the sales price.
- As for other groups of Industrial Products, overall sales decreased when compared to last year – namely: beverage crates and pallets. The ongoing declining trend of customers using such plastic crates stems from overall change and replacement in using PET bottles instead of glass bottles, which no longer requires the use of plastic crates. Some major customers who used to order our pallets have started to produce by themselves. In addition, price of products have been decreased following the raw materials cost. However, in 2015, the Company received increased sales orders for 'premium' products from a major convenience stores operator.

### 3) Trading and Trading & Moulds Business Lines

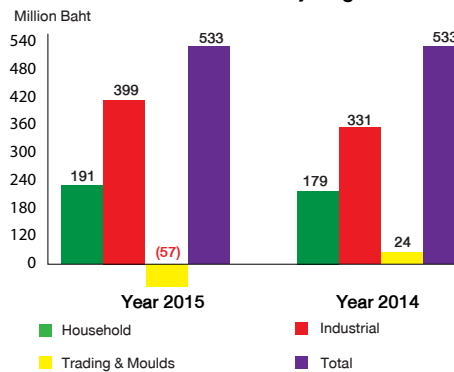
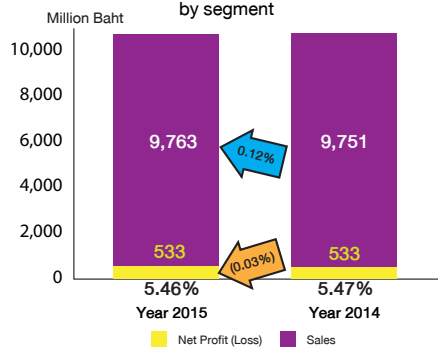
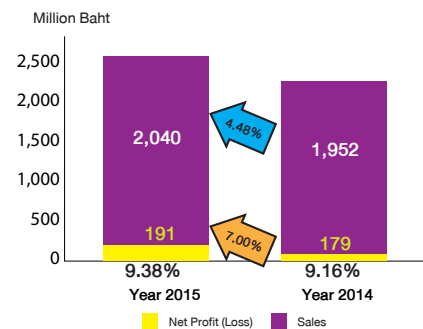
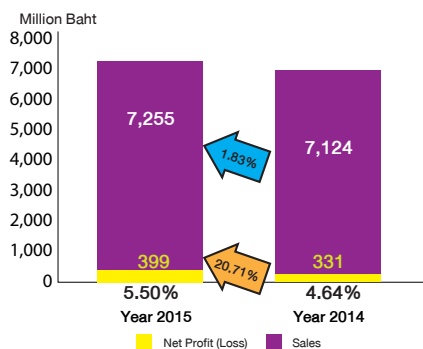
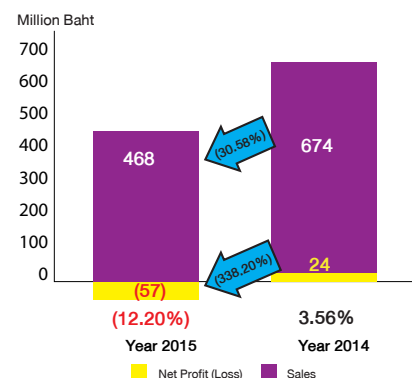
Total 2015 sales for the Trading & Moulds Business Lines decreased by Baht 206.24 million (or 30.58%) compared to last year, as follows:

- The overall decrease in Trading Business sales – especially for the innovative agricultural products sold through the Network Marketing Business Unit resulted from drought in the key targeted provincial markets for these agricultural products. Other key factors attributable to the lower sales included overall sluggish economy, the continuing high household debts, as well as the declining prices for agricultural commodities and products that were attributable to decreased income and lower purchasing power within the agricultural sector. Meanwhile, entering of new competitors within the Network Marketing Business industry with more attractive marketing strategies in attracting members to their networks has caused a decrease in the number of new members joining the Company's Network together with the exit of some of our leading Network Business members.
- Total sales for the Moulds Business Line increased YoY due to an increase in sales of new moulds used for the production of automotive parts.

## B. Profit from Sales by Segment

Unit : Million Baht

| Description                             | Year 2015      |                 | Year 2014     |              | Change from Year 2014 |                  |
|-----------------------------------------|----------------|-----------------|---------------|--------------|-----------------------|------------------|
|                                         | Amount         | % on sales      | Amount        | % on sales   | Amount Inc (Dec)      | % +(-)           |
| <b>Profit from sales by segment</b>     |                |                 |               |              |                       |                  |
| <b>Plastic Business Line</b>            | <b>590.41</b>  | <b>6.35%</b>    | <b>509.41</b> | <b>5.61%</b> | <b>81.00</b>          | <b>15.90%</b>    |
| Household products                      | 191.35         | 9.38%           | 178.83        | 9.16%        | 12.52                 | 7.00%            |
| Industrial products                     | 399.06         | 5.50%           | 330.58        | 4.64%        | 68.48                 | 20.72%           |
| <b>Trading and Moulds Business Line</b> | <b>(57.15)</b> | <b>(12.20%)</b> | <b>23.99</b>  | <b>3.56%</b> | <b>(81.14)</b>        | <b>(338.22%)</b> |
| <b>Total</b>                            | <b>533.26</b>  | <b>5.46%</b>    | <b>533.40</b> | <b>5.47%</b> | <b>(0.14)</b>         | <b>(0.03%)</b>   |

**Profit from sales by Segment**

**Profit from Sales by segment**

**Profit from Sales Household Products**

**Profit from Sales Industrial Products**

**Profit from Sales Trading & Moulds**


Profit from sales by segment in 2015 decreased by Baht 0.14 million (or 0.03%) compared to last year:

### 1) Household Products

Profit from sales for Household Products increased by 7.00% compared to last year. Net Profit Margin increased from 9.16% to 9.38% due to greater Gross Profit Margin from higher utilization rate of machinery, the price adjustment for export sales and the weakening of the Thai Baht. Besides, this year special sales orders for 'premium' products from a major convenience stores operator and the opening of a newly established Srithai Super Outlet generated lucrative gross margins while selling and administrative expenses increased corresponding to sales.

## 2) Industrial Products

Profit from sales of Industrial Products increased by 20.72% against last year, and the Net Profit Margin increased from 4.64% to 5.50% of sales because of increase in Gross Profit Margin resulting from higher utilization rate of machinery. Moreover, annual averaged raw material prices were lower than the previous year according to lower oil price, whilst development of Lightweight products has caused lower raw material usage. However, selling and administrative expenses rose at a lower rate than the increase in Gross Profit Margin.

## 3) Trading & Moulds Business Lines

The Trading & Moulds Business Lines faced total losses of Baht 57.15 million (or equal to 12.20% of sales) due to the decrease in sales and gross margins of the Trading Business Line, as a result of increased competition in the Network Marketing Business, slow down economic climate, and lingering drought. Meanwhile, campaigns and sales promotion expenses were still remained with the aim of reducing inventories in order to achieve a better and more appropriate balance in regards to the overall stock-keeping days.

## C. Selling and Administrative Expenses

Unit : Million Baht

| Description                        | Year 2015 |            | Year 2014 |            | Change from Year 2014 |         |
|------------------------------------|-----------|------------|-----------|------------|-----------------------|---------|
|                                    | Amount    | % on sales | Amount    | % on sales | Amount Inc (Dec)      | % +(-)  |
| Selling and administrative expense | 1,314.22  | 13.46%     | 1,336.71  | 13.71%     | (22.49)               | (1.68%) |

Selling & Administrative Expenses decreased in 2015 from 2014 by Baht 22.49 million (or 1.68%). Expenses regarding commission, sales promotions campaigns and exports sales activities were curtailed, which corresponded to the overall decreased sales for the Direct Sales business, the Trading Business Line, and export sales of Household Products and Preform.

## D. Analysis of Consolidated Financial Position by Consolidated Financial Position (partial)

Unit : Million Baht

| Description                          | As at Dec 31, 2015 | As at Dec 31, 2014 | Change from Dec 31, 2014 |              |
|--------------------------------------|--------------------|--------------------|--------------------------|--------------|
|                                      | Amount             | Amount             | Amount Inc (Dec)         | % +(-)       |
| Trade accounts receivable, net       | 1,928.17           | 1,992.36           | (64.19)                  | (3.22%)      |
| Inventories, net                     | 1,658.42           | 1,599.49           | 58.93                    | 3.68%        |
| Property, plant and equipment, net   | 5,851.64           | 5,373.05           | 478.59                   | 8.91%        |
| <b>Total assets *</b>                | <b>11,107.09</b>   | <b>10,516.04</b>   | <b>591.05</b>            | <b>5.62%</b> |
| Bank overdrafts and short-term loans | 1,751.60           | 1,452.30           | 299.30                   | 20.61%       |
| Trade accounts payable               | 959.31             | 968.42             | (9.11)                   | (0.94%)      |
| Long-term loans                      | 2,655.67           | 2,575.10           | 80.57                    | 3.13%        |
| Employee benefit obligations         | 378.92             | 296.57             | 82.35                    | 27.77%       |
| <b>Total liabilities *</b>           | <b>6,149.99</b>    | <b>5,783.93</b>    | <b>366.06</b>            | <b>6.33%</b> |
| Unappropriated retained earnings     | 1,792.12           | 1,674.79           | 117.33                   | 7.01%        |
| Non-controlling interests            | 244.73             | 225.67             | 19.06                    | 8.45%        |
| <b>Total shareholders' equity *</b>  | <b>4,957.10</b>    | <b>4,732.11</b>    | <b>224.99</b>            | <b>4.75%</b> |

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

As at December 31, 2015, significant changes in the consolidated financial position compared to December 31, 2014 are as follows:

- Decrease in Trade Accounts Receivable due to lower export sales of household products in 2015 corresponding to slowdown in export sector and the beverage packaging products since some overseas customers procure products by their own as well as lower price of overall goods resulting from dropping raw material costs.
- Increase in Inventories on hand resulting from an increase in finished goods stocks of Industrial Products such as containers, paint pails and pallets as for supporting higher sales corresponding to expansion of industries as well as factories or warehouses. Furthermore, finished goods of Household Products increased in order to support sales at Srithai Super Outlet.
- Increase in the net book value of Property, Plant and Equipment as a result of increased investments in new production facilities located in India and Vietnam, together with purchase of additional new machinery and equipments.
- Increase in Bank Overdrafts and Short-Term Loans due to additional loan draw downs this year.
- Decrease in Trade Accounts Payable especially in regards to trade accounts payable for products sold by the Network Marketing Business that has decreased considerably, and lower price of raw material corresponding to oil price. Further, the Company has also purchased and now keeps on hand only the proper quantity of key raw materials required for its production plans, as well as has renegotiated payment terms for such raw materials to be more appropriate.
- Increase in Long-Term Loans (net after scheduled repayments) resulting from the loan draw downs for assets acquisition.
- Increase in Employee Benefit Obligations resulting from the recognition of committed staff welfare and other benefits obligations in compliance with legal requirements and commitments including evaluation result of committed staff welfare in this year.
- Increase in Unappropriated Retained Earnings totaling Baht 117.33 million, resulting from increase in Profit Attributable to Owners of the Parent for the year after the dividend payment for the FY/2014 performance amounting to Baht 270.99 million. Revaluation of committed staff welfare after retirement totaled Baht 31.69 million and legal reserve was Baht 25.00 million.
- Increase in Non-controlling Interests from increased net profits of subsidiary companies for the year 2015 netted with dividend payment.

## E. Analysis of Liquidity by Consolidated Statement of Cash Flows (partial)

Unit : Million Baht

| Description                                                | 12 months     | 12 months     | Change from<br>Prior period |
|------------------------------------------------------------|---------------|---------------|-----------------------------|
|                                                            | Dec 31, 2015  | Dec 31, 2014  |                             |
| Cash flows from operating activities                       | 1,167.03      | 730.83        | 436.20                      |
| Cash flows from investing activities                       | (1,098.48)    | (615.73)      | (482.75)                    |
| Cash flows from financing activities                       | 79.46         | (79.26)       | 158.72                      |
| <b>Net increase (decrease) in cash and cash equivalent</b> | <b>148.01</b> | <b>35.84</b>  | <b>112.17</b>               |
| Cash and cash equivalents, opening balance                 | 472.96        | 437.12        | 35.84                       |
| <b>Cash and cash equivalents, closing balance</b>          | <b>620.97</b> | <b>472.96</b> | <b>148.01</b>               |

For the 12 months of 2015 period, the Company had significant cash flows transactions as follows:

- 1) Increase in Cash Flows from Operating Activities compared to the previous year, due to the decrease in trade accounts receivable and VAT claims, low increase in inventories on hand compared to the previous year, increase in depreciation, and recognition of actuarial losses for other long term benefit scheme.
- 2) Increase in Net Cash Payments for Investing Activities due to purchases of fixed assets as well as investments made in establishing new production facilities by subsidiary companies in India and Vietnam.
- 3) Increase in Cash Flows from Financing Activities due to the amount of new long term loans draw downs exceeding the amount of scheduled long term loan repayments made.

As at December 31, 2015, the Group still has unutilized credit facilities, comprising long term loan facilities and revolving credit facilities exceeding Baht 4 billion at appropriate costs of funds. The Company is also in the process of seeking additional sources of funds to support the Group's overall business plans. These can be ensured that the Group has sufficient cash flow to support both its operations and investments plans.

## 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

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

### 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 2015 |
|--------------------------|-------------------------|----------------|
| D/E Ratio                | Not exceeding 2.0 times | 1.05           |
| DSC Ratio                | Not less than 1.1 times | 1.68           |

During 2015, the Company made a prepayment two 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 2015 will be equal to 1.89 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 2015 and Post Statement of Financial Position Events**

During 2015, the 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 (Hanoi) Company Limited**

In December 2014, Srithai (Hanoi) Company Limited ("SHN") was established by Srithai (Vietnam) Company Limited ("SVN") which is located in Bac Ninh, Vietnam for producing and selling food and beverage packaging products and plastic industrial products. SHN's registered capital is Vietnamese Dongs 424,920 million or US Dollars 20.0 million. SVN holds 100% shares resulting in SHN being a subsidiary of SVN and an indirect subsidiary of the Company. The investment in SHN aims to expand production base of SVN in the North of Vietnam from original base in the South as well as create geographical advantage that will build opportunity for SVN to get more orders from existing customers and/or support market expansion to new customer groups in the future.

Since the establishment until December 31, 2015, SVN continuously paid capital to SHN amounting to Vietnamese Dongs 270,000 million or around US Dollars 12.7 million for registration expenses, land leasehold rights, office buildings and factories construction, as well as machineries and production equipments of SHN. The company has started its operation in Q4/2015.

During January to February 2016, SVN paid capital to SHN for another Vietnamese Dongs 35,000 million resulting in up-to-date total paid capital by SVN of Vietnamese Dongs 305,000 million or around US Dollars 14.4 million.

#### **1.2 Investment in Srithai (Vietnam) Company Limited**

In Q1/2015, Srithai (Vietnam) Company Limited ("SVN"), a wholly-owned subsidiary of the Company, increased its registered capital from US Dollars 20.0 million to US Dollars 40.0 million as source of funds for investment in Srithai (Hanoi) Company Limited ("SHN"). During 2015, the Company completed the capital injection of US Dollars 20.0 million or Baht 697.0 million by taking into account the timing appropriateness of payment made to SHN, SVN's financial status and currency exchange situation. The Company's source of funds is from cash flow from operating activities and loan from domestic commercial banks.

Moreover, in Q3/2015 the Company's Board of Directors approved SVN to increase its registered capital for another US Dollars 21.0 million, an increase from US Dollars 40.0 million to US Dollars 61.0 million, as a source of funds for supporting business and production base expansion in the future. The Company will be a sole investor of the capital increase. However, SVN and the Company are considering suitability of investment plan. As of December 31, 2015, SVN had not proceeded with the registration of capital increase as approved by the Board of Directors.

#### **1.3 Investment in Srithai Superware Manufacturing Private Limited**

In Q1/2015 the Company made a payment of remaining capital to Srithai Superware Manufacturing Private Limited ("SSMP"), a wholly-owned subsidiary of the Company, amounting to Indian Rupees 100.0 million or Baht 52.8 million. Thus, the Company's total investment amount in SSMP equals Indian Rupees 500.0 million, comprising registered capital of Indian Rupees 400.0 million and premium on shares of Indian Rupees 100.0 million which is fully paid as approved by the Company's Board of Directors in 2013.

Additionally, in Q2/2015 the Company's Board of Directors approved SSMP to increase its registered capital and approved the Company to increase its investment in SSMP from original amount of Indian Rupees 500.0 million to Indian Rupees 900.0 million in order to support investment plans and to have suitable financial costs for SSMP. SSMP increased registered capital in 2015, therefore, as of December 31, 2015, total capital paid by the Company was Indian Rupees 600.0 million with premium on shares of Indian Rupees 150.0 million. The Company's total investment in SSMP is then Indian Rupees 750.0 million. SSMP has started its operations in Q3/2015.

#### **1.4 Liquidation of Super Idea Company Limited**

In September 2015, Super Idea Company Limited ("SPI"), a wholly-owned subsidiary of the Company, registered for its liquidation with the Ministry of Commerce according to a resolution of the Extraordinary Shareholders Meeting of SPI. It is due to the fact that SPI has not been fully ready to start its operations as well as has long been in the process of assessing the business situations together with other aspects relating to the overall market potential, prospective customers and the economic and political environment by the foreign business partner for its decision whether or not to proceed with the investment in Thailand. This does not maximize benefits and is not worth for investment of the Company in SPI in a long term.

SPI completed the liquidation in Q4/2015 and the Company received capital repayment from the subsidiary's liquidation for Baht 6.3 million which is higher than the amount paid by the Company to SPI.

#### **1.5 Investment in a New Overseas Company**

In Q4/2015 the Company's Board of Directors approved to invest in a newly established company in the People's Republic of China to produce and sell melamine household products. This aims to expand the Company's business and household product market in foreign countries. Registered capital does not exceed Chinese Yuans 5.0 million or around Baht 30.0 million. The Company will hold 15.0% shareholding of the company for Chinese Yuans 0.75 million or around Baht 4.5 million. The investment in the new company is considered as other long-term investment.

At present, the new company is in the process of company registration with the Chinese government agency and expected to be complete in Q2/2016.

#### **1.6 Impairment of Investment in P.E.T. Blow Company Limited**

During the year ended as at December 31, 2015, the Company's management had considered and determined to set up provision for impairment of investment in a subsidiary, P.E.T. Blow Company Limited ("P.E.T."), of Baht 20.00 million which equals to the cost of investment in the subsidiary in the Company financial statements. The management made its determination based on the subsidiary declining performance and increasing in cumulative deficits of P.E.T. caused by declining big customers' orders without any replacement. The provision is presented under loss on impairment of investment in subsidiary in the statement of comprehensive income.

## **2. Loans**

### **2.1 Long Term Loans Facilities**

In Q1/2015 the Company has made a drawdown of long term loan from a domestic commercial bank and a leasing company totaling Baht 800 million out of the total credit line that the Company has received and signed loan agreements in 2014 of Baht 1,100 million. For the remaining long term loan amount of Baht 300 million (Baht 1,100 – 800 million), the Company expects to drawdown such amount from a domestic commercial bank in Q1/2016.

During 2015, the Company has received unsecured long term loan from a domestic commercial bank amounting to Baht 300 million with 7-year term and fixed interest rate throughout the loan tenure period to support investment plans, and has signed the loan agreement in Q1/2016. The Company anticipates receiving additional long term loan in 2016 according to its financial status and investment plans.

In raising additional debts as sources of funds to support the Company's businesses, the Board of Directors and the executives have taken careful 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 conditions set under the loan facilities. The Company has disclosed details of its existing long debt obligations as at December 31, 2015 totaling Baht 2,121.43 million in the Notes to the Financial Statements for the year ended December 31, 2015: under Note 20 : Long -term loans on pages 54 - 57.

## **2.2 Revolving Credit Facilities**

The Company has been receiving support and trust from financial institutes regularly. In 2015, the Company received additional revolving lines of credit from 2 foreign banks in Thailand totaling Baht 500 million. Therefore, the Company's total revolving line of credit of every financial institute is currently sufficient as working capital for the Company and its business expansion. Moreover, the Company can selectively utilize the credit line from each source of fund with appropriate financial costs.

## **2.3 Guarantee for Subsidiary**

In Q1/2015, the Company issued a new letter of guarantee to a material supplier in Thailand in order to renew a guarantee period for another year for raw materials payment of Srithai (Vietnam) Company Limited ("SVN"), the Company's subsidiary. The guaranteed amount was also increased from US Dollars 5 million to US Dollars 6.5 million in support of the subsidiary for material procurement with higher demand and suitable costs.

After the end of guaranteed period on February 29, 2016, the Company is no longer required to renew the letter of guarantee for raw materials payment of SVN because SVN's financial circumstance is better, enhancing its credibility from raw material suppliers.

## **2.4 Loan between Subsidiaries**

In Q4/2015, PETB signed loan agreements with Korat Thai Tech Company Limited ("KTT") and Srithai Nanoplast Company Limited, wholly-owned subsidiaries of the Company, each for Baht 15.0 million totaling Baht 30.0 million, with fixed interest rate throughout the loan period. These credit lines are for prepayment of long term loans to domestic commercial banks and for working capital so that the Group shall have financial costs and returns suitable for each respective subsidiary. PETB partially received loans from KTT and SNP, and outstanding amount as of December 31, 2015 was Baht 25.0 MB.

# **3. Other Matters**

## **3.1 Resignation of Directors**

On January 15, 2015, Mrs. Srisuda Lertsumitkul resigned from the Director position before the end of the term. Currently, the Company has not appointed any individuals to take such position.

## **3.2 Appropriation of Net Profit and Dividend Payment**

The Company has appropriated its net profit for the year 2014 period to be allocated for required legal reserves totaling Baht 21,000,000, as well as for making a dividend payment to its shareholders at

the rate of Baht 0.10 per share in 2015, totaling Baht 270,990,480 or equal to 65.86% 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 change in the par value of these shares, which previously totaled 270,990,480 shares.

Additionally, the 3 subsidiaries, namely: Korat Thai Tech Company Limited, Srithai Miyagawa Company Limited and Srithai (Vietnam) Company Limited, each approved a resolution to make a dividend payment from their respective net profits for the year 2015 period as follows :

| Name of Company<br>/ Approved by                                                                       | % Equity<br>Shareholding | Dividend<br>per Share | Total Payment       |
|--------------------------------------------------------------------------------------------------------|--------------------------|-----------------------|---------------------|
| Srithai Superware Public Company Limited<br>• Annual General Meeting of Shareholders on April 29, 2015 | -                        | Baht 0.10             | Baht 270.99 million |
| <b>Subsidiaries</b>                                                                                    |                          |                       |                     |
| <b>Korat Thai Tech Company Limited</b>                                                                 |                          |                       |                     |
| • Annual General Meeting of Shareholders on March 31, 2015                                             | 100.00                   | Baht 20.00            | Baht 60.00 million  |
| • 1 <sup>st</sup> Extraordinary Meeting of Shareholders on June 29, 2015                               | 100.00                   | Baht 20.00            | Baht 60.00 million  |
| • 2 <sup>nd</sup> Extraordinary Meeting of Shareholders on December 14, 2015                           | 100.00                   | Baht 5.00             | Baht 15.00 million  |
| <b>Srithai Miyagawa Company Limited</b>                                                                |                          |                       |                     |
| • Annual General Meeting of Shareholders on April 25, 2015                                             | 51.00                    | Baht 17.00            | Baht 20.40 million  |
| <b>Srithai (Vietnam) Company Limited</b>                                                               |                          |                       |                     |
| • Board of Directors' Meeting on August 17, 2015                                                       | 100.00                   | -                     | Baht 76.43 million  |

### 3.3 Reclassifying the Industry Group/Sector Listing Designation Applicable for the Company

The Stock Exchange of Thailand considered it appropriate to reclassify the Industry Group/Sector listing designation applicable for the Company from the "Consumer Products" industry group under "Home & Office Products" sector to be under the "Industrials" industry group under "Packaging" sector. This is in order to be more clearly identifiable for investors and also to reflect the current business operations, product types and revenues structure of the Company since most of revenues are generated from the packaging product group. As such, this reclassification is effective from July 2, 2015 onwards.

### 3.4 Fund Raising of Srithai (Vietnam) Company Limited in the Stock Exchange of Thailand

In 2015, the Company's Board of Directors approved to list the business and shares of Srithai (Vietnam) Company Limited ("SVN"), the Company's subsidiary, in the Stock Exchange of Thailand ("SET") and offer shares to the public for the first time ("IPO") through a Holding Company that will be established in Thailand to hold shares of SVN for the Company. The Holding Company then will be listed in the SET as a source of fund raising for SVN in the future whereby the Company is still a major shareholder of the Holding Company, which remains a status as a subsidiary of the Company.

The Company appointed Asia Plus Advisory Company Limited ("Asia Plus") as a financial advisor to study and formulate a plan. The listing plan was set in 2016 for the filing to the Securities and Exchange Commission and the IPO trading in the SET in Q2/2017.

However, as SVN's business especially beverage packaging products having been expanded in both current factory in the South of Vietnam and a new factory in the North through Srithai (Hanoi) Company Limited ("SHN"), SVN's subsidiary, it requires high investment thanks to its nature of capital intensive industry. The Company needs to provide the support to SVN by injecting high capital amount as

source of funds, despite the outstanding business and revenue growth of SVN in the past couple years. As such, SVN has a large capital but cannot effectively utilize newly invested assets to generate return on investment appropriately. After a study and evaluation of financial structure and current and future performance of SVN, the Company and Asia Plus mutually agreed to postpone the listing of SVN's shares in the SET and the IPO launch from the original plan. This is due to the fact that listing of SVN's shares in the SET and the IPO launch in such period may not maximize benefits to the Company and may not attract investors as much as expected.

In this regard, the postponement of SVN's fund raising in SET is merely a waiting for SVN and SHN's performance consideration and a right timing. Eventhough SVN cannot currently raise funds in the SET, SVN and SHN still have sufficient source of funds to support the annual business plans with financial institutes having confidence in them and being ready to financially provide the support.

### **3.5 Results of the Annual Evaluation of Corporate Governance Practices and Assessment of the Quality of the Annual General Meeting of Shareholders for 2015**

In 2015, 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 score of 97.25 points from 100.00 points. Both of these evaluation results reflect the achievements of the Company in maintaining the high standards for its works and for its ongoing improvement.

### **3.6 Post Statement of Financial Position Event**

- **Guarantee of a subsidiary**

On January 4, 2016, the Company has issued a letter of guarantee to a local supplier for the payment of raw materials of Srithai (Hanoi) Company Limited, a wholly owned subsidiary of Srithai (Vietnam) Company Limited and an indirect subsidiary of the Company, for the guarantee limit of US Dollars 0.50 million.

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

On February 26, 2016, the Board of Directors approved the appropriation of the Company's net profit for the year 2015 period (ie: January to December 2015) as follows: for required legal reserves totaling Baht 25,000,000, and for dividend payment at the rate of Baht 0.10 per share totaling Baht 270,990, 480 (or equal to 60.94 % 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. 35 (for the year 2016).

## **14.3 BUSINESS OUTLOOK FOR 2016**

### **1) Household Products**

#### **Domestic market**

- Direct Sales Business is expected to generate more sales and be able to expand to the AEC countries by improving working guidelines of members, leaders and sales executives as well as a policy that reaches a change of social value of the new generation. Management on human resources as well as offering of melamine products with attractive design, and new products that meet customers' need by collaborating with business partners will be focused.
- Sales can be improved from an addition of distribution channel, a first store in Chonburi known as Srithai

Super Outlet. It was officially opened in June 2015 by sourcing goods from the Company's factories and other leading companies. The Outlet has become well known amongst customers and helps create awareness and strengthen the Company's brand.

### **Export Markets**

- It is forecasted that export of melamine products will be remained the same as in 2015, depending on market expansion capability and close monitoring on risk factors. Export in 2016 still has risks due to global economy slowdown, lower oil price and terrorism. However, there are positive factors from investment expansion in Cambodia, Laos, Myanmar and Vietnam (CLMV) which are potential markets. Moreover, markets in Europe and the United States are still growing, as products will be developed to meet needs of customers who cherish quality and on-time delivery.
- The newly established subsidiary in India is anticipated to have higher sales from an expansion on production capacity which will help enlarge both Direct Sale and Wholesale markets in India and be able to have price competitiveness because of goods from Thailand faces higher import duties. Furthermore, the Group focuses on building the brands of Superware and Ektra to be more accepted in terms of quality, durability and beauty.

## **2) Industrial Products**

### **Beverage packaging product**

- In 2016, sales of industrial products – beverage packaging are set to grow from 2015 since the government has promoted domestic tourism which will increase overall consumption. Moreover, the Company has continuously developed Lightweight innovation which will help reduce raw materials consumption for customers.
- Sales of the subsidiaries in Vietnam are expected to increase from 2015 since a production base has been started in Hanoi, North of Vietnam, for producing beverage packaging products in support of business expansion and domestic economic growth. This will save cost and shorten delivery time to customers in the North of the country. The factory has started its production and generated revenue since Q4/2015.

### **Food packaging products**

- Food packaging product market is still affected by domestic economy. Therefore, the Company intends to expand to foreign markets such as cineplex business sector in the ASEAN and other countries, especially Vietnam, Indonesia, Korea, Taiwan and China as cineplex business in these countries still have fine growth. Furthermore, the Company also looks forward to new customers for food packaging products with In Mould Labeling (IML).

### **Other Industrial Products**

- In 2016, the Company expects more sales of pallets, containers and paint pails manufactured by IML production process from orders of mega projects since these products will have growth consistent with expansion of industries. In addition, there will be more orders of bottle crates for crate replacement in 2016.

