



ANNUAL REPORT 2016



**Overseas Base
Expansion**



Srithai Superware Public Company Limited

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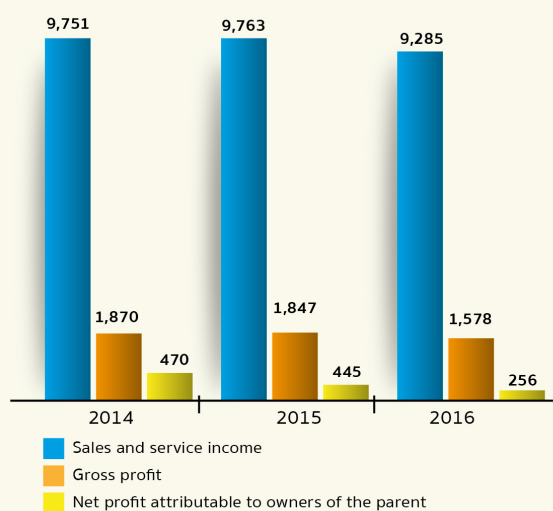
Highlight of Consolidated Financial Statements

Unit : Million Baht

	2016	2015	2014
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION			
Assets	11,304	11,107	10,516
Liabilities	6,371	6,150	5,784
Equity	4,933	4,957	4,732
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME			
Sales and service income	9,285	9,763	9,751
Gross profit	1,578	1,847	1,870
Selling & Administrative expenses	(1,288)	(1,314)	(1,336)
Other income	163	188	174
Finance costs	(169)	(163)	(168)
Profit before income tax	284	558	540
Profit for the year attributable to owners of the parent	256	445	470
CONSOLIDATED STATEMENTS OF CASH FLOWS			
Net cash receipts from operating activities	548	1,197	775
Net cash payments from investing activities	(1,013)	(1,098)	(616)
Net cash receipts (payments) from financing activities	87	79	(79)
Cash and cash equivalents, closing balance	272	621	473
KEY FINANCIAL RATIOS			
Current Ratio (times)	1.20	1.17	1.23
Account Receivable Turnover (days)	77.15	72.95	71.28
Inventory Turnover (days)	42.75	39.37	37.09
Account Payable Turnover (days)	42.27	43.84	43.82
Gross Profit Ratio to Sales (%)	17.00	18.92	19.18
Net Profit Ratio to Total Revenues (%)	2.82	4.84	4.94
Return on Total Assets (%)	2.36	4.42	4.72
Debt to Equity Ratio (times)	1.29	1.24	1.22

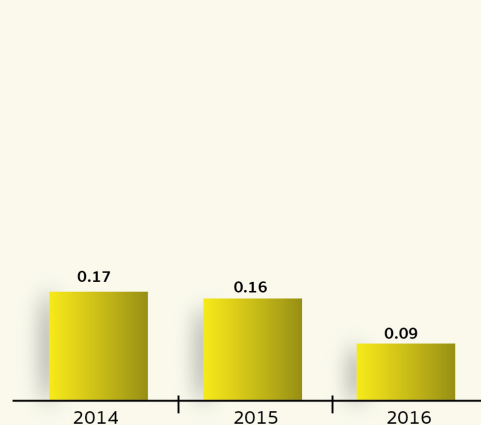
Operation Results

(Unit : Million Baht)



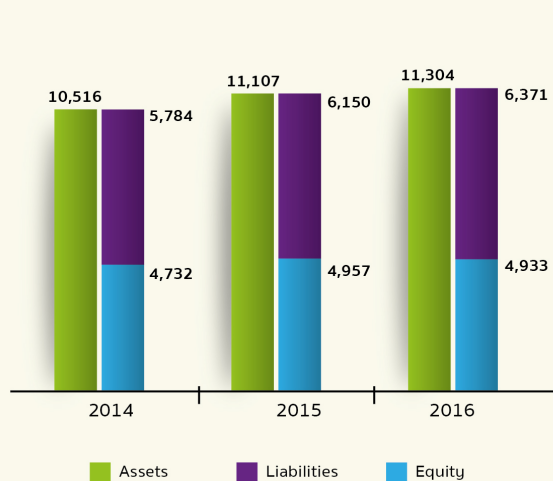
Earnings per Share

(Unit : Baht)



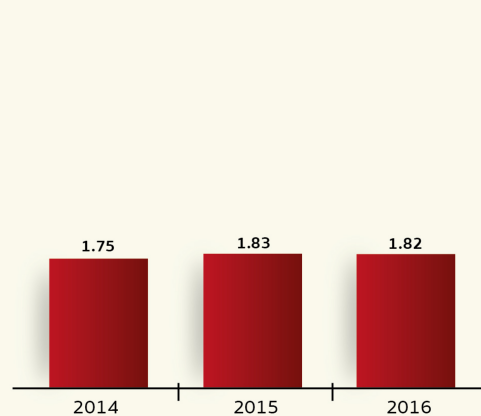
Assets, Liabilities and Equity

(Unit : Million Baht)



Book Value per Share

(Unit : Baht)



MESSAGE FROM THE CHAIRMAN



The passing away of His Majesty King Bhumibol Adulyadej in October of last year caused great sorrow for all Thais throughout Thailand and around the world. The year 2016 will forever be remembered in history as a time when our country experienced immeasurable loss. Srithai Superware Public Company Limited held ceremonies of humble remembrance in memory of His Majesty King Bhumibol's boundless benevolence and compassion for the Thai people.

After his passing, in accordance with the Palace Laws on Royal Succession, the National Legislative Assembly formally acknowledged His Royal Highness Crown Prince Maha Vajiralongkorn as heir to the throne. The Crown Prince was invited to ascend to the throne as the next King of Thailand, bringing much joy to the nation. Accordingly, we pledge our loyalty to our new King and wish him a long and happy reign. Long live the King.



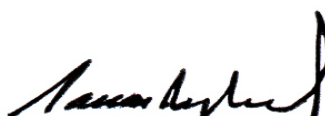
During the past year, as with other businesses, Srithai Group faced various economic uncertainties and volatility, both in Thailand and overseas. This was due to the global economy still not having fully recovered, low oil prices, agricultural pricing having just started to increase, high average household debts, and low consumer confidence, despite budget disbursements having been made by the Government relating to investments for major public sector projects, various economic stimulus initiatives by the current Government and continuing low interest rates.

Nevertheless, we have continued to adopt strategies to manage risk resulting from such adverse external factors. The restructuring of Srithai Group's food and beverage packaging business with regards to both the customers' base and the production base has been implemented. As a result, some of the associated production machinery, moulds, and equipment have been relocated to a subsidiary in Vietnam. This move helped us to achieve considerable and continuous economic growth where we have a group of customers who have a high demand for beverage packaging products. It took approximately 3 months to remove and relocate the production machinery and equipment. The subsidiary in Vietnam began official commercial production after another 6 months to give us time to install and commission the relocated machinery as well as to final test the actual production process to fulfill our customer's satisfaction. Srithai Group experienced the sales of this product group to drop during this transition as compared to 2015. However, we predict a speedy increase as a result of this move.

The strategic changes with regards to the production and marketing activities of Srithai, which includes the integration of new technology applications from overseas relating to the development of raw materials, the new marketing focus on specific customer groups instead of a mass marketing approach, and the development of the sales and marketing teams to be more global-brand oriented will, in the end, yield an increase of more than 10% for the overall sales revenue of Srithai Group that will boost its further sales growth in the future.

In addition to these accomplishments, Srithai was awarded an 'excellent' rating by the Corporate Governance Assessment Authority, and has received formal certification by the Private Sector Collective Action Coalition Against Corruption ("CAC") in acknowledgement of Srithai Group's dedication to corporate social responsibility and good corporate governance practices. This recognition has served as solid confirmation of Srithai's commitment to conducting its businesses in a transparent and equitable manner, taking into consideration the interests of all stakeholder groups. As such, our shareholders and involved stakeholders can have full confidence and complete trust in the Srithai Group knowing that all our businesses are operated in a stable and sustainable manner.

I would like to thank the shareholders, the Board of Directors, as well as the executives and staff of the Srithai Group who have given us their continuing support. This has enabled Srithai to become a leading company that showcases to the ASEAN as well as the whole world the capabilities and skills of the Thai people and the superior quality of Thai products.



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 determined its strategies and business direction that are appropriately aligned with its stated Vision and Mission. The Company reassesses its ongoing 'Vision and Mission' every years so that they properly correspond to the current changing business situation as well as with both the current internal and external factors. The latest reassessment has been approved from the Board of Directors in 2016 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



Since 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.

In conducting our current businesses, the Company attaches much importance and is also committed to continuously expanding overall business operations as well as the customer base for the industrial and household plastics products businesses that are our core business activities, together with expanding both the production and customer bases overseas - especially in the ASEAN countries. The Company has achieved much success in investing in Vietnam and operating through our subsidiaries which have grown in terms of their business activities and achieved sales revenues and also have future potential growth in line with the expected economic growth of Vietnam. Apart from Vietnam, the Company has invested in India, with an aim to explore new business opportunities, increase the Company's competitiveness and expand into the Indian market.

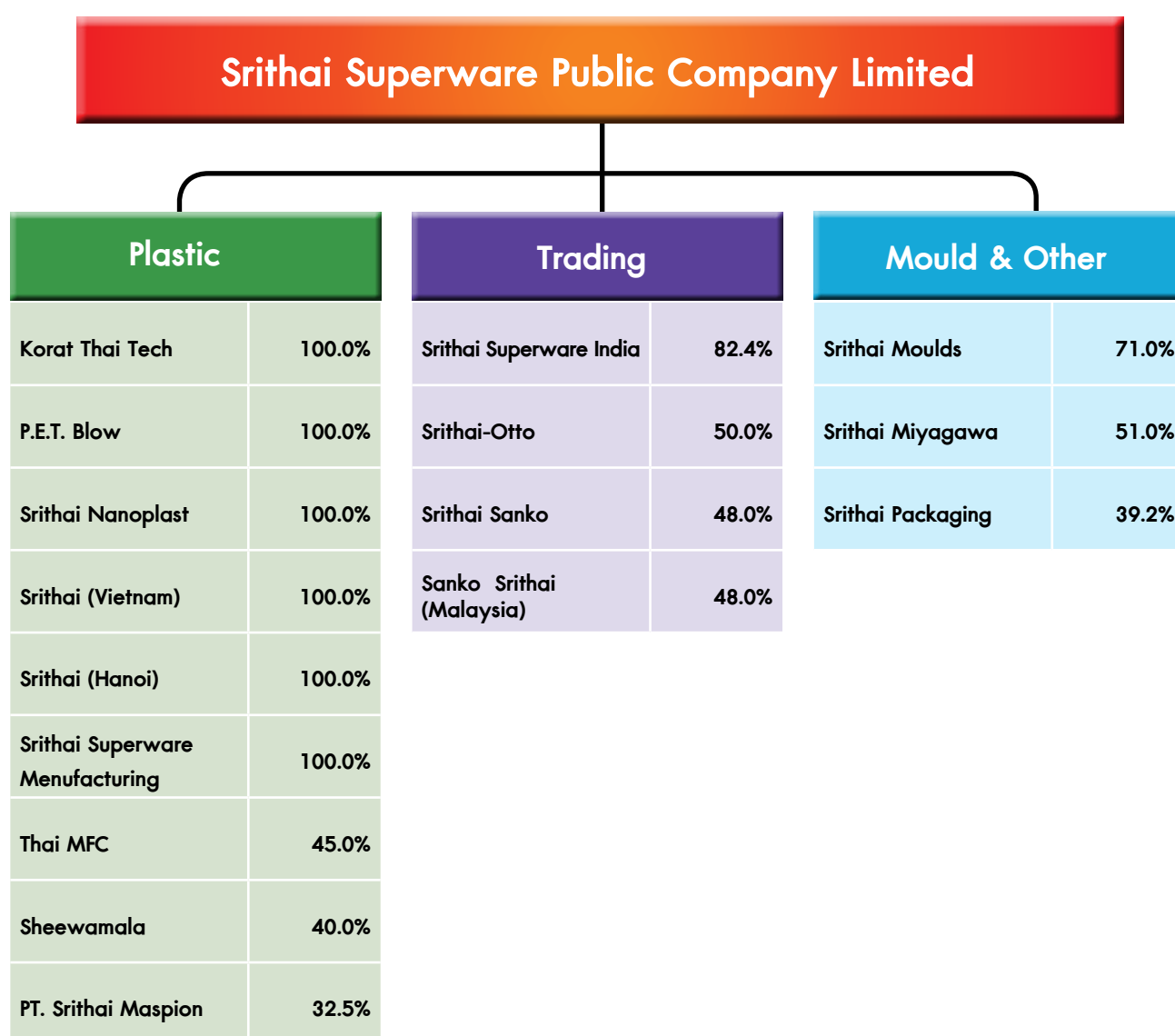
There are various strategic plans in place to drive forward our business operations; such as: acquisition of other businesses, reorganizing our business structure and/or making use of new technology applications from domestic and overseas sources to further develop key raw materials or to expand our E-Commerce platform. Such strategies will play a part in enabling the Group's businesses to become competitive and achieve continuous growth in a stable and sustainable manner. This can be undertaken based on a framework of conducting as well as managing our businesses in an effective manner together with good governance practices and corporate social responsibility.

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 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 and business can grow in the future through investment in and making use of new technology applications so as to easily and speedily reach a more widespread market and customer footprint.

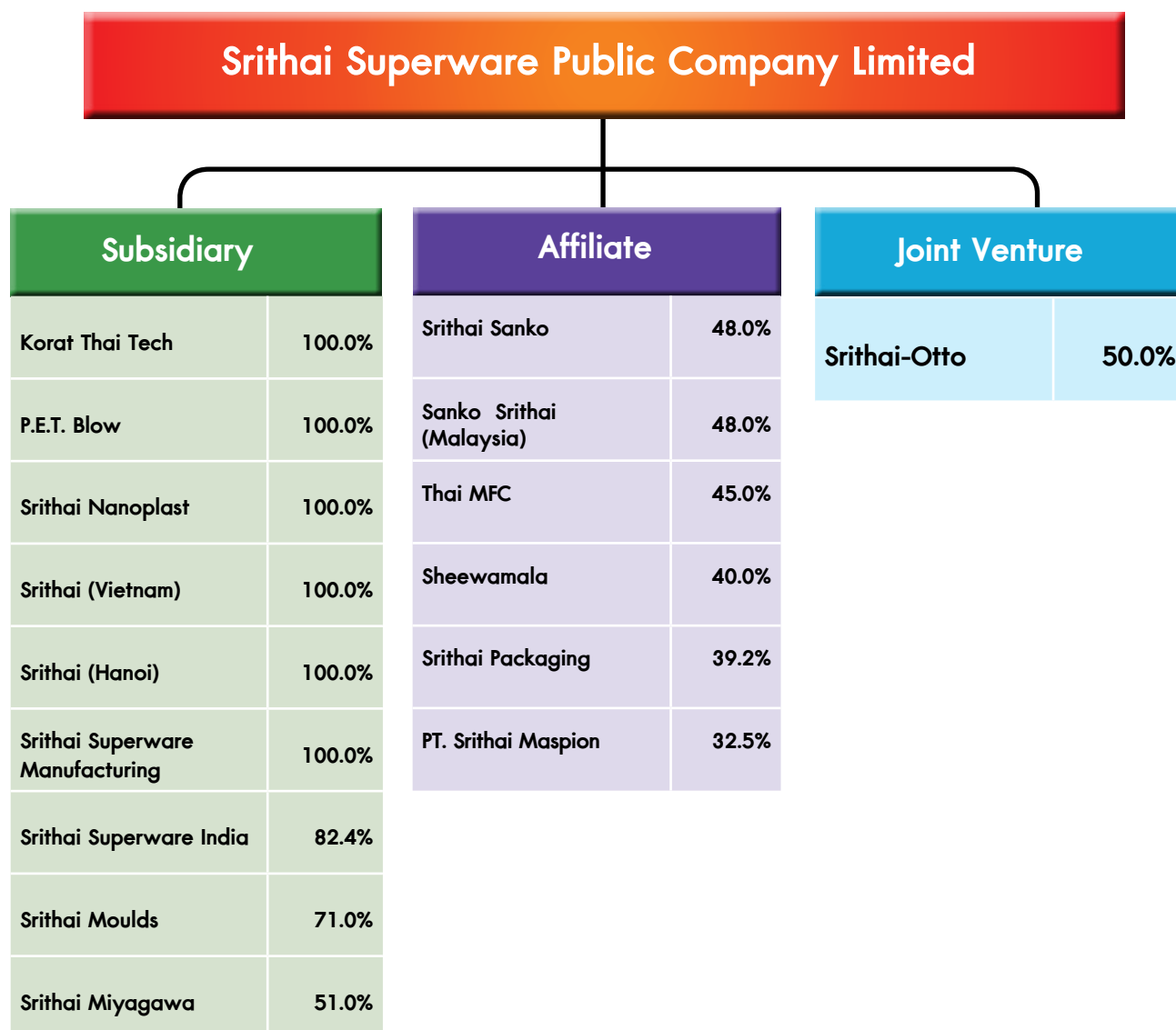
1.3 Structure of Shareholders of Srithai Superware Group

Business outlook of Srithai Superware Group is mostly under the same structure as that of our core businesses. They are 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:

1. 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 in Vietnam and Srithai Sanko Co. Ltd. in Thailand, respectively.
2. P.E.T. Blow Company Limited applied to deregister the Company in Q4/2016, and is in the process of liquidation.

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	%	2016		2015		2014	
	Shareholding of Company	Million Baht	%	Million Baht	%	Million Baht	%
Sales and Service Income							
Plastics Business							
Household Products							
Srithai Superware Public Company Limited	-	1,459	15.4	1,541	15.5	1,554	15.7
Korat Thai Tech Company Limited	100.0	250	2.6	276	2.8	238	2.4
Srithai (Vietnam) Company Limited	100.0	345	3.7	147	1.5	89	0.9
Srithai Superware Manufacturing Private Limited	100.0	66	0.7	3	0.0	0	0.0
Srithai Superware India Limited	82.4	55	0.6	73	0.7	71	0.7
Total Household Products	-	2,175	23.0	2,040	20.5	1,952	19.7
Industrial Products							
Srithai Superware Public Company Limited	-	4,544	48.1	4,760	47.8	5,107	51.5
P.E.T. Blow Company Limited	100.0	7	0.1	16	0.2	32	0.3
Srithai Nanoplast Company Limited	100.0	17	0.2	15	0.2	22	0.2
Srithai (Vietnam) Company Limited	100.0	1,236	13.1	1,387	13.9	1,294	13.0
Srithai (Hanoi) Company Limited	100.0	98	1.0	1	0.0	0	0.0
Srithai Miyagawa Company Limited	51.0	861	9.1	1,076	10.8	669	6.8
Total Industrial Products	-	6,763	71.6	7,255	72.9	7,124	71.8
Trading Business and Mould-Making							
Srithai Superware Public Company Limited	-	238	2.5	251	2.5	481	4.9
Srithai Moulds Company Limited	71.0	49	0.5	98	1.0	73	0.7
Srithai Miyagawa Company Limited	51.0	60	0.7	119	1.2	121	1.2
Total Trading Business and Mould-Making	-	347	3.7	468	4.7	675	6.8
Total Sales and service income	-	9,285	98.3	9,763	98.1	9,751	98.3
Dividend income and Other income	-	80	0.8	109	1.1	111	1.1
Share of profit of investment in associates and joint venture	-	84	0.9	79	0.8	63	0.6
Total income	-	9,449	100.0	9,951	100.0	9,925	100.0

Remark

- P.E.T. Blow Company Limited deregistered the company in Q4 2016 and is under liquidation process.
- Additional information are disclosed in the Notes to Financial Statements for the year ended December 31, 2016 No. 6 : Segment information, pages 34 - 35.

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 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



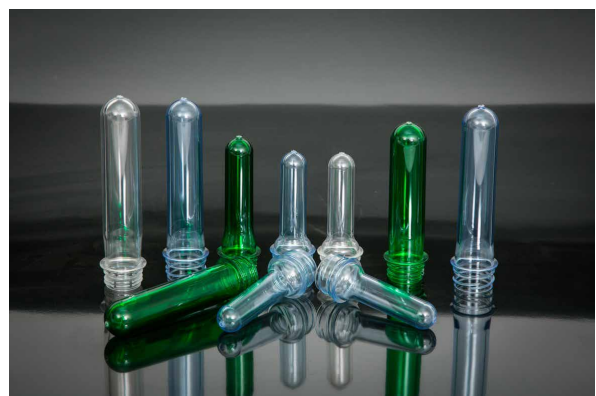
- Packaging with decoration printed by offset technology



- 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



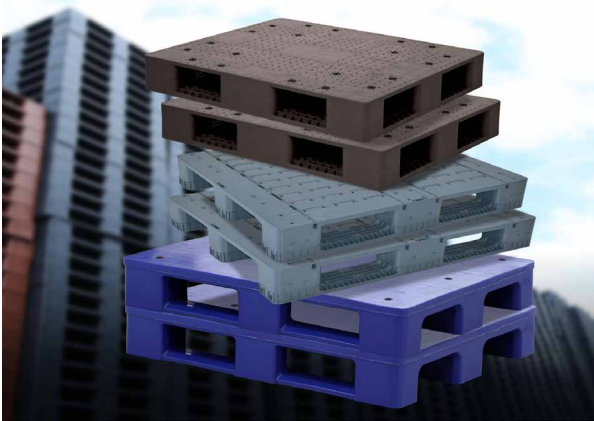
Group 3 Material Handling



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 goods on in warehouse, with 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 Parts

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

Food Packaging

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

Beverage Packaging

Beverage bottlers

Pallet, Bottle Crates, Pails, Garbage

End-users such as manufacturing plants

Bins and Container

Furniture and Houseware

Retailers who distribute the products to the consumers

Premium Product

Directly sold to products brand-owners or retailers, for use in their marketing promotional campaigns

Automobiles Component Parts, Battery Case and Industrial Parts

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 for environmental friendliness.
- Focuses are made on wide variety of products and complete integration of services. Subsidiaries are available to 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.

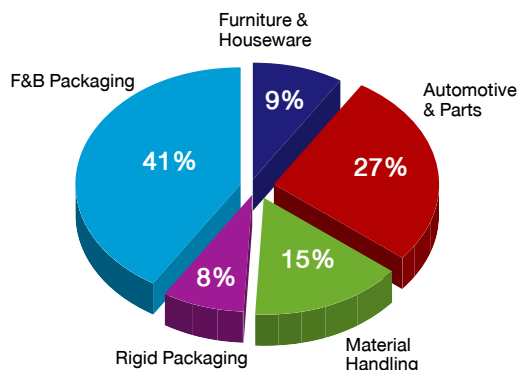
Distribution Channel

Plastic products are distributed through the following markets :

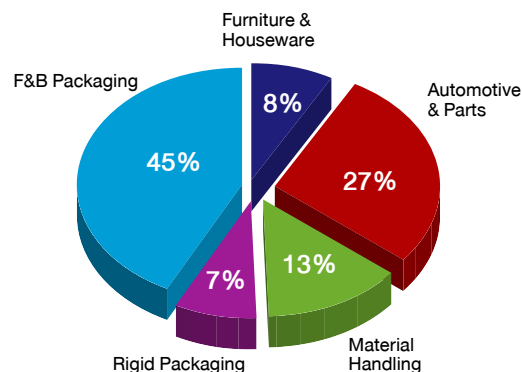
Export Sales: 12%

Domestic Sales: 88%

Sales Proportion 2016



Sales Proportion 2015



Domestic distributors are Srithai Marketing Company Limited, Siam Melamine Marketing Company Limited, Tanasiri Industries Company Limited and S. Srithai 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 a lot of plastic factories in the country, most of which are relatively small like shop-house factories or household factories with low investment and low technology. Only few plastic factories considered large enough can produce quality products to serve individuals and businesses as it requires high investment, strict quality control, and advanced technology. Additionally, brand name is also important in creating credibility among customers, especially for manufacturing of industrial parts which requires high quality and punctuality of delivery.

The Group is the leader in plastic industry with highly efficient production processes that are environmental friendly through using modern machinery and the latest technology, as well as owning the products' patents. This increases productivity as well as reduces usage 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 operations 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 2016, the Company continuously expanded its business and customer base, both domestically and overseas, for food and beverage packaging products as well as other industrial products having positive business opportunity and growth potential in accordance with the industrial and economic growth of the country. The latter covers materials handling products, paint packaging products and battery cases. New investments will be carried out with relocation of machinery from Thailand to a subsidiary in Vietnam. Furthermore, the Company has targeted to increase its overseas investments - especially into the ASEAN countries, coupled with investing in new technology for developing new raw materials or buying businesses. This is in order to drive forward the overall businesses and increase revenues of the Company for the future.

Our food packaging products have the innovative IML (In Mould Labeling) and Thin Recess Injection Molding ("TRIM") production technology, that have received quality standards certification - especially standards are accredited for both high quality and safety, and include efficient production processes of products to be used for containing food. The Company received the certification from the Organization for the Glasshouse Gas Management Organization (a public organization) with regards to certify that it reduced the emission of carbon dioxide gas. 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. This is an opportunity for the Company to increasingly expand into overseas markets. Additionally, joint development of design and shapes of frozen Ready-to-Eat ("RTE") food or meals packaging products with our customers together with the planned expansion of their food products offering by the RTE food industry companies to meet the new fast-paced trendy will be a key factor for the future growth of the Company's sales.

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 expansion of its production and distribution bases in Vietnam by two subsidiaries, the Group has become one of the biggest beverage packaging producers in Southeast Asia. The Company has the policy to continue to expand its beverage packaging business in Thailand and the ASEAN countries which have economic potential. 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 to 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 production technology of the Company, the production bases in Vietnam which helped uplift opportunities to expand its overseas markets and new customer bases, and the increasing trend in the food products industry by replacing wooden pallets with those made of plastic, has boosted the sales growth of the Company's materials handling products.

With regard to the automotive product group, the Company has made 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 and market share aspects. This has been made through modern manufacturing processes, having specialized production techniques, and cooperation with overseas alliance partners who possess the relevant technical knowhow and expertise in the automotive industry. As such, sales of the battery case and automotive component parts product groups 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 2016, the Company assessed its market share of each product group as follow:

Type of product	%
Battery Case	70
Bottle Crate	70
Container Crates	45
Rigid Packaging	40
Pallet	40
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 and 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. 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. Meanwhile, the overall efficiency of the production process as well as of the useful life cycle of the products themselves are maintained 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, 2016 worth more than 10% of total revenue.

2. Household Products**(a) Description of Product or Service**

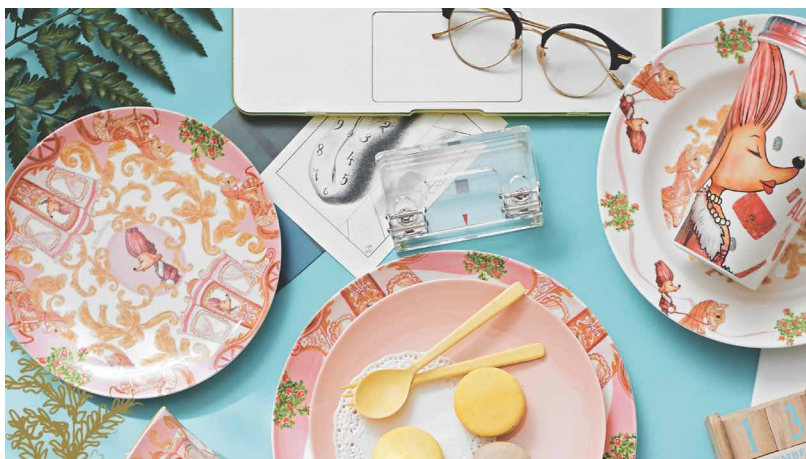
Household Products comprise tableware and kitchenware made of melamine powder with beautifully decorated or printed such as dish, bowl, rice bowl, ladle, spoon, cup etc.

The Company categorized the household products into various groups, based on its marketing strategies i.e. the high-end, mass market, and new 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.



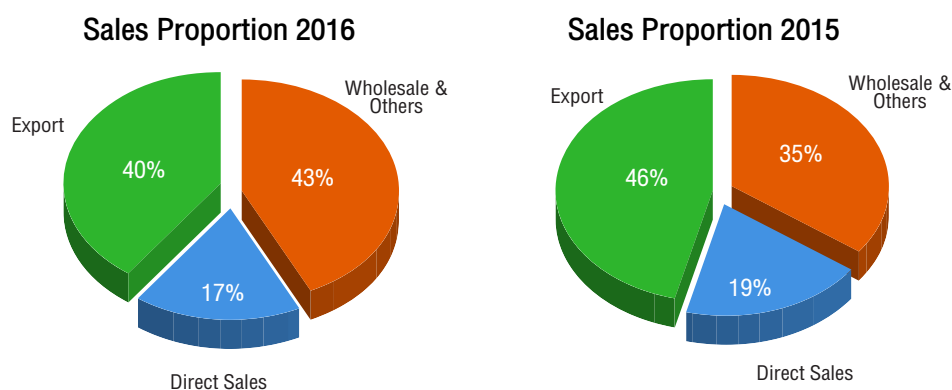
Group 3 New Emerging Market

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



(b) Marketing and Competition

Description of Customers	Distributed by wholesale, and direct sales channels to consumers, and exporting abroad.
Credit Term	1) Direct sales are mostly made in cash. 2) Domestic distributors and foreign distributors receive a credit-term of 30-150 days. 3) Export customers buy in cash or receive a credit-term of 30-60 days. 4) Sales in grand sales event are in cash.
Competitive Strategy	Emphasis is placed on high quality products, with beautiful decorative patterns, colorful designs and product shapes that are suitable for each respective product groups, life style, and preference of each respective customers group or market segment and country.
Distribution Channel	Sales proportion of household products via various channels of distribution in 2016 against 2015 are as follows :

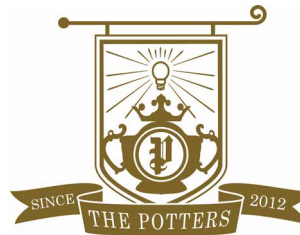


Distributors in Thailand are Siam Melamine Marketing Company Limited and Srithai Marketing Company Limited, who have been trade partners for a very long time.

(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 of 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 7 brands of household products made of melamine, i.e. Superware, Vanda, Flowerware, Melamineware, Unica, Ektra and The Potters. In Thailand, the Company is the only melamine product distributor who deploys a team force of direct sales.



Under 'The Potters' brand, great importance is placed not only on product quality but also on design so as to upgrade this brand that showcases innovative and design and decorative patterns to be a lively product for everyday use. It is aimed at reflecting the personal characteristics of the owner or user, who tend to be the new generation. The unique attractive designs are based on various inspiring themes or stories using characters from plays and cartoon. These designs are made specifically for 'The Potters' brand of tableware so as to give this product range a value addition under the 18th century European Classics theme subtly combined with some contemporary elements. 'The Potters' branded products encompass the Company's melamine plate and dishes products, including other houseware and kitchenware 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 houseware or kitchenware 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. Currently, 'The Potters' brand is distributed and sold in the houseware and kitchenware sections of leading department stores in Bangkok and upcountry.



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. It is confident to be able to maintain its present market share in Thailand and 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 18,000 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.
- The Company possesses the modern manufacturing technology to implement a Lean Manufacturing process for its household products and to approach 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. This is 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, and the achievements in the establishment of the new factory of Srithai Superware Manufacturing Private Limited will facilitate further business expansion in India with 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 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 reasonable 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.



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 as to add value to the respective products on an continuous basis, 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 tableware made with various natural raw materials: metal, stone and wood.

- Porceline Product



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

- Products with metallic-like designs motifs and colors



- Products with stoneware-like designs motifs and colors

- Ongoing improvements have been made to working styles of the members, group leaders, and the management of Direct Sales teams in Thailand. The purpose is to adapt to the changing trends in the overall social environment of the new generation by stressing on the Human Capital and introduction of new technology applications for use in expanding the E-commerce. 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 rivals in the same industry.



The Company produces its household products made of melamine at the plant in Suranaree Industrial Estate, Nakorn Rachasrima 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, respectively.

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, 2016.

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, and to sell them at reasonable prices. Detail is as below:-

(a) Description of Product or Service

Products categorized under trading business line as :-

1. Products distributed via Srithai Network business can be grouped as follow:

- Health Care Product Group
(Healthnovation)



- Beauty Care Product Group
(Beautnovation)

- Family & Home Care Product Group
(Homenovation)





- Agriculture-related Product Group (Agrinovation)

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

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



- Imported Products e.g. Lock & Lock 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

Description of Customer	End users and HORECA businesses consist of Hotel, Restaurant, and Catering businesses.
Credit Term	<ol style="list-style-type: none"> 1) For distributors, credit-terms of 90-150 days are granted. 2) For direct sales under Single Level Marketing, sales are mainly in cash. 3) For Srithai Network under Multi-level Marketing, sales are made in cash. 4) For grand sale event, sales are made in cash.
Competitive Strategy	<ul style="list-style-type: none"> • Focus is made on offering diversified innovative products and quality products which are safe and popular or with large market accommodation in local and foreign markets at affordable prices. • The Company focuses on selling full range of products or product groups that can be offered to the same target customers. This is carried together with sales promotion. • Membership base is expanded in the direct sales of single-level marketing and multi-level marketing systems. • 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 fast traction in the market, and widespread awareness and recognition to consumers.
Distribution Channel	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 are distributed via network marketing system. Focus is 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 pass 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.

Year 2016 was another year continuing from 2015 in which Srithai Network Business has been impacted, by the sluggish domestic economy, the drought crisis, low prices for agricultural commodities, high household debts, and low consumer confidence that driving down consumer demand and purchasing power. Higher degree of competition was also experienced due to the continued increasing number of network marketing operators. All of which caused the total sales of the Srithai Network business to be down compared to 2015. Nevertheless, the Company is confident that the Srithai Network is a positive business and a leading choice in the Thai market for those willing to undertake a network marketing activity. Also, the Company believes that it can maintain its competitive status within the market due to the following strengths and 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.
- Remuneration plans that is transparent and accountable together with a strong corporate financial circumstance.
- Innovation or marketing plan that helps promote sale or build-up network e.g. allying with local leading banks.
- 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.
- Open of 'agrinovations' products sales and the Food Matrix Express sales centers and distribution centers throughout almost all provinces within the country. It is an extended and widespread distribution channel that supports the expansion of the customer base and allows the consumers to easily access to the products.
- 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.
- Investing in technology that enables sales growth through the E-commerce and development of the online sales business/market that is becoming an accepted and popular modern marketing channel among the new social generation. This is in order to not only add another sales channel for our business partners, who are accustomed to the online sales activities via the internet, but 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 discontinue 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 clearly assess the overall market size for each type of product or the associated market share of the Company or to 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 and 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

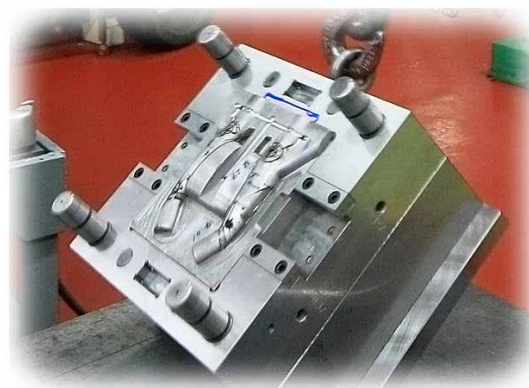
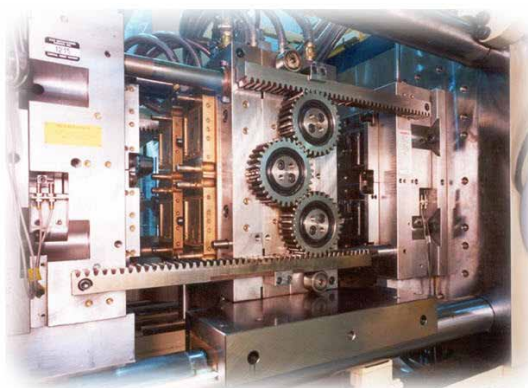
The Company sells products to many types of customers including consumers, small businesses, dealers-distributors/representatives as well as to hotels, restaurants and catering (HORECA) business operators. The Company does not have any pending sale that is more than 10% of total full year sales as at December 31, 2016.

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, under the plastic business line mould is an important factor. 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 not expensive 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 accommodate the production.

