



## ANNUAL REPORT 2019

Srithai Superware Public Company Limited



Srithai  
Superware

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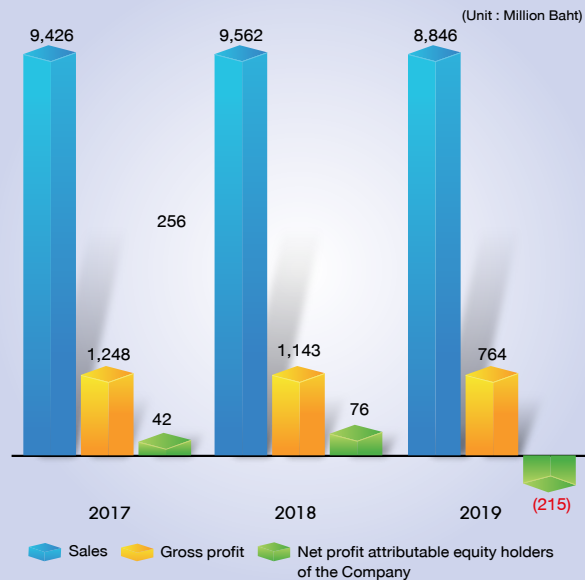
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## Highlight of Consolidated Financial Statements

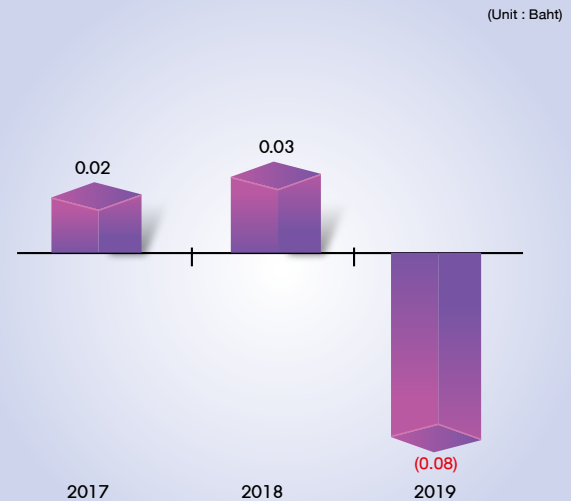
Unit : Million Baht

	2019	2018 (Revised version)	2017 (Revised version)
<b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b>			
Assets	8,472	10,239	10,726
Liabilities	4,526	5,814	6,178
Shareholders' Equity	3,946	4,425	4,548
<b>CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME</b>			
Sales	8,846	9,562	9,426
Gross profit	764	1,143	1,248
Selling & Administrative expenses	(968)	(1,029)	(1,128)
Other income	83	119	113
Finance costs	(123)	(146)	(181)
Profit (Loss) before income tax	(244)	87	52
Profit (Loss) attributable to equity holders of the Company	(215)	76	42
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>			
Net cash flows from operating activities	1,330	947	956
Net cash flows used in investing activities	(120)	(168)	(438)
Net cash flows used in financing activities	(1,301)	(621)	(461)
Cash and cash equivalents at end of year	321	375	290
<b>KEY FINANCIAL RATIOS</b>			
Current Ratio (times)	0.97	1.04	1.07
Account Receivable Turnover (days)	78.40	81.23	81.07
Inventory Turnover (days)	35.42	39.85	40.40
Account Payable Turnover (days)	43.16	43.44	40.94
Gross Profit Ratio to Sales (%)	8.64	11.95	13.24
Net Profit Ratio to Total Revenues (%)	(2.37)	0.89	0.77
Return on Total Assets (%)	(2.26)	0.81	0.66
Debt to Shareholders' Equity Ratio (times)	1.15	1.31	1.36

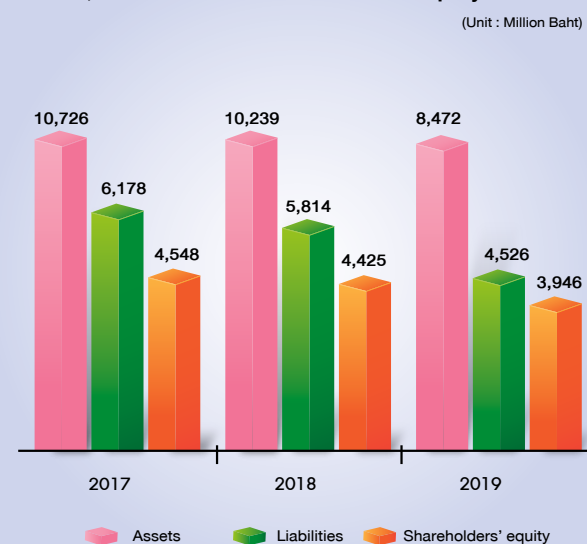
### Operating Results



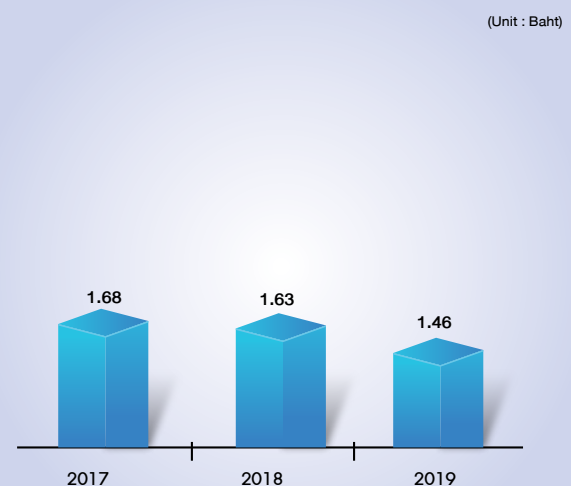
### Earnings per Share



### Assets, Liabilities and shareholders' equity



### Book Value per Share





## MESSAGE FROM THE CHAIRMAN

The Srithai Group of Companies faced the challenges of 2019 with a strong determination to seek new and progressive approaches towards development that will help us maximize our resources and profits while continuing to maintain our commitment to excellence in every aspect of our operations.

The many global issues that affected international and domestic economy motivated Srithai management to be even more vigilant in evaluating and assessing its impact on us. Various significant economic challenges were caused by both domestic and overseas factors, such as the continued strengthening of the Thai Baht, economic downturn in Thailand, sluggish government spending, continuing high household debts, low level of prices for agricultural commodities as well as the negative impact of the

ongoing trade war between the US and China on both Thai and global economies. To offset any losses or potential setbacks, Srithai management immediately implemented various measures, both long term and short term, to resolve these problems through restructuring corporate management and making it both adaptable and focused so as to achieve increased effectiveness and efficiency. Srithai also carefully considered strategies through which we could lower overall expenses and strengthen our businesses. This is a brief summary of measures we have taken, making evident our commitment to pursuing the highest qualities for our products, services and operations to attain the maximum levels of customer satisfaction and social value.

Srithai undertook a major restructuring of its corporate organization by promoting 3 executives to Vice Presidents with direct responsibilities over the Industrial Products Business Line, the Beverage Packaging Products Business Line, and the Household Products Business Line to enable better management of these core business lines. Additionally, Srithai appointed additional executives and management personnel with direct knowledge, capabilities and specific expertise relating to these respective business lines while at the same time downsizing where needed.

In addition, we delayed investments in certain projects that were not considered urgent while also becoming more prudent in the consideration of any new investment. These steps needed the close monitoring of the management of its working capital and cash flow through speeding up collections, decreasing and clearing inventories, implementing stricter controls on credit approval, and reducing both short term and long term debt obligations. Furthermore, Srithai also introduced and implemented new IT systems to streamline operations.

**Beverage Packaging Business Line:** Srithai aims to expand and increase investments in the long term by focusing on maintaining our key and important domestic client base and ensuring maximum customer satisfaction. The Company has formulated a 5-year development strategy wherein we will further emphasize the expansion of our client base without depending only on a small group of customers.

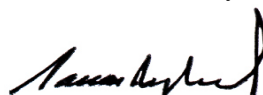
**Household Products or Melamine Products Business Line:** Given the current economic slowdown in Thailand, Srithai has closed 5 low-performance distribution centers of the Direct Sales Business. However, in 2020, the Company will be increasing its investments by establishing our 4th melamine manufacturing plant in Vietnam which will help us meet the demands of the fast-growing market for melamine products there.

**The Industrial Products Business Line:** Srithai has been focusing on developing its leadership in the engineering field by increasing the number of our top engineers and enhancing our technological capabilities in order to meet the demand of our customers. Efforts are also in place to ascertain our company is making use of the most modern innovative technologies in order to increase the company's overall competitiveness. In addition, we are closely monitoring our inventory levels to make them equal to market demand as well as revamping our product portfolio to help us achieve an improved and higher gross margin.

Furthermore, Srithai will be developing sustainable new products as we continue to seek more ways in which we can be an active participant in environment preservation and protection. Srithai will also continue to make careful investments to ensure it can achieve profitable returns amid various ongoing domestic and global crises.

Srithai continues to place a high value on our human resources at every level so that we can work together in staying closely aligned in how we meet our long-term and short-term goals. From management to engineers to designers and all our staff and employees, it is our responsibility to ensure that the Srithai name equals excellence in quality, design, innovation, production and performance for the continued success of our company and the benefit of all stakeholders and customers.

I would like to sincerely thank every stakeholder within the Srithai Group of Companies for their ongoing support and continued confidence in us. Our success would not be possible without them. I am confident that the corporate transformation undertaken by Srithai will ensure our ability to implement our corporate values while maximizing profits. We look forward to serving you with our unwavering commitment to the fundamental framework of good ethics and the principles of good corporate governance and good corporate social responsibility. Together, we will continue on this incredible journey and not only meet but even exceed all expectations.



**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 all executives and staff members. It is to share a common understanding and coordinate among themselves to push the Company forward to achieve the desired goals, and move together in the same designated direction steadily. Additionally, its Vision and Mission have 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 and do business with the Company in a confident manner.

The Company has established its strategies and business direction that are appropriately aligned with its stated Vision and Mission. The Company reviews its ongoing 'Vision and Mission' annually so that they properly correspond with the changes in business situation affected by both the current internal and external factors. The Company's Vision and Mission acknowledged from the Board of Directors in the year 2019 and shall remain held until the management reviews for change in 2020 as follows :

#### Vision

To be the world's largest manufacturer of melamine household products 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 with the appointment of Mr. Sanan Angubolkul as Factory Manager. A new product line, melamine tableware, was added.

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

The Company was listed on 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 limited company on December 13, 1993. Subsequently, the Company increased its registered capital to Baht 470 million on January 14, 1994 and to Baht 500 million on March 19, 1996 with paid up capital of Baht 400 million. Following the debt restructuring, affected by the economic crisis throughout the Asia Pacific Region, the Company's paid up capital increased from Baht 400 million to Baht 2,857 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.



In 2008 the Company decreased its registered and paid-up capital from Baht 2,857 million to Baht 2,710 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 :



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

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 household and industrial plastics products businesses, our core businesses, 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 through our subsidiaries which have grown in terms of business activities and 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 our business operations forward; such as: importance to improving both our operating procedures and production operations; acquiring other businesses, reorganizing our corporate structure, searching new technology and innovation applications from domestic and overseas sources to develop raw materials so as to expand our e-commerce market base on a continuing basis, together with adapting our business model to correspond with the new social environment in this digital era. Such strategies will strengthen 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 and managing our businesses in an effective manner together with good corporate governance practices and corporate social responsibility.

The Moulds Business Line, operated by a Subsidiary, has played a key role in supporting and complementing our Plastics Business Line. The group of Subsidiaries gives importance to producing and offering high quality plastic moulds, along with superior customer services from mould design phase to mould production, in order to deliver moulds that meet customers' requirements and specifications with maximum satisfaction. Additionally, maintaining good relationship with our business partners and customers will enable the group of Subsidiaries to gain increased new business opportunities and increased sales revenues whenever customers need new mould products or once various related industries finally recover.

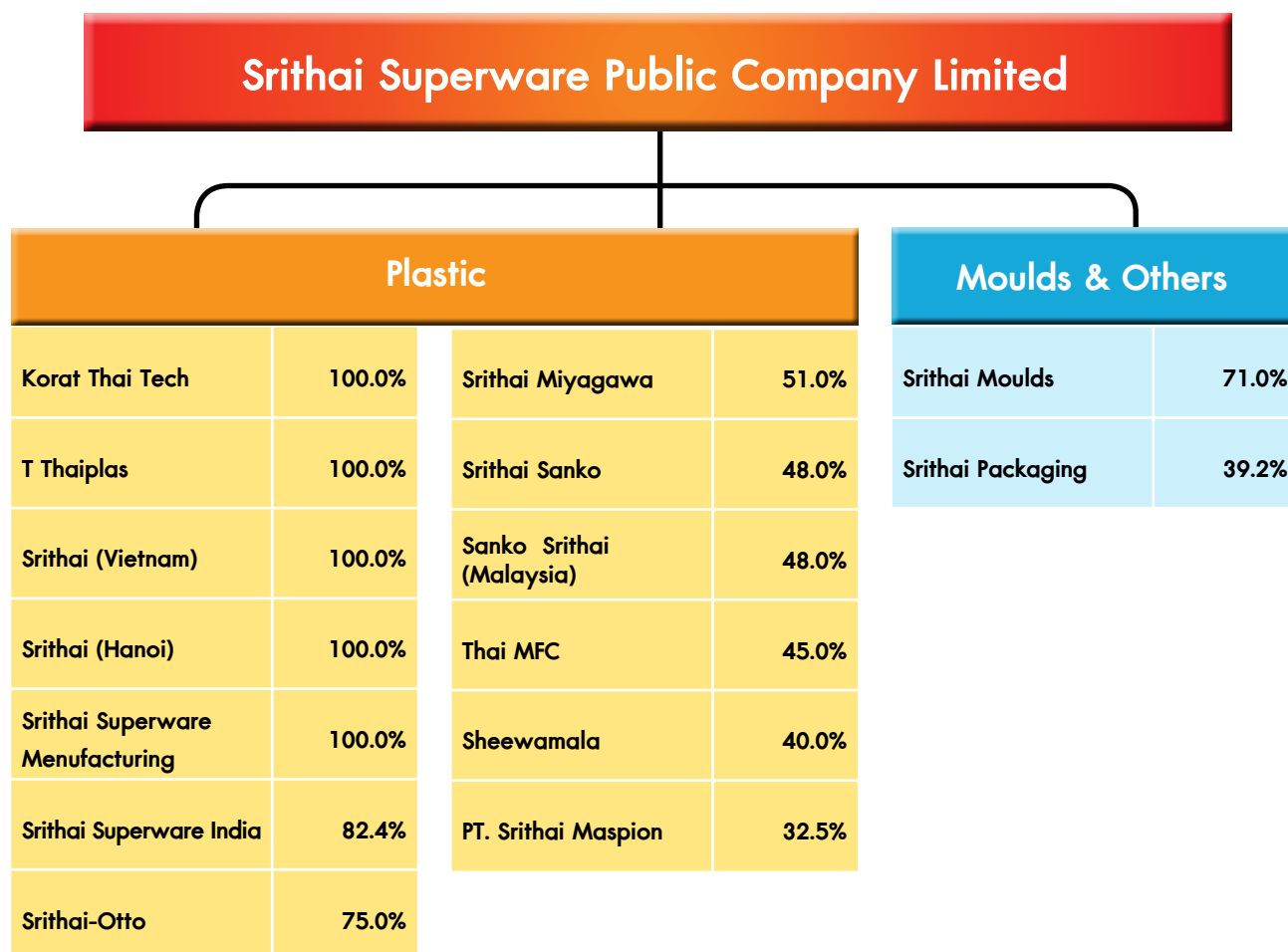
For the Network Marketing Business, under the name of "Srithai Network" which is a business unit under Moulds Business & Other Businesses Line. Given the current and continuing economic slowdown for the past several years that has directly impacted overall consumers' purchasing power and household spending, and the increased business competition together with