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

### **Trading Business Line**

- Sales in 2016 have continuous slowdown growth from 2015. However, the annual growth will be improved in overall since household consumption is getting healthier, though not fully recovered. Nevertheless, Srithai Network business still aims to provide innovative services and products that meet demands of target customers. Additionally, the business will implement marketing strategies to attract business owners and businessman to enhance potential for building sales, as well as marketing through every channel including online and social media. Moreover, there are new projects and distribution channels for boosting sales continuously, namely:

1. Initiating business partnership projects for researching and inventing new agricultural products with global standard, as well as launching S-Matrix related products to the ASEAN markets.
2. Initiating Srithai Organic Agriculture Center Network project nationwide that will be an S-Matrix Quality Center. Both knowledge and capability will be developed for owners so that they will become products experts. The front area of these store facilities will also be improved in conformity with appropriate and attractive design standards.
3. Initiating the establishment of the S-Matrix Learning and R&D Center, so that it can be used for the introduction and demonstration of all S-Matrix related products for those interested in the products. The associated standards of business image and credibility will then be upgraded in order to drive the development of this business on a sustainable basis.
4. Launching the Food Matrix supplement products, so that it can be a choice and generate more sales. Marketing scheme will be executed to members running FoodMatrix Express outlets who are distribution representatives at the 'tambon' and 'ampur' level.

**Moulds Business Line**

- It is expected that 2016 sales will be reduced from 2015 since major automotive customers of the Group had transformed car models in 2015, which causes lower demand in new moulds. However, the Group is still looking for new customers to stimulate sales of this business line.

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

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



**Shareholding in the Company:**

| Held by      | As at December 30, 2014 |              | Net change during<br>the year (+ or -) | As at December 30, 2015 |              |
|--------------|-------------------------|--------------|----------------------------------------|-------------------------|--------------|
|              | No. of shares           | %            |                                        | No. of shares           | %            |
| Owner        | 440,823,510             | 16.27        | NONE                                   | 440,823,510             | 16.27        |
| Spouse       | 0                       | 0.00         | NONE                                   | 0                       | 0.00         |
| Minor Child  | 0                       | 0.00         | NONE                                   | 0                       | 0.00         |
| <b>Total</b> | <b>440,823,510</b>      | <b>16.27</b> | <b>NONE</b>                            | <b>440,823,510</b>      | <b>16.27</b> |

-None-

**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, 3 <sup>rd</sup> Class    | -                       |
| Mahachulalongkornrajavidyalaya University          | Honorary Doctorate Degree in Philosophy              | Social Science          |

**Experience:**

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

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

| Company                                  | Position                                                              |
|------------------------------------------|-----------------------------------------------------------------------|
| Srithai Superware Public Company Limited | Chairman, President, and Nomination and Remuneration Committee Member |

**2) Non-listed Companies:**
**2.1) Srithai Superware Group :**

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

**2.2) Other Companies:**

| Company                                  | Position |
|------------------------------------------|----------|
| <b>Related Party Company</b>             |          |
| 1. S.Sahatara (Thailand) Company Limited | Director |
| 2. Toho Foam (Thailand) Company Limited  | Director |
| <b>Other Company</b>                     |          |
| 1. LN Srithai Comm Company Limited       | Director |
| 2. Nissen Chemitec (Thailand) Limited    | Director |

**3) Position in Competing Companies /  
Company Related to Business of the  
Company that Conflict of Interest**

**May Arise** : None

**Attendance:**

|                                                 |                          |                              |
|-------------------------------------------------|--------------------------|------------------------------|
| - Annual General Meeting of Shareholders        | No. of meetings held : 1 | No. of meetings attended : 1 |
| - Board meeting                                 | No. of meetings held : 6 | No. of meetings attended : 6 |
| - Nomination and Remuneration Committee meeting | No. of meetings held : 3 | No. of meetings attended : 3 |

**Tenure of directorship** : 23 years (since 1993 till present time)

## 2) Mr. Viroj Lowhaphandu



**Age** : 86 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

| Held by      | As at December 30, 2014 |             | Net change during the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|-------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                     | No. of shares           | %           |
| Owner        | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Spouse       | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| <b>Total</b> | <b>0</b>                | <b>0.00</b> | <b>NONE</b>                         | <b>0</b>                | <b>0.00</b> |

### Relationship among

**Directors and Executives** : None

### Illegal Acts in

**the Past 10 Years** : None

**Training Course** : Before year 2015

**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 2015  
 Advanced Audit Committee Program (AACP) Class 19/2015

**Other Training** : Before year 2015  
 Certified Professional Internal Auditors  
 Certified Public Accountant (Thailand)  
 Audit Committee Financial Expert  
 : Year 2015  
 -None-

### 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 |

**Other Experiences:**

| Company                                                                                    | Position                                                  |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| The Joint Doctoral Program in Business Administration (JDBA)                               | Director                                                  |
| Thammasat Association                                                                      | President                                                 |
| The Institute of Certified Accountants and Auditors of Thailand                            | President                                                 |
| Federation of Accounting Professions,<br>under the Royal Patronage of His Majesty the King | Advisor                                                   |
| Faculty of Commerce and Accountancy, Thammasat University                                  | Student President and President of the Alumni Association |

**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** : None

**3) Position in Competing Companies /  
Company Related to Business of the  
Company that Conflict of Interest**

**May Arise** : None

**Attendance:**

|                                                                                     |                          |                              |
|-------------------------------------------------------------------------------------|--------------------------|------------------------------|
| - Annual General Meeting of Shareholders                                            | No. of meetings held : 1 | Not attended                 |
| - Board meeting                                                                     | No. of meetings held : 6 | No. of meetings attended : 6 |
| - Audit Committee meeting (Normal)                                                  | No. of meetings held : 4 | No. of meetings attended : 4 |
| - Audit Committee meeting (Special)                                                 | No. of meetings held : 1 | No. of meetings attended : 1 |
| - Meeting among independent directors and auditors without attendance of executives | No. of meetings held : 1 | No. of meetings attended : 1 |

**Tenure of directorship** : 22 years (since 1994 till present time)

### 3) Mr. Enghug Nontikarn



**Age** : 59 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:

| Held by      | As at December 30, 2014 |             | Net change during<br>the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|----------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                        | No. of shares           | %           |
| Owner        | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| Spouse       | 59,000                  | 0.00        | NONE                                   | 59,000                  | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| <b>Total</b> | <b>59,000</b>           | <b>0.00</b> | <b>NONE</b>                            | <b>59,000</b>           | <b>0.00</b> |

#### Relationship among

**Directors and Executives** : None  
**Illegal Acts in the Past 10 Years** : None  
**Training Course** : Before year 2015  
Director Accreditation Program (DAP)  
Thai Institute of Directors Association (IOD)  
: Year 2015  
-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<br>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:**

|                                                                                     |                          |                              |
|-------------------------------------------------------------------------------------|--------------------------|------------------------------|
| - Annual General Meeting of Shareholders                                            | No. of meetings held : 1 | No. of meetings attended : 1 |
| - Board meeting                                                                     | No. of meetings held : 6 | No. of meetings attended : 6 |
| - Audit Committee meeting (Normal)                                                  | No. of meetings held : 4 | No. of meetings attended : 4 |
| - Audit Committee meeting (Special)                                                 | No. of meetings held : 1 | No. of meetings attended : 1 |
| - Nomination and Remuneration Committee meeting                                     | No. of meetings held : 3 | No. of meetings attended : 3 |
| - Meeting among independent directors and auditors without attendance of executives | No. of meetings held : 1 | No. of meetings attended : 1 |

**Tenure of directorship** : 22 years (since 1994 till present time)

#### 4) Mr. Suchat Boonbanjersri



**Age** : 56 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 :

| Held by      | As at December 30, 2014 |             | Net change during<br>the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|----------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                        | No. of shares           | %           |
| Owner        | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| Spouse       | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| <b>Total</b> | <b>0</b>                | <b>0.00</b> | <b>NONE</b>                            | <b>0</b>                | <b>0.00</b> |

##### Relationship among

**Directors and Executives** : None

**Illegal Acts in the Past 10 Years** : None

**Training Course** : Before year 2014

**Thai Institute of** Directors Certification Program (DCP)

**Directors Association (IOD)** Audit Committee Program (ACP)

: Year 2015

-None-

**Other Training** : Before year 2015

- Executive Program Capital Market Academy

- Executive Development Program (EDP)

Thai Listed Companies Association

- Leadership Development Program (LDP)

Thai Listed Companies Association

: Year 2015

-None-

##### Education:

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

## Experience:

| Company                                                                                                                    | Position                              | Time Period      |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------|
| Kasikornbank Public Company Limited                                                                                        | Dealer – Treasury Department          | A.D. 1985 – 1986 |
| Kasikornbank Public Company Limited,<br>Los Angeles Branch                                                                 | Manager                               | A.D. 1986 – 1994 |
| Thammasat University, Kasetsart University                                                                                 | Guest Lecturer, M.B.A. Program        | A.D. 1987        |
| Asset Plus Securities Company Limited                                                                                      | Senior Vice President                 | A.D. 1994 – 1996 |
| Dynamic Eastern Finance (1991) Public<br>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<br>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,<br>a state enterprise under the<br>Ministry of Transport and Communication | Director                              | A.D. 2001 – 2002 |
| Siam Syntech Construction Public Company<br>Limited                                                                        | Director                              | A.D. 2001 – 2002 |
| Sub-Committee on Economics Development,<br>House of Representatives                                                        | Advisor                               | A.D. 2001 – 2005 |
| Aeronautical Radio of Thailand Company Limited                                                                             | Advisor, Risk Management<br>Committee | A.D. 2002 – 2006 |

## Present Positions in Companies:

## 1) Listed Companies:

| Company                                  | Position                                                                                                 |
|------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Srithai Superware Public Company Limited | Independent Director, Audit Committee Member,<br>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:

|                                                                                        |                          |                              |
|----------------------------------------------------------------------------------------|--------------------------|------------------------------|
| - Annual General Meeting of Shareholders                                               | No. of meetings held : 1 | No. of meetings attended : 1 |
| - Board meeting                                                                        | No. of meetings held : 6 | No. of meetings attended : 4 |
| - Audit Committee meeting (Normal)                                                     | No. of meetings held : 4 | No. of meetings attended : 4 |
| - Audit Committee meeting (Special)                                                    | No. of meetings held : 1 | Not attended                 |
| - Good Corporate Governance Committee meeting                                          | No. of meetings held : 4 | No. of meetings attended : 4 |
| - Meeting among independent directors and auditors without<br>attendance of executives | No. of meetings held : 1 | No. of meetings attended : 1 |

Tenure of directorship : 14 years (since 2002 till present time)

## 5) Mrs. Siriporn Sailasuta



**Age** : 69 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:

| Held by      | As at December 30, 2014 |             | Net change during the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|-------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                     | No. of shares           | %           |
| Owner        | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Spouse       | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| <b>Total</b> | <b>0</b>                | <b>0.00</b> | <b>NONE</b>                         | <b>0</b>                | <b>0.00</b> |

### Relationship among

**Directors and Executives** : None  
**Illegal Acts in the Past 10 Years** : None  
**Training Course** : Before year 2015  
**Thai Institute of Directors Association (IOD)** : Director Certification Program (DCP)  
 Financial Statements for Directors (FSD)  
 Role of Compensation Committee (RCC)  
 : Year 2015  
 -None-

### Education

| Institution                                                                     | Degree                                             | Major                                                       |
|---------------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------|
| Chulalongkorn University                                                        | B.Sc. in Engineering                               | Electrical Engineering                                      |
| Pennsylvania State University                                                   | Certificate                                        | Energy Planning Programme for Southeast Asia Countries      |
| Office of the Civil Service Commission                                          | Certificate, Top Executive Training Program 1      | -                                                           |
| The National Defence College of Thailand, Institute of National Defence Academy | Certificate of Achievement, 42 <sup>nd</sup> 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<br>(Administrator Level 9) | A.D. 1997-2000 |
| Department of Energy Development and Promotion, Ministry of Science and Technology | Director General<br>(Administrator Level 10)       | A.D. 2000-2002 |
| Department of Alternative Energy Development and Efficiency, Ministry of Energy    | Director General<br>(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,<br>Chairperson of the Nomination and Remuneration Committee,<br>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:**

|                                                                                        |                          |                              |
|----------------------------------------------------------------------------------------|--------------------------|------------------------------|
| - Annual General Meeting of Shareholders                                               | No. of meetings held : 1 | No. of meetings attended : 1 |
| - Board meeting                                                                        | No. of meetings held : 6 | No. of meetings attended : 6 |
| - Nomination and Remuneration<br>Committee meeting                                     | No. of meetings held : 3 | No. of meetings attended : 3 |
| - Good Corporate Governance Committee meeting                                          | No. of meetings held : 4 | No. of meetings attended : 3 |
| - Meeting among independent directors and auditors without<br>attendance of executives | No. of meetings held : 1 | No. of meetings attended : 1 |

**Tenure of directorship** : 8 years (since 2008 till present time)

## 6) Mr. Naphol Lertsumitkul



**Age** : 54 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:**

| Held by      | As at December 30, 2014 |             | Net change during the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|-------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                     | No. of shares           | %           |
| Owner        | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Spouse       | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| <b>Total</b> | <b>0</b>                | <b>0.00</b> | <b>NONE</b>                         | <b>0</b>                | <b>0.00</b> |

### Relationship among

**Directors and Executives** : Elder brother of Ms. Bunnapa Lertsumitkul  
**Illegal Acts in the Past 10 Years** : None  
**Training Course** : Before year 2015  
**Thai Institute of Directors Association (IOD)** : Director Accreditation Program (DAP)  
: Director Certification Program (DCP)  
: Director Certification Program Update (DCPU)  
: Year 2015  
: -None-

### 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 |
|----------------------------------|----------|
| <b>Subsidiary Company</b>        |          |
| 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:**

|                                          |                          |                              |
|------------------------------------------|--------------------------|------------------------------|
| - Annual General Meeting of Shareholders | No. of meetings held : 1 | No. of meetings attended : 1 |
| - Board meeting                          | No. of meetings held : 6 | No. of meetings attended : 6 |

**Tenure of directorship : 22 years (since 1994 till present time)**

## 7) Mr. Mani Ativanichayaphong



**Age** : 70 years  
**Nationality** : Thai  
**Present Position** : Director, Good Corporate Governance Committee Member, and Senior Marketing Director - Household Products (Retired effective from January 1, 2016)  
**Date of Directorship** : January 1, 1993  
**Authority to Sign for the Company as per Certification Document** : Yes

### Shareholding in the Company:

| Held by      | As at December 30, 2014 |             | Net change during the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|-------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                     | No. of shares           | %           |
| Owner        | 10,087,200              | 0.37        | NONE                                | 10,087,200              | 0.37        |
| Spouse       | 1,500,000               | 0.06        | NONE                                | 1,500,000               | 0.06        |
| Minor Child  | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| <b>Total</b> | <b>11,587,200</b>       | <b>0.43</b> | <b>NONE</b>                         | <b>11,587,200</b>       | <b>0.43</b> |

### Relationship among

**Directors and Executives** : None  
**Illegal Acts in the Past 10 Years** : None  
**Training Course** : Before year 2015  
**Thai Institute of Directors Association (IOD)** : Director Accreditation Program (DAP)  
 : Director Certification Program (DCP)  
 : Year 2015  
 -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 |
|----------------------------------------------------|----------|
| <b>Subsidiary Company</b>                          |          |
| 1. Korat Thai Tech Company Limited                 | Director |
| 2. Srithai Superware Manufacturing Private Limited | Director |
| 3. Srithai Superware India Limited                 | Director |
| <b>Associated Company</b>                          |          |
| 1. Thai MFC Company Limited                        | Director |
| 2. PT. Srithai Maspion Indonesia                   | Director |

**2.2) Other Companies** : None

**3) Position in Competing Companies /  
Company Related to Business of the  
Company that Conflict of Interest**
**May Arise** : None

**Attendance:**

|                                               |                          |                              |
|-----------------------------------------------|--------------------------|------------------------------|
| - Annual General Meeting of Shareholders      | No. of meetings held : 1 | No. of meetings attended : 1 |
| - Board meeting                               | No. of meetings held : 6 | No. of meetings attended : 6 |
| - Good Corporate Governance Committee meeting | No. of meetings held : 4 | No. of meetings attended : 3 |

**Tenure of directorship** : 23 years (since 1993 till present time)

## 8) Mr. Prin Bholnivas



**Age** : 59 years  
**Nationality** : Thai  
**Present Position** : Director, Good Corporate Governance Committee Member, Chairman of the Risk Management Sub- Committee, Company Secretary, Chief Financial Officer, Acting Finance and Accounting Director, and Acting Head of Compliance Unit

**Date of Directorship** : July 3, 2002

**Authority to Sign for the Company**

**as per Certification Document** : Yes

**Shareholding in the Company:**

| Held by      | As at December 30, 2014 |             | Net change during the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|-------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                     | No. of shares           | %           |
| Owner        | 2,000,000               | 0.07        | NONE                                | 2,000,000               | 0.07        |
| Spouse       | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| <b>Total</b> | <b>2,000,000</b>        | <b>0.07</b> | <b>NONE</b>                         | <b>2,000,000</b>        | <b>0.07</b> |

**Relationship among**

**Directors and Executives** : None

**Illegal Acts in the Past 10 Years** : None

**Training Course** : Before year 2015

**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  
 Anti-Corruption for Executive Program (ACEP)  
 Anti – Corruption : The Practical Guide  
 : Year 2015  
 -None-

**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 |

**Experience: (cont.)**

| Company                                        | Position                                                                                   | Time Period      |
|------------------------------------------------|--------------------------------------------------------------------------------------------|------------------|
| 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, Acting Finance and Accounting Director, Acting Finance and Accounting Director, and Acting Head of Compliance Unit |

**2) Non-listed Companies:****2.1) Srithai Superware Group**

| Company                                            | Position |
|----------------------------------------------------|----------|
| <b>Subsidiary Company</b>                          |          |
| 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 |
| <b>Associated Company</b>                          |          |
| 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 |
| <b>Joint Venture Company</b>                       |          |
| 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:**

|                                               |                           |                               |
|-----------------------------------------------|---------------------------|-------------------------------|
| - Annual General Meeting of Shareholders      | No. of meetings held : 1  | No. of meetings attended : 1  |
| - Board meeting                               | No. of meetings held : 6  | No. of meetings attended : 6  |
| - Audit Committee meeting (Normal)            | 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  |
| - Risk Management Sub-Committee meeting       | No. of meetings held : 12 | No. of meetings attended : 12 |

**Tenure of directorship : 14 years (since 2002 till present time)**

## 9) Mr. Settapong Haemintakun



**Age** : 54 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:

| Held by      | As at December 30, 2014 |             | Net change during the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|-------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                     | No. of shares           | %           |
| Owner        | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Spouse       | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| <b>Total</b> | <b>0</b>                | <b>0.00</b> | <b>NONE</b>                         | <b>0</b>                | <b>0.00</b> |

### 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

### Attendance:

- Annual General Meeting of Shareholders      No. of meetings held : 1      No. of meetings attended : 1

## 10) Mr. Prayoon Kajitte



**Age** : 65 years  
**Nationality** : Thai  
**Present Position** : Personnel and Administration Director  
(Retired effective from January 1, 2016)

### Authority to Sign for the Company

as per Certification Document : None

### Shareholding in the Company:

| Held by      | As at December 30, 2014 |             | Net change during<br>the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|----------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                        | No. of shares           | %           |
| Owner        | 900,000                 | 0.04        | NONE                                   | 900,000                 | 0.04        |
| Spouse       | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| <b>Total</b> | <b>900,000</b>          | <b>0.04</b> | <b>NONE</b>                            | <b>900,000</b>          | <b>0.04</b> |

### 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

### Attendance:

- Annual General Meeting of Shareholders      No. of meetings held : 1      No. of meetings attended : 1

## 11) Ms. Bunnapa Lertsumitkul

**Age** : 53 years  
**Nationality** : Thai  
**Present Position** : Human Resource Development Director  
**Authority to Sign for the Company as per Certification Document** : None



### Shareholding in the Company:

| Held by      | As at December 30, 2014 |             | Net change during the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|-------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                     | No. of shares           | %           |
| Owner        | 80,000,000              | 2.95        | NONE                                | 80,000,000              | 2.95        |
| Spouse       | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| <b>Total</b> | <b>80,000,000</b>       | <b>2.95</b> | <b>NONE</b>                         | <b>80,000,000</b>       | <b>2.95</b> |

**Directors and Executives** : 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

### Attendance:

- Annual General Meeting of Shareholders

No. of meetings held : 1

No. of meetings attended : 1

## 12) Mr. Apisit Tangsatit



**Age** : 57 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:

| Held by      | As at December 30, 2014 |             | Net change during<br>the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|----------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                        | No. of shares           | %           |
| Owner        | 1,420                   | 0.00        | NONE                                   | 1,420                   | 0.00        |
| Spouse       | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| <b>Total</b> | <b>1,420</b>            | <b>0.00</b> | <b>NONE</b>                            | <b>1,420</b>            | <b>0.00</b> |

### 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<br>Factory Director - Industrial Products |

#### 2.1) Srithai Superware Group:

| Company                              | Position |
|--------------------------------------|----------|
| <b>Subsidiary Company</b>            |          |
| 1. SuperIdea Company Limited         | Director |
| 2. Srithai Miyagawa Company Limited  | Director |
| <b>Associated Company</b>            |          |
| 1. Srithai Sanko Company Limited     | Director |
| 2. Sanko Srithai (Malaysia) SDN.BHD. | 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:

|                                          |                           |                               |
|------------------------------------------|---------------------------|-------------------------------|
| - Annual General Meeting of Shareholders | No. of meetings held : 1  | Not attended                  |
| - Risk Management Sub-Committee meeting  | No. of meetings held : 12 | No. of meetings attended : 11 |

### 13) Mr. Pawat Chalermpong



**Age** : 55 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:**

| Held by      | As at December 30, 2014 |             | Net change during<br>the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|----------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                        | No. of shares           | %           |
| Owner        | 350,000                 | 0.01        | 700,000                                | 1,050,000               | 0.04        |
| Spouse       | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| <b>Total</b> | <b>350,000</b>          | <b>0.01</b> | <b>700,000</b>                         | <b>1,050,000</b>        | <b>0.04</b> |

**Relationship among**

**Directors and Executives** : None

**Illegal Acts in the Past 10 Years** : None

**Education:**

| Institution                           | Degree   | Major                               |
|---------------------------------------|----------|-------------------------------------|
| Ramkhamhaeng 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<br>Director - Industrial Products |

**2) Non-listed Companies:**
**2.1) Srithai Superware**

| Company                                 | Position           |
|-----------------------------------------|--------------------|
| <b>Subsidiary Company</b>               |                    |
| 1. SuperIdea Company Limited            | Director           |
| 2. Srithai Nanoplast Company Limited    | Director           |
| <b>Associated Company</b>               |                    |
| 1. Srithai Sanko Company Limited        | Executive          |
| 2. Sanko Srithai (Malaysia) SDN.BHD.    | Director           |
| <b>Joint Venture Company</b>            |                    |
| 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:**

|                                          |                           |                               |
|------------------------------------------|---------------------------|-------------------------------|
| - Annual General Meeting of Shareholders | No. of meetings held : 1  | No. of meetings attended : 1  |
| - Risk Management Sub-Committee meeting  | No. of meetings held : 12 | No. of meetings attended : 12 |

## 14) Mr. Pongsak Kantiratanawong



**Age** : 57 years  
**Nationality** : Thai  
**Present Position** : Marketing Director - Packaging Products  
**Authority to Sign for the Company as per Certification Document** : None

### Shareholding in the Company:

| Held by      | As at December 30, 2014 |             | Net change during the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|-------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                     | No. of shares           | %           |
| Owner        | 1,700,000               | 0.06        | (50,000)                            | 1,650,000               | 0.06        |
| Spouse       | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| <b>Total</b> | <b>1,700,000</b>        | <b>0.06</b> | <b>(50,000)</b>                     | <b>1,650,000</b>        | <b>0.06</b> |

### 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

### Attendance:

- Annual General Meeting of Shareholders      No. of meetings held : 1      No. of meetings attended : 1

## 15) Mr. Rakesh Singh



**Age** : 52 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 :**

| Held by      | As at December 30, 2014 |             | Net change during the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|-------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                     | No. of shares           | %           |
| Owner        | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Spouse       | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| <b>Total</b> | <b>0</b>                | <b>0.00</b> | <b>NONE</b>                         | <b>0</b>                | <b>0.00</b> |

**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           |
|----------------------------------------------------|--------------------|
| <b>Subsidiary Company</b>                          |                    |
| 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

### Attendance:

- Annual General Meeting of Shareholders

No. of meetings held : 1

No. of meetings attended : 1

## 16) Mr. Chaichan Chareonsuk



**Age** : 46 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:

| Held by      | As at December 30, 2014 |             | Net change during the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|-------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                     | No. of shares           | %           |
| Owner        | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Spouse       | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| <b>Total</b> | <b>0</b>                | <b>0.00</b> | <b>NONE</b>                         | <b>0</b>                | <b>0.00</b> |

### Relationship among

**Directors and Executives** : None

### Illegal Acts in

**the Past 10 Years** : None

**Training Course** : Before year 2015

**Thai Institute of** Risk Management Committee Program (RMP)

**Directors** : Year 2015

**Association (IOD)** - None -

### Education:

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

### Experience:

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

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

| Company                                  | Position                                                                    |
|------------------------------------------|-----------------------------------------------------------------------------|
| Srithai Superware Public Company Limited | Risk Management Sub-Committee Member, and Export Sales & Marketing Director |

**2) Non-listed Companies:****2.1) Srithai Superware Group**

| Company                              | Position |
|--------------------------------------|----------|
| <b>Subsidiary Company</b>            |          |
| 1. Korat Thai Tech Company Limited   | Director |
| 2. Srithai Nanoplast Company Limited | 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:**

|                                          |                           |                               |
|------------------------------------------|---------------------------|-------------------------------|
| - Annual General Meeting of Shareholders | No. of meetings held : 1  | Not attended                  |
| - Risk Management Sub-Committee meeting  | No. of meetings held : 12 | No. of meetings attended : 12 |

## 17) Mr. Anupoch Pasawat



**Age** : 63 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:

| Held by      | As at December 30, 2014 |             | Net change during the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|-------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                     | No. of shares           | %           |
| Owner        | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Spouse       | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                | 0                       | 0.00        |
| <b>Total</b> | <b>0</b>                | <b>0.00</b> | <b>NONE</b>                         | <b>0</b>                | <b>0.00</b> |

### 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) Company 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

### Attendance:

- Annual General Meeting of Shareholders No. of meetings held : 1 Not attended

## 18) Mr. Chairoj Eangtanarat



**Age** : 54 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:

| Held by      | As at December 30, 2014 |             | Net change during<br>the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|----------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                        | No. of shares           | %           |
| Owner        | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| Spouse       | 1,000                   | 0.00        | NONE                                   | 1,000                   | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| <b>Total</b> | <b>1,000</b>            | <b>0.00</b> | <b>NONE</b>                            | <b>1,000</b>            | <b>0.00</b> |

### Relationship among

**Directors and Executives** : None  
**Illegal Acts in the Past 10 Years** : None  
**Training Course** : Before year 2015  
**Thai Institute of Directors** : Risk Management Committee Program (RMP)  
**Association (IOD)** : Year 2015  
 -None-

### Education:

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

### Experience:

| Company                                  | Position                                          | Time Period      |
|------------------------------------------|---------------------------------------------------|------------------|
| Srithai Superware Public Company Limited | Secretary to the Chairman and President           | A.D. 1988 – 2005 |
| Srithai Superware Public Company Limited | Sales Manager – Ektra and<br>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<br>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:

|                                          |                           |                               |
|------------------------------------------|---------------------------|-------------------------------|
| - Annual General Meeting of Shareholders | No. of meetings held : 1  | No. of meetings attended : 1  |
| - Risk Management Sub-Committee meeting  | No. of meetings held : 12 | No. of meetings attended : 12 |

## 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 (4<sup>th</sup> Amended Issue) B.E. 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 board 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 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 disclosure 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 Review 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 objectives of the Company;
- 4.2 Be the center of communication and provide information to the non-executive directors;
- 4.3 Contact shareholders in making announcements such as dividend payment, etc;
- 4.4 Provide information to other agencies and 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 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 ("SVN") and Srithai Miyagawa Company Limited ("SMW"), which are the subsidiary that contributed income in 2015 over 10% of the Group's total income in the consolidated statement of comprehensive income for the year ended on December 31, 2015:

| Name                          | SVN                | SMW                |
|-------------------------------|--------------------|--------------------|
| Mr. Prin Bholnivas            | Director           | ---                |
| Mr. Santi Visawameteekul      | Executive Director | ---                |
| Mr. Jarung Srisakul           | Executive Director | ---                |
| Mr. Somsak Toragsaskul        | Executive Director | ---                |
| Mr. Sanan Angubolkul          | ---                | Chairman           |
| Mr. Naphol Lertsumitkul       | ---                | Director           |
| Mr. Apisit Tangsatit          | ---                | Director           |
| Miss Ladda Namjarusathienchai | ---                | Director           |
| Mr. Seishiro Miyagawa         | ---                | Director           |
| Mr. Shingo Miyagawa           | ---                | Director           |
| Mr. Masanobu Terakura         | ---                | 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** : 49 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 :**

| Held by      | As at December 30, 2014 |             | Net change during<br>the year (+ or -) | As at December 30, 2015 |             |
|--------------|-------------------------|-------------|----------------------------------------|-------------------------|-------------|
|              | No. of shares           | %           |                                        | No. of shares           | %           |
| Owner        | 0                       | 0.00        | 19,500                                 | 19,500                  | 0.00        |
| Spouse       | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| Minor Child  | 0                       | 0.00        | NONE                                   | 0                       | 0.00        |
| <b>Total</b> | <b>0</b>                | <b>0.00</b> | <b>19,500</b>                          | <b>19,500</b>           | <b>0.00</b> |

**Relationship among**

**Directors and Executives** : None

**Illegal Acts in the Past 10 Years** : None

**Training Course** : Before year 2015

**Thai Institute of Directors Association (IOD)**  
 Company Secretary Program (CSP)  
 Effective Minutes Taking (EMT)  
 Anti-Corruption : The Practical Guide (ACPG)  
 : Year 2015

-None-

**Other Training** : Before year 2015

- Enterprise Risk Management,  
 The Institute of Internal Auditors of Thailand  
 - Enterprise Risk Management,  
 National Institute of Development Administration

**Other Training (Cont'd)**

- How can Internal Auditor support Audit Committee?,  
Federation of Accounting Professions
- Governance Risk Management and Compliance  
TRIS Corporation Limited
- : Year 2015
- Risk Management Specialist, TRIS Corporation Limited
- Business for Internal Audit  
Federation of Accounting Professions

**Education:**

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

**Experience:**

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

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

| Company                                  | Position                                                                                       |
|------------------------------------------|------------------------------------------------------------------------------------------------|
| Srithai Superware Public Company Limited | Internal Audit Manager, Audit Committee Secretary,<br>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:**

|                                          |                           |                               |
|------------------------------------------|---------------------------|-------------------------------|
| - Annual General Meeting of Shareholders | No. of meetings held : 1  | No. of meetings attended : 1  |
| - Audit Committee meetings (Normal)      | No. of meetings held : 4  | No. of meetings attended : 4  |
| - Audit Committee meetings (Special)     | No. of meetings held : 1  | No. of meetings attended : 1  |
| - Risk Management Sub-committee meetings | No. of meetings held : 12 | No. of meetings attended : 10 |

**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

The Compliance Unit is under the Office of the Company Secretary responsible by Mr. Prin Bholnivas, the Company Secretary, as Acting Head of Compliance Unit with the following scope of duty and responsibilities:

- 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) 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.
- 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.
- 4) Advise and propose to the Board of Directors, executives, and staff recommendations relating to any relevant applicable laws, rules, regulations, and standards.
- 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.
- 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: The Shareholders,**

**Srithai Superware Public Company Limited**

The Nomination and Remuneration Committee was appointed by the Board of Directors in 2005 to help the Board of Directors recruit and nominate, in a transparent manner, prospective Board Directors and executives, in order to ensure fairness to all stakeholders and greater business efficiency. 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, and has been approved to be extended for another period effective from 2016 to 2018 as per the resolution of the Board Meeting No. 5/2015, held on November 13, 2015.