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 and 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

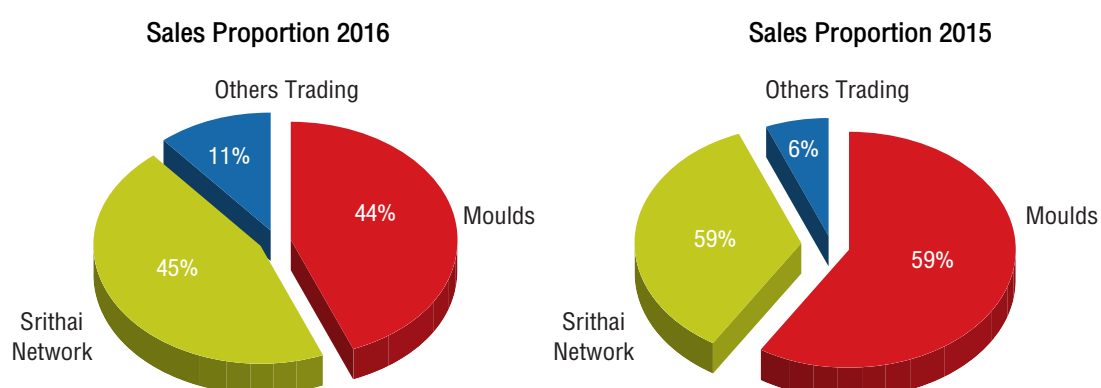
Iron ingot is the raw material of mould-making. There are many import agents for iron ingots in Thailand. As competition among those import agents is high, our mould-making companies can procure iron ingots easily without shortage of supply.

(e) Pending Orders

Mould making process is time consuming, especially on design, production and testing. 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.

On December 31, 2016, Srithai Miyagawa Company Limited did not have pending orders more than 10% of total revenue. Srithai Moulds Company Limited still has back log sales order pending delivery to 2 customers, each with a sales value of more than 10% of the total sales of last year. Delivery was already gradually made in early 2017.

Proportion of sales of the Network Business, Mould -making Business and Trading Business - for full year 2016 as compared to 2015 :



2. Other Line of Business

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

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. Customers in this category have 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 defective goods, goods in excess of customer's orders, and slow moving items. 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 have staffs who have expertise in mould making. Those staffs could give advice and offer 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 long term relationship with customers who are mostly manufacturers.

2.4 Investment Promotion Certificates

The Company and its subsidiaries have 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, 2016, No. 32 Promotional privileges, pages 78 - 80.

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. As a result, in 2016, 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. There are many competitors in the food and beverage packaging industries, and some of the products are not complicated to produce. Therefore, there remains a chance that these customers may switch to competitors or even invest in producing some of the products themselves. 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 keeps 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. Adjust the overall customer base together with the production bases for food and beverage packaging products. It can be done through relocating machinery and equipments to those countries where demands for such product is high or where there is ongoing economic growth such as: Vietnam. This is in accordance with its objective to expand the production bases and market base to overseas and in order to utilize the production assets to its maximum capacity and to achieve maximum value;
8. 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;
9. Be committed and giving importance to making new investment and expanding the customer base for the industrial products that have good potential in concert with the country's overall economy and industrial sectors. These include materials handling sector, paint packaging sectors, and battery case sector, so as to mitigate the possible contraction of orders for food and beverage packaging products.

3.1.2 Risk of Raw Material Price

Plastic resin, a major raw material, is by-products from oil refinery process. If crude oil price 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 volume 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 Marketing Business

The direct sales and network marketing business sectors in Thailand have 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 marketing business and international business network. The competition may halt growth of the Company's businesses and the Company may lose its market share, business partner and members to its rivals.

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 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 customer satisfaction with regard to the Company's products and services;
3. Create confidence and trust on the part of business partners and network members, through having clearly defined compensation schemes that are transparent and traceable, together with company's solid financial base;
4. Focus on creating new innovation in terms of working system and products for business differentiation and being the leader of innovation in the network marketing business;
5. Select products by taking into consideration qualification of suppliers in domestic market and abroad, based on the Good Supplier Selection Program which mainly considers suppliers' 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 suppliers who possess the operational standards in accordance with government regulations relating to the products manufactured are also taken into account. 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;
6. 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;

7. Expand distribution channels to neighboring countries such as Myanmar, Laos, Cambodia and Malaysia 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;
8. 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 commission to be accurate, speedy, modern, and dominant with new technology;
9. Develop information technology continually to get ready for business growth and to satisfy demand from Srithai Direct Sales and Network Marketing 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. Meanwhile, 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 lower growth of household products'sales 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 have 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 expanding production lines, which could serve enhancement 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 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 work, so as to increase their efficiency and productivity;
3. Determine training programs on succession plan, in order to achieve transfer of knowledge 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. Adjust the staff's working hours, with the objective of cost management as well as achieving an efficient work but without reducing the overall output;
8. 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 between the Company and financial institutions. 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 forecast 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 exposed 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 - such as in Thai Baht to some customers and in some countries; while imports transactions are already in various currencies. Currently, export sales transactions in Thai Baht account for approximately 30% of total exports revenues. The purpose of having a variety of foreign exchange currencies is for the sake of having a diversification of foreign exchange risk and lessening the impact on being dependent 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. The subsidiaries manage their foreign exchange related risks in line with the same guidelines and similar manner as the Company as well as appropriate to their respective situations. As such, their customer bases are extended to include overseas customers that will derive revenues in foreign currencies, some raw materials are sourced locally in order to reduce the quantity of imported raw materials, or negotiations are made with some suppliers/distributors to transact in currencies other than the US Dollar. The purpose is to mitigate their foreign exchange risks as well as to reduce the possible impact of being too dependent on any one particular currency. Effective planning of required investment, sourcing of 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, 2016 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 movements 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 funds with appropriate finance costs;
- 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;
- Prepay principal amount as deemed appropriate based on the Company's excess liquidity and the types of applicable interest rates of the respective credit facilities. Some credit facilities can be prepaid without incurring extra expense nor breaching financial covenants;
- Monitor movement of interest rates and other factors that may effect the change in interest rates for purpose of following its trend, and consider appropriate interest rates when more long-term loan is needed. Comparison of the overall costs of financing from other alternatives than loan from commercial banks are also taken into account;
- 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

Since most of the sales – both domestic and export-being on credit, existing and new customers, and expansion of customer base are 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 even though 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, the Company also analyses as well as closely monitor customers' ability to pay on a regular basis. There may be a review and adjustments of the credit line and terms offered depending on customer payments behavior. Strict measure is in place to chase up those customers with slow or overdue payments. 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
- 16 Distribution centers of direct sales and network marketing businesses and one 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, 2016 of core assets at each location as follows :

Unit : Million Baht

Assets	Land and Building	Machine and equipment	Total
Head office and Suksawat Plant	247.16	373.85	621.01
Bangpoo Plant	26.70	274.53	301.23
Amata Nakorn Chonburi Plant	276.46	1,703.53	1,979.99
Korat Plant	* 146.65	251.36	398.01
Distribution Center	55.94	-	55.94
Total	752.91	2,603.27	3,356.18

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, 2016 were Baht 106.07 million and Baht 3,315.60 million, respectively.

Despite the Company having acquired additional assets, the net book value of assets increased from those of 2015 from the acquisition of assets over assets disposals to overseas subsidiaries 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, 2016, No. 15 Property, plant and equipment, net, pages 52 - 56.

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 2016 of Baht 12.15 million.

Currently, the Company does not have any assets pledged or used as collateral with any financial institutions. Long-term loans outstanding as of December 31, 2016 was Baht 2,187.08 million. The credit facilities the Company obtained from all financial institutions 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 latest rental agreement with the Company in 2014 for a period of 3 years, at an 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, 2016 of Baht 40.11 million.

Given its positive financial status and liquidity, KTT now requires less borrowing with no outstanding debts relating to the currently available credit facilities. In order to reduce the obligations on the Company to provide collateral for the credit facilities of KTT, during 2016, KTT has requested to cancel current revolving credit facility of Baht 50.0 million and revoke the associated collateral guarantee for this credit facility as given by the Company to 2 Thai commercial banks.

However, one commercial bank has offered to KTT a revolving credit facility of Baht 10.0 million, that does not require any collateral in the form of pledged assets or letters of guarantee thanks to its trust and support of KTT. Only a commitment is required to not pledging or undertaking any legal obligations with regards to any assets of KTT at the current time or at any time in the future (ie: a negative pledge). As at 31 December, 2016 KTT has only a revolving credit line of Baht 10.0 million.

3) P.E.T. Blow Company Limited

P.E.T. Blow Company Limited ("PETB") leased office space and production area at the Company's head office and manufacturing facilities for use as office and a production center. All machinery and equipments are owned by PETB and are not pledged to any party.

Its operating performance results deteriorated as a result of accumulated losses stemming from a decrease in sales orders from major clients and from being unable to acquire a replaced client. PETB has sold most of its production machinery and equipments to an overseas subsidiary, to increase the overall production capacity and business activities of the Srithai Group in the overseas markets. PETB has recently proceeded to deregister the company in accordance with the resolution of Extraordinary Shareholders Meeting in Q4/2016 and in the process of liquidation.

4) Srithai Nanoplast Company Limited

Srithai Nanoplast Company Limited ("SNP") uses part of the Korat factory premises (totaling 1-3-47.5 rai) as its offices and production facility. Its rental agreement with the Company has been renewed, in 2016, on a year-by-year basis, with a total annual rental fee of Baht 0.57 million.

SNP owns machines and equipments which are not pledged with net book value as of December 31, 2016 at Baht 13.61 million.

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

5) 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 2016 was US Dollars 32,727 equivalent (or around Baht 1 million).

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 2016 was US Dollars 69,108 equivalent (or around Baht 2 million). 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, 2016, at Baht 100.03 million equivalent.

The machines and equipments are also owned by SVN which are not pledged with net book value as of December 31, 2016 at Baht 725.46 million equivalent.

In 2016, 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 equivalent of US Dollars 1.55 million (or around Baht 56 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. SVN is now in the process of evaluating the local market environment and customers in Vietnam together with associated strategies for the use of this leased land.

The long term borrowings and loans obligations of SVN, as at December 31, 2016, were Vietnamese Dongs 446,238 million or equivalent to Baht 713.98 million. The total revolving credit facilities that SVN has from various financial institutions, both in Vietnam and Thailand, including the long term loans facility in the future for additional investments in accordance with its annual financial plans only require a pledge to not making use of any current or future SVN's land, buildings and machinery or equipments assets in entering into any financial obligations (Negative Pledge) and/or a “Letter of Comfort” issued by the Company. This is in line with the Company's policy on financing by those subsidiaries in which it holds 100% equity with positive operating performance so as to be financially self-reliant.

6) Srithai (Hanoi) Company Limited

Srithai (Hanoi) Company Limited (“SHN”), a wholly-owned subsidiary of SVN, has 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. The land is 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. The net book value of this lease rights, as at December 31, 2016, was Vietnamese Dongs 40,080 million or equivalent to Baht 64.13 million; whereby the increase in the Baht value equivalent is due to the year-on-year changes in foreign exchange rates.

SHN has the freehold ownership of the office buildings and production facilities, without any attached pledged obligations to any party. As at December 31, 2016, it had a total net book value of Baht 162.03 million equivalent.

With regards to the production machinery and equipments, SHN also has freehold ownership, without any attached pledge obligations to any party. As at December 31, 2016, a total net book value was Baht 187.45 million equivalent.

Revolving credit facilities, currently given to SHN by both a commercial bank in Vietnam as well as by a commercial bank in Thailand totaled US Dollars 7.0 million (or around Baht 252 million), with a guarantee given by SVN.

7) Srithai Superware Manufacturing Private Limited

Srithai Superware Manufacturing Private Limited (“SSMP”) has a land lease contract with an industrial estate operator in India for accommodating the office and factory buildings. 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. The net book value, as at December 31, 2016, of this lease rights was Indian Rupees 97.06 million or equivalent to Baht 48.13 million.

SSMP 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, 2016, equaled to Baht 128.69 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, 2016, equaled to Baht 126.84 million equivalent.

8) Srithai Superware India Limited

Office and warehouse are located in Gurgaon, Mumbai, and Guwahati on lease with the lease period of 3 years. The rental expenses for all agreements in 2016 were in total equivalent of Baht 1.04 million. As Srithai Superware India Limited ("SSI") is running trading business, major assets used by SSI for its business are furniture and office equipment.

9) 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, 2016 at Baht 32.18 million and Baht 57.63 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 2016. They are used for investment and as working capital with outstanding balances of long term loans of Baht 14.67 million and credit limit of revolving credit facilities of Baht 37.0 million.

10) 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 altogether as at December 31, 2016 of Baht 177.70 million and Baht 440.06 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, 2016 of Baht 0.82 million.
2. A parcel of land area 5-3-21 rai with building and some machines have been mortgaged to a commercial bank. Negative pledge has been provided for refraining from any legal transaction or incurring any obligation on two parcels of land and building thereon for the whole tenure of loan agreement. Outstanding balances of this long-term loan was Baht 68.51 million and credit limit of revolving credit facilities as at December 31, 2016 was Baht 40.0 million.
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 this long-term loan equaled Baht 84.35 million and credit limit of revolving credit facilities of Baht 55.0 million as at December 31, 2016.
4. The pledge of not using any or all its assets in undertaking any legal transactions or to create any obligations during the term of the loan agreement with a leasing company in Thailand was given as a collateral for additional loans acquired during 2016. As at December 31, 2016, SMW has a total outstanding obligation balance of Baht 50.0 million under this facility agreement.

4.1.2 Intangible Assets

The Company's intangible assets consist of copyright and computer software 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 for being 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, 2016, No. 16 Intangible assets, net, pages 56 - 58.

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, trading business line and the moulds 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 2016, 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 certain 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 upcountry.

The net book value and the fair value of such assets, as at December 31, 2016, were Baht 125.88 million and Baht 1,108.75 million, 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, 2016, No.14 Investments properties, net, pages 50 - 51.

5. LEGAL DISPUTE

The Company and its subsidiaries have no lawsuit or legal dispute fallen 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, 2016;
2. Any lawsuit that may affect significantly on the Company's business operation and its impact could not be estimated;
3. Any lawsuit not caused by normal business operation of the Company or subsidiaries.

6. GENERAL & OTHER INFORMATION

6.1 General Information

Company Name :	Srithai Superware Public Company Limited
Symbol :	SITHAI
Registration Number :	0107536001516
Nature of Business :	<ol style="list-style-type: none"> 1. Manufacture and distribution of plastic industrial products and melamine household products 2. Trading business by sourcing of products locally and abroad
Registered and Paid up Capital :	Baht 2,709,904,800 comprising 2,709,904,800 common shares at par value Baht 1.00
Location :	<p>Head Office 15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140 Tel. : 66 2427 0088 Fax : 66 2428 9675 URL : www.srithaisuperware.com</p> <p>Factories producing plastic industrial products</p> <p>1. Suksawat Factory 15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140 Tel. : 66 2427 0088 Fax : 66 2874 5010</p> <p>2. Bangpoo Factory 610 Soi 8A, Bangpoo Industrial Estate, Tambon Prak-Sa, Amphoe Mueang, Samut Prakan Province 10280 Tel. : 66 2324 0922-3 Fax : 66 2324 0924</p> <p>3. Amata Nakorn Chonburi Factory 700/13 Moo 1, Amata Nakorn Industrial Estate, Tambon Klong Tamru, Amphoe Mueang, Chon Buri Province 20000 Tel. : 66 3821 3250 Fax : 66 3821 3234</p> <p>Factory producing melamine household products</p> <p>Korat Factory 335 Moo 6, Suranaree Industrial Estate, Ratchasima–Chok Chai Road, Tambon Nongrawiang, Amphoe Mueang, Nakhon Ratchasima Province 30000 Tel. : 66 4421 2100 Fax : 66 4421 2036</p> <p>Office of Network Marketing Business 9 Pakin Building, 1st Floor, Room no. 109, Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. : 66 2246 1111 Fax : 66 2246 1112 URL : www.srithainetwork.com</p>
Accounting Period :	January 1 – December 31
Company Secretary /	Mr.Prin Bholnivas
Head of Investor Relations Unit :	Srithai Superware Public Company Limited 15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140 Tel. : 66 2427 0088, 66 2874 5016 Fax : 66 2428 9675

Share Registrar :	Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Khwaeng Din Daeng, Khet Din Daeng, Bangkok 10400 Tel. : 66 2009 9000 Fax : 66 2009 9991
Auditor :	Mr. Chaisiri Ruangritchai Certified Public Accountant (Thailand) No. 4526 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 :	<ol style="list-style-type: none"> 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 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

1. Company Name	: Korat Thai Tech Company Limited
Location	: 325-328 Suranaree Industrial Estate, Moo 6, Ratchasima–Chok Chai Road, Tambon Nongrawiang, Amphoe Mueang, Nakhon Ratchasima Province
Type of Business	: Manufacture and distribution of melamine household products
Telephone	: 0 4421 8766-8
Fax	: 0 4421 8769
Registered Capital	: Baht 30,000,000 comprising numbers of shares issued 3,000,000 shares with par value per share: Baht 10.00
Paid-up Capital	: Baht 30,000,000
Proportion of the Company's shares held	: 100% of the paid-up capital

2. Company Name	: P.E.T. Blow Company Limited⁽¹⁾
Location	: 15 Suksawat Rd., Soi 36, 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 ¹	: Baht 20,000,000
Proportion of the Company's shares held	: 100% of the paid-up capital

⁽¹⁾ Termination of the company was complete in 4th quarter 2016 and under liquidation process.

3. 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

4. Company Name : Srithai (Vietnam) Company Limited	
Location	: 9 Street 2, Song Than 1 Industrial Park, Di An District, Binh Duong Province, Socialist Republic of Vietnam
Type of Business	: Manufacture and distribution of plastic industrial products and melamine household products
Telephone	: 84 6503 790023-4
Fax	: 84 6503 790025
Registered Capital	: Equivalent to US Dollars 40,000,000
Paid-up Capital	: Equivalent to US Dollars 40,000,000
Proportion of the Company's shares held	: 100% of the paid-up capital

5. 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 Dongs 424,920 million
Paid-up Capital	: Vietnamese Dongs 270,000 million
Proportion of the Company's shares held	: 100% of the paid-up capital (held indirectly via Srithai (Vietnam) Company Limited)

6. 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	: 91 271 761 8905
Registered Capital	: Indian Rupees 720,000,000 comprising numbers of shares issued 72,000,000 shares with par value per share: Indian Rupees 10.00
Paid-up Capital	: Indian Rupees 720,000,000 ⁽²⁾
Proportion of the Company's shares held	: 100% of the paid-up capital

⁽²⁾ When combined with the paid in premium on the share value (of the existing paid-up capital) of Indian Rupees 179.975 million, the total value of investment in this subsidiary is equal to Indian Rupees 899.975 million.

7. Company Name : Srithai Superware India Limited	
Location	: A, A-1, A-2, Enkay Centre, Vanijya Nikunk, Udyog Vihar, Phase-V, Gurgaon-122016, Haryana, Republic of India
Type of Business	: Distribution of household products
Telephone	: 91 124 411 0406
Fax	: 91 124 411 0505
Registered Capital	: Indian Rupees 50,000,000 comprising numbers of shares issued 5,000,000 shares with par value per share: Indian Rupees 10.00
Paid-up Capital	: Indian Rupees 42,500,000
Proportion of the Company's shares held	: 82.4 % of the paid-up capital

8. Company Name : Srithai Moulds Company Limited	
Location	: 55/1 and 55/6 Moo 1, Nong-Samsak, Amphoe Ban Bueng, Chon Buri Province
Type of Business	: Mould-making service, manufacture and distribution of plastic industrial products
Telephone	: 0 3837 9280
Fax	: 0 3847 6351
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

9. Company Name : Srithai Miyagawa Company Limited	
Location	: 539 Moo 4, Bangpoo Industrial Estate, 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

Associate Companies

1. Company Name : Srithai Sanko Company Limited	
Location	: 15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok
Type of Business	: Distribution 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	: Distribution of plastic industrial products
Telephone	: 603 5191 4921
Fax	: 603 5191 4926
Registered Capital	: Malaysian Ringgits 500,000 comprising numbers of shares issued 500,000 shares with par value per share: Malaysian Ringgit 1.00
Paid-up Capital	: Malaysian Ringgits 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

6. Company Name	: PT. Srithai Maspion Indonesia
Location	: Maspion Industrial Area unit 2, Tebel Village, Buduran, Sidoarjo, East Java, Republic of Indonesia
Type of Business	: Manufacture and distribution of melamine tableware
Telephone	: 62 31 891 1061-3
Fax	: 62 31 891 3630
Registered Capital	: Indonesian Rupiahs 10,394,130,000 comprising numbers of shares issued 9,320 shares with par value per share: Indonesian Rupiahs 1,115,250
Paid-up Capital	: Indonesian Rupiahs 10,394,130,000
Proportion of the Company's shares held	: 32.5% of the paid-up capital

Joint Venture Company

1. Company Name	: Srithai-Otto (Thailand) Company Limited
Location	: 15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok
Type of Business	: Distribution 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 Companies

1. Company Name	: LN Srithai Comm Company Limited
Location	: 71/12 Moo 5, Tambon Tha-Kam, Amphoe Bang Pakong, Chachengsao Province
Type of Business	: Manufacture and export of telephone sets
Telephone	: 0 3857 3061-3
Fax	: 0 3857 3069
Registered Capital	: Baht 76,000,000 comprising numbers of shares issued 76,000 shares with par value per share: Baht 1,000.00
Paid-up Capital	: Baht 76,000,000
Proportion of the Company's shares held	: 20.0% of the paid-up capital

6.2 Other Important Information

In 2016 and subsequent to the financial statements date for the period ended December 31, 2016, the Company did not have any information and/or events that might significantly affect the decision making of investors, other than those which have been disclosed by the Company to investors in a fair manner through the ELCID channel of the Stock Exchange of Thailand as well as on the Company's website and notes to its financial statement.

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

Part 2

MANAGEMENT AND CORPORATE GOVERNANCE

7. CAPITAL STRUCTURE

7.1 Securities Issued by the Company

The Company has issued only common shares in its capital structure and no other securities such as preferred stocks, debentures, convertible securities, etc. were issued to raise funds. The Company has a registered capital of Baht 2,709,904,800, fully 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, 2016, which was the last day when the Company closed its shareholders register for 2016, foreign shareholders accounted for 4.30% of the total issued shares of the Company

7.2 List of Top 10 Major Shareholders as of December 30, 2016

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	109,120,000	4.03
MR. SOMKIEAT LERTSUMITKUL	5	103,500,000	3.82
MR. PAIWAN CHARTPITAK	6	80,000,000	2.95
MS. BUNNAPA LERTSUMITKUL	7	80,000,000	2.95
MR. SOMBAT LERTSUMITKUL	8	78,406,200	2.89
MS. MITTRADA LERTSUMITKUL	9	70,000,920	2.58
MR. PAISARN CHARTPITAK	10	58,400,000	2.15
Total shares of top 10 major shareholders		1,333,324,120	49.20
Total common shares		2,709,904,800	100.00

Remark :

- (1) Eventhough some of shareholders in the top 10 major shareholders group have a relationship that is classified as "close relatives", 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, 2016 compared to December 30, 2015 are as follows :-

Name	as of December 2016		as of December 2015		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
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	1,150,000	0.04	1,050,000	0.04	100,000
Mr. Pongsak Kantiratanawong	2,000,000	0.07	1,650,000	0.06	350,000
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 langtanarat	1,000	0.00	1,000	0.00	0
Total shares	537,622,130	19.83	531,172,130	19.82	450,000
Total issued common shares	2,709,904,800	100.00	2,709,904,800	100.00	

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	2015	2014	2013	2012	2011
Earnings per share ⁽¹⁾ (Baht)	0.16	0.15	0.16	0.17	0.12
Dividends per share ⁽¹⁾ (Baht)	0.10	0.10	0.10	0.11	0.75
Dividends / Net profit ⁽²⁾ (%)	60.94	65.86	63.95	64.89	64.36

- (1) 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 has become effective since 2014.
- (2) The percentage rate of dividend payout ratio is calculated by the following formula : Total amount of dividend announced and approved to be paid (Baht) ÷ Total amount of Total net profit achieved for the year (as stated in the Separate Statement of Comprehensive Income) x 100%.

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 2016, the Company has 9 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 the management of 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. Manit Ativanichayaphong, Mr. Prin Bholnivas,
Mr. Naphol Lertsumitkul, Mr. Supachoke Liamkaeo,
Mr. Suchat Boonbanjerd Sri

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

8.1.1 Members of the Board of Directors and their Attendance record for 2016

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

* Mr. Supachoke Liamkao has been appointed as director on November 11, 2016.

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

8.1.2 The Company's 'Controlling Persons'

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

- 1) Individuals who have the right to vote, directly or indirectly, over 25% of total number of shares entitled to vote;
- 2) Individuals who, by circumstances, are able to determine either the appointment or removal of the Company's board directors;
- 3) Individuals, who by circumstances, are able to effectively influence those persons in charge of setting the Company's management policies or operations to follow their commands;
- 4) Individuals, who by circumstances, are able to manage or are responsible for the overall operations of the Company – such as, directors or executives as well as any individual in a position of having the same authorities as the aforementioned persons.

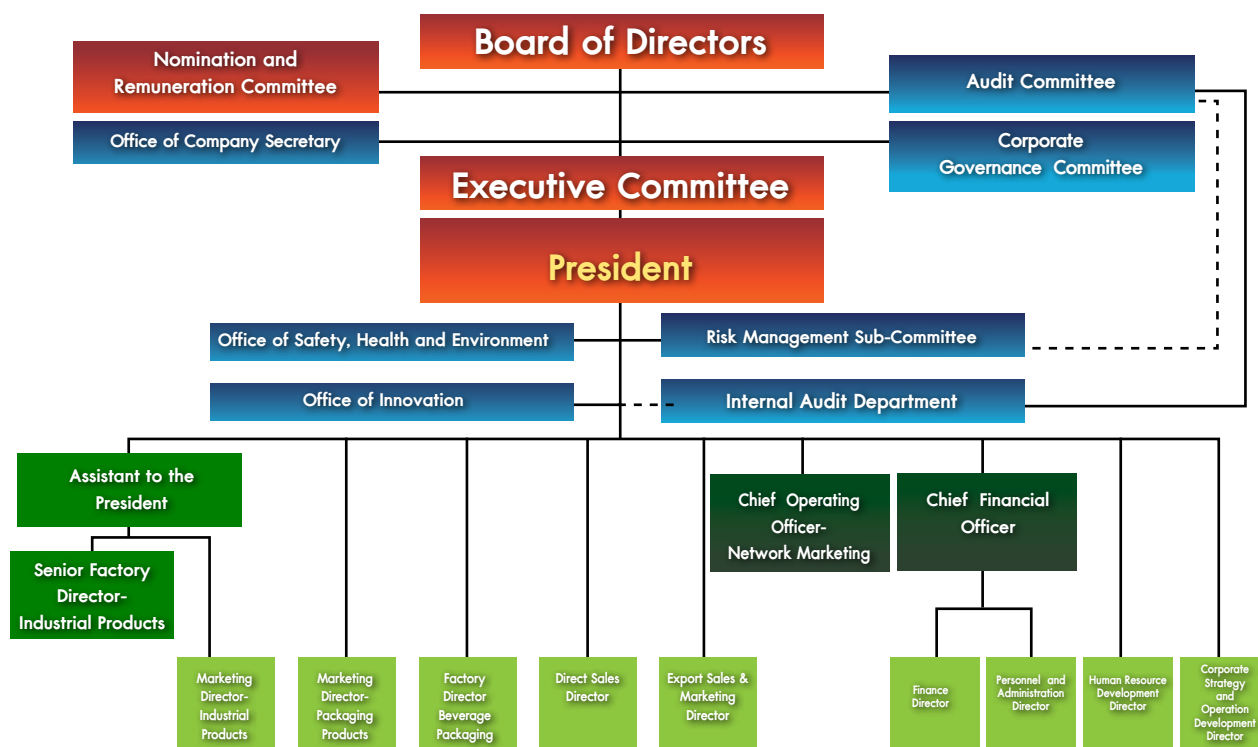
8.2 Executives

As at December 31, 2016, the Company's executives, under the definition as specified by the Notification of the Capital Market Supervisory Board, comprise the following 12 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.	Ms. Bunnapa	Lertsumitkul	Human Resource Development Director
6.	Mr. Apisit	Tangsatit	Senior Factory Director - Industrial Products
7.	Mr. Pawat	Chalermpong	Marketing Director - Industrial Products
8.	Mr. Pongsak	Kantiratanawong	Marketing Director - Packaging Products
9.	Mr. Rakesh	Singh	Corporate Strategy and Operation Development Director
10.	Mr. Chaichan	Chareonsuk	Export Sales &Marketing Director
11.	Mr. Anupoch	Pasawat	Factory Director - Beverage Packaging
12.	Mr. Chairoj	langtanarat	Direct Sales Director

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, 2016, is as follows



Remark : The Company has deemed it appropriate to classify those holding director positions as falling within four executive levels in accordance with the Notification of the Capital Market Supervisory Board.

8.3 The Company Secretary

The position of Company Secretary has been held by an executive, i.e. Mr. Prin Bholnivas, since 2008. Detailed information of 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 Executives

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 propose the board directors' remuneration to the Board of Directors for consideration and submit 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.

In consideration of the salary and annual bonus payments for senior executives, the Nomination and Remuneration Committee, with the final approval 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 for salary adjustments and bonus payment, 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 and the Company's operating results, including the following Key Performance Indicators (KPI) of each business division/department :

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

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 also provides a contribution to the staff provident fund and also a retirement compensation payment, as well as other benefits for those staff who are not members of the provident fund as per the conditions specified by the Company - namely: special retirement compensation, and rewards for those who have worked for a specific number of years. The Company has disclosed details of staff and employee benefits in the Notes to the Consolidated and Separate Financial Statements for the year ended December 31, 2016 under headline 2 Accounting Policies : 2.18 Employee Benefits pages 26 - 27 and Note 24 Employee Benefit Obligations pages 68 - 71.

Remuneration for the Company's board directors and executives in 2016 is shown under 8.4.1 and 8.4.2 as follows :

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 as follows:

Name - Position	Amount (Baht)	
	2016	2015
Board of Directors		
Chairman – Mr. Sanan Angubolkul	300,000	300,000
Eight Directors comprising :		
Mr. Viroj Lowhaphandu	150,000	150,000
Mr. Enghug Nontikarn	150,000	150,000
Mr. Suchat Boonbanjersri	150,000	100,000
Mrs. Siriporn Sailasuta	150,000	125,000
Mr. Supachoke Liamkaeo	25,000	0
Mr. Naphol Lertsumitkul	150,000	150,000
Mr. Manit Ativanichayaphong	150,000	150,000
Mr. Prin Bholnivas	150,000	150,000
Total Remuneration of Directors	1,375,000	1,275,000
Audit Committee		
Chairman of the Audit Committee – Mr. Viroj Lowhaphandu	350,000	350,000
Two Audit Committee Members comprising :		
Mr. Enghug Nontikarn	150,000	150,000
Mr. Suchat Boonbanjersri	150,000	150,000
Total Remuneration of Audit Committee Members	650,000	650,000
Nomination and Remuneration Committee		
Chairwoman of the Nomination and Remuneration Committee - Mrs. Siriporn Sailasuta	37,500	37,500
Two Nomination and Remuneration Committee Members comprising :		
Mr. Sanan Angubolkul	30,000	30,000
Mr. Enghug Nontikarn	30,000	30,000
Total Remuneration of the Nomination and Remuneration Committee Members	97,500	97,500
Good Corporate Governance Committee		
Chairman of the Good Corporate Governance Committee – Mr. Suchat Boonbanjersri	50,000	50,000
Three Good Corporate Governance Committee Members comprising :		
Mrs. Siriporn Sailasuta	40,000	30,000
Mr. Manit Ativanichayaphong	40,000	30,000
Mr. Prin Bholnivas	40,000	40,000
Total Remuneration of the Good Corporate Governance Committee Members	170,000	150,000
Grand Total	2,292,500	2,172,500

Remarks :

1. In 2016, 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 No. 35 (for 2016), 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

Chairwoman of the Nomination and Remuneration Committee	Baht 50,000 per annum
Member of the Nomination and Remuneration Committee	Baht 40,000 per annum / per person
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. Mr. Supachoke Liamkao has been appointed as Director on November 11, 2016.
3. No non-financial remuneration is given to the members of the Risk Management Sub-Committee.

- 2) Remuneration for executives including salary and bonus payments (for 2016 vs 2015) are as follows:

Remuneration	2016		2015	
	Number of persons	Amount (million baht)	Number of persons	Amount (million baht)
Salary	12	55.32	14	58.28
Bonus	12	5.29	14	7.87
Total	12	60.61	14	66.15

Remarks :

1. The following executives received the above remuneration in 2016 as follows:
 - 1.1 Mr. Sanan Angubolkul
 - 1.2 Mr. Prin Bholnivas
 - 1.3 Mr. Settapong Haemintakun
 - 1.4 Mr. Naphol Lertsumitkul
 - 1.5 Ms. Bunnapa Lertsumitkul
 - 1.6 Mr. Apisit Tangsatit
 - 1.7 Mr. Pawat Chalermpong
 - 1.8 Mr. Pongsak Kantiratanawong
 - 1.9 Mr. Rakesh Singh
 - 1.10 Mr. Chaichan Chareonsuk
 - 1.11 Mr. Anupoch Pasawat
 - 1.12 Mr. Chairaj langtanarat
2. The above payments are inclusive of accrued bonus for the year.

8.4.2 Other Remuneration

1) Other remuneration for board directors

No other financial and non-financial remuneration is given 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 2016, the Company contributed funds to executives who have joined the Provident Fund membership, totaling Baht 0.21 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 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 2016, the Company paid Baht 2.67 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)	2016					
	Office	Plant				Total
		Suksawat	Korat	Bangpoo	Amata Nakorn Chonburi	
Executive	10	0	0	0	2	12
Support Line	172	0	0	0	0	172
Sales and Marketing Line	357	0	0	0	0	357
Production Line	0	436	1,585	346	706	3,073
Total	539	436	1,585	346	708	3,614

(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
Total	555	422	1,448	345	646	3,416

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

Remarks:

1. In the year 2016, two executives were retired, whereby a replacement has not yet been made.
2. Additional manpower was made for the manufacturing line at Korat plant in 2016, based on the increased in production capacity. The manpower in the Head Office, Suksawat plant, Bangpoo plant, and Amata Nakorn, Chonburi plant all in 2016 remained not much different from those in 2014 and 2015 due to the incoming/outgoing cycle of the labour forces.
3. The Company had no significant labour disputes in the past 5 years.

8.5.2 Employee's Remuneration

The Company pays remuneration to each and every employee at all levels and nationalities on an equal basis and based on the same criteria in an equitable and transparent manner. Such remuneration is aimed at motivating employees and is on the same basis as the remuneration plan for executives. The short term comprises of salary or wages, overtime payment, incentive and bonus payments, and contribution to the social security fund. Further, a performance evaluation is made every year to establish an overall performance indicator based on KPIs and operating results of the Company. As for long term benefits, the Company provides contributions to the employee's provident fund, retirement compensation payment, and special welfare for those staff members who are not members of the provident fund scheme in accordance with the conditions specified by the Company - namely: special retirement compensation, and gold for those who have completed working for a specific number of years with the Company. Additionally, the Company provides training courses for staff at all levels to educate them about managing their personal income and spending and also on saving their money, so that they can be financially self-dependent once they leave the Company or reach retirement.

In 2016, the Company paid the said remunerations for a total of Baht 931.64 million.

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, and they must be happy and enjoy their works. As such, the Company provides opportunities for development, as well as encourages employees to learn and be educated in various differing areas – both relating to their work responsibilities and to their personal life. Hence, they can learn to become self-dependent as well as to share their knowledge with society in general - such as, supporting employees to study and learn more about their specific professional skills and building their financial discipline so as to achieve a better quality of life and happiness. The Company has attached much importance on human resource development by assigning the Office of Human Resource Development to 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 based on the importance and priority of courses, the Office of Human Resource Development 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 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.

The Company actively campaigned to promote and arranged to hold courses on good corporate governance principles and practices as well as on business ethics including Policy and Practice Guideline on Anti-Corruption for the executives and all staff throughout the Company and at all its operating facilities. The Company also monitors, on a regular basis, the level of understanding after such training courses, through various activities and surveys via the Company's intranet. Their responses and results of the survey are incorporated as a part of their annual performance evaluation. 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 work standards of the Company, which must be maintained and further developed to support and enable the organization to grow on a sustainable basis.

In 2016, the Company arranged training courses and seminars for its staff—both internally and outside the Company. On an average, each employee received 8 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 2016, the Company had launched continually campaigns and activities in each aspect of 4S via various internal channels of communications of the Company, so as to instill and integrate the 4S Principles as a corporate culture in a sustainable manner. 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 by 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 2016 the Company was rated as being “Excellent” by the Thai Institute of Directors Association (IOD) with the associated support of 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 the Corporate Policies and Practice Guidelines covering the following topics :

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

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

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

9.2 Board of Directors and Board Committees/Sub-Committees

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

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

The Board of Directors comprises directors with diverse knowledge, experiences and expertise that are considered necessary for the Company's operations. They will devote time in undertaking their responsibilities for the Company's overall interests. Currently, there are 9 directors, 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 5 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) and any subsequent revision.