the drought crises within the Agricultural sector, this has resulted in lower sales revenues and operating results. As such, the Company has revamped the operating process and business directions for this Business Unit through merging with the Direct Sales Business and being supervising under Direct Sales Business structure, in order to simplify the operations, reduces overhead costs and achieve greater flexibility in revising business plans. However, the operating result for the Network Business has no significant impact on the overall operating results of the Srithai Group, as it is regarded as an additional source of revenues for the Company in addition to the core industrial Products and Household Products Business Groups.

### 1.3 Structure of Shareholders of Srithai Superware Group

Overall business outlook of Srithai Superware Group is mostly under the same structure as that of our core businesses, which consist of Plastics Business Line dividing into industrial products and household products; and Mould Business & Other Businesses Line including subsidiaries making the moulds which are an important component of the plastics business line. There are also certain 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 and enhance competitiveness of the Group.

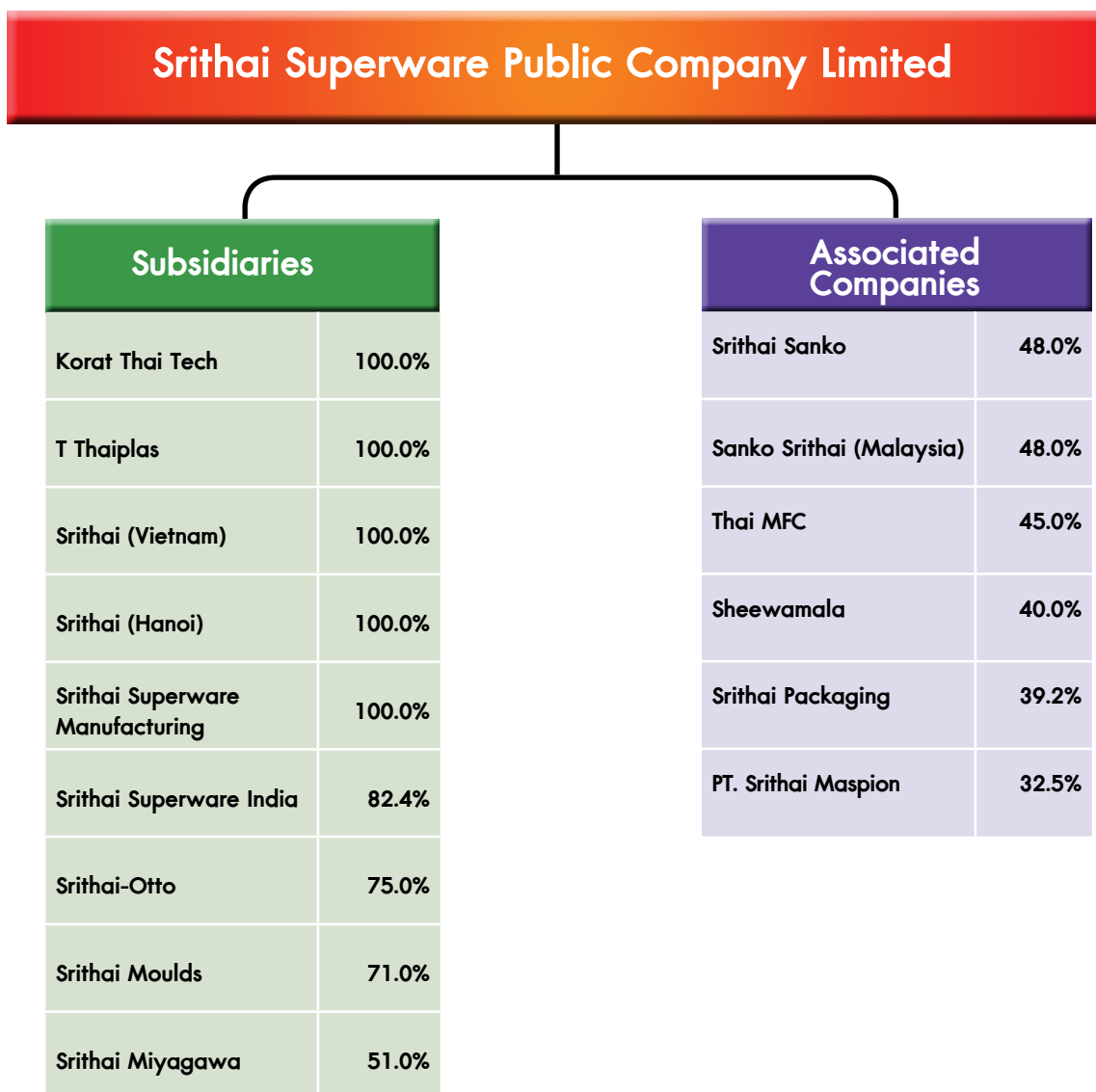
#### SHAREHOLDING STRUCTURE OF SRITHAI SUPERWARE GROUP CLASSIFIED BY BUSINESS LINE



Remark : The Company has removed its investment in Srithai Miyagawa under the Moulds and Other Businesses Line to Plastic Business Line to appropriately reflect its current business with higher proportion of income from plastic industrial products than moulds products.



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



**Remarks:**

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

## 2. NATURE OF BUSINESS

### 2.1 Structure of Revenue

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

Consolidated Revenue	%	2019		2018		2017	
	Shareholding of Company	Million Baht	%	Million Baht	%	Million Baht	%
<b>Sales</b>							
<b>Plastics Business Line</b>							
<b>Household Business Unit</b>							
Srithai Superware Public Company Limited	-	955	10.7	1,401	14.5	1,374	14.4
Korat Thai Tech Company Limited	100.0	217	2.4	197	2.0	211	2.2
T Thaiplas Company Limited	100.0	80	0.9	20	0.2	-	-
Srithai (Vietnam) Company Limited	100.0	203	2.3	200	2.1	184	2.0
Srithai Superware Manufacturing Private Limited	100.0	120	1.4	113	1.2	96	1.0
Srithai Superware India Limited	82.4	30	0.3	30	0.3	37	0.4
<b>Total Household Business Unit</b>	<b>-</b>	<b>1,605</b>	<b>18.0</b>	<b>1,961</b>	<b>20.3</b>	<b>1,902</b>	<b>20.0</b>
<b>Industrial Business Unit</b>							
Srithai Superware Public Company Limited	-	3,823	42.8	4,301	44.4	4,550	47.7
T Thaiplas Company Limited	100.0	-	-	8	0.1	23	0.2
Srithai (Vietnam) Company Limited	100.0	1,719	19.3	1,777	18.4	1,525	16.0
Srithai (Hanoi) Company Limited	100.0	519	5.8	361	3.7	204	2.1
Srithai-Otto (Thailand) Company Limited	75.0	127	1.4	41	0.4	-	-
Srithai Miyagawa Company Limited	51.0	836	9.4	922	9.5	989	10.4
<b>Total Industrial Business Unit</b>	<b>-</b>	<b>7,024</b>	<b>78.7</b>	<b>7,410</b>	<b>76.5</b>	<b>7,291</b>	<b>76.4</b>
<b>Moulds Business &amp; Other Businesses Line</b>							
Srithai Superware Public Company Limited	-	25	0.3	31	0.4	67	0.7
Srithai (Vietnam) Company Limited	100.0	4	0.0	-	-	11	0.1
Srithai (Hanoi) Company Limited	100.0	3	0.0	-	-	-	-
Srithai Moulds Company Limited	71.0	116	1.3	82	0.8	67	0.7
Srithai Miyagawa Company Limited	51.0	69	0.8	78	0.8	88	0.9
<b>Total Moulds Business &amp; Other Businesses Line</b>	<b>-</b>	<b>217</b>	<b>2.4</b>	<b>191</b>	<b>2.0</b>	<b>233</b>	<b>2.4</b>
<b>Total Sales</b>	<b>-</b>	<b>8,846</b>	<b>99.1</b>	<b>9,562</b>	<b>98.8</b>	<b>9,426</b>	<b>98.8</b>
<b>Dividend income and Other income</b>	<b>-</b>	<b>67</b>	<b>0.7</b>	<b>76</b>	<b>0.8</b>	<b>75</b>	<b>0.8</b>
<b>Share of profit of investment in associates and joint venture</b>	<b>-</b>	<b>17</b>	<b>0.2</b>	<b>43</b>	<b>0.4</b>	<b>38</b>	<b>0.4</b>
<b>Total income</b>	<b>-</b>	<b>8,930</b>	<b>100.0</b>	<b>9,681</b>	<b>100.0</b>	<b>9,539</b>	<b>100.0</b>

Remark

- 1) T Thaiplas Company Limited, formerly known as Srithai Nanoplast Company Limited.
- 2) Srithai-Otto (Thailand) Company Limited changed its status from being a Joint Venture to a Subsidiary during 3<sup>rd</sup> quarter of the year 2018.
- 3) Additional information is disclosed in the Notes to Financial Statements for the year ended December 31, 2019 No. 27 Segment information, pages 60 – 62.

## 2.2 Business Operation by Business Line

### 1. Plastics Business Line

The Company's plastics business line has 2 categories by its main products i.e. industrial business unit and household business unit. The categorization is made according to the function of the products as shown hereunder:-

#### 1.1 Industrial Business Unit

##### (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 :** Closure and preform of soft drink bottle and PET bottle including beverage 'blowing' services



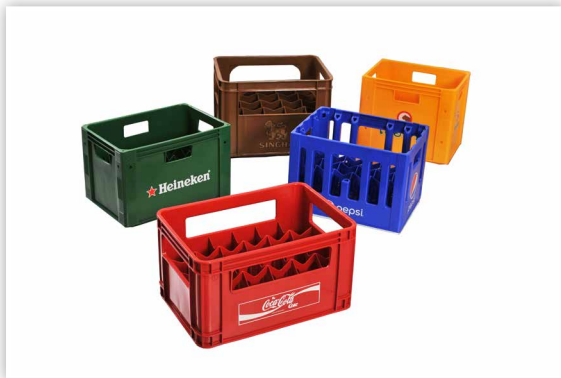


## Group 2 Rigid Packaging

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



## Group 3 Material Handling



**Bottle Crate :** Plastic container with divided compartments for keeping bottles upright such as soft drink, beer, and other drinks, etc.



**Container :** Container for storing fruits & vegetables, milk-pack container, food container, and spare part box



**Pallet** : Flat, Low-rise square plastic pedestal used for putting heavy goods on in warehouse, with openings inside the pallet for forklift trucks to insert forks for lifting

**Garbage Bin** : Large waste container with and without wheels placed on the sidewalk or public places



#### Group 4 Furniture and Houseware



**Furniture** : Tables and chairs

**Premium Product** : Product manufactured especially for promotional campaign by 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

##### Group 1

- Food Packaging
- Beverage Packaging

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

##### Group 2

- Packaging

Color and chemical manufacturing factory that requires packaging for products

##### Group 3

- Material Handling

Bottle crates, pails, pallet and garbage bins to be used by manufacturing plants, warehouses, logistics businesses or services operators and government agencies

##### Group 4

- Furniture and Houseware
- Premium Product

Retailers who distribute the products to consumers and HORECA businesses being Hotel, Restaurant, and Catering business operators  
Directly sold to products brand-owners or retailers, for use in their marketing promotional campaigns

##### Group 5

- Automotive Industry Products and Parts

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 30-120 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 including blowing. Facilities of the subsidiaries are also available to produce moulds 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 strengthen customers' confidence as well as enhance the overall competitiveness of the Company's products.
- Varieties of products, apart from those manufactured by the Company, are added by sourcing quality products from domestic and overseas suppliers.