#### Performance of the Nomination and Remuneration Committee

During 2015, the Nomination and Remuneration Committee held 3 meetings, with number of meetings attended by each member of the Nomination and Remuneration Committee being as follows:

| Name                    | Position                                                 | Number of meeting attended / Total number of meetings held |
|-------------------------|----------------------------------------------------------|------------------------------------------------------------|
| Mrs. Siriporn Sailasuta | Chairperson of the Nomination and Remuneration Committee | 3/3                                                        |
| Mr. Sanan Angubolkul    | Nomination and Remuneration Committee Member             | 3/3                                                        |
| Mr. Enghug Nontikarn    | Nomination and Remuneration Committee Member             | 3/3                                                        |

The overall activities and performance of the Nomination and Remuneration Committee during 2015 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. 34) in 2015;
2. Considered remunerations of the Directors for consideration by the Board of Directors before proposing to the Annual General Shareholders Meeting (No. 34) in 2015;
3. Defined the policies relating to the selection and nomination of the Company's Board Directors;
4. Considered adjustments for salaries of executives for 2015;
5. Considered proposed bonus payments for the Company's executives, based on their performances in 2015;
6. Undertook a self assessment of the Nomination and Remuneration Committee's performance for 2015;
7. Prepared the Report of the Remuneration and Compensation Committee for disclosure in the Company's Annual Report for 2015; and
8. Proposed to the Board of Directors for approval to be made to the revised Company's Organization Chart.

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: The Shareholders,**

**Srithai Superware Public Company Limited**

The Good Corporate Governance Committee was appointed by the Board of Directors in order to perform the duties of developing, directing, and effectively monitoring 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 2015, 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 meeting attended / Total number of meetings held |
|---------------|-------------------|----------------------------------------------------------|------------------------------------------------------------|
| Mr. Suchat    | Boonbanjerd Sri   | Chairman of the Good Corporate Governance Committee      | 4/4                                                        |
| Mrs. Siriporn | Sailasuta         | Good Corporate Governance Committee Member               | 3/4                                                        |
| Mr. Manit     | Ativanichayaphong | Good Corporate Governance Committee Member               | 3/4                                                        |
| Mr. Prin      | Bholnivas         | Good Corporate Governance Committee Member and Secretary | 4/4                                                        |

The Company has declared its intent and stance with regards to anti-corruption by joining the Collective Coalition Against Corruption ("CAC") in 2014, to which the Company's Board of Directors is fully intent on attaching the greatest degree of importance. The Board of Directors has, therefore, assigned the Good Corporate Governance Committee to be responsible for this matter to enhance the Company's position and standing to be awarded the formal CAC Certification for its anti-corruption policies. As such, in 2015 the Company received formal evaluation, by Thaipat Institute, the higher rank of 'Level 3 (Established)' compared to the 'Level 2 (Declared)' rank received in 2014 of the degree of continuing and sustained development of anti-corruption practices by Thai listed companies.

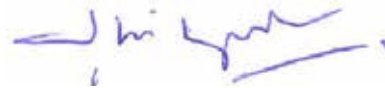
The performance of the Good Corporate Governance Committee for 2015, working in collaboration with the Good Corporate Governance Working Group as appointed by the Good Corporate Governance Committee is summarized below:

1. Created and published the Handbook on Business Ethics and Code of Conduct and Policies on Good Corporate Governance Policies;
2. Developed various training courses so as to inform and educate staff members, coupled with undertaking proactive campaigns to inform and promote attendance as well as joint participation by both the management Group and staff members;
3. Announced various policies together with operating guidelines and procedures on anti-corruption principles and practices – such as: giving/receiving bribes or gifts, on entertaining and being entertained, giving support to political activities, promoting and supporting social charities through giving donations, as well as on internal controls and information recording. Additionally, the Internal Audit Department and the Accounting Department were also requested to monitor and review any business transactions that are susceptible to a high degree of risks for corruption;
4. Made improvements to the available channels of communications for staff members in submission of any information, complaints or requests. This is in order to increase the degree of confidence, on the part of our staff, in regards to the established procedures on strictly maintaining and keeping the confidentiality of any information received as submitted by them, as well as for the safety and protection of informants (or whistle blowers) together with the associated investigative procedures and processes for such information to be undertaken by the management;

5. Evaluated the overall performance for 2015 of the Good Corporate Governance Committee.

The Good Corporate Governance Committee is determined to 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: The Shareholders,**

**Srithai Superware Public Company Limited**

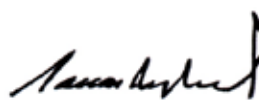
The Company's Board of Directors places great importance on its duties and responsibilities in overseeing and controlling the operations of the Company to be in accordance with the policies on good corporate governance. The Board of Directors is responsible for the Financial Statements of the Company and its subsidiaries including financial information, as disclosed in the Company's Annual Report. Those information have been prepared in accordance with generally accepted accounting standards through using accounting policies as appropriate and on a consistent basis together with careful judgments and estimates that are circumspect and reasonable. Additionally, the Financial Statements adequately disclose significant information in the Notes to the Financial Statements, in order to effectively and accurately reflect the true nature of the financial position and the actual performance results of the Company during the past year for the overall benefit of the shareholders and general investors. The Financial Statements have been audited by the independent external auditors of the Company, who have expressed their unqualified opinions, and have been reviewed by the Audit Committee.

The Board of Directors has arranged to have a review and assessment of the risk management system, the internal controls system, the internal audit works, and other proper and efficient oversight procedures. This is in order that the financial information are sufficiently accurate and comprehensive, the Company's assets are adequately safeguarded, the various risks to the business operations are effectively covered and managed, and the Company is protected against any potential irregularities of significance. The Board of Directors has appointed the Audit Committee, comprising 3 independent directors, with the responsibility of overseeing the quality of all financial reports, reviewing and assessing the internal controls system, the risk management, the compliance to the established good corporate governance policies and practices, the disclosures of information in regards to any related transactions and relevant internal procedures in a compressive manner and as appropriate, as well as the compliance to all applicable and relevant laws, rules and regulations. As such, the Audit Committee has expressed its opinions pursuant to the assigned responsibilities in the Report of the Audit Committee incorporated in this Annual Report.

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, 2015, fairly present in all material respects the financial position, operational performance results, and cash flows in accordance with the Financial Reporting Standards.

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 ('the Company') comprises three independent directors who earn relevant qualifications and experiences in the areas of finance, accounting, tax laws and management, as follows:

- |    |                            |                                 |
|----|----------------------------|---------------------------------|
| 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 discharged its duties and has expressed its opinions in an independent manner, in accordance with the scope of responsibilities as assigned by the Company's Board of Directors together with those duties as prescribed by the Office of the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). This will enable the Company to conduct its businesses with transparency, integrity and fairness for the maximum benefit of its shareholders.

During 2015, the Audit Committee held a total of six meetings, in which the Audit Committee acknowledged and discussed with the external auditors of the Company regarding matters and issues as a result of its reviews and audit of financial statements, raised questions relating to the financial statements, and gave suggestions and opinions. In all, this included five meetings and one meeting with the external auditors and an additional independent director who is not an Audit Committee member, but without any executives of the Company being present, so as to hear the independent opinions of the external auditors.

As such, an overview of the Audit Committee's activities of the year is summarized as follows:

### 1. Review of the Company's Financial Reports

The Audit Committee has reviewed - together with the external auditors, executives of the finance & accounting function, and head of the internal department - the quarterly and annual financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries. The purposes covered consideration of the financial reports, the accounting policies, the significant estimates and the disclosed notes to the financial statements. This is in order to ensure that the internal controls systems are prevail in preparing these financial statements which are accurate and reliable. The financial reports have disclosed all important information in an adequate and timely manner for the benefit of those making use thereof, as well as comply with all the applicable laws and regulatory requirements specified by the Stock Exchange of Thailand (SET) and the Office of the Securities Exchange Commission (SEC) in accordance with the required Financial Reporting Standards.

The Audit Committee is of the opinion that the Company's financial statements, for the year 2015, present fairly in all material respects in accordance with the required Financial Reporting Standards, as well as timely and appropriately disclose sufficient information.

### 2. Review on Risk Management

The Audit Committee has reviewed, on a quarterly basis, the risk management policies, risk management plans and operating guidelines. Various external and internal risk factors, the likelihood and impact of their occurrence, and the management of such risks to be at 'acceptable' levels are all taken into consideration. The Audit Committee has also expressed its opinions and recommendations for further improvements to be implemented by the Risk Management Sub-Committee

The Audit Committee is of the opinion that the Company already has in place risk management procedures that are considered appropriate and adequate for the current business operations and situations.

### 3. Review of Compliance with the Good Corporate Governance Policies

The Audit Committee has monitored and made follow-up enquiries, on a regular basis, regarding compliance with the Good Corporate Governance Policies. The Audit Committee has also received quarterly updates with regard to any information and complaints concerning any alleged acts of fraud or non-compliance to the legal and regulatory requirements in accordance with the Company's 'Whistle-Blower'. However, during 2015, no such information or complaints have been emerged. Additionally, the Audit Committee has monitored, on a continuous basis, the progress of activities pursuant to the Company's Anti-Corruption Policy and also given additional recommendations on this matter.

The Audit Committee is of the opinion that the Company is committed to adhering to the principles on Good Corporate Governance, Business Ethics, and Anti-Corruption Policy in an appropriate manner.

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

The Audit Committee has reviewed the operational activities of the Company, in order to oversee and ensure that they comply with the applicable laws, rules and regulations. The Audit Committee has also acknowledged the ongoing changes or amendments to such laws and regulations that affect the overall operations of the Company's businesses.

The Audit Committee is of the opinion that the Company's operations have been undertaken in strict compliance with all applicable securities-related laws and regulatory requirements as specified by the Stock Exchange of Thailand (SET) together with the applicable legal requirements relating to the Company's business operations.

#### 5. Review on Internal Controls System

The Audit Committee has reviewed and approved the internal audit plan for the year as proposed by the internal audit department, the observation reports of the internal auditors on the internal controls system covering general matters and information technology matters, and the summary reports from the internal auditors. The Audit Committee has also advised its recommendations to the Company's executives for further improvements of operational activities to ensure that the Company has in place an internal controls system that is appropriate and adequate.

The Audit Committee is of the opinion that the Company's internal controls system is appropriate, adequate and effective for its business operations.

#### 6. Revision of the Audit Committee Charter

During 2015, the Audit Committee has reviewed and made revisions to the Audit Committee Charter, so as to cover and incorporate required additional responsibilities regarding the good corporate governance as well as anti-corruption matters.

The revisions were made as appropriate and were already approved by the Company's Board of Directors.

#### 7. Consideration of the Appointment of Certified Public Accountant for the Year 2016

The Audit Committee has examined the qualifications of the proposed external auditor of the Company – PricewaterhouseCoopers ABAS Limited -, through taking into consideration its knowledges, capabilities, experiences and independence in conformity with the criteria of the Stock Exchange of Thailand (SET), the quality of its audit work during the past year, and its adequate degree of understanding of the Company's businesses.

The Audit Committee has then proposed to the Company's Board of Directors to consider endorsing and submitting, for approval at the Annual General Meeting of Shareholders for the year 2016, the appointment of any one of these persons : Mr.Chaisiri Ruangritchai, CPA No. 4526, or Miss Amornrat Pearmpoonvatanasuk CPA No. 4599, or Mr. Prasit Yuengsrikul CPA No. 4174, from PricewaterhouseCoopers ABAS Limited, to be the Company's external Auditor for the fiscal 2016, with a total audit fee of Baht 1,900,000 (One million and nine hundred thousand Baht only).

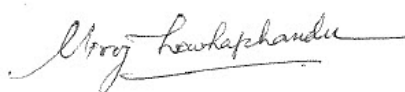
#### 8. Performance Evaluation of the Audit Committee

The Audit Committee carries out an evaluation of the performance of the Audit Committee, as a group, every fiscal year. The evaluation is conducted to ensure that the Audit Committee has discharged all its required responsibilities during the year in an effective and efficient manner, as well as that the Audit Committee has successfully achieved the goals following the established objectives as delegated by the Company's Board of Directors.

As such, for 2015, the annual performance evaluation of the Audit Committee has been undertaken and completed.

In summary, the Audit Committee has performed its assigned duties and responsibilities in accordance with the Audit Committee Charter, as approved by the Company's Board of Directors, with knowledge, capabilities, care and discreet in an independent and straight forward manner in expressing opinions for the benefits of all stakeholders on an equitable basis.

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 and the Board of Directors 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 2015, 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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*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 2015, and its consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read "V. Khingmontri".

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

Bangkok  
26 February 2016

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PricewaterhouseCoopers ABAS Ltd.  
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**Srithai Superware Public Company Limited****Statement of Financial Position****As at 31 December 2015**

|                                     |              | <b>Consolidated</b>   |                       | <b>Company</b>       |                      |
|-------------------------------------|--------------|-----------------------|-----------------------|----------------------|----------------------|
|                                     |              | <b>2015</b>           | <b>2014</b>           | <b>2015</b>          | <b>2014</b>          |
|                                     | <b>Notes</b> | <b>Baht</b>           | <b>Baht</b>           | <b>Baht</b>          | <b>Baht</b>          |
| <b>Assets</b>                       |              |                       |                       |                      |                      |
| <b>Current assets</b>               |              |                       |                       |                      |                      |
| Cash and cash equivalents           | 7            | 620,970,007           | 472,956,895           | 182,456,361          | 268,054,860          |
| Temporary investments               | 8            | 3,881,424             | 5,837,202             | -                    | -                    |
| Trade accounts receivable, net      | 9            | 1,928,168,711         | 1,992,362,351         | 1,672,618,830        | 1,752,883,533        |
| Other receivables - third parties   |              | 102,527,963           | 107,652,551           | 42,513,484           | 32,841,858           |
| Other receivables - related parties | 35.2         | 1,323,588             | 976,238               | 37,434,111           | 21,684,345           |
| Inventories, net                    | 10           | 1,658,423,645         | 1,599,487,486         | 1,236,745,080        | 1,100,397,940        |
| Other current assets                |              | 85,161,110            | 132,987,073           | 16,884,885           | 98,815,551           |
| <b>Total current assets</b>         |              | <b>4,400,456,448</b>  | <b>4,312,259,796</b>  | <b>3,188,652,751</b> | <b>3,274,678,087</b> |
| <b>Non-current assets</b>           |              |                       |                       |                      |                      |
| Available-for-sale investments      | 11           | 58,560,000            | 87,000,000            | 58,560,000           | 87,000,000           |
| Investments in subsidiaries, net    | 12.1         | -                     | -                     | 1,871,107,862        | 1,013,632,825        |
| Investments in associates, net      | 12.1         | 226,844,900           | 253,116,119           | 184,113,258          | 184,113,258          |
| Interests in joint venture          | 12.1         | 16,304,558            | 14,298,886            | 4,999,800            | 4,999,800            |
| Other long-term investments, net    | 13           | 113,016,354           | 113,016,354           | 47,169,970           | 47,169,970           |
| Investment properties, net          | 14           | 122,485,248           | 128,433,029           | 487,883,091          | 493,548,769          |
| Property, plant and equipment, net  | 15           | 5,851,635,069         | 5,373,054,475         | 3,923,268,751        | 3,945,958,229        |
| Intangible assets, net              | 16           | 45,440,465            | 52,836,730            | 25,653,127           | 32,514,560           |
| Deferred tax assets, net            | 17           | 106,281,440           | 97,704,542            | 82,781,335           | 66,529,910           |
| Leasehold right, net                | 18           | 112,665,240           | 46,243,403            | -                    | -                    |
| Other non-current assets            |              | 53,401,372            | 38,072,822            | 21,306,456           | 20,061,930           |
| <b>Total non-current assets</b>     |              | <b>6,706,634,646</b>  | <b>6,203,776,360</b>  | <b>6,706,843,650</b> | <b>5,895,529,251</b> |
| <b>Total assets</b>                 |              | <b>11,107,091,094</b> | <b>10,516,036,156</b> | <b>9,895,496,401</b> | <b>9,170,207,338</b> |

The notes to the consolidated and company financial statements on pages 9 to 75 form an integral part of these financial statements.

**Srithai Superware Public Company Limited**
**Statement of Financial Position (Cont'd)**
**As at 31 December 2015**

|                                                         |       | Consolidated          |                       | Company              |                      |
|---------------------------------------------------------|-------|-----------------------|-----------------------|----------------------|----------------------|
|                                                         |       | 2015                  | 2014                  | 2015                 | 2014                 |
|                                                         | Notes | Baht                  | Baht                  | Baht                 | Baht                 |
| <b>Liabilities and shareholders' equity</b>             |       |                       |                       |                      |                      |
| <b>Current liabilities</b>                              |       |                       |                       |                      |                      |
| Short-term loans                                        | 19    | 1,751,603,200         | 1,452,299,200         | 1,690,000,000        | 1,330,000,000        |
| Current portion of long-term loans                      | 20    | 660,968,721           | 619,919,200           | 496,852,000          | 472,245,600          |
| Trade accounts payable - third parties                  |       | 857,143,752           | 860,291,338           | 541,179,983          | 541,031,858          |
| Trade accounts payable - related parties                | 35.2  | 102,162,278           | 108,129,087           | 124,191,582          | 168,462,000          |
| Other payables - third parties                          | 21    | 331,474,045           | 428,561,037           | 242,170,679          | 265,999,615          |
| Other payables - related parties                        | 35.2  | 2,206,431             | 787,194               | 8,745,563            | 5,872,686            |
| Other current liabilities                               |       | 57,972,415            | 41,566,271            | 44,545,330           | 25,736,320           |
| <b>Total current liabilities</b>                        |       | <b>3,763,530,842</b>  | <b>3,511,553,327</b>  | <b>3,147,685,137</b> | <b>2,809,348,079</b> |
| <b>Non-current liabilities</b>                          |       |                       |                       |                      |                      |
| Long-term loans                                         | 20    | 1,994,698,440         | 1,955,179,661         | 1,624,582,280        | 1,421,003,280        |
| Finance lease liabilities                               |       | 12,845,497            | 20,626,366            | -                    | -                    |
| Employee benefit obligations                            | 25    | 378,918,428           | 296,568,017           | 307,878,113          | 249,196,093          |
| <b>Total non-current liabilities</b>                    |       | <b>2,386,462,365</b>  | <b>2,272,374,044</b>  | <b>1,932,460,393</b> | <b>1,670,199,373</b> |
| <b>Total liabilities</b>                                |       | <b>6,149,993,207</b>  | <b>5,783,927,371</b>  | <b>5,080,145,530</b> | <b>4,479,547,452</b> |
| <b>Shareholders' equity</b>                             |       |                       |                       |                      |                      |
| Share capital                                           | 26    |                       |                       |                      |                      |
| Authorised share capital                                |       |                       |                       |                      |                      |
| Ordinary shares 2,709,904,800 shares of par Baht 1 each |       | 2,709,904,800         | 2,709,904,800         | 2,709,904,800        | 2,709,904,800        |
| Issued and paid-up share capital                        |       |                       |                       |                      |                      |
| Ordinary shares 2,709,904,800 shares of par Baht 1 each |       | 2,709,904,800         | 2,709,904,800         | 2,709,904,800        | 2,709,904,800        |
| Premium on treasury shares                              | 26    | 19,928,420            | 19,928,420            | 19,928,420           | 19,928,420           |
| Retained earnings                                       |       |                       |                       |                      |                      |
| Appropriated - legal reserve                            | 27    | 228,000,000           | 203,000,000           | 228,000,000          | 203,000,000          |
| Unappropriated                                          |       | 1,792,122,837         | 1,674,792,911         | 1,842,653,651        | 1,720,210,666        |
| Other components of equity                              | 28    | (37,586,415)          | (101,187,888)         | 14,864,000           | 37,616,000           |
| <b>Equity attributable to owners of the parent</b>      |       | <b>4,712,369,642</b>  | <b>4,506,438,243</b>  | <b>4,815,350,871</b> | <b>4,690,659,886</b> |
| Non-controlling interests                               |       | 244,728,245           | 225,670,542           | -                    | -                    |
| <b>Total shareholders' equity</b>                       |       | <b>4,957,097,887</b>  | <b>4,732,108,785</b>  | <b>4,815,350,871</b> | <b>4,690,659,886</b> |
| <b>Total liabilities and shareholders' equity</b>       |       | <b>11,107,091,094</b> | <b>10,516,036,156</b> | <b>9,895,496,401</b> | <b>9,170,207,338</b> |

The notes to the consolidated and company financial statements on pages 9 to 75 form an integral part of these financial statements.

**Srithai Superware Public Company Limited****Statement of Comprehensive Income****For the year ended 31 December 2015**

|                                                                                  | Notes   | Consolidated         |                      | Company              |                      |
|----------------------------------------------------------------------------------|---------|----------------------|----------------------|----------------------|----------------------|
|                                                                                  |         | 2015<br>Baht         | 2014<br>Baht         | 2015<br>Baht         | 2014<br>Baht         |
| Sales and service income                                                         | 29      | 9,762,806,371        | 9,750,926,710        | 6,694,074,860        | 7,279,370,843        |
| Cost of sales and services                                                       | 29      | (7,915,321,771)      | (7,880,823,634)      | (5,500,290,459)      | (5,935,789,690)      |
| <b>Gross profit</b>                                                              |         | <b>1,847,484,600</b> | <b>1,870,103,076</b> | <b>1,193,784,401</b> | <b>1,343,581,153</b> |
| Other income                                                                     |         | 109,249,793          | 110,739,826          | 469,994,203          | 324,716,803          |
| Selling expenses                                                                 | 31      | (844,588,502)        | (913,243,986)        | (710,822,719)        | (821,264,990)        |
| Administrative expenses                                                          | 31      | (469,635,265)        | (423,461,555)        | (340,756,750)        | (288,337,276)        |
| Finance costs                                                                    | 30      | (162,877,900)        | (167,747,321)        | (122,043,558)        | (125,427,565)        |
| Share of profit of investments in associates and joint venture                   | 12.3    | 78,690,804           | 63,165,436           | -                    | -                    |
| Loss on impairment of investments in a subsidiary                                | 12.6 d) | -                    | -                    | (19,999,970)         | -                    |
| <b>Profit before income tax</b>                                                  |         | <b>558,323,530</b>   | <b>539,555,476</b>   | <b>470,155,607</b>   | <b>433,268,125</b>   |
| Income tax                                                                       | 17.3    | (80,091,118)         | (52,076,669)         | (25,482,741)         | (21,825,495)         |
| <b>Profit for the year</b>                                                       |         | <b>478,232,412</b>   | <b>487,478,807</b>   | <b>444,672,866</b>   | <b>411,442,630</b>   |
| <b>Other comprehensive income (expense), net of tax:</b>                         |         |                      |                      |                      |                      |
| Items that will not be reclassified subsequently to profit or loss               |         |                      |                      |                      |                      |
| Remeasurements of post-employment benefit obligations                            |         | (45,109,210)         | -                    | (32,803,976)         | -                    |
| Income tax on items that will not be reclassified subsequently to profit or loss |         | 9,413,911            | -                    | 6,560,795            | -                    |
| Total items that will not be reclassified subsequently to profit or loss         |         | (35,695,299)         | -                    | (26,243,181)         | -                    |
| Items that will be reclassified subsequently to profit or loss                   |         |                      |                      |                      |                      |
| Change in value of available-for-sale investments                                |         | (28,440,000)         | (6,611,069)          | (28,440,000)         | (6,600,000)          |
| Currency translation differences                                                 |         | 86,186,926           | (22,789,614)         | -                    | -                    |
| Income tax on items that will be reclassified subsequently to profit or loss     |         | 5,688,000            | 1,320,000            | 5,688,000            | 1,320,000            |
| Total items that will be reclassified subsequently to profit or loss             |         | 63,434,926           | (28,080,683)         | (22,752,000)         | (5,280,000)          |
| <b>Other comprehensive income (expense) for the year, net of tax</b>             |         | <b>27,739,627</b>    | <b>(28,080,683)</b>  | <b>(48,995,181)</b>  | <b>(5,280,000)</b>   |
| <b>Total comprehensive income for the year</b>                                   |         | <b>505,972,039</b>   | <b>459,398,124</b>   | <b>395,677,685</b>   | <b>406,162,630</b>   |
| <b>Profit attributable to:</b>                                                   |         |                      |                      |                      |                      |
| Owners of the parent                                                             |         | 445,013,825          | 470,057,185          | 444,672,866          | 411,442,630          |
| Non-controlling interests                                                        |         | 33,218,587           | 17,421,622           | -                    | -                    |
| <b>Profit for the year</b>                                                       |         | <b>478,232,412</b>   | <b>487,478,807</b>   | <b>444,672,866</b>   | <b>411,442,630</b>   |
| <b>Total comprehensive income attributable to:</b>                               |         |                      |                      |                      |                      |
| Owners of the parent                                                             |         | 476,918,099          | 441,809,075          | 395,677,685          | 406,162,630          |
| Non-controlling interests                                                        |         | 29,053,940           | 17,589,049           | -                    | -                    |
| <b>Total comprehensive income for the year</b>                                   |         | <b>505,972,039</b>   | <b>459,398,124</b>   | <b>395,677,685</b>   | <b>406,162,630</b>   |
| <b>Earnings per share</b>                                                        |         |                      |                      |                      |                      |
| Basic earnings per share                                                         | 32      | 0.16                 | 0.17                 | 0.16                 | 0.15                 |

The notes to the consolidated and company financial statements on pages 9 to 75 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 2015**

| Consolidated (Baht)                  |  |  |  |  |  |  |  |  |  |  |  |
|--------------------------------------|--|--|--|--|--|--|--|--|--|--|--|
| Attributable to owners of the parent |  |  |  |  |  |  |  |  |  |  |  |
| Other components of equity           |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive income (expense) |  |  |  |  |  |  |  |  |  |  |  |
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The notes to the consolidated and company financial statements on pages 9 to 75 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 2015**

|                                                       | Company (Baht)                             |                                      |                                          |                                  |                                      |                                                           |                            |
|-------------------------------------------------------|--------------------------------------------|--------------------------------------|------------------------------------------|----------------------------------|--------------------------------------|-----------------------------------------------------------|----------------------------|
|                                                       | Issued and paid-up share capital (Note 26) | Premium on treasury shares (Note 26) | Appropriated retained earnings (Note 27) |                                  | Other components of equity (Note 28) |                                                           | Total shareholders' equity |
|                                                       |                                            |                                      | - legal reserve                          | Unappropriated retained earnings | Available-for-sale investments       | Other comprehensive income (expense) components of equity |                            |
| Notes                                                 | (Note 26)                                  | (Note 26)                            | (Note 27)                                | (Note 27)                        | (Note 28)                            | (Note 28)                                                 | (Note 28)                  |
| <b>Opening balance as at 1 January 2015</b>           | 2,709,904,800                              | 19,928,420                           | 203,000,000                              | 1,720,210,666                    | 37,616,000                           | 37,616,000                                                | 4,690,659,886              |
| Profit for the year                                   | -                                          | -                                    | -                                        | 444,672,866                      | -                                    | -                                                         | 444,672,866                |
| Remeasurements of post-employment benefit obligations | -                                          | -                                    | -                                        | (26,243,181)                     | -                                    | -                                                         | (26,243,181)               |
| Other comprehensive income (expense) for the year     | -                                          | -                                    | -                                        | -                                | (22,752,000)                         | (22,752,000)                                              | (22,752,000)               |
| Dividends                                             | -                                          | -                                    | -                                        | (270,986,700)                    | -                                    | -                                                         | (270,986,700)              |
| Legal reserve                                         | -                                          | -                                    | 25,000,000                               | (25,000,000)                     | -                                    | -                                                         | -                          |
| <b>Closing balance as at 31 December 2015</b>         | <b>2,709,904,800</b>                       | <b>19,928,420</b>                    | <b>228,000,000</b>                       | <b>1,842,653,651</b>             | <b>14,864,000</b>                    | <b>14,864,000</b>                                         | <b>4,815,350,871</b>       |
| <b>Opening balance as at 1 January 2014</b>           | 2,709,904,800                              | 19,928,420                           | 182,000,000                              | 1,600,758,216                    | 42,896,000                           | 42,896,000                                                | 4,555,487,436              |
| 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)                     | -                                    | -                                                         | -                          |
| <b>Closing balance as at 31 December 2014</b>         | <b>2,709,904,800</b>                       | <b>19,928,420</b>                    | <b>203,000,000</b>                       | <b>1,720,210,666</b>             | <b>37,616,000</b>                    | <b>37,616,000</b>                                         | <b>4,690,659,886</b>       |

The notes to the consolidated and company financial statements on pages 9 to 75 form an integral part of these financial statements.