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's meeting No. 5/2559 held on November 11, 2016 had reviewed a policy, vision, and mission of the Company. As well, the business strategy, work plans and budgets of the Company for the year 2017 were approved in the Board of Directors' meeting No. 6/2559 held on December 23, 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 2016, exercised 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 together with the Securities and Exchange Act such as :

- Approval of the Financial Statements for 2016
- Approval of the proposed Agenda Items for the Annual General Meeting of Shareholders No. 35 (for 2016)
- Consideration of the recommendations being raised during the Annual General Meeting of Shareholders No. 35 (for 2016)
- Approval of bank accounts closing (that are dormant or remain unused)
- Approval of the Company to increase the revolving credit line with the financial institutions
- Approval of a new board director to replace the one who resigned
- Review of the current vision and mission of the Company
- Liquidation of a local subsidiary
- Evaluation of the existing Company's internal control systems
- Approval of the proposed annual budget and business plans for 2017
- Self assessment of Board of Directors' performance for 2016

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 2016, 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 with a wide range of debate for each agenda item being considered. 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 approved by the shareholders' meeting. Besides, should any board director not hold a directorship, 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 businesses 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 2016, 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 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 Reports including reports by the Sub-Committees as appointed by the Board as shown in Attachment 4.

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 Objects, 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 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 amount 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 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 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 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 more than 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 2016, the President and all executives 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 2016 are as follows:

Name		Position	Actual attendance/ Total number of meetings (times)
Mr. Viroj	Lowhaphandu	Chairman of the Audit Committee	4/4
Mr. Enghug	Nontikarn	Audit Committee Member	4/4
Mr. Suchat	Boonbanjersri	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 Boonbanjersri 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 executives 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 systems 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 systems 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 executives 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 executives, undertake a performance evaluation and merits or disciplinary punishments (if any) of the Head of Internal Audit Unit;
10. Review, jointly with the executives, 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 2016, 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 2016, the Company received cases of alleged misconduct through the established Whistle Blower Program. They were considered to be general complaints and forwarded to the Good Corporate Governance Committee to delegate the executives to review and consider appropriate actions in accordance with the established procedures for these matters.

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 and Anti-corruption Measures
4. Supervision of Compliance with Relevant Rules and Regulations as Prescribed by the Regulators
5. Review on Internal Control Systems
6. Consideration of the Appointment of Certified Public Accountant for the Year 2017
7. 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. The Audit Committee's secretary was then assigned for further work improvement as a result of the self evaluation.

Members of the Audit Committee have a term of office of three years, with the current term being valid until the end of 2018.

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 2016 are as follows:

Name		Position	Actual Attendance / Total number of meetings (times)
Mrs. Siriporn	Sailasuta	Chairwoman 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 2016, 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 2018.

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, 1 an executive director and 1 a non-executive director. 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 2016 are as follows :

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

Responsibilities of the Good Corporate Governance Committee

The Good Corporate Governance Committee has the duty and responsibilities to promote and support, together with monitoring board directors, executives as well as staff at all levels, to be compliant with the established good corporate governance policies and practices guidelines on anti-corruption as follows:

1. Good Corporate Governance
 - 1.1 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;
 - 1.2 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;
 - 1.3 Direct, supervise and advise the board directors executives, and staff 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;
 - 1.4 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;
 - 1.5 Support and promote all other involved stakeholders to also participate in implanting and complying with the established good corporate governance policies of the Company;
 - 1.6 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.
2. Anti-Corruption
 - 2.1 Determine, for approval by the Board of Directors, Policy and Practices Guideline on Anti-Corruption as appropriate for the Company and in compliance with applicable laws, rules and regulations;
 - 2.2 Consider, review and improve Policy and Practices Guideline on Anti-Corruption, 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;
 - 2.3 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;
 - 2.4 Recommend requirements and practices guidelines regarding on anti-corruption, as well as required or expected practices on the part of the Company's board directors, executives and staff;
 - 2.5 Support and promote other involved stakeholders to also participate in implementing and complying with the Company's anti-corruption policies;
 - 2.6 Consider, review and improve anti-corruption 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.

3. Appoint working groups to support good corporate governance-related practices and activities as necessary;
4. Undertake any other good corporate governance-related tasks as assigned by the Board of Directors.

In 2016, 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 2018.

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 2016 are as follows :

Name	Position	Actual attendance/ Total number of meetings (times)
Mr. Prin Bholnivas	Chairman of the Risk Management Sub-Committee	12/12
Mr. Apisit Tangsatit	Member	12/12
Mr. Pawat Chalermpong	Member	12/12
Mr. Pramual Pinyo	Member	11/12
Mr. Chaichan Chareonsuk	Member	12/12
Mr. Somsong Raksapol	Member	11/12
Mr. Chairong langtanarat	Member	12/12
Mr. Tanatch Sripan	Member	12/12
Ms. Sukanda Chuatu	Member	12/12
Mr. Chanasak Sriprudha	Member and Secretary	12/12

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. Be 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 2016, 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 2018.

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.

The Committee will then propose to the Board of Directors to consider the appropriateness of the candidates to be appointed as the board director. In 2016 the Board of Directors approved the proposed appointment of 1 new board director (ie: Mr. Supachoke Liamkao) to replace the director who had resigned, with the term of office to be the remaining term of office of the former director as specified in Article 17 of the Company's Articles of Association.

However, in the event that the appointed director has a term of office that is less than 2 months or substitute directors retired by rotation or in the event of an increase in the total number of board directors, then the Board of Directors must propose the appointment of the vacant position or additional new board director(s) as an Agenda in the next Annual General Meeting of Shareholders for consideration and approval. This is in accordance with Article 13 and Article 14 of the Company's Articles of Association, as stated below:

"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, Mrs. Siriporn Sailasuta and Mr. Supachoke Liamkaeo. They possess 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 consistent with definition of Independent Director as currently applied by the Company and compliant to minimum requirement of the Securities and Exchange Commission 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 five 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 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.35 (for the year 2016), the Board of Directors proposed to the meeting to re-appoint 2 independent directors (ie: Mr. Viroj Lowhaphandu and Mr. Enghug Nontikarn) 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 executives 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 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 the approval of the proposed appointment of qualified persons by the Nomination and Remuneration Committee, who have gone through the recruitment process, to senior executive positions together with associated and appropriate compensation plan.

There was no appointment of a new executive in 2016.

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. In 2016, the Company appointed a new board director to replace the one who resigned. The Company Secretary already undertook the abovementioned activities as assigned by the Board.

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 2016, one director attended a seminar with the Thai Institute of Directors Association for Ethical Leadership Program (ELP). Other board directors also joined and participated in seminars on businesses as well as on the new regulations issued by various regulatory authorities; such as, the seminar on providing convenience and services as part of the further development of the efficiency of the Customs Department for the overall benefit of the private sector together with other development programs aimed at benefiting stakeholders like the annual conference "Maximise Shareholder Value 2017: Equipping yourself for global change" that was held by PricewaterhouseCoopers ABAS Limited.

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 2016, the Board of Directors jointly undertook a performance evaluation of the Board as a group, and achieved an overall 'very good'. Nevertheless, the Board of Directors has the opinion that in spite of this overall 'very good' score, however encouragement and promotion for further ongoing 'Self Development of Board Directors and Development of the Executives' should be maintained. 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 2016, 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' 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

In 2016, the Company Secretary collected and compiled all the evaluation results of all directors excluding the President, based on the established criteria, for use in calculating the average score for each criteria before presenting a summary of the overall score for categories: 'very good', 'good', 'satisfactory', and 'needs improvement' 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.

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 2016, 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. However, such transactions were made on a normal basis without using inside information.

Further, the Company Secretary has informed and communicated to all Company board directors and executives details of the newly amended laws and regulations regarding trading of the Company shares that are more stringent as specified by the Securities and Exchange Act (5th Edition) B.E. 2559.

9.6 Audit Fees for 2016

1. Audit fees

The Company and its subsidiaries paid audit fees to PricewaterhouseCoopers ABAS Limited, ("PwC"), and business related to PwC in the past accounting year for the sum of Baht 3.54 million and Vietnamese Dong 794.80 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 0.67 million. The Company and its subsidiaries had completely recorded all abovementioned non-audit fees as expenses in the year 2016.

9.7 Compliance with Good Corporate Governance Principles in Other Areas

Apart from the governance and oversight as stated above, in 2016 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.

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 Shareholders' Meeting. The Letter of Invitation 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. 36 (for the year 2017). As such, on September 26, 2016, 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, 2016 – December 31, 2016. 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 meeting 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 25, 2016, such information was disseminated for the Annual General Meeting of Shareholders No. 35 (for the year 2016). 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, and 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. To fix the remuneration, apart from considering the knowledge, capability and experiences of each director, the Company 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, Chairperson of the Nomination and Remuneration Committee, Chairman of the Good Corporate Governance Committee, independent directors, executive directors, non – executive directors, the President, and executives place great importance to attending the Annual General Meeting of Shareholders in order to demonstrate their accountability to shareholders.

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 change in the sequence or addition of the proposed agendas to be considered is allowed 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 Director 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 2016, the Company received evaluation relating to its 'AGM Checklist' from the Thai Investors' Association with a score of full 100 points.

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, 2016 the Company had a "free float" of 51.86% of the total shares issued and paid up held by retail investors, 6.03% by institutional investors, and 16.77% by the Company's directors.

In 2016, the treatment to all shareholders by the Company was as follows:

1. Preparation of the Annual Report

The Company prepares the Annual Report 2015 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 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 meeting venue and time considered as appropriate.

In 2016, the Company sent out the Letter of Invitation via the Company's Shares Registrar on April 7, 2016, 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 2016, 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 including the accurate and complete information disclosure, in compliance with the criteria and procedures of the Capital Market Supervisory Board.

During 2016, the Company did not have any acquisition or disposal of assets of any material value or that required approval from the shareholders' meeting as required by the law and related regulatory agencies.

- 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 a regulation 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.

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 revised - 2014)', so as to 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 Practice Guidelines of Good Corporate Governance on 'Role of Stakeholders' being announced in 2013 as follows :

No.	Business Ethics (1 st revised – 2014)	No.	Good Corporate Governance Policies Section 3 Roles of Stakeholders
1.	Responsibilities to Shareholders	1.1	Policy and Practice Guideline on Treatment of Shareholders
2.	Conflicts of Interests	2.1	Policy and Practice Guideline on 'Conflict of Interests'
3.	Purchase/Sale of Shares of the Company and Disclosure of Information/News	3.1	Policy and Practice Guideline Relating to the Press and Media
		3.2	Policy and Practice Guideline on the Use of Inside Information
4.	Conduct Towards Customers, and Product Quality	4.1	Policy and Practice Guideline on the Treatment of Customers
5.	Conduct Towards Business Partners and/or Creditors	5.1	Policy and Practice Guideline on the Treatment of Trade Partners
		5.2	Policy and Practice Guideline on the Treatment of Creditors
6.	Conduct Towards Business Competitors	6.1	Policy and Practice Guideline on the Treatment of Business Competitors
7.	Conduct Towards the Staff	7.1	Policy and Practice Guideline on Safety Occupational Health and Working Environment in Workplace
		7.2	Policy and Practice Guideline on Remuneration and Welfare of Staff
		7.3	Policy and Practice Guideline on Development of Employee Knowledge and Capability
		7.4	Policy and Practice Guideline Against the Violation of Human Rights
		7.5	Policy and Practice Guideline Relating to Complaints
8.	Staff Conduct and Treatment of Co-Workers	8.1	Policy and Practice Guideline on Employees' Conduct and Treatment of Colleagues
		8.2	Policy and Practice Guideline on the Prevention of Sexual Harassment in the Workplace
9.	Safeguarding and Using the Company's Assets and Resources	9.1	Policy and Practice Guideline on Violations of Intellectual Property
		9.2	Policy and Practice Guideline on Employees' Responsibility to the Company Property
		9.3	Policy and Practice Guideline on Efficient Resource Utilization
		9.4	Policy and Practice Guideline on Energy Conservation

No.	Business Ethics (1 st revised – 2014)	No.	Good Corporate Governance Policies Section 3 Roles of Stakeholders
10.	Receiving or Giving of any Bribes and Gifts, and Entertaining Activities	10.1	Policy and Practice Guideline on Anti-Corruption and Forbidding Bribes for the Company's Business Benefits
		10.2	Policy and Practice Guideline on Gifts Giving or Entertainment
		10.3	Policy and Practice Guideline on the Protection of and Fairness to Informant about Corruption or Non-Compliance with Laws, Rules and Regulations
11.	Responsibility Towards Society and the Common Good	11.1	Policy and Practice Guideline on the Treatment of Society
		11.2	Policy and Practice Guideline on Community Development
		11.3	Policy and Practice Guideline on Business Operations under Environmental Standards
12.	Internal Control and Internal Audit Systems, and Financial Reports	12.1	Policy and Practice Guideline on Internal Control Systems and Financial Reports

The Business Ethics (1st revised – 2014) has been published on the Company's website at www.srithaisuperware.com.

The Good Corporate Governance Committee has a policy to provide training courses to the Company's staff at all levels (both salaried and daily employees) on a continuing and regular basis. The Good Corporate Governance Working Groups of each production plant are responsible for this training on good corporate governance practices and on good business ethics for all employees working at these production plants.

Additionally, the Company carried out various activities to promote understanding and active participation by all staff – such as :

- Held a competition to create an appropriate slogan reflecting the business ethics of the Company;
- Arranged Q&A sessions to allow employees to answer any questions relating to the good corporate governance policy with souvenirs being given for the best answers.

Such activities have proven very successful and will be undertaken on a continuing basis. There are plans to monitor and follow up on the degree of understanding among the staff members through arranging additional Q&A sessions including surveys or assessments exercises to be made via the intranet questions and answers sessions. The results of the survey are included as part of the evaluation of the performance of all employees.

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
- 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 4 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
- 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 2016, the Company received information from informants through the Whistle Blower channel of which details are already mentioned in the Report of the Audit Committee.

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
- 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, other news and information are also disclosed through announcements and press interviews - via printed media, television, and radio. As well, the Company participated in investors-related activities arranged by the Stock Exchange of Thailand - such as :

- Thailand Focus event on September 1, 2016
- Opportunity Day event on September 12, 2016

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.

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 15 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. Apisit Tangsatit	CSR Committee Member
5.	Mr. Pawat Chalermpong	CSR Committee Member
6.	Mr. Pongsak Kantiratanawong	CSR Committee Member
7.	Mr. Chaichan Chareonsuk	CSR Committee Member
8.	Ms. Bunnapa Lertsumitkul	CSR Committee Member
9.	Mr. Pramual Pinyo	CSR Committee Member
10.	Mr. Surasit Sirisompop	CSR Committee Member
11.	Mr. Somsong Raksapol	CSR Committee Member
12.	Ms. Sivaporn Hotrachitra	CSR Committee Member and Secretary
13.	Mr. Bandit Hiranvivatkul	Advisor of the CSR Committee
14.	Mr. Manit Ativanichayaphong	Advisor of the CSR Committee
15.	Mr. Prayoon Kajitte	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 Practice Guidelines 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 all staff 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, as well as in an equal and equitable manner without any bias or prejudice. The Company also supports and develops people to gain knowledge, capabilities, skills, and a positive mindset. Businesses must be conducted with ethics and positive moral virtue, under good corporate governance principles and practices, and without neglecting its anti-corruption position. All employees have the opportunity to advance in their chosen career path, the right to have good quality of life, as well as have happiness in the workplace and their works.

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.

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. During 2016, the Company did not receive complaints of any significant matters from its employees.

The activities of the Company relating to its employees are as follows:

- 1) Provide a staff provident fund, retirement compensation fund, and a special welfare fund for those staff who are not members of the provident fund under the conditions determined by the Company. The latter includes special compensation upon retirement and gold reward upon achieving a specific time of employment with the Company as long term benefits. Additionally, the Company arranges for training for staff at all levels so that they gain knowledge to manage their personal income and spending with savings plans in order to be self reliant upon retirement.
- 2) Develop the knowledge 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. The Company arranged internal and external training for staff with average training hours of 8 hours and 30 minutes per person per year. As part of the Company's staff training and development program, the Company encourages and promotes its staff, who have skill and experience, to be a trainer in transferring their knowledge capital. Additionally, the Company provides funds for its staff's education to attend leading universities, in order that they can then make use of their knowledges to further develop the Company.
- 3) Promote the staff to have a good quality of life through applying the philosophy of 'sufficiency economy', to enjoy a safe and healthy life, and to stay away from any drugs or addiction.

- 4) Provide equal treatment for all staff without any bias or prejudice with regards to race; such as: arrange Thai language courses for foreign workers so that they can communicate and work more effectively. Also, employee suggestion boxes in Thai, Myanmar and Cambodian languages are made available for the staff to submit suggestions, comments and complaints. Such information can then be used by the Company for further investigation, making any workplace improvements, or clarification to the staff.

Safety, Health, and Environment in Workplace

The Company has followed a scheme on safety, health and working environment seriously and continually, through establishing an Office of Safety, Health and Environment. The Office is an internal unit under the Office of CEO comprising safety officials responsible for monitoring these aspects within the Company, so 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, especially the production staff, so that they can acquire new knowledge and develop new skills before they actually start to work.
- Prepare a work manual and handbook on workplace safety, hygiene and environment.
- Disseminate information about safety.
- Invest in and improve work process.
- Appoint the 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 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 plant 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 TIS 18001:2011. 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, Amata Nakorn Chonburi, Bangpoo and Suksawat, are about to apply for certification on occupational health and safety management OHSAS 18001:2007, whilst currently having 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 arranges the annual inspection on the safety of buildings, electrical systems, working environment, and others by independent agencies in compliance with the Building Control Act and related regulations. This is to ensure that the Company's workplace is safe and the risks of accidents are minimized, especially those caused by uncontrollable factors such as natural disasters.

Activities of safety, health and environment in 2016, were as follows :

- Arranged and regularly ensured to have a well laid out workplace environment so as to achieve workplace safety standards.

- Selected and designated staff members to act as positive role models or good examples with regards to the safety standards; such as: dress or attire, wearing proper personal safety and protective equipment, and undertaking work activities in a correct designated safe manner.
- Selected and designated team leaders who observe the safety regulations, so that these leaders can help promote the prevention of workplace accidents. This can be done through compiling associated data on the occurrence of accidents involving their direct subordinates, in order to help them work with the management and direct supervisors in analyzing the way their people work, activities or actions with possible causes and associated risks of accidents occurring.
- Selected a facility or work area where positive safety standards have been emphasized and achieved with a 'zero accident' record.
- Ensured that safety-focused work activities are always undertaken within the workplace by arranging to have accident reports and statistics relating to the staff-related accidents at all 4 plants on a regular and continuous basis. As such, during 2016, no accidents have occurred at all 4 plants.
- 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 and coordinated with Government agencies and provincial health authorities to provide information to the staff about any easily contagious diseases or illnesses - such as: the flu, including ways to prevent the spread of such diseases. Further, emergency action drills are also undertaken in the event that such an epidemic occurs within the workplace, so as to quarantine off the infected area and return to normal situation as soon as possible without any impact to the well-being or life of the Company's staff.

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 for the Company's uses 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.

The Company has been certified with regards to the standards of its operations systems relating to its products. That reflects the importance that the Company attaches to the continuous development of product quality together with the associated production processes so as to achieved international 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. The Company is in the process of preparing their readiness and formulating plans to upgrade the certificate from version 2008 to version 2015. It expects to receive this new 2015 version certification for all 4 plants within 2017.

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 5) regarding food safety standards, for food packaging from the TUV NORD in 2016 for 2 consecutive years.

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 4 plants received the Award for Standard of Corporate Social Responsibility, Department of Industrial Works : CSR-DIW Award 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 2016, Amata Nakorn plant in Chonburi and Korat plant received the CSR-DIW Award 2016, from continuous development of nearby community.

The Company not only attempts to push for obtaining 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 places 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. In 2016, the Company designed Lightweight lids that reduce the overall weight of soft drink bottles by 12.5% through use of new technology which helps reduce consumption of plastic resin in the production process that meets the current trends of being environmentally requirements while retaining its quality.

The Company has a technology for made use of the Thin Recess Injection Molding ("TRIM") technology in reducing the wall thickness by consuming less raw materials as well as energy in its production, but having the same quality as the old product. This production process has been certified by the Greenhouse Gas Management Organization (Public Organization) for reduction of carbon dioxide emission. During 2016, all production processes are undertaken under the 3 Save Concept: Save Material, Save Energy, Save the World, which helps environmental conservation with details as follows:

- The Company jointly participated with the Suranaree University of Technology in undertaking a study and research in reusing melamine wastes from the production process, that cannot be recycled and would require costs in being disposed. The melamine wastes are used in an Up Cycling process to produce melamine bricks that pass the same weight load capacity test as normal industrial grade aerated concrete bloc bricks as well as can substitute for the normal concrete block bricks sold in the market. This successful Up Cycling process is a positive example of the Company intent and development efforts in recycling melamine waste materials from the production process so as to produce various other by-products that give these wastes further added value and beneficial use.
- The Company promoted all 4 plants in disposing of waste materials in a systematic manner. The garbage and rubbish are separated so as to reduce the amount of waste that need to be disposed of and also gain further value addition from any useable rubbish according to the 3 R Concept (Reduce, Reuse, Recycle). Wastes or unusable equipments are then recycled to produce various tools or equipments that can be used internally within the production plant.
- The Amata Nakhon plant, Chonburi initiated a noise pollution reduction project for its production process of beverage packaging products through replacing the nozzle spray head that is attached to the polishing unit with a type of 'power saving' nozzle spray head. Less air and noise pollution is achieved with in an overall improved effectiveness and efficiency in the production process.



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 up to 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 were 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 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.

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 these 3 plants are in the process of upgrading the respective certification to be version 2015 (from version 2004) in 2017.
- 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. During 2016, the Korat and Amata Nakorn, Chonburi plants were evaluated and certified as being a Green Industry Level 4 (Green Culture). They are in the process of upgrading themselves to obtain a certification Level 5 (Green Network), which is the highest level. This level can be achieved with support of its business partners and alliance in joining the Green Industry supply chain group as well as establishing environment related activities with the community and its consumers.

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

Achievement Awards of the Company during 2016

- **Popular Stock Awards 2015**

On November 23, 2016, the Company received the Popular Stock Awards 2015, organized by the Stock News Daily newspaper and the Stock Exchange of Thailand. The award is given to listed companies from a survey of and vote from 4,000 investors.



- **Green Meetings Certificate**

On June 9, 2016, the Korat plant received the Green Meetings Certificate from the Thailand Environment Institute. The certificate is given to businesses that organize meetings, seminars, and training with regards to making the most efficient use of resources and reducing environmental impacts.



- **Certificate on Standards and Model of To Be Number One in a Workplace, Diamond Level, 2nd year**

On July 15, 2016, the Korat plant was awarded the Certificate on Standards and Model of To Be Number One in a Workplace, Diamond Level, 2nd year from the Department of Mental Health, Ministry of Public Health. The certificate is given to large businesses that participate in the campaign to prevent and solve the problems relating to drugs, as undertaken by the To Be Number One. Various strategies and activities need to be provided to promote and create awareness amongst its members on drug related problems.



- **Premium Products of Thailand, The Pride of Thais**

On July 27, 2016 the Korat plant was given the Premium Products of Thailand, The Pride of Thais Award 2016, from the Thai Industrial Standards Institute, Ministry of Industry. This award is for large manufacturers that have products which are well-accepted on a world-wide basis. The melamine household products of the Company were awarded in the food and beverage category.



- **Continuous Standard of Corporate Social Responsibility of a Industrial Business Operator (CSR-DIW Continuous Award 2016)**

On 28 July, 2016, the Amata Nakorn, Chonburi and the Korat plants received the Award for Standard of Corporate Social Responsibility: CSR-DIW Continuous Award 2016 from the Department of Industrial Works, Ministry of Industry. This award is given to industrial business operators who promote corporate social responsibility and sustainable development as well as to support industrial business operators in being well-accepted by the local communities in conducting their business. It is aimed at enhancing the overall competitiveness of the business operator and development of the communities in a sustainable manner.



- **Honorably Awarded the Excellent Establishment on Labour Relations and Welfare**

On August 17, 2016, the Bangpoo plant received an Honorary Awarded the Excellent Establishment on Labour Relations and Welfare, which is the 5th consecutive year since 2012. At the same time, the Korat plant also received the same Honorary Achievement Certificate award for the 10th consecutive year since 2007. This award is given by the Welfare Department, Ministry of Labour to those businesses that have good management with regards to the relationship between the employers and the employees, through recognizing the importance of close cooperation and good working relationships and shared benefits so as to establish a system of good labor relations within the organization. This is also one of the key policies of the Ministry of Labour aimed at promoting and stressing the idea that a business is an organization where there is a mutual feeling of close relationship and caring between the employers and employees.

- **Prime Minister's Export Award 2016 (Best Exporter 2016)**

On September 15, 2016, the Korat plant received the Prime Minister's Award 2016 (Best Exporter 2016) from Thailand Institute of Design and Innovation Promotion, Department of International Trade Promotion, Ministry of Commerce. It is an award given to exporters of their own brand of products or services with the aim of achieving high export sales to overseas markets that has positive impacts on the image of Thailand.



- **The Excellence Award of Supporting People with Disability 2016**

On December 2, 2016, the Company received the Excellence Award of Supporting People with Disability on a Continuous Basis 2016 from the Ministry of Social Development and Human Security. It is an award given to those businesses that has continuously supported the disabled, through taking in disabled persons to work in the company together with training them and preparing them to be ready to work within the business organizations.



The Company has prepared a Corporate Social Responsibility Report for Sustainable Growth for 2016, and will publicize it on the Company's website accordingly.

10.3 Business Operations that Affect Social Responsibility

In 2016, 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, has 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 has participated in returning benefits to the society and the community in times of peace and disasters. The Company is 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;
- Take in student from various universities to work in on-the-job training programs. This is so that students can gain actual working experience in business operators in a systematic manner before graduation. Also, the educational institutes themselves can adapt their teaching syllabus and courses to meet the needs of the business sector;
- 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 continuously. The Program is to provide an opportunity to the disabled to develop their labour skills and to get ready for working in industrial sector with an aim to help them have good quality of lives and be able to work in the society with pride in their human rights equitable to others.

The Company has prepared a Corporate Social Responsibility Report for Sustainable Growth for 2016, 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 Practice Guidelines on Anti-Corruption and Forbidding Bribes for the Company's Business Benefits, which is part of the policies and practice guidelines of treatments to stakeholders that have been approved by the Company's Board of Directors. The Company has set the guidelines for all employees as follow :

- Do not give or support the giving or receiving of inappropriate gift, entertainment allowance or expenses;
- Do not make direct or indirect payments to facilitate, accelerate operations or create flexibility in doing business;
- Forbid bribery in all types of business conducts, whether directly or via third party;
- Carry out procurement and outsourcing with transparency, honesty, straightforwardness and in compliance with related laws and regulations;
- Never give direct and indirect 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.

Since 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 practice guidelines 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 practice guidelines 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 to 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 bona 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 Company's 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 practice 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 practice guidelines on the Company website: www.srithaisuperware.com.

In 2016, the Company has continued the anti-corruption policies and practice guidelines as follows :

- Arranged to have directors attend the Ethical Leadership Program (EDP), a course in business ethics for senior business leaders held by the IOD.
- Created an assessment form regarding the likelihood of any acts of corruption to occur in support of payment requests for expenses that may expose to or encourage acts of corruption. A close and stricter monitoring procedures are also imposed.
- Amended and improved the Charter for the Good Corporate Governance Committee, by incorporating additional role and responsibilities relating to governance, oversight, and monitoring of activities in compliance with the policy on anti-corruption.
- Amended the definition of “corruption” to be clearer and correspond more to the internationally accepted definition as follows :

“Corruption means :

The use of authority or official position, or undertaking any actions in an inappropriate and illegal manner, and in breach of established laws, rules and regulations or required moral and ethical business conducts, so as to seek improper personal benefits or gains or those of others. This includes undertaking any activities that will cause a loss, directly or indirectly, of any benefits on the part of others, whereby such benefits may be physical or intangible assets gained.

As such, this also includes the following behaviors:

1. Giving or offering to give or receive any monetary gift or cash or anything that is equivalent to being a cash gift, or bribes or other services in respect of any directly involved parties including Government officials, with the following objectives or goals:
 - 1.1 to gain special convenience or speedy means of undertaking any business activities, or especially fast service or response with regards to requesting for various service;
 - 1.2 to gain, in an inappropriate manner, a competitive business advantage over other competitors, or to ensure a certainty that you will be selected in an open bidding process for supplying goods/ services;
 - 1.3 to induce non-action or non-decision to neglect taking any actions; or to change what is not a correct situation to be a correct situation, in an inappropriate manner or by an inappropriate action on the part of Government officials.
 2. Giving, offering to give or receiving any gifts, rewards, or assistance that exceeds normally accepted value, even if given or received as part of a traditional or festive event or as a charitable donation.
 3. Giving, offering to give or receiving any official position or shareholdings in some types of businesses that enables using the position or power therein to seek personal gains”
- Prepared and published an announcement of the Company’s anti-corruption stance and intent in complying with the policy on anti-corruption to be distributed to all business partners as well as all subsidiaries, and associates for their respective understanding, acknowledgement and compliance.
 - Communicated the anti-corruption stance and intent, via an official Company documents, to all business partners and external parties in Thailand and overseas such as: Purchase Order and Tax Invoice etc.
 - Prepared and published a Handbook on Risk Management : Fraud & Corruption, so as to be a clear operating guideline for all directors and staff throughout the organization.
 - Held anti-corruption workshops for all salaried staff and surveyed their degree of understanding of this issue.

- Undertook a major campaign to promote anti-corruption practices within the Company, with the President acting as the Chairman of this event. It is aimed at ensuring that all executives and staff at all levels have a common awareness and recognition of as well as an active participation in the anti-corruption activities.
- Incorporated the heading “Active participation in implementing the policy on good corporate governance and established measures on anti-corruption” as an integral part of the performance evaluation form for all salaried staff.
- Assigned certain executives to be responsible for investigating any complaints received, internally and from external parties, via the ‘whistleblower program’, and took appropriate actions in accordance with established procedures in an equitable and confidential manner while ensuring the protection of the informant or complainant.

In 2016, 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) from level 5, and is committed to achieve a high ranking in the next evaluation exercise to a Level 4 (Certified). As such, the Company’s Board of Directors has approved that the Company submit the “Self-evaluation Forms Relating to Internal Measures on Anti-Corruption” to the Committee of Private Sector Collective Action Coalition Against Corruption (“CAC”), so as to apply for formal certification by the CAC. The Company already received the certification in early 2017.

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 2016. 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, or ordinary person. In case of ordinary person, the Company has the following guidelines :

1. The Company requests that complaint or report on information concerning corruption or non-compliance with laws, rules and regulations be made in writing only.
2. Complainer can report information on complaint to an independent director by the following methods:
 - Via e-mail address, being publicized on the Company’s website in the whistleblower channel, of which the complainer can choose to send the information to an independent director or all of them comprising

1) Mr. Viroj Lowhaphandu	E- mail address : viroj_low@srithaisuperware.com
2) Mr. Enghug Nontikarn	E-mail address : enghug_non@srithaisuperware.com
3) Mr. Suchat Boonbanjerd Sri	E-mail address : suchat_boo@srithaisuperware.com
4) Mrs. Siriporn Sailasuta	E-mail address : siriporn_sai@srithaisuperware.com
5) Mr. Supachoke Liamkao	E-mail address :supachoke_liam@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 complaints as in the aforementioned guideline no. 1 and 2, the complainer is not required to reveal his/her identity. However, if the complainer is able to identify him/herself, the complainer is requested to disclose the complainer’s first and last names, telephone number, facsimile, or email address. The Company can later on inform outcome of the action or ask for additional information.

11. INTERNAL CONTROL AND RISK MANAGEMENT

11.1 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 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. 6/2559, held on December 23, 2016, 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 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 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 2016, 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 control systems, 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 is prepared by taking into consideration the relevant risk factors, and is approved by the Audit Committee. The Internal Audit Department's findings and performance report is 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 2016 are as follows:

Company Name / Relationship	Nature of Business	Type / Value of Transactions in 2016	Necessity / Reasonableness
Srithai Moulds Company Limited 1. A subsidiary whose 71.0% of shares held by the Company. 2. 29.0% of shares held by executives of the Company and relatives of some executives.	Mould Making Service and Manufacture and Distribution of Plastic Products	1. Normal business transactions amounted to Baht 60.37 million 2. Transactions involving assets or service amounted to Baht 2.99 million	1. Normal inter-company transactions for sales/purchase of 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. 2. Transactions involving assets or services. Thanks to its business expansion to generate more revenue in addition to their core business, Srithai Moulds Company Limited is necessary to purchase some assets from the Company since the assets were in good condition and not in use by the Company. However, the disposed assets value was not material and did not affect the capacity of the Company. The Company has set the terms of trade and selling price of such assets on an arm's length basis under the criteria prescribed by the Board of Directors. Therefore, the independent appraiser was not needed to appraise the disposed assets.

Company Name / Relationship	Nature of Business	Type / Value of Transactions in 2016	Necessity / Reasonableness
Srithai Packaging Company Limited 1. An associate whose 39.2% of shares held by the Company. 2. 9.8% of shares held by an executive of the Company and relatives of some executives. 3. A relative of some executives of the Company serves as a director in Srithai Packaging Company Limited.	Manufacture and Distribution of Paper Boxes	1. Normal business transactions amounted to Baht 6.64 million	Normal inter-company transactions for sales/purchase of 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 following the criteria approved by the Board of Directors of the Company.
Srithai Marketing Company Limited 1. A related company. 2. 72.0% of shares held by relatives of some executives of the Company. Some of them serve as directors of Srithai Marketing Company Limited. 3. It has long been a distributor and trade partner for the Company.	Distributor of Houseware Products	1. Normal business transactions amounted to Baht 209.30 million 2. Supporting normal business transactions amounted to Baht 8.35 million	1. Normal inter-company transactions for sales/purchase of products of one party demanded by another party to support and generate revenue of its main business under normal trade terms and prices following the criteria approved by the Board of Directors of the Company. 2. Transactions supporting normal business on renting an area for display and sales of products in a Grand Sale fair which is organized by the Company every year. The rental rate was the same as those charged to other tenants. Supports for sales promotion expenses of the Company's distributor were also provided.

Company Name / Relationship	Nature of Business	Type / Value of Transactions in 2016	Necessity / Reasonableness
Siam Melamine Marketing Company Limited 1. A related company. 2. 70.0% of shares held by relatives of some executives of the Company. 3. It has long been a distributor and trade partner for the Company.	Distributor of Plastic Products and Melamine Products	1. Normal business transactions amounted to Baht 132.25 million 2. Supporting normal business transactions amounted to Baht 0.20 million. 3. Short-term property rent amounted to Baht 0.83 million	1. Normal inter-company transactions for sales/purchase of 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 following the criteria approved by the Board of Directors of the Company. 2. Transactions supporting normal business. Supports for sales promotions expenses of the Company's distributor were also provided. 3. Short-term property rent of land with building provided by the Company on a yearly basis. The rental rate was reasonable as its location, market rental rate and economic condition were taken into consideration.
Srithai Stainless Company Limited 1. A related company. 2. 60.0% of shares held by relatives of some executives of the Company, who also serve as directors of Srithai Stainless Company Limited.	Manufacture and Distribution of Kitchenware and Furniture	1. Normal business transactions amounted to Baht 3.36 million 2. Supporting normal business transactions amounted to Baht 0.07 million	1. Normal Inter-company transactions for sales/purchase of 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 following the criteria approved by the Board of Directors of the Company. 2. Transactions supporting normal business on letting an area for display and sales of products in a Grand Sale fair which is organized by the Company every year. The rental rate was the same as those charged to other tenants.

Company Name / Relationship	Nature of Business	Type / Value of Transactions in 2016	Necessity / Reasonableness
S.Sahatara (Thailand) Company Limited 1. A related company. 2. 100.0% of shares held by an executive of the Company and his relatives. Some of them serve as directors of S.Sahatara (Thailand) Company Limited.	Stickers and Labels Printing	1. Normal business transactions amounted to Baht 3.64 million.	Normal inter-company transactions for sales/purchase of 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 following the criteria approved by the Board of Directors of the Company.
Toho Foam (Thailand) Company Limited 1. A related company. 2. 73.2 % of shares held by an executive of the Company and his relatives. Some of them serve as directors of Toho Foam (Thailand) Company Limited.	Manufacture and Distribution of EPE Foam	No related party transaction in the year 2016	----
P. C. Container Company Limited 1. A related company. 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 0.50 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.
P. E. T. Container Company Limited 1. A related company. 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 0.13 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 means 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 terms 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 2016 in the Notes to Financial Statements for the year ended December 31, 2016, No. 31 Related party transactions, pages 74-77.