### Distribution Channel

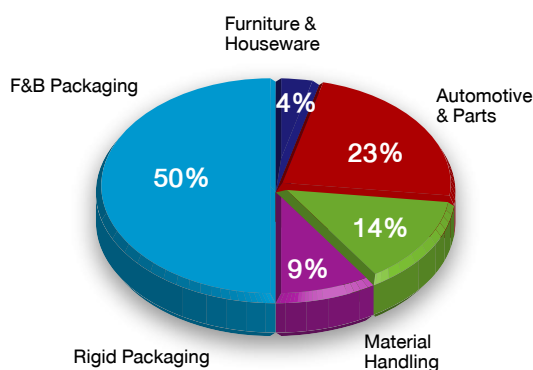
Plastic products are distributed through the following markets :

Export Sales: 13%

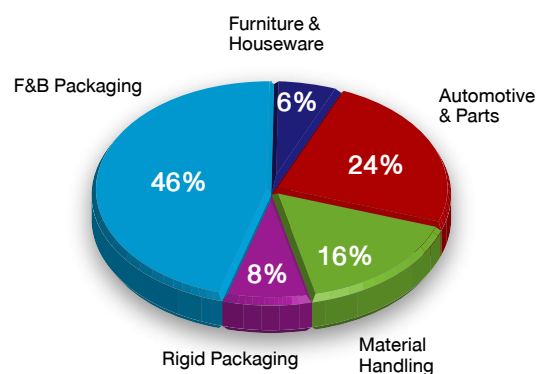
Domestic Sales: 87%

Classified by product group as follows:

**Sales Proportion 2019**



**Sales Proportion 2018**



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

**(c) Competitive Environment**

Most plastic product producers focus on just any one particular product line and compete only in the 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 a leader in plastic industry having potential and ability to compete with other business operators in this industry sector as well as being among the first choice for customers due to the following strengths and reasons:

- Continuous business operations for more than 50 years with sustainability.
- Various product brands those are memorable and acceptable domestically and internationally.
- Having 3 plants for industrial products with combined capacity as being one of the company in Thailand with highest capacity.
- Highly efficient production processes that are environmental friendly through using modern machinery and the latest technology.
- Owning the products' patents.
- High quality and modern design products with eco-friendliness that meet the requirements of our varied customers.
- Extensive experience in the manufacturing of industrial products that require precise specifications of outputs - such as food and beverage packaging, having high caliber of design and highly specialized production technologies.
- One of very few producers in the world to produce closures that are light-weighted with the shortest production cycle time.
- Certified for many quality standards being accredited for products and production processes. Recipient of various awards in international competitions are a testimony to the increasing well-acceptance and popularity among our international consumers.
- Adoption of 3 Save Guidelines : Save Material, Save Energy, Save the World which increases productivity as well as reduces usage of raw materials, labour and energy costs in the manufacturing process, leading to a participation in environmental preservation and CSR activities of the Company and customers.
- Good business relationship and cooperation with raw materials suppliers, overseas business allies and customers in researching and developing raw materials, production processes and the products themselves to be modernized and innovative, continuously developed, differentiate from rivals as well as to meet the requirements of customers.
- Ability to support wide range of customer's needs, or being a solution provider for the customers, such as providing holistic service including blowing package molding for beverage packaging customer, or providing products and services that help increase the efficiency of inventory and logistic system management for logistics and warehouse operators.
- Focus on large industry market that requires high quality product and volumes. The Group does not compete with small plastic manufacturers that produce general consumer goods in price competitiveness and low-quality markets.

- Strong production base with successful operations of our subsidiaries in Vietnam, including the ability to mutually support and strengthen each other in doing business and production process between the Company and our subsidiaries.
- Strong financial circumstance and enough funding for business expansion.
- The additional new executives together new generation of engineers of the Company and the ongoing and continuous development of humans resources are fully aligned with the Company's overall short term and long term strategies for sales and manufacturing activities.
- Aim to continue investment in overseas, especially the ASEAN countries, along with investment in technology that will help improve raw materials or acquiring new business to further our success and to drive the business and revenues.

For the above reasons, the Company is confident in its capabilities and competitiveness together with its ability to adapt its operations and maintain its current market share in response to the current gloomy economic situation in Thailand, which has impacted on the growth of the various key Thai industrial sectors. Meanwhile, the subsidiary in Vietnam is still growing in line with the continuing economic growth and development of Vietnam, resulting in the Industrial Plastic Products Business Group of Srithai expanding further along with other industrial sectors 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 deemed 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 2019, the Company assessed its market share of each product group, close to the year 2018 as follow:

Type of product	% 2019
Battery Case	70
Bottle Crate	70
Container Crates	50
Rigid Packaging	60
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 City Chonburi with different products as follow:-

##### Suksawat Plant

Producing food packaging products and pails





### **Bangpoo Plant**

Producing battery cases

### **Amata City Chonburi Plant in Chonburi**

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



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, pails, household products, plastic helmets, and industrial component parts.

### **Srithaia (Hanoi) Company Limited**

Producing beverage packaging products and material 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 of 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.

Even though 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, 2019 worth more than 10% of total revenue.

## **1.2 Household Business Unit**

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

Household Business Unit consists of 2 product lines, one of which being the melamine household products made from melamine powder in various shapes and designs such as dish, bowl, rice bowl, ladle, spoon, cup etc. The other line is products that the Company sources from domestic or overseas suppliers in order to better support holistic customer's needs for daily use.

**1) Melamine Household Products**

The Company categorized the household products made of melamine powder into various groups, based on its marketing strategies i.e. high-end market, 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. As well, it covers the premium products which are for retail business operators being used as premium or promotion items during the period of sales promotions campaigns.



### Group 3 New Emerging Market

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



## 2) Other Household Products

These include products that the Company are supplied from domestic and overseas suppliers such as mattress, cooking tools, plastic containers from South Korea, etc.

### (b) Marketing and Competition

#### Description of Customers

Distributed by wholesale and direct sales channels, HORECA businesses operators i.e. Hotel, Restaurant, and Catering businesses, and exporting abroad.

#### Credit Term

- 1) Direct sales as single-level marketing are mostly traded 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

- Focus on good quality, safe, and aesthetically appealing products that suit the lifestyle and taste of the customers in each sector of each country.
- Product development with new innovation and cost effectiveness to keep the price competitive and suit the customer's sector.
- Use of advance technology to help extend the distribution channels and payment methods.
- Increase of the variety of products, apart from those manufactured by the Company, by sourcing good quality products from domestic and overseas suppliers.

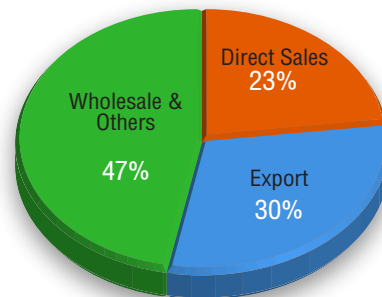
#### Distribution Channel

Sales proportion of household products via various channels of distribution in 2019 against 2018 are as follows :

Sales Proportion 2019



Sales Proportion 2018



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





'The Potters' premium brand gives highest importance on product quality and meticulous design. The products offer innovative design and lively decorative patterns 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 cartoons. 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'. Currently, 'The Potters' brand is distributed and sold in the houseware and kitchenware sections of leading department stores in Bangkok and upcountry.



Current competition in the household products market is intense because of poor quality products being imported from overseas, increased capabilities in production techniques from overseas manufacturers and the sluggish economic environment in Thailand and other countries tapering consumer demands. However, 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 of strategies and business operations of the Group as follows:

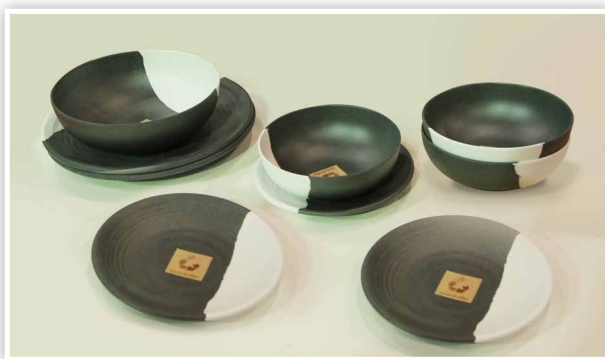
- The Group is the largest 100% melamine products manufacturer in the world, with a total production capacity of more than 18,000 tons per year from the Company's large manufacturing facilities located in Thailand as well as of its subsidiaries located in Vietnam and India that can meet the current customers' demand.

- The quality and safety of the products are accepted and accredited under international standard.
- The Company joins hands with institutions to find ways to improve manufacturing system aiming for higher quality and being automatic.
- The Company 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.
- The use of Total Innovation Management or TIM is in searching for new innovation and improvement of product for the benefit of all stakeholders whether internally or externally in the form of Value Chain Creation throughout every process. The process starts with finding information from various sources in order to forecast the trend in design, taste, and demand from customers. It is then followed by the development process in order that the products meet the customer's needs at competitive price. This is to give the identity to the Company's Superware products and brand and to deviate our products from competitors.
- 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, the factory of Srithai Superware Manufacturing Private Limited will facilitate further business expansion in India with a more price-oriented competition, as well as will be a solid manufacturing base for future exports to other neighboring markets or to the Middle East countries.
- The retail stores of Srithai Super Outlet is 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.



- 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. The Company seeks out new color designs and production techniques so 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: 'Porcelaine' houseware products that are plates and bowls with the look, shiny appearance and feel as if they were made from ceramics, and being easy to clean. However, the product's strengths, compared to those made from ceramics, are that they do not break easily, have shining colorful appearance, and have distinct decorative designs and appearance like tableware made with various natural raw materials: metal, stone, wood, ceramic and enamel.

- Product with Tie-Dye Pattern



- Product based on Up-Cycling production process

- Product with Marble pattern







- Product with Swirl pattern

- Product with Wood pattern



- Ongoing improvements have been made to working styles of the members, group leaders, and the sales management of Direct Sales teams in Thailand. The purpose is to adapt to the changing trends in overall social environment of the new generation by stressing on the Human Capital. This includes enhanced business model that is based on a digital platform, and introduction of new technology applications used in sales and payments for the E-commerce. The mechanism has been deployed through learning support, implanting a consciousness or mindset of being an entrepreneur in own business, revising compensation scheme. It also covers providing support for sales promotions campaigns and increase in 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, Nakhon 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 overseas plants operating under its subsidiaries in which it has a 100% equity shareholding, namely: Srithai (Vietnam) Company Limited in Vietnam; and Srithai Superware Manufacturing Private Limited in India.

#### **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 associate 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, 2018.

## **2. Moulds Business & Other Businesses Line**

### **1. Moulds Business Line**

The Company does not itself make moulds for sale to outsiders. Mould-making business has been operated by the 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 costly and many small mould-makers are engaged 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 equipment as well as software systems in order to accommodate the production.
- Group 3      Mould of round shape or square with smooth surface such as mould to produce buckets or glass or food & beverage packaging products (Thin Wall) which require high efficiency machines. Most mould-makers in Thailand cannot make moulds of this group, so they hire overseas mould-makers to make such moulds and import them.

Srithai Miyagawa Company Limited and Srithai Moulds Company Limited are the manufacturers of moulds under Group 2 and Group 3 mentioned above in the mould-making industry.

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

The business is for making and supply 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 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 open more widely at present, 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. 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, it gives another choice for domestic firms and customers to choose. However, as a result of intense pricing competition and the slowdown in the local automotive industry, electronic industry from the stagnant economy and consumer spending, 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 tense, our mould-making companies can procure iron ingots easily without shortage of supply.

#### (e) Pending Orders

Not only time consuming is needed on design, production and testing when making mould, different kinds of moulds also require different time frame. As such, if many orders are received by year end or for complicated mould which requires time consuming, there is a chance that pending jobs will be varied subject to number of purchase orders received by year end.

Srithai Miyagawa Company Limited and Srithai Moulds Company Limited have none of the work yet to be delivered to customers exceeding 10% of overall revenue of the Group as of December 31, 2019. Srithai Moulds Company Limited had pending orders from customers for the amount over 10% of total revenue. The pending work deliver is expected to deliver to customers within 2020.

## 2. Other Businesses Line

At present, other businesses line includes network business called "Srithai Network". This involves searching of high quality, modern and in-trend, and popular products, both domestically and internationally, to be distributed via a network marketing system.

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

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 (Agrinnovation)

#### (b) Marketing and Competition

<b>Description of Customer</b>	End users
<b>Credit Term</b>	Sales in cash via Srithai Network system under Multi-level Marketing.
<b>Competitive Strategy</b>	<ul style="list-style-type: none"> <li>• Focus is made on offering diversified innovative and quality products which are safe and popular or with large market accommodation in local and foreign markets.</li> <li>• Membership base is expanded in the network of multi-level marketing systems.</li> </ul>

- Information technology 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 via network under Multi-level Marketing (MLM) system in domestic market covering approximately 90 per cent of revenue.

### **(c) Competitive Environment**

In 2019, Srithai Network continued to have decreasing sales revenues and incurred operating loss, resulted from the continuing economic slowdown over the past several years, which directly impacted an overall consumers' purchasing power, domestic household spending, increased competition, apart from the drought crisis in the Agricultural Sector. As such, in order to reduce the negative impact from the loss of the Network Business, the Company decided to merge the operations of the Network Business with the Direct Sales Business, and then manage them both under one single management structure in order to simplify the overall operations, reduce overhead costs and achieve greater flexibility in revising business plans.

The Network Business line does not require much investment, and the assets used in its operations are all existing assets. Furthermore, it does not have any significant impact on the overall operating results of the Srithai Group, as it is regarded as an additional source of revenues for the Group in addition to the core industrial Products and Household Products Business Groups. Therefore, merging the Network Business operations with Direct Sales Business will have no significant effect whatsoever on the Financial Statements of the Srithai Group.

#### **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 network business with its competitors because there are many types of products and of different applications. Many competitors come in 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 be imitated and become another choice of consumers.

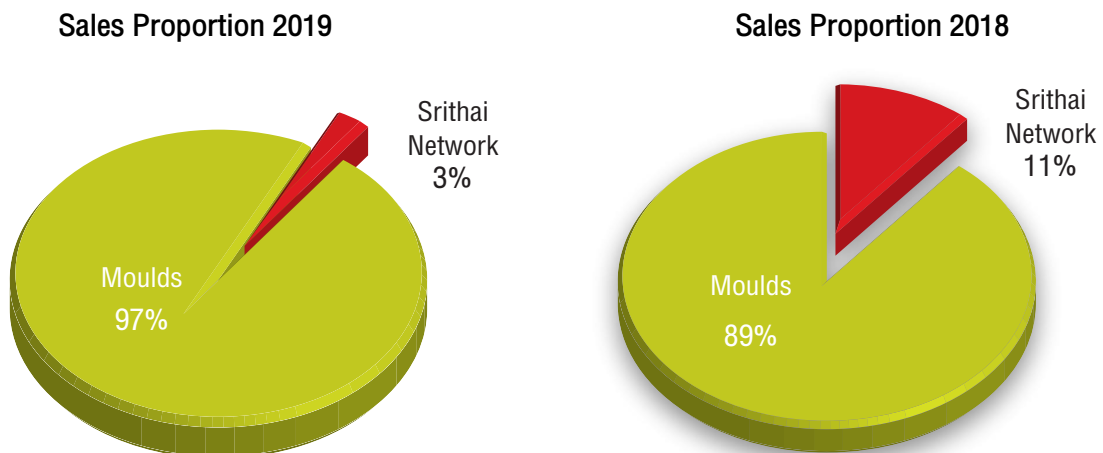
### **(d) Sourcing of Products or Services**

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 the supply of products for the Company.