**Srithai Superware Public Company Limited**
**Statement of Cash Flows**
**For the year ended 31 December 2015**

|                                                                                   |         | Consolidated              |                           | Company                   |                           |
|-----------------------------------------------------------------------------------|---------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                                                                   |         | 2015                      | 2014                      | 2015                      | 2014                      |
|                                                                                   | Notes   | Baht                      | Baht                      | Baht                      | Baht                      |
| <b>Cash flows from operating activities</b>                                       |         |                           |                           |                           |                           |
| Cash generated from operations                                                    | 34.1    | 1,404,544,994             | 980,491,887               | 785,676,661               | 802,881,756               |
| Interest paid                                                                     |         | (162,243,634)             | (166,812,906)             | (121,894,125)             | (126,060,131)             |
| Income tax paid                                                                   |         | (75,273,046)              | (82,848,998)              | (15,008,624)              | (35,490,738)              |
| Net cash receipts from operating activities                                       |         | <u>1,167,028,314</u>      | <u>730,829,983</u>        | <u>648,773,912</u>        | <u>641,330,887</u>        |
| <b>Cash flows from investing activities</b>                                       |         |                           |                           |                           |                           |
| Cash payment for temporary investments                                            | 8       | (147,289,694)             | (47,343,995)              | -                         | -                         |
| Cash receipt from disposal of temporary investments                               | 8       | 149,273,055               | 49,193,126                | -                         | -                         |
| Cash payment for investments in subsidiaries                                      | 12.2    | -                         | -                         | (883,725,000)             | (251,832,700)             |
| Proceeds from liquidation of a subsidiary                                         | 12.6 b) | -                         | -                         | 6,333,104                 | -                         |
| Purchase of fixed assets                                                          | 34.2    | (1,174,786,323)           | (781,609,484)             | (517,891,632)             | (379,574,190)             |
| Purchase of intangible assets                                                     | 34.2    | (11,730,926)              | (14,327,096)              | (5,871,373)               | (1,690,440)               |
| Proceeds from disposals of fixed assets                                           |         | 31,999,900                | 55,032,774                | 29,076,612                | 98,962,082                |
| Purchase of leasehold right                                                       | 18      | (63,446,491)              | -                         | -                         | -                         |
| Interest receipts                                                                 |         | 7,014,088                 | 7,034,914                 | 3,261,440                 | 3,938,688                 |
| Dividend receipts from investments in subsidiaries, associates, and joint venture | 34.2    | 102,975,994               | 104,103,198               | 309,733,738               | 197,460,025               |
| Dividend receipts from other investments                                          |         | <u>7,512,000</u>          | <u>12,186,500</u>         | <u>7,512,000</u>          | <u>12,186,500</u>         |
| Net cash payments for investing activities                                        |         | <u>(1,098,478,397)</u>    | <u>(615,730,063)</u>      | <u>(1,051,571,111)</u>    | <u>(320,550,035)</u>      |
| <b>Cash flows from financing activities</b>                                       |         |                           |                           |                           |                           |
| Increase (decrease) in short-term loans                                           |         | 299,304,000               | 628,849,537               | 360,000,000               | 510,000,000               |
| Receipt from long-term loans                                                      | 20      | 805,245,700               | 184,800,000               | 800,000,000               | -                         |
| Repayment of long-term loans                                                      | 20      | (734,461,400)             | (642,781,478)             | (571,814,600)             | (507,591,938)             |
| Repayment of finance lease liabilities                                            |         | (9,642,183)               | (3,414,194)               | -                         | -                         |
| Proceeds from disposal of fixed assets under sales and leaseback agreement        |         | -                         | 27,767,239                | -                         | -                         |
| Dividend payment                                                                  | 33      | (270,986,700)             | (270,990,180)             | (270,986,700)             | (270,990,180)             |
| Dividends paid to non-controlling interests in subsidiaries                       |         | <u>(9,996,222)</u>        | <u>(3,491,173)</u>        | <u>-</u>                  | <u>-</u>                  |
| Net cash receipts (payments) from financing activities                            |         | <u>79,463,195</u>         | <u>(79,260,249)</u>       | <u>317,198,700</u>        | <u>(268,582,118)</u>      |
| <b>Net increase (decrease) in cash and cash equivalents</b>                       |         | <u>148,013,112</u>        | <u>35,839,671</u>         | <u>(85,598,499)</u>       | <u>52,198,734</u>         |
| Cash and cash equivalents, opening balance                                        |         | <u>472,956,895</u>        | <u>437,117,224</u>        | <u>268,054,860</u>        | <u>215,856,126</u>        |
| <b>Cash and cash equivalents, closing balance</b>                                 | 7       | <u><u>620,970,007</u></u> | <u><u>472,956,895</u></u> | <u><u>182,456,361</u></u> | <u><u>268,054,860</u></u> |
| <b>Non cash transactions</b>                                                      |         |                           |                           |                           |                           |
| Purchase of property, plant and equipment under finance lease                     |         | 2,164,000                 | 27,767,239                | -                         | -                         |

The notes to the consolidated and company financial statements on pages 9 to 75 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 2015**

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## **1 General information**

Srithai Superware Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The address of the Company’s 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 26 February 2016.

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

**2.2 New financial reporting standards and revised financial reporting standards**

**1) New financial reporting standards and revised financial reporting standards which are effective from 1 January 2015 are as follows:**

|                        |                                                                                                      |
|------------------------|------------------------------------------------------------------------------------------------------|
| TAS 1 (revised 2014)   | Presentation of financial statements                                                                 |
| TAS 2 (revised 2014)   | Inventories                                                                                          |
| TAS 7 (revised 2014)   | Statement of cash flows                                                                              |
| 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 contracts                                                                               |
| 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 and 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 payment                                                                                  |
| TFRS 3 (revised 2014)  | Business combinations                                                                                |
| TFRS 5 (revised 2014)  | Non-current assets 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 interests 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 |

**Srithai Superware Public Company Limited**  
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**2 Accounting policies (Cont'd)**

**2.2 New financial reporting standards and revised financial reporting standards (Cont'd)**

**1) New financial reporting standards and revised financial reporting standards which are effective from 1 January 2015 are as follows: (Cont'd)**

|                         |                                                                                                   |
|-------------------------|---------------------------------------------------------------------------------------------------|
| TFRIC 7 (revised 2014)  | Applying the restatement approach under TAS29 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                                         |

The Group has applied the aforementioned financial reporting standards from 1 January 2015. However, the application of those financial reporting standards has no significant impacts to the financial statements being presented, except the following accounting standards:

TAS 1 (revised 2014), the main change is that 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.

TFRS 13 aims to improve consistency and to reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the Group, except for disclosures.

**2) New financial reporting standards and revised financial reporting standards which are effective from 1 January 2016 and the Group are not early adopted are as follows:**

|                       |                                                                          |
|-----------------------|--------------------------------------------------------------------------|
| TAS 1 (revised 2015)  | Presentation of financial statements                                     |
| TAS 2 (revised 2015)  | Inventories                                                              |
| TAS 7 (revised 2015)  | Statement of cash flows                                                  |
| TAS 8 (revised 2015)  | Accounting policies, changes in accounting estimates and errors          |
| TAS 10 (revised 2015) | Events after the reporting period                                        |
| TAS 11 (revised 2015) | Construction contracts                                                   |
| TAS 12 (revised 2015) | Income taxes                                                             |
| TAS 16 (revised 2015) | Property, plant and equipment                                            |
| TAS 17 (revised 2015) | Leases                                                                   |
| TAS 18 (revised 2015) | Revenue                                                                  |
| TAS 19 (revised 2015) | Employee benefits                                                        |
| TAS 20 (revised 2015) | Accounting for government grants and disclosure of government assistance |
| TAS 21 (revised 2015) | The effects of changes in foreign exchange rates                         |
| TAS 23 (revised 2015) | Borrowing costs                                                          |
| TAS 24 (revised 2015) | Related party disclosures                                                |
| TAS 26 (revised 2015) | Accounting and reporting by retirement benefit plans                     |
| TAS 27 (revised 2015) | Separate financial statements                                            |
| TAS 28 (revised 2015) | Investments in associates and joint ventures                             |
| TAS 29 (revised 2015) | Financial reporting in hyperinflationary economies                       |
| TAS 33 (revised 2015) | Earnings per share                                                       |

**Srithai Superware Public Company Limited**  
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**2 Accounting policies (Cont'd)**

**2.2 New financial reporting standards and revised financial reporting standards (Cont'd)**

**2) New financial reporting standards and revised financial reporting standards which are effective from 1 January 2016 and the Group are not early adopted are as follows: (Cont'd)**

|                         |                                                                                                      |
|-------------------------|------------------------------------------------------------------------------------------------------|
| TAS 34 (revised 2015)   | Interim financial reporting                                                                          |
| TAS 36 (revised 2015)   | Impairment of assets                                                                                 |
| TAS 37 (revised 2015)   | Provisions, contingent liabilities and contingent assets                                             |
| TAS 38 (revised 2015)   | Intangible assets                                                                                    |
| TAS 40 (revised 2015)   | Investment property                                                                                  |
| TAS 41                  | Agriculture                                                                                          |
| TFRS 2 (revised 2015)   | Share-based payment                                                                                  |
| TFRS 3 (revised 2015)   | Business combinations                                                                                |
| TFRS 4 (revised 2015)   | Insurance contracts                                                                                  |
| TFRS 5 (revised 2015)   | Non-current assets held for sale and discontinued operations                                         |
| TFRS 6 (revised 2015)   | Exploration for and evaluation of mineral resources                                                  |
| TFRS 8 (revised 2015)   | Operating segments                                                                                   |
| TFRS 10 (revised 2015)  | Consolidated financial statements                                                                    |
| TFRS 11 (revised 2015)  | Joint arrangements                                                                                   |
| TFRS 12 (revised 2015)  | Disclosure of interests in other entities                                                            |
| TFRS 13 (revised 2015)  | Fair value measurement                                                                               |
| TSIC 10 (revised 2015)  | Government assistance - No specific relation to operating activities                                 |
| TSIC 15 (revised 2015)  | Operating leases - Incentives                                                                        |
| TSIC 25 (revised 2015)  | Income taxes - changes in the tax status of an entity or its shareholders                            |
| TSIC 27 (revised 2015)  | Evaluating the substance of transactions involving the legal form of a lease                         |
| TSIC 29 (revised 2015)  | Service concession arrangements: Disclosures                                                         |
| TSIC 31 (revised 2015)  | Revenue - barter transactions involving advertising services                                         |
| TSIC 32 (revised 2015)  | Intangible assets - Web site costs                                                                   |
| TFRIC 1 (revised 2015)  | Changes in existing decommissioning, restoration and similar liabilities                             |
| TFRIC 4 (revised 2015)  | Determining whether an arrangement contains a lease                                                  |
| TFRIC 5 (revised 2015)  | Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds |
| TFRIC 7 (revised 2015)  | Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies     |
| TFRIC 10 (revised 2015) | Interim financial reporting and impairment                                                           |
| TFRIC 12 (revised 2015) | Service concession arrangements                                                                      |
| TFRIC 13 (revised 2015) | Customer loyalty programmes                                                                          |
| TFRIC 14 (revised 2015) | TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction    |
| TFRIC 15 (revised 2015) | Agreements for the construction of real estate                                                       |
| TFRIC 17 (revised 2015) | Distributions of non-cash assets to owners                                                           |
| TFRIC 18 (revised 2015) | Transfers of assets from customers                                                                   |
| TFRIC 20 (revised 2015) | Stripping costs in the production phase of a surface mine                                            |
| TFRIC 21                | Levies                                                                                               |

The Group will apply the aforementioned financial reporting standards from 1 January 2016. However, the Group's management assessed and determined that the application of those financial reporting standards has no significant impact to the financial statements being presented.

**Srithai Superware Public Company Limited**  
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**2 Accounting policies (Cont'd)**

**2.3 Group accounting - investments in subsidiaries and associates and interests in joint ventures**

**Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method 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 to the former owners of acquiree 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 either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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 identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured 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.

In the Company financial statements, 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.

**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.

**Disposal of subsidiaries**

When the Group ceases to have control, 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.

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**For the year ended 31 December 2015**

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

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

**Associates**

Associates are all 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. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

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.

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 unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

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.

In the company's separated financial statements, investments in associates 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.

**Joint ventures**

The Group has applied TFRS11 to all joint arrangements as of 1 January 2015. Under TFRS11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The company has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

**Srithai Superware Public Company Limited**  
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## **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**  
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## **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. The unrealised gains and losses of available-for-sale investments are recognised 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.

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## **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                      | 18 to 30 years |
| Land improvement               | 5 to 10 years  |
| Building improvement           | 4 to 20 years  |
| Machinery and equipment        | 3 to 20 years  |
| Furniture and office equipment | 3 to 10 years  |
| Motor vehicles                 | 6 to 15 years  |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are recognised as other gains/(losses), net in profit or loss.

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

### **2.11 Intangible assets**

#### **2.11.1 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 6 years.

#### **2.11.2 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.

### **2.12 Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### **2.13 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. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

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. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. 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, associates and joint ventures, 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.

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

### **2.14 Other non-current assets**

#### Leasehold right

Leasehold right of lands is amortised using the straight-line method over the lease period of 43, 48 and 99 years.

#### Deferred moulds

Deferred moulds represent cash paid in advance for customers' moulds which are used for the manufacture of engineering parts for each customer. The deferred moulds are recognised as expenses based on the actual quantity manufactured from customers' orders over the period of 3 to 6 years.

### **2.15 Leases**

#### **a) Where the Group is the lessee**

##### **Operating leases**

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

##### **Finance leases**

Leases of assets where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

#### **b) Where the Group is the lessor**

##### **Operating leases**

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

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

### **2.16 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.

### **2.17 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **2.18 Employee benefits**

#### **2.18.1 Retirement benefits**

The Group operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

##### Defined contribution plan

A defined contribution plan is a retirement 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. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### Defined benefit plan

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. 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.

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

**2.18 Employee benefits (Cont'd)**

**2.18.1 Retirement benefits (Cont'd)**

Defined benefit plan (Cont'd)

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by independent actuaries 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 retirement liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

**2.18.2 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.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by independent actuaries 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 retirement liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit or loss in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

**2.18.3 Termination benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

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

### **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 the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **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 Roles, the Company that repurchase its shares has to dispose all of the repurchased shares within a specified period. If the Company does not dispose all treasury shares within the specified period, it has to reduce its paid-up share capital for offsetting with the treasury shares and the difference between the lower of the repurchase value and the par value should be recognised as premium on treasury shares.

### **2.21 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 distribution to the Company's shareholders is recognised as a liability are recorded in the consolidated and company's financial statements in the period in which they are approved by the Company's shareholders.

### **2.23 Financial assets and financial liabilities**

Financial assets carried on the statement of financial position include cash and cash equivalents, temporary investments, trade accounts receivable, other receivables, available-for-sale investments, investments in subsidiaries, investment in associates, investments in joint venture and other long-term investments. Financial liabilities carried on the statement of financial position include short-term loans, trade accounts payable, other payables, long-term loans and finance lease liabilities. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

### **2.24 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.

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### **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 19 and 20). Part of the revenues from sales and services, and imported machinery and equipment is denominated in foreign currencies. Credit risk arises when sales and services are made on a credit term basis.

Nevertheless, with the exception of entering into forward foreign exchange contracts for imported goods and machinery and exported goods, the Group does not make use of any derivative financial instruments in order to manage such risks because there is no material financial commitment in foreign currency. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Management of credit, currency and interest rate exposures is the responsibility of the Financial Executive. Monthly management reports contain details of the cost and market value of all financial instruments, including forward foreign exchange contracts. An analysis of exposures against the limits established by the directors is also provided. These limits principally cover the maximum permitted exposure in respect of:

a) Exchange rate risk

Export of products and imports of raw materials, finished goods, machinery and equipment, and minor part of loans expose the Group to risk of foreign exchange fluctuation. In such case, the Group cannot forecast income and cost accurately. The Group has been signing forward contracts with banks to prevent risk of foreign exchange in observation of situation of foreign exchange market at that time. Entering into forward contracts enables the Group to know precisely its income and cost, and facilitate its mapping of appropriate business strategies. In addition, negotiation and quotation of goods prices denominated in 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.

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### 3 Financial risk management (Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available. Cash and deposits are placed with financial institutions with high credit rating.

#### 3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instruments are recognised in the financial statements on inception.

Foreign currency forward contracts mitigate the Group's risk from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes.

#### 3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial assets which are cash and cash equivalents, temporary investments, trade accounts receivables and other receivables and financial liabilities which are short-term loans, trade accounts payable and other payables are approximately to the carrying amounts due to their short maturities.

The following table presents the Group's financial assets that are measured at fair value as at 31 December 2015 and 2014.

|                                                  | Consolidated and Company |                 |                 |                   |                   |                 |                 |                   |
|--------------------------------------------------|--------------------------|-----------------|-----------------|-------------------|-------------------|-----------------|-----------------|-------------------|
|                                                  | 2015                     |                 |                 |                   | 2014              |                 |                 |                   |
|                                                  | Level 1<br>Baht          | Level 2<br>Baht | Level 3<br>Baht | Total<br>Baht     | Level 1<br>Baht   | Level 2<br>Baht | Level 3<br>Baht | Total<br>Baht     |
| <b>Assets</b>                                    |                          |                 |                 |                   |                   |                 |                 |                   |
| Available-for-sale<br>financial assets (Note 11) |                          |                 |                 |                   |                   |                 |                 |                   |
| Equity securities                                | 58,560,000               | -               | -               | 58,560,000        | 87,000,000        | -               | -               | 87,000,000        |
| <b>Total assets</b>                              | <b>58,560,000</b>        | <b>-</b>        | <b>-</b>        | <b>58,560,000</b> | <b>87,000,000</b> | <b>-</b>        | <b>-</b>        | <b>87,000,000</b> |

There were no transfers between levels 1 and 2 during the year.

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### **3 Financial risk management (Cont'd)**

#### **3.3 Fair value estimation (Cont'd)**

##### **Financial instruments in level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an Arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

See Note 14 for disclosures of the investment properties that are measured at fair value and Note 20 for disclosures of the long-term loans that are measured at fair value.

##### **Financial instruments in level 2**

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no longer changes in valuation techniques during the period.

##### **The valuation processes**

The Group's Finance Department performs the valuations of financial assets required for financial reporting purposes and reports directly to the Financial Executive every quarter.

### **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.

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

##### **b) Deferred tax**

Deferred tax assets come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Group also considered the utilisation of the past tax losses and assessed the estimation on a conservative basis.

##### **c) Employee benefit obligations**

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

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 25.

#### **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.

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## 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 to consider profit (loss) from sales by segment. 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.

| <b>Consolidated</b>                                            |                            |                            |                            |                            |                                         |              |
|----------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------------------|--------------|
| <b>For the year ended 31 December 2015 (Baht'000)</b>          |                            |                            |                            |                            |                                         |              |
| <b>Plastics business line</b>                                  |                            |                            |                            |                            |                                         |              |
|                                                                | <b>Household products</b>  |                            | <b>Industrial products</b> |                            | <b>Trading and moulds business line</b> | <b>Total</b> |
|                                                                | <b>Domestic Production</b> | <b>Overseas Production</b> | <b>Domestic Production</b> | <b>Overseas Production</b> |                                         |              |
| Sales and service income                                       | 2,166,774                  | 150,709                    | 5,956,850                  | 1,403,781                  | 497,272                                 | 10,175,386   |
| Revenue from subsidiaries                                      | (276,954)                  | (666)                      | (90,833)                   | (15,110)                   | (29,017)                                | (412,580)    |
| Total sales and service income                                 | 1,889,820                  | 150,043                    | 5,866,017                  | 1,388,671                  | 468,255                                 | 9,762,806    |
| Profit (loss) from sales by segment                            | 178,632                    | 12,717                     | 212,222                    | 186,837                    | (57,148)                                | 533,260      |
| Gain on foreign exchange rate, net                             |                            |                            |                            |                            |                                         | 17,568       |
| Other income                                                   |                            |                            |                            |                            |                                         | 91,682       |
| Finance costs                                                  |                            |                            |                            |                            |                                         | (162,878)    |
| Share of profit of investments in associates and joint venture |                            |                            |                            |                            |                                         | 78,691       |
| Profit before income tax                                       |                            |                            |                            |                            |                                         | 558,323      |
| Income tax                                                     |                            |                            |                            |                            |                                         | (80,091)     |
| Profit for the year                                            |                            |                            |                            |                            |                                         | 478,232      |
| Fixed assets                                                   | 808,970                    |                            | 4,822,644                  |                            | 170,236                                 | 5,801,850    |
| Other unallocated fixed assets                                 |                            |                            |                            |                            |                                         | 49,785       |
| Other unallocated assets                                       |                            |                            |                            |                            |                                         | 5,255,456    |
| Consolidated total assets                                      |                            |                            |                            |                            |                                         | 11,107,091   |

| <b>Consolidated</b>                                            |                            |                            |                            |                            |                                         |              |
|----------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------------------|--------------|
| <b>For the year ended 31 December 2014 (Baht'000)</b>          |                            |                            |                            |                            |                                         |              |
| <b>Plastics business line</b>                                  |                            |                            |                            |                            |                                         |              |
|                                                                | <b>Household products</b>  |                            | <b>Industrial products</b> |                            | <b>Trading and moulds business line</b> | <b>Total</b> |
|                                                                | <b>Domestic Production</b> | <b>Overseas Production</b> | <b>Domestic Production</b> | <b>Overseas Production</b> |                                         |              |
| 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   |

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## 7 Cash and cash equivalents

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

|                                 | Consolidated |              | Company      |              |
|---------------------------------|--------------|--------------|--------------|--------------|
|                                 | 2015<br>Baht | 2014<br>Baht | 2015<br>Baht | 2014<br>Baht |
| Cash on hand                    | 4,921,403    | 5,730,991    | 3,504,955    | 4,227,725    |
| Cheque on hand                  | 8,768,363    | 6,152,190    | 8,261,183    | 6,152,190    |
| Deposits with banks             |              |              |              |              |
| - current accounts              | 404,286,839  | 116,034,040  | 9,325,769    | 3,328,331    |
| - savings accounts              | 202,571,890  | 307,178,615  | 161,000,735  | 253,985,555  |
| - fixed deposits                | 421,512      | 37,861,059   | 363,719      | 361,059      |
| Total cash and cash equivalents | 620,970,007  | 472,956,895  | 182,456,361  | 268,054,860  |

As at 31 December 2015, the interest rate of saving deposits at banks is between 0.05% to 0.85% per annum (2014: 0.05% to 2.00% per annum).

As at 31 December 2015, fixed deposits at banks represent 1-month to 3-month fixed deposits carrying interest at the rate of 0.80% to 0.88% per annum (2014: 1.10% to 4.00% per annum).

## 8 Temporary investments

Temporary investments as at 31 December comprise the following:

|                                | Consolidated |              | Company      |              |
|--------------------------------|--------------|--------------|--------------|--------------|
|                                | 2015<br>Baht | 2014<br>Baht | 2015<br>Baht | 2014<br>Baht |
| Fixed deposits pledged at bank | 1,473,780    | 96,620       | -            | -            |
| Fixed deposits                 | 2,407,644    | 5,740,582    | -            | -            |
| Total temporary investments    | 3,881,424    | 5,837,202    | -            | -            |

As at 31 December 2015, fixed deposits of a subsidiary amounting to Baht 1.47 million (2014: Baht 0.10 million) are pledged as collateral for tax guarantee.

As at 31 December 2015, fixed deposits of subsidiaries represent 3-month to 12-month fixed deposits at banks carrying interest at the rate of 6.00% to 8.25% per annum (2014: 3.00% to 8.00% per annum).

The movements of temporary investments for the years ended 31 December comprise the following:

|                                   | Consolidated  |              | Company      |              |
|-----------------------------------|---------------|--------------|--------------|--------------|
|                                   | 2015<br>Baht  | 2014<br>Baht | 2015<br>Baht | 2014<br>Baht |
| Opening book value                | 5,837,202     | 7,858,770    | -            | -            |
| Increase in temporary investments | 147,289,694   | 47,343,995   | -            | -            |
| Disposals                         | (149,273,055) | (49,193,126) | -            | -            |
| Currency translation differences  | 27,583        | (172,437)    | -            | -            |
| Closing book value                | 3,881,424     | 5,837,202    | -            | -            |

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**9 Trade accounts receivable, net**

Trade accounts receivable as at 31 December comprise the following:

|                                                  | <b>Consolidated</b>  |                      | <b>Company</b>       |                      |
|--------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                  | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> |
| Trade accounts receivable - third parties        | 1,646,724,327        | 1,663,518,727        | 1,326,083,137        | 1,351,324,630        |
| <u>Less</u> Allowance for doubtful accounts      | (27,408,314)         | (8,691,732)          | (19,771,092)         | (5,042,186)          |
| Trade accounts receivable                        |                      |                      |                      |                      |
| - third parties, net                             | 1,619,316,013        | 1,654,826,995        | 1,306,312,045        | 1,346,282,444        |
| Trade accounts receivable                        |                      |                      |                      |                      |
| - related parties (Note 35.2)                    | 308,852,698          | 337,535,356          | 385,496,785          | 406,601,089          |
| <u>Less</u> Allowance for doubtful accounts      | -                    | -                    | (19,190,000)         | -                    |
| Trade accounts receivable - related parties, net | 308,852,698          | 337,535,356          | 366,306,785          | 406,601,089          |
| Total trade accounts receivable, net             | <u>1,928,168,711</u> | <u>1,992,362,351</u> | <u>1,672,618,830</u> | <u>1,752,883,533</u> |

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

|                                             | <b>Consolidated</b>  |                      | <b>Company</b>       |                      |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                             | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> |
| Not yet due                                 | 1,379,823,629        | 1,432,992,889        | 1,064,427,360        | 1,133,618,764        |
| Overdue not exceeding 3 months              | 441,376,234          | 452,111,609          | 435,352,401          | 460,345,599          |
| Overdue 3 to 6 months                       | 69,262,022           | 50,156,840           | 88,363,177           | 62,589,220           |
| Overdue 6 to 12 months                      | 31,677,971           | 48,008,920           | 67,931,754           | 66,322,266           |
| Overdue 12 months                           | 33,437,169           | 17,783,825           | 55,505,230           | 35,049,870           |
| Total                                       | 1,955,577,025        | 2,001,054,083        | 1,711,579,922        | 1,757,925,719        |
| <u>Less</u> Allowance for doubtful accounts | (27,408,314)         | (8,691,732)          | (38,961,092)         | (5,042,186)          |
| Total trade accounts receivable, net        | <u>1,928,168,711</u> | <u>1,992,362,351</u> | <u>1,672,618,830</u> | <u>1,752,883,533</u> |

Outstanding trade accounts receivable - related parties as at 31 December can be analysed as follows:

|                                             | <b>Consolidated</b>  |                      | <b>Company</b>       |                      |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                             | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> |
| Not yet due                                 | 285,166,544          | 290,551,332          | 258,082,929          | 280,411,178          |
| Overdue not exceeding 3 months              | 23,686,154           | 46,984,024           | 41,417,677           | 70,231,778           |
| Overdue 3 to 6 months                       | -                    | -                    | 19,753,119           | 12,670,388           |
| Overdue 6 to 12 months                      | -                    | -                    | 37,019,470           | 18,529,291           |
| Overdue 12 months                           | -                    | -                    | 29,223,590           | 24,758,454           |
| Total                                       | 308,852,698          | 337,535,356          | 385,496,785          | 406,601,089          |
| <u>Less</u> Allowance for doubtful accounts | -                    | -                    | (19,190,000)         | -                    |
| Total trade accounts receivable             |                      |                      |                      |                      |
| - related parties, net                      | <u>308,852,698</u>   | <u>337,535,356</u>   | <u>366,306,785</u>   | <u>406,601,089</u>   |

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## 10 Inventories, net

Inventories as at 31 December comprise the following:

|                                                                  | Consolidated         |                      | Company              |                      |
|------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                  | 2015<br>Baht         | 2014<br>Baht         | 2015<br>Baht         | 2014<br>Baht         |
| Finished goods                                                   | 916,036,559          | 815,269,465          | 738,308,894          | 674,642,970          |
| Work in process                                                  | 190,852,076          | 179,843,589          | 123,852,558          | 81,402,214           |
| Raw materials                                                    | 373,601,576          | 363,160,953          | 246,573,710          | 259,205,080          |
| Supplies                                                         | 121,099,820          | 91,174,023           | 107,290,046          | 81,790,752           |
| Moulds for sales                                                 | 40,046,318           | 115,798,662          | 32,267,786           | 11,882,553           |
|                                                                  | <u>1,641,636,349</u> | <u>1,565,246,692</u> | <u>1,248,292,994</u> | <u>1,108,923,569</u> |
| <u>Less</u> Allowance for obsolescence                           | (19,260,199)         | (15,109,598)         | (12,170,000)         | (12,000,000)         |
| Allowance for inventories cost in excess of net realisable value | (3,922,756)          | (2,256,224)          | (950,000)            | (1,000,000)          |
|                                                                  | <u>1,618,453,394</u> | <u>1,547,880,870</u> | <u>1,235,172,994</u> | <u>1,095,923,569</u> |
| Goods in transit                                                 | 39,970,251           | 51,606,616           | 1,572,086            | 4,474,371            |
| Total inventories, net                                           | <u>1,658,423,645</u> | <u>1,599,487,486</u> | <u>1,236,745,080</u> | <u>1,100,397,940</u> |

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

|                                                                                                       | Consolidated      |                   | Company           |                   |
|-------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                                                       | 2015<br>Baht      | 2014<br>Baht      | 2015<br>Baht      | 2014<br>Baht      |
| Allowance for obsolescence                                                                            |                   |                   |                   |                   |
| Finished goods                                                                                        | 13,467,220        | 8,378,598         | 8,990,000         | 7,800,000         |
| Work in process                                                                                       | 672,100           | 672,100           | 200,000           | 200,000           |
| Raw materials                                                                                         | 1,678,577         | 3,346,598         | 550,000           | 1,900,000         |
| Supplies                                                                                              | 3,442,302         | 2,712,302         | 2,430,000         | 2,100,000         |
| Total allowance for obsolescence                                                                      | <u>19,260,199</u> | <u>15,109,598</u> | <u>12,170,000</u> | <u>12,000,000</u> |
| Allowance for inventories cost in excess of net realisable value                                      |                   |                   |                   |                   |
| Finished goods                                                                                        | 2,416,281         | 2,230,000         | 950,000           | 1,000,000         |
| Work in process                                                                                       | 1,506,475         | 26,224            | -                 | -                 |
| Total allowance for inventories cost in excess of net realisable value                                | <u>3,922,756</u>  | <u>2,256,224</u>  | <u>950,000</u>    | <u>1,000,000</u>  |
| Total allowance for obsolescence and allowance for inventories cost in excess of net realisable value | <u>23,182,955</u> | <u>17,365,822</u> | <u>13,120,000</u> | <u>13,000,000</u> |

The cost of inventories recognised as expense and included in “cost of sales” amounted to Baht 7,865.90 million and Baht 5,500.17 million (2014: Baht 7,840.43 million and Baht 5,932.79 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 5.82 million and Baht 0.12 million in the consolidated and company statement of comprehensive income, respectively (2014: recorded Baht 3.12 million and Baht 3.00 million).