During 2016, the Company had revoked guarantees provided to financial institutions for a subsidiary's credit facilities in Thailand thanks to its improved performance, no outstanding financial obligations and trust and confidence received from those financial institutions. Another guarantee provided to a raw material supplier for a subsidiary's trade credit line in Vietnam was also cancelled. However, as at December 31, 2016, 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 (Hanoi) Company Limited, a wholly-owned subsidiary of Srithai (Vietnam) Company Limited, for guarantee limit of USD 0.5 million to support its business that just started operations in 2015 and to allow flexibility in purchasing raw material at appropriate price.
2. Sourcing of credit facilities for Srithai Superware Manufacturing Private Limited, a wholly-owned subsidiary, through issuing a 'Standby Letter of Credit' for 2 financial institutions in Thailand totaling Indian Rupees 65.5 million, in order to support the business of this subsidiary that has just started operations in 2015.

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 is determined 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 and other involved regulatory authorities. The power was also granted to the executives to approve connected transactions within the criteria set 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 criteria and requirements of the involved regulatory authorities.

4. Policy and Future Trend of Related Party Transactions

The Group has the policy to allow each company in the Group to transact 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 Separate Financial Statements for the year ended December 31, 2016 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

	2016	2015	2014
Assets			
Current assets			
Cash and cash equivalents	271.5	621.0	472.9
Short-term investments	30.4	3.9	5.8
Trade accounts receivable, net	2,007.3	1,928.2	1,992.4
Other receivables	165.0	103.8	108.6
Inventories, net	1,801.8	1,658.4	1,599.5
Other current assets	86.4	85.2	133.0
Total current assets	4,362.4	4,400.5	4,312.2
Non-current assets			
Long-term investments, net	406.9	414.7	467.4
Investment properties, net	125.9	122.5	128.4
Property, plant and equipment, net	6,064.9	5,851.6	5,373.1
Intangible assets, net	47.0	45.4	52.8
Deferred tax assets, net	118.9	106.3	97.7
Leasehold right, net	110.2	112.7	46.3
Other non-current assets	67.9	53.4	38.1
Total non-current assets	6,941.7	6,706.6	6,203.8
Total assets	11,304.1	11,107.1	10,516.0

	2016	2015	2014
Liabilities and equity			
Current liabilities			
Short-term loans	1,670.9	1,751.6	1,452.3
Current portion of long-term loans	774.8	661.0	619.9
Trade accounts payable	850.6	959.3	968.4
Other payables	311.6	333.6	429.3
Other current liabilities	40.3	58.0	41.6
Total current liabilities	3,648.2	3,763.5	3,511.5
Non-current liabilities			
Long-term loans	2,344.6	1,994.7	1,955.2
Finance lease liabilities	1.4	12.9	20.6
Employee benefit obligations	376.7	378.9	296.6
Total non-current liabilities	2,722.7	2,386.5	2,272.4
Total liabilities	6,370.9	6,150.0	5,783.9
Equity			
Share capital	2,709.9	2,709.9	2,709.9
Premium on treasury shares	19.9	19.9	19.9
Retained earnings	2,005.4	2,020.1	1,877.8
Other components of equity	(40.7)	(37.5)	(101.2)
Equity attributable to owners of the parent	4,694.5	4,712.4	4,506.4
Non-controlling interests	238.7	244.7	225.7
Total equity	4,933.2	4,957.1	4,732.1
Total liabilities and equity	11,304.1	11,107.1	10,516.0

Consolidated Statements of Comprehensive Income

For the years ended December 31

Unit : Million Baht

	2016	2015	2014
Sales and service income	9,284.8	9,762.8	9,750.9
Cost of sales and services	(7,706.8)	(7,915.3)	(7,880.8)
Gross profit	1,578.0	1,847.5	1,870.1
Dividend income	6.9	7.5	12.2
Other income	72.9	101.7	98.5
Selling and administrative expenses	(1,288.1)	(1,314.2)	(1,336.7)
Finance costs	(169.3)	(162.9)	(167.7)
Share of profit of investments in associates and joint venture	83.8	78.7	63.2
Profit before income tax	284.2	558.3	539.6
Income tax expense	(20.0)	(80.1)	(52.1)
Profit for the year	264.2	478.2	487.5
Other comprehensive income (expense) :			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations	0.0	(45.1)	0.0
Income tax on items that will not be reclassified subsequently to profit or loss	0.0	9.4	0.0
Total items that will not be reclassified subsequently to profit or loss	0.0	(35.7)	0.0
Items that will be reclassified subsequently to profit or loss			
Change in value of available-for-sale investments	3.2	(28.4)	(6.6)
Currency translation differences	(5.0)	86.2	(22.8)
Income tax on items that will be reclassified subsequently to profit or loss	(0.6)	5.7	1.3
Total items that will be reclassified subsequently to profit or loss	(2.4)	63.5	(28.1)
Other comprehensive income (expense) for the year, net of tax	(2.4)	27.8	(28.1)
Total comprehensive income for the year	261.8	506.0	459.4
Profit attributable to :			
Owners of the parent	256.2	445.0	470.1
Non-controlling interests	8.0	33.2	17.4
Profit for the year	264.2	478.2	487.5
Total comprehensive income attributable to :			
Owners of the parent	253.1	476.9	441.8
Non-controlling interests	8.7	29.1	17.6
Total comprehensive income for the year	261.8	506.0	459.4
Earnings per share			
Basic earnings per share (Baht)	0.09	0.16	0.17

Remarks: Transactions of financial statements shown in the above tables were regrouped for the year 2014, so that they are comparable to the financial statements for the year 2015 and 2016 due to their reclassification with no change to net profit as reported in the annual report for 2014 and 2015.

Consolidated Statements of Cash Flows

For the years ended December 31

Unit : Million Baht

	2016	2015	2014
Profit before income tax for the year	284.2	558.3	539.6
Adjustments to reconcile net profit to net cash provided by (paid for) operations :	790.0	721.4	662.9
Depreciation & amortization	13.5	12.8	6.6
Assets written off	(7.4)	(15.7)	(12.2)
Gain from disposal of assets	32.8	28.5	24.9
Employee benefits expense			
Actuarial loss from other long-term employment benefits	0.0	27.5	0.0
Interest income & dividend income	(13.1)	(17.1)	(19.1)
Share of profit of investments in associates and joint venture	(83.8)	(78.7)	(63.2)
Finance costs-interest expense	169.3	162.9	167.7
Others	4.9	39.4	6.0
Changes in operating assets and liabilities			
(Increase) decrease in operating assets :			
Trade accounts and other receivables	(95.1)	130.1	(176.6)
Inventories	(161.9)	(58.3)	(129.7)
Others	9.7	17.9	0.0
Increase (decrease) in operating liabilities :			
Trade accounts payable and other payables	(120.6)	(78.7)	38.7
Employee benefits paid	(35.1)	(20.7)	(38.9)
Others	(4.3)	5.1	17.5
Cash flows from operating activities	783.1	1,434.7	1,024.2
Interest paid	(168.7)	(162.2)	(166.8)
Income tax paid	(66.1)	(75.3)	(82.9)
Net cash receipts from operating activities	548.3	1,197.2	774.5

Consolidated Statements of Cash Flows (Cont'd)
For the years ended December 31

Unit : Million Baht

	2016	2015	2014
Cash flows from investing activities			
Increase (decrease) in short-term investments	(34.1)	2.0	1.9
Purchase of assets and leasehold right	(1,049.4)	(1,249.8)	(796.0)
Cash receipt from disposal of assets	5.5	32.0	55.0
Interest receipts	6.1	7.0	7.0
Dividends receipts from long-term investments	58.9	110.5	116.3
Net cash payments from investing activities	(1,013.0)	(1,098.3)	(615.8)
Cash flows from financing activities			
Increase (decrease) in short-term loans	(80.7)	299.3	628.8
Receipt from long-term loans	1,160.5	805.3	184.8
Repayment of long-term loans	(697.2)	(734.5)	(642.8)
Dividend payment	(285.7)	(281.0)	(274.5)
Others	(10.2)	(9.6)	24.4
Net cash receipts (payments) from financing activities	86.7	79.5	(79.3)
Net increase (decrease) in cash and cash equivalents	(378.0)	178.4	79.4
Cash and cash equivalents, opening balance	621.0	472.9	437.1
Effect from currency translation	28.5	(30.3)	(43.6)
Cash and cash equivalents, closing balance	271.5	621.0	472.9

13.2 Significant Financial Ratios from the Consolidated Financial Statements

Ratio	Unit	2016	2015	2014
Liquidity Ratio				
Current Ratio	Times	1.20	1.17	1.23
Quick Ratio	Times	0.68	0.71	0.73
Operating Cash Flows Ratio	Times	0.15	0.33	0.25
Account Receivable Turnover	Times	4.67	4.93	5.05
Average Collection Period	Days	77.15	72.95	71.28
Inventory Turnover ⁽¹⁾	Times	8.42	9.14	9.70
Inventory Turnover Days	Days	42.75	39.37	37.09
Account Payable Turnover	Times	8.52	8.21	8.22
Average Payment Period	Days	42.27	43.84	43.82
Cash Cycle ⁽²⁾	Days	77.63	68.48	64.55
Profitability Ratio				
Gross Profit to Sales	%	17.00	18.92	19.18
Operating Margin to Sales	%	3.12	5.46	5.47
Non-operating Margin to Total Revenues ⁽³⁾	%	0.85	1.11	1.12
Operating Cash Flows Margin	%	189.19	224.51	145.20
Net Profit Ratio to Total Revenues ^{(3), (4)}	%	2.82	4.84	4.94
Return on Equity	%	5.34	9.87	10.49
Efficiency Ratio				
Return on Total Assets	%	2.36	4.42	4.72
Return on Net Fixed Assets ⁽⁵⁾	%	17.11	20.77	21.19
Total Assets Turnover	Times	0.84	0.91	0.96
Financial Policy Ratio				
Debt to Equity Ratio	Times	1.29	1.24	1.22
Interest Coverage Ratio	Times	4.64	8.84	6.14
Operating Cash Flows Coverage (cash basis)	Times	0.27	0.53	0.45
Dividend Payout Ratio ⁽⁶⁾	%	60.94	65.86	63.95

(1) Only finished goods inventory, excluding work in process, raw materials, supplies, moulds for sales and goods in transit (before allowance for obsolescence and allowance for inventories cost in excess of net realizable value)

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

(3) Total Revenues = Sales and Service Income + Dividend Income + Other Income

(4) Net Profit = Net Profit for the Year including Profit Attributable to Owners of the Parent and that of Non-controlling Interests

(5) Fixed Assets = Property, Plant and Equipment, Net + Leasehold right, Net

(6) Thanks to its policy of paying dividend from the net profit of the Company's separate 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 dividend declaration.

Analysis of Financial Ratios from the Consolidated Financial Statements

Liquidity

As at December 31, 2016 Total Current Liabilities of the Group has decreased at a higher rate than Total Current Assets, mainly owing to the settlement of short term borrowings and trade accounts payables. This resulted in the Group having Current Ratio up from 1.17 times in 2015 to 1.20 times in 2016. Meanwhile, the lower Quick Ratio from 0.71 times as at the end of 2015 to 0.68 times as at the end of 2016 was from the decline in cash or cash equivalents.

Net Cash Receipts from Operating Activities was lessened as compared to the previous year. This is attributable to the shrink in net profit combined with the effects from changes in operating assets and liabilities despite the surge in depreciation and amortization expenses in 2016. As such, the Group faced a lower Operating Cash Flows Ratio from 0.33 times in 2015 to 0.15 times in 2016.

In addition, the Group's cash cycle extended from 68.48 days in 2015 to 77.63 days in 2016 :-

1. Average Collection Period was longer from 72.95 days in 2015 to 77.15 days in 2016, as a result of the fall in sales of beverage packaging products having a shorter credit term than other product groups.
2. Inventory Turnover Days jumped from 39.37 days in 2015 to 42.75 days in 2016 from the sales contraction whilst inventory of raw materials and finished goods piling up to support ongoing sales.
3. Average Payment Period slightly reduced from 43.84 days in 2015 to 42.27 days in 2016, thanks to the call of raw materials volumes as necessary to meet production plans as well as the lower purchase of core raw materials and purchased goods in line with the overall drop in sales.

The Liquidity Ratios for 2016 of the Group were not much different from those of 2014 and 2015. 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 shrank from 18.92% in 2015 to 17.00% in 2016

- Impacts from the sluggish domestic and overseas economic situation that has not yet fully recovered; low oil prices; declining prices of agricultural commodities; the drought situation in Thailand; and overall slowdown in household consumption and spending due to the high household debts and low consumer confidence, which are not positive for business operations. Despite accelerated budget disbursements by the Government for investments in various mega infrastructure projects together with various economic stimulus initiatives by the Public Sector and interest rates still remaining low, the negative factors outweighed those stimulus activities.
- Contraction of the production capacity of a subsidiary in Vietnam due to a workplace health inspection at the production plant of major customers that pressured down the overall production output of the subsidiary - particularly for beverage packaging products. Meanwhile, the subsidiary still bore fixed cost from partial idle capacity.
- Increased depreciation and amortization expenses from additional investments in machinery and equipment whereas the Group was not efficiently able to utilize the capacity.
- The first full year of operations of a new subsidiary in Vietnam and of another in India, causing the operating assets not being utilized to fully generate income and return on investments.

- Adjustments in the production base and customer of food packaging and beverage packaging products, through the relocation of part of the associated production machinery and equipments from Thailand to a subsidiary in Vietnam, where there has been continued economic growth and where there is a group of major customers with a high demand for beverage packaging products. However, it took a certain period of time for the process of those production facilities to be relocated, installed, and commissioned. The production process and associated quality standards also needed to be tested and accepted by the customer before the commercial production can commence. As such, the production machinery and equipments were not made use at their fullest capacity.
- A large sales order from a major customer in Vietnam for premium household products, having lower profit margin than the normal standard margin of the Group. The reason of such order acceptance is that the Group aims to expand its customer base for household products in Vietnam and to drive a more widespread consumer acceptance for such products.

For the abovementioned reasons, the Group's full year Net Profit dropped by 44.76% against the previous year, and Net Profit Ratio to Total Revenues fell from 4.84% in 2015 to 2.82% in 2016. Return on Equity sank from 9.87% in 2015 to 5.34% in 2016, in line with the decrease in net profit and the increase in equity from the net profit of the year after the annual dividend payment.

Efficiency Ratio

In 2016, the Return on Net Fixed Assets Ratio was lowered from 20.77% in 2015 to 17.11% in 2016, in line with less earnings whereas value of property, plant and equipment grew during the year from additional investments to serve business expansion of the Group.

Financial Policy

The Debt to Equity Ratio of 1.24 times in 2015 was against 1.29 times in 2016, from additional borrowings for investments and for working capital. Whereas total equity diminished marginally due to the dividend payment made from the profit of year 2015 more than the Net Profit for full year 2016.

The Group's Interest Coverage Ratio nosedived from 8.84 times in 2015 to 4.64 times in 2016 because of the declining Net Cash Receipts from Operating Activities with higher interest expenses from loans drawdown during the year. Operating Cash Flows Coverage Ratio was lower from 0.53 times in 2015 to 0.27 times in 2016. This is attributable to the decrease in Net Cash Receipts from Operating Activities more than the drop in debt obligations as a result of the reduction in loan repayments and capital investments.

The Dividend Payout Ratio was down from 65.86% in 2015 to 60.94% in 2016 inspite of paying out a dividend per share at the same rate as 2015, as the net profit in 2015 was slightly higher than that of 2014. This Dividend Payout Ratio is in line with the Company's policy of paying dividend not less than 50% of net profit of the separate financial statements.

Formula used in calculation of Operating Cash Flows Coverage Ratio (cash basis) is guided by the Office of the Securities and Exchange Commission (SEC), which was different from the one 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 14.1 (5) Financial Covenants on Loan Agreements.

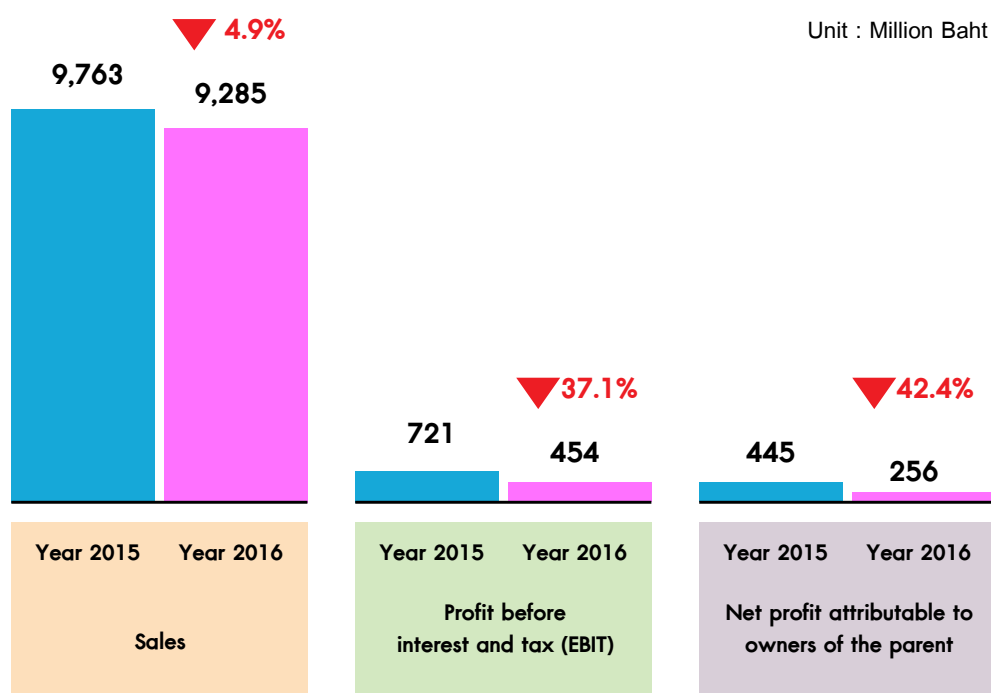
14. MANAGEMENT DISCUSSION AND ANALYSIS

14.1 Analysis of the Operating Results and Financial Position

1. OVERVIEW : Operating Performance Results for the Company and Subsidiaries

For the year ended 2016, consolidated sales of the Group has declined by 4.9% Year-On-Year (YoY). Gross Margin was lower to 17.0% (from 18.9%) of total sales. As such, consolidated profit of 2016 is Baht 264 million, with Profit Attributable to the Owners of the Parent being Baht 256 million, a drop of Baht 189 million (or 42.4%) YoY. This represents an Earnings Per Share (EPS) of Baht 0.09 – a decrease of Baht 0.07 YoY (from Baht 0.16).

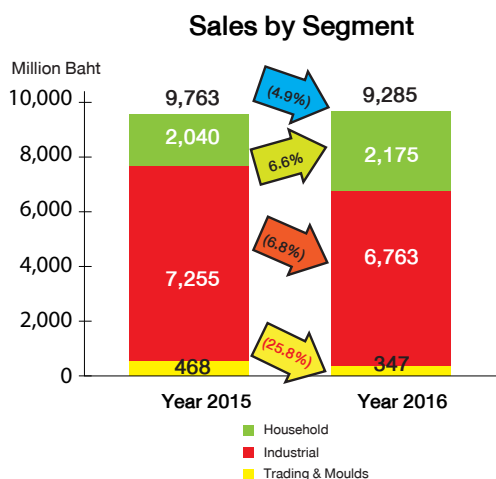
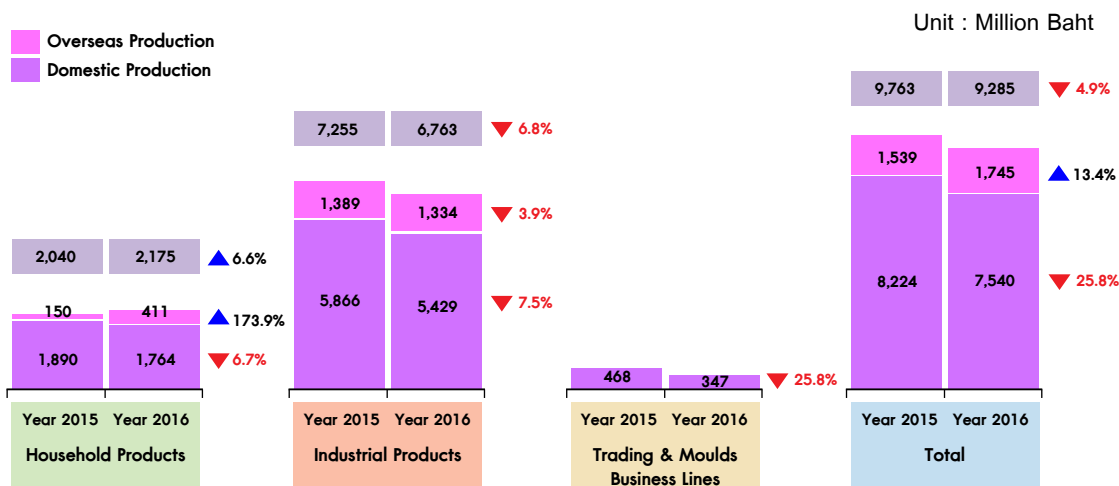
Overview of Consolidated Profit Information



	Unit	Year 2015	Year 2016
Gross profit	%	18.9%	17.0%
Net profit attributable to owners of the parent	Million Baht	445	256
Net profit on sales	%	4.6%	2.8%
Earnings per share	Baht	0.16	0.09

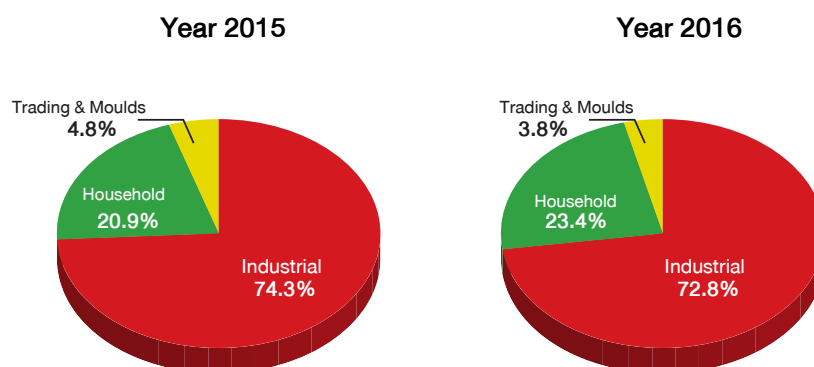
2. Analysis of the Operating Results for 2016

2.1 Sales - by Types of Business



Sales Proportion by Business Line

Revenues - by Types of Business



The proportion of total sales for the Plastics Business Line, in year 2016 compared to year 2015, increased from 95.2% to 96.2% - comprising Household Products that achieved an increase in its share of total sales to 23.4% (from 20.9%), while Industrial Products that saw a decrease in its share of total sales to 72.8% (from 74.3%). The share of total sales for the Trading and Moulds Business Line in year 2016 shrank from 4.8% to 3.8%.

1) Household Products

Sales of Household Products were surged in 2016 from 2015 by Baht 135 million, or 6.6%, which can be divided by the production bases as follows:

- Domestic production base

Domestic sales were lower due to having received, last year, a large order of patented cartoon design for melamine products from a major convenience store operator for sale as premium products.

Sales of grand sales decreased in line with the overall slow economic environment and declining purchasing power.

The Group's total export sales also contracted marginally due to the impact from an economic slowdown in the Middle East markets and because of deferred purchase orders to year 2017 from customers in Europe.

Sales for the direct sales business boosted up when compared to the previous year, due to the change in strategies, the introduction of new product designs that are more appealing and attractive to this market, the ability to make use of new selling tools that helped improve working efficiency and the addition of more value to the business.

- Overseas production base

Overseas subsidiary – namely Srithai (Vietnam) Company Limited – also achieved higher sales of OEM melamine products as premium products for a beverage producer in Vietnam. Changes in its marketing strategies and expansion of distribution channels has resulted in continuing sales growth through wholesales/retail sales (or traditional market), department stores (or modern trade) outlets and also export sales channels.

The subsidiary in India, namely Srithai Superware Manufacturing Private Limited that produces and distributes melamine household products, has started to generate revenues from the last Quarter of 2015.

2) Industrial Products

Total 2016 sales of Industrial Products decreased by Baht 492 million, or 6.8% year-on-year (YoY), with details for each respective product group as follows:

- Sales of Beverage Packaging products went down when compared to 2015 as a result of:

- 1) Sluggish demand in the domestic market from declining household income due to lower demand for labor force which had a negative impact on the overall private sector's consumption.
- 2) Lower export sales of Preform and Closure products to Indonesia, the Philippines and Laos as some customers having purchased those products locally.
- 3) Reducing sale prices based on declining cost of raw materials.
- 4) Development of new Lightweight products causing less use of raw materials and also lower selling prices.

Sales for the overseas subsidiary in Vietnam sank due to decline in orders from core customers apart from the downward pricing adjustment from the previous year. The impact of the constantly changing weather conditions such as severe drought in the Central Highlands, salinization in the paddy fields of the Mekong Delta, and a cold spell in the North and floods in the Central region resulted in a decline in overall consumer purchasing power.

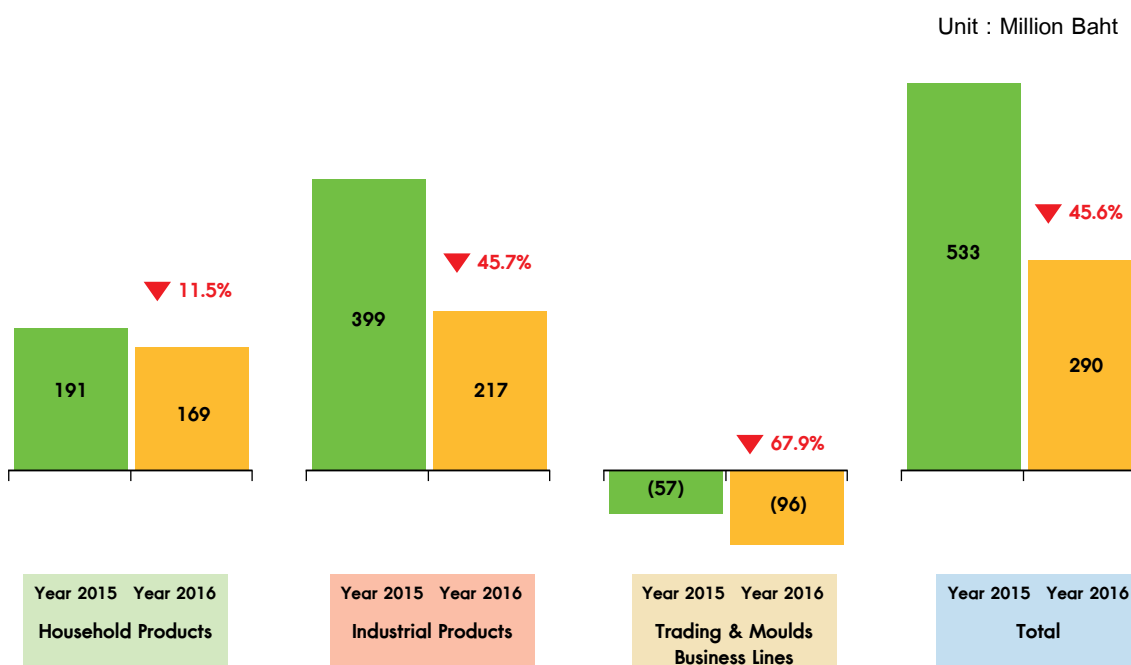
- Domestic sales of Food Packaging products were down when compared to the previous year because of slow economic growth and continued high household debt levels. It restricted the recovery of overall private sector consumption that caused more careful spending.
- Sales for automotive component parts of a subsidiary decreased, due to the model changes during 2016 and some existing models being no longer in production together with the overall slow automotive market in ASEAN. However, sales of other industrial product groups grew - especially battery cases, for which the Company has improved overall effectiveness and efficiency of the production process along with launching new product models. Sales of plastic furniture received orders from budget allocation of the public sector while plastic pallets received a large order from major industrial project. Containers were demanded for packing automotive component parts as well as for fresh vegetables and fruits by supermarkets and department stores.

3) Trading & Moulds Business Lines

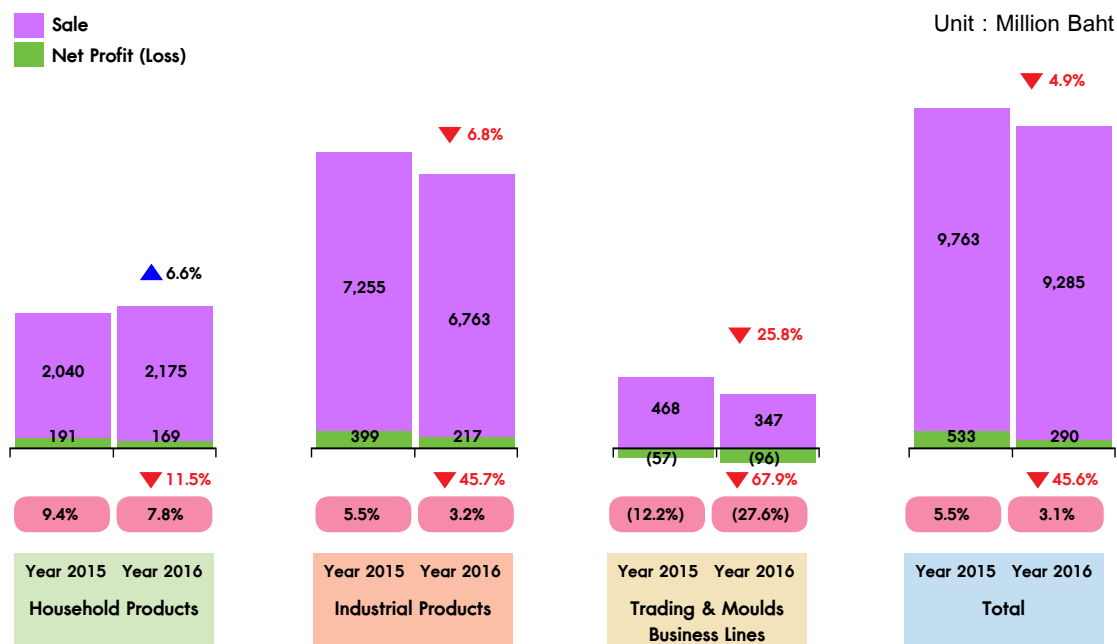
Year 2016, sales of the Trading and Moulds Business Lines were down Baht 121 million, or 25.8%, YoY compared to the previous year, resulting from:

- A decrease in the Moulds Business that corresponded to the economic slowdown and decline in orders for new moulds from the automotive industry sector.
- A lower in sales of the Network Marketing Business under Trading Business Line, causing by the economic slowdown that led to limited consumption, as well as movements of some member leaders in joining or resigning from the Company.

2.2 Profit (Loss) from Sales by Segment



Sales and Profit (Loss) from Sales by Segment



Profits from sales in 2016 of the respective Business Lines contracted by Baht 243 million, or 45.6%, YoY with the following details:

1) Household Products

Profits of Household Products were down by 11.5% in 2016 compared to 2015, with profit margins declining to 7.8% of total sales (from 9.4%) resulting from increased proportion of sales volume of those products with low profit margin for premium products of major customers, increased labor cost, higher selling and administrative expenses in line with sales, sales promotions expenses by an overseas subsidiary, and a full year operation of a subsidiary in India.

2) Industrial Products

Profits for Industrial Products shrank by 45.7% when compared to that of last year, and profit margin lower to 3.2% (from 5.5%). Gross Profit of overseas subsidiary diminished as a result of underutilized production facilities corresponding to lower orders and lower selling price due to plummeting raw material costs from the previous year but having an effect this year, whereas selling and administrative expenses lessened marginally.

3) Trading & Moulds Business Lines

The Trading and Moulds Business Lines made an overall loss of Baht 96 million, with a loss margin of 27.6% of sales, more than that of the previous year. Moulds Business suffered higher losses from the slowdown automotive industry, causing the falling orders for new moulds whereas fixed costs were still remained. Besides, the Network Marketing Business under Trading Business Line had loss from the sluggish economy while sales promotions expenses were to be maintained.

2.3 Selling and Administrative Expenses

Unit : Million Baht

Description	Year 2016		Year 2015		Change from Year 2015	
	Amount	% on sales	Amount	% on sales	Amount Inc (Dec)	% +(-)
Selling and administrative expenses	1,288	13.9%	1,314	13.5%	(26)	(2.0%)

Eventhough overseas subsidiaries in Vietnam and India have been recently in full year operation, selling and administrative expenses in 2016 slightly dropped Baht 26 million, or 2.0% YoY from 2015, in line with sales.

3. Analysis of Consolidated Financial Position

Consolidated Financial Position (partial)

Unit : Million Baht

Description	As at Dec 31, 2016	As at Dec 31, 2015	Changes from Dec 31, 2015	
	Amount	Amount	Amount Inc (Dec)	% +(-)
Trade accounts receivable, net	2,007	1,928	79	4.1%
Inventories, net	1,802	1,658	144	8.7%
Property, plant and equipment, net	6,065	5,852	213	3.6%
Total assets *	11,304	11,107	197	1.8%
Bank overdrafts and short-term loans	1,671	1,752	(81)	(4.6%)
Trade accounts payable	851	959	(108)	(11.3%)
Long-term loans	3,119	2,656	463	17.4%
Employee benefit obligations	377	379	(2)	(0.5%)
Total liabilities *	6,371	6,150	221	3.6%
Unappropriated retained earnings	1,755	1,792	(37)	(2.1%)
Non-controlling interests	239	245	(6)	(2.4%)
Total equity *	4,933	4,957	(24)	(0.5%)

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

As at December 31, 2016, significant changes in the consolidated financial position compared to December 31, 2015 are as follows:

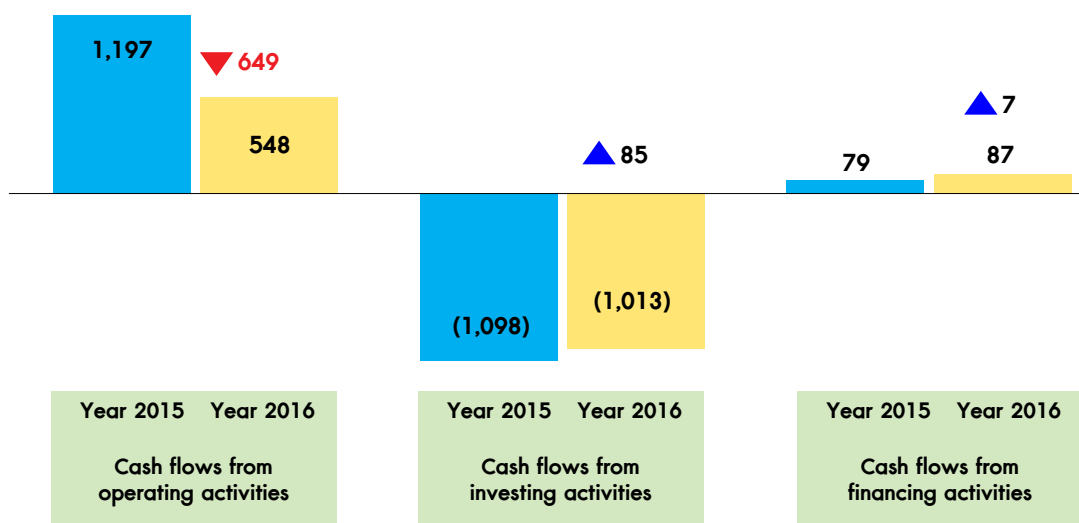
- Higher Trade Accounts Receivable, owing to customers of a subsidiary in Vietnam having placed a special large order for Household Products during the year, and a subsidiary in India having started to recognize full-year sales.
- Increase in Inventories on hand, thanks to the Company keeping an extra reserve of raw materials for producing plastic pallets and plastic containers to serve orders to be placed in early 2017. Extra raw materials were piled up for producing household products before the cost of such raw material is increased in January. As well, inventories of work in process were raised in response to orders received for premium products from a major convenience store operator for the new year festivity.
- Increase in the net book value of Property, Plant and Equipment as a result of additional acquisition of assets during the year, especially newly overseas subsidiaries in Vietnam and India which were expanding their capacities, which is an amount that is higher than the annual depreciation and disposals during the year.
- Decline in Short-Term Loans due to repayment.