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

As the portion of revenue from the network business line is very little, having less than 5% of the Group's income, along with the products being directly sold to many customers, the Company has no pending orders to be delivered as of December 31, 2019 exceeding 10% of the total revenue.

Proportion of sales of Moulds Business & Other Businesses Line - for year 2019 as compared to 2018:



## 2.3 Characteristics of Customers and Relationships

### (a) Customers Characteristics and Relationships in Plastics Business Line

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 products 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, food & beverage producers, and movie industry, etc. Customers in this category have good relationship with the Company, some having 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 who are juristic persons having long relationship with the Company and being 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 end consumers.



**(b) Customer Characteristics and Relationships in Moulds Business & Other Businesses Line**

Types of customers can be classified as follow:-

1. Srithai Miyagawa Company Limited and Srithai Moulds Company Limited whose staffs 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.
2. 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 commission package.

## **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, 2019, No. 25 Promotional privileges, pages 58 - 60.

## 3. RISK FACTORS

### 3.1 Business Risks

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

In 2019, the Group's proportion of income from the food and beverage packaging products has increased from last year or accounting for approximately one-third of the total core income of the Group; whereby there is an opportunity for this proportion to increase due to continuing high market demand for these products, of which the sales growth rate is higher than that of other products – especially in Vietnam.

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, it is likely 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 produce and sell closures under the patent in 14 countries. As the Company has a stable financial position, it is ready to invest in the food and beverage packaging business 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 in complementary production of the Group. That creates greater confidence, on the part of the major soft drinks and beverages producers, in terms of the Group's product quality, continuity of production operations and ability to deliver the products as required by our major clients. With these reasons, 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, the Group has successfully received more consistent and certain orders of closures and preforms, 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 equipment to those countries where demand for such products 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 research 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 changing trend;
9. Be committed and giving importance to making new investment and expanding the customer base for the industrial products that have good potential in line 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**

The core income of the Group comes from industrial products that account for not less than 70% of the total income. As such, this products group uses various types of plastic resins as the core raw material that account for 60% of the raw materials costs. At present, the Company sources and purchases raw materials mostly from domestic producers, since these plastic resins are a by-product of the oil refinery industry; hence the price of this raw material always changes with the price of global crude oil and the volatility of the Baht/US Dollar exchange rate in the currency market, together with the level of production supply and consumer demand - both locally and overseas. As such, if the price of plastic resins fluctuates upwards greatly, this results in the Company having a risk of fluctuations in the cost price of its products together with the resultant risk of not being able to adjust selling prices that are appropriate and correspond with the fluctuation in cost prices.

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

1. Arrange to have a regular meeting of a Raw Material Purchasing Committee, which 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 supply and to be alternative sources by comparing material prices 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 regularly according to predetermined standard by random sampling check of raw material by an external company or any governmental entity which provides quality testing services;
4. Buy raw material 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 appropriate, subject to result of negotiation;
8. Determine selling prices for some product groups under a 'cost plus' framework 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 without much fluctuation due to changing raw materials prices;
9. Regularly negotiate the credit terms with suppliers in order to receive discounts on raw materials prices, appropriately matched with cost of funds.

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

The direct sales business sectors in Thailand have a high market value with continued growth. There are a large number of competitors, with increasing new entrants in the market. The competitors consist of local direct sales business and international business network. Moreover, the online marketing has become more popular and rapidly expanding. The competition may impact on the growth of the Company's businesses and the Company may lose its market share 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 members, through having clearly defined compensation schemes that are transparent and traceable, together with company's solid financial base;
4. 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;
5. Focus on products that are popular or gain well recognition among consumers. Product ranges are also expanded for more variety by launching new products demanded by Srithai Direct Sales and Network members, and assure availability of market for the product to mitigate risk on launching new products;
6. Expand distribution channels to neighboring countries in order to reduce risks of the local market, increase business opportunity and serve the need of members who want to expand market coverage;

7. Search and partner with leading banks in the country and in ASEAN to support and develop payment system for goods and services and payments of commission to be accurate, speedy, modern, and distinctive with new technology;
8. Develop information technology continually with regard to fully supporting the needed and appropriate changes for the Company's businesses, modern lifestyle and social trends in the fast-changing world and to satisfy demand from Srithai Direct Sales members by offering fast and convenient access to products via every channel as well as being able to buy online at any time via smartphones. This corresponds with the modern social trends to boost sales and to attract new generation to join the direct sales 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 has increased along with the business growth and the expansion of our manufacturing bases in India and Vietnam. Therefore, the Group may have risk exposure on shortage of raw materials, causing 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. Apart from a joint research and development scheme on raw materials, production capacity of Thai MFC Company Limited is also 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 ensured the 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 is able to 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 skilled labour 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 requires a large number of skilled labour 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. Arrange training programs on succession plan, in order to transfer the knowledge and develop 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 well round knowledges - such as, marketing, production, finance, transport and logistics, together with assist them to understand the business issues and conditions in order to apply with the tasks under their responsibility properly;
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 leading educational institutes to develop automatic machines or semi-automatic machines to reduce dependence on labours. At present, the Company has achieved success in making use of such machines in certain part of the production line, which helps reduce a number of workers;
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. As a result, production costs continue the downward trend.

## 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 repaid. In case the Company is unable to comply with the terms and conditions, this may risk the Company being in breach of those financial covenants.

#### 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

The Group's exports of products and imports of raw materials, finished goods and machines & equipment 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

In 2019, the Company's export sales account for 20% of total income, close to the proportion of last year. The most of the Company's revenue from export is denominated in the US Dollar currency which represents 60% of total export revenue each year and increase with the growth of export. Meanwhile, most of the Company's import is denominated in the US Dollar currency and largely depends on an annual investment budget. 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 to appropriately prevent the risk of foreign exchange fluctuation. This will help the Company project cash flow as well as 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. Furthermore, negotiations are also made with major customers to allow adjustments of selling prices in the event of any significant foreign currency fluctuations.

With regard to overseas subsidiaries, their revenues are recorded 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 equipment in US Dollar based on the demand for raw materials, annual investment budget. The subsidiaries manage their foreign exchange related risks in line with the Company's guidelines depending on their respective situations. As such, their customer bases are extended to include overseas customers that will derive revenues in foreign currencies, while some raw materials are sourced locally in order to reduce the import quantity, 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 particular currency. Effective planning of required investment 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, 2019 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 according to business expansion plan each year which are quoted by fixed interest rates and/or floating rates based on the fixed deposit rates and BIBOR.

The Company therefore, has risk exposure to movements of interest rates, particularly those floating rates when market interest rates 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, terms and conditions;
- 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 the movement of market interest rates and other factors that may affect the change in interest rates in order to evaluate 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 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 tools to mitigate risk on fluctuation of interest rates and ascertain financing cost for the Company.

### 3.3.4 Credit Risk

Most of the sales – both domestic and export are on credit for existing and new customers, and expansion of customer base are under different credit terms, the Company therefore has exposure to credit risk that customers might not be able to pay when due.

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

The Company has determined criteria for customer credit rating, sought information about customers, and analyzed their respective credit worthiness before granting credit lines, resulting in credit risk being insignificant. The concentration of credit risk is at an acceptable level. Even though there are a small number of customers in some business line, they have sizable business, and good financial standing. Nevertheless, 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, 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 adjustment of the credit line and terms offered depending on customers' payment 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 is no significant change as compared with that of last year.

With respect to overseas customers, export customers are required to open letter of credit or make partial or full payment before shipment 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

Net Assets Value	Land and building				Machinery and equipment	Total	Owner /Rent	Insurance Credit limit
as of December 31, 2019 (Unit : Million Baht)	Area			Total				
	Rai	Ngan	Sq.W.					
Head office and Suksawat Plant	24	3	0.2	282.20	255.28	537.48	Owned	Does not have any assets pledged <sup>(3)</sup>
Bangpoo Plant	6	3	89	21.34	218.15	239.49		
Amata City Chonburi Plant	49	1	86	234.33	1,049.75	1,284.08		
Korat Plant	48	0	0	76.76	176.46	253.22		
Distribution Center <sup>(1)</sup>	-	-	-	27.80	-	27.80		
Total <sup>(2)</sup>				642.43	1,699.64	2,342.07		

- 13 distribution centers of direct sales business in Bangkok and the outskirts of Bangkok and upcountry and one Srithai Super Outlet.
- 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, 2019, No. 16 Property, plant and equipment, net, pages 42 - 44.
- Long-term loans outstanding as of December 31, 2019 were Baht 796.48 million. As at 31 December 2019, the long term debt obligations totaling Baht 796.48 million are only guaranteed by a negative pledge that no other debt obligations or transactions whatsoever will be made and attached to all the current existing Company's property, plant, machineries and equipment or any such assets to be owned by the Company in the future. While, all the current revolving credit facilities do not have any guarantees.

##### 2) Korat Thai Tech Company Limited

Net Assets Value	Land and building				Machinery and equipment	Total	Owner /Rent	Insurance Credit limit
as of December 31, 2019 (Unit : Million Baht)	Area			Total				
	Rai	Ngan	Sq.W.					
Head office and Plant	6	0	75	-	30.31	30.31	Land lease and building <sup>(1)</sup> , machines and equipment owned	Does not have any assets pledged <sup>(2)</sup>

- Rented space from the Company's Korat Plant as its office and factory. Its rental agreement with the Company has been renewed annually with a total rental fee in 2019 of Baht 3.56 million, an increase from the previous year due to the request for additional space to expand the business and production lines.
- Credit facilities from one local commercial bank totaling Baht 10.0 million and is unsecured by any assets or any guarantees, whereby there is a negative pledge only.

### 3) T Thaplas Company Limited (Formerly known as “Srithai Nanoplast Company Limited”)

Net Assets Value	Land and building				Machinery and equipment	Total	Owner /Rent	Insurance Credit limit
as of December 31, 2019 (Unit : Million Baht)	Area			Total				
	Rai	Ngan	Sq.W.					
Head office and Plant	2	0	5.75	-	6.44	6.44	Land lease and building <sup>(1)</sup> , machines and equipment owned	Does not have any assets pledged <sup>(2)</sup>

1. Rented space from the Company's Korat Plant as its office and factory. Its rental agreement with the Company has been renewed annually with a total rental fee in 2019 of Baht 1.16 million.
2. There is no an outstanding loan, debts or revolving credit facilities with any financial institutions.

### 4) Srithai (Vietnam) Company Limited (“SVN”)

Net Assets Value	Land and building				Machinery and equipment	Total	Owner /Rent	Insurance Credit limit
as of December 31, 2019 (Unit : Million Baht)	Area			Total				
	Rai	Ngan	Sq.W.					
Head office and Song Than 1 Industrial Zone	18	3	0	64.48	522.53	587.01	Land lease <sup>(1)</sup> , building machines and equipment owned	Does not have any assets pledged <sup>(3)</sup>
Viet Huong Industrial Zone	2	0	51.25	-	38.02	38.02	Land lease and building <sup>(2)</sup> , machines and equipment owned	
Total <sup>(4)</sup>				64.48	560.55	625.03		

1. The Lease Agreement for the property with an operator of the Industrial Estate in Vietnam with a total leasehold rights term of 48 years starting from 1997, with a rental fee in 2019 equal to Baht 1.02 million.
2. Land and building lease with an operator of Industrial Estate in Vietnam with a period of 4 years from 2012, with the right to extend the contract of 4 years at a time, or 16 years in total, until expiry in 2032. The rental fee in 2019 was equaled to Baht 2.42 million.
3. The outstanding long term borrowing and loan obligations of SVN, as at December 31, 2019, were equivalent to Baht 247.38 million. The total revolving credit facilities that SVN has from various financial institutions, both in Vietnam and Thailand. All of these credit facilities require only negative pledge covenant or not making use of any current or future SVN's land, buildings and machinery or equipment in entering into any financial obligations and/or a “Letter of Comfort” issued by the Company.
4. SVN still has an unused land plot under consideration for use for an appropriate business activity and timing, with a total area of 18 rai, 2 ngarn and 75 sq wah and located not far from SVN's head office; whereby a land lease contract was executed with the operator of the Vietnamese industrial estate in 2016, with a lease period of 42 years at a total lease fee equaled to Baht 52.50 million without any additional monthly fee payments, for the purpose of having office buildings and plant facilities to support future expansion of SVN's business activities. As such, in the accounts the net leasehold value, as at December 31, 2019, was equaled to Baht 41.91 million.



## 5) Srithai (Hanoi) Company Limited (“SHN”)

Net Assets Value	Land and building				Machinery and equipment	Total	Owner /Rent	Insurance Credit limit
as of December 31, 2019 (Unit : Million Baht)	Area			Total				
	Rai	Ngan	Sq.W.					
Head office and Plant	14	0	44.5	125.84	341.89	467.73	Land lease <sup>(1)</sup> , building machines and equipment owned	Does not have any assets pledged <sup>(2)</sup>

1. Land lease agreement with an industrial estate operator in Vietnam for a land plot for a period of 43 years from 2014. The land is for construction of office and factory with total lease fee equivalent to Baht 63.06 million without any monthly rental payment. The net book value of the lease rights, as at December 31, 2019, was equaled to Baht 48.06 million.
2. Total revolving credit facilities, currently given to SHN by commercial banks in Vietnam and Thailand with a guarantee given by SVN.

## 6) Srithai Superware Manufacturing Private Limited (“SSMP”)

Net Assets Value	Land and building				Machinery and equipment	Total	Owner /Rent	Insurance Credit limit
as of December 31, 2019 (Unit : Million Baht)	Area			Total				
	Rai	Ngan	Sq.W.					
Head office and Plant	17	2	70.75	87.77	91.91	179.68	Land lease <sup>(1)</sup> , building machines and equipment owned	Does not have any assets pledged <sup>(2)</sup>

1. Land lease agreement with an industrial estate operator in India for accommodating the office and factory buildings with a period of 99 years from 2013. SSMP made a lump sum payment for the entire lease period of equaled to Baht 48.72 million and without having to pay any monthly rental fees. The net book value of the leasehold rights, as at December 31, 2019 was equaled to Baht 37.10 million.
2. The current revolving credit facilities that SSMP received from an Indian commercial bank totaled Indian Rupees 33.0 million (or approximately Baht 15 million), guaranteed with a Standby Letter of Credit issued by the Company.