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**11 Available-for-sale investments**

Available-for-sale investments as at 31 December comprise the following:

|                                                                   | <b>Consolidated</b> |                   | <b>Company</b>    |                   |
|-------------------------------------------------------------------|---------------------|-------------------|-------------------|-------------------|
|                                                                   | <b>2015</b>         | <b>2014</b>       | <b>2015</b>       | <b>2014</b>       |
|                                                                   | <b>Baht</b>         | <b>Baht</b>       | <b>Baht</b>       | <b>Baht</b>       |
| <u>Equity securities</u> - Listed company                         |                     |                   |                   |                   |
| Union Plastic Public Company Limited                              | 39,980,000          | 39,980,000        | 39,980,000        | 39,980,000        |
| <u>Add</u> Change in fair value of available-for-sale investments | 18,580,000          | 47,020,000        | 18,580,000        | 47,020,000        |
| Total available-for-sale investments                              | <u>58,560,000</u>   | <u>87,000,000</u> | <u>58,560,000</u> | <u>87,000,000</u> |

The fair value of available-for-sale investments are 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. The fair values are within level 1 of the fair value hierarchy.

The movements in book value of available-for-sale investments for the years ended 31 December comprise the following:

|                                             | <b>Consolidated</b> |                   | <b>Company</b>    |                   |
|---------------------------------------------|---------------------|-------------------|-------------------|-------------------|
|                                             | <b>2015</b>         | <b>2014</b>       | <b>2015</b>       | <b>2014</b>       |
|                                             | <b>Baht</b>         | <b>Baht</b>       | <b>Baht</b>       | <b>Baht</b>       |
| Opening book amount                         | 87,000,000          | 93,600,000        | 87,000,000        | 93,600,000        |
| Re-measuring available-for-sale investments | (28,440,000)        | (6,600,000)       | (28,440,000)      | (6,600,000)       |
| Closing book amount                         | <u>58,560,000</u>   | <u>87,000,000</u> | <u>58,560,000</u> | <u>87,000,000</u> |

**Srithai Superware Public Company Limited**  
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**12 Investments in subsidiaries, associates and joint venture**

12.1 Subsidiaries, associates and joint venture as at 31 December comprise the following:

| Company financial statements (Unit : Baht)       |                                     |                          |                        |                                  |                            |                  |                  |                          |                                          |                                        |
|--------------------------------------------------|-------------------------------------|--------------------------|------------------------|----------------------------------|----------------------------|------------------|------------------|--------------------------|------------------------------------------|----------------------------------------|
|                                                  | Nature of business                  | Country of incorporation | Nature of relationship | Paid up capital                  | Percentage of shareholding |                  | Cost method      |                          |                                          |                                        |
|                                                  |                                     |                          |                        |                                  | 31 December 2015           | 31 December 2014 | 31 December 2015 |                          | 31 December 2014                         |                                        |
|                                                  |                                     |                          |                        |                                  |                            |                  | Cost             | Allowance for impairment | Net book value                           | Allowance for impairment               |
|                                                  |                                     |                          |                        |                                  |                            |                  |                  |                          |                                          |                                        |
| <b>Subsidiaries</b>                              |                                     |                          |                        |                                  |                            |                  |                  |                          |                                          |                                        |
| <b>Local</b>                                     |                                     |                          |                        |                                  |                            |                  |                  |                          |                                          |                                        |
| Korat Thai Tech Co., Ltd.                        | Manufacture of melamine             | Thailand                 | Shareholder            | 30,000,000                       | 100.0                      | 100.0            | 29,999,970       | -                        | 29,999,970                               | -                                      |
| 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. <sup>(1)</sup>               | Manufacture of plastic              | Thailand                 | Shareholder            | -                                | -                          | 100.0            | -                | -                        | 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                               | -                                      |
|                                                  |                                     |                          |                        |                                  |                            |                  | 233,955,920      | (19,999,970)             | 240,205,913                              | -                                      |
| <b>Foreign</b>                                   |                                     |                          |                        |                                  |                            |                  |                  |                          |                                          |                                        |
| Srithai (Vietnam) Co., Ltd.                      | Manufacture of plastic and melamine | Vietnam                  | Shareholder            | 782,082 Million Vietnamese Dongs | 100.0                      | 100.0            | 1,229,035,712    | -                        | 532,085,712                              | -                                      |
| Srithai Superware Manufacturing Pvt. Ltd.        | Manufacture of melamine             | India                    | Shareholder            | 600,00 Million Indian Rupees     | 100.0                      | 100.0            | 403,025,700      | -                        | 216,250,700                              | -                                      |
| Srithai Superware India Ltd.                     | Trading of melamine                 | India                    | Shareholder            | 42.50 Million Indian Rupees      | 82.4                       | 82.4             | 25,090,500       | -                        | 25,090,500                               | -                                      |
|                                                  |                                     |                          |                        |                                  |                            |                  | 1,657,151,912    | -                        | 773,426,912                              | -                                      |
| Total investments in subsidiaries                |                                     |                          |                        |                                  |                            |                  | 1,891,107,832    | (19,999,970)             | 1,013,632,825                            | -                                      |
| At Cost                                          |                                     |                          |                        |                                  |                            |                  |                  |                          |                                          |                                        |
| (Unit : Million Vietnamese Dong)                 |                                     |                          |                        |                                  |                            |                  |                  |                          |                                          |                                        |
| 31 December 2015                                 |                                     |                          |                        |                                  |                            |                  |                  |                          |                                          |                                        |
| 31 December 2014                                 |                                     |                          |                        |                                  |                            |                  |                  |                          |                                          |                                        |
| <b>Indirect Subsidiary</b>                       |                                     |                          |                        |                                  |                            |                  |                  |                          |                                          |                                        |
| <b>Subsidiary of Srithai (Vietnam) Co., Ltd.</b> |                                     |                          |                        |                                  |                            |                  |                  |                          |                                          |                                        |
| Srithai (Hanoi) Co., Ltd.                        | Manufacture of plastic              | Vietnam                  | Indirect Shareholder   | 270,000 Million Vietnamese Dongs | 100.0                      | 100.0            |                  |                          | 270,000 (equivalent to 415 Million Baht) | 42,000 (equivalent to 63 Million Baht) |

(1) The subsidiary has registered for dissolution and completed liquidation in 2015

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**12 Investments in subsidiaries, associates and joint venture (Cont'd)**

12.1 Subsidiaries, associates and joint venture as at 31 December comprise the following: (Cont'd)

|                                                   | Consolidated financial statements<br>(Unit : Baht) |                          |                        |                         | Company financial statements (Unit : Baht) |                  |                  |                          |                          |                |                          |                          |                |
|---------------------------------------------------|----------------------------------------------------|--------------------------|------------------------|-------------------------|--------------------------------------------|------------------|------------------|--------------------------|--------------------------|----------------|--------------------------|--------------------------|----------------|
|                                                   | Nature of business                                 | Country of incorporation | Nature of relationship | Paid up capital         | Percentage of shareholding                 |                  | Cost method      |                          |                          |                |                          |                          |                |
|                                                   |                                                    |                          |                        |                         | 31 December 2015                           | 31 December 2014 | 31 December 2015 |                          | 31 December 2014         |                |                          |                          |                |
|                                                   |                                                    |                          |                        |                         |                                            |                  | Equity method    |                          | Allowance for impairment | Net book value | Cost                     | Allowance for impairment | Net book value |
|                                                   |                                                    |                          |                        |                         | 31 December 2015                           | 31 December 2014 | Cost             | Allowance for impairment | Net book value           | Cost           | Allowance for impairment | Net book value           |                |
| <b>Associates</b>                                 |                                                    |                          |                        |                         |                                            |                  |                  |                          |                          |                |                          |                          |                |
| <b>Local</b>                                      |                                                    |                          |                        |                         |                                            |                  |                  |                          |                          |                |                          |                          |                |
| Srithai Sanko Co., Ltd. <sup>(1)</sup>            | Trading of plastic                                 | Thailand                 | Shareholder            | 20,000,000              | 48.0                                       | 48.0             | 29,532,804       | 26,642,041               | 9,599,400                | 9,599,400      | -                        | -                        | 9,599,400      |
| Thai MFC Co., Ltd.                                | Manufacture of melamine powder                     | Thailand                 | Shareholder            | 200,000,000             | 45.0                                       | 45.0             | 126,863,373      | 152,153,711              | 90,000,000               | 90,000,000     | -                        | -                        | 90,000,000     |
| S.K.I. Ceramics Co., Ltd. <sup>(2)</sup>          | Manufacture of ceramics                            | Thailand                 | Shareholder            | 125,000,000             | 42.0                                       | 42.0             | -                | -                        | 52,500,000               | -              | (52,500,000)             | -                        | -              |
| Sheewamala Co., Ltd.                              | Manufacture of plastic and melamine                | Thailand                 | Shareholder            | 49,800,000              | 40.0                                       | 40.0             | 26,912,177       | 22,868,793               | 19,920,000               | 19,920,000     | -                        | -                        | 19,920,000     |
| Srithai Packaging Co., Ltd.                       | Manufacture of packaging                           | Thailand                 | Shareholder            | 60,000,000              | 39.2                                       | 39.2             | 30,117,127       | 37,085,367               | 27,156,000               | 27,156,000     | -                        | -                        | 27,156,000     |
| Soko Srithai Co., Ltd. <sup>(2)</sup>             | Manufacture of plastic                             | Thailand                 | Shareholder            | 250,000,000             | 24.0                                       | 24.0             | -                | -                        | 48,384,880               | -              | (48,384,880)             | -                        | -              |
|                                                   |                                                    |                          |                        |                         |                                            |                  | 213,425,481      | 238,749,912              | 247,560,280              | 146,675,400    | (100,884,880)            | (100,884,880)            | 146,675,400    |
| <b>Foreign</b>                                    |                                                    |                          |                        |                         |                                            |                  |                  |                          |                          |                |                          |                          |                |
| PT. Srithai Maspion Indonesia                     | Manufacture of melamine                            | Indonesia                | Shareholder            | 10,394.1 Million Rupiah | 32.5                                       | 32.5             | 13,419,419       | 14,366,207               | 37,437,858               | 37,437,858     | -                        | -                        | 37,437,858     |
|                                                   |                                                    |                          |                        |                         |                                            |                  | 13,419,419       | 14,366,207               | 37,437,858               | 37,437,858     | -                        | -                        | 37,437,858     |
|                                                   |                                                    |                          |                        |                         |                                            |                  | 226,844,900      | 253,116,119              | 284,998,138              | 184,113,258    | (100,884,880)            | (100,884,880)            | 184,113,258    |
| Total investments in associates                   |                                                    |                          |                        |                         |                                            |                  |                  |                          |                          |                |                          |                          |                |
| <b>Joint venture</b>                              |                                                    |                          |                        |                         |                                            |                  |                  |                          |                          |                |                          |                          |                |
| <b>Local</b>                                      |                                                    |                          |                        |                         |                                            |                  |                  |                          |                          |                |                          |                          |                |
| Srithai-Otto (Thailand) Co., Ltd.                 | Trading of plastic                                 | Thailand                 | Shareholder            | 10,000,000              | 50.0                                       | 50.0             | 16,304,558       | 14,298,886               | 4,999,800                | 4,999,800      | -                        | -                        | 4,999,800      |
| Total investments in joint venture                |                                                    |                          |                        |                         |                                            |                  | 16,304,558       | 14,298,886               | 4,999,800                | 4,999,800      | -                        | -                        | 4,999,800      |
|                                                   |                                                    |                          |                        |                         |                                            |                  |                  |                          |                          |                |                          |                          |                |
| Total investments in associates and joint venture |                                                    |                          |                        |                         |                                            |                  | 243,149,458      | 267,415,005              | 289,997,938              | 189,113,058    | (100,884,880)            | (100,884,880)            | 189,113,058    |

(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 2015, the Group has not recognised share of accumulated losses in associates which exceed the Group's interest totaling of Baht 7.37 million (2014 : Baht 7.37 million)

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**12 Investments in subsidiaries, associates and joint venture (Cont'd)**

12.2 The movements in book value of investments in subsidiaries, associates and joint venture for the years ended 31 December comprise the following:

Subsidiaries

|                                                                 | <b>Company<br/>Cost method</b> |                      |
|-----------------------------------------------------------------|--------------------------------|----------------------|
|                                                                 | <b>2015<br/>Baht</b>           | <b>2014<br/>Baht</b> |
| Opening net book amount                                         | 1,013,632,825                  | 761,800,125          |
| Investment in subsidiaries (Note 12.6 a))                       | 883,725,000                    | 251,832,700          |
| Subsidiary's liquidation (Note 12.6 b))                         | (6,249,993)                    | -                    |
| Loss on impairment of investment in a subsidiary (Note 12.6 d)) | (19,999,970)                   | -                    |
| Closing net book amount                                         | <u>1,871,107,862</u>           | <u>1,013,632,825</u> |

Associates

|                                              | <b>Consolidated<br/>Equity method</b> |                      | <b>Company<br/>Cost method</b> |                      |
|----------------------------------------------|---------------------------------------|----------------------|--------------------------------|----------------------|
|                                              | <b>2015<br/>Baht</b>                  | <b>2014<br/>Baht</b> | <b>2015<br/>Baht</b>           | <b>2014<br/>Baht</b> |
| Opening net book amount                      | 253,116,119                           | 288,172,289          | 184,113,258                    | 184,113,258          |
| Share of profit of investments in associates | 76,685,132                            | 62,179,932           | -                              | -                    |
| Dividend income                              | (102,741,205)                         | (97,891,511)         | -                              | -                    |
| Currency translation differences             | (215,146)                             | 655,409              | -                              | -                    |
| Closing net book amount                      | <u>226,844,900</u>                    | <u>253,116,119</u>   | <u>184,113,258</u>             | <u>184,113,258</u>   |

Joint venture

|                                                 | <b>Consolidated<br/>Equity method</b> |                      | <b>Company<br/>Cost method</b> |                      |
|-------------------------------------------------|---------------------------------------|----------------------|--------------------------------|----------------------|
|                                                 | <b>2015<br/>Baht</b>                  | <b>2014<br/>Baht</b> | <b>2015<br/>Baht</b>           | <b>2014<br/>Baht</b> |
| Opening net book amount                         | 14,298,886                            | 14,313,342           | 4,999,800                      | 4,999,800            |
| Share of profit of investments in joint venture | 2,005,672                             | 985,504              | -                              | -                    |
| Dividend income                                 | -                                     | (999,960)            | -                              | -                    |
| Closing net book amount                         | <u>16,304,558</u>                     | <u>14,298,886</u>    | <u>4,999,800</u>               | <u>4,999,800</u>     |

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**12 Investments in subsidiaries, associates and joint venture (Cont'd)**

12.3 The Group's share of the results of associates and joint venture, all of which are unlisted, and its share of the assets and liabilities are as follows:

| For the year ended 31 December 2015    |                          |                    |                    |                    |                    |                             |
|----------------------------------------|--------------------------|--------------------|--------------------|--------------------|--------------------|-----------------------------|
|                                        | Country of incorporation | Assets Baht        | Liabilities Baht   | Revenues Baht      | Profit (Loss) Baht | Percentage of share holding |
| <b><u>Associates</u></b>               |                          |                    |                    |                    |                    |                             |
| <b><u>Local</u></b>                    |                          |                    |                    |                    |                    |                             |
| Srithai Sanko Co., Ltd. <sup>(1)</sup> | Thailand                 | 92,992,201         | 58,032,953         | 183,093,656        | 12,970,133         | 48.0                        |
| Thai MFC Co., Ltd.                     | Thailand                 | 187,281,827        | 56,989,721         | 388,792,510        | 64,709,662         | 45.0                        |
| Sheewamala Co., Ltd.                   | Thailand                 | 36,176,277         | 6,321,724          | 36,560,006         | 4,043,384          | 40.0                        |
| Srithai Packaging Co., Ltd.            | Thailand                 | 74,522,219         | 44,974,065         | 69,367,006         | (6,968,240)        | 39.2                        |
|                                        |                          | <u>390,972,524</u> | <u>166,318,463</u> | <u>677,813,178</u> | <u>74,754,939</u>  |                             |
| <b><u>Foreign</u></b>                  |                          |                    |                    |                    |                    |                             |
| PT. Srithai Maspion Indonesia          | Indonesia                | 21,927,191         | 8,507,772          | 38,944,499         | 1,930,193          | 32.5                        |
|                                        |                          | <u>21,927,191</u>  | <u>8,507,772</u>   | <u>38,944,499</u>  | <u>1,930,193</u>   |                             |
| Total associates                       |                          | <u>412,899,715</u> | <u>174,826,235</u> | <u>716,757,677</u> | <u>76,685,132</u>  |                             |
| <b><u>Joint venture</u></b>            |                          |                    |                    |                    |                    |                             |
| <b><u>Local</u></b>                    |                          |                    |                    |                    |                    |                             |
| Srithai-Otto (Thailand) Co., Ltd.      | Thailand                 | 24,588,971         | 8,088,323          | 39,586,329         | 2,005,672          | 50.0                        |
| Total joint venture                    |                          | <u>24,588,971</u>  | <u>8,088,323</u>   | <u>39,586,329</u>  | <u>2,005,672</u>   |                             |
| Total associates and joint venture     |                          | <u>437,488,686</u> | <u>182,914,558</u> | <u>756,344,006</u> | <u>78,690,804</u>  |                             |

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

(1) Include share portion of Sanko Srithai (Malaysia) SDN. BHD. which is a wholly owned subsidiary of Srithai Sanko Co., Ltd.

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## 12 Investments in subsidiaries, associates and joint venture (Cont'd)

### 12.4 Investment in associates

Associate of the Group as at 31 December 2015 and 2014, which, in the opinion of the Directors, is material to the Group comprises the following:

|                    | <u>Nature of the relationship</u>                                                       | <u>Measurement method</u> |
|--------------------|-----------------------------------------------------------------------------------------|---------------------------|
| Thai MFC Co., Ltd. | Manufacturer and distributor of major raw material for household products to the Group. | Equity method             |

The associate as listed above has share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also its principal place of business.

Thai MFC Co., Ltd. is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's interest in the associates.

#### Summarised financial information for associates

Set out below are the summarised financial information for Thai MFC Co., Ltd. for which is accounted using the equity method.

Summarised statement of financial position as at 31 December comprise the following:

|                                                            | <u>Thai MFC Co., Ltd.</u> |             |
|------------------------------------------------------------|---------------------------|-------------|
|                                                            | <u>2015</u>               | <u>2014</u> |
|                                                            | <u>Baht</u>               | <u>Baht</u> |
| <b>Current assets:</b>                                     |                           |             |
| Cash and cash equivalents                                  | 39,359,149                | 8,205,406   |
| Other current assets (excluding cash and cash equivalents) | 330,461,546               | 383,443,313 |
| Total current assets                                       | 369,820,695               | 391,648,719 |
| Non-current Assets                                         | 46,361,143                | 51,234,470  |
|                                                            | 416,181,838               | 442,883,189 |
| <b>Current liabilities</b>                                 |                           |             |
| Financial liabilities (excluding trade payables)           | 14,354,255                | 27,024,606  |
| Other current liabilities (including trade payables)       | 107,892,625               | 70,173,954  |
| Total current liabilities                                  | 122,246,880               | 97,198,560  |
| Non-current liabilities                                    | 4,396,944                 | 6,149,917   |
|                                                            | 126,643,824               | 103,348,477 |
| Net assets                                                 | 289,538,014               | 339,534,712 |

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**12 Investments in subsidiaries, associates and joint venture (Cont'd)**

**12.4 Investment in associates (Cont'd)**

Summarised statements of comprehensive income for the year ended 31 December comprise the following:

|                                                   | <b>Thai MFC Co., Ltd.</b> |                    |
|---------------------------------------------------|---------------------------|--------------------|
|                                                   | <b>2015</b>               | <b>2014</b>        |
|                                                   | <b>Baht</b>               | <b>Baht</b>        |
| Revenue                                           | 863,983,355               | 826,915,210        |
| Depreciation and amortisation                     | (12,013,763)              | (13,074,176)       |
| Interest income                                   | 2,099,705                 | 2,703,089          |
| Interest expense                                  | (27,574)                  | (2,829)            |
| <b>Profit from continuing operations</b>          | <b>186,706,438</b>        | <b>105,504,426</b> |
| Income tax expense                                | (36,703,136)              | (18,122,133)       |
| <b>Post-tax profit from continuing operations</b> | <b>150,003,302</b>        | <b>87,382,293</b>  |
| <b>Total comprehensive income</b>                 | <b>150,003,302</b>        | <b>87,382,293</b>  |
| <b>Dividends received from associate</b>          | <b>90,000,000</b>         | <b>81,000,000</b>  |

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associate.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates comprise the following:

|                                                  | <b>Thai MFC Co., Ltd.</b> |                    |
|--------------------------------------------------|---------------------------|--------------------|
|                                                  | <b>2015</b>               | <b>2014</b>        |
|                                                  | <b>Baht</b>               | <b>Baht</b>        |
| <b>Summarised financial information</b>          |                           |                    |
| <b>Opening net assets 1 January</b>              | <b>339,534,712</b>        | <b>432,152,419</b> |
| Profit for the year                              | 150,003,302               | 87,382,293         |
| Dividend payment                                 | (200,000,000)             | (180,000,000)      |
| <b>Closing net assets 31 December</b>            | <b>289,538,014</b>        | <b>339,534,712</b> |
| Interests in associates (2015 : 45%; 2014 : 45%) | 130,292,106               | 152,790,620        |
| Unrealised gain arising from equity method       | (3,428,733)               | (636,909)          |
| <b>Carrying value</b>                            | <b>126,863,373</b>        | <b>152,153,711</b> |

Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method which comprise the following:

|                                                                 | <b>2015</b>       | <b>2014</b>       |
|-----------------------------------------------------------------|-------------------|-------------------|
|                                                                 | <b>Baht</b>       | <b>Baht</b>       |
| Aggregate carrying amount of individually immaterial associates | 99,981,527        | 100,962,408       |
| Aggregate amounts of the reporting entity's share of:           |                   |                   |
| Profit from continuing activities                               | 11,975,470        | 22,847,035        |
| Other comprehensive income                                      | -                 | -                 |
| <b>Total comprehensive income</b>                               | <b>11,975,470</b> | <b>22,847,035</b> |

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## 12 Investments in subsidiaries, associates and joint venture (Cont'd)

### 12.5 Interests in joint venture

Joint venture as at 31 December 2015 and 2014 comprises the following:

|                                   | <u>Nature of the relationship</u>                 | <u>Measurement method</u> |
|-----------------------------------|---------------------------------------------------|---------------------------|
| Srithai-Otto (Thailand) Co., Ltd. | Distributor of industrial products for the Group. | Equity method             |

The joint venture as listed above has share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also its principal place of business.

Srithai-Otto (Thailand) Co., Ltd. is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's interests in the joint venture

#### Individually immaterial joint venture

The Group has interests in a individually immaterial joint venture that is accounted for using the equity method which comprises the following:

|                                                                    | <u>2015<br/>Baht</u> | <u>2014<br/>Baht</u> |
|--------------------------------------------------------------------|----------------------|----------------------|
| Aggregate carrying amount of individually immaterial joint venture | 16,304,558           | 14,298,886           |
| Aggregate amounts of the reporting entity's share of:              |                      |                      |
| Profit from continuing activities                                  | 2,005,672            | 985,504              |
| Other comprehensive income                                         | -                    | -                    |
| <b>Total comprehensive income</b>                                  | <u>2,005,672</u>     | <u>985,504</u>       |

### 12.6 Significant events

#### a) **Investment in subsidiaries and indirect subsidiary**

##### Srithai (Vietnam) Company Limited - subsidiary

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 its 100.00% shareholding. The payment is for an increase in share capital that the subsidiary registered in 2012.

Srithai (Vietnam) Company Limited has registered to increase its registered capital from US dollars 20.00 million to 40.00 million on 6 February 2015. This was approved by a resolution of the Board of Directors of the Company on 30 September 2014. The Company wholly invested in the increase registered capital according to its 100.00% shareholding. During the year ended 31 December 2015, the Company wholly paid for additional investment in share capital of a subsidiary amounting to US dollars 20.00 million or equivalent to Baht 696.95 million.

On 29 September 2015, the Board of Directors of the Company passed a resolution to increase share capital of Srithai (Vietnam) Company Limited not more than US dollars 21.00 million. The Company will wholly invest in the increase share capital according to its 100.00% shareholding. After the increase in share capital, its registered capital will increase from US dollars 40.00 million to not more than US dollars 61.00 million.

**Srithai Superware Public Company Limited**  
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**12 Investments in subsidiaries, associates and joint venture (Cont'd)**

**12.6 Significant events (Cont'd)**

**a) Investment in subsidiaries and indirect subsidiary (Cont'd)**

Srithai Superware Manufacturing Private Limited - subsidiary

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.

On 9 February 2015, the Company paid for the additional share capital of Srithai Superware Manufacturing Private Limited, being share capital and premium on share capital amounting to Indian Rupees 80.00 million and 20.00 million, respectively, or totalling Baht 52.80 million according to its 100.00% shareholding.

In the 2<sup>nd</sup> quarter of 2015, Srithai Superware Manufacturing Private Limited, has registered to increase its capital from Indian Rupees 400.00 million to Indian Rupees 600.00 million according to the resolution of the Board of Directors of the subsidiary. During the year ended 31 December 2015, the Company paid for the additional share capital and premium on share capital of the subsidiary amounting to Indian Rupees 200.00 million and Indian Rupees 50.00 million, respectively, or totalling equivalent to Baht 133.98 million according to its 100.00% shareholding.

Srithai (Hanoi) Company Limited - indirect subsidiary

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 Dongs 424,920 million. The subsidiary holds 100.00% shareholding in Srithai (Hanoi) Company Limited and partially paid for the share capital of Vietnamese Dongs 42,000 million or totalling equivalent to Baht 63.00 million. Srithai (Hanoi) Company Limited is a subsidiary of Srithai (Vietnam) Company Limited and indirect subsidiary of the Company.

During the year ended 31 December 2015, Srithai (Vietnam) Company Limited, a parent, partially paid for the additional share capital of Srithai (Hanoi) Company Limited amounting to Vietnamese Dongs 228,000 million or equivalent to Baht 352.10 million according to its 100.00% shareholding.

**b) Subsidiary's dissolution and liquidation**

SuperIdea Company Limited

On 30 September 2015, the Extraordinary Shareholders' meeting of SuperIdea Company Limited approved the dissolution. This is due to the fact that SuperIdea has not been fully ready to start its operations as well as has long been in the process of assessing the business situations together with other aspects relating to the overall market potential, prospective customers and the economic and political environment by the foreign business partner for its decision whether or not to proceed with the investment in Thailand. The dissolution was registered with the Ministry of Commerce on 30 September 2015 and completed the liquidation on 6 November 2015. The Company had the investment amounting to Baht 6,249,993. However, the Company received cash return from the subsidiary's liquidation amounting to Baht 6,333,104.

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**12 Investments in subsidiaries, associates and joint venture (Cont'd)**

**12.6 Significant events (Cont'd)**

**c) 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 Ringgits 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.

**d) Impairment of investments in a subsidiary**

P.E.T. Blow Company Limited

During the year 2015, the Company's management had considered and determined to set up provision for impairment of investment in a subsidiary, P.E.T. Blow Company Limited, of Baht 20.00 million which equals to the cost of investment in the subsidiary in the company financial statements. The management made its determination based on the subsidiary declining performance and increasing in cumulative deficits. The provision is presented under loss on impairment of investment in subsidiary in the statement of comprehensive income.

**e) Dividend payment of subsidiaries**

Korat Thai Tech Company Limited

At the Annual General Shareholders' Meeting of Korat Thai Tech Company Limited on 31 March 2015, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2014 at Baht 20.00 per share, totalling Baht 60.00 million. The Company received a dividend of Baht 60.00 million according to its 100.00% shareholding.

At the 1<sup>st</sup> Extraordinary General Shareholders' Meeting of Korat Thai Tech Company Limited on 29 June 2015, the meeting has approved an interim dividend for the year 2015 at Baht 20.00 per share, totalling Baht 60.00 million. The Company received the dividend of Baht 60.00 million according to its 100.00% shareholding.

At the 2<sup>nd</sup> Extraordinary General Shareholders' Meeting of Korat Thai Tech Company Limited on 14 December 2015, the meeting has approved an interim dividend for the year 2015 at Baht 5.00 per share, totalling Baht 15.00 million. The Company will receive the dividend of Baht 15.00 million according to its 100.00% shareholding.

Srithai Miyagawa Company Limited

At the Annual General Shareholders' Meeting of Srithai Miyagawa Company Limited on 25 April 2015, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2014 at Baht 17.00 per share, totalling Baht 20.40 million. The Company received the dividend of Baht 10.40 million according to its 51.00% shareholding.

Srithai (Vietnam) Company Limited

At the Board of Directors' Meeting of Srithai (Vietnam) Company Limited on 17 August 2015, the meeting has approved a dividend in respect of the subsidiary's earnings totalling Vietnamese Dongs 47,900.00 million or equivalent to Baht 76.43 million. The Company received all dividend according to its 100.00% shareholding.