- Reducing in Trade Accounts Payable, in line with lower orders from a group of customers for food and beverage packaging products, whose own sales have contracted.
- Rise in Long-Term Loans (net after scheduled repayments) from the loan draw downs for assets acquisition of overseas subsidiaries having investment expansion which is higher than the amount of the loan payments.
- Down in Employee Benefit Obligations resulting from the actual payment being made during the year which was higher amount than the recognition of the other benefits obligations.
- Lower Unappropriated Retained Earnings totaling Baht 37 million, from the dividend payment in respect of operating result of 2015 amounting to Baht 271 million which was higher than the amount of Profit Attributable to Owners of the Parent for the year 2016, and legal reserve amounting to Baht 22 million.
- Drop in Non-controlling Interests from dividend payment in respect of subsidiaries' operating result of 2015 higher than net profits of subsidiaries for the year 2016.

4. Analysis of Liquidity

Consolidated Cash Flows (partial)

Unit : Million Baht



Unit : Million Baht

	Dec 31, 2015	Dec 31, 2016
Net increase (decrease) in cash and cash equivalent	178	(378)
Cash and cash equivalents, opening balance	473	621
Effect from currency translation	(30)	29
Cash and cash equivalents, closing balance	621	272

For the 12 months period of 2016, the Group had significant cash flows transactions compared against the same period of 2015 as follows:

- 1) Lower Cash Flows from Operating Activities due to the plunge in net profit and increase in accounts receivable and inventory.
- 2) Decrease in Cash Flows for Investing Activities as less new investments were made in addition to replacements of some assets, whereas big investment were already spent for new manufacturing plants in Vietnam and India last year.
- 3) Higher Cash Flows from Financing Activities thanks to the amount of new long term loans draw downs over the amount of long term loan repayments.

As at December 31, 2016, the Group still has available unused credit facilities totaling more than Baht 5 billion comprising overdraft facilities, and revolving credit lines – all of which have associated interest costs that are appropriate. As such, the Group is confident that it has adequate cash flows for its operations and planned investment projects.

5. Financial Covenants on Loan Agreements

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

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

Definition and calculation of the D/E Ratio

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

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

Definition and calculation of the DSCR

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

EBITDA mean profits before interest costs payable, corporate taxes (as per the Statement of Comprehensive Income) + depreciation or amortization costs (as per the Statement of Cash Flows)

Interests cost payable means cost of financing (as per the Statement of Comprehensive Income)

As for the scheduled long term loans for the year, this means the current portion of long terms loans that are due for repayment during the respective current year in question (as per the Statement of Financial Position in the prior year that are used to calculate the various financial ratios)

Based on the method of calculation as the Company's financial statements, the financial ratios as required by the loan agreements are as follows:

Financial ratios (times)	Required	As at end 2016
D/E Ratio	Not exceeding 2.0 times	0.94
DSC Ratio	Not less than 1.1 times	1.64

During 2016, the Company made a prepayment one of its long term loans prior to its maturity date to a local financial institution without incurring any surcharges. If this prepayment is excluded, the Company's debt service coverage ratio for 2016 will be equal to 1.74 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.

6. Significant Events during 2016 and Post Statement of Financial Position Events

During 2016, 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

1.1 Investment in Srithai (Hanoi) Company Limited

Srithai (Vietnam) Company Limited ("SVN") bought a 100% shareholdings in Srithai (Hanoi) Company Limited ("SHN"), and paid for the remaining costs of the shareholdings to SHN totaling Vietnam Dong 154,920 million (or equal to Baht 248.0 million) as at December 31, 2016. SHN has fully paid up all its shares totaling Vietnam Dong 424,920 million (or equal to Baht 663.1 million)

1.2 Investment in Srithai Superware Manufacturing Private Limited

Srithai Superware Manufacturing Private Limited ("SSMP"), a wholly-owned subsidiary of the Company, amounting to Indian Rupees 100.0 million registered a capital increase from India Rupees 600.0 million to India Rupees 720.0 million, in accordance with the resolution of the SSMP Board of Directors, in order to invest in additional production and operating assets for the business.

As such, the Company paid in the additional increase capital consisting of the par value of the shares and also the premium on the shares totaling India Rupees 120.0 million together with another India Rupees 30.0 million respectively (or equal a total of Baht 79.1 million). Thus, as at December 31, 2016, the Company has invested and paid in full the total value equity of this Subsidiary SSMP Company at the registered par value totaling India Rupees 720.0 million together with the premium of the value of the shares totaling India Rupees 180.0 million, or totaling India Rupees 900.0 million (or equal to Baht 482.1 million) as approved by the Board of Directors.

1.3 Liquidation of P.E.T. Blow Company Limited

During the year ended as at December 31, 2015, P.E.T. Blow Company Limited ("PETB"), 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 PETB. This was because the operating performance of PETB has declined with an increasing accumulated loss carried forward, due to reduced sales order received from a major customer and being unable to acquire a replacement customer, as well as the change in Group's new marketing strategy to focus expanding the production base for PET blow bottles to the Vietnam market which will enable the Company to make valuable use of the production assets of PETB. However, the overall size of operations and revenues of PETB is not of any material or significant proportion of the consolidated Financial Statement and status of the Group; and PETB is currently in the process of liquidating its accounts.

However, during 2016, PETB used the income from the sales of its core assets to make installment payments of its existing short term loans owed Korat Thai Tech Company Limited and to Srithai Nanoplast Company Limited - both of which are Subsidiary Companies in which the Company also has a 100% equity shareholding - until all outstanding inter-company loans are fully paid.

1.4 Impairment of Investment in Srithai Superware India Limited

The Company's management had considered and determined to set up provision for impairment of investment in a subsidiary, Srithai Superware India Limited ("SSI"), a Subsidiary Company in which the Company has an 82.4% of the total equity value of Baht 25.1 million which equals to the cost of investment in the subsidiary

in the separate financial statements. This resulted from the subsidiary not meeting their operational budgets with continuing losses. SSI has a direction to fade out its operation in the next 2 years. The allowance is presented under loss on impairment of investment in a subsidiary in the statement of comprehensive income.

2. Loans

2.1 Long Term Loans Facilities

In Q1/2016 the Company has made a drawdown of long term loan from two domestic commercial banks totaling Baht 600 million, in accordance with the loan agreements executed in 2014 and also in 2016 that had combined a total credit facility of Baht 600 million, with the objective of investing in production assets and in overseas Subsidiary Companies. As such, during the rest of 2016, the Company did not seek to acquire any new or additional long term loans, since the Company just made the above mentioned loans draw down. The Company's liquidity from its operating results and available revolving credit facilities from various financial institutions is sufficient to adequately support ongoing operations and investments during 2016.

As for investment plans for 2017, the Company expects to source additional long term loans required as appropriate for its current financial status and future investment plans of the Company.

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, 2016 totaling Baht 2,187.1 million in the Notes to the Financial Statements for the year ended December 31, 2016 under Note 20 : Long -term loans on pages 62 - 65.

2.2 Revolving Credit Facilities

The Company has been receiving support and trust from financial institutes regularly. In 2016, the Company received additional revolving lines of credit from commercial 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 Q1/2016, the Company issued a new letter of guarantee to a material supplier in Thailand with a total value of US Dollars 0.5 million (or equal to Baht 18.0 million), in order to renew a guarantee period for another year relating to payments for raw materials by Srithai (Hanoi) Company Limited ("SHN"), that is a direct fully owned Subsidiary of Srithai (Vietnam) Company Limited ("SVN") and an indirect Subsidiary of the Company. This is so that the Subsidiary Company can effectively and easily source its required raw materials at appropriate costs. As at the beginning of 2017, the Company extended the validity of the letter of guarantee at the same value. As such, the Company will consider providing financial support in the form of guaranteed that are extended on a year by year basis; whereby this is based on the current financial status, operating performance and the ability to be self supporting on the part of both SHN and SVN.

3. Other Matters

3.1 Appointment of Board Directors of the Company

On November 11, 2016, the Board of Directors of the Company approved a resolution to appoint Mr. Supachoke Liamkao, who possesses the required qualifications, as a new Independent Director of the Company to replace Mrs. Srisuda Lertsumitkul who resigned from the Board in 2015

3.2 Appropriation of Net Profit and Dividend Payment

The Company has appropriated its net profit for the year 2015 period to be allocated for required legal reserves totaling Baht 25,000,000, as well as for making a dividend payment to its shareholders at the rate of Baht 0.10 per share in 2016, totaling Baht 270,990,480 or equal to 60.94% of the net profit of the Separate Financial Statements only. In accordance with the resolution of the Annual General Shareholders Meeting No. 35 (for 2016)

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 as follows :

Korat Thai Tech Company Limited (“KTT”)

Approved by	Total Dividend (Million Baht)	Dividend per share (Baht)	Percentage of shareholding	Dividend received (Million Baht)
Annual General Meeting of Shareholders on March 25, 2016	81	27.0	100.0	81
1st Extraordinary General Meeting of Shareholders on September 30, 2016	30	10.0	100.0	30
Total	111	37.0	100.0	111

Srithai Miyakawa Company Limited (“SMW”)

Approved by	Total Dividend (Million Baht)	Dividend per share (Baht)	Percentage of shareholding	Dividend received (Million Baht)
Annual General Meeting of Shareholders on April 26, 2016	30	25.0	51.0	15

Srithai (Vietnam) Company Limited (“SVN”)

Approved by	Total Dividend (Million VND)	Dividend per share	Percentage of shareholding	Dividend received (Million VND)
Board of Directors' Meeting on April 7, 2016	75,000 or an equivalent of Baht 120 million	-	100.0	75,000 or an equivalent of Baht 120 million

3.3 Debt Covenants and Obligations and debts that may occur in the future

On May 1, 2011, the Company engaged a foreign staff recruitment service company located in Cambodia, who proceeded to provide foreign workers into Thailand from Cambodia in a fully correct and legal manner. The recruitment company agreed to pay the local agents for their recruitment services rendered workers upon each worker receiving their legal work permits from the involved officials and have completed their work service agreements. Further, the Company paid to the staff recruitment service companies the agreed fees in accordance with the recruitment service agreement and invoices issued.

Subsequently, on June 13, 2016, the abovementioned staff recruitment service company accused the Company of defaulting on fees payment due their local representative and took legal proceedings against the Company for payment and damages suffered together with associated interest costs at 7.5% per year effective from the date of filing legal proceedings till the date of complete payment as filed. The Company appointed a lawyer to represent the Company in and during the course of the legal proceedings in the Courts, The Company was not at fault or breach the agreed conditions of the services contract as accused whatsoever; and thus filed a counter suit and called for damages from the staff recruitment service company who, itself, had breached the services agreement

During 2016, the Company's lawyers and representative undertook legal proceedings in the Courts to arbitrate and settle the dispute; but no mutually agreeable settlement was able to be reached. Therefore, the Courts will hear from the both the defendant and prosecution during June 14 - 16, 2017. The Company assess that no damages will be imposed and, thus, has considered not to recognize any potential liabilities in its Financial Statements for the year ended December 31, 2016.

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 of Srithai Group in Vietnam 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 Srithai (Vietnam) Company Limited ("SVN"). 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 originally 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 scheme from the original plan. This is due to the fact that the listing in such period may not maximize benefits to the Company and may not attract investors as much as expected.

The postponement of fund raising in SET is merely a waiting for SVN and SHN's performance consideration and a right timing. Eventhough funds cannot be raised 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.

In 2016, the Company has not yet proceeded with these plans; whereby the Company is still considering the overall operations of SVN and SHN so as to assess, together with the financial advisors, the situation and to decide appropriate timing on a year by year basis. Further, or to change such plans that may be more appropriate for the Company's future strategies.

3.5 Results of the Annual Evaluation of Corporate Governance Practices and Assessment of the Quality of the Annual General Meeting of Shareholders for 2016

In 2016, the Thai Institute of Directors Association (IOD) evaluated the overall degree of corporate governance practices of the Company as "Excellent". As well, the Thai Investors Association (TIA) also assessed the quality of the Company's Annual General Meeting of Shareholders (AGM) with a full score of 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

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

On February 24, 2017, the Board of Directors approved the appropriation of the Company's net profit for the year 2016 as follows: for required legal reserves totaling Baht 22,000,000, and for dividend payment at the rate of Baht 0.10 per share totaling Baht 270,990, 480 (or equal to 66.77% of the net profit of the Separate Financial Statements only). Such Board resolutions will be proposed and submitted for approval at the Company's Annual General Meeting of Shareholders No. 36 (for the year 2017).

14.2 BUSINESS OUTLOOK FOR 2017

1. Household Products

Domestic market

- Sales of Direct Sales business are expected to surge with the project to change this business to a digital platform, through the development and implementation of new applications so that it can be done via mobile phone and other mobile devices. This will make business transactions both easier and more accessible to buyers and sellers; such as: viewing the range of products on offer and sale promotions campaigns available on the e-catalogue, receiving products and promotions news via the applications, ordering and purchasing products via an e-commerce application, and paying for them online or via the Prompt Pay platform. As well, this will promote a paperless transactions system and enable an expanded market base in line with the latest economic and social environment trends according to the current consumer behavior.
- Sales of Srithai Super Outlet located in Choburi are to be upward, by adding a variety of both products from the Company's own manufacturing plants and other leading manufacturers.

Export Markets

- The export sales trend will increase thanks to the development and introduction of new product lines through continuing close collaboration of a major European client group from 2016 onwards. This European client group requires quality products that must strict to EU quality standards including the standards criteria relating to safety, health and hygiene, and labor requirements. The Company's products, therefore, have been very well-received and in positive upward demand.
- A newly established subsidiary in India will achieve soaring sales, as a result of the increased production capacity, the expanded distribution and sales coverage throughout the country, and the various product promotions campaigns to be undertaken for major festivities.

- Sales of a subsidiary in Vietnam will be lower than 2016, since a special bulk order had been fulfilled last year. However, the subsidiary in Vietnam should be able to maintain its sales through the traditional market channel, the modern trade, and export sales as changes in marketing strategies have been implemented with the addition of new distribution channels.

2. Industrial Products

Beverage packaging product

- In 2017, sales of food and beverage packaging products, in the Industrial Products group, will ascend.

New food packaging products will be developed by reason of the Public Sector's focus on promoting and expanding the tourism industry and the expansion of processed sea food products exports from Thailand, having a positive effect on the Company's total sales.

With regards to the beverage packaging products, the Company will continue to develop these products through the introduction of innovative technology to enable a less use of raw materials required in the production process.
- Sales of the subsidiaries in Vietnam should be upturn through the introduction of additional new products that is expected to start in Quarter 2 of 2017, which will help push up total revenues for the subsidiaries.

Other Industrial Products

- For 2017, sales of these products will rise as follow :
 - Orders expected from a large industrial project, for plastic pallets and containers. Growth of these sales correspond to the growth in the associated types of industry sectors, manufacturing plants or warehouses, and new products to be launched by the Company, such as: two colored plastic containers for agricultural products.
 - Plastic containers/pails: The Company focuses on expanding its market base for house paint containers/pails through using the IML manufacturing technology that yields a much better quality product with a lucrative selling price than those using the silk screening process.
 - The Company has received orders for premium products from a major convenience store operator, that have been well-accepted by consumers. We expect that additional orders for new types of premium products will be placed on a continuing basis. Further, the Company also plans to expand sales of premium products into other groups of clients.
 - If the Government stimulates the economy further and accelerates budget disbursements, it will lead to boost sales of the Company's plastic furniture and garbage bin products.
- Sales of automotive component parts by the subsidiary will grow due to design changes for some component parts that will take place. Meanwhile, the Company needs to adopt new strategies in competing with foreign competitors who use sharp pricing strategies, so as to maintain its current customers-base in this market.

3. Trading and Moulds Business Line

Trading Business Line

- In 2017, sales of Srithai Network Marketing business is expected to recover as a result of new projects and various strategies of this business group covering:
 - Focus on undertaking sales and marketing activities through online channels, so as to expand the group's customers bases as well as to increasingly meet the requirements of those targeted customers who tend to buy and sell products online.

- Packaging size adjustment of the S-Matrix products to be more compact, which will encourage customer base expansion.
- Additionally, in 2017, the Network Marketing business expects to expand sales teams and promote some of its members to leadership positions, since many leaders from other network marketing businesses joined the Srithai Network Marketing business during 2016. Further, there have been positive growth trends for the health and beauty products as well as for the agriculture related products. Strategies that focus on specific product groups will be implemented - especially relating to launching the sales center of organic agriculture-related products and the Food Matrix Express outlets, along with launching new products from the beginning of the year under health product group and under the innovative product group.

Moulds Business Line

- We expect that sales of plastic moulds for 2017 will increase as a result of design changes in the component parts, that will then require orders for new moulds.

Attachment no. 1

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

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

1) Mr. Sanan Angubolkul



Age : 70 years
Nationality : Thai
Present Position : Chairman, President, and
 Nomination and Remuneration
 Committee Member
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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	440,823,510	16.27	NONE	440,823,510	16.27

Relationship among

Directors and Executives : None

Illegal Acts in

the Past 10 Years : None

Training Course : Before year 2016

Thai Institute of : Role of the Chairman Program (RCP) Class 4/2001
Directors Association (IOD) : Director Accreditation Program (DAP)

: Year 2016

-None-

Other Training

: Before year 2016

Top Executive Program in Commerce and Trade

2nd Class (TEPCoT2), Commerce Academy

Capital Market Academy Leadership Program, class 7/2008

: Year 2016

-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 rd Class	-
Mahachulalongkornrajavidyalaya University	Honorary Doctorate Degree in Philosophy	Social Science

Experience:

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

Present Positions in Companies:
1) Listed Companies:

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

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

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

2.2) Other Companies:

Company	Position
Related Party Company	
1. S.Sahatara (Thailand) Company Limited	Director
2. Toho Foam (Thailand) Company Limited	Director
Other Company	
1. LN SriThai Comm Company Limited	Director
2. Nissen Chemitec (Thailand) Limited	Director
3. Schaffner EMC Company Limited	Director
4. Chai Talay Hotel Company Limited	Director
5. SriThai Agricultural Garden 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 : 6
- Nomination and Remuneration Committee meeting	No. of meetings held : 3	No. of meetings attended : 3

Tenure of directorship : 24 years (since 1993 till present time)

2) Mr. Viroj Lowhaphandu



Age : 87 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	0	0.00	NONE	0	0.00

Relationship among

Directors and Executives : None

Illegal Acts in

the Past 10 Years : None

Training Course : Before year 2016

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
 Advanced Audit Committee Program (AACP) Class 19/2015

: Year 2016

-None-

Other Training

: Before year 2016
 Certified Professional Internal Auditors (CPIA)
 Certified Public Accountant (Thailand) (CPA)
 Audit Committee Financial Expert (ACFE)

: Year 2016

-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, 22 nd Class	-

Experience:

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

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, 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
1. Srithai Superware Public Company Limited	Independent Director, and Chairman of the Audit Committee
2. Central Plaza Hotel Public Company Limited	Advisor to the Audit Committee, and Advisor to the Board of Directors

2) Non-listed Companies:
2.1) Srithai Superware Group : None

2.2) Other Companies

Company	Position
1. Central Hua Hin Beach Resort Company Limited	Director
2. VPB Audit Company Limited	Chairman

**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	No. of meetings held : 4	No. of meetings attended : 4
- Meeting among independent directors and auditors without attendance of executives	No. of meetings held : 1	No. of meetings attended : 1

Tenure of directorship : 23 years (since 1994 till present time)

3) Mr. Enghug Nontikarn



Age : 60 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	59,000	0.00	NONE	59,000	0.00

Relationship among

Directors and Executives : None
Illegal Acts in the Past 10 Years : None
Training Course : Before year 2016
Director Accreditation Program (DAP)
: Year 2016
-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
1. Srithai Superware Public Company Limited	Independent Director, Audit Committee Member, and Nomination and Remuneration Committee Member
2. Thanachart Bank Public Company Limited	Executive Vice President Treasury and Debt Capital Markets

2) Non-listed Companies:

2.1) Srithai Superware Group : None

2.2) Other Companies

Company	Position
Tris Corporation Limited	Director

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

May Arise : None

Attendance:

- 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	No. of meetings held : 4	No. of meetings attended : 4
- 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 : 23 years (since 1994 till present time)

4) Mr. Suchat Boonbanjerd Sri



Age : 57 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	0	0.00	NONE	0	0.00

Relationship among

Directors and Executives : None

Illegal Acts in the Past 10 Years : None

Training Course : Before year 2016

Thai Institute of Directors Certification Program (DCP)

Directors Association (IOD) Audit Committee Program (ACP)

: Year 2016

-None-

Other Training : Before year 2016

- Executive Program

Capital Market Academy

- Executive Development Program (EDP)

Thai Listed Companies Association

- Leadership Development Program (LDP)

Thai Listed Companies Association

: Year 2016

-None-

Education:

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

Experience:

Company	Position	Time Period
Kasikornbank Public Company Limited	Dealer – Treasury Department	A.D. 1985 – 1986
Kasikornbank Public Company Limited, Los Angeles Branch	Manager	A.D. 1986 – 1994
Thammasat University, Kasetsart University	Guest Lecturer, M.B.A. Program	A.D. 1987
Asset Plus Securities Company Limited	Senior Vice President	A.D. 1994 – 1996
Dynamic Eastern Finance (1991) Public Company Limited	Managing Director	A.D. 1996 – 1997
Financial Restructuring Authority of Thailand	Non core Sale Department	A.D. 1997 – 1998
Sub-Committee on Fiscal, Banking and Financial Institution, House of Representatives	Advisor	A.D. 1999 – 2000
Siam University	Guest Lecturer, M.B.A. Program	A.D. 2000
Aeronautical Radio of Thailand Company Limited, a state enterprise under the Ministry of Transport and Communication	Director	A.D. 2001 – 2002
Siam Syntech Construction Public Company Limited	Director	A.D. 2001 – 2002
Sub-Committee on Economics Development, House of Representatives	Advisor	A.D. 2001 – 2005
Aeronautical Radio of Thailand Company Limited	Advisor, Risk Management Committee	A.D. 2002 – 2006

Present Positions in Companies:
1) Listed Companies:

Company	Position
1. Srithai Superware Public Company Limited	Independent Director, Audit Committee Member, and Chairman of the Good Corporate Governance Committee
2. General Engineering Public Company Limited	Independent Director, and Chairman of the Audit Committee
3. Pylon Public Company Limited	Director
4. Salee Printing Public Company Limited	Independent Director, and Chairman of the Audit Committee
5. SNC Former Public Company Limited	Independent Director, and Chairman of the Audit Committee

2) Non-listed Companies:

2.1) Srithai Superware Group : None

2.2) Other Companies:

Company	Position
1. Practicum Engineering Company Limited	Chairman
2. Knight Club Capital Asset Management Company Limited	Director
3. Steeler Steel Works Company Limited	Director
4. Steel Plus Fabrication Company Limited	Director
5. Dark Horse Development Company Limited	Director
6. Knight Club Capital Holding Company Limited	Director
7. Acme 1975 Company Limited	Director
8. K J K Estate Company Limited	Director
9. TJ Inter Service Company Limited	Director
10. TES Practicum Company Limited	Director
11. Chiang Dao Orchard Company Limited	Director
12. A.L.M. (Thailand) 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	No. of meetings held : 4	No. of meetings attended : 4
- Good Corporate Governance Committee meeting	No. of meetings held : 4	No. of meetings attended : 4
- Meeting among independent directors and auditors without attendance of executives	No. of meetings held : 1	No. of meetings attended : 1

Tenure of directorship : 15 years (since 2002 till present time)

5) Mrs. Siriporn Sailasuta



Age : 70 years
Nationality : Thai
Present Position : Independent Director, Chairwoman 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	0	0.00	NONE	0	0.00

Relationship among

Directors and Executives : None
Illegal Acts in the Past 10 Years : None
Training Course : Before year 2016
Thai Institute of Directors Association (IOD) : Director Certification Program (DCP)
 Financial Statements for Directors (FSD)
 Role of Compensation Committee (RCC)
 : Year 2016
 -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 nd Class	-
The Australian National University	Certificate	Leadership, Management and Governance in the Public Section

Experience:

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

Present Positions in Companies:
1) Listed Companies:

Company	Position
Srithai Superware Public Company Limited	Independent Director, Chairwoman of the Nomination and Remuneration Committee, and Good Corporate Governance Committee Member

2) Non-listed Companies:

2.1) Srithai Superware Group : None

2.2) Other Companies:

Company	Position
1. Charoen Pokphand Group Company Limited	Advisor – Corporate Development & Productivity Improvement Office
2. Sui-Siriphun Company Limited	Director
3. Saila Suwan Company Limited	Director
4. SPN Green (Thailand) 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 : 6
- Nomination and Remuneration 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 : 4
- Meeting among independent directors and auditors without attendance of executives	No. of meetings held : 1	No. of meetings attended : 1

Tenure of directorship : 9 years (since 2008 till present time)

6) Mr. Supachoke Liamkao



Age : 62 years
Nationality : Thai
Present Position : Independent Director
Date of Directorship : November 11, 2016

Authority to Sign for the Company

as per Certification Document : -None-

Shareholding in the Company:

Held by	As at December 30, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	0	0.00	NONE	0	0.00

Relationship among

Directors and Executives : Elder brother of Ms. Bunnapa Lertsumitkul

Illegal Acts in the Past 10 Years : None

Training Course : Before year 2016

Thai Institute of : -None-

Directors Association (IOD) : Year 2016

-None-

Other Training : Before year 2016

- PTT's Leadership Program 1-3
Thammasat University & Chulalongkorn University
 - Senior Executive Program (SEP) Class 21
Sasin Graduate Institute of Business Administration of Chulalongkorn University
 - NIDA-Wharton Executive Leadership Program
NIDA & Wharton University, U.S.A.
 - Advanced Certificate Course in Public Economics Management for Executives
King Prajadhipok's Institute
 - Certificate Course in Good Governance for Directors & Senior Executives of State
Enterprises and Public Organizations
King Prajadhipok's Institute
 - Army War College Class 51
Royal Thai Army War College
 - Advanced Senior Executive Program (ASEP)
Sasin & Kellogg School of Management (U.S.A.)
 - Market Planning & Analysis for Chemical,
Petrochemical and Plastics Industry (IHS)
- : Year 2016
- None -

Education:

Institution	Degree	Major
Ramkhamhaeng University	Bachelor of Science	Chemistry
National Institute of Development Administration	Master	Public Administration

Experience:

Company	Position	Time Period
Petroleum Authority of Thailand	Vice President - Oil Retail Engineering Dept., Industrial Sales Dept. and Oil Transportation Dept.	A.D. 1996 – 2005
PTT Public Company Limited	Executive Vice President - Petrochemicals & Refining Business Unit	A.D. 2006 – 2015
PTT Polymer Logistics Company Limited	Managing Director	A.D. 2006 – 2012
PTT Polymer Marketing Company Limited	Director /President	A.D. 2009 – 2013 / A.D. 2012 – 2013
HMC Polymers Company Limited	President	A.D. 2013 – 2015
PTT MCC Biochem Company Limited	Director	A.D. 2013
Rayong Refinery Public Company Limited	Director	A.D. 2015

Present Positions in Companies :
1) Listed Companies :

Company	Position
Srithai Superware Public Company Limited	Independent Director

2) Non-listed Companies:

2.1) **Srithai Superware Group** : None

2.2) **Other Companies**

Company	Position
1. PTT Polymer Logistics Company Limited	Director
2. PTT Maintenance and Engineering Company Limited	Director
3. PTT Polymer Marketing DMCC Company Limited (Dubai)	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
- Board meeting	No. of meetings held : 6	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 : Appointed on November 11, 2016

7) **Mr. Naphol Lertsumitkul**

Age : 55 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	0	0.00	NONE	0	0.00

Relationship among

Directors and Executives	:	Elder brother of Ms. Bunnapa Lertsumitkul
Illegal Acts in the Past 10 Years	:	None
Training Course	:	Before year 2016
Thai Institute of		Director Accreditation Program (DAP)
Directors Association (IOD)		Director Certification Program (DCP)
		Director Certification Program Update (DCPU)
	:	Year 2016
		-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
Subsidiary Company Srithai Mivagawa Company Limited	Director

2.2) Other Companies

Company	Position
1. Srithai Agricultural Garden Company Limited	Director
2. Superware Housing 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 : 6

Tenure of directorship : 23 years (since 1994 till present time)

8) Mr. Mani Ativanichayaphong



Age : 71 years
Nationality : Thai
Present Position : Director, and
 Good Corporate Governance Committee- Member
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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	11,587,200	0.43	NONE	11,587,200	0.43

Relationship among

Directors and Executives : None
Illegal Acts in the Past 10 Years : None
Training Course : Before year 2016
Thai Institute of Director Accreditation Program (DAP)
Directors Association (IOD) Director Certification Program (DCP)
 : Year 2016
 -None-

Education:

Institution	Degree	Major
Ramkhamhaeng 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, and Good Corporate Governance Committee Member

2) **Non-listed Companies:**

2.1) **Srithai Superware Group**

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

2.2) **Other Companies** : None

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

May Arise : None

Attendance:

- 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 : 24 years (since 1993 till present time)

9) Mr. Prin Bholnivas



Age : 60 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	2,000,000	0.07	NONE	2,000,000	0.07

Relationship among

Directors and Executives : None

Illegal Acts in the Past 10 Years : None

Training Course : Before year 2016

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 2016
 Ethical Leadership Program (ELP)

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

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

- 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	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 : 15 years (since 2002 till present time)

10) Mr. Settapong Haemintakun



Age : 55 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	0	0.00	NONE	0	0.00

Relationship among

Directors and Executives : None

Illegal Acts in the Past 10 Years : None

Education:

Institution	Degree	Major
Assumption University	Bachelor	Business Administration
Ramkhamhaeng 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 Not attended

11) Ms. Bunnapa Lertsumitkul



Age : 54 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	80,000,000	2.95	NONE	80,000,000	2.95

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

Company	Position
1. Superware Housing Company Limited	Director
2. Srithai Agricultural Garden 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

12) Mr. Apisit Tangsatit



Age : 58 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	1,420	0.00	NONE	1,420	0.00

Relationship among

Directors and Management : None

Illegal Acts in the Past 10 Years : None

Education:

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

Experience:

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

Present Positions in Companies:

1) Listed Companies:

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

2.1) Srithai Superware Group:

Company	Position
Subsidiary Company	
1. SuperIdea Company Limited	Director
2. Srithai Miyagawa Company Limited	Director
Associated Company	
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	No. of meetings attended : 1
- Risk Management Sub-Committee meeting	No. of meetings held : 12	No. of meetings attended : 12

13) Mr. Pawat Chalermpong



Age : 56 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	No. of shares	%		No. of shares	%
Owner	1,050,000	0.04	100,000	1,150,000	0.04
Spouse	0	0.00	NONE	0	0.00
Minor Child	0	0.00	NONE	0	0.00
Total	1,050,000	0.04	100,000	1,150,000	0.04

Relationship among

Directors and Executives : None

Illegal Acts in the Past 10 Years : None

Training Course : Before year 2016
Thai Institute of - None -
Directors Association (IOD) : Year 2016
 Corporate Governance for Executives (CGE)

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 Director - Industrial Products

2) Non-listed Companies:
2.1) Srithai Superware

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

2.2) Other Companies

Company	Position
1. Perfect Slide Company Limited	Director
2. Futuretech Intermarketing 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
- Risk Management Sub-Committee meeting	No. of meetings held : 12	No. of meetings attended : 12

14) Mr. Pongsak Kantiratanawong



Age : 58 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	No. of shares	%		No. of shares	%
Owner	1,650,000	0.06	350,000	2,000,000	0.07
Spouse	0	0.00	NONE	0	0.00
Minor Child	0	0.00	NONE	0	0.00
Total	1,650,000	0.06	350,000	2,000,000	0.07

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 : 53 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	0	0.00	NONE	0	0.00

Relationship among Directors and Executives : None
Illegal Acts in the Past 10 Years : None

Education :

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

Experience:

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

Present Positions in Companies:

1) Listed Companies:

Company	Position
Srithai Superware Public Company Limited	Corporate Strategy and Operation Development Director

2) Non-listed Companies:

2.1) Srithai Superware Group

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

2.2) Other Companies:

Company	Position
Double Points Limited	Director

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

: None

Attendance:

- Annual General Meeting of Shareholders

No. of meetings held : 1

No. of meetings attended : 1

16) Mr. Chaichan Chareonsuk



Age : 47 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	0	0.00	NONE	0	0.00

Relationship among

Directors and Executives : None

Illegal Acts in

the Past 10 Years : None

Training Course : Before year 2016

Thai Institute of Risk Management Committee Program (RMP)

Directors : Year 2016

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
Subsidiary Company	
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



Held by	As at December 30, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	0	0.00	NONE	0	0.00

Relationship among Directors and Executives : None

Illegal Acts in the Past 10 Years : None

Education:

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

Experience:

Company	Position	Time Period
Huamark Floor Tile Company Limited	Engineer	A.D.1978 – 1980
Colgate – Palmolive (Thailand) 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**

Attendance:

- Annual General Meeting of Shareholders	No. of meetings held : 1	No. of meetings attended : 1
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18) Mr. Chairoj langtanarat



Age : 55 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	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
Total	1,000	0.00	NONE	1,000	0.00

Relationship among

Directors and Executives : None
Illegal Acts in the Past 10 Years : None
Training Course : Before year 2016
Thai Institute of Directors : Risk Management Committee Program (RMP)
Association (IOD) : Year 2016
 -None-

Education:

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

Experience:

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

Present Positions in Companies:

1) Listed Companies:

Company	Position
Srithai Superware Public Company Limited	Risk Management Sub-Committee Member, and Direct Sales Director

2) Non-listed Companies:

2.1) Srithai Superware Group : None

2.2) Other Companies : None

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

May Arise : None

Attendance:

- 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

2. Duties and Responsibility of the Company Secretary

Duties and responsibility of the Company Secretary is in accordance with Section 89/15 of the Securities and Exchange Act (4th Amended Issue) 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 from their respective sales and services activities in 2016 over 10% of the total sales and services income of the Srithai Group of Companies in the consolidated statement of comprehensive income, for the year ended on December 31, 2016 comprises :

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 : 50 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, 2015		Net change during the year (+ or -)	As at December 30, 2016	
	No. of shares	%		No. of shares	%
Owner	19,500	0.00	114,500	134,000	0.00
Spouse	0	0.00	NONE	0	0.00
Minor Child	0	0.00	NONE	0	0.00
Total	19,500	0.00	114,500	134,000	0.00

Relationship among

Directors and Executives : None

Illegal Acts in the Past 10 Years : None

Training Course : Before year 2016

Thai Institute of Directors Association (IOD)
 Company Secretary Program (CSP)
 Effective Minutes Taking (EMT)
 Anti-Corruption : The Practical Guide (ACPG)
 : Year 2016

-None-

Other Training

: Before year 2016
 - 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
 - Risk Management Specialist
TRIS Corporation Limited
 - Business for Internal Audit
Federation of Accounting Professions
- : Year 2016
- Certified Professional Internal Audit of Thailand (CPIAT Class 46)
The Institute of Internal Auditors of Thailand

Education:

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

Experience:

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

Present Positions in Companies:
1) Listed Companies:

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

2) Non-listed Companies:

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

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

: None

Attendance:

- Annual General Meeting of Shareholders	No. of meetings held : 1	No. of meetings attended : 1
- Audit Committee meetings	No. of meetings held : 4	No. of meetings attended : 4
- Risk Management Sub-committee meetings	No. of meetings held : 12	No. of meetings attended : 12

Manpower of Internal Audit Department

: 4 persons (inclusive of Department Manager)

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

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 has been established by the Board of Directors in August 2005, to assist the Board in the nomination process and the consideration of the remuneration for Board Directors and executives in a transparent and equitable manner for the sake of all stakeholder groups as well as to be effective for the Company's businesses. The current Nomination and Remuneration Committee has its term of office until the end of the fiscal year 2018.

Performance Results of the Nomination and Remuneration Committee

During 2016, the Nomination and Remuneration Committee held 3 meetings, which were attended by all committee members, with details as below :

Name	Position	Number of meeting attended / Total number of meetings held
Mrs. Siriporn Sailasuta	Chairwoman 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 mission and activities of the Nomination and Remuneration Committee during 2016 are summarized as follows :

1. Considered nomination of those 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. 35 (for 2016);
2. Determined the appropriate remunerations of the Board Directors for consideration by the Board of Directors before proposing to the Annual General Meeting of Shareholders No. 35 (for 2016);
3. Considered the proposed annual salary increase for the Company's executives for 2016;
4. Proposed a person, who is qualified to become a Board Director in accordance with the Public Limited Company B.E. 2535 (Article 68) and possesses the appropriate knowledge and experience, for appointment as a new Board Director to replace a director who resigned;
5. Considered extending the term of office of the President of the Company for another term;
6. Considered extending the term of office of the Chief Financial Officer;
7. Considered the proposed annual bonus payment for 2016 for executives of the Company;
8. Undertook a self assessment of the Nomination and Remuneration Committee's performance for 2016; and
9. Prepared the Report of the Nomination and Remuneration Committee for disclosure in the Company's Annual Report 2016.