## 7) Srithai Superware India Limited (“SSI”)

Net Assets Value	Land and building				Machinery and equipment	Total	Owner /Rent	Insurance Credit limit
as of December 31, 2019 (Unit : Million Baht)	Area			Total				
	Rai	Ngan	Sq.W.					
Head office and Warehouse at Gurgaon	-	1	67.32	-	-	-	Building lease <sup>(1)</sup>	Does not have any assets pledged <sup>(2)</sup>

1. Land lease agreement with a period of 3 years; with a rental fee in 2019 equal to Baht 0.43 million. As Srithai Superware India Limited (“SSI”) is running trading business, major assets used by SSI for its business are furniture and office equipment.
2. There is no an outstanding loan, debts or revolving credit facilities with any financial institutions.

## 8) Srithai-Otto (Thailand) Company Limited (“SOT”)

Net Assets Value	Land and building				Machinery and equipment	Total	Owner /Rent	Insurance Credit limit
as of December 31, 2019 (Unit : Million Baht)	Area			Total				
	Rai	Ngan	Sq.W.					
Head office and Warehouse	-	-	68.25	-	14.37	14.37	Building lease(1) , machines and equipment owned	Does not have any assets pledged(2)

1. Rented space at the head office of the Company as its office and the Amata City Chonburi plant for its business operations. Its rental agreement with the Company has been renewed annually with a total annual rental fee in 2019 of Baht 0.60 million.
2. SOT has total revolving credit facilities of Baht 1.04 million, provided by a local commercial bank and guaranteed by its bank deposit.

## 9) Srithai Moulds Company Limited

Net Assets Value	Land and building				Machinery and equipment	Total	Owner /Rent	Insurance Credit limit
as of December 31, 2019 (Unit : Million Baht)	Area			Total				
	Rai	Ngan	Sq.W.					
Head office and Plant	14	2	75	29.13	38.85	67.98	Owned	Some assets are pledged with a commercial bank (1)

1. As at December 31, 2019, this long-term loan was Baht 3.40 million and credit limit of revolving credit facilities was Baht 37.0 million. A plot of land area of 10-3-32.6 rai with building have been mortgaged to a commercial bank.

## 10) Srithai Miyagawa Company Limited

Net Assets Value	Land and building				Machinery and equipment	Total	Owner /Rent	Insurance Credit limit
as of December 31, 2019 (Unit : Million Baht)	Area			Total				
	Rai	Ngan	Sq.W.					
Head office and Plant	11	1	73	158.00	385.04	543.04	Owned	Some assets are pledged with a commercial bank (1)

1. As at December 31, 2019, this long-term loan was Baht 7.00 million and credit limit of revolving credit facilities was Baht 155.0 million. A plot of land area of 5-3-21 rai with building and some machines have been mortgaged to two commercial banks with 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.

### 4.1.2 Intangible Assets

The Company's intangible assets consist of copyright and computer software applications for operation, and production technique. They mainly are the rights to be the manufacturer and distributor of closures, production and some items of trading business. The Company's license periods for 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, 2019, No. 17 Intangible assets page 45.

## 4.2 Investment Policy in Subsidiaries and Associated Companies

The Company has an investment policy that links to its core businesses, which are plastics business line comprising industrial products and household products, the moulds business & other 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 on which the Company focuses, or has expertise or specific technologies, 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 overseeing and managing the subsidiaries and associated companies, the Company appoints its representatives comprising 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 associated companies with voting rights proportionately with the percentage of shares owned by the Company. The Company's representatives have the duties and responsibilities to manage or vote in such meetings following the direction determined by the Company's Board of Directors.

## 4.3 Assets Valuation

In 2019, the Company did not have any valuation appraisal on its core assets used in the Company's business and manufacturing operations.

## 4.4 Investment Properties

The Group has certain land and properties, which are not used in its core business operations but are held for 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 Group's financial statements, which include vacant land plots, land 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, 2019, were Baht 132.98 million and Baht 1,509.67 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, 2019, No.15 Investments properties pages 41.

## 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, 2019;
2. Any lawsuit that may significantly affect on the Company's business operation but its impact could not be estimated;
3. Any lawsuit not derived by normal business operation of the Company or subsidiaries.

However, the Company has a pending lawsuit that does not fall under above criteria or that has an impact of any significance as specified in the abovementioned criteria 1 – 3. This legal dispute is between the Company and a foreign labour recruitment company since mid-2016; whereby the Civil Court has handed down a judgment in May 2017 that the Company pays the amount of Baht 4.77 million together with associated accumulated interest costs at the rate of 7.5% per annum. However, the Company filed an appeal to the Court of Appeal in August 2017.

During the year 2019, the Court of Appeal dismissed the judgment of the Civil Court on the ground that in the Civil Court trial, there were no translation copies of the Company's supporting evidences from foreign language into Thai language. The Court of Appeal, therefore, ordered the Company to prepare translation copies of the evidences and submit them to the Court within 2020. Thereafter, the Court of Appeal ordered the Civil Court proceed the judgment again based on pertinent evidences of the case. The Company is confident that it has significant evidences and information that will be of benefit in defending the case. Therefore, the Company did not set aside any provision for this claim.

On January 17, 2020, the Civil Court confirmed the same judgment which ordered the Company to pay Baht 4.77 million with interest at a rate of 7.5% per annum to the recruitment agency. Nevertheless, the Company affirmed to file an appeal with the Court of Appeal in March 2020. The Company and the Company's legal counselor are confident that it has significant evidences and information that will be of benefit in defending the case. Therefore, the Company did not set aside any provision for this claim.

## 6. GENERAL & OTHER INFORMATION

### 6.1 General Information

<b>Company Name :</b>	Srithai Superware Public Company Limited
<b>Symbol :</b>	SITHAI
<b>Registration Number :</b>	0107536001516
<b>Nature of Business :</b>	<ol style="list-style-type: none"> <li>1. Manufacture and distribution of plastic industrial products and melamine household products</li> <li>2. Moulds and other businesses : manufacture moulds and source local and overseas products for sale and distribution.</li> </ol>
<b>Registered and Paid up Capital :</b>	Baht 2,709,904,800 comprising 2,709,904,800 common shares at par value Baht 1.00
<b>Location :</b>	<p><b>Head Office</b>            15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140            Tel. : 66 2427 0088 Fax : 66 2428 9675            URL : www.srithaisuperware.com</p> <p><b>Factories producing plastic industrial products</b></p> <p><b>1. Suksawat Factory</b>            15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140            Tel. : 66 2427 0088 Fax : 66 2874 5010</p> <p><b>2. Bangpoo Factory</b>            610 Soi 8A, Bangpoo Industrial Estate, Tambon Prak-Sa, Amphoe Mueang, Samut Prakan Province 10280            Tel. : 66 2324 0922, 2709 3020 Fax : 66 2324 0924</p> <p><b>3. Amata City Chonburi Factory</b>            700/13 Moo 1, Amata City Chonburi Industrial Estate, Tambon Klong Tamru, Amphoe Mueang, Chonburi Province 20000            Tel. : 66 3821 3250 Fax : 66 3821 3234</p> <p><b>Factory producing melamine household products</b></p> <p><b>Korat Factory</b>            335 Moo 6, Suranaree Industrial Estate, Ratchasima–Chok Chai Road, Tambon Nongrawiang, Amphoe Mueang, Nakhon Ratchasima Province 30000            Tel. : 66 4421 2100 Fax : 66 4421 2036</p> <p><b>Office of Direct Sales</b>            15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok 10140            Tel. : 66 2428 8855 Fax : 66 2427 7269            URL : www.superwaredirectsales.com</p>
<b>Accounting Period :</b>	January 1 – December 31
<b>Company Secretary /</b>	Mr. Chaiwat Kulphattaravanich
<b>Head of Investor Relations Unit :</b>	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



<b>Share Registrar :</b>	<b>Thailand Securities Depository Company Limited</b> 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
<b>Auditor :</b>	<b>Mr. Preecha Arunnara</b> Certified Public Accountant (Thailand) No. 5800 EY Office Limited 33 <sup>rd</sup> floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey Bangkok 10110 Tel. : 66 2264 9090 Fax : 66 2264 0789-90
<b>Legal Advisor :</b>	<b>1. Nitiprecha International Law Firm Company Limited</b> 12 <sup>nd</sup> floor, Mahatun Plaza Building, 888/120 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. : 66 2252 9494 Fax : 66 2651 5053 <b>2. Marut &amp; Rujira Bunnag Law Office</b> 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

### Subsidiaries

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

<b>2. Company Name</b>	<b>:</b>	<b>T Thaplas Company Limited<sup>(1)</sup></b>
Location	:	325-328 Suranaree Industrial Estate, Moo 6, Ratchasima–Chok Chai Road, Tambon Nongrawiang, Amphoe Mueang, Nakhon Ratchasima Province
Type of Business	:	Manufacture and distribution of household products
Telephone/Fax	:	0 4421 2650 / 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

<sup>(1)</sup>Formerly Srithai Nanoplast Company Limited, the name was changed with the Ministry of Commerce on April 2, 2019.

<b>3. Company Name</b>	<b>:</b>	<b>Srithai (Vietnam) Company Limited</b>
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/Fax	:	84 6503 790023-4 / 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

<b>4. Company Name</b>	<b>:</b>	<b>Srithai (Hanoi) Company Limited</b>
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/ Fax	:	84 6503 790023-4 / 84 6503 790025
Registered Capital	:	Vietnamese Dong 424,920 million
Paid-up Capital	:	Vietnamese Dong 424,920 million
Proportion of the Company's shares held	:	100% of the paid-up capital (held indirectly via Srithai (Vietnam) Company Limited)

<b>5. Company Name</b>	<b>:</b>	<b>Srithai Superware Manufacturing Private Limited</b>
Location	:	SM-22, GIDC Sanand-II (Bol), Taluka Sanand, Ahmedabad-382170, Gujarat, Republic of India
Type of Business	:	Manufacture and distribution of melamine household products
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 <sup>(2)</sup>
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.

<b>6. Company Name</b>	<b>:</b>	<b>Srithai Superware India Limited</b>
Location	:	Unit no. 302, 3rd Floor, DLF Star Tower, Gurgaon-122001, Haryana, Republic of India
Type of Business	:	Distribution of household products
Telephone/Fax	:	91 124 411 0406 / 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

<b>7. Company Name</b>	<b>:</b>	<b>Srithai-Otto (Thailand) Company Limited</b>
Location	:	15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok
Type of Business	:	Distribution of plastic industrial products
Telephone/ Fax	:	0 2427 0088 / 0 2874 5015
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 10,000,000
Proportion of the Company's shares held	:	75.0% of the paid-up capital

<b>8. Company Name</b>	<b>:</b>	<b>Srithai Moulds Company Limited</b>
Location	:	55/1 and 55/6 Moo 1, Nong-Samsak, Amphoe Ban Bueng, Chon Buri Province
Type of Business	:	Mould-making service, manufacture and distribution of plastic industrial products
Telephone/Fax	:	0 3847 6525-7 / 0 3847 6528
Registered Capital	:	Baht 100,000,000 comprising numbers of shares issued 1,000,000 shares with par value per share: Baht 100.00
Paid-up Capital	:	Baht 100,000,000
Proportion of the Company's shares held	:	71.0 % of the paid-up capital

<b>9. Company Name</b>	<b>:</b>	<b>Srithai Miyagawa Company Limited</b>
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/Fax	:	0 2324 0425-6, 0 2324 0428-9 / 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

## Associates

<b>1. Company Name</b>	<b>:</b>	<b>Srithai Sanko Company Limited</b>
Location	:	15 Suksawat Rd., Soi 36, Bangpakok, Rasburana, Bangkok
Type of Business	:	Distribution of plastic industrial products
Telephone/Fax	:	0 2427 0088, 0 2428 9936 / 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

<b>2. Company Name</b>	<b>:</b>	<b>Sanko Srithai (Malaysia) SDN. BHD.</b>
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/Fax	:	603 5191 4921 / 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)
<b>3. Company Name</b>	<b>:</b>	<b>Thai MFC Company Limited</b>
Location	:	1 Siam Cement Road, Bang Sue, Bangkok
Type of Business	:	Manufacture and distribution of melamine powder
Telephone/Fax	:	0 2586 3894-6 / 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
<b>4. Company Name</b>	<b>:</b>	<b>Sheewamala Company Limited</b>
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/Fax	:	0 3449 0130-1 / 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
<b>5. Company Name</b>	<b>:</b>	<b>Srithai Packaging Company Limited</b>
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/Fax	:	0 3445 2100-7 / 0 3445 2108-9
Registered Capital	:	Baht 60,000,000 comprising numbers of shares issued 600,000 shares with par value per share: Baht 100.00
Paid-up Capital	:	Baht 60,000,000
Proportion of the Company's shares held	:	39.2% of the paid-up capital

<b>6. Company Name</b>	<b>:</b>	<b>PT. Srithai Maspion Indonesia</b>
Location	:	Maspion Industrial Area unit 2, Tebel Village, Buduran, Sidoarjo, East Java, Republic of Indonesia
Type of Business	:	Manufacture and distribution of melamine household products
Telephone/Fax	:	62 31 891 1061-3 / 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

### Other Companies

<b>1. Company Name</b>	<b>:</b>	<b>LN Srithai Comm Company Limited</b>
Location	:	71/12 Moo 5, Tambon Tha-Kam, Amphoe Bang Pakong, Chachengsao Province
Type of Business	:	Manufacture and export of telephone sets
Telephone/Fax	:	0 3857 3061-3 / 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 2019 and subsequent to the financial statements date for the period ended December 31, 2019, 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 statements.