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**13 Other long-term investments, net**

Other long-term investments as at 31 December comprise the following:

|                                                          | <b>Consolidated</b> |                    | <b>Company</b>     |                    |
|----------------------------------------------------------|---------------------|--------------------|--------------------|--------------------|
|                                                          | <b>2015</b>         | <b>2014</b>        | <b>2015</b>        | <b>2014</b>        |
|                                                          | <b>Baht</b>         | <b>Baht</b>        | <b>Baht</b>        | <b>Baht</b>        |
| <u>Equity securities</u> - Non-listed companies          |                     |                    |                    |                    |
| 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> |
| Total other long-term investments, net                   | <u>113,016,354</u>  | <u>113,016,354</u> | <u>47,169,970</u>  | <u>47,169,970</u>  |

The movements in book value of other long-term investments for the years ended 31 December comprise the following:

|                         | <b>Consolidated</b> |                    | <b>Company</b>    |                   |
|-------------------------|---------------------|--------------------|-------------------|-------------------|
|                         | <b>2015</b>         | <b>2014</b>        | <b>2015</b>       | <b>2014</b>       |
|                         | <b>Baht</b>         | <b>Baht</b>        | <b>Baht</b>       | <b>Baht</b>       |
| Opening net book amount | 113,016,354         | 113,016,354        | 47,169,970        | 47,169,970        |
| Change during the year  | -                   | -                  | -                 | -                 |
| Closing net book amount | <u>113,016,354</u>  | <u>113,016,354</u> | <u>47,169,970</u> | <u>47,169,970</u> |

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#### 14 Investment properties, net

The movements of investment properties for the years ended 31 December comprise the following:

|                                            | <b>Consolidated</b>  |                                       |                       |
|--------------------------------------------|----------------------|---------------------------------------|-----------------------|
|                                            | <b>Land<br/>Baht</b> | <b>Land and<br/>building<br/>Baht</b> | <b>Total<br/>Baht</b> |
| <b>As at 1 January 2014</b>                |                      |                                       |                       |
| Cost                                       | 27,250,000           | 177,928,490                           | 205,178,490           |
| <u>Less</u> Accumulated depreciation       | -                    | (70,399,376)                          | (70,399,376)          |
| Net book value                             | <u>27,250,000</u>    | <u>107,529,114</u>                    | <u>134,779,114</u>    |
| <b>For the year ended 31 December 2014</b> |                      |                                       |                       |
| Opening net book value                     | 27,250,000           | 107,529,114                           | 134,779,114           |
| Depreciation charge (Note 31)              | -                    | (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>    |
| <b>As at 31 December 2014</b>              |                      |                                       |                       |
| 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>    |
| <b>For the year ended 31 December 2015</b> |                      |                                       |                       |
| Opening net book value                     | 27,250,000           | 101,183,029                           | 128,433,029           |
| Depreciation charge (Note 31)              | -                    | (5,947,781)                           | (5,947,781)           |
| Closing net book value                     | <u>27,250,000</u>    | <u>95,235,248</u>                     | <u>122,485,248</u>    |
| <b>As at 31 December 2015</b>              |                      |                                       |                       |
| Cost                                       | 27,250,000           | 177,928,490                           | 205,178,490           |
| <u>Less</u> Accumulated depreciation       | -                    | (82,693,242)                          | (82,693,242)          |
| Net book value                             | <u>27,250,000</u>    | <u>95,235,248</u>                     | <u>122,485,248</u>    |
| Fair value as at 31 December 2014          | 434,910,000          | 649,574,306                           | 1,084,484,306         |
| Fair value as at 31 December 2015          | 434,910,000          | 645,739,198                           | 1,080,649,198         |

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**14 Investment properties, net (Cont'd)**

The movements of investment properties for the years ended 31 December comprise the following: (Cont'd)

|                                            | <b>Company</b>       |                                       |                       |
|--------------------------------------------|----------------------|---------------------------------------|-----------------------|
|                                            | <b>Land<br/>Baht</b> | <b>Land and<br/>building<br/>Baht</b> | <b>Total<br/>Baht</b> |
| <b>As at 1 January 2014</b>                |                      |                                       |                       |
| Cost                                       | 201,543,000          | 359,529,898                           | 561,072,898           |
| <u>Less</u> Accumulated depreciation       | -                    | (61,858,451)                          | (61,858,451)          |
| Net book value                             | <u>201,543,000</u>   | <u>297,671,447</u>                    | <u>499,214,447</u>    |
| <b>For the year ended 31 December 2014</b> |                      |                                       |                       |
| Opening net book value                     | 201,543,000          | 297,671,447                           | 499,214,447           |
| Depreciation charge (Note 31)              | -                    | (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>    |
| <b>As at 31 December 2014</b>              |                      |                                       |                       |
| 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>    |
| <b>For the year ended 31 December 2015</b> |                      |                                       |                       |
| Opening net book value                     | 201,543,000          | 292,005,769                           | 493,548,769           |
| Depreciation charge (Note 31)              | -                    | (5,665,678)                           | (5,665,678)           |
| Closing net book value                     | <u>201,543,000</u>   | <u>286,340,091</u>                    | <u>487,883,091</u>    |
| <b>As at 31 December 2015</b>              |                      |                                       |                       |
| Cost                                       | 201,543,000          | 359,529,898                           | 561,072,898           |
| <u>Less</u> Accumulated depreciation       | -                    | (73,189,807)                          | (73,189,807)          |
| Net book value                             | <u>201,543,000</u>   | <u>286,340,091</u>                    | <u>487,883,091</u>    |
| Fair value as at 31 December 2014          | 434,910,000          | 632,461,500                           | 1,067,371,500         |
| Fair value as at 31 December 2015          | 434,910,000          | 632,461,500                           | 1,067,371,500         |

The fair value of investment properties are based on the sales comparison approach using the valuation by independent professionally qualified valuers who hold a recognised relevant professional qualification and have experience in the locations and categories of the investment properties value. The fair values are within level 2 of the fair value hierarchy.

Amounts recognised in profit and loss that are related to investment properties are as follows:

|               | <b>Consolidated</b>  |                      | <b>Company</b>       |                      |
|---------------|----------------------|----------------------|----------------------|----------------------|
|               | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> |
| Rental income | 6,098,546            | 5,214,599            | 5,765,873            | 4,794,543            |

**Srithai Superware Public Company Limited**  
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**15 Property, plant and equipment, net**

The movements of property, plant and equipment for the years ended 31 December comprise the following:

|                                            | Consolidated               |                          |                              |                                 |                                        |                        |                                  |
|--------------------------------------------|----------------------------|--------------------------|------------------------------|---------------------------------|----------------------------------------|------------------------|----------------------------------|
|                                            | Land and buildings<br>Baht | Land improvement<br>Baht | Building improvement<br>Baht | Machinery and equipment<br>Baht | Furniture and office equipment<br>Baht | Motor vehicles<br>Baht | Construction in progress<br>Baht |
| <b>As at 1 January 2014</b>                |                            |                          |                              |                                 |                                        |                        |                                  |
| Cost                                       | 1,216,587,948              | 17,183,913               | 389,986,316                  | 6,167,512,170                   | 304,881,471                            | 118,775,672            | 521,348,606                      |
| Less Accumulated depreciation              | (368,047,011)              | (16,248,780)             | (312,428,824)                | (2,416,936,163)                 | (236,836,907)                          | (86,304,566)           | -                                |
| Allowance for impairment                   | -                          | -                        | -                            | (3,700,000)                     | -                                      | -                      | (40,000)                         |
| Net book value                             | 848,540,937                | 935,133                  | 77,557,492                   | 3,746,876,007                   | 68,044,564                             | 32,471,106             | 521,308,606                      |
| <b>For the year ended 31 December 2014</b> |                            |                          |                              |                                 |                                        |                        |                                  |
| 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                      |
| Additions                                  | 11,626,659                 | 206,186                  | 15,774,146                   | 372,823,117                     | 49,299,448                             | 7,185,589              | 326,236,542                      |
| Depreciation charge (Note 31)              | (44,771,334)               | (271,075)                | (31,559,591)                 | (530,371,902)                   | (27,147,069)                           | (7,470,710)            | -                                |
| Disposals - cost                           | (23,655,306)               | -                        | (294,085)                    | (80,133,005)                    | (3,826,855)                            | (7,603,163)            | -                                |
| - accumulated depreciation                 | 5,172,631                  | -                        | 32,304                       | 29,151,933                      | 3,794,348                              | 7,334,016              | -                                |
| Assets written off - cost                  | -                          | -                        | (6,599,157)                  | (17,201,137)                    | (20,017,612)                           | -                      | -                                |
| - accumulated depreciation                 | -                          | -                        | 6,599,145                    | 12,168,189                      | 20,015,933                             | -                      | -                                |
| Reclassification - cost                    | -                          | -                        | -                            | 7,984,500                       | 8,211,128                              | -                      | -                                |
| - accumulated depreciation                 | -                          | -                        | -                            | (700,500)                       | (8,368,628)                            | -                      | -                                |
| Transfer within account                    | 97,122,450                 | -                        | -                            | 528,482,669                     | 3,441,945                              | -                      | -                                |
| Reversal of fixed assets impairment        | -                          | -                        | 8,642,306                    | -                               | -                                      | -                      | (637,689,370)                    |
| Foreign exchange rate adjustment           | -                          | -                        | -                            | 3,700,000                       | -                                      | -                      | -                                |
| 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                      |
| <b>As at 31 December 2014</b>              |                            |                          |                              |                                 |                                        |                        |                                  |
| Cost                                       | 1,301,681,751              | 17,390,099               | 407,509,526                  | 6,979,468,314                   | 341,933,495                            | 118,336,386            | 209,895,778                      |
| Less Accumulated depreciation              | (407,645,714)              | (16,519,855)             | (337,356,966)                | (2,906,688,443)                 | (248,489,546)                          | (86,420,350)           | -                                |
| Allowance for impairment                   | -                          | -                        | -                            | -                               | -                                      | -                      | (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                    |

**Srithai Superware Public Company Limited**  
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**15 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<br>Baht | Land improvements<br>Baht | Building improvements<br>Baht | Machinery and equipment<br>Baht | Furniture and office equipment<br>Baht | Motor vehicles<br>Baht | Construction in progress<br>Baht |
| <b>For the year ended 31 December 2015</b> |                            |                           |                               |                                 |                                        |                        |                                  |
| Opening net book value                     | 894,036,037                | 870,244                   | 70,152,560                    | 4,072,779,871                   | 93,443,949                             | 31,916,036             | 209,855,778                      |
| Additions                                  | 42,378,998                 | -                         | 50,513,406                    | 540,392,679                     | 20,062,469                             | 14,235,953             | 489,992,162                      |
| Depreciation charge (Note 31)              | (50,448,604)               | (285,589)                 | (36,423,531)                  | (584,941,916)                   | (18,918,532)                           | (6,972,736)            | -                                |
| Disposals - cost                           | (1,568,000)                | -                         | -                             | (32,542,450)                    | (4,004,160)                            | (20,920,115)           | -                                |
| - accumulated depreciation                 | 1,568,000                  | -                         | -                             | 16,341,542                      | 3,934,298                              | 20,920,100             | -                                |
| Assets written off - cost                  | (248,000)                  | -                         | (1,289,381)                   | (43,252,903)                    | (1,070,819)                            | -                      | (40,000)                         |
| - accumulated depreciation                 | 104,000                    | -                         | 1,289,378                     | 32,089,917                      | 944,139                                | -                      | -                                |
| - allowance for impairment                 | -                          | -                         | -                             | -                               | -                                      | -                      | 40,000                           |
| Reclassification - cost                    | -                          | -                         | -                             | 90,343,311                      | (90,343,311)                           | -                      | (1,678,674)                      |
| - accumulated depreciation                 | -                          | -                         | -                             | (50,235,928)                    | 50,235,928                             | -                      | -                                |
| Transfer within account                    | 117,495,937                | -                         | 9,248,791                     | 259,172,887                     | -                                      | -                      | (385,917,615)                    |
| Foreign exchange rate adjustment           | 3,109,607                  | -                         | -                             | 39,520,623                      | 166,332                                | 78,619                 | 5,503,782                        |
| Closing net book value                     | 1,006,427,975              | 584,655                   | 93,491,223                    | 4,339,667,633                   | 54,450,293                             | 39,257,857             | 317,755,433                      |
| <b>As at 31 December 2015</b>              |                            |                           |                               |                                 |                                        |                        |                                  |
| Cost                                       | 1,464,912,885              | 17,390,099                | 465,982,342                   | 7,842,538,839                   | 266,845,511                            | 111,869,906            | 317,755,433                      |
| Less Accumulated depreciation              | (458,484,910)              | (16,805,444)              | (372,491,119)                 | (3,502,871,206)                 | (212,395,218)                          | (72,612,049)           | -                                |
| Net book value                             | 1,006,427,975              | 584,655                   | 93,491,223                    | 4,339,667,633                   | 54,450,293                             | 39,257,857             | 317,755,433                      |
|                                            |                            |                           |                               |                                 |                                        |                        | 5,851,635,069                    |

15 **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)

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**15 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            |                   |                       |                         |                                |                |                          | Total           |
|--------------------------------------------|--------------------|-------------------|-----------------------|-------------------------|--------------------------------|----------------|--------------------------|-----------------|
|                                            | Land and buildings | Land improvements | Building improvements | Machinery and equipment | Furniture and office equipment | Motor vehicles | Construction in progress |                 |
|                                            | Baht               | Baht              | Baht                  | Baht                    | Baht                           | Baht           | Baht                     | Baht            |
| <b>For the year ended 31 December 2015</b> |                    |                   |                       |                         |                                |                |                          |                 |
| Opening 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   |
| Additions                                  | -                  | -                 | 49,531,406            | 304,388,583             | 13,019,818                     | 9,107,757      | 150,972,617              | 527,020,181     |
| Depreciation charge (Note 31)              | (26,942,545)       | (285,588)         | (32,722,530)          | (442,143,841)           | (14,359,610)                   | (4,493,202)    | -                        | (520,947,316)   |
| Disposals - cost                           | -                  | -                 | -                     | (39,516,320)            | (4,004,161)                    | (18,654,355)   | -                        | (62,174,836)    |
| - accumulated depreciation                 | -                  | -                 | -                     | 21,297,592              | 3,934,298                      | 18,654,343     | -                        | 43,886,233      |
| Assets written off - cost                  | -                  | -                 | (1,289,381)           | (29,862,756)            | (744,629)                      | -              | -                        | (31,896,766)    |
| - accumulated depreciation                 | -                  | -                 | 1,289,378             | 19,427,483              | 706,165                        | -              | -                        | 21,423,026      |
| Transfer within account                    | -                  | -                 | 9,248,791             | 116,819,687             | -                              | -              | (126,068,478)            | -               |
| Closing net book value                     | 748,325,386        | 584,656           | 87,132,284            | 2,887,228,040           | 42,321,162                     | 30,937,627     | 126,739,596              | 3,923,268,751   |
| <b>As at 31 December 2015</b>              |                    |                   |                       |                         |                                |                |                          |                 |
| Cost                                       | 1,079,615,801      | 17,390,099        | 444,465,558           | 5,711,020,248           | 235,332,660                    | 84,856,797     | 126,739,596              | 7,699,420,759   |
| Less Accumulated depreciation              | (331,290,415)      | (16,805,443)      | (357,333,274)         | (2,823,792,208)         | (193,011,498)                  | (53,919,170)   | -                        | (3,776,152,008) |
| Net book value                             | 748,325,386        | 584,656           | 87,132,284            | 2,887,228,040           | 42,321,162                     | 30,937,627     | 126,739,596              | 3,923,268,751   |

**Srithai Superware Public Company Limited**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2015**

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**15 Property, plant and equipment, net (Cont'd)**

During the year ended 31 December 2015, the additions of a subsidiary included Baht 2.16 million assets acquired from financial lease agreements. (2014: Baht 27.77 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 banks as follows:

|                                  | <b>Consolidated</b>                   |                                       | <b>Company</b>                        |                                       |
|----------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|                                  | <b>Cost<br/>2015<br/>Million Baht</b> | <b>Cost<br/>2014<br/>Million Baht</b> | <b>Cost<br/>2015<br/>Million Baht</b> | <b>Cost<br/>2014<br/>Million Baht</b> |
| Subsidiaries:                    |                                       |                                       |                                       |                                       |
| Srithai Moulds Company Limited   |                                       |                                       |                                       |                                       |
| - Land, buildings and machinery  | 26.2                                  | 26.2                                  | -                                     | -                                     |
| Srithai Miyagawa Company Limited |                                       |                                       |                                       |                                       |
| - Land and machinery             | 291.5                                 | 317.8                                 | -                                     | -                                     |

**Srithai Superware Public Company Limited**  
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**16 Intangible assets, net**

Intangible assets as at 31 December comprise the following:

|                                            | <b>Consolidated</b>                                                                  |                                                                        |                                                      |                       |
|--------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------|-----------------------|
|                                            | <b>Software<br/>copyright and<br/>operational<br/>computer<br/>software<br/>Baht</b> | <b>Work under<br/>installation-<br/>computer<br/>software<br/>Baht</b> | <b>Production<br/>technique<br/>patents<br/>Baht</b> | <b>Total<br/>Baht</b> |
| <b>As at 1 January 2014</b>                |                                                                                      |                                                                        |                                                      |                       |
| Cost                                       | 133,317,000                                                                          | 1,384,550                                                              | 39,289,855                                           | 173,991,405           |
| <u>Less</u> Accumulated amortisation       | (103,827,654)                                                                        | -                                                                      | (20,415,589)                                         | (124,243,243)         |
| Allowance for impairment                   | (364,803)                                                                            | -                                                                      | -                                                    | (364,803)             |
| Net book value                             | 29,124,543                                                                           | 1,384,550                                                              | 18,874,266                                           | 49,383,359            |
| <b>For the year ended 31 December 2014</b> |                                                                                      |                                                                        |                                                      |                       |
| 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)          |
| 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            |
| Transfer within account                    | 2,624,550                                                                            | (2,624,550)                                                            | -                                                    | -                     |
| Reversal of intangible assets impairment   | 364,803                                                                              | -                                                                      | -                                                    | 364,803               |
| Foreign exchange rate adjustment           | 880                                                                                  | -                                                                      | -                                                    | 880                   |
| Closing net book value                     | 29,061,536                                                                           | 8,709,913                                                              | 15,065,281                                           | 52,836,730            |
| <b>As at 31 December 2014</b>              |                                                                                      |                                                                        |                                                      |                       |
| 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)         |
| Net book value                             | 29,061,536                                                                           | 8,709,913                                                              | 15,065,281                                           | 52,836,730            |
| <b>For the year ended 31 December 2015</b> |                                                                                      |                                                                        |                                                      |                       |
| Opening net book value                     | 29,061,536                                                                           | 8,709,913                                                              | 15,065,281                                           | 52,836,730            |
| Additions                                  | 4,011,293                                                                            | 4,337,936                                                              | -                                                    | 8,349,229             |
| Amortisation charge                        | (11,694,176)                                                                         | -                                                                      | (3,808,985)                                          | (15,503,161)          |
| Assets written off - cost                  | (39,848,797)                                                                         | -                                                                      | -                                                    | (39,848,797)          |
| - accumulated amortisation                 | 39,483,994                                                                           | -                                                                      | -                                                    | 39,483,994            |
| Transfer within account                    | 10,387,982                                                                           | (10,387,982)                                                           | -                                                    | -                     |
| Foreign exchange rate adjustment           | 122,470                                                                              | -                                                                      | -                                                    | 122,470               |
| Closing net book value                     | 31,524,302                                                                           | 2,659,867                                                              | 11,256,296                                           | 45,440,465            |
| <b>As at 31 December 2015</b>              |                                                                                      |                                                                        |                                                      |                       |
| Cost                                       | 107,987,663                                                                          | 2,659,867                                                              | 38,089,855                                           | 148,737,385           |
| <u>Less</u> Accumulated amortisation       | (76,463,361)                                                                         | -                                                                      | (26,833,559)                                         | (103,296,920)         |
| Net book value                             | 31,524,302                                                                           | 2,659,867                                                              | 11,256,296                                           | 45,440,465            |

**Srithai Superware Public Company Limited**  
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## 16 Intangible assets, net (Cont'd)

Intangible assets as at 31 December comprise the following: (Cont'd)

|                                            | Company                                                                  |                                                             |                                            | Total<br>Baht |
|--------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------|---------------|
|                                            | Software<br>copyright and<br>operational<br>computer<br>software<br>Baht | Work under<br>installation-<br>computer<br>software<br>Baht | Production<br>technique<br>patents<br>Baht |               |
| <b>As at 1 January 2014</b>                |                                                                          |                                                             |                                            |               |
| Cost                                       | 104,390,602                                                              | 1,384,550                                                   | 39,289,855                                 | 145,065,007   |
| <u>Less</u> Accumulated amortisation       | (85,170,187)                                                             | -                                                           | (20,415,589)                               | (105,585,776) |
| Allowance for impairment                   | (364,803)                                                                | -                                                           | -                                          | (364,803)     |
| Net book value                             | 18,855,612                                                               | 1,384,550                                                   | 18,874,266                                 | 39,114,428    |
| <b>For the year ended 31 December 2014</b> |                                                                          |                                                             |                                            |               |
| 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 amortisation                 | 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                     | 15,476,779                                                               | 1,972,500                                                   | 15,065,281                                 | 32,514,560    |
| <b>As at 31 December 2014</b>              |                                                                          |                                                             |                                            |               |
| 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) |
| Net book value                             | 15,476,779                                                               | 1,972,500                                                   | 15,065,281                                 | 32,514,560    |
| <b>For the year ended 31 December 2015</b> |                                                                          |                                                             |                                            |               |
| Opening net book value                     | 15,476,779                                                               | 1,972,500                                                   | 15,065,281                                 | 32,514,560    |
| Additions                                  | 2,429,092                                                                | 1,371,301                                                   | -                                          | 3,800,393     |
| Amortisation charge                        | (6,488,038)                                                              | -                                                           | (3,808,985)                                | (10,297,023)  |
| Assets written off - cost                  | (39,665,797)                                                             | -                                                           | -                                          | (39,665,797)  |
| - accumulated amortisation                 | 39,300,994                                                               | -                                                           | -                                          | 39,300,994    |
| Transfer within account                    | 2,516,250                                                                | (2,516,250)                                                 | -                                          | -             |
| Closing net book value                     | 13,569,280                                                               | 827,551                                                     | 11,256,296                                 | 25,653,127    |
| <b>As at 31 December 2015</b>              |                                                                          |                                                             |                                            |               |
| Cost                                       | 64,281,559                                                               | 827,551                                                     | 38,089,855                                 | 103,198,965   |
| <u>Less</u> Accumulated amortisation       | (50,712,279)                                                             | -                                                           | (26,833,559)                               | (77,545,838)  |
| Net book value                             | 13,569,280                                                               | 827,551                                                     | 11,256,296                                 | 25,653,127    |

## 17 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 20.00% (2014: 15.00% to 30.00%)

Deferred income taxes as at 31 December comprise the following:

|                            |       | Consolidated |              | Company      |              |
|----------------------------|-------|--------------|--------------|--------------|--------------|
|                            | Notes | 2015<br>Baht | 2014<br>Baht | 2015<br>Baht | 2014<br>Baht |
| Deferred tax assets        | 17.1  | 109,997,440  | 107,108,542  | 86,497,335   | 75,933,910   |
| Deferred tax liabilities   | 17.2  | (3,716,000)  | (9,404,000)  | (3,716,000)  | (9,404,000)  |
| Deferred income taxes, net |       | 106,281,440  | 97,704,542   | 82,781,335   | 66,529,910   |

**17 Deferred income taxes (Cont'd)**

**17.1 Deferred tax assets**

|                                            | Consolidated                  |                                                         |                                 |                                                |                               |                                                         |                                 |                                                |                             |
|--------------------------------------------|-------------------------------|---------------------------------------------------------|---------------------------------|------------------------------------------------|-------------------------------|---------------------------------------------------------|---------------------------------|------------------------------------------------|-----------------------------|
|                                            | Tax charged/<br>(credited) to |                                                         | Tax charged/<br>(credited) to   |                                                | Tax charged/<br>(credited) to |                                                         |                                 |                                                |                             |
|                                            | 1 January<br>2014<br>Baht     | Tax charged/<br>(credited) to<br>profit or loss<br>Baht | comprehensive<br>income<br>Baht | Foreign<br>exchange rate<br>adjustment<br>Baht | 31 December<br>2014<br>Baht   | Tax charged/<br>(credited) to<br>profit or loss<br>Baht | comprehensive<br>income<br>Baht | Foreign<br>exchange rate<br>adjustment<br>Baht | 31 December<br>2015<br>Baht |
| Tax loss carry forward                     | 9,732,362                     | 2,776,735                                               | -                               | -                                              | (427,729)                     | 12,081,368                                              | (12,683,685)                    | -                                              | -                           |
| Allowance for impairment<br>of investments | 25,349,950                    | -                                                       | -                               | -                                              | -                             | 25,349,950                                              | (1,172,979)                     | -                                              | 24,176,971                  |
| Employee benefit obligations               | 62,110,589                    | (2,796,986)                                             | -                               | -                                              | -                             | 59,313,603                                              | 7,056,171                       | -                                              | 75,783,685                  |
| Others                                     | 7,693,348                     | 2,670,273                                               | -                               | -                                              | -                             | 10,363,621                                              | (398,137)                       | -                                              | 10,036,784                  |
|                                            | 104,886,249                   | 2,650,022                                               | -                               | -                                              | (427,729)                     | 107,108,542                                             | (7,198,630)                     | 9,413,911                                      | 109,997,440                 |

|                                         | 1 January<br>2014 | Tax charged/<br>(credited) to<br>profit or loss | Tax charged/<br>(credited) to<br>comprehensive<br>income | 31 December<br>2014 | Tax charged/<br>(credited) to<br>profit or loss | Tax charged/<br>(credited) to<br>comprehensive<br>income | 31 December<br>2015 |
|-----------------------------------------|-------------------|-------------------------------------------------|----------------------------------------------------------|---------------------|-------------------------------------------------|----------------------------------------------------------|---------------------|
|                                         | Baht              | Baht                                            | Baht                                                     | Baht                | Baht                                            | Baht                                                     | Baht                |
| Allowance for impairment of investments | 25,349,950        | -                                               | -                                                        | 25,349,950          | (1,172,979)                                     | -                                                        | 24,176,971          |
| Employee benefit obligations            | 53,046,953        | (3,207,734)                                     | -                                                        | 49,839,219          | 5,175,609                                       | 6,560,795                                                | 61,575,623          |
| Others                                  | 744,741           | -                                               | -                                                        | 744,741             | -                                               | -                                                        | 744,741             |
|                                         | 79,141,644        | (3,207,734)                                     | -                                                        | 75,933,910          | 4,002,630                                       | 6,560,795                                                | 86,497,335          |

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## 17 Deferred income taxes (Cont'd)

### 17.2 Deferred tax liabilities

The movements in the components of deferred tax liabilities during the years are as follows:

|                                | Consolidated and Company  |                                                                           |                             |                                                                           |                             |
|--------------------------------|---------------------------|---------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------------------------|-----------------------------|
|                                | 1 January<br>2014<br>Baht | Tax charged/<br>(credited) to<br>other<br>comprehensive<br>income<br>Baht | 31 December<br>2014<br>Baht | Tax charged/<br>(credited) to<br>other<br>comprehensive<br>income<br>Baht | 31 December<br>2015<br>Baht |
| Available-for-sale investments | 10,724,000                | (1,320,000)                                                               | 9,404,000                   | (5,688,000)                                                               | 3,716,000                   |

### 17.3 Income tax expense

Income tax expense for the years ended 31 December comprises the following:

|                                        | Consolidated      |                   | Company           |                   |
|----------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                        | 2015<br>Baht      | 2014<br>Baht      | 2015<br>Baht      | 2014<br>Baht      |
| Current income tax expense             | 72,892,488        | 54,726,691        | 29,485,371        | 18,617,761        |
| Deferred income tax                    |                   |                   |                   |                   |
| - Deferred tax assets (Note 17.1)      | 7,198,630         | (2,650,022)       | (4,002,630)       | 3,207,734         |
| - Deferred tax liabilities (Note 17.2) | -                 | -                 | -                 | -                 |
|                                        | <u>80,091,118</u> | <u>52,076,669</u> | <u>25,482,741</u> | <u>21,825,495</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           |                   |
|-------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                               | 2015<br>Baht      | 2014<br>Baht      | 2015<br>Baht      | 2014<br>Baht      |
| Profit before tax                                                             | 558,323,530       | 539,555,476       | 470,155,607       | 433,268,125       |
| Tax rate                                                                      | 20%               | 20%               | 20%               | 20%               |
| The result of the accounting profit multiplied by the income tax rate         | 111,664,706       | 107,911,095       | 94,031,121        | 86,653,625        |
| Effect of exempted income and extra deduction expenses                        | (11,882,306)      | (11,247,071)      | (76,702,388)      | (49,578,306)      |
| Effect from expenses not deductible for tax purpose                           | 28,964,884        | 12,042,535        | 17,924,932        | 10,199,971        |
| Profit exempt from corporate income tax due to promotional privilege from BOI | (33,900,905)      | (47,088,823)      | (9,770,924)       | (25,449,795)      |
| Utilisation of previously unrecognised tax losses                             | 8,163,300         | 1,115,915         | -                 | -                 |
| Share of net profit from investments                                          |                   |                   |                   |                   |
| - equity method                                                               | (15,738,161)      | (12,633,087)      | -                 | -                 |
| Effect of different tax rates                                                 | (7,180,400)       | 1,976,105         | -                 | -                 |
| Income tax                                                                    | <u>80,091,118</u> | <u>52,076,669</u> | <u>25,482,741</u> | <u>21,825,495</u> |

The Group's and the Company's weighted average applicable tax rate were 14.34% and 5.42% respectively (2014 : 9.65% and 5.04%, respectively).

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## 18 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 98.46 million or equivalent to Baht 48.72 million.

Leasehold right represents leasehold right on land of Srithai (Hanoi) Company Limited, an indirect subsidiary, for the period of 43 years. The indirect subsidiary paid for the leasehold right of Vietnamese Dongs 42,038.65 million or equivalent to Baht 63.06 million.