On Behalf of the Nomination and Remuneration Committee
Srithai Superware Public Company Limited



Mrs. Siriporn Sailasuta

Chairwoman of the Nomination and Remuneration Committee

Report of the Good Corporate Governance Committee

To: The Shareholders,

Srithai Superware Public Company Limited

The Company's Board of Directors has established the Good Corporate Governance Committee, as a sub-committee, to assist the Board in developing, controlling and supporting the oversight of compliance with the Company's policies on good corporate governance.

During 2016, the Good Corporate Governance Committee held 4 meetings with attendance by all committee members as shown below:

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	4/4
Mr. Mani	Ativanichayaphong	Good Corporate Governance Committee Member	4 /4
Mr. Prin	Bholnivas	Good Corporate Governance Committee Member and Secretary	4/4

The Good Corporate Governance Committee is responsible for overseeing that there is compliance with the established policies on good corporate governance as well as with the policies on anti-corruption, as approved by the Board of Directors. The Good Corporate Governance Working Group has been assigned by the Good Corporate Governance Committee to work together with executives of various business units in implementing good governance practices that are in accordance with the aforementioned policies in an effective and efficient manner. As such, the Company was success fully evaluated for the annual Corporate Governance Report of Thai Listed Companies in 2016 by the Thai Institute of Director an "Excellent" ranking, which was higher than the "Very Good" ranking received in 2015.

The performances undertaken by the Good Corporate Governance Committee during 2016 can be summarized as follows:

1. Promoted and oversaw the business operations so as to ensure that the Company acted in accordance with the "Self-evaluation Forms Relating to Internal Measures on Anti-corruption" ("Evaluation Forms"). This is in order to upgrade the operating standards of the organization in implementing measures to prevent the occurrence of any acts of corruption. The current ranking of the Company, as assessed by ThaiPat Institute, with regards to a listed company's anti-corruption practices is at 'Level 3 (Established)'. The Company has then provided and submitted the formal evaluation forms, together with supporting information, to the Committee of Private Sector Collective Coalition Against Corruption "(CAC)" for their consideration;
2. Determined measures and undertook supporting activities aimed at enabling the associated practices to be in compliance with those details stated in the Evaluation Forms, as follows:
 - 1) Improved the Charter of the Good Corporate Governance Committee by extending its role in the governance, oversight, and monitoring of activities to be in accordance with both good governance policies and operating guidelines on anti-corruption, so as to be more clearly defined and more effective.
 - 2) Adjusted the policies and operating guidelines on anti-corruption, by determining disciplinary actions or the punishment of those Board Directors, executives and staff found to be involved in any acts of corruption.

- 3) Reviewed any activities or expenditures that may be exposed to facilitate any acts of corruption, so as to enhance the effectiveness of the control measures on a regular basis; such as, political contributions or support activities, making charitable donations, as well as any activities relating to receiving or giving of any gifts or business entertainment.
 - 4) Required that Board Directors and executives report, on a quarterly basis, any situations involving a conflict of interests or the occurrence of any activities that breach the Company's policies on anti-corruption. The Company Secretary will maintain this information and retain all such reports on file.
 - 5) Prepared a Handbook on the Risk Management – Fraud and Corruption, so as to be an operating guideline in fighting corruption for the staff at every level of the Company.
 - 6) Communicated and disseminated the policies and operating guidelines on anti-corruption; as well as promoted, through various channels of communications, anti-corruption campaigns to be undertaken – both internally within the Company and externally.
3. Evaluated the overall performance in 2016 of the Good Corporate Governance Committee.

The Good Corporate Governance Committee has focused on placing importance to good corporate governance practices on a continuing basis. Further development and improvement of the standards of good corporate governance are also committed together with various measures on anti-corruption so that they will be more effective for the future. Consequently, it is for the overall and highest benefit of every involved stakeholder groups of the Company.

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 of the Board of Directors on its Responsibilities for the Financial Reports

To: **The Shareholders,**

Srithai Superware Public Company Limited

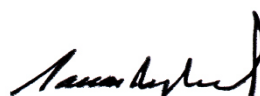
The Board of Directors of the Company places great importance to its duties, in the capacity of being the Board, in being responsible for the Consolidated Financial Statements of the Company and its subsidiaries, and the Financial Statements of the Company, including other financial information which have been prepared in accordance with Thai Financial Reporting Standards and appeared in the Company's Annual Report. The Board has also determined accounting policies that are appropriate, consistently adopted, based on careful judgment, together with estimates that are prudent and reasonable. Hence, such information will genuinely reflect the fair operating performance and financial position of the Company, all information disclosures are transparent, and the explanations in the Notes to the Financial Statements are adequate, in order to be beneficial for the shareholders and general investors. The financial statements and financial information have been audited by the independent external auditor without any qualifications, reviewed by the Audit Committee, and then approved by the Board of Directors.

The Board of Directors of the Company has arranged that the business management has been undertaken within the framework of good corporate governance principles, that a risk management has been reviewed, and that appropriate and effective internal control systems are in place. This is in order to ensure all financial information is accurate, comprehensive and adequate, so as to maintain and preserve the assets of the Company as well as to prevent any significant acts of corruption or irregularities. The Board of Directors has appointed an Audit Committee comprising 3 independent directors. The Audit Committee is assigned to oversee, supervise and verify the reliability and accuracy of financial reports; to review the risk management; to review compliance with the good corporate governance policies; to review the internal control systems; to consider and disclose any related party transactions; as well as to oversee the compliance with rules and regulations as specified by the involved regulatory authorities. The opinions and comments of the Audit Committee with regards to these assigned responsibilities are presented in the Report of the Audit Committee that is included in the Company's Annual Report.

The Board of Directors is of the opinion that the existing internal control systems are both adequate and appropriate. It is, therefore, able to reasonably ensure that the Consolidated Financial Statements of Srithai Superware Public Company Limited and its subsidiaries, and the Financial Statements of Srithai Superware Public Company Limited for the fiscal year ended December 31, 2016, present fairly, in all material aspects, the financial position, results of operations and cash flows in accordance with the Thai Financial Reporting Standards and in compliance with all relevant laws, rules and regulations.

On Behalf of the Board of Directors

Srithai Superware Public Company Limited



Mr. Sanan Angubolkul

Chairman of the Board

Report of the Audit Committee

To: Shareholders,

Srithai Superware Public Company Limited

The Audit Committee of Srithai Superware Public Company Limited comprises the following 3 independent directors, who are all well-qualified and possess extensive relevant experiences in finance, accounting, tax laws and management:

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 expressed its opinions with independence within the overall scope of authorities as assigned by the Company's Board of Directors. These are in accordance with the regulatory requirements as prescribed by the Office of the Securities Exchange Commission ("SEC"), the Stock Exchange of Thailand ("SEC"), and the Charter of the Audit Committee in order to ensure that the Company conducts its businesses in a fully transparent, honest and equitable manner.

During 2016, the Audit Committee held a total of 5 meetings. Of these meetings, 4 meetings were held to enable the Audit Committee to be informed of and to exchange viewpoints with the external auditors on the outcome of their reviews and audit of the Company's accounts and financial statements, as well as to allow the Audit Committee to discuss various important issues and observations relating to the financial reports in making improvements to the recognition of accounting transactions. Additionally, there was another meeting with the auditors and 2 other independent directors, but without the members of the management being present, so as to hear their independent opinions regarding any key issues relating to the conduct and operations of the Company's businesses. An overview of the Audit Committee's activities of the year can be summarized as follows:

1. Review of the Company's Financial Reports

The Audit Committee has reviewed the quarterly and annual consolidated financial statements and of the Company only with the Company's auditors, executives of the finance and accounting function, and head of the internal audit department. Besides, the Committee has reviewed the financial reports, accounting policies, significant estimates, and the disclosure of notes to the Company's financial statements. This is so as to secure that the Company's financial statements are accurate and credible, and that all significant information have been disclosed in an adequate and timely manner, as required, for the benefit of those making use of these financial reports. It is also to ascertain that all the financial reports are prepared in accordance with the applicable laws and regulatory requirements as prescribed by the Stock Exchange of Thailand and the Office of the Securities Exchange Commission, as well as are in accordance with the specified Financial Reporting Standards.

The Audit Committee has the opinion that the quarterly and annual financial statements of the Company for 2016 have been prepared in accordance with the Financial Reporting Standards, and presented fairly in all material aspects with timely and appropriate information disclosure.

2. Review of Risk Management Activities

The Audit Committee has reviewed, on a quarterly basis, the Company's policies on risk management, associated plans and directions on risk management practices, which are responsible by the Risk Management Sub-Committee. This includes the identification of potential internal and external risk factors, the assessment of the likelihood and the possible impacts of their occurrence, and the measures that would mitigate the indicated risks to an acceptable level. The Audit Committee has also made various viewpoints and provided suggestions for improvements to the Risk Management Sub-Committee.

In 2016, the Risk Management Sub-Committee implemented and monitored the progress of the risk management plans - such as, Operations Risk, Commodity Risk, Customer Satisfaction Risk, and Efficiency Risk. The Audit Committee is of the opinion that the Company has in place appropriate risk management measures that are adequate for the current business operations of the Company.

3. Review of Compliance with the Good Corporate Governance Policies and Anti-Corruption Measures

The Audit Committee has monitored and reviewed, on a quarterly basis, the consistent compliance with the Company's good corporate governance policies; those activities that may be considered as possible conflict of interests together with acknowledging information received regarding possible acts of corruption or legal wrong doings as part of the Whistle Blower rules and regulations of the Company. For 2016, complaints relating to general management aspects were received by the Good Corporate Governance Committee. Executives were assigned to set up an "Investigation Committee" to carry out the fact findings, and then to take action as determined by the Company accordingly.

Additionally, in complying with the anti-corruption policies of the Company, the Internal Audit Department has reported on its review of business transactions that may expose to any acts of corruption; whereby there have been no such wrongdoings. Further, in 2016 the Audit Committee, through its Chairman, has signed and endorsed the self-evaluation forms used to assess the anti-corruption practices of the Company. The relevant information was then submitted to the Board Committee of the Private Sector Collective Coalition Against Corruption (CAC) for consideration and formal CAC certification that the Company has achieved the specified standards with regard to anti-corruption policies and practices.

The Audit Committee has the opinion that the Company is fully committed to and also has developed management practices and procedures that are based on the principles of good corporate governance and good business ethics, as well as is not involved in any business transactions that may expose to the occurrence of acts of corruption.

4. Oversight of Compliance with the Requirements of the Regulators

The Audit Committee has reviewed the rules and regulations and associated laws that are applicable to the conduct of the Company's businesses (or 'rules & regulations') including any updates or amendments thereof accordingly, as well as has reviewed the compliance to these 'rules & regulations' on a regular basis.

The Audit Committee has the opinion that the Company has acted in compliance with the laws on securities and exchange, the regulatory requirements of the Stock Exchange of Thailand, and the rules and regulations of the Company. This also covers the requirement that the Company undertakes business transactions with any related party in a transparent and equitable manner, and on an 'arms length basis'. In addition, the Company has acted strictly in accordance with all laws that are applicable to its businesses.

5. Review of the Systems of Internal Control

The Audit Committee has reviewed and approved the internal audit plan for the year as submitted by the Internal Audit Department, including having been informed of comments from both the external auditors and the internal auditor about the general internal control systems and those relating to the Company's IT systems. The Audit Committee has also given recommendations to executives for operational improvements so as to ensure that the Company has in place comprehensive systems of internal control, together with other recommendations for effective internal control systems to be implemented by the subsidiary and associate companies.

In summary, the Audit Committee has the opinion that the current internal control systems of the Company are appropriate and can facilitate the efficient conduct of business of the Company.

6. Consideration of the Appointment of the Certified Public Accountant of the Year 2017

The Audit Committee has reviewed the qualifications of the proposed external auditors of the Company from PricewaterhouseCoopers ABAS Limited, based on its extensive knowledges, capabilities, experiences, independence that are in conformity with the criteria of the Stock Exchange of Thailand, the quality of its audit works during the previous fiscal year, and its understanding of the Company's businesses.

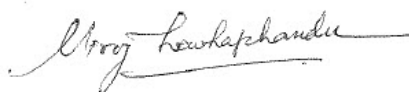
The Audit Committee has an opinion to propose to the Company's Board of Directors to consider endorsing and submitting, for approval at the Annual General Meeting of Shareholders for the year 2017, the appointment of any one of these persons : Mr. Chaisiri Ruangritchai, CPA No. 4526, Ms. Amornrat Pearmpoonvatanasuk CPA No. 4599, Mr. Prasit Yuengsrikul CPA No. 4174, or Mr. Sa-nga Chokenitisawat CPA No. 11251, from PricewaterhouseCoopers ABAS Limited, to be the Company's external auditor for the year 2017, with a total audit fee of Baht 1,900,000 (One million and nine hundred thousand Baht only).

7. Performance Evaluation of the Audit Committee

The Audit Committee has determined that a performance evaluation of the Committee, as a whole, with regards to its performance take place regularly every fiscal year. The evaluation is to secure that the Audit Committee has performed its duties in an effective and efficient manner, so as to achieve the objectives as delegated by the Company's Board of Directors. The performance evaluation for 2016 has then been undertaken and completed accordingly.

The Audit Committee has carried out its assigned duties with full independence through making use of its combined extensive knowledges and experiences with due care and discreet as well as has expressed its opinions in a straight forward manner. This has, therefore, helped promote and support the appropriate good governance practices, the risk management, and the internal control systems, so as to sustain the conduct of businesses of the Company for the overall maximum benefit of its stakeholders on a sustainable basis.

On Behalf of the Audit Committee
Srithai Superware Public Company Limited



(Mr. Viroj Lowhaphandu)

Chairman of the Audit Committee





Independent Auditor's Report

To the Shareholders and the Board of Directors of Srithai Superware Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Srithai Superware Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

PricewaterhouseCoopers ABAS Ltd.

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Key audit matter	How my audit addressed the key audit matter
<p>Allowance for impairment in investment in a subsidiary - Srithai Superware India Limited</p> <p><i>Refer to Note 12 'Investments in subsidiaries, associates and joint venture' to the separate financial statements</i></p> <p>The Company has investment in a subsidiary - Srithai Superware India Ltd. (SSI) of Baht 25 million. The subsidiary has not met their operational budgets and continues to incur losses. In addition, management plans to decrease SSI's business transaction and gradually fade it out within the next two years. Because of this, management considered that there was indication of impairment in its investment in this subsidiary.</p> <p>For the year ended 31 December 2016, management assessed the impairment of the investment in this subsidiary by calculating the value in use using the discounted cash flow model from the future cash flows forecasts for the next two years according to management's business plan. The Company applied many of key assumptions for the future cash flows forecasts, such as revenue growth rate, estimated expense and capability to make the cash payment return to its shareholders.</p> <p>The impairment test results indicate SSI does not have the capability to make the cash payment return to the Company. So the Company recognised an impairment charge for the total Baht 25 million in investment in SSI in the separate financial statements.</p> <p>I focussed on this area because the assessment of the recognition of loss from impairment in the subsidiary is complex, and based on judgments and assumptions that are affected by expectation of future market and economic conditions, particularly those related to the cash flows forecasts.</p>	<p>I tested management's approach for assessing impairment based on TAS 36 'Impairment of assets', and tested the mathematical accuracy of management's calculation.</p> <p>I challenged management on the reasonability, reliability and appropriateness of the key assumptions used in the impairment test in respect to current conditions.</p> <p>I tested the key assumptions, including accounts receivable collectability, the inventory selling price and the expected quantity of inventory to be sold using the actual historical results and economic forecasts.</p> <p>Through this work, I concluded that the recognition of impairment loss was reasonable based on available evidence and the current conditions.</p>



Key audit matter	How my audit addressed the key audit matter
<p>Allowance for doubtful accounts receivable</p> <p><i>Refer to Note 9 'Trade accounts receivable, net' to the consolidated and separate financial statements</i></p> <p>The Group and the Company had trade accounts receivable in the amount of Baht 2,024 million and Baht 1,681 million or 17.91% and 17.52% of total assets, respectively. An amount of Baht 30 million and Baht 84 million in the consolidated and separate financial statements, respectively, were overdue more than twelve months. The Group has a policy to assess the collectability of outstanding accounts receivable and set up an appropriate allowance for doubtful accounts. As as 31 December 2016, the Group and the Company set up an allowance for doubtful accounts in the consolidated and separate financial statements for the amount of Baht 17 million and Baht 59 million, respectively.</p> <p>The Group's allowance for doubtful accounts was initially based on percentages for number of days outstanding ranges that were based historical collectability data. Management also assessed individual high-value overdue accounts and adjusted the allowance as appropriate.</p> <p>I focussed on this area due to the size of trade accounts receivable, and because management's allowances for them are subjective, based on assumptions concerning future cash inflow and influenced by collectability risks.</p>	<p>I evaluated the appropriate of the allowance for doubtful accounts by</p> <ul style="list-style-type: none"> • testing the reliability of the accounts receivable aging report used in assessing the allowance • challenging the appropriateness of the policy to set an allowance • comparing historical allowance for doubtful accounts receivable to actual outcome • assessing the appropriateness of the reasoning for whether to adjust the allowance based on assessment of individual accounts receivables, and • testing subsequent actual payment from accounts receivable. <p>As a result, I found that the allowance for doubtful debts was reasonable and consistent with historical data and aligns with evidence of historical collectability.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.



I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Chaisiri Ruangritchai

Certified Public Accountant (Thailand) No. 4526

Bangkok

24 February 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	271,532,509	620,970,007	118,424,926	182,456,361
Short-term investments	8	30,438,167	3,881,424	-	-
Trade accounts receivable, net	9	2,007,304,785	1,928,168,711	1,622,136,224	1,672,618,830
Other receivables - third parties		118,673,686	102,527,963	39,440,823	42,513,484
Other receivables - related parties	31.2	46,275,827	1,323,588	52,453,191	37,434,111
Inventories, net	10	1,801,816,172	1,658,423,645	1,265,208,171	1,236,745,080
Other current assets		86,379,731	85,161,110	7,447,499	16,884,885
Total current assets		4,362,420,877	4,400,456,448	3,105,110,834	3,188,652,751
Non-current assets					
Restricted deposits at bank	8	6,342,178	-	-	-
Available-for-sale investments	11	61,800,000	58,560,000	61,800,000	58,560,000
Investments in subsidiaries, net	12.1	-	-	1,925,122,362	1,871,107,862
Investments in associates, net	12.1	214,373,746	226,844,900	184,113,258	184,113,258
Interests in joint venture	12.1	17,662,526	16,304,558	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	125,877,331	122,485,248	491,275,174	487,883,091
Property, plant and equipment, net	15	6,064,936,976	5,851,635,069	3,654,727,644	3,923,268,751
Intangible assets, net	16	47,013,859	45,440,465	18,696,217	25,653,127
Deferred tax assets, net	17	118,939,129	106,281,440	84,601,837	82,781,335
Leasehold right, net	18	110,186,229	112,665,240	-	-
Other non-current assets		61,505,368	53,401,372	19,287,282	21,306,456
Total non-current assets		6,941,653,696	6,706,634,646	6,491,793,544	6,706,843,650
Total assets		11,304,074,573	11,107,091,094	9,596,904,378	9,895,496,401

The accompanying notes on pages 14 to 80 are an integral part of these consolidated and separate financial statements.

Srithai Superware Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2016

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
	Notes	Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term loans	19	1,670,857,600	1,751,603,200	1,300,000,000	1,690,000,000
Current portion of long-term loans	20	774,800,940	660,968,721	539,877,280	496,852,000
Trade accounts payable - third parties		735,482,508	857,143,752	470,786,147	541,179,983
Trade accounts payable - related parties	31.2	115,078,839	102,162,278	145,690,368	124,191,582
Other payables - third parties	21	311,349,852	331,474,045	206,046,547	242,170,679
Other payables - related parties	31.2	307,530	2,206,431	942,873	8,745,563
Other current liabilities		40,272,688	57,972,415	32,041,352	44,545,330
Total current liabilities		3,648,149,957	3,763,530,842	2,695,384,567	3,147,685,137
Non-current liabilities					
Long-term loans	20	2,344,620,300	1,994,698,440	1,647,205,000	1,624,582,280
Finance lease liabilities		1,377,990	12,845,497	-	-
Employee benefit obligations	24	376,702,255	378,918,428	301,481,786	307,878,113
Total non-current liabilities		2,722,700,545	2,386,462,365	1,948,686,786	1,932,460,393
Total liabilities		6,370,850,502	6,149,993,207	4,644,071,353	5,080,145,530
Equity					
Share capital	25				
Authorised share capital					
2,709,904,800 ordinary shares					
at par value of 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					
2,709,904,800 ordinary shares,					
paid-up of Baht 1 each		2,709,904,800	2,709,904,800	2,709,904,800	2,709,904,800
Premium on treasury shares	25	19,928,420	19,928,420	19,928,420	19,928,420
Retained earnings					
Appropriated - legal reserve	26	250,000,000	228,000,000	250,000,000	228,000,000
Unappropriated		1,755,336,043	1,792,122,837	1,955,543,805	1,842,653,651
Other components of equity		(40,679,009)	(37,586,415)	17,456,000	14,864,000
Equity attributable to owners of the parent		4,694,490,254	4,712,369,642	4,952,833,025	4,815,350,871
Non-controlling interests		238,733,817	244,728,245	-	-
Total equity		4,933,224,071	4,957,097,887	4,952,833,025	4,815,350,871
Total liabilities and equity		11,304,074,573	11,107,091,094	9,596,904,378	9,895,496,401

The accompanying notes on pages 14 to 80 are an integral part of these consolidated and separate financial statements.

Srithai Superware Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Sales and service income	27	9,284,815,420	9,762,806,371	6,536,385,916	6,694,074,860
Cost of sales and services	27	(7,706,835,011)	(7,915,321,771)	(5,431,827,159)	(5,500,290,459)
Gross profit		1,577,980,409	1,847,484,600	1,104,558,757	1,193,784,401
Dividend income		6,913,900	7,512,000	348,049,951	334,486,034
Other income		72,923,222	101,737,793	120,083,051	135,508,169
Selling expenses	28	(840,524,703)	(844,588,502)	(691,083,776)	(710,822,719)
Administrative expenses	28	(447,618,737)	(469,635,265)	(317,292,040)	(340,756,750)
Finance costs		(169,311,144)	(162,877,900)	(115,553,837)	(122,043,558)
Share of profit of investments in associates and joint venture	12.3	83,858,809	78,690,804	-	-
Loss on impairment of investments in a subsidiary	12.6 c)	-	-	(25,090,500)	(19,999,970)
Profit before income tax	31	284,221,756	558,323,530	423,671,606	470,155,607
Income tax expense	17.3	(20,035,321)	(80,091,118)	(17,794,962)	(25,482,741)
Profit for the year		264,186,435	478,232,412	405,876,644	444,672,866
Other comprehensive income (expense)					
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		3,240,000	(28,440,000)	3,240,000	(28,440,000)
Currency translation differences		(4,965,500)	86,186,926	-	-
Income tax on items that will be reclassified subsequently to profit or loss		(648,000)	5,688,000	(648,000)	5,688,000
Total items that will be reclassified subsequently to profit or loss		(2,373,500)	63,434,926	2,592,000	(22,752,000)
Other comprehensive income (expense) for the year, net of tax		(2,373,500)	27,739,627	2,592,000	(48,995,181)
Total comprehensive income for the year		261,812,935	505,972,039	408,468,644	395,677,685
Profit attributable to:					
Owners of the parent		256,199,696	445,013,825	405,876,644	444,672,866
Non-controlling interests		7,986,739	33,218,587	-	-
Profit for the year		264,186,435	478,232,412	405,876,644	444,672,866
Total comprehensive income attributable to:					
Owners of the parent		253,107,102	476,918,099	408,468,644	395,677,685
Non-controlling interests		8,705,833	29,053,940	-	-
Total comprehensive income for the year		261,812,935	505,972,039	408,468,644	395,677,685
Earnings per share	29				
Basic earnings per share		0.09	0.16	0.15	0.16

The accompanying notes on pages 14 to 80 are an integral part of these consolidated and separate financial statements.

Srithai Superware Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2016

Consolidated financial statements (Baht)										
	Attributable to owners of the parent									
	Other components of equity									
	Other comprehensive income (expense)									
	Issued and paid-up share capital (Note 25)	Premium on treasury shares (Note 25)	Appropriated retained earnings - legal reserve (Note 26)	Unappropriated retained earnings	Translating financial statements	Available-for-sale investments	Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity
Notes										
Operating balance as at 1 January 2016	2,709,904,800	19,928,420	228,000,000	1,792,122,837	(52,450,415)	14,864,000	(37,586,415)	4,712,369,642	244,728,245	4,957,097,887
Profit for the year	-	-	-	256,199,696	-	-	-	256,199,696	7,986,739	264,186,435
Other comprehensive income (expense) for the year	-	-	-	-	(5,684,594)	2,592,000	(3,092,594)	(3,092,594)	719,094	(2,373,500)
Dividends	-	-	-	(270,986,490)	-	-	-	(270,986,490)	(14,700,261)	(285,686,751)
Legal reserve	-	-	22,000,000	(22,000,000)	-	-	-	-	-	-
Closing balance as at 31 December 2016	2,709,904,800	19,928,420	250,000,000	1,755,336,043	(58,135,009)	17,456,000	(40,679,009)	4,694,490,254	238,733,817	4,933,224,071
Operating balance as at 1 January 2015	2,709,904,800	19,928,420	203,000,000	1,674,792,911	(138,803,888)	37,616,000	(101,187,888)	4,506,438,243	225,670,542	4,732,108,785
Profit for the year	-	-	-	445,013,825	-	-	-	445,013,825	33,218,587	478,232,412
Remeasurements of post-employment benefit obligations	-	-	-	(31,697,199)	-	-	-	(31,697,199)	(3,998,100)	(35,695,299)
Other comprehensive income (expense) for the year	-	-	-	-	86,363,473	(22,752,000)	63,601,473	63,601,473	(166,547)	63,434,926
Dividends	-	-	-	(270,986,700)	-	-	-	(270,986,700)	(9,996,237)	(280,982,937)
Legal reserve	-	-	25,000,000	(25,000,000)	-	-	-	-	-	-
Closing balance as at 31 December 2015	2,709,904,800	19,928,420	228,000,000	1,792,122,837	(52,450,415)	14,864,000	(37,586,415)	4,712,369,642	244,728,245	4,957,097,887

The accompanying notes on pages 14 to 80 are an integral part of these consolidated and separate financial statements.

Srithai Superware Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2016

		Separate financial statements (Baht)						
Notes		Issued and paid-up share capital (Note 25)	Premium on treasury shares (Note 25)	Appropriated retained earnings - legal reserve (Note 26)	Unappropriated retained earnings (Note 26)	Other components of equity		Total equity
						Available- for-sale investments	Other comprehensive income (expense)	
	Opening balance as at 1 January 2016	2,709,904,800	19,928,420	228,000,000	1,842,653,651	14,864,000	-	4,815,350,871
	Profit for the year	-	-	-	405,876,644	-	-	405,876,644
	Other comprehensive income (expense) for the year	-	-	-	-	2,592,000	-	2,592,000
30	Dividends	-	-	-	(270,986,490)	-	-	(270,986,490)
	Legal reserve	-	-	22,000,000	(22,000,000)	-	-	-
	Closing balance as at 31 December 2016	<u>2,709,904,800</u>	<u>19,928,420</u>	<u>250,000,000</u>	<u>1,955,543,805</u>	<u>17,456,000</u>	<u>-</u>	<u>4,952,833,025</u>
	Opening balance as at 1 January 2015	2,709,904,800	19,928,420	203,000,000	1,720,210,666	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)
30	Dividends	-	-	-	(270,986,700)	-	-	(270,986,700)
	Legal reserve	-	-	25,000,000	(25,000,000)	-	-	-
	Closing balance as at 31 December 2015	<u>2,709,904,800</u>	<u>19,928,420</u>	<u>228,000,000</u>	<u>1,842,653,651</u>	<u>14,864,000</u>	<u>-</u>	<u>4,815,350,871</u>

The accompanying notes on pages 14 to 80 are an integral part of these consolidated and separate financial statements.

Srithai Superware Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Profit before income tax for the year		284,221,756	558,323,530	423,671,606	470,155,607
Adjustments to reconcile net profit to net cash provided by (paid for) operations:					
Depreciation	14, 15	774,549,104	703,938,689	517,852,299	526,612,994
Amortisation of intangible assets	16	14,169,999	15,503,161	8,314,608	10,297,023
Amortisation of leasehold rights	18	1,268,853	1,950,695	-	-
Assets written off		13,490,176	12,841,317	12,246,544	11,879,400
Allowance for doubtful accounts (reversal)		(10,241,150)	18,716,582	20,565,000	33,918,906
Allowance for inventory obsolescence and for inventories cost in excess of net realisable value	10	14,710,362	5,817,133	3,000,000	120,000
Loss on impairment of investments in subsidiary	12.2	-	-	25,090,500	19,999,970
Loss on impairment of other assets		220,156	5,000,000	220,156	5,000,000
Gain on disposal of fixed assets and intangible assets		(7,427,377)	(15,729,115)	(32,022,339)	(3,881,108)
Employee benefits expense		32,839,881	28,534,640	25,489,492	22,733,437
Actuarial loss from other long-term employment benefits	24	-	27,448,613	-	21,324,906
Realised (gain) loss on foreign exchange rate		230,383	9,882,506	1,860,657	(159,689)
Interest income		(6,212,763)	(7,194,154)	(3,865,044)	(3,241,205)
Share of profit of investments in associates and joint venture	12.3	(83,858,809)	(78,690,804)	-	-
Gain arising from subsidiary's liquidation		-	-	-	(83,111)
Dividend income from investments in subsidiaries, associates, and joint venture	31	-	-	(341,136,051)	(324,574,034)
Dividend income from other investments		(6,913,900)	(9,912,000)	(6,913,900)	(9,912,000)
Finance costs-interest expense		169,311,144	162,877,900	115,553,837	122,043,558
		<u>1,190,357,815</u>	<u>1,439,308,693</u>	<u>769,927,365</u>	<u>902,234,654</u>
Changes in operating assets and liabilities					
(Increase) decrease in operating assets:					
Trade accounts receivable		(94,921,004)	97,046,439	34,830,209	38,421,351
Other receivables		(160,142)	33,052,753	17,889,838	(7,291,862)
Inventories		(161,901,000)	(58,324,690)	(31,919,482)	(137,240,232)
Other current assets		(11,836,118)	37,198,833	9,437,387	81,930,666
Other assets		21,488,963	(19,271,395)	1,799,017	(6,244,525)
Increase (decrease) in operating liabilities:					
Trade accounts payable		(110,316,544)	(23,094,860)	(55,074,040)	(41,477,280)
Other payables		(10,312,047)	(55,551,284)	(34,698,061)	(30,946,328)
Other current liabilities		(4,253,745)	5,062,984	(3,217,528)	4,332,263
Employee benefits paid	24	(35,056,053)	(20,702,397)	(31,885,819)	(18,180,299)

The accompanying notes on pages 14 to 80 are an integral part of these consolidated and separate financial statements.

Srithai Superware Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash flows from operating activities		783,090,125	1,434,725,076	677,088,886	785,538,408
Interest paid		(168,683,557)	(162,243,634)	(116,036,434)	(121,894,125)
Income tax paid		(66,070,213)	(75,273,046)	(29,549,913)	(15,008,624)
Net cash receipts from operating activities		548,336,355	1,197,208,396	531,502,539	648,635,659
Cash flows from investing activities					
Increase (decrease) in short-term investments		(34,054,222)	1,983,361	-	-
Cash payment for investments in subsidiaries	12.2	-	-	(79,105,000)	(883,725,000)
Proceeds from liquidation of a subsidiary	12.6 b)	-	-	-	6,333,104
Purchase of fixed assets		(1,033,545,946)	(1,174,648,070)	(467,781,488)	(517,753,379)
Purchase of intangible assets		(15,876,591)	(11,730,926)	(1,731,270)	(5,871,373)
Proceeds from disposals of fixed assets and intangible assets		5,521,126	31,999,900	225,963,177	29,076,612
Purchase of leasehold right	18	-	(63,446,491)	-	-
Interest receipts		6,070,306	7,014,088	3,869,818	3,261,440
Dividend receipts from investments in subsidiaries, associates, and joint venture		49,605,929	102,975,994	309,275,379	309,733,738
Dividend receipts from other investments		9,313,900	7,512,000	9,313,900	7,512,000
Net cash payments from investing activities		(1,012,965,498)	(1,098,340,144)	(195,484)	(1,051,432,858)
Cash flows from financing activities					
Increase (decrease) in short-term loans		(80,745,600)	299,304,000	(390,000,000)	360,000,000
Receipt from long-term loans	20	1,160,462,400	805,245,700	600,000,000	800,000,000
Repayment of long-term loans	20	(697,181,921)	(734,461,400)	(534,352,000)	(571,814,600)
Repayment of finance lease liabilities		(10,172,885)	(9,642,183)	-	-
Dividend payment	30	(270,986,490)	(270,986,700)	(270,986,490)	(270,986,700)
Dividends paid to non-controlling interests in subsidiaries		(14,700,261)	(9,996,222)	-	-
Net cash receipts (payments) from financing activities		86,675,243	79,463,195	(595,338,490)	317,198,700
Net increase (decrease) in cash and cash equivalents		(377,953,900)	178,331,447	(64,031,435)	(85,598,499)
Cash and cash equivalents, opening balance		620,970,007	472,956,895	182,456,361	268,054,860
Effect from currency translation		28,516,402	(30,318,335)	-	-
Cash and cash equivalents, closing balance	7	271,532,509	620,970,007	118,424,926	182,456,361

Non cash transactions

Purchase of property, plant and equipment under finance lease	901,869	2,164,000	-	-
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The accompanying notes on pages 14 to 80 are an integral part of these consolidated and separate financial statements.

Srithai Superware Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2016

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Supplementary cash flows information				
comprises the following:				
Property, plant and equipment				
Additions (Note 15)	1,020,612,548	1,157,575,667	465,252,834	527,020,181
<u>Less</u> Decrease (increase) in payables of fixed assets	13,835,267	18,915,917	904,954	(9,038,938)
Fixed assets increased by finance lease	(901,869)	(2,164,000)	-	-
Decrease (increase) in amounts due to related parties of fixed assets	-	320,486	1,623,700	(227,864)
Payment for purchase of fixed assets	<u>1,033,545,946</u>	<u>1,174,648,070</u>	<u>467,781,488</u>	<u>517,753,379</u>
Intangible assets				
Additions (Note 16)	15,838,071	8,349,229	1,692,750	3,800,393
<u>Less</u> Decrease (increase) in payables of intangible assets	38,520	3,381,697	38,520	2,070,980
Payment for purchase of intangible assets	<u>15,876,591</u>	<u>11,730,926</u>	<u>1,731,270</u>	<u>5,871,373</u>
Dividend income				
Dividends of investments in subsidiaries, associates, and joint venture (Note 31.3)	94,836,312	102,741,205	341,136,051	324,574,034
<u>Less</u> Decrease (increase) in dividend receivable	(45,000,000)	-	(30,000,015)	(14,999,985)
<u>Less</u> Realised gain (loss) on exchange rate	(230,383)	234,789	(1,860,657)	159,689
Dividends received from subsidiaries, associates, and joint venture	<u>49,605,929</u>	<u>102,975,994</u>	<u>309,275,379</u>	<u>309,733,738</u>

The accompanying notes on pages 14 to 80 are an integral part of these consolidated and separate financial statements.

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 separate financial statements have been approved by the Board of Directors on 24 February 2017.

2 Accounting policies

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

2.1 Basis for preparation

The consolidated and separate 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 separate 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 separate 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.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards

a) New financial reporting standards and revised financial reporting standards which are effective from 1 January 2016 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
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

2 Accounting policies (Cont'd)

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

a) New financial reporting standards and revised financial reporting standards which are effective from 1 January 2016 are as follows: (Cont'd)

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 has applied the aforementioned financial reporting standards from 1 January 2016. However, the Group's management evaluated that the application of those financial reporting standards has no significant impacts to the financial statements.

b) Revised financial reporting standards which are effective from 1 January 2017 and the Group has not yet early adopted these revised standards are as follows:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 16 (revised 2016)	Property, plant and equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee benefits
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 34 (revised 2016)	Interim financial reporting
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment property
TAS 41 (revised 2016)	Agriculture
TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments

2 Accounting policies (Cont'd)

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

b) Revised financial reporting standards which are effective from 1 January 2017 and the Group has not yet early adopted these revised standards are as follows: (Cont'd)

TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers
TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

The Group's management evaluated that the revised financial reporting standards has no significant impacts to the financial statements.

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-measured 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 recognise 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 on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate 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 with 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.

2 Accounting policies (Cont'd)

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

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 subsequent 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.

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 separate 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.