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



## Part 2

# MANAGEMENT AND CORPORATE GOVERNANCE

## 7. CAPITAL STRUCTURE

### 7.1 Securities Issued by the Company

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

The Company does not have any agreement between its major shareholders (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, 2019, which was the last day when the Company closed its shareholders register for 2019, foreign shareholders accounted for 3.48% of the total issued shares of the Company

### 7.2 List of Top 10 Major Shareholders as of December 30, 2019

#### 7.2.1 Shareholders have participation 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 have no participation 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. PRATEEP TANGMATITHAM	4	140,123,500	5.17
MR. PAIWAN CHARTPITAK	5	118,400,000	4.37
MR. SOMYOD LERTSUMITKUL	6	105,800,000	3.90
MR. SOMKIEAT LERTSUMITKUL	7	103,500,000	3.82
MR. BUNNAPA LERTSUMITKUL	8	80,000,000	2.95
MR. SOMBAT LERTSUMITKUL	9	78,400,000	2.89
MS. MITTRADA LERTSUMITKUL	10	70,000,920	2.58
<b>Total shares of top 10 major shareholders</b>		<b>1,450,121,420</b>	<b>53.51</b>
<b>Total common shares</b>		<b>2,709,904,800</b>	<b>100.00</b>

Remark :

- (1) Even though 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 views 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 reaching legal age, in the Company<sup>(1)</sup> as at December 30, 2019 compared to December 28, 2018 are as follows :-

Name	as of December 29, 2019		as of December 30, 2018		no. of shares increase (decrease)
	no. of shares	%	no. of shares	%	
Mr. Sanan Angubolkul <sup>(1)</sup>	440,823,510	16.27	440,823,510	16.27	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. Supachoke Liamkao	0	0.00	0	0.00	0
Mr. Mani Ativanichayaphong <sup>(3)</sup>	11,587,200	0.43	11,587,200	0.43	0
Mr. Naphol Lertsumitkul <sup>(1)</sup>	0	0.00	0	0.00	0
Mr. Chaiwat Kulphattaravanich <sup>(1)</sup>	0	0.00	0	0.00	0
Mr. Apisit Tangsatit <sup>(1)</sup>	1,420	0.00	1,420	0.00	0
Mr. Pongsak Kantiratanawong <sup>(1)</sup>	2,500,000	0.09	2,400,000	0.09	100,000
Mr. Garun Angubolkul <sup>(1)</sup>	0	0.00	0	0.00	0
<b>Total shares</b>	<b>454,971,130</b>	<b>16.79</b>	<b>454,871,130</b>	<b>16.79</b>	<b>100,000</b>
<b>Total issued common shares</b>	<b>2,709,904,800</b>	<b>100.00</b>	<b>2,709,904,800</b>	<b>100.00</b>	

- (1) Top Management according to the new organizational structure effective on January 1, 2019.
- (2) Appointed as Director to replace Mr. Prin Bholnivas and the Company registered such replacement with the Ministry of Commerce on January 2, 2019.
- (3) Mr. Mani Ativanichayaphong resigned from Director position on January 1, 2020.

## 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 separate financial statements, on a condition 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	2018	2017	2016	2015	2014
Earnings per share <sup>(1)</sup> (Baht)	0.05	0.05	0.15	0.16	0.15
Dividends per share <sup>(1)</sup> (Baht)	0.05	0.05	0.10	0.10	0.10
Dividends / Net profit <sup>(2)</sup> (%)	99.43	107.60	66.77	60.94	65.86

- (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 2019, the Company has 8 directors in the Board of Directors. At least half of total number of directors must be present at each meeting of the Board of Directors to constitute a quorum. The shareholders meeting are responsible for nominating and electing new board directors, with the term of a directorship of 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. Naphol Lertsumitkul, Mr. Suchat Boonbanjedsri,

Mr. Chaiwat Kulphattaravanich, Mr. Mani Ativanichayaphong

Sitting from left to right : Mr. Enghug Nontikarn, Mrs. Siriporn Sailasuta, Mr. Sanan Angubolkul, Mr. Supachoke Liamkaeo

### 8.1.1 Members of the Board of Directors and their Attendance record for 2019

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. Enghug Nontikarn	Independent Director, Chairman of the Audit Committee and Nomination and Remuneration Committee Member	6	6
Mr. Suchat Boonbanjerd Sri	Independent Director, Audit Committee Member and Chairman of the Good Corporate Governance Committee	6	6
Mrs. Siriporn Sailasuta	Independent Director, Chairperson of the Nomination and Remuneration Committee and Good Corporate Governance Committee Member	6	6
Mr. Supachoke Liamkaeo	Independent Director and Audit Committee Member	6	6
Mr. Naphol Lertsumitkul	Director	6	6
Mr. Mani Ativanichayaphong (2)	Director	6	6
Mr. Chaiwat Kulphattaravanich <sup>(1)</sup>	Director, Good Corporate Governance Committee Member, Risk Management Sub-Committee Member and Company Secretary	6	6

(1) Mr. Chaiwat Kulphattaravanich being a Board Director of the Company registered with the Ministry of Commerce on January 2, 2019.

(2) Mr. Mani Ativanichayaphong resigned from being a Board Director of the Company on January 1, 2020.

Detailed information relating to the Company's board directors is presented in Attachment 1: Details of the Directors, Executives, Controlling Persons, the Person assigned to the highest responsibility in Accounting and Finance ("CFO") and the Person assigned to the direct responsibility of supervising accounting preparation and Company Secretary.

### 8.1.2 The Company's 'Controlling Persons'

The Company does not have any 'Controlling Persons', 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

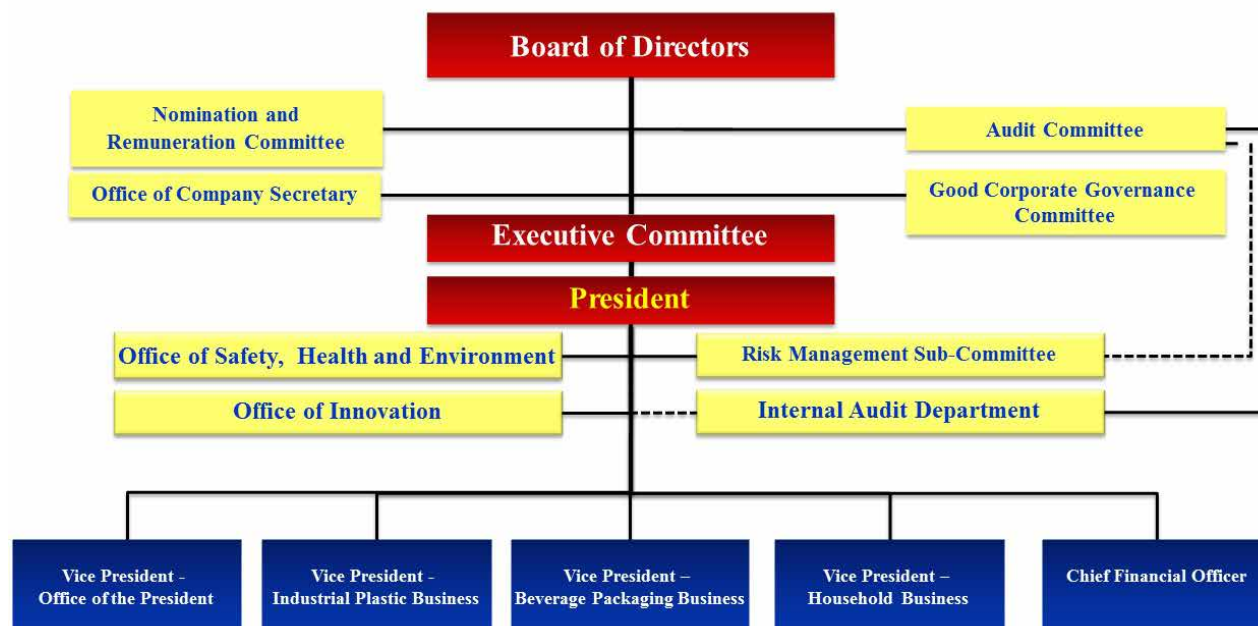
As at December 31, 2019, the Company's executives, under the definition as specified by the Notification of the Capital Market Supervisory Board under the new organization chart structure which is effective from January 1, 2019, comprise the following 6 persons :

Name			Position
1.	Mr. Sanan	Angubolkul	Chairman and President
2.	Mr. Chaiwat	Kulphattaravanich	Chief Financial Officer*
3.	Mr. Naphol	Lertsumitkul	Vice President - Office of the President
4.	Mr. Apisit	Tangsatit	Vice President - Industrial Products
5.	Mr. Pongsak	Kantiratanawong	Vice President - Beverage Packaging Products
6.	Mr. Garun	Angubolkul	Vice President - Household Products

\* The person who is assigned to the highest responsibility in Accounting and Finance.

The Company has presented detailed information for these executives in Attachment 1: Details of the Directors, Executives, Controlling Persons and the Person assigned to the highest responsibility in Accounting and Finance ("CFO") and the Person assigned to the direct responsibility of supervising accounting preparation and Company Secretary.

Organization structure of the Company, as at December 31, 2019, is as follows





### 8.3 The Company Secretary and the person who is assigned to the direct responsibility of supervising accounting preparation.

The position of Company Secretary and the person who is assigned to the direct responsibility of supervising accounting preparation has been held by the following executives, i.e. Mr. Chaiwat Kulphattaravanich, since January 1, 2019 and Ms. Ladda Namjarusathienchai, since January 1, 2017, respectively. Detailed information of the Company Secretary and the person who is assigned to the direct responsibility of supervising accounting preparation including the responsibilities of the Company Secretary is presented in Attachment 1: Details of the Directors, Executives, Controlling Persons, the Person assigned to the highest responsibility in Accounting and Finance ("CFO") and the Person assigned to the direct responsibility of supervising accounting preparation and Company Secretary.

### 8.4 Remuneration of Board Directors and Executives

The Company has specific criteria in determining the remuneration of its board directors. The criteria are regularly reviewed and considered by the Nomination and Remuneration Committee which sets the policy to determine appropriate and fair remuneration by comparison with companies in the same industry based on the remuneration survey conducted by the Thai Institute of Directors (IOD) Association.

With respect to the remuneration of the sub-committees, the Nomination and Remuneration Committee considers it based on the scope and responsibilities. However, the remuneration must be approved by Shareholder's meeting in accordance with Public Limited Companies Act.

In addition, 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 and provident fund contribution by the Company; and non-monetary compensation, such as a company car.

In consideration of the salary and annual bonus for executives, the Nomination and Remuneration Committee, will propose to the Board of Directors for approval on the 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 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 including the President, consisting of both short term and long term benefits as follows :

- **Short term benefits**

The Company pays compensation in the form of salary and bonus 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 Margin
- Management and control of costs

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

- **Long term benefits**

The Company also provides contributions to the staff provident fund, retirement benefits as well as special welfare benefits for non-staff provident fund members in accordance with the established conditions of the Company -

such as: special further financial assistance payment to employees upon retirement and a gold reward for those non-staff fund members have completed specific number of years of employment in the Company.

The Company has disclosed details of staff and employee benefits in the Notes to the Financial Statements for the year ended December 31, 2019 under headline 4. Significant Accounting Policies : 4.16 Employee Benefits page 25 and Note 21 Employee Benefit Obligations page 51 – 54.

### 8.4.1 Monetary Remuneration

- Overall remuneration for the board directors are approved by the shareholders meeting. Only meeting allowances are paid according to their actual meeting attendance. Actual remuneration for the board directors are as follows:

Name - Position	Amount (Baht)	
	2019	2018
<b>Board of Directors</b>		
Chairman – Mr. Sanan Angubolkul	300,000	300,000
<b>Eight Directors comprising :</b>		
Mr. Enghug Nontikarn	150,000	150,000
Mr. Suchat Boonbanjerd Sri	150,000	150,000
Mrs. Siriporn Sailasuta	150,000	150,000
Mr. Supachoke Liamkaeo	150,000	150,000
Mr. Naphol Lertsumitkul	150,000	150,000
Mr. Manit Ativanichayaphong	150,000	125,000
Mr. Prin Bholnivas <sup>(1)</sup>	-	150,000
Mr. Chaiwat Kulphattaravanich <sup>(1)</sup>	150,000	-
<b>Total Remuneration of Directors</b>	<b>1,350,000</b>	<b>1,325,000</b>
<b>Audit Committee</b>		
Chairman of the Audit Committee – Mr. Enghug Nontikarn <sup>(2)</sup>	350,000	300,000
<b>Two Audit Committee Members comprising :</b>		
Mr. Suchat Boonbanjerd Sri	150,000	150,000
Mr. Supachoke Liamkaeo <sup>(2)</sup>	150,000	112,500
<b>Total Remuneration of Audit Committee Members</b>	<b>650,000</b>	<b>562,500</b>
<b>Nomination and Remuneration Committee</b>		
Chairperson of the Nomination and Remuneration Committee - Mrs. Siriporn Sailasuta	25,000	25,000
<b>Two Nomination and Remuneration Committee Members comprising :</b>		
Mr. Sanan Angubolkul	20,000	20,000
Mr. Enghug Nontikarn	20,000	20,000
<b>Total Remuneration of the Nomination and Remuneration Committee Members</b>	<b>65,000</b>	<b>65,000</b>
<b>Good Corporate Governance Committee</b>		
Chairman of the Good Corporate Governance Committee – Mr. Suchat Boonbanjerd Sri	25,000	50,000
<b>Three Good Corporate Governance Committee Members comprising :</b>		
Mrs. Siriporn Sailasuta	20,000	40,000
Mr. Manit Ativanichayaphong <sup>(3)</sup>	-	10,000
Mr. Prin Bholnivas <sup>(1)</sup>	-	40,000
Mr. Chaiwat Kulphattaravanich <sup>(1)</sup>	20,000	-
<b>Total Remuneration of the Good Corporate Governance Committee Members</b>	<b>65,000</b>	<b>140,000</b>
<b>Grand Total</b>	<b>2,130,000</b>	<b>2,092,500</b>

Remarks :

1. Mr. Chaiwat Kulphattaravanich was appointed as the Director and the Good Corporate Governance Committee Members in place of Mr. Prin Bholnivas, effective as of January 1, 2019.
2. Mr. Enghug Nontikarn and Mr. Supachoke Liamkao were appointed as the Chairman of the Audit Committee and Member of the Audit Committee respectively, effective as of February 28, 2018.
3. Mr. Manit Ativanichayaphong resigned from being a Member of the Good Corporate Governance Committee, effective as of March 1, 2018.
4. In 2019, the meeting allowance paid by the Company to each board director was in accordance with the approved limit of not more than Baht 2,490,000, in total, based on the resolution of the Annual General Meeting of Shareholders No. 38 (for 2019), as follows:
  - 4.1 Meeting allowance for the 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
  - 4.2 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
  - 4.3 Meeting allowance for the Nomination and Remuneration Committee
 

Chairperson of the Nomination and Remuneration Committee	Baht 50,000 per annum
Member of the Nomination and Remuneration Committee	Baht 40,000 per annum/per person
Total Meeting allowance	Baht 170,000 per annum in total
  - 4.4 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.
5. No remuneration is given to the members of the Risk Management Sub-Committee.