Leasehold right as at 31 December comprise the following:

|                                                                                        | <b>Consolidated</b> |                   |
|----------------------------------------------------------------------------------------|---------------------|-------------------|
|                                                                                        | <b>2015</b>         | <b>2014</b>       |
|                                                                                        | <b>Baht</b>         | <b>Baht</b>       |
| Current portion of leasehold right<br>(presented in other receivables – third parties) | 1,950,695           | 476,736           |
| Leasehold right dues later than 1 year                                                 | 112,665,240         | 46,243,403        |
| Total leasehold right, net                                                             | <u>114,615,935</u>  | <u>46,720,139</u> |

The movements of leasehold right for the years ended 31 December comprise the following.

|                                  | <b>Consolidated</b> |                   |
|----------------------------------|---------------------|-------------------|
|                                  | <b>2015</b>         | <b>2014</b>       |
|                                  | <b>Baht</b>         | <b>Baht</b>       |
| Opening book value               | 46,720,139          | 48,330,147        |
| Acquisition                      | 63,446,491          | -                 |
| Amortisation                     | (1,950,695)         | (513,643)         |
| Currency translation differences | 6,400,000           | (1,096,365)       |
| Closing book value               | <u>114,615,935</u>  | <u>46,720,139</u> |

## 19 Short-term loans

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

|                             | <b>Consolidated</b>  |                      | <b>Company</b>       |                      |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|
|                             | <b>2015</b>          | <b>2014</b>          | <b>2015</b>          | <b>2014</b>          |
|                             | <b>Baht</b>          | <b>Baht</b>          | <b>Baht</b>          | <b>Baht</b>          |
| Short-term loans from banks |                      |                      |                      |                      |
| - Baht                      | 1,690,000,000        | 1,364,000,000        | 1,690,000,000        | 1,330,000,000        |
| - US Dollars                | 44,440,000           | 88,299,200           | -                    | -                    |
| - Vietnamese Dongs          | 17,163,200           | -                    | -                    | -                    |
| Total short-term loans      | <u>1,751,603,200</u> | <u>1,452,299,200</u> | <u>1,690,000,000</u> | <u>1,330,000,000</u> |

As at 31 December 2015, short-term loans in Thai Baht from local banks amounting to Baht 1,690.00 million (2014: Baht 1,364.00 million), represent promissory notes due at call with a period not exceeding 3 months, bearing fixed interest rate over loan period (2014: fixed interest rate over loan period).

As at 31 December 2015, short-term loans in US Dollars of an overseas subsidiary amounting to US Dollars 1.23 million (equivalent to Baht 44.44 million) and short-term loans in Vietnamese Dongs amounting to Vietnamese Dongs 10,727.00 million (equivalent to Baht 17.16 million) (2014 : 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 LIBOR plus margin and at Cost of Fund plus margin of a bank in Vietnam (2014 : bearing interest at LIBOR plus margin and are secured by Srithai Superware Public Company Limited.)

The fair values of short-term loans equal their carrying amount, as the impact of discounting is not significant.

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## 20 Long-term loans

Long-term loans as at 31 December comprise the following:

|                                                                                                 | Consolidated         |                      | Company              |                      |
|-------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                                 | 2015<br>Baht         | 2014<br>Baht         | 2015<br>Baht         | 2014<br>Baht         |
| <u>Long-term loans</u>                                                                          |                      |                      |                      |                      |
| - Baht                                                                                          | 2,376,323,161        | 2,230,143,661        | 2,121,434,280        | 1,893,248,880        |
| - Vietnamese Dongs - Vietnamese Dongs 69,284 million<br>(2014: Vietnamese Dongs 86,573 million) | 110,854,400          | 138,516,800          | -                    | -                    |
| - US dollars - US dollars 4.67 million<br>(2014: US dollars 6.04 million)                       | 168,489,600          | 206,438,400          | -                    | -                    |
| Total long-term loans                                                                           | <u>2,655,667,161</u> | <u>2,575,098,861</u> | <u>2,121,434,280</u> | <u>1,893,248,880</u> |

The movements of long-term loans for the years ended 31 December comprise the following:

|                                  | Consolidated         |                      | Company              |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | 2015<br>Baht         | 2014<br>Baht         | 2015<br>Baht         | 2014<br>Baht         |
| Opening balance                  | 2,575,098,861        | 3,030,291,539        | 1,893,248,880        | 2,400,840,818        |
| Additions                        | 805,245,700          | 184,800,000          | 800,000,000          | -                    |
| Repayment                        | (734,461,400)        | (642,781,478)        | (571,814,600)        | (507,591,938)        |
| Foreign exchange rate adjustment | 9,784,000            | 2,788,800            | -                    | -                    |
| Closing balance                  | <u>2,655,667,161</u> | <u>2,575,098,861</u> | <u>2,121,434,280</u> | <u>1,893,248,880</u> |

Long-term loans are due for repayments as follows:

|                                                            | Consolidated         |                      | Company              |                      |
|------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                            | 2015<br>Baht         | 2014<br>Baht         | 2015<br>Baht         | 2014<br>Baht         |
| Current portion of long-term loans                         | <u>660,968,721</u>   | <u>619,919,200</u>   | <u>496,852,000</u>   | <u>472,245,600</u>   |
| Loans due later than 1 year and<br>not later than 3 years  | 1,184,094,140        | 1,031,499,061        | 911,517,280          | 711,298,280          |
| Loans due later than 3 years and<br>not later than 5 years | 758,848,600          | 780,015,000          | 663,065,000          | 575,705,000          |
| Loans due later than 5 years                               | 51,755,700           | 143,665,600          | 50,000,000           | 134,000,000          |
|                                                            | <u>1,994,698,440</u> | <u>1,955,179,661</u> | <u>1,624,582,280</u> | <u>1,421,003,280</u> |
| Total long-term loans                                      | <u>2,655,667,161</u> | <u>2,575,098,861</u> | <u>2,121,434,280</u> | <u>1,893,248,880</u> |

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**20 Long-term loans (Cont'd)**

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 2015<br>(Million Baht) | 31 December 2014<br>(Million Baht) |                                                            |                                                                                                                  |                                                              |                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                             |
| 1            | 2,121.43                           | 1,893.25                           | Parent company<br>Srithai Superware Public Company Limited | Investment in building improvement, machinery, moulds, factory equipment and investment in overseas subsidiaries | Baht 3,928.22 million<br>(17 agreements comprising 18 loans) | 6 loans bear fixed interest rate over loan period.<br>12 loans bear interest rate at fixed, MLR less margin, THBFIX 3-month plus margin, FDR 6-month plus margin and BIBOR 3-month plus margin.<br>Repayment is due every three months from September 2009 to 2021. | 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.                                                                                                                                                                                   |
| 2            | 17.77                              | 14.80                              | Local subsidiaries<br>Srithai Moulds Company Limited       | Investment in building                                                                                           | Baht 20.00 million                                           | Interest rate at MLR less margin.<br>Repayment is due every three months from January 2015 to 2022.                                                                                                                                                                 | The subsidiary has mortgaged its current land and buildings, as well as those to be acquired in the future, (as described in Notes 14 and 15).                                                                                                                                                                                                              |
| 3            | 237.12                             | 303.35                             | Srithai Miyagawa Company Limited                           | The energy preservation project and investment in machinery and building                                         | Baht 381.70 million                                          | Fixed interest rate and MLR less margin.<br>Repayments are due every month and every 3 months from July 2010 to 2020.                                                                                                                                               | The subsidiary has mortgaged its land and machinery (as described in Note 15) 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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**20 Long-term loans (Cont'd)**

The requirements and conditions for long-term loans comprise the following: (Cont'd)

| Contract No. | Consolidated                                                               |                                                                            | Company                                                         | Loan Purpose                                  | Loan Limit                                                                                                                               | Interest rate and repayment terms                                                                                                                                          | Guarantees and collaterals                                                                                                                                                                                                                                                                                                                                             |
|--------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              | 31 December 2015<br>(Million Baht)                                         | 31 December 2014<br>(Million Baht)                                         |                                                                 |                                               |                                                                                                                                          |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                        |
| 4            | -                                                                          | 18.75                                                                      | P.E.T. Blow Company Limited                                     | Investment in machinery and factory equipment | Baht 25.00 million                                                                                                                       | Interest rate at MLR less margin of local bank.<br>Repayment is due every three months from September 2013 to 2019. Early repayment was made in full during the year 2015. | Srithai Superware Public Company Limited had cancelled guarantee for subsidiary's loan during the year 2015 due to no outstanding loan.<br>(2014 : Guaranteed by Srithai Superware Public Company Limited)                                                                                                                                                             |
| 5            | 279.35<br>(Vietnamese Dongs 69,284.00 million and US Dollars 4.67 million) | 344.95<br>(Vietnamese Dongs 86,573.00 million and US Dollars 6.04 million) | <u>Overseas subsidiary</u><br>Srithai (Vietnam) Company Limited | Investment in machinery and factory equipment | Vietnamese Dongs 104,140.00 million and US dollars 8.78 million (2014 : Vietnamese Dongs 104,140.00 million and US dollars 8.78 million) | Interest rate at Cost of Fund plus margin of a bank in Vietnam.<br>Repayment is due every three months from December 2011 to 2020.                                         | Srithai Superware Public Company Limited had cancelled guarantee for subsidiary's loans during the year 2015. However, the subsidiary 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.<br>(2014 : Guaranteed by Srithai Superware Public Company Limited) |
| Total        | 2,655.67                                                                   | 2,575.10                                                                   |                                                                 |                                               |                                                                                                                                          |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                        |

The Company and subsidiaries must comply with other conditions and restrictions for long-term loans provided for in the agreements.

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**20 Long-term loans (Cont'd)**

The interest rate exposure on the borrowings of the Group and the Company comprises the following:

|                   | <b>Consolidated</b>  |                      | <b>Company</b>       |                      |
|-------------------|----------------------|----------------------|----------------------|----------------------|
|                   | <b>2015</b>          | <b>2014</b>          | <b>2015</b>          | <b>2014</b>          |
|                   | <b>Baht</b>          | <b>Baht</b>          | <b>Baht</b>          | <b>Baht</b>          |
| Borrowings:       |                      |                      |                      |                      |
| at fixed rates    | 1,035,126,461        | 330,440,061          | 1,030,949,280        | 320,622,880          |
| at floating rates | 1,620,540,700        | 2,244,658,800        | 1,090,485,000        | 1,572,626,000        |
|                   | <u>2,655,667,161</u> | <u>2,575,098,861</u> | <u>2,121,434,280</u> | <u>1,893,248,880</u> |

The effective interest rates at the statement of financial position date were as follows:

|                 | <b>Consolidated</b> |                 | <b>Company</b> |                |
|-----------------|---------------------|-----------------|----------------|----------------|
|                 | <b>2015</b>         | <b>2014</b>     | <b>2015</b>    | <b>2014</b>    |
|                 | <b>Baht</b>         | <b>Baht</b>     | <b>Baht</b>    | <b>Baht</b>    |
| Bank borrowings | 2.81% to 9.50%      | 4.00% to 11.50% | 2.81% to 5.50% | 3.36% to 6.25% |

The carrying values and fair value of long-term loans are as follow:

|                                    | <b>Consolidated</b> |                     | <b>Company</b>      |                     |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | <b>2015</b>         | <b>2014</b>         | <b>2015</b>         | <b>2014</b>         |
|                                    | <b>Million Baht</b> | <b>Million Baht</b> | <b>Million Baht</b> | <b>Million Baht</b> |
| Long-term loans - carrying amounts | 2,655.67            | 2,575.10            | 2,121.43            | 1,893.25            |
| Long-term loans - fair value       | 2,529.91            | 2,443.59            | 1,999.79            | 1,778.24            |

The fair values of long-term loans are based on discounted cash flows using a discount rate based upon the borrowing rate of local banks and are within level 2 of the fair value hierarchy.

**Unutilised credit facilities**

Unutilised credit facilities as at 31 December comprise the following:

|                           | <b>Consolidated</b>     |                    |                      |                         |                      |                      |
|---------------------------|-------------------------|--------------------|----------------------|-------------------------|----------------------|----------------------|
|                           | <b>31 December 2015</b> |                    |                      | <b>31 December 2014</b> |                      |                      |
|                           | <b>Overdraft</b>        | <b>Long-term</b>   | <b>Working</b>       | <b>Overdraft</b>        | <b>Long-term</b>     | <b>Working</b>       |
|                           | <b>Baht</b>             | <b>loan</b>        | <b>capital</b>       | <b>Baht</b>             | <b>loan</b>          | <b>capital</b>       |
|                           |                         | <b>facilities</b>  | <b>facilities</b>    |                         | <b>facilities</b>    | <b>facilities</b>    |
|                           |                         | <b>Baht</b>        | <b>Baht</b>          |                         | <b>Baht</b>          | <b>Baht</b>          |
| Floating rate             |                         |                    |                      |                         |                      |                      |
| - draw down within 1 year | -                       | 304,695,683        | -                    | -                       | 320,000,000          | -                    |
| - draw down with no       |                         |                    |                      |                         |                      |                      |
| timeframe limitation      | 225,000,000             | -                  | 446,226,319          | 208,238,720             | -                    | 113,055,437          |
| Fixed rate                |                         |                    |                      |                         |                      |                      |
| - draw down within 1 year | -                       | -                  | -                    | -                       | 800,000,000          | -                    |
| - draw down with no       |                         |                    |                      |                         |                      |                      |
| timeframe limitation      | -                       | -                  | 3,591,620,591        | -                       | -                    | 3,923,735,429        |
|                           | <u>225,000,000</u>      | <u>304,695,683</u> | <u>4,037,846,910</u> | <u>208,238,720</u>      | <u>1,120,000,000</u> | <u>4,036,790,866</u> |
|                           | <b>Company</b>          |                    |                      |                         |                      |                      |
|                           | <b>31 December 2015</b> |                    |                      | <b>31 December 2014</b> |                      |                      |
|                           | <b>Overdraft</b>        | <b>Long-term</b>   | <b>Working</b>       | <b>Overdraft</b>        | <b>Long-term</b>     | <b>Working</b>       |
|                           | <b>Baht</b>             | <b>loan</b>        | <b>capital</b>       | <b>Baht</b>             | <b>loan</b>          | <b>capital</b>       |
|                           |                         | <b>facilities</b>  | <b>facilities</b>    |                         | <b>facilities</b>    | <b>facilities</b>    |
|                           |                         | <b>Baht</b>        | <b>Baht</b>          |                         | <b>Baht</b>          | <b>Baht</b>          |
| Floating rate             |                         |                    |                      |                         |                      |                      |
| - draw down within 1 year | -                       | 300,000,000        | -                    | -                       | 300,000,000          | -                    |
| - draw down with no       |                         |                    |                      |                         |                      |                      |
| timeframe limitation      | 185,000,000             | -                  | -                    | 165,000,000             | -                    | -                    |
| Fixed rate                |                         |                    |                      |                         |                      |                      |
| - draw down within 1 year | -                       | -                  | -                    | -                       | 800,000,000          | -                    |
| - draw down with no       |                         |                    |                      |                         |                      |                      |
| timeframe limitation      | -                       | -                  | 3,551,537,391        | -                       | -                    | 3,863,735,429        |
|                           | <u>185,000,000</u>      | <u>300,000,000</u> | <u>3,551,537,391</u> | <u>165,000,000</u>      | <u>1,100,000,000</u> | <u>3,863,735,429</u> |

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## 21 Other payables - third parties

Other payables as at 31 December comprise the following:

|                                              | Consolidated |              | Company      |              |
|----------------------------------------------|--------------|--------------|--------------|--------------|
|                                              | 2015<br>Baht | 2014<br>Baht | 2015<br>Baht | 2014<br>Baht |
| Payable of fixed assets                      | 80,827,571   | 99,743,488   | 67,095,178   | 58,056,240   |
| Other payables                               | 38,581,730   | 48,900,620   | 35,627,969   | 47,029,825   |
| Advance receipt from customers               | 46,438,404   | 82,204,857   | 24,015,107   | 18,023,747   |
| Accrued commission expenses                  | 26,779,108   | 65,406,298   | 26,668,708   | 65,404,106   |
| Accrued utility expenses                     | 34,711,432   | 33,379,656   | 31,650,860   | 30,548,408   |
| Accrued staff cost                           | 21,765,147   | 19,461,945   | 18,008,035   | 17,280,089   |
| Dividend payable                             | 15           | 17,952,000   | -            | -            |
| Current portion of finance lease liabilities | 9,204,571    | 8,255,077    | -            | -            |
| Others                                       | 73,166,067   | 53,257,096   | 39,104,822   | 29,657,200   |
| Total other payables - third parties         | 331,474,045  | 428,561,037  | 242,170,679  | 265,999,615  |

## 22 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise.

### Fair values

Financial assets carried on the 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. As at 31 December 2015 and 2014, the Group has no outstanding forward foreign exchange contracts.

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## 23 Contingent liabilities and bank guarantee

### 23.1 Contingent liabilities

Contingent liabilities as at 31 December comprise the following:

|                                     | Consolidated |              | Company      |              |
|-------------------------------------|--------------|--------------|--------------|--------------|
|                                     | 2015         | 2014         | 2015         | 2014         |
|                                     | Million Baht | Million Baht | Million Baht | Million Baht |
| Guarantee of related parties' loans | 289.65       | 893.58       | 285.65       | 889.58       |

### 23.2 Bank guarantee

As at 31 December, the Group's bankers had issued letters of guarantee on behalf of the Group as follows:

|                                 | Consolidated |              | Company      |              |
|---------------------------------|--------------|--------------|--------------|--------------|
|                                 | 2015         | 2014         | 2015         | 2014         |
|                                 | Million Baht | Million Baht | Million Baht | Million Baht |
| In respect of electricity usage | 57.00        | 57.76        | 53.70        | 54.66        |
| Other guarantee                 | 13.78        | 4.01         | 13.66        | 3.90         |

## 24 Commitments

Commitments as at 31 December comprise the following:

### 24.1 Capital expenditure commitments

|                                                            | Consolidated |              | Company      |              |
|------------------------------------------------------------|--------------|--------------|--------------|--------------|
|                                                            | 2015         | 2014         | 2015         | 2014         |
|                                                            | Million Baht | Million Baht | Million Baht | Million Baht |
| Commitment for purchase of machinery, moulds and equipment | 146.87       | 141.30       | 95.40        | 82.06        |
| Commitment for installation of facilities system           | 3.38         | 32.21        | 3.38         | 17.59        |
| Commitment for land and building improvements              | 58.46        | 24.93        | 0.61         | 4.04         |
| Commitment for purchase of software program                | 0.90         | 2.26         | 0.89         | 0.70         |
| Commitment for purchase of motor vehicle                   | -            | 3.00         | -            | 3.00         |

### 24.2 Operating lease commitments

The Company and subsidiaries have entered into operating lease agreements for land, buildings, cars, computers, computer servers and computer network services. As at 31 December, the future minimum lease payments under non-cancellable operating leases comprise the following:

|                                               | Consolidated |              | Company      |              |
|-----------------------------------------------|--------------|--------------|--------------|--------------|
|                                               | 2015         | 2014         | 2015         | 2014         |
|                                               | Million Baht | Million Baht | Million Baht | Million Baht |
| Not later than 1 year                         | 34.66        | 29.83        | 27.84        | 23.29        |
| Later than 1 year and not later than 2 years  | 19.65        | 21.74        | 13.79        | 16.91        |
| Later than 2 years and not later than 5 years | 17.14        | 10.47        | 9.73         | 6.36         |
| Later than 5 years                            | 85.46        | 27.87        | -            | -            |
|                                               | 156.91       | 89.91        | 51.36        | 46.56        |

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## 25 Employee benefit obligations

Employee benefit obligations as at 31 December comprise the following:

|                                                           | Consolidated       |                    | Company            |                    |
|-----------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                           | 2015<br>Baht       | 2014<br>Baht       | 2015<br>Baht       | 2014<br>Baht       |
| Statement of financial position                           |                    |                    |                    |                    |
| Retirement benefits                                       | 255,257,631        | 196,933,886        | 203,148,396        | 162,393,428        |
| Other long-term employment benefits                       | 123,660,797        | 99,634,131         | 104,729,717        | 86,802,665         |
| Liability in the statement of financial position          | <u>378,918,428</u> | <u>296,568,017</u> | <u>307,878,113</u> | <u>249,196,093</u> |
| (Profit) or loss charge included in operation profit for: |                    |                    |                    |                    |
| Retirement benefits                                       | 20,873,153         | 15,392,205         | 16,877,262         | 11,095,673         |
| Other long-term employment benefits                       | 9,004,900          | 9,797,964          | 7,090,307          | 7,743,211          |
| Re-measurement for other long-term employment benefits    | 27,448,613         | -                  | 21,324,906         | -                  |
| Past service cost                                         | (1,343,413)        | (300,511)          | (1,234,132)        | (300,511)          |
|                                                           | <u>55,983,253</u>  | <u>24,889,658</u>  | <u>44,058,343</u>  | <u>18,538,373</u>  |
| Re-measurement for retirement benefits                    | <u>47,069,555</u>  | <u>-</u>           | <u>32,803,976</u>  | <u>-</u>           |

During the year 2015, there are 50 staff and 28 staff (2014: 22 staff and 22 staff) of the Group and the Company changed the benefit scheme from defined benefit plan to defined contribution plan. This results in reduction in past service cost of Baht 1.34 million and Baht 1.23 million, respectively (2014: Baht 0.3 million and Baht 0.3 million).

The movements in the defined benefit obligations during the years are as follows:

|                                                  | Consolidated       |                    | Company            |                    |
|--------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                  | 2015<br>Baht       | 2014<br>Baht       | 2015<br>Baht       | 2014<br>Baht       |
| Opening balance                                  | 296,568,017        | 310,552,945        | 249,196,093        | 265,234,764        |
| Current service cost                             | 16,898,197         | 15,952,097         | 13,231,451         | 11,792,925         |
| Interest cost                                    | 12,979,856         | 9,238,072          | 10,736,118         | 7,045,959          |
| Re-measurement for employee benefits obligations | 74,518,168         | -                  | 54,128,882         | -                  |
| Past service cost                                | (1,343,413)        | (300,511)          | (1,234,132)        | (300,511)          |
| Benefits paid                                    | (20,702,397)       | (38,874,586)       | (18,180,299)       | (34,577,044)       |
| Closing balance                                  | <u>378,918,428</u> | <u>296,568,017</u> | <u>307,878,113</u> | <u>249,196,093</u> |

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**25 Employee benefit obligations (Cont'd)**

**25.1 Retirement benefits**

A retirement benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. 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.

The amounts recognised in the statement of financial position as at 31 December comprise the following:

|                                                  | <b>Consolidated</b> |             | <b>Company</b> |             |
|--------------------------------------------------|---------------------|-------------|----------------|-------------|
|                                                  | <b>2015</b>         | <b>2014</b> | <b>2015</b>    | <b>2014</b> |
|                                                  | <b>Baht</b>         | <b>Baht</b> | <b>Baht</b>    | <b>Baht</b> |
| Present value of retirement benefits obligations | 255,257,631         | 196,933,886 | 203,148,396    | 162,393,428 |
| Liability in the statement of financial position | 255,257,631         | 196,933,886 | 203,148,396    | 162,393,428 |

The movements in the defined benefit obligation during the years are as follows:

|                                                    | <b>Consolidated</b> |              | <b>Company</b> |              |
|----------------------------------------------------|---------------------|--------------|----------------|--------------|
|                                                    | <b>2015</b>         | <b>2014</b>  | <b>2015</b>    | <b>2014</b>  |
|                                                    | <b>Baht</b>         | <b>Baht</b>  | <b>Baht</b>    | <b>Baht</b>  |
| Opening balance                                    | 196,933,886         | 204,903,061  | 162,393,428    | 172,381,635  |
| Current service cost                               | 11,829,912          | 10,253,851   | 9,449,101      | 7,499,659    |
| Interest cost                                      | 9,043,241           | 5,138,354    | 7,428,161      | 3,596,014    |
|                                                    | 217,807,039         | 220,295,266  | 179,270,690    | 183,477,308  |
| Re-measurements:                                   |                     |              |                |              |
| (Gain)/loss from change in demographic assumptions | 21,021,823          | -            | 14,154,210     | -            |
| (Gain)/loss from change in financial assumptions   | 4,792,203           | -            | 2,697,015      | -            |
| Experience (gain)/loss                             | 21,255,529          | -            | 15,952,751     | -            |
|                                                    | 47,069,555          | -            | 32,803,976     | -            |
| Past service cost                                  | (681,403)           | -            | (652,282)      | -            |
| Benefits paid                                      | (8,937,560)         | (23,361,380) | (8,273,988)    | (21,083,880) |
| Closing balance                                    | 255,257,631         | 196,933,886  | 203,148,396    | 162,393,428  |

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## 25 Employee benefit obligations (Cont'd)

### 25.2 Other long-term employee benefits

Other long-term employee benefits is a 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.

The amounts recognised in the statement of financial position as at 31 December comprise the following:

|                                                                | Consolidated |              | Company      |              |
|----------------------------------------------------------------|--------------|--------------|--------------|--------------|
|                                                                | 2015<br>Baht | 2014<br>Baht | 2015<br>Baht | 2014<br>Baht |
| Present value of other long-term employee benefits obligations | 123,660,797  | 99,634,131   | 104,729,717  | 86,802,665   |
| Liability in the statement of financial position               | 123,660,797  | 99,634,131   | 104,729,717  | 86,802,665   |

The movements in the defined benefit obligation during the years are as follows:

|                                                    | Consolidated |              | Company      |              |
|----------------------------------------------------|--------------|--------------|--------------|--------------|
|                                                    | 2015<br>Baht | 2014<br>Baht | 2015<br>Baht | 2014<br>Baht |
| Opening balance                                    | 99,634,131   | 105,649,884  | 86,802,665   | 92,853,129   |
| Current service cost                               | 5,068,285    | 5,698,246    | 3,782,350    | 4,293,266    |
| Interest cost                                      | 3,936,615    | 4,099,718    | 3,307,957    | 3,449,945    |
|                                                    | 108,639,031  | 115,447,848  | 93,892,972   | 100,596,340  |
| Re-measurements:                                   |              |              |              |              |
| (Gain)/loss from change in demographic assumptions | 10,402,316   | -            | 7,502,103    | -            |
| (Gain)/loss from change in financial assumptions   | 5,377,417    | -            | 7,544,042    | -            |
| Experience (gain)/loss                             | 11,668,880   | -            | 6,278,761    | -            |
|                                                    | 27,448,613   | -            | 21,324,906   | -            |
| Past service cost                                  | (662,010)    | (300,511)    | (581,850)    | (300,511)    |
| Benefits paid                                      | (11,764,837) | (15,513,206) | (9,906,311)  | (13,493,164) |
| Closing balance                                    | 123,660,797  | 99,634,131   | 104,729,717  | 86,802,665   |

The principal actuarial assumptions used for employee benefit obligations were as follows:

|                       | Consolidated   |                | Company        |                |
|-----------------------|----------------|----------------|----------------|----------------|
|                       | 2015           | 2014           | 2015           | 2014           |
| Discount rates        | 2.40% - 3.91%  | 3.97% - 4.79%  | 2.59% - 3.21%  | 3.97% - 4.79%  |
| Salary increase rates | 2.00% - 7.03%  | 3.00% - 7.52%  | 2.00% - 5.00%  | 3.00% - 6.00%  |
| Staff turnover rates  | 0.00% - 66.00% | 0.00% - 81.00% | 0.00% - 66.00% | 0.00% - 67.00% |

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**25 Employee benefit obligations (Cont'd)**

| <b>Consolidated</b>                          |                             |                               |                               |
|----------------------------------------------|-----------------------------|-------------------------------|-------------------------------|
| <b>2015</b>                                  |                             |                               |                               |
| <b>Impact on defined benefit obligations</b> |                             |                               |                               |
|                                              | <b>Change in assumption</b> | <b>Increase in assumption</b> | <b>Decrease in assumption</b> |
| Discount rates                               | 1.00%                       | Decrease by 8.77%             | Increase by 10.17%            |
| Salary increase rates                        | 1.00%                       | Increase by 7.18%             | Decrease by 6.75%             |
| Staff turnover rate                          | 1.00%                       | Decrease by 9.98%             | Increase by 8.64%             |

| <b>Company</b>                               |                             |                               |                               |
|----------------------------------------------|-----------------------------|-------------------------------|-------------------------------|
| <b>2015</b>                                  |                             |                               |                               |
| <b>Impact on defined benefit obligations</b> |                             |                               |                               |
|                                              | <b>Change in assumption</b> | <b>Increase in assumption</b> | <b>Decrease in assumption</b> |
| Discount rates                               | 1.00%                       | Decrease by 8.24%             | Increase by 9.46%             |
| Salary increase rates                        | 1.00%                       | Increase by 6.80%             | Decrease by 5.99%             |
| Staff turnover rate                          | 1.00%                       | Decrease by 9.65%             | Increase by 8.61%             |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

Through its defined benefit retirement benefit plans and other long-term employee benefits plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in Government bond yields will increase plan liabilities.

The weighted average duration of the defined benefit obligation is 9 to 32 years.

Expected maturity analysis of undiscounted retirement and other long-term employee benefits are as follows:

| <b>Consolidated</b>               |                         |                          |                           |                      |              |
|-----------------------------------|-------------------------|--------------------------|---------------------------|----------------------|--------------|
|                                   | <b>Less than a year</b> | <b>Between 1-5 years</b> | <b>Between 5-10 years</b> | <b>Over 10 years</b> | <b>Total</b> |
|                                   | <b>Baht</b>             | <b>Baht</b>              | <b>Baht</b>               | <b>Baht</b>          | <b>Baht</b>  |
| Retirement benefits               | 21,129,868              | 58,433,194               | 115,713,826               | 157,839,295          | 353,116,183  |
| Other long-term employee benefits | 12,304,000              | 53,971,602               | 86,159,568                | 95,180,828           | 247,615,998  |
| Total                             | 33,433,868              | 112,404,796              | 201,873,394               | 253,020,123          | 600,732,181  |

| <b>Company</b>                    |                         |                          |                           |                      |              |
|-----------------------------------|-------------------------|--------------------------|---------------------------|----------------------|--------------|
|                                   | <b>Less than a year</b> | <b>Between 1-5 years</b> | <b>Between 5-10 years</b> | <b>Over 10 years</b> | <b>Total</b> |
|                                   | <b>Baht</b>             | <b>Baht</b>              | <b>Baht</b>               | <b>Baht</b>          | <b>Baht</b>  |
| Retirement benefits               | 18,133,061              | 52,460,459               | 99,704,999                | 120,247,576          | 290,546,095  |
| Other long-term employee benefits | 9,951,399               | 44,560,936               | 68,879,316                | 73,825,566           | 197,217,217  |
| Total                             | 28,084,460              | 97,021,395               | 168,584,315               | 194,073,142          | 487,763,312  |

The Group use the cash flows from operating activities to pay the retirement and other long-term benefits.