2 Accounting policies (Cont'd)

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

Joint ventures

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group 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. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

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 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 in other comprehensive income.

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 Accounting policies (Cont'd)

2.5 Cash and cash equivalents

In the 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. In the statements of financial position, bank overdrafts are shown with borrowings in current liabilities.

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 receivables based on a review of all outstanding amounts at the year-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 in which they are identified and recognised in profit or loss within administrative expenses.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the standard cost basis which is 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, allowances or rebates. The cost of finished goods and work in process comprises design cost, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Work-to-order is stated at actual cost.

Net realisable value is the estimated of the selling price in the ordinary course of business, less applicable variable 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.

2 Accounting policies (Cont'd)

2.8 Investments (Cont'd)

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 part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.9 Investment properties

Property that is held for 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 rental yields and land whose future use is currently undetermined.

Investment property is measured initially at its cost, including related transaction cost and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition as construction is actively underway and cease once the asset is substantially complete, or suspended if development of the asset is suspended.

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.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 years
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2 Accounting policies (Cont'd)

2.10 Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes cash and cash equivalent price and expenditure that is directly attributable to the acquisition of the items 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 asset, as appropriate, 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

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their 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.

The assets' carrying amount is written-down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount (Note 2.12).

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

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 Accounting policies (Cont'd)

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 Current and deferred 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 and its subsidiaries 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.

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 in which a significant portion of the risks and rewards of ownership are retained by the lessor 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 property, plant or equipment where the Group has 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 liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance 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 or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

b) Where the Group is the lessor

Operating leases

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

2 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 operates 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.

2 Accounting policies (Cont'd)

2.18 Employee benefits (Cont'd)

2.18.1 Retirement benefits (Cont'd)

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.

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.

Remeasurement 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. They are included in retained earnings in the statements of changes in equity.

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.

Remeasurement 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.

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 any companies within the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

According to the Public Limited Companies Act (No.2) B.E. 2544, Treasury Stock Rules, the Company that repurchase its shares has to dispose all of the repurchased shares within a specified period. If the Company does not dispose all treasury shares within the specified period, it has to reduce its paid-up share capital for offsetting with the treasury shares and the difference between the lower of the repurchase value and the par value should be recognised as premium on treasury shares.

2.21 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 value-added tax, returns, rebates and discounts, and after eliminating sales within the Group. 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 Accounting policies (Cont'd)

2.22 Dividends

Dividends distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends 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.

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.

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

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

a) Exchange rate risk

Export of products and imports of raw materials, finished goods, machinery and equipment, and minor part of loans expose the Group to risk of foreign exchange fluctuation. In such case, the Group cannot forecast income and cost accurately. The Group has been signing forward contracts with banks to prevent risk of foreign exchange in observation of situation of foreign exchange market at that time. Entering into forward contracts enables the Group to know precisely its income and cost, and facilitate its mapping of appropriate business strategies. In addition, negotiation and quotation of goods prices denominated in other major currencies is diversification of foreign exchange risk and lessening of impact on dependence on any particular currency. This also includes netting off cash inflow and cash outflow in foreign currency using a Natural Hedge.

b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by directors before execution. The Group has no significant interest-bearing assets.

The Group borrows money for investments and business operation at both fixed and floating rates. However, the Group implemented risk counter-measures for managing interest rate risk by setting investment plans in advance so that the Group could have sufficient time to seek proper sources of credit lines with reasonable interest rates, by balancing the fixed interest rate and floating interest rate loans using a Natural Hedge, by considering borrowing money from sources with interest rate other than MLR, by using financial tool to mitigate and diversify risk on fluctuation of interest rates and ascertain finance cost for the Group, and by prepaying a principal amount as deemed appropriate in the case of excess liquidity, which is allowed with no additional charge and no breach of conditions in the loan agreement.

c) Credit risk

The majority of the Company's revenues are derived from manufacturing and selling of plastic products. The Company has set guidelines for customer credit evaluation. Management believes that credit risk arising from sales is insignificant. Concentrations of credit risk with respect to trade receivables are limited despite a few numbers of customers in some business segments. However, such a circumstance should not pose a significant threat to the business as most of these customers are well-known and financially healthy. Moreover, the Group's large numbers of customers are not only dispersed, but also cover the spectrum of manufacturing and distribution and have a variety of end markets in which they sell. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that there is 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.

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:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : 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 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

The following table presents the Group's financial assets that are measured at fair value.

	Consolidated and separate financial statements							
	2016				2015			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets								
Available-for-sale								
financial assets (Note 11)								
Equity securities	61,800	-	-	61,800	58,560	-	-	58,560
Total assets	<u>61,800</u>	<u>-</u>	<u>-</u>	<u>61,800</u>	<u>58,560</u>	<u>-</u>	<u>-</u>	<u>58,560</u>

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

3 Financial risk management (Cont'd)

3.3 Fair value estimation (Cont'd)

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

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.

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, in line with the Group's quarterly reporting dates.

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) Allowance for doubtful accounts

Allowance for doubtful receivables estimated based on a review of all outstanding amounts at the year-end. Allowance for doubtful receivables was initially set up based on the number of days outstanding of accounts receivable, for which the percentage of allowance for each range of aging considered is based on the historical collectability data. In addition, management reviewed the overdue accounts receivable and adjusted the allowance by considering the specific circumstances and the causes for each significant customer being overdue.

b) Impairment of investments in a subsidiary and associates

The investments in a subsidiary and associates are reported using the cost method in the separate financial statements. A provision for impairment was recognised as the cost of the investments in a subsidiary and associates exceeded the recoverable amount, which was determined 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.

c) Deferred tax

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

d) 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.

Additional information of other key assumptions for employee benefit obligations is disclosed in Note 24.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, acquire own shares or sell assets to reduce debt.

In order to obtain the promotional privileges from the Board of Investment, the Group has to maintain minimum capital investment as specified in each certificate.

6 Segment information

The Group's main businesses are manufacturing and selling of plastics, comprising household products and industrial products, and the trading and moulds business line. 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.

Consolidated financial statements						
For the year ended 31 December 2016 (Baht'000)						
Plastics business line						
	Household products		Industrial products		Trading and moulds business line	Total
	Domestic production	Overseas production	Domestic production	Overseas production		
Sales and service income	2,215,919	424,260	5,544,281	1,358,192	382,498	9,925,150
Revenue from subsidiaries	(452,362)	(13,220)	(115,668)	(23,935)	(35,150)	(640,335)
Total sales and service income	1,763,557	411,040	5,428,613	1,334,257	347,348	9,284,815
Profit (loss) from sales by segment	180,591	(11,322)	190,398	26,143	(95,973)	289,837
Gain on foreign exchange rate, net						5,562
Other income						74,275
Finance costs						(169,311)
Share of profit of investments in associates and joint venture						83,859
Profit before income tax						284,222
Income tax expense						(20,035)
Profit for the year						264,187
Fixed assets	796,741		5,031,408		180,791	6,008,940
Other unallocated fixed assets						55,997
Other unallocated assets						5,239,138
Consolidated total assets						11,304,075

Srithai Superware Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

6 Segment information (Cont'd)

Consolidated financial statements					
For the year ended 31 December 2015 (Baht'000)					
Plastics business line					
	Household products		Industrial products		Trading and moulds business line
	Domestic production	Overseas production	Domestic production	Overseas production	Total
Sales and service income	2,166,774	150,709	5,956,850	1,403,781	10,175,386
Revenue from subsidiaries	(276,954)	(666)	(90,833)	(15,110)	(412,580)
Total sales and service income	<u>1,889,820</u>	<u>150,043</u>	<u>5,866,017</u>	<u>1,388,671</u>	<u>9,762,806</u>
Profit (loss) from sales by segment	<u>178,632</u>	<u>12,717</u>	<u>212,222</u>	<u>186,837</u>	<u>533,260</u>
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					<u>558,323</u>
Income tax expense					<u>(80,091)</u>
Profit for the year					<u>478,232</u>
Fixed assets	<u>808,970</u>		<u>4,822,644</u>		<u>5,801,850</u>
Other unallocated fixed assets					49,785
Other unallocated assets					<u>5,255,456</u>
Consolidated total assets					<u>11,107,091</u>

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Cash on hand	5,547	4,921	2,934	3,505
Cheque on hand	26,764	8,768	26,763	8,261
Deposits at banks				
- current accounts	97,888	404,287	-	9,326
- savings accounts	141,176	202,572	88,628	161,000
- fixed deposits	158	422	100	364
Total cash and cash equivalents	<u>271,533</u>	<u>620,970</u>	<u>118,425</u>	<u>182,456</u>

Saving deposits at banks carry interest at the rate of 0.05% to 0.85% per annum (2015: 0.05% to 0.85% per annum).

Fixed deposits at banks represent 1-month to 3-month fixed deposits carrying interest at the rate of 1.00% to 2.25% per annum (2015: 0.80% to 0.88% per annum).

8 Short-term investments and restricted deposits at bank

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Fixed deposits pledged at bank	-	1,474	-	-
Fixed deposits	30,438	2,407	-	-
Total short-term investments	30,438	3,881	-	-
Restricted deposits at bank	6,342	-	-	-
Total short-term investments and restricted deposits at bank	36,780	3,881	-	-

Fixed deposits of subsidiaries amounting to Baht 6.34 million (2015: Baht 1.47 million) are pledged as collateral for tax guarantee and guarantee for electricity usage.

Fixed deposits of subsidiaries represent 3-month to 12-month fixed deposits at banks carrying interest at the rate of 6.50% to 7.00% per annum (2015: 6.00% to 8.25% per annum).

9 Trade accounts receivable, net

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Trade accounts receivable - third parties	1,695,103	1,646,724	1,220,864	1,326,083
Less Allowance for doubtful accounts	(16,802)	(27,408)	(9,161)	(19,771)
Trade accounts receivable - third parties, net	1,678,301	1,619,316	1,211,703	1,306,312
Trade accounts receivable - related parties (Note 31.2)	329,004	308,853	460,433	385,497
Less Allowance for doubtful accounts	-	-	(50,000)	(19,190)
Trade accounts receivable - related parties, net	329,004	308,853	410,433	366,307
Total trade accounts receivable, net	2,007,305	1,928,169	1,622,136	1,672,619

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9 Trade accounts receivable, net (Cont'd)

Outstanding trade accounts receivable can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Not yet due	1,440,517	1,379,824	1,091,184	1,064,427
Overdue not exceeding 3 months	474,901	441,376	416,351	435,353
Overdue 3 to 6 months	46,040	69,262	46,610	88,363
Overdue 6 to 12 months	33,148	31,678	43,144	67,932
Overdue 12 months	29,501	33,437	84,008	55,505
Total	2,024,107	1,955,577	1,681,297	1,711,580
<u>Less</u> Allowance for doubtful accounts	(16,802)	(27,408)	(59,161)	(38,961)
Total trade accounts receivable, net	<u>2,007,305</u>	<u>1,928,169</u>	<u>1,622,136</u>	<u>1,672,619</u>

The Group and the Company's normal credit term of trade accounts receivable being not yet due is 30 to 180 days.

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Not yet due	236,463	285,167	306,164	258,083
Overdue not exceeding 3 months	88,604	23,686	63,718	41,418
Overdue 3 to 6 months	3,417	-	10,990	19,753
Overdue 6 to 12 months	520	-	17,718	37,019
Overdue 12 months	-	-	61,843	29,224
Total	329,004	308,853	460,433	385,497
<u>Less</u> Allowance for doubtful accounts	-	-	(50,000)	(19,190)
Total trade accounts receivable				
- related parties, net	<u>329,004</u>	<u>308,853</u>	<u>410,433</u>	<u>366,307</u>

The Group and the Company's normal credit term of trade accounts receivable - related parties being not yet due is 30 to 180 days.

10 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Finished goods	914,112	916,036	715,432	738,309
Work in process	268,485	190,852	162,047	123,852
Raw materials	435,246	373,602	270,167	246,574
Supplies	125,689	121,100	114,585	107,290
Moulds for sales	61,996	40,046	18,019	32,268
	1,805,528	1,641,636	1,280,250	1,248,293
<u>Less</u> Allowance for obsolescence	(27,578)	(19,260)	(10,120)	(12,170)
Allowance for inventories cost in excess of net realisable value	(10,269)	(3,923)	(6,000)	(950)
	1,767,681	1,618,453	1,264,130	1,235,173
Goods in transit	34,135	39,971	1,078	1,572
Total inventories, net	1,801,816	1,658,424	1,265,208	1,236,745

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Allowance for obsolescence				
Finished goods	20,564	13,467	6,500	8,990
Work in process	1,633	672	320	200
Raw materials	3,161	1,679	1,500	550
Supplies	2,220	3,442	1,800	2,430
Total allowance for obsolescence	27,578	19,260	10,120	12,170
Allowance for inventories cost in excess of net realisable value				
Finished goods	10,228	2,416	6,000	950
Work in process	41	1,507	-	-
Total allowance for inventories cost in excess of net realisable value	10,269	3,923	6,000	950
Total allowance for obsolescence and allowance for inventories cost in excess of net realisable value	37,847	23,183	16,120	13,120

The cost of inventories recognised as expense and included in "cost of sales" amounted to Baht 7,653.35 million and Baht 5,428.83 million (2015: Baht 7,865.90 million and Baht 5,500.17 million) in the consolidated and separate 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 14.71 million and Baht 3.00 million in the consolidated and separate statement of comprehensive income, respectively (2015 : Baht 5.82 million and Baht 0.12 million)

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11 Available-for-sale investments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
<u>Equity securities</u> - Listed company				
Union Plastic Public Company Limited	39,980	39,980	39,980	39,980
<u>Add</u> Change in fair value of available-for-sale investments	21,820	18,580	21,820	18,580
Total available-for-sale investments	61,800	58,560	61,800	58,560

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 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Opening book amount	58,560	87,000	58,560	87,000
Re-measuring available-for-sale investments	3,240	(28,440)	3,240	(28,440)
Closing book amount	61,800	58,560	61,800	58,560

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12 Investments in subsidiaries, associates and joint venture

12.1 Subsidiaries, associates and joint venture comprise the following:

Separate financial statements (Unit : Baht'000)												
Subsidiaries	Nature of business	Country of incorporation	Nature of relationship	Paid up capital	Percentage of shareholding		Cost method					
					31 December 2016	31 December 2015	31 December 2016		31 December 2015		31 December 2015	
							Cost	Allowance for impairment	Net book value	Cost	Allowance for impairment	Net book value
Local												
Korat Thai Tech Co., Ltd.	Manufacture of melamine	Thailand	Shareholder	30,000,000	100.0	100.0	30,000	-	30,000	30,000	-	30,000
P.E.T. Blow Co., Ltd. ⁽¹⁾	Manufacture of plastic	Thailand	Shareholder	20,000,000	100.0	100.0	20,000	(20,000)	-	20,000	(20,000)	-
Srithai Nanoplast Co., Ltd.	Manufacture of plastic	Thailand	Shareholder	40,000,000	100.0	100.0	40,756	-	40,756	40,756	-	40,756
Srithai Moulds Co., Ltd.	Manufacture of moulds and plastic	Thailand	Shareholder	100,000,000	71.0	71.0	82,000	-	82,000	82,000	-	82,000
Srithai Miyagawa Co., Ltd.	Manufacture of moulds and plastic	Thailand	Shareholder	120,000,000	51.0	51.0	61,200	-	61,200	61,200	-	61,200
							233,956	(20,000)	213,956	233,956	(20,000)	213,956
Foreign												
Srithai (Vietnam) Co., Ltd.	Manufacture of plastic and melamine	Vietnam	Shareholder	782,082 Million Vietnamese Dong	100.0	100.0	1,229,036	-	1,229,036	1,229,036	-	1,229,036
Srithai Superware Manufacturing Pvt. Ltd.	Manufacture of melamine	India	Shareholder	720.00 Million Indian Rupees	100.0	100.0	482,130	-	482,130	403,026	-	403,026
Srithai Superware India Ltd.	Trading of melamine	India	Shareholder	42.50 Million Indian Rupees	82.4	82.4	25,090	(25,090)	-	25,090	-	25,090
							1,736,256	(25,090)	1,711,166	1,657,152	-	1,657,152
Total investments in subsidiaries							1,970,212	(45,090)	1,925,122	1,891,108	(20,000)	1,871,108
At Cost												
(Unit : Million Vietnamese Dong)												
31 December 2016 31 December 2015												
Indirect Subsidiary												
Subsidiary of Srithai (Vietnam) Co., Ltd.												
Srithai (Hanoi) Co., Ltd.	Manufacture of plastic	Vietnam	Indirect Shareholder	424,920 Million Vietnamese Dong	100.0	100.0						
										424,920 (equivalent to 663 Million Baht)	270,000 (equivalent to 415 Million Baht)	270,000

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

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

	Consolidated financial statements					Separate financial statements (Unit : Baht'000)									
	Nature of business	Country of incorporation	Nature of relationship	Paid up capital	Percentage of shareholding	Equity method		Cost method							
						31 December 2016	31 December 2015	31 December 2016	Allowance for impairment	Net book value	Cost	31 December 2015	Allowance for impairment	Net book value	
Associates															
Local															
Srithai Sanko Co., Ltd. ⁽¹⁾	Trading of plastic	Thailand	Shareholder	20,000,000	48.0	48.0	21,530	29,533	9,599	-	9,599	9,599	-	-	9,599
Thai MFC Co., Ltd.	Manufacture of melamine powder	Thailand	Shareholder	200,000,000	45.0	45.0	111,011	126,863	90,000	-	90,000	90,000	-	-	90,000
S.K.I. Ceramics Co., Ltd. ⁽²⁾	Manufacture of ceramics	Thailand	Shareholder	125,000,000	42.0	42.0	-	-	52,500	(52,500)	-	52,500	(52,500)	-	-
Sheewamala Co., Ltd.	Manufacture of plastic and melamine	Thailand	Shareholder	49,800,000	40.0	40.0	33,525	26,912	19,920	-	19,920	19,920	-	-	19,920
Srithai Packaging Co., Ltd.	Manufacture of packaging	Thailand	Shareholder	60,000,000	39.2	39.2	35,679	30,117	27,156	-	27,156	27,156	-	-	27,156
Soko Srithai Co., Ltd. ⁽²⁾	Manufacture of plastic	Thailand	Shareholder	250,000,000	24.0	24.0	-	-	48,385	(48,385)	-	48,385	(48,385)	-	-
							201,745	213,425	247,560	(100,885)	146,675	247,560	(100,885)	-	146,675
Foreign															
PT. Srithai Masplon Indonesia	Manufacture of melamine	Indonesia	Shareholder	10,394.1 Million Rupiah	32.5	32.5	12,629	13,420	37,438	-	37,438	37,438	-	-	37,438
							12,629	13,420	37,438	-	37,438	37,438	-	-	37,438
Total investments in associates							214,374	226,845	284,998	(100,885)	184,113	284,998	(100,885)	-	184,113
Joint venture															
Local															
Srithai-Otto (Thailand) Co., Ltd.	Trading of plastic	Thailand	Shareholder	10,000,000	50.0	50.0	17,663	16,305	5,000	-	5,000	5,000	-	-	5,000
Total investments in joint venture							17,663	16,305	5,000	-	5,000	5,000	-	-	5,000
Total investments in associates and joint venture							232,037	243,150	289,998	(100,885)	189,113	289,998	(100,885)	-	189,113

- (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 100.0% shareholding
- (2) Associates were dissolved and have been under the process of liquidation. As at 31 December 2016, the Group has not recognised share of accumulated losses in associates which exceed the Group's interest totaling of Baht 7.37 million (2015 : Baht 7.37 million).

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 comprise the following:

Subsidiaries

	Separate financial statements	
	Cost method	
	2016	2015
	Baht'000	Baht'000
Opening net book amount	1,871,108	1,013,633
Investment in subsidiaries (Note 12.6 a))	79,104	883,725
Subsidiary's liquidation (Note 12.6 b))	-	(6,250)
Loss on impairment of investment in a subsidiary (Note 12.6 c))	(25,090)	(20,000)
Closing net book amount	<u>1,925,122</u>	<u>1,871,108</u>

Associates

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Opening net book amount	226,845	253,116	184,113	184,113
Share of profit of investments in associates	82,501	76,685	-	-
Dividend income	(94,836)	(102,741)	-	-
Currency translation differences	(136)	(215)	-	-
Closing net book amount	<u>214,374</u>	<u>226,845</u>	<u>184,113</u>	<u>184,113</u>

Joint venture

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Opening net book amount	16,305	14,299	5,000	5,000
Share of profit of investments in joint venture	1,358	2,006	-	-
Dividend income	-	-	-	-
Closing net book amount	<u>17,663</u>	<u>16,305</u>	<u>5,000</u>	<u>5,000</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 2016						
	Country of incorporation	Assets Baht'000	Liabilities Baht'000	Revenues Baht'000	Profit (Loss) Baht'000	Percentage of share holding
Associates						
Local						
Srithai Sanko Co., Ltd.	Thailand	88,374	62,460	191,213	8,796	48.0
Thai MFC Co., Ltd.	Thailand	237,595	123,239	428,500	60,198	45.0
Sheewamala Co., Ltd.	Thailand	46,423	9,938	45,242	6,613	40.0
Srithai Packaging Co., Ltd.	Thailand	72,367	37,710	69,269	5,562	39.2
		444,759	233,347	734,224	81,169	
Foreign						
PT. Srithai Maspion Indonesia	Indonesia	25,463	12,835	44,162	1,332	32.5
		25,463	12,835	44,162	1,332	
Total associates		470,222	246,182	778,386	82,501	
Joint venture						
Local						
Srithai-Otto (Thailand) Co., Ltd.	Thailand	26,490	8,108	44,792	1,358	50.0
Total joint venture		26,490	8,108	44,792	1,358	
Total associates and joint venture		496,712	254,290	823,178	83,859	

For the year ended 31 December 2015						
	Country of incorporation	Assets Baht'000	Liabilities Baht'000	Revenues Baht'000	Profit (Loss) Baht'000	Percentage of share holding
Associates						
Local						
Srithai Sanko Co., Ltd.	Thailand	92,992	58,033	183,094	12,970	48.0
Thai MFC Co., Ltd.	Thailand	187,282	56,990	388,792	64,710	45.0
Sheewamala Co., Ltd.	Thailand	36,177	6,322	36,560	4,043	40.0
Srithai Packaging Co., Ltd.	Thailand	74,522	44,974	69,367	(6,968)	39.2
		390,973	166,319	677,813	74,755	
Foreign						
PT. Srithai Maspion Indonesia	Indonesia	21,927	8,508	38,945	1,930	32.5
		21,927	8,508	38,945	1,930	
Total associates		412,900	174,827	716,758	76,685	
Joint venture						
Local						
Srithai-Otto (Thailand) Co., Ltd.	Thailand	24,589	8,088	39,586	2,006	50.0
Total joint venture		24,589	8,088	39,586	2,006	
Total associates and joint venture		437,489	182,915	756,344	78,691	

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

12.4 Investment in associates

Associate of the Group, which, in the opinion of the Directors, is material to the Group comprises the following:

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

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

	Thai MFC Co., Ltd.	
	2016	2015
	Baht'000	Baht'000
Current assets		
Cash and cash equivalents	112,706	39,359
Other current assets (excluding cash and cash equivalents)	362,776	330,462
Total current assets	475,482	369,821
Non-current Assets	52,508	46,361
	527,990	416,182
Current liabilities		
Financial liabilities (excluding trade payables)	118,361	14,354
Other current liabilities (including trade payables)	150,693	107,893
Total current liabilities	269,054	122,247
Non-current liabilities	4,811	4,397
	273,865	126,644
Net assets	254,125	289,538

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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 comprise the following:

	Thai MFC Co., Ltd.	
	2016	2015
	Baht'000	Baht'000
Revenue	952,222	863,983
Depreciation and amortisation	(8,978)	(12,014)
Interest income	1,901	2,100
Interest expense	-	(28)
Profit from continuing operations	165,268	186,706
Income tax expense	(31,681)	(36,703)
Post-tax profit from continuing operations	133,587	150,003
Total comprehensive income	133,587	150,003
Dividends received from associate	76,050	90,000

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:

	Thai MFC Co., Ltd.	
	2016	2015
	Baht'000	Baht'000
Summarised financial information		
Opening net assets 1 January	289,538	339,535
Profit for the year	133,587	150,003
Dividend payment	(169,000)	(200,000)
Closing net assets 31 December	254,125	289,538
Interests in associates (2016: 45%; 2015: 45%)	114,356	130,292
Unrealised gain arising from equity method	(3,345)	(3,429)
Carrying value	111,011	126,863

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:

	2016	2015
	Baht'000	Baht'000
Aggregate carrying amount of individually immaterial associates	103,363	99,982
Aggregate amounts of the reporting entity's share of:		
Profit from continuing activities	22,303	11,975
Other comprehensive income	-	-
Total comprehensive income	22,303	11,975

12 Investments in subsidiaries, associates and joint venture (Cont'd)**12.5 Interests in joint venture**

Joint venture 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

Srithai-Otto (Thailand) Co., Ltd. is a private company and there is no quoted market price available for its shares. 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. 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>2016 Baht'000</u>	<u>2015 Baht'000</u>
Aggregate carrying amount of individually immaterial joint venture	<u>17,663</u>	<u>16,305</u>
Aggregate amounts of the reporting entity's share of:		
Profit from continuing activities	1,358	2,006
Other comprehensive income	-	-
Total comprehensive income	<u>1,358</u>	<u>2,006</u>

12.6 Significant events**a) Investment in subsidiaries and indirect subsidiary**Srithai (Vietnam) Company Limited - subsidiary

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.

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

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 2nd 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.

During the year ended 31 December 2016, Srithai Superware Manufacturing Private Limited has registered to increase its capital from Indian Rupees 600.00 million to Indian Rupees 720.00 million according to the resolution of the Board of Directors of the subsidiary. The Company had already paid the additional share capital in full, being share capital and premium on share capital amounting to Indian Rupees 120.00 million and 30.00 million, respectively, or totalling equivalent to Baht 79.10 million according to its 100.00% shareholding. The registered capital has been fully paid-up.

Srithai (Hanoi) Company Limited - indirect subsidiary

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, a subsidiary, amounting to Vietnamese Dongs 228,000.00 million or equivalent to Baht 352.10 million according to its 100.00% shareholding.

During the year ended 31 December 2016, Srithai (Vietnam) Company Limited paid for the remaining share capital of Srithai (Hanoi) Company Limited amounting to Vietnamese Dongs 154,920.00 million or equivalent to Baht 248.00 million according to its 100.00% shareholding. The registered capital has been fully-paid up.

b) Subsidiary's dissolution and liquidation

P.E.T. Blow Company Limited

On 30 November 2016, the Extraordinary shareholders' meeting of P.E.T. Blow Company Limited approved the dissolution. This is due to the subsidiary's declining performance and increasing in cumulative deficits. The dissolution was registered with the Ministry of Commerce on 2 December 2016. The subsidiary is under liquidation process.

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 6.25 million. However, the Company received cash return from the subsidiary's liquidation amounting to Baht 6.33 million.

12 Investments in subsidiaries, associates and joint venture (Cont'd)**12.6 Significant events (Cont'd)****c) Impairment of investments in subsidiaries**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 separate 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 a subsidiary in the separate statement of comprehensive income.

Srithai Superware India Limited

During the year ended 31 December 2016, the Company's management had considered and determined to set up allowance for impairment of investment in a subsidiary, Srithai Superware India Limited, of Baht 25.09 million which equals to the cost of investment in the subsidiary in the separate financial statements. This resulted from the subsidiary did not meet their operational budgets and continued to incur. The management has direction to fade out this subsidiary in the next 2 years. The allowance is presented under loss on impairment of investment in a subsidiary in the separate statement of comprehensive income.

Since investment in this subsidiary was considered as cash generating unit (CGU), the impairment of investment in this subsidiary was assessed by calculating value in use of this investment using a discounted cash flow model. This model used future cash flow from net assets value in the next 2 years which are outstanding accounts receivable, outstanding inventories, and accounts payable, as well as cash flow from gradually fading-out this subsidiary within the next 2 years. The discounted cash flow used weighted average cost of capital of the Company as a discount rate.

d) Dividend payment of subsidiariesKorat 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 1st Extraordinary 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 2nd Extraordinary 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 received the dividend of Baht 15.00 million according to its 100.00% shareholding.

At the Annual General Shareholders' Meeting of Korat Thai Tech Company Limited on 25 March 2016, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2015 at Baht 27.00 per share, totalling Baht 81.00 million. The Company received a dividend of Baht 81.00 million according to its 100.00% shareholding.

At the 1st Extraordinary Shareholders' Meeting of Korat Thai Tech Company Limited on 30 September 2016, the meeting has approved an interim dividend for the year 2016 at Baht 10.00 per share, totalling Baht 30.00 million. The Company received a dividend of Baht 30.00 million according to its 100.00% shareholding.

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

12.6 Significant events (Cont'd)

d) Dividend payment of subsidiaries (Cont'd)

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.

At the Annual General Shareholders' Meeting of Srithai Miyagawa Company Limited on 26 April 2016, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2015 at Baht 25.00 per share, totalling Baht 30.00 million. The Company received a dividend of Baht 15.30 million according to its 51.00% shareholding.

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.

At the Board of Directors' Meeting of Srithai (Vietnam) Company Limited on 7 April 2016, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2015 totalling Vietnamese Dongs 75,000.00 million or equivalent to Baht 120.00 million. The Company received a dividend according to its 100.00% shareholding.

13 Other long-term investments, net

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
<u>Equity securities</u> - Non-listed companies				
LN Srithai Comm Co., Ltd.	73,546	73,546	15,200	15,200
Nissen Chemitec (Thailand) Co., Ltd.	17,000	17,000	17,000	17,000
D M S Tech Co., Ltd.	11,000	11,000	-	-
Lock&Lock (Thailand) Co., Ltd.	5,170	5,170	8,670	8,670
Others (less than 5% holding)	9,300	9,300	9,300	9,300
	116,016	116,016	50,170	50,170
<u>Less</u> Allowance for impairment loss of investments	(3,000)	(3,000)	(3,000)	(3,000)
Total other long-term investments, net	113,016	113,016	47,170	47,170

The movements in book value of other long-term investments comprise the following:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Opening net book amount	113,016	113,016	47,170	47,170
Change during the year	-	-	-	-
Closing net book amount	113,016	113,016	47,170	47,170

14 Investment properties, net

	Consolidated financial statements		
	Land Baht'000	Land and building Baht'000	Total Baht'000
As at 1 January 2015			
Cost	27,250	177,928	205,178
<u>Less</u> Accumulated depreciation	-	(76,745)	(76,745)
Net book value	<u>27,250</u>	<u>101,183</u>	<u>128,433</u>
For the year ended 31 December 2015			
Opening net book value	27,250	101,183	128,433
Depreciation charge (Note 28)	-	(5,948)	(5,948)
Closing net book value	<u>27,250</u>	<u>95,235</u>	<u>122,485</u>
As at 31 December 2015			
Cost	27,250	177,928	205,178
<u>Less</u> Accumulated depreciation	-	(82,693)	(82,693)
Net book value	<u>27,250</u>	<u>95,235</u>	<u>122,485</u>
For the year ended 31 December 2016			
Opening net book value	27,250	95,235	122,485
Depreciation charge (Note 28)	-	(5,788)	(5,788)
Reclassification - cost	-	10,104	10,104
- accumulated depreciation	-	(924)	(924)
Closing net book value	<u>27,250</u>	<u>98,627</u>	<u>125,877</u>
As at 31 December 2016			
Cost	27,250	188,032	215,282
<u>Less</u> Accumulated depreciation	-	(89,405)	(89,405)
Net book value	<u>27,250</u>	<u>98,627</u>	<u>125,877</u>
Fair value as at 31 December 2015	434,910	645,739	1,080,649
Fair value as at 31 December 2016	434,910	673,841	1,108,751

Srithai Superware Public Company Limited
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14 Investment properties, net (Cont'd)

	Separate financial statements		
	Land Baht'000	Land and building Baht'000	Total Baht'000
As at 1 January 2015			
Cost	201,543	359,530	561,073
<u>Less</u> Accumulated depreciation	-	(67,524)	(67,524)
Net book value	<u>201,543</u>	<u>292,006</u>	<u>493,549</u>
For the year ended 31 December 2015			
Opening net book value	201,543	292,006	493,549
Depreciation charge (Note 28)	-	(5,666)	(5,666)
Closing net book value	<u>201,543</u>	<u>286,340</u>	<u>487,883</u>
As at 31 December 2015			
Cost	201,543	359,530	561,073
<u>Less</u> Accumulated depreciation	-	(73,190)	(73,190)
Net book value	<u>201,543</u>	<u>286,340</u>	<u>487,883</u>
For the year ended 31 December 2016			
Opening net book value	201,543	286,340	487,883
Depreciation charge (Note 28)	-	(5,788)	(5,788)
Reclassification - cost	-	10,104	10,104
- accumulated depreciation	-	(924)	(924)
Closing net book value	<u>201,543</u>	<u>289,732</u>	<u>491,275</u>
As at 31 December 2016			
Cost	201,543	369,634	571,177
<u>Less</u> Accumulated depreciation	-	(79,902)	(79,902)
Net book value	<u>201,543</u>	<u>289,732</u>	<u>491,275</u>
Fair value as at 31 December 2015	434,910	632,462	1,067,372
Fair value as at 31 December 2016	434,910	659,100	1,094,010

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:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Rental income	5,946	6,099	5,535	5,766

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15 Property, plant and equipment, net

	Consolidated financial statements					
	Land and buildings Baht'000	Land and building improvement Baht'000	Machinery and equipment Baht'000	Furniture and office equipment Baht'000	Motor vehicles Baht'000	Construction in progress Baht'000
As at 1 January 2015						
Cost	1,301,682	424,899	6,979,468	341,934	118,336	209,896
Less Accumulated depreciation	(407,646)	(353,877)	(2,906,688)	(248,490)	(86,420)	-
Allowance for impairment	-	-	-	-	-	(40)
Net book value	894,036	71,022	4,072,780	93,444	31,916	209,856
For the year ended 31 December 2015						
Opening net book value	894,036	71,022	4,072,780	93,444	31,916	209,856
Additions	42,379	50,514	540,393	20,062	14,236	489,992
Depreciation charge (Note 28)	(50,448)	(36,710)	(584,942)	(18,918)	(6,973)	-
Disposals - cost	(1,568)	-	(32,543)	(4,004)	(20,920)	-
- accumulated depreciation	1,568	-	16,342	3,934	20,920	-
Assets written off - cost	(248)	(1,289)	(43,253)	(1,071)	-	(40)
- accumulated depreciation	104	1,289	32,090	944	-	-
- allowance for impairment	-	-	-	-	-	40
Reclassification - cost	-	-	90,343	(90,343)	-	(1,678)
- accumulated depreciation	-	-	(50,236)	50,236	-	-
Transfer within account	117,496	9,249	259,173	-	-	(385,918)
Foreign exchange rate adjustment	3,109	-	39,521	166	79	5,504
Closing net book value	1,006,428	94,075	4,339,668	54,450	39,258	317,756
As at 31 December 2015						
Cost	1,464,913	483,372	7,842,539	266,845	111,870	317,756
Less Accumulated depreciation	(458,485)	(389,297)	(3,502,871)	(212,395)	(72,612)	-
Net book value	1,006,428	94,075	4,339,668	54,450	39,258	317,756
						5,851,635

	Consolidated financial statements						
	Land and buildings Baht'000	Land and building improvement Baht'000	Machinery and equipment Baht'000	Furniture and office equipment Baht'000	Motor vehicles Baht'000	Construction in progress Baht'000	Total Baht'000
For the year ended 31 December 2016							
Opening net book value	1,006,428	94,075	4,339,668	54,450	39,258	317,756	5,851,635
Additions	26,672	27,059	244,425	14,617	902	706,938	1,020,613
Depreciation charge (Note 28)	(55,158)	(32,028)	(657,053)	(18,544)	(5,978)	-	(768,761)
Disposals - cost	-	-	(23,794)	(3,410)	(5,222)	-	(32,426)
- accumulated depreciation	-	-	9,041	3,282	5,122	-	17,445
Assets written off - cost	-	-	(28,462)	(572)	-	(850)	(29,884)
- accumulated depreciation	-	-	17,452	567	-	-	18,019
Reclassification - cost	(92,871)	25,363	48,891	644	(2)	-	(17,975)
- accumulated depreciation	27,094	(6,240)	(7,577)	(111)	-	-	13,166
Transfer within account	105,831	12,023	357,334	174	-	(475,362)	-
Foreign exchange rate adjustment	(3,178)	-	(3,617)	(121)	(14)	35	(6,895)
Closing net book value	1,014,818	120,252	4,296,308	50,976	34,066	548,517	6,084,937
As at 31 December 2016							
Cost	1,501,078	547,817	8,436,959	278,078	107,537	548,517	11,419,986
Less Accumulated depreciation	(486,260)	(427,565)	(4,140,651)	(227,102)	(73,471)	-	(5,355,049)
Net book value	1,014,818	120,252	4,296,308	50,976	34,066	548,517	6,084,937

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

	Separate financial statements						
	Land and buildings Baht'000	Land and building improvement Baht'000	Machinery and equipment Baht'000	Furniture and office equipment Baht'000	Motor vehicles Baht'000	Construction in progress Baht'000	Total Baht'000
As at 1 January 2015							
Cost	1,079,616	404,365	5,359,191	227,062	94,403	101,835	7,266,472
Less Accumulated depreciation	(304,348)	(342,420)	(2,422,373)	(183,293)	(68,080)	-	(3,320,514)
Net book value	775,268	61,945	2,936,818	43,769	26,323	101,835	3,945,958
For the year ended 31 December 2015							
Opening net book value	775,268	61,945	2,936,818	43,769	26,323	101,835	3,945,958
Additions	-	49,531	304,388	13,020	9,108	150,973	527,020
Depreciation charge (Note 28)	(26,942)	(33,008)	(442,144)	(14,359)	(4,493)	-	(520,946)
Disposals - cost	-	-	(39,517)	(4,004)	(18,654)	-	(62,175)
- accumulated depreciation	-	-	21,298	3,934	18,654	-	43,886
Assets written off - cost	-	(1,289)	(29,863)	(745)	-	-	(31,897)
- accumulated depreciation	-	1,289	19,428	706	-	-	21,423
Transfer within account	-	9,248	116,820	-	-	(126,068)	-
Closing net book value	748,326	87,716	2,887,228	42,321	30,938	126,740	3,923,269
As at 31 December 2015							
Cost	1,079,616	461,855	5,711,019	235,333	84,857	126,740	7,699,420
Less Accumulated depreciation	(331,290)	(374,139)	(2,823,791)	(193,012)	(53,919)	-	(3,776,151)
Net book value	748,326	87,716	2,887,228	42,321	30,938	126,740	3,923,269

	Separate financial statements						
	Land and buildings Baht'000	Land and building improvement Baht'000	Machinery and equipment Baht'000	Furniture and office equipment Baht'000	Motor vehicles Baht'000	Construction in progress Baht'000	Total Baht'000
For the year ended 31 December 2016							
Opening net book value	748,326	87,716	2,887,228	42,321	30,938	126,740	3,923,269
Additions	-	17,613	189,101	7,204	-	251,335	465,253
Depreciation charge (Note 28)	(26,821)	(24,406)	(443,903)	(13,009)	(3,925)	-	(512,064)
Disposals - cost	-	-	(309,683)	(2,996)	(4,135)	-	(316,814)
- accumulated depreciation	-	-	109,025	2,872	4,135	-	116,032
Assets written off - cost	-	-	(28,288)	(536)	-	(850)	(29,674)
- accumulated depreciation	-	-	17,371	535	-	-	17,906
Reclassification - cost	(10,104)	-	-	-	-	-	(10,104)
- accumulated depreciation	924	-	-	-	-	-	924
Transfer within account	-	10,342	182,416	-	-	(192,758)	-
Closing net book value	712,325	91,265	2,603,267	36,391	27,013	184,467	3,654,728
As at 31 December 2016							
Cost	1,069,512	489,810	5,744,565	239,005	80,722	184,467	7,808,081
Less Accumulated depreciation	(357,187)	(398,545)	(3,141,298)	(202,614)	(53,709)	-	(4,153,353)
Net book value	712,325	91,265	2,603,267	36,391	27,013	184,467	3,654,728

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

During the year, the additions of a subsidiary included Baht 0.9 million assets acquired from financial lease agreements. (2015: Baht 2.16 million).