2) Remuneration for executives including salary and bonus payments is as follows:

Remuneration	2019		2018	
	Number of persons	Amount (million baht)	Number of persons	Amount (million baht)
Salary	6	35.18	11	51.66
Bonus	6	2.33	11	6.87
<b>Total</b>	<b>6</b>	<b>37.51</b>	<b>11</b>	<b>58.53</b>

Remarks :

1. The following executives received the above remuneration in 2019 as follows:
  - 1.1 Mr. Sanan Angubolkul
  - 1.2 Mr. Chaiwat Kulphattaravanich
  - 1.3 Mr. Naphol Lertsumitkul
  - 1.4 Mr. Apisit Tangsatit
  - 1.5 Mr. Pongsak Kantiratanawong
  - 1.6 Mr. Garun Angubolkul
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 monetary and non-monetary remuneration is given to the members of the Board of Directors and Board Committees/Sub-Committees.

### 2) Other remuneration for executives

2.1) Monetary remuneration include provident fund, social security fund, retirement benefits, a gold reward together with a special monetary compensation upon reaching specific number of years of employment in the Company; all of which are paid or given in accordance with the established conditions of the Company. In 2019, the Company contributed totaling Baht 0.71 million in the form of other benefits for its executives.

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

## 8.5 Personnel

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

(Unit : Person)	2019					
	Office	Plant				Total
		Suksawat	Korat	Bangpoo	Amata City Chonburi	
Executive	5	0	0	0	1	6
Support Line	148	0	0	0	0	148
Sales and Marketing Line	258	0	0	0	0	258
Production Line	0	298	901	349	609	2,157
<b>Total</b>	<b>411</b>	<b>298</b>	<b>901</b>	<b>349</b>	<b>610</b>	<b>2,569</b>

(Unit : Person)	2018					
	Office	Plant				Total
		Suksawat	Korat	Bangpoo	Amata City Chonburi	
Executive	10	0	0	0	1	11
Support Line	162	0	0	0	0	162
Sales and Marketing Line	296	0	0	0	0	296
Production Line	0	401	1,531	339	641	2,912
<b>Total</b>	<b>468</b>	<b>401</b>	<b>1,531</b>	<b>339</b>	<b>642</b>	<b>3,381</b>

(Unit : Person)	2017					
	Office	Plant				Total
		Suksawat	Korat	Bangpoo	Amata City Chonburi	
Executive	10	0	0	0	1	11
Support Line	165	0	0	0	0	165
Sales and Marketing Line	332	0	0	0	0	332
Production Line	0	415	1,292	347	730	2,784
<b>Total</b>	<b>507</b>	<b>415</b>	<b>1,292</b>	<b>347</b>	<b>731</b>	<b>3,292</b>

Remarks:

1. The number of executives decreased in 2019 in line with a new organization structure, effective as of January 1, 2019.
2. The manpower in the Production of Suksawat plant, Korat plant and Amata City Chonburi decreased in 2019, compared with in 2018 and in to 2017 due to the drop in sales volume and reduced productivity.
3. The manpower in the Head Office decreased in 2019, compared with in 2018 and in to 2017, due to the merger of direct sales and network businesses, retirement of certain employees and downsizing corresponding with the company's operating results.
4. 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 benefits comprise salary or wages, overtime, incentive and bonus, 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. For long term benefits, the Company provides contributions to the employee's provident fund, retirement benefits, a gold reward together with a special monetary compensation upon reaching specific number of years of employment in the Company; all of which are paid or given in accordance with the established conditions of the Company.

Additionally, the Company provides training courses for staff members 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 2019, the Company paid the said remunerations for a total of Baht 820.43 million.

### 8.5.3 Human Resource Development

Human resources are one of the most important components that the Company focuses on, as employees are the key driving force for its business to proceed in the established and desired direction, and they must be happy and enjoy their work. As such, the Company provides opportunities for development, as well as encourages employees to learn in various areas – both in work responsibilities and in 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 build their financial discipline so as to achieve a better quality of life with happiness. The Company has assigned the Office of Human Resource Development to provide training courses and activities to enhance staff with knowledge and capability, skills in their duties, and readiness and potential to grow in the future.

The Office of Human Resource Development arranged to hold various training programs and courses for employees based on the importance and urgency of the work area as required, and through cooperation with the internal units within the organization to encourage ongoing '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 to train staff to build knowledge, skills and a full understanding of the assigned responsibility, as well as to practice how to effectively think and solve any problems for any specific job activity. It also establishes a situation of learning and sharing of experienced knowhow within the organization.

The Company actively promoted the campaign and arranged courses on good corporate governance principles and practices as well as on business ethics including Policy and Practice Guideline on Anti-Corruption for executives and all staff members of Subsidiaries and Associates throughout the Company and at all its operating factories. The Company also monitors, on a regular basis, the level of understanding after certain 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 2019, the Company arranged training courses and seminars for its staff members internally (In-House Training) and outside the Company (Public Training). On average, each employee received 15 hours and 35 minutes of training during the year which cover 5 key training areas of the Company:

1. Core Culture
2. Managerial Skill
3. Functional Skill
4. Quality Management System
5. Occupational Health & Safety

In addition, the Company gave importance to knowledge of various aspects that are considered to be essential for the lives of its employees, such as knowledge about their personal finances, physical and mental health, their daily livelihood, and also about preparing for their retirement. Throughout the year, the Company disseminated relevant information through holding training courses and undertaking various promotions activities by setting information booths with key points of view on such key aspects of their lives. Such information and knowhow were constantly communicated in a manner that was simple and easy to understand by the employees at all levels through internal channels of communications and also by holding internal competitions, in order to stimulate active participation of all employees to identify a role model for them. As such, all these activities are aimed at promoting and enhancing the overall quality of life of the employees by having a happy life, and being able to work for the organization at the best of their ability. On July 18, 2019, the Company was awarded a Certificate of Participation from the Federation of Business and Professional Women of Thailand under Royal Patronage, together with 5 other parties by its participation in the project encouraging personal financial discipline and by representing a pioneer organization establishing personal financial discipline among its employees through informing and educating them on saving regularly and consistently.

## **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 employees would 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 become philosophy of working with an aim to improve efficiency and effectiveness of staff members. Such principles are also used for personnel development and instill corporate culture. The 4S comprises :

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

- Personnel have consciousness in ethics and morality 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 continually develop and improve the capability of themselves and their work to be more efficient.

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

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

### **SYSTEM : To work systematically and traceably**

- Personnel work systematically and make decision based on fundamental information and facts after analyzing precisely.

The Company launched continually campaigns and activities in each aspect of 4S via various internal channels of communications, in order 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 employees could participate in order to gain 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 group. As a result, in 2019, it was the 4<sup>th</sup> consecutive year that the Company was rated as being “Excellent” by the Thai Institute of Directors Association (IOD) in its annual survey of corporate governance practices of Thai listed companies.

The Company’s Board of Directors emphasizes compliance with the principles of good corporate governance and recognizes its role as a leader in creating value added to the overall business; whereby the Board has assigned the Good Corporate Governance Committee to be responsible for this respect of the operations and to report the outcome of the associated activities to the Board every Quarter, with relevant information as follows:

### 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 regularly revised to be current and appropriate to the latest situation.

In 2012, the Board of Directors appointed a Good Corporate Governance Committee to be 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, the relevant and applicable laws as well as the Corporate Governance Policy of Thai Listed Companies as specified by the Stock Exchange of Thailand. The CG Committee then appointed various working groups from members of the Company’s Management to support its tasks.

The Board of Directors has established the Good Corporate Governance Policy and disseminated the contents of the policy via various channels of communications to all parties – internally and externally to ensure that all parties are informed as well as fully aware of this Good Corporate Governance Policy. In addition, various training sessions together with associated internal activities to understand the Good Corporate Governance Policy have been held regularly and on a continuing basis for members of Management and Staff at all levels of the organization.

In 2018, the Board Meeting upon the proposal by the CG Committee, the Board of Directors approved the Good Governance Policy (4th revision – 2018), to correspond to the recently revised Corporate Governance Code for listed companies - 2017 : CG Code, issued by the Office of the Securities and Exchange Commission, which contains the 5 Sections of the previous CG Code issued and also incorporates new significant details corresponding to the 8 key operating guidelines and procedures of the CG Code, as summarized below:

#### Good Corporate Governance Policy - 4th revision (2018)

##### Section 1 – Shareholders’ Rights

The Board respects the rights of all shareholders, as well as has in place policies and practice guidelines to protect the shareholders’ rights, in order to facilitate shareholders in exercising their various entitled rights in a complete, accurate, transparent and appropriate 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 all shareholders with fairness and equality, regardless of whether they are majority or minority shareholders or foreign shareholders.

The Board oversees and encourages shareholders to exercise their rights and to protect their own interests through expressing opinions, making recommendations, and casting their votes at the shareholders meetings, in order to make decisions regarding any significant changes as well as elect/appoint new board directors.

The Board also ensures that the Company discloses any news and information in an accurate, complete, transparent on an appropriate timely basis; as well as facilitates and enables Shareholders to exercise their respective rights in an accountable manner that covers the following aspects:

1. Release of information prior to 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 various involved stakeholder groups, who have been or may potentially be affected by the Company's business operations in accordance with the policy and practice guidelines for various stakeholder groups such as employees, shareholders, investors, customers, business partners, competitors, creditors, external auditors, press and media, local communities and societies surrounding the Company's businesses and the government sector. The Board also promotes regular cooperation between the Company and such stakeholders in order to build stability and develop sustainability of the Company.

The Board monitors and oversees the management in operating the business activities of the Company while being responsible for society and the environment, in relation to the Company's corporate policies, objectives and goals together with its business strategies and operations plans. The following topics are taken into consideration :

1. Treatment of employees
2. Business operations in compliance with the framework of 'Fairness'
3. Practices that are fair and responsible for local communities, society and environment
4. Anti-corruption and whistle blower activities
5. Promoting and encouraging innovation

## **Section 4 – Information Disclosures and Transparency**

The Board is responsible and gives great importance to the disclosure of information in an accurate, complete, adequate and timely manner in accordance with applicable rules and regulations as well as relevant operating guidelines and appropriate circumstances. Financial information includes financial position and operating performance and non-financial information includes the Company's shareholding structure, corporate governance matters, and other business-related information. This is for the benefit of all shareholders and external parties.

The Board has determined that the Investor Relations Unit has been established to take responsibility for providing up-to-date, accurate, complete and adequate information whereby external parties can regularly access such Company related information through every channel of communications established by the Company for the purpose of appropriately communicating

with its Shareholders and various Stakeholder groups such as: investors, securities analysts on an equal basis. As such, these information disclosures are made through various electronic information dissemination system and paper-based information distributed by the Company in compliance with the requirements of the regulatory authorities with topics covering:

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

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

The Board of Directors has formulated 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. Practice guideline for the Board of Directors
4. Duties and responsibilities of the Board of Directors
5. Recruitment and nomination of the Board of Directors members and executives
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 the Board of Directors and members of Board Committees/Sub-Committees
11. Holding directorship positions (in other companies) by the CEO/President and executives
12. The position 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 of the Board of Directors
18. Support of 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 4th revision - 2018 on the Company's website at [www.srithaisuperware.com](http://www.srithaisuperware.com).

## **9.2 Board of Directors and Board Committees/Sub-Committees**

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

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

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. On December 31, 2019, there are 8 directors. Amongst them, 4 directors are executives and representatives of the shareholder group, who have knowledge, expertise and capabilities in the Company's businesses; and 4 directors

including one female are independent directors, who have diverse skills and experiences with independent judgments. All directors possess the qualifications under the criteria as specified by the Securities and Exchange Commission (SEC) and the Company.

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

### **Scope of Authority and Responsibilities of the Board of Directors**

The Board of Directors has responsibilities towards its shareholders with regard to the Company's business operations and its governance. This is to ensure that management complies with the stated policies, objectives and guidelines that will generate maximum benefits and continually increase the economic value for its shareholders, through the adoption of good business ethics and concerns for current and long-term benefits of all stakeholders, as follows:

1. Perform its duties under the laws, the objectives and Articles of Association of the Company, and resolutions of the Shareholders Meetings together with the rules and regulations specified by the Securities & Exchange Commission, the Stock Exchange of Thailand and other relevant regulatory authorities;
2. Formulate corporate business policies, strategic objectives and targets for management and the shareholders' resolutions;
3. Monitor and oversee that management operates the Company's businesses efficiently, in good faith, and in compliance with the board and the shareholders' resolutions;
4. Arrange 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. Arrange for Board of Directors Meetings at least six times a year;
6. Oversee 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 between the Company, its subsidiaries or associates and any connected parties, that does not require the approval of the shareholders' meeting;
8. Establish internal control systems 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 in a timely manner to shareholders and other involved or concerned parties;
10. Establish and define the scope of duties and responsibilities of the various Board Committees/Sub-Committees;
11. Establish 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 correspond with current situation;
13. Consider and review business strategies, work plans/activities, and annual budget of the Company;
14. Follow-up on the results of activities and business performance of the Company on a quarterly and annual basis, and compare the results against agreed budgets and plans;
15. Consider and review risk management policies of the Company to correspond appropriately with current conditions;
16. Monitor the adequacy of the financial liquidity of the Company and the ongoing ability to service its debt obligations; as well as determine adequate and effective action plans, so that the Company or its business is well-prepared to face any possible financial difficulties;

17. Consider and assess the adequacy of Company's internal control systems;
18. Consider entering into any contracts not related to normal business activities of the Company, or any contract related to normal business activities with material and significant nature;
19. Direct and monitor compliance in accordance with the established principles, policies and practices on good corporate governance;
20. Establish the 'Codes of Business Conduct' for the Company and implement it at every level within the organization; and
21. Amend or change, as required, the scope of authority and responsibilities of the Board of Directors as appropriate.