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## 26 Share capital and premium on treasury shares

Share capital as at 31 December comprises the following:

|                        | Number of<br>shares | Ordinary<br>shares<br>Baht | Premium on<br>treasury<br>shares<br>Baht | Total<br>Baht |
|------------------------|---------------------|----------------------------|------------------------------------------|---------------|
| 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 | 2,709,904,800       | 2,709,904,800              | 19,928,420                               | 2,729,833,220 |
| As at 31 December 2015 | 2,709,904,800       | 2,709,904,800              | 19,928,420                               | 2,729,833,220 |

The Company's registered share capital as at 31 December 2015 comprises 2,709,904,800 ordinary shares (2014: 2,709,904,800 ordinary shares) of Baht 1 each (2014: Baht 1 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.

## 27 Legal reserve

Legal reserve as at 31 December comprises the following:

|                               | Consolidated |              | Company      |              |
|-------------------------------|--------------|--------------|--------------|--------------|
|                               | 2015<br>Baht | 2014<br>Baht | 2015<br>Baht | 2014<br>Baht |
| Opening balance               | 203,000,000  | 182,000,000  | 203,000,000  | 182,000,000  |
| Appropriation during the year | 25,000,000   | 21,000,000   | 25,000,000   | 21,000,000   |
| Closing balance               | 228,000,000  | 203,000,000  | 228,000,000  | 203,000,000  |

Under the Public Limited Companies Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its 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.

## 28 Other components of equity

Other components of equity as at 31 December comprise the following:

|                                                                               | Consolidated |               | Company      |              |
|-------------------------------------------------------------------------------|--------------|---------------|--------------|--------------|
|                                                                               | 2015<br>Baht | 2014<br>Baht  | 2015<br>Baht | 2014<br>Baht |
| Fair value reserves on available-for-sale investments                         | 14,864,000   | 37,616,000    | 14,864,000   | 37,616,000   |
| Translation adjustment for investment in overseas subsidiaries and associates | (52,450,415) | (138,803,888) | -            | -            |
| Total other components of equity                                              | (37,586,415) | (101,187,888) | 14,864,000   | 37,616,000   |

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**28 Other components of equity (Cont'd)**

The movements of fair value reserves on available-for-sale investments for the years ended 31 December comprise the following:

|                                                                 | <b>Consolidated</b>  |                      | <b>Company</b>       |                      |
|-----------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                 | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> |
| Opening balance                                                 | 37,616,000           | 42,907,069           | 37,616,000           | 42,896,000           |
| Increase (decrease) from fair value reserves                    |                      |                      |                      |                      |
| - available-for-sale investments, net tax                       | (22,752,000)         | (5,280,000)          | (22,752,000)         | (5,280,000)          |
| Decrease from disposal of<br>available - for - sale investments | -                    | (11,069)             | -                    | -                    |
| Closing balance                                                 | <u>14,864,000</u>    | <u>37,616,000</u>    | <u>14,864,000</u>    | <u>37,616,000</u>    |

**29 Sales and service income, and cost of sales and services**

Sales and service income, and cost of sales and services for the years ended 31 December comprise the following:

|                                  | <b>Consolidated</b>  |                      | <b>Company</b>       |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> |
| Sales                            | 8,470,505,999        | 8,888,511,369        | 6,694,074,860        | 7,279,370,843        |
| Service income                   | 1,292,300,372        | 862,415,341          | -                    | -                    |
| Total sales and service income   | <u>9,762,806,371</u> | <u>9,750,926,710</u> | <u>6,694,074,860</u> | <u>7,279,370,843</u> |
| Cost of sales                    | 6,812,731,643        | 7,148,476,112        | 5,500,290,459        | 5,935,789,690        |
| Cost of services                 | 1,102,590,128        | 732,347,522          | -                    | -                    |
| Total cost of sales and services | <u>7,915,321,771</u> | <u>7,880,823,634</u> | <u>5,500,290,459</u> | <u>5,935,789,690</u> |

**30 Finance costs**

Finance costs for the years ended 31 December comprise the following:

|                                       | <b>Consolidated</b>  |                      | <b>Company</b>       |                      |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                       | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> | <b>2015<br/>Baht</b> | <b>2014<br/>Baht</b> |
| Interest expense from bank borrowings | 161,778,782          | 167,346,595          | 122,043,558          | 125,427,565          |
| Interest expense from finance leases  | 1,099,118            | 400,726              | -                    | -                    |
| Total finance costs                   | <u>162,877,900</u>   | <u>167,747,321</u>   | <u>122,043,558</u>   | <u>125,427,565</u>   |

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### 31 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      |              |
|-----------------------------------------------------------------|---------------|---------------|--------------|--------------|
|                                                                 | 2015<br>Baht  | 2014<br>Baht  | 2015<br>Baht | 2014<br>Baht |
| Staff costs                                                     | 1,416,493,775 | 1,312,977,825 | 949,243,338  | 897,253,780  |
| Depreciation (Notes 14, 15)                                     | 703,938,689   | 647,937,766   | 526,612,994  | 502,195,736  |
| Advertising and sales promotion                                 | 280,392,863   | 393,757,610   | 264,969,822  | 392,391,802  |
| Repair and maintenance                                          | 161,927,424   | 165,537,519   | 138,700,550  | 146,885,196  |
| Transportation                                                  | 198,623,005   | 182,592,640   | 123,768,413  | 132,444,442  |
| Operating lease rentals                                         | 52,880,195    | 48,918,831    | 37,444,905   | 36,937,105   |
| Amortisation of assets                                          | 77,992,725    | 73,104,777    | 49,766,332   | 53,146,016   |
| Assets written-off                                              | 12,841,317    | 6,553,262     | 11,879,400   | 6,284,239    |
| Loss on impairment of investment in a subsidiary (Note 12.6 d)) | -             | -             | 19,999,970   | -            |
| (Gain) loss on foreign exchange rate, net                       | (17,568,101)  | (8,573,111)   | (38,815,090) | (3,328,942)  |

### 32 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares issued during the year, excluding treasury shares.

|                                                                | Consolidated  |               | Company       |               |
|----------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                | 2015          | 2014          | 2015          | 2014          |
| Profit attributable to equity holders of the parent (Baht)     | 445,013,825   | 470,057,185   | 444,672,866   | 411,442,630   |
| 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)                                | 0.16          | 0.17          | 0.16          | 0.15          |

There are no potential dilutive ordinary shares issued for the years ended 31 December 2015 and 2014.

### 33 Dividends

#### 2015

At the Company's Annual General Shareholders' Meeting on 29 April 2015, the meeting has approved a dividend in respect of the Company's net profit for the year 2014 of Baht 0.10 per share, totalling Baht 270.99 million and the Company paid all dividends during the year ended 31 December 2015.

#### 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.

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### 34 Cash flows from operating activities and supplementary cash flows information

#### 34.1 Cash flows from operating activities

Reconciliation of profit to cash flows from operating activities comprises the following:

|                                                                                                 | Notes  | Consolidated         |                      | Company            |                    |
|-------------------------------------------------------------------------------------------------|--------|----------------------|----------------------|--------------------|--------------------|
|                                                                                                 |        | 2015<br>Baht         | 2014<br>Baht         | 2015<br>Baht       | 2014<br>Baht       |
| <b>Profit before income tax for the year</b>                                                    |        | 558,323,530          | 539,555,476          | 470,155,607        | 433,268,125        |
| Adjustments to reconcile net profit to net cash provided by (paid for) operations:              |        |                      |                      |                    |                    |
| Depreciation                                                                                    | 14, 15 | 703,938,689          | 647,937,766          | 526,612,994        | 502,195,736        |
| Amortisation                                                                                    |        | 62,489,564           | 58,629,102           | 39,469,309         | 42,565,355         |
| Amortisation of intangible assets                                                               | 16     | 15,503,161           | 14,475,675           | 10,297,023         | 10,580,661         |
| Assets written off                                                                              |        | 12,841,317           | 6,553,262            | 11,879,400         | 6,284,239          |
| Allowance for doubtful accounts                                                                 |        | 18,716,582           | 4,035,823            | 33,918,906         | 1,000,000          |
| Allowance for inventory obsolescence and for inventories cost in excess of net realisable value | 10     | 5,817,133            | 3,122,168            | 120,000            | 3,000,000          |
| Loss on impairment in value of investments in subsidiary                                        | 12.2   | -                    | -                    | 19,999,970         | -                  |
| Loss on impairment of other assets                                                              |        | 5,000,000            | -                    | 5,000,000          | -                  |
| Reversal of fixed assets impairment                                                             | 15     | -                    | (3,700,000)          | -                  | (3,700,000)        |
| Reversal of intangible assets impairment                                                        | 16     | -                    | (364,803)            | -                  | (364,803)          |
| Gain on disposal of fixed assets                                                                |        | (15,729,115)         | (12,184,571)         | (3,881,108)        | (21,401,439)       |
| Employee benefits expense                                                                       |        | 28,534,640           | 24,889,658           | 22,733,437         | 18,538,373         |
| Actuarial (gain) loss from other long-term employment benefits                                  | 25     | 27,448,613           | -                    | 21,324,906         | -                  |
| Unrealised (gain) loss on foreign exchange rate                                                 |        | (4,713,898)          | (13,588,276)         | (14,698,819)       | (3,846,826)        |
| Interest income                                                                                 |        | (7,194,154)          | (6,913,388)          | (3,241,205)        | (3,952,810)        |
| Share of profit of investments in associates and joint venture                                  | 12.3   | (78,690,804)         | (63,165,436)         | -                  | -                  |
| Gain arising from subsidiary's liquidation                                                      |        | -                    | -                    | (83,111)           | -                  |
| Dividend income from investments in subsidiaries, associates, and joint venture                 | 35.3   | -                    | -                    | (324,574,034)      | (192,248,298)      |
| Dividend income from other investments                                                          |        | (9,912,000)          | (12,186,500)         | (9,912,000)        | (12,186,500)       |
| Finance costs-interest expense                                                                  | 30     | 162,877,900          | 167,747,321          | 122,043,558        | 125,427,565        |
|                                                                                                 |        | <u>1,485,251,158</u> | <u>1,354,843,277</u> | <u>927,164,833</u> | <u>905,159,378</u> |
| <b>Changes in operating assets and liabilities</b>                                              |        |                      |                      |                    |                    |
| <b>(Increase) decrease in operating assets:</b>                                                 |        |                      |                      |                    |                    |
| Trade accounts receivable                                                                       |        | 70,861,152           | (137,697,027)        | 53,533,245         | (73,742,956)       |
| Other receivables                                                                               |        | (40,926,813)         | (107,393,806)        | (46,741,169)       | (44,460,800)       |
| Inventories                                                                                     |        | (46,181,988)         | (129,446,674)        | (137,240,232)      | 26,911,722         |
| Other current assets                                                                            |        | 61,498,447           | (15,249,277)         | 81,930,666         | (7,482,425)        |
| Other assets                                                                                    |        | (26,353,322)         | (5,784,340)          | (6,264,526)        | 1,845,448          |
| <b>Increase (decrease) in operating liabilities:</b>                                            |        |                      |                      |                    |                    |
| Trade accounts payable                                                                          |        | (9,602,485)          | 30,764,507           | (44,278,669)       | 15,686,795         |
| Other payables                                                                                  |        | (74,727,167)         | (780,876)            | (28,579,451)       | (559,110)          |
| Other current liabilities                                                                       |        | 5,428,409            | 30,110,689           | 4,332,263          | 14,100,748         |
| Employee benefits paid                                                                          | 25     | (20,702,397)         | (38,874,586)         | (18,180,299)       | (34,577,044)       |
| <b>Cash generated from operations</b>                                                           |        | <u>1,404,544,994</u> | <u>980,491,887</u>   | <u>785,676,661</u> | <u>802,881,756</u> |

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**34 Cash flows from operating activities and supplementary cash flows information (Cont'd)**

**34.2 Supplementary cash flows information comprises the following:**

|                                                                                     | <b>Consolidated</b>  |                    | <b>Company</b>     |                    |
|-------------------------------------------------------------------------------------|----------------------|--------------------|--------------------|--------------------|
|                                                                                     | <b>2015</b>          | <b>2014</b>        | <b>2015</b>        | <b>2014</b>        |
|                                                                                     | <b>Baht</b>          | <b>Baht</b>        | <b>Baht</b>        | <b>Baht</b>        |
| <b>Property, plant and equipment</b>                                                |                      |                    |                    |                    |
| Additions (Note 15)                                                                 | 1,157,575,667        | 783,151,687        | 527,020,181        | 361,930,748        |
| <u>Less</u> Decrease (increase) in payables of fixed assets                         | 18,915,917           | 26,608,951         | (9,038,938)        | 19,056,697         |
| Fixed assets increased by finance lease                                             | (2,164,000)          | (27,767,239)       | -                  | -                  |
| Decrease (increase) in amounts due to related parties of fixed assets               | 320,486              | (320,486)          | (227,864)          | (1,349,826)        |
| Unrealised (gain) loss on exchange rate                                             | 138,253              | (63,429)           | 138,253            | (63,429)           |
| Payment for purchase of fixed assets                                                | <u>1,174,786,323</u> | <u>781,609,484</u> | <u>517,891,632</u> | <u>379,574,190</u> |
| <b>Intangible assets</b>                                                            |                      |                    |                    |                    |
| Additions (Note 16)                                                                 | 8,349,229            | 17,635,363         | 3,800,393          | 3,687,990          |
| <u>Less</u> Decrease (increase) in payables of intangible assets                    | 3,381,697            | (3,308,267)        | 2,070,980          | (1,997,550)        |
| Payment for purchase of intangible assets                                           | <u>11,730,926</u>    | <u>14,327,096</u>  | <u>5,871,373</u>   | <u>1,690,440</u>   |
| <b>Dividend income</b>                                                              |                      |                    |                    |                    |
| Dividends of investments in subsidiaries, associates, and joint venture (Note 35.3) | 102,741,205          | 98,891,471         | 324,574,034        | 192,248,298        |
| <u>Less</u> Decrease (increase) in dividend receivable                              | -                    | 5,322,603          | (14,999,985)       | 5,322,603          |
| <u>Less</u> Realised gain (loss) on exchange rate                                   | 234,789              | (110,876)          | 159,689            | (110,876)          |
| Dividends received from subsidiaries, associates, and joint venture                 | <u>102,975,994</u>   | <u>104,103,198</u> | <u>309,733,738</u> | <u>197,460,025</u> |

**35 Related party transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationships between the Company and subsidiaries, associates and joint venture are described in Note 12.1.

The relationships between the Company and related parties that are transacted with are as the following:

| <b>Company name</b>               | <b>Relationship</b>                                                                                       |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------|
| Srithai Marketing Co., Ltd.       | shares held by relatives of executives of the Company and some of them serve as directors                 |
| Siam Melamine Marketing Co., Ltd. | shares held by relatives of executives of the Company                                                     |
| Srithai Stainless Co., Ltd.       | shares held by relatives of executives of the Company and some of them serve as directors                 |
| S. Sahatara (Thailand) Co., Ltd.  | shares held by executive of the Company and relatives of some executives; some of them serve as directors |
| Toho Foam (Thailand) Co., Ltd.    | shares held by executive of the Company and relative of some executives; some of them serve as directors  |
| P.C. Container Co., Ltd.          | shares held by relatives of executives of the Company and some of them serve as directors                 |
| P.E.T. Container Co., Ltd.        | shares held by relatives of executives of the Company and some of them serve as directors                 |

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**35 Related party transactions (Cont'd)**

**35.1 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 agreements. 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.

**35.2 Outstanding balances as at the years ended**

|                                                         | <b>Consolidated</b> |             | <b>Company</b> |             |
|---------------------------------------------------------|---------------------|-------------|----------------|-------------|
|                                                         | <b>2015</b>         | <b>2014</b> | <b>2015</b>    | <b>2014</b> |
|                                                         | <b>Baht</b>         | <b>Baht</b> | <b>Baht</b>    | <b>Baht</b> |
| <b>Trade accounts receivable - related parties, net</b> |                     |             |                |             |
| Subsidiaries                                            | -                   | -           | 144,441,710    | 120,280,840 |
| Associates                                              | 103,393,658         | 145,420,436 | 103,393,658    | 145,420,436 |
| Joint venture                                           | 11,667,979          | 6,511,199   | 11,666,185     | 6,466,345   |
| Other related parties                                   | 193,791,061         | 185,603,721 | 125,995,232    | 134,433,468 |
| Total trade accounts receivable - related parties       | 308,852,698         | 337,535,356 | 385,496,785    | 406,601,089 |
| <u>Less</u> Allowance for doubtful accounts             | -                   | -           | (19,190,000)   | -           |
| Total trade accounts receivable - related parties, net  | 308,852,698         | 337,535,356 | 366,306,785    | 406,601,089 |
| <b>Other receivables - related parties</b>              |                     |             |                |             |
| Subsidiaries - dividend receivable                      | -                   | -           | 14,999,985     | -           |
| - other receivable                                      | -                   | -           | 21,110,538     | 20,708,107  |
| Associates                                              | 1,085,147           | 764,188     | 1,085,147      | 764,188     |
| Joint venture                                           | 174,041             | 139,931     | 174,041        | 139,931     |
| Other related parties                                   | 64,400              | 72,119      | 64,400         | 72,119      |
| Total other receivables - related parties               | 1,323,588           | 976,238     | 37,434,111     | 21,684,345  |

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### 35 Related party transactions (Cont'd)

#### 35.2 Outstanding balances as at the years ended (Cont'd)

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

As at 31 December 2015, Korat Thai Tech Company Limited, a subsidiary, has granted short-term loans of Baht 13.00 million to P.E.T. Blow Company Limited, another subsidiary, under total credit facilities for Baht 15.00 million of 2 short-term loan agreements 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.

As at 31 December 2015, Srithai Nanoplast Company Limited, a subsidiary, has granted a short-term loan of Baht 12.00 million to P.E.T. Blow Company Limited, another subsidiary, under credit facility for Baht 15.00 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.

|                                                       | <b>Consolidated</b> |                    | <b>Company</b>     |                    |
|-------------------------------------------------------|---------------------|--------------------|--------------------|--------------------|
|                                                       | <b>2015</b>         | <b>2014</b>        | <b>2015</b>        | <b>2014</b>        |
|                                                       | <b>Baht</b>         | <b>Baht</b>        | <b>Baht</b>        | <b>Baht</b>        |
| <b>Trade accounts payable - related parties</b>       |                     |                    |                    |                    |
| Subsidiaries                                          | -                   | -                  | 50,590,971         | 92,811,986         |
| Associates                                            | 87,339,517          | 94,810,513         | 60,583,256         | 66,980,289         |
| Joint venture                                         | 9,504               | 78,707             | 9,504              | 78,707             |
| Other related parties                                 | 14,813,257          | 13,239,867         | 13,007,851         | 8,591,018          |
| <b>Total trade accounts payable - related parties</b> | <b>102,162,278</b>  | <b>108,129,087</b> | <b>124,191,582</b> | <b>168,462,000</b> |
| <b>Other payables - related parties</b>               |                     |                    |                    |                    |
| Subsidiaries - other payables                         | -                   | -                  | 4,915,432          | 4,010,142          |
| - payable for fixed assets                            | -                   | -                  | 1,623,700          | 1,075,350          |
| Associates                                            | 2,187,293           | 370,408            | 2,187,293          | 370,408            |
| Other related parties - other payables                | 19,138              | 96,300             | 19,138             | 96,300             |
| - payable for fixed assets                            | -                   | 320,486            | -                  | 320,486            |
| <b>Total other payables - related parties</b>         | <b>2,206,431</b>    | <b>787,194</b>     | <b>8,745,563</b>   | <b>5,872,686</b>   |

#### 35.3 Transactions during the years

Revenues for the years ended 31 December comprise the following:

|                                       | <b>Consolidated</b> |                    | <b>Company</b>     |                    |
|---------------------------------------|---------------------|--------------------|--------------------|--------------------|
|                                       | <b>2015</b>         | <b>2014</b>        | <b>2015</b>        | <b>2014</b>        |
|                                       | <b>Baht</b>         | <b>Baht</b>        | <b>Baht</b>        | <b>Baht</b>        |
| <b>Sales and service income</b>       |                     |                    |                    |                    |
| Subsidiaries                          | -                   | -                  | 150,161,166        | 137,974,495        |
| Associates                            | 284,970,871         | 381,895,575        | 284,970,871        | 381,895,575        |
| Joint venture                         | 50,162,813          | 34,361,459         | 43,354,602         | 34,216,087         |
| Other related parties                 | 436,266,308         | 401,028,698        | 312,623,600        | 285,973,842        |
| <b>Total sales and service income</b> | <b>771,399,992</b>  | <b>817,285,732</b> | <b>791,110,239</b> | <b>840,059,999</b> |
| <b>Other income</b>                   |                     |                    |                    |                    |
| <b>Service income</b>                 |                     |                    |                    |                    |
| Subsidiaries                          | -                   | -                  | 30,149,178         | 29,140,528         |
| Associates                            | 6,352,600           | 5,211,950          | 6,352,600          | 5,211,950          |
| Joint venture                         | 663,515             | 610,234            | 663,515            | 610,234            |
| Other related parties                 | 1,009,873           | 1,306,200          | 1,802,102          | 1,048,740          |
| <b>Total</b>                          | <b>8,025,988</b>    | <b>7,128,384</b>   | <b>38,967,395</b>  | <b>36,011,452</b>  |
| <b>Management fee income</b>          |                     |                    |                    |                    |
| Subsidiaries                          | -                   | -                  | 3,720,000          | 4,020,000          |
| Joint venture                         | 1,000,000           | 1,000,000          | 1,000,000          | 1,000,000          |
| <b>Total</b>                          | <b>1,000,000</b>    | <b>1,000,000</b>   | <b>4,720,000</b>   | <b>5,020,000</b>   |

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**35 Related party transactions (Cont'd)**

**35.3 Transactions during the years (Cont'd)**

Revenues for the years ended 31 December comprise the following: (Cont'd)

|                                     | <b>Consolidated</b> |                    | <b>Company</b>     |                    |
|-------------------------------------|---------------------|--------------------|--------------------|--------------------|
|                                     | <b>2015</b>         | <b>2014</b>        | <b>2015</b>        | <b>2014</b>        |
|                                     | <b>Baht</b>         | <b>Baht</b>        | <b>Baht</b>        | <b>Baht</b>        |
| <b><u>Other income</u></b> (Cont'd) |                     |                    |                    |                    |
| <b><u>Dividend income</u></b>       |                     |                    |                    |                    |
| Subsidiaries                        | -                   | -                  | 221,832,829        | 93,356,827         |
| Associates                          | 102,741,205         | 97,891,511         | 102,741,205        | 97,891,511         |
| Joint venture                       | -                   | 999,960            | -                  | 999,960            |
| Total                               | 102,741,205         | 98,891,471         | 324,574,034        | 192,248,298        |
| <b>Total other income</b>           | <b>111,767,193</b>  | <b>107,019,855</b> | <b>368,261,429</b> | <b>233,279,750</b> |
| <b><u>Sales of fixed assets</u></b> |                     |                    |                    |                    |
| Subsidiaries                        | -                   | -                  | 14,845,667         | 95,115,000         |
| Associates                          | -                   | 48,000             | -                  | 48,000             |
| <b>Total sales of fixed assets</b>  | <b>-</b>            | <b>48,000</b>      | <b>14,845,667</b>  | <b>95,163,000</b>  |

Expenses for the years ended 31 December comprise the following:

|                                          | <b>Consolidated</b> |             | <b>Company</b> |             |
|------------------------------------------|---------------------|-------------|----------------|-------------|
|                                          | <b>2015</b>         | <b>2014</b> | <b>2015</b>    | <b>2014</b> |
|                                          | <b>Baht</b>         | <b>Baht</b> | <b>Baht</b>    | <b>Baht</b> |
| <b><u>Cost of sales and services</u></b> |                     |             |                |             |
| <b><u>Purchases of goods</u></b>         |                     |             |                |             |
| Subsidiaries                             | -                   | -           | 258,393,810    | 352,326,570 |
| Associates                               | 502,850,943         | 406,573,836 | 344,062,798    | 287,171,997 |
| Joint venture                            | 83,129              | 358,181     | 41,394         | 333,281     |
| Other related parties                    | 46,106,335          | 34,801,710  | 31,631,721     | 22,273,235  |
| Total                                    | 549,040,407         | 441,733,727 | 634,129,723    | 662,105,083 |
| <b><u>Expenses</u></b>                   |                     |             |                |             |
| <b><u>Service expenses</u></b>           |                     |             |                |             |
| Subsidiaries                             | -                   | -           | 4,763,590      | 7,895,190   |
| Associates                               | 2,706,935           | 1,042,600   | 2,706,935      | 1,042,600   |
| Other related parties                    | 7,985,782           | 5,385,826   | 7,985,782      | 5,385,826   |
| Total                                    | 10,692,717          | 6,428,426   | 15,456,307     | 14,323,616  |
| <b><u>Purchases of fixed assets</u></b>  |                     |             |                |             |
| Subsidiaries                             | -                   | -           | 10,648,806     | 15,181,821  |
| Other related parties                    | -                   | 487,220     | -              | 487,220     |
| Total                                    | -                   | 487,220     | 10,648,806     | 15,669,041  |

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**35 Related party transactions (Cont'd)**

**35.4 Directors and managements' remuneration**

Directors and managements' remuneration for the years ended 31 December comprise the following:

|                                               | <b>Consolidated</b> |                    | <b>Company</b>    |                   |
|-----------------------------------------------|---------------------|--------------------|-------------------|-------------------|
|                                               | <b>2015</b>         | <b>2014</b>        | <b>2015</b>       | <b>2014</b>       |
|                                               | <b>Baht</b>         | <b>Baht</b>        | <b>Baht</b>       | <b>Baht</b>       |
| Directors' remuneration                       | 2,172,500           | 2,335,000          | 2,172,500         | 2,335,000         |
| Managements' remuneration                     |                     |                    |                   |                   |
| Short-term employee benefits                  | 108,247,160         | 108,816,359        | 66,268,850        | 68,665,255        |
| Post-employment benefits                      | 4,598,769           | 6,071,291          | 3,766,736         | 4,258,577         |
| Other long-term employee benefits             | 175,775             | 40,400             | 154,211           | 36,816            |
| Total directors and managements' remuneration | <u>115,194,204</u>  | <u>117,263,050</u> | <u>72,362,297</u> | <u>75,295,648</u> |

**Srithai Superware Public Company Limited**  
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**36 Promotional privileges**

The Company and its subsidiaries received promotional privileges from the Board of Investment and must comply with the conditions and restrictions provided in the promotional certificates as follows:

| Company                                     | No. of BOI card | Date of approval | Period  | Product                      | Significant privilege                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------|-----------------|------------------|---------|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Srithai Superware Public Company Limited    | 1872(2)/2554    | 18 January 2011  | 8 years | melamine products            | <ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (19 September 2012) and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of five years from the end of the privilege period (expired on 18 September 2025).</li> </ul> |
|                                             | 1529(2)/2555    | 6 March 2012     | 7 years | plastic products             | <ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (4 September 2012) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 3 September 2024).</li> </ul>                                                                                                    |
|                                             | 1872(2)/2556    | 14 May 2013      | 7 years | plastic products             | <ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (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).</li> </ul>                                                                                                    |
| Subsidiary : Srithai Moulds Company Limited | 2458(5)/2554    | 19 July 2011     | 8 years | moulds production and repair | <ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (12 March 2013) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 11 March 2026).</li> </ul>                                                                                                                                                                                                    |
|                                             | 1268(5)/2556    | 5 March 2012     | 8 years | plastic products             | <ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (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).</li> </ul>                                                                                                                                                                                              |

**Srithai Superware Public Company Limited**  
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**36 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 Nanoplast Company Limited | 1960(2)/2555    | 8 June 2012      | 7 years | plastic products  | <ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land and working capital from the date income is first derived (10 August 2012) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 9 August 2024).</li> </ul>          |
| Subsidiary : Korat Thai Tech Company Limited   | 1616(5)/2554    | 18 April 2011    | 8 years | melamine products | <ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (19 July 2011) and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of five years from the end of the privilege period (expired on 18 July 2024).</li> </ul> |
| Subsidiary : P.E.T. Blow Company Limited       | 1067(5)/2555    | 14 March 2011    | 8 years | plastic products  | <ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (3 February 2012) and the deduction of annual net losses arising during the privilege period from net profit for a period of five years from the end of the privilege period (expired on 2 February 2025).</li> </ul>                                                            |

**Srithai Superware Public Company Limited**  
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**36 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) |                       |              |                   |                       |              |
|-----------------------------------|------------------------|-----------------------|--------------|-------------------|-----------------------|--------------|
|                                   | 2015                   |                       |              | 2014              |                       |              |
|                                   | Promoted activity      | Non-promoted activity | Total        | Promoted activity | Non-promoted activity | Total        |
| <b>Revenue</b>                    |                        |                       |              |                   |                       |              |
| Domestic sales and service income | 851                    | 4,244                 | 5,095        | 1,235             | 4,076                 | 5,311        |
| Export sales and service income   | 362                    | 1,237                 | 1,599        | 695               | 1,273                 | 1,968        |
| Total sales and service income    | <u>1,213</u>           | <u>5,481</u>          | <u>6,694</u> | <u>1,930</u>      | <u>5,349</u>          | <u>7,279</u> |

**37 Post statement of financial position event**

**Investment in subsidiary**

Srithai (Hanoi) Company Limited - indirect subsidiary

After reporting date, Srithai (Vietnam) Company Limited, parent company, partially paid for the share capital of Srithai (Hanoi) Company Limited amounting to Vietnamese Dongs 35,000.00 million or equivalent to Baht 56.00 million according to its 100.00% shareholding.

**Approval of dividends**

On 26 February 2016, the Board of Directors of the Company passed a resolution to propose the dividend payment from the operating results of 2015 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 Shareholders' Meeting No. 35 (year 2016) for further consideration and approval.

**Guarantee of a subsidiary**

On 4 January 2016, the Company has issued a letter of guarantee to a local supplier for the payment of raw material of Srithai (Hanoi) Company Limited, a wholly owned subsidiary of Srithai (Vietnam) Company Limited and an indirect subsidiary of the Company, for the guarantee limit of US Dollars 0.5 million.





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