Commitments

The Group has mortgaged part of the land, buildings and machineries to banks as collateral for overdrafts, long-term loans and working capital facilities from banks as follows:

	Consolidated financial statements		Separate financial statements	
	Cost 2016 Baht'000	Cost 2015 Baht'000	Cost 2016 Baht'000	Cost 2015 Baht'000
Subsidiaries:				
Srithai Moulds Company Limited				
- Land, buildings and machinery	26,182	26,182	-	-
Srithai Miyagawa Company Limited				
- Land and machinery	291,481	291,481	-	-

16 Intangible assets, net

	Consolidated financial statements			
	Software copyright and operational computer software Baht'000	Work under installation- computer software Baht'000	Production technique patents Baht'000	Total Baht'000
As at 1 January 2015				
Cost	134,184	8,710	38,090	180,984
<u>Less</u> Accumulated amortisation	(105,122)	-	(23,025)	(128,147)
Net book value	29,062	8,710	15,065	52,837
For the year ended 31 December 2015				
Opening net book value	29,062	8,710	15,065	52,837
Additions	4,011	4,338	-	8,349
Amortisation charge	(11,694)	-	(3,809)	(15,503)
Assets written off - cost	(39,849)	-	-	(39,849)
- accumulated amortisation	39,484	-	-	39,484
Transfer within account	10,388	(10,388)	-	-
Foreign exchange rate adjustment	122	-	-	122
Closing net book value	31,524	2,660	11,256	45,440
As at 31 December 2015				
Cost	107,987	2,660	38,090	148,737
<u>Less</u> Accumulated amortisation	(76,463)	-	(26,834)	(103,297)
Net book value	31,524	2,660	11,256	45,440

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16 Intangible assets, net (Cont'd)

Consolidated financial statements				
	Software copyright and operational computer software Baht'000	Work under installation- computer software Baht'000	Production technique patents Baht'000	Total Baht'000
For the year ended 31 December 2016				
Opening net book value	31,524	2,660	11,256	45,440
Additions	13,574	2,264	-	15,838
Amortisation charge	(10,361)	-	(3,809)	(14,170)
Disposals - cost	-	(335)	-	(335)
Assets written off - cost	(552)	-	-	(552)
- accumulated amortisation	552	-	-	552
Reclassification - cost	360	-	-	360
- accumulated amortisation	(43)	-	-	(43)
Transfer within account	2,074	(2,074)	-	-
Foreign exchange rate adjustment	(9)	(67)	-	(76)
Closing net book value	37,119	2,448	7,447	47,014
As at 31 December 2016				
Cost	123,396	2,448	38,090	163,934
<u>Less</u> Accumulated amortisation	(86,277)	-	(30,643)	(116,920)
Net book value	37,119	2,448	7,447	47,014
Separate financial statements				
	Software copyright and operational computer software Baht'000	Work under installation- computer software Baht'000	Production technique patents Baht'000	Total Baht'000
As at 1 January 2015				
Cost	99,002	1,973	38,090	139,065
<u>Less</u> Accumulated amortisation	(83,525)	-	(23,025)	(106,550)
Net book value	15,477	1,973	15,065	32,515
For the year ended 31 December 2015				
Opening net book value	15,477	1,973	15,065	32,515
Additions	2,429	1,371	-	3,800
Amortisation charge	(6,488)	-	(3,809)	(10,297)
Assets written off - cost	(39,666)	-	-	(39,666)
- accumulated amortisation	39,301	-	-	39,301
Transfer within account	2,516	(2,516)	-	-
Closing net book value	13,569	828	11,256	25,653
As at 31 December 2015				
Cost	64,281	828	38,090	103,199
<u>Less</u> Accumulated amortisation	(50,712)	-	(26,834)	(77,546)
Net book value	13,569	828	11,256	25,653

16 Intangible assets, net (Cont'd)

	Separate financial statements			
	Software copyright and operational computer software Baht'000	Work under installation- computer software Baht'000	Production technique patents Baht'000	Total Baht'000
For the year ended 31 December 2016				
Opening net book value	13,569	828	11,256	25,653
Additions	1,030	662	-	1,692
Amortisation charge	(4,505)	-	(3,809)	(8,314)
Disposals - cost	-	(335)	-	(335)
Transfer within account	735	(735)	-	-
Closing net book value	10,829	420	7,447	18,696
As at 31 December 2016				
Cost	66,046	420	38,090	104,556
<u>Less</u> Accumulated amortisation	(55,217)	-	(30,643)	(85,860)
Net book value	10,829	420	7,447	18,696

17 Deferred income taxes

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
	Notes	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets	17.1				
Deferred tax assets to be recovered within 12 months		6,575	7,608	5,263	6,377
Deferred tax assets to be recovered after more than 12 months		116,728	102,389	83,703	80,120
		123,303	109,997	88,966	86,497
Deferred tax liabilities	17.2				
Deferred tax liabilities to be settled within 12 months		-	-	-	-
Deferred tax liabilities to be settled after more than 12 months		(4,364)	(3,716)	(4,364)	(3,716)
		(4,364)	(3,716)	(4,364)	(3,716)
Deferred income taxes, net		118,939	106,281	84,602	82,781

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15.00% to 20.00% (2015: 15.00% to 20.00%).

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17 Deferred income taxes (Cont'd)

17.1 Deferred tax assets

	Consolidated financial statements					
	1 January 2015 Baht'000	Tax charged/ (credited) to profit or loss Baht'000	Tax charged/ (credited) to comprehensive income Baht'000	Foreign exchange rate adjustment Baht'000	31 December 2015 Baht'000	Tax charged/ (credited) to comprehensive income Baht'000
Tax loss carry forward	12,081	(12,684)	-	603	-	-
Allowance for impairment of investments	25,350	(1,173)	-	-	24,177	-
Employee benefit obligations	59,314	7,056	9,414	-	75,784	-
Others	10,363	(398)	-	71	10,036	-
	107,108	(7,199)	9,414	674	109,997	-
					13,306	-
						123,303

	Separate financial statements					
	1 January 2015 Baht'000	Tax charged/ (credited) to profit or loss Baht'000	Tax charged/ (credited) to comprehensive income Baht'000	Foreign exchange rate adjustment Baht'000	31 December 2015 Baht'000	Tax charged/ (credited) to comprehensive income Baht'000
Allowance for impairment of investments	25,350	(1,173)	-	-	24,177	-
Employee benefit obligations	49,838	5,176	6,561	-	61,575	-
Others	745	-	-	-	745	-
	75,933	4,003	6,561	-	86,497	-
					2,469	-
						88,966

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 24.75 million (2015: Baht 21.07 million) in respect of losses amounting to Baht 87.40 million (2015: Baht 81.85 million) that can be carried forward against future taxable income. Losses will expire in 2017 - 2021.

17 Deferred income taxes (Cont'd)

17.2 Deferred tax liabilities

	Consolidated and separate financial statements				
	1 January 2015	Tax charged/ (credited) to other comprehensive income	31 December 2015	Tax charged/ (credited) to other comprehensive income	31 December 2016
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Available-for-sale investments	9,404	(5,688)	3,716	648	4,364

17.3 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Current income tax expense	30,823	72,892	17,581	29,486
Previous year income tax adjustment	2,683	-	2,683	-
	33,506	72,892	20,264	29,486
Deferred income tax				
- Deferred tax assets (Note 17.1)	(13,471)	7,199	(2,469)	(4,003)
- Deferred tax liabilities (Note 17.2)	-	-	-	-
	(13,471)	7,199	(2,469)	(4,003)
	20,035	80,091	17,795	25,483

The tax on the Group's and the Company's profit before tax differs from the theoretical amount that would arise using the basic weighted average tax rate applicable to profit of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Profit before tax	284,222	558,324	423,672	470,156
Tax rate	20%	20%	20%	20%
The result of the accounting profit multiplied by the income tax rate	56,844	111,665	84,734	94,031
Tax effect of :				
Effect of exempted income and extra deduction expenses	(15,009)	(11,882)	(80,509)	(76,702)
Effect from expenses not deductible for tax purpose	5,836	28,965	17,408	17,925
Profit exempt from corporate income tax due to promotional privilege from BOI	(24,430)	(33,901)	(6,521)	(9,771)
Utilisation of previously unrecognised tax losses	11,462	8,163	-	-
Share of net profit from investments				
- equity method	(16,772)	(15,738)	-	-
Effect of subsidiary's different tax rates	(579)	(7,181)	-	-
Previous year income tax adjustment	2,683	-	2,683	-
Income tax	20,035	80,091	17,795	25,483

The Group's and the Company's weighted average applicable tax rate were 7.05% and 4.20%, respectively (2015: 14.34% and 5.42%, respectively).

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18 Leasehold right, net

	Consolidated financial statements	
	2016	2015
	Baht'000	Baht'000
Current portion of leasehold right (presented in other receivables - third parties)	2,073	1,951
Leasehold right dues later than 1 year	110,186	112,665
Total leasehold right, net	112,259	114,616

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.

The movements of leasehold right comprise the following:

	Consolidated financial statements	
	2016	2015
	Baht'000	Baht'000
Opening net book value	114,616	46,720
Acquisition	-	63,447
Amortisation	(1,269)	(1,951)
Currency translation differences	(1,088)	6,400
Closing net book value	112,259	114,616

19 Short-term loans

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Short-term loans from banks				
- Baht	1,359,000	1,690,000	1,300,000	1,690,000
- US Dollars	-	44,440	-	-
- Vietnamese Dongs	311,858	17,163	-	-
Total short-term loans	1,670,858	1,751,603	1,300,000	1,690,000

Short-term loans in Thai Baht from local banks amounting to Baht 1,300.00 million (2015: Baht 1,690.00 million), represent promissory notes due at call with a period not exceeding 3 months, bearing fixed interest rate over loan period (2015: fixed interest rate over loan period).

Short-term loans in Vietnamese Dongs of an overseas subsidiary amounting to Vietnamese Dongs 194,910.75 million (equivalent to Baht 311.86 million) (2015: 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)) represent short-term loans with a period not exceeding 6 months, bearing interest at Cost of Fund plus margin of a bank in Vietnam (2015 : bearing interest at LIBOR plus margin and at Cost of Fund plus margin of a bank in Vietnam).

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

20 Long-term loans

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
<u>Long-term loans</u>				
- Baht	2,405,440	2,376,323	2,187,082	2,121,434
- Vietnamese Dongs 446,238 million (2015: Vietnamese Dongs 69,284 million)	713,981	110,854	-	-
- US dollars (2015 :US dollars 4.67 million)	-	168,490	-	-
Total long-term loans	3,119,421	2,655,667	2,187,082	2,121,434

The movements of long-term loans comprise the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Opening balance	2,655,667	2,575,099	2,121,434	1,893,249
Additions	1,160,462	805,246	600,000	800,000
Repayment	(697,182)	(734,462)	(534,352)	(571,815)
Foreign exchange rate adjustment	474	9,784	-	-
Closing balance	3,119,421	2,655,667	2,187,082	2,121,434

Long-term loans are due for repayments as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Current portion of long-term loans	774,801	660,969	539,877	496,852
Due later than 1 year and not later than 3 years	1,435,252	1,184,094	1,038,205	911,517
Due later than 3 years and not later than 5 years	685,188	758,848	509,000	663,065
Due later than 5 years	224,180	51,756	100,000	50,000
	2,344,620	1,994,698	1,647,205	1,624,582
Total long-term loans	3,119,421	2,655,667	2,187,082	2,121,434

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20 Long-term loans (Cont'd)

The requirements and conditions for long-term loans comprise the following:

Contract No.	Consolidated Long-term loans as of		Company	Loan Purpose	Loan Limit	Interest rate and repayment terms	Guarantees and collaterals
	31 December 2016 (Million Baht)	31 December 2015 (Million Baht)					
1	2,187.08	2,121.43	Parent company Srithai Superware Public Company Limited	Investment in building improvement, machinery, moulds, factory equipment and investment in overseas subsidiaries	Baht 3,175.65 million (11 agreements comprising 12 loans)	6 loans bear fixed interest rate over loan period. 6 loans bear interest rate at MLR less margin, THBFIX 3-month plus margin, FDR 6-month plus margin and B1BOR 3-month plus margin. Repayment is due every three months from September 2011 to 2022.	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	14.67	17.77	Local subsidiary Srithai Moulds Company Limited	Investment in building	Baht 34.80 million	Interest rate at MLR less margin. 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	203.68	237.12	Local subsidiary Srithai Miyagawa Company Limited	The energy preservation project and investment in machinery and building	Baht 385.82 million	Fixed interest rate and MLR less margin. Repayments are due every month and every 3 months from July 2012 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.
4	713.98 Vietnamese Dongs 446,238.11 million	279.35 Vietnamese Dongs 69,283.88 million and US Dollars 4.67 million)	Overseas subsidiary Srithai (Vietnam) Company Limited	Investment in leasehold right, building improvement, machinery, moulds, equipment, and investment in a subsidiary in Vietnam	Vietnamese Dongs 438,640.00 million and US dollars 8.78 million (2015 : 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. Repayment is due every three months from December 2011 to 2023.	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.
Total	3,119.42	2,655.67					

The Group must comply with other conditions and restrictions for long-term loans provided for in the agreements.

20 Long-term loans (Cont'd)

The interest rate exposure on the borrowings of the Group comprises the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Borrowings:				
at fixed interest rates	1,169,055	1,035,126	1,118,237	1,030,949
at floating interest rates	1,950,366	1,620,541	1,068,845	1,090,485
	<u>3,119,421</u>	<u>2,655,667</u>	<u>2,187,082</u>	<u>2,121,434</u>

The effective interest rates at the statement of financial position date were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Bank borrowings	2.77% to 8.00%	2.81% to 9.50%	2.77% to 4.90%	2.81% to 5.50%

The carrying values and fair value of long-term loans are as follow:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Long-term loans - carrying amounts	3,119,421	2,655,667	2,187,082	2,121,434
Long-term loans - fair value	2,972,265	2,529,908	2,065,246	1,999,794

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 comprise the following:

	Consolidated financial statements					
	31 December 2016			31 December 2015		
	Overdraft Baht'000	Long-term loan facilities Baht'000	Working capital facilities Baht'000	Overdraft Baht'000	Long-term loan facilities Baht'000	Working capital facilities Baht'000
Floating rate						
- draw down within 1 year	-	-	-	-	304,696	-
- draw down with no timeframe limitation	206,068	-	960,560	225,000	-	446,226
Fixed rate						
- draw down within 1 year	-	-	-	-	-	-
- draw down with no timeframe limitation	-	-	4,476,876	-	-	3,591,621
	<u>206,068</u>	<u>-</u>	<u>5,437,436</u>	<u>225,000</u>	<u>304,696</u>	<u>4,037,847</u>

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20 Long-term loans (Cont'd)

Unutilised credit facilities (Cont'd)

	Separate financial statements					
	31 December 2016			31 December 2015		
	Overdraft Baht'000	Long-term loan facilities Baht'000	Working capital facilities Baht'000	Overdraft Baht'000	Long-term loan facilities Baht'000	Working capital facilities Baht'000
Floating rate						
- draw down within 1 year	-	-	-	-	300,000	-
- draw down with no timeframe limitation	174,068	-	-	185,000	-	-
Fixed rate						
- draw down within 1 year	-	-	-	-	-	-
- draw down with no timeframe limitation	-	-	4,468,876	-	-	3,551,537
	174,068	-	4,468,876	185,000	300,000	3,551,537

21 Other payables - third parties

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Payable of fixed assets	66,992	80,828	66,190	67,095
Other payables	38,087	38,582	36,485	35,628
Advance receipt from customers	54,829	46,438	7,707	24,015
Accrued commission expenses	23,486	26,779	22,371	26,669
Accrued utility expenses	31,243	34,711	28,722	31,651
Accrued staff cost	23,626	21,765	17,196	18,008
Current portion of finance lease liabilities	12,183	9,205	-	-
Others	60,904	73,166	27,376	39,105
Total other payables - third parties	<u>311,350</u>	<u>331,474</u>	<u>206,047</u>	<u>242,171</u>

22 Contingent liabilities and bank guarantee

22.1 Contingent liabilities

On 15 May 2011, the Company made an agreement with a recruitment agent registered in Cambodia for recruiting Cambodian migrant workers to work legally in Thailand. Once the work permits were obtained for the recruited workers and the workers had completed their work duties for the contract period, the Company paid the agreed service fee to the agent in full according to the agreement terms and agent invoices.

On 13 June 2016, the agent filed a lawsuit against the Company claiming it failed to pay. The agent filed for the service fee plus 7.5% annual interest from the date of filing the lawsuit until the settlement. Subsequently, the Company appointed an attorney and a representative to contest the lawsuit as it had not breached the agreement. The Company also filed a countersuit for breach of agreement. During the year ended 31 December 2016, the Company's attorney and Company representative had a court hearing for dispute resolution. However, it is unable to reach agreement. Therefore, the court set the appointment from 14 March 2017 to 16 March 2017 in order to take evidence from both Company and agent. The Company believes that it is not liable and management is confident that the ruling will be in the Company's favour. Therefore, the Company did not record contingent liabilities in the financial statements.

22.2 Bank guarantee

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Electricity usage	58,055	57,002	51,218	53,701
Other guarantee	16,510	13,779	13,497	13,663

22.3 Guarantee of loans

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Guarantee of subsidiaries and indirect subsidiary's loans	-	-	18,001	285,650
Guarantee of third party's loans	4,000	4,000	-	-

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23 Commitments

23.1 Capital expenditure commitments

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Commitment for purchase of property, plant and equipment	201,391	208,712	169,413	99,382
Commitment for purchase of intangible assets	1,040	896	180	888

23.2 Operating lease commitments

The Group had entered into operating lease agreements for land, buildings, cars, computers, computer servers and computer network services. The future minimum lease payments under non-cancellable operating leases comprise the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Not later than 1 year	34,403	34,663	28,295	27,840
Later than 1 year and not later than 2 years	24,351	19,653	21,328	13,789
Later than 2 years and not later than 5 years	22,119	17,141	14,573	9,727
Later than 5 years	84,553	85,456	-	-
	<u>165,426</u>	<u>156,913</u>	<u>64,196</u>	<u>51,356</u>

24 Employee benefit obligations

	Note	Consolidated financial statements		Separate financial statements	
		2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Statement of financial position					
Retirement benefits	24.1	255,295	255,258	202,058	203,148
Other long-term employment benefits	24.2	121,407	123,661	99,424	104,730
Liability in the statement of financial position		<u>376,702</u>	<u>378,919</u>	<u>301,482</u>	<u>307,878</u>
(Profit) or loss charge included in operation profit for:					
Retirement benefits		21,543	20,873	18,948	16,877
Other long-term employment benefits		11,976	9,005	7,221	7,090
Re-measurement for other long-term employment benefits		-	27,449	-	21,325
Past service cost		(679)	(1,343)	(679)	(1,234)
		<u>32,840</u>	<u>55,984</u>	<u>25,490</u>	<u>44,058</u>
Re-measurement for retirement benefits		<u>-</u>	<u>47,070</u>	<u>-</u>	<u>32,804</u>

During the year, there 46 staff and 46 staff, respectively, (2015: 50 staff and 28 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 0.68 million and Baht 0.68 million, respectively (2015: Baht 1.34 million and Baht 1.23 million).

The movements in the defined benefit obligations are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Opening balance	378,919	296,568	307,878	249,196
Current service cost	21,701	16,898	16,965	13,231
Interest cost	11,817	12,980	9,204	10,736
Re-measurement for employee benefits obligations	-	74,518	-	54,129
Past service cost	(679)	(1,343)	(679)	(1,234)
Benefits paid	<u>(35,056)</u>	<u>(20,702)</u>	<u>(31,886)</u>	<u>(18,180)</u>
Closing balance	<u>376,702</u>	<u>378,919</u>	<u>301,482</u>	<u>307,878</u>

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24 Employee benefit obligations (Cont'd)

24.1 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 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Present value of retirement benefits obligations	255,295	255,258	202,058	203,148
Liability in the statement of financial position	255,295	255,258	202,058	203,148

The movements in the defined benefit obligation are as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance	255,258	196,934	203,148	162,393
Current service cost	12,950	11,830	12,329	9,449
Interest cost	8,592	9,043	6,619	7,428
	276,800	217,807	222,096	179,270
Re-measurements:				
(Gain)/loss from change in demographic assumptions	-	21,022	-	14,154
(Gain)/loss from change in financial assumptions	-	4,792	-	2,697
Experience (gain)/loss	-	21,255	-	15,953
	-	47,069	-	32,804
Past service cost	(287)	(681)	(287)	(652)
Benefits paid	(21,218)	(8,937)	(19,751)	(8,274)
Closing balance	255,295	255,258	202,058	203,148

24 Employee benefit obligations (Cont'd)

24.2 Other long-term employee benefits

Other long-term employee benefits is a scheme 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 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Present value of other long-term employee benefits obligations	121,407	123,661	99,424	104,730
Liability in the statement of financial position	121,407	123,661	99,424	104,730

The movements in the defined benefit obligation are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Opening balance	123,661	99,634	104,730	86,803
Current service cost	8,751	5,068	4,636	3,782
Interest cost	3,225	3,937	2,585	3,308
	135,637	108,639	111,951	93,893
Re-measurements:				
(Gain)/loss from change in demographic assumptions	-	10,402	-	7,502
(Gain)/loss from change in financial assumptions	-	5,378	-	7,544
Experience (gain)/loss	-	11,669	-	6,279
	-	27,449	-	21,325
Past service cost	(392)	(662)	(392)	(582)
Benefits paid	(13,838)	(11,765)	(12,135)	(9,906)
Closing balance	121,407	123,661	99,424	104,730

The principal actuarial assumptions used for employee benefit obligations were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rates	2.40% - 3.91%	2.40% - 3.91%	2.59% - 3.21%	2.59% - 3.21%
Salary increase rates	2.00% - 7.03%	2.00% - 7.03%	2.00% - 5.00%	2.00% - 5.00%
Staff turnover rates	0.00% - 66.00%	0.00% - 66.00%	0.00% - 66.00%	0.00% - 66.00%

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24 Employee benefit obligations (Cont'd)

	Change in assumption	Impact on employee benefit obligations			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Discount rates	Decrease by 1.00	Increase by 10.17	Increase by 10.17	Increase by 9.46	Increase by 9.46
	Increase by 1.00	Decrease by 8.77	Decrease by 8.77	Decrease by 8.24	Decrease by 8.24
Salary increase rate	Decrease by 1.00	Decrease by 6.75	Decrease by 6.75	Decrease by 5.99	Decrease by 5.99
	Increase by 1.00	Increase by 7.18	Increase by 7.18	Increase by 6.80	Increase by 6.80
Staff turnover rate	Decrease by 1.00	Increase by 8.64	Increase by 8.64	Increase by 8.61	Increase by 8.61
	Increase by 1.00	Decrease by 9.98	Decrease by 9.98	Decrease by 9.65	Decrease by 9.65

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.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

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 (2015 : 9 to 32 years).

Expected maturity analysis of undiscounted retirement and other long-term employee benefits are as follows:

	Consolidated financial statements				
	Less than a year Baht'000	Between 1-5 years Baht'000	Between 5-10 years Baht'000	Over 10 years Baht'000	Total Baht'000
Retirement benefits	12,283	73,207	116,717	129,779	331,986
Other long-term employee benefits	11,178	60,895	92,489	70,750	235,312
Total	23,461	134,102	209,206	200,529	567,298

	Separate financial statements				
	Less than a year Baht'000	Between 1-5 years Baht'000	Between 5-10 years Baht'000	Over 10 years Baht'000	Total Baht'000
Retirement benefits	8,500	69,264	101,001	93,648	272,413
Other long-term employee benefits	9,037	49,790	73,567	54,872	187,266
Total	17,537	119,054	174,568	148,520	459,679

The Group use the cash flows from operating activities to pay the retirement and other long-term benefits.

25 Share capital and premium on treasury shares

	Number of shares	Ordinary shares Baht'000	Premium on treasury shares Baht'000	Total Baht'000
As at 1 January 2015	2,709,904,800	2,709,905	19,928	2,729,833
As at 31 December 2015	2,709,904,800	2,709,905	19,928	2,729,833
As at 31 December 2016	2,709,904,800	2,709,905	19,928	2,729,833

The Company's registered share capital comprises 2,709,904,800 ordinary shares (2015: 2,709,904,800 ordinary shares) of Baht 1 each (2015: Baht 1 each). All issued shares are fully paid-up.

26 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Opening balance	228,000	203,000	228,000	203,000
Appropriation during the year	22,000	25,000	22,000	25,000
Closing balance	250,000	228,000	250,000	228,000

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.

27 Sales and service income, and cost of sales and services

	Consolidated financial statements		Separate financial statements	
	2016 Baht'000	2015 Baht'000	2016 Baht'000	2015 Baht'000
Sales	8,314,883	8,470,506	6,536,386	6,694,075
Service income	969,932	1,292,300	-	-
Total sales and service income	9,284,815	9,762,806	6,536,386	6,694,075
Cost of sales	6,861,243	6,812,732	5,431,827	5,500,290
Cost of services	845,592	1,102,590	-	-
Total cost of sales and services	7,706,835	7,915,322	5,431,827	5,500,290

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28 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Staff costs	1,472,593	1,416,494	996,727	949,243
Depreciation (Notes 14, 15)	774,549	703,939	517,852	526,613
Advertising and sales promotion	288,016	280,393	255,158	264,970
Repair and maintenance	175,382	161,927	145,007	138,701
Transportation	192,623	198,623	123,416	123,768
Operating lease rentals	50,422	52,880	36,343	37,445
Amortisation of assets	15,439	17,454	8,315	10,297
Assets written-off	13,490	12,841	12,247	11,879
Loss on impairment of investment in a subsidiary (Note 12.6 c))	-	-	25,090	20,000
(Gain) loss on foreign exchange rate, net	(5,562)	(17,568)	(2,250)	(38,815)

29 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 financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit attributable to equity holders of the parent (Baht'000)	256,200	445,014	405,877	444,673
Weighted average number of outstanding ordinary shares (Share)	2,709,905	2,709,905	2,709,905	2,709,905
Basic earnings per share (Baht)	0.09	0.16	0.15	0.16

There are no potential dilutive ordinary shares in issue for the years.

30 Dividends

2016

At the Company's Annual General Shareholders' Meeting on 29 April 2016, the meeting has approved a dividend in respect of the Company's net profit for the year 2015 of Baht 0.10 per share, totalling Baht 270.99 million and the Company paid all dividends during the year ended 31 December 2016.

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.

31 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:

Company name	Relationship
Srithai Marketing Co., Ltd.	shares held by relatives of executives of the Company and some of them serve as directors
Siam Melamine Marketing Co., Ltd.	shares held by relatives of executives of the Company
Srithai Stainless Co., Ltd.	shares held by relatives of executives of the Company and some of them serve as directors
S. Sahatara (Thailand) Co., Ltd.	shares held by executive of the Company and relatives of some executives; some of them serve as directors
Toho Foam (Thailand) Co., Ltd.	shares held by executive of the Company and relative of some executives; some of them serve as directors
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

31.1 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 180 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.

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31 Related party transactions (Cont'd)

31.2 Outstanding balances as at the years ended

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Trade accounts receivable - related parties, net				
Subsidiaries	-	-	190,445	144,442
Associates	111,462	103,394	111,462	103,394
Joint venture	13,104	11,668	12,571	11,666
Other related parties - shares held by executive of the Company and relatives of some executives; some of them serve as directors	204,438	193,791	145,955	125,995
Total trade accounts receivable - related parties	329,004	308,853	460,433	385,497
<u>Less</u> Allowance for doubtful accounts	-	-	(50,000)	(19,190)
Total trade accounts receivable - related parties, net	329,004	308,853	410,433	366,307
Other receivables - related parties				
Subsidiaries - dividend receivable	-	-	-	15,000
- other receivable	-	-	6,177	21,111
Associates - dividend receivable	45,000	-	45,000	-
- other receivable	1,052	1,085	1,052	1,085
Joint venture	158	174	158	174
Other related parties - shares held by relatives of executives of the Company and some of them serve as directors	66	65	66	64
Total other receivables - related parties	46,276	1,324	52,453	37,434
Trade accounts payable - related parties				
Subsidiaries	-	-	69,843	50,591
Associates	103,945	87,339	65,727	60,583
Joint venture	38	10	38	10
Other related parties - shares held by executive of the Company and relatives of some executives; some of them serve as directors	11,096	14,813	10,082	13,008
Total trade accounts payable - related parties	115,079	102,162	145,690	124,192
Other payables - related parties				
Subsidiaries - other payables	-	-	636	4,916
- payable for fixed assets	-	-	-	1,624
Associates	306	2,187	306	2,187
Other related parties - shares held by relatives of executives of the Company and some of them serve as directors	1	19	1	19
Total other payables - related parties	307	2,206	943	8,746

31 Related party transactions (Cont'd)

31.3 Transactions during the years

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
<u>Sales and service income</u>				
Subsidiaries	-	-	295,182	150,161
Associates	301,669	284,971	301,669	284,971
Joint venture	62,453	50,163	61,150	43,355
Other related parties - shares held by executive of the Company and relatives of some executives; some of them serve as directors	423,878	436,266	317,998	312,623
Total sales and service income	788,000	771,400	975,999	791,110
<u>Other income</u>				
<u>Service income</u>				
Subsidiaries	-	-	27,332	30,149
Associates	6,565	6,353	6,565	6,353
Joint venture	816	663	816	663
Other related parties - shares held by relatives of executives of the Company and some of them serve as directors	1,895	1,010	1,602	1,802
Total	9,276	8,026	36,315	38,967
<u>Management fee income</u>				
Subsidiaries	-	-	3,270	3,720
Joint venture	1,000	1,000	1,000	1,000
Total	1,000	1,000	4,270	4,720
<u>Dividend income</u>				
Subsidiaries	-	-	246,300	221,833
Associates	94,836	102,741	94,836	102,741
Total	94,836	102,741	341,136	324,574
Total other income	105,112	111,767	381,721	368,261
<u>Sales of fixed assets</u>				
Subsidiaries	-	-	212,180	14,846
Associates	99	-	99	-
Total sales of fixed assets	99	-	212,279	14,846
<u>Cost of sales and services</u>				
<u>Purchases of goods</u>				
Subsidiaries	-	-	317,729	258,394
Associates	562,838	502,851	355,749	344,063
Joint venture	41	83	41	41
Other related parties - shares held by executive of the Company and relatives of Some executives; some of them serve as directors	42,838	46,106	30,548	31,632
Total	605,717	549,040	704,067	634,130

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31 Related party transactions (Cont'd)

31.3 Transactions during the years

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Expenses				
Service expenses				
Subsidiaries	-	-	3,646	4,763
Associates	1,143	2,707	1,143	2,707
Other related parties - shares held by relatives of executives of the Company and some of them serve as directors	8,859	7,986	8,467	7,986
Total	10,002	10,693	13,256	15,456
Purchases of fixed assets				
Subsidiaries	-	-	6,474	10,649
Total	-	-	6,474	10,649

31.4 Directors and managements' remuneration

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Directors' remuneration	2,292	2,172	2,292	2,172
Managements' remuneration				
Short-term employee benefits	108,721	108,247	60,715	66,269
Post-employment benefits	3,907	4,599	2,758	3,767
Other long-term employee benefits	31	176	25	154
Total directors and managements' remuneration	114,951	115,194	65,790	72,362

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32 Promotional privileges

The Group 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"> Exemption from corporate income tax from the promoted activities for the period of eight years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (19 September 2012) and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of five years from the end of the privilege period (expired on 18 September 2025).
	1529(2)/2555	6 March 2012	7 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (4 September 2012) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 3 September 2024).
	1872(2)/2556	14 May 2013	7 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (28 February 2014) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 27 February 2026).
Subsidiary : Srithai Moulds Company Limited	2458(5)/2554	19 July 2011	8 years	moulds production and repair	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (12 March 2013) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 11 March 2026).
	1268(5)/2556	5 March 2012	8 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (20 February 2014) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 19 February 2027).

SriThai Superware Public Company Limited
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32 Promotional privileges (Cont'd)

The Group 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"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land and working capital from the date income is first derived (10 August 2012) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 9 August 2024).
Subsidiary : Korat Thai Tech Company Limited	1616(5)/2554	18 April 2011	8 years	melamine products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (19 July 2011) and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of five years from the end of the privilege period (expired on 18 July 2024).

32 Promotional privileges (Cont'd)

Srithai Superware Public Company Limited

Operating results from promoted and non-promoted activities for the Company can be analysed as follows:

	Separate financial statements (Baht'000)					
	2016			2015		
	Promoted activity	Non-promoted activity	Total	Promoted activity	Non-promoted activity	Total
Revenue						
Domestic sales and service income	868,523	4,104,643	4,973,166	850,822	4,243,512	5,094,334
Export sales and service income	218,184	1,345,036	1,563,220	362,482	1,237,259	1,599,741
Total sales and service income	<u>1,086,707</u>	<u>5,449,679</u>	<u>6,536,386</u>	<u>1,213,304</u>	<u>5,480,771</u>	<u>6,694,075</u>

33 Post statement of financial position event

Approval of dividends

On 24 February 2017, the Board of Directors of the Company passed a resolution to propose the dividend payment from the operating results of 2016 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. 36 (year 2017) for further consideration and approval.



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