The Board of Directors has appointed Sub Committees based upon the specific expertise and assigned role of the respective Sub-Committees to consider and review various important issues before submitting recommendations or proposals to the Board of Directors for consideration and approval for implementation.

In the Board of Director's meeting No. 6/2019 held on December 24, 2019, the board acknowledged the review of the Company's current Vision and Mission, and deemed it appropriate to still maintain them in place for now. In 2020, the board will review and improve them with further amendments as appropriate, so that they will be fully aligned with any changes in the Company's businesses.

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

- Duty of Care : The Board must be diligent and prudent in managing all corporate affairs.
- Duty of Loyalty : The Board must act in good faith; and must not allow any personal interests to prevail over the overall interests of the Company.
- Duty of obedience : The Board must comply with all laws, the Company's objectives and Articles of Association, the resolutions of Board and shareholders meetings, as well as with all applicable requirements and regulations as specified by the 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 about the Company.

### **Approval Authority of the Company's Board of Directors**

In 2019, the Company's Board of Directors has, exercised the following approval authority, in accordance with the objectives and Articles of Association of the Company, and the resolutions of the shareholders meetings, and as specified by the Public Limited Company Act, the Securities and Exchange Act and regulations specified by governing authorities such as :

- Approval of the Financial Statements for the year 2018
- Approval of the Work Plan and Budget for the year 2019
- Approval of the Agenda Items for the Annual General Meeting of Shareholders
- No. 38 (for 2019)
- Acknowledgement of the outcome of the activities of various Board Committees of the Company
- Acknowledgement of the review of the vision and mission of the Company

- Evaluation of the existing Company's internal control systems
- Approval of amendments to conditions for signing by the authorized signatories to legally bind the Company with regard to transactions with financial institutions
- Evaluation of performance of the Board of Directors as a group and as an individual Board Director for 2019

### **The Condition for Signing by the Authorized Signatories to Legally Bind the Company (as per the Company's Certificate):**

Any 2 of these 3 board directors i.e. Mr. Sanan Angubolkul, Mr. Naphol Lertsumitkul and Mr. Chaiwat Kulphattaravanich, 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, times, and venues for the meetings in advance for the whole year. Each board director has the duty to attend at least 80 per cent of such meetings. In 2019, 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 together with the Agenda Items proposed by Independent Directors for consideration and determining the proposed agenda for each Board of Directors' meeting. The invitation for each 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 to study and review all proposed agenda items for the overall benefit of and fairness towards all shareholders and stakeholder groups.

Generally, the meeting agenda items 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 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 issues for each agenda item, in order to gather 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 independently as well as in a straight forward and open manner during the 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 (2/3) of all directors attending and present at the meeting, with the right to vote 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 reference or verification 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 from 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 executives are in accordance with the established Corporate objectives for the maximum benefit to the all shareholders on an equal basis, as well as to oversee the interests of all stakeholder groups in an equitable manner. For these reasons, they have all received the full 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 directorship positions concurrently in not more than 5 listed companies.

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.

In 2019, all directors complied with the specified regulations.

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

The Board of Directors has arranged that the Company provides financial reports and financial statements as at the last calendar day of every quarter and each fiscal year, respectively. The Company's Annual Report is presented to the shareholders meeting in compliance with the law. The Audit Committee is assigned to review whether the Company's separate 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 Mr. Sanan Angubolkul as the Chairman of the Board of Directors with the following duties and responsibilities:

1. Be a leader with regard to establishing corporate policies, the Company's vision, overseeing and monitoring of executives as well as Board Sub-Committees on their performance in order to achieve the objectives, main goals and outlined 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 opinion; 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 determining 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, the highest position of the Company, and other executive positions. This is to ensure that the respective scope of authority and responsibilities are clearly defined, which enables the Board of Directors to effectively monitor and assess the executives' 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;
4. Manage proactive public relations as well as foster good relationships with every stakeholder group, 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 objectives, rules, and regulations;
8. Perform any other duties assigned by the Board of Directors.

### **Scope of Authority and Responsibilities of Executives**

Executives shall manage the Company's operations in line with work plans and policies set by the Board of Directors. Executives will carry out any responsibilities assigned by the Board of Directors as follows:

1. Manage, direct, and monitor the performance of the Company 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 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 in order to achieve the objectives and goals of the Company;
5. Plan and undertake effective financial management in order to diminish any potential financial burdens and stabilize the financial structure of the Company; and
6. Perform assigned duties in compliance with the relevant laws as well as the objectives and Articles of Association of the Company.

Moreover, the Company has set specific levels of authority for executives, which includes the respective types of transactions allowed and the approval amount limits. This is to give executives flexibility in managing the businesses, 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 relevant governing authorities.

The Board of Directors recognizes that the delegation of authority to the executives does not release the Board of Directors from its assigned duties and responsibilities.

At present, 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. Nevertheless, the Company has separated the roles and responsibilities at both positions clearly. The Company considers that the dual positions be appropriate under existing circumstance as this person has possessed experiences in the core business of the Company for a long time, as well as has been widely and well recognized among the business communities.

With regard to holding 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, the dual positions by the one and the same person would enhance overall managerial efficiency as follows:

- In the capacity as Chairman of the Board, he immediately obtains the most updated information about business operations from the Company's executives, which supports and facilitates his close monitoring of business operations within the policy framework set by the Board of Directors. In the capacity as the President of the Company, he could also better oversee and manage compliances to the 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 with half of the total number of board directors, the Board of Directors is able to achieve an effective balance of power as well as express opinions freely with regard to reviewing executives' performance.

### **Holding Directorship Positions in Other Companies by the President and Executives**

The Board of Directors has set the policy that in the event where the President and executives have been nominated/appointed 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 appointed as directors, must not operate the 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 2019, 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 assisting 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 accounting and finance.

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 systems 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.

Names of the Audit Committee members and their meeting attendance record for 2019 are as follows:

Name		Position	Actual attendance/ Total number of meetings (times)
Mr. Enghug	Nontikarn	Chairman of the Audit Committee	4/4
Mr. Suchat	Boonbanjersri	Audit Committee Member	4/4
Mr. Supachoke	Liamkao	Audit Committee Member	4/4

Mr. Enghug Nontikarn and Mr. Suchat Boonbanjersri are knowledgeable and well-experienced in accounting, finance and banking. Mr. Supachoke Liamkao is knowledgeable and well experienced in the manufacturing industry.

### Duties and Responsibilities of the Audit Committee

1. Review that the financial reports of the Company are accurate and adequately disclosed of information 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 appropriate 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 auditors and the internal auditors;
3. Select and propose, for approval, the nomination of the external auditors together with the audit fees by taking into consideration the reliability, resourcefulness, and existing work load. In addition, 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 governing authorities;
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 with regard to their accuracy, reliability and adequacy;
  - 6.2 Opinions on the adequacy and effectiveness of the internal control systems of the Company;
  - 6.3 Rationales for proposing the extension of the present external auditor for another term;
  - 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 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 assigned by the Board of Directors.
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 accounting standards, the viability of the Company, and any significant changes in 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 procedures in coordinating each activity of the approved audit plan as well as evaluate audit exercise jointly with internal auditors and external auditors. The Audit Committee will enquire the scope of the audit, so as to ensure that any potential frauds or weaknesses relating to the internal control systems can be detected and identified;
  - 7.4 Review jointly with internal auditors, any problems and limitations arising during the internal audit exercise; and evaluate the performance of the internal auditors;
  - 7.5 Review jointly with external auditors, any problems and limitations arising during the external audit exercise;
  - 7.6 Review jointly with the internal auditors and external auditors, 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 frauds 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, 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 executives or the Internal Audit Unit, as well as the progress of information investigation submitted by and received from any party under the Whistle Blower Program;
  - 7.9 Other tasks assigned by the Company's Board of Directors;
  - 7.10 Undertake a self-assessment of the Audit Committee with regard to its overall performance and assigned responsibilities.
8. Review and ensure 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 in managing significant risks;
11. Review the financial management policies of the Company;
12. Report to the Board of Directors on the activities and tasks of the Audit Committee;
13. Perform any other duties assigned by the Board of Directors as mutually agreed;
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 2019, the Audit Committee held 4 meetings with the external auditors together with the Company's financial and accounting executives, and the internal auditors, and another 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 information providers relating to any alleged fraudulent actions or non-compliance with specified relevant regulations and rules of the Company in accordance with the Company's "whistle blower program". 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 the year 2019, the Company received 1 case of alleged misconducts 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 every quarter. 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 governing authorities
5. Review on Internal Control Systems
6. Consideration of the Appointment of Certified Public Accountant for the Year 2019
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 year in order to assess its overall performance 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 to compile the results of the performance assessment for ongoing improvements.

Members of the Audit Committee have a term of office of three years, with the current term being valid until the end of 2021.

## 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 2019 are as follows:

Name	Position	Actual Attendance / Total number of meetings (times)
Mrs. Siriporn Sailasuta	Chairperson of the Nomination and Remuneration Committee (Independent Director)	2/2
Mr. Sanan Angubolkul	Nomination and Remuneration Committee Member	2/2
Mr. Enghug Nontikarn	Nomination and Remuneration Committee Member (Independent Director)	2/2



### Responsibilities of the Nomination and Remuneration Committee

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

In 2019, the Nomination and Remuneration Committee held 2 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 2021.

### 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 3 board directors, 2 of whom are independent directors and 1 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 2019 are as follows:

Name		Position	Actual Attendance / Total number of meetings (times)
Mr. Suchat	Boonbanjersri	Chairman of the Good Corporate Governance Committee (Independent Director)	2/2
Mrs. Siriporn	Sailasuta	Good Corporate Governance Committee Member (Independent Director)	2/2
Mr. Chaiwat	Kulphattaravanich	Good Corporate Governance Committee Member and Secretary	2/2

### Responsibilities of the Good Corporate Governance Committee

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

## 1. Good Corporate Governance

- 1.1 Formulate, for approval by the Board of Directors, good corporate governance policy that are appropriate for the Company, within the specified legal framework, criteria, rules and regulations of the relevant governing authorities (such as the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and other involved agencies), as well as in accordance with international standards and guidelines on 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 duties and responsibilities to be in accordance with good corporate governance policies, in order to achieve positive results and sustainability for the Company;
- 1.4 Recommend requirements and practice guidelines regarding good business morals and ethics, as well as required or expected practices for the Company's board directors, executives and staff;
- 1.5 Support and promote all other involved stakeholders to participate in implementing and complying with the established good corporate governance policies of the Company;
- 1.6 Prepare annual evaluation exports on good corporate governance, together with recommendations and suggestion, proposed to the Board of Directors.

## 2. Anti-Corruption

- 2.1 Formulate, for approval by the Board of Directors, policies and practice guideline on anti-corruption as appropriate for the Company and in compliance with applicable laws, rules and regulations;
- 2.2 Consider, review and improve policies and practice 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 duties and responsibilities to be in accordance with good corporate governance policies, in order to achieve positive results and sustainability for the Company;
- 2.4 Recommend requirements and practices guidelines regarding anti-corruption, as well as required or expected practices for the Company's board directors, executives and staff;
- 2.5 Support and promote other involved stakeholders to participate in implementing and complying with the Company's anti-corruption policies;
- 2.6 Prepare annual evaluation reports on anti-corruption, together with recommendations and suggestion, proposed to the Board of Directors;

3. Appoint working groups to support good corporate governance-related practices and activities as appropriate;

4. Undertake any other good corporate governance-related tasks assigned by the Board of Directors.

In 2019, the Good Corporate Governance Committee organized 2 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 is included in the Company's Annual Report.

In addition, the Good Corporate Governance Committee issued its policy and delegated responsibilities to the respective Good Corporate Governance Working Committees in disseminating information on the new Company's Anti-Corruption Policies and Operating Guidelines – Revised Edition No. 2 (2019), to all employees in the organization in order to acknowledge and comply fully both internally and externally.

Members of the Good Corporate Governance Committee have a term of office of three years. The current term is valid until the end of 2021.

#### 4) Risk Management Sub-Committee

The Board of Directors has 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 2019 are as follows:

No.	Name	Position	Actual attendance/ Total number of meetings (times)
1.	Mr. Chairoj Eangtanarat	Chairman of the Risk Management Sub-Committee	7/7
2.	Mr. Apisit Tangsatit	Member	5/7
3.	Mr. Chaiwat Kulphattaravanich	Member	7/7
4.	Mr. Pramual Pinyo	Member	3/7
5.	Mr. Chaichan Chareonsuk*	Member	3/7
6.	Mr. Somsong Raksapol	Member	6/7
7.	Mr. Chotchai Patiparnprechawut*	Member	2/7
8.	Ms. Nittaya Sansathit	Member	6/7
9.	Ms. Akkanida Sukjai	Member and Secretary	7/7

\* Mr. Chotchai Patiparnprechawut and Mr. Chaichan Chareonsuk resigned from being executive of the company on April 30, 2019 and June 30, 2019 respectively.

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

- 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:
  - Financial risks
  - Operational risks
  - Business risks
  - Other external risks factors
- Formulate policies on risk management, and propose them to the Board of Directors for review and final approval;
- Formulate strategies, appropriate organization structure, and required resources for the management of risks, in compliance with the established risk management policies and business directions of the Company;
- Determine financial limits and nature of transactions with regard to risks for consideration and approval by the Board of Directors, which will be used as a basis to perform in situation with different types of risks in the business operations;

5. Monitor and review policies, strategies and practices to ensure that risk management strategies are appropriately implemented;
6. Appoint working group(s) responsible for continuously evaluating and monitoring overall risks throughout the organization;
7. Perform any other tasks assigned by the Board of Directors.

In 2019, the Risk Management Sub-Committee held a total of 7 meetings, and reported its performance to the Audit Committee for consideration before reporting 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 corruption or fraudulent activities on a regular basis. With the approval of the Audit Committee, the Internal Audit Unit has been assigned to incorporate a review of possible corruption or fraudulent activities into its annual audit plan, as well as to undertake regular assessments and monitoring of any risks relating to any corruption or fraudulent activities.

Members of the Risk Management Sub-Committee have a term of office of three years, with the current term being valid until the end of 2021.

## **9.3 Nomination and Appointment of Directors and Executives**

### **9.3.1 Nomination of Directors**

The Board of Directors has 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 laws and principles of good corporate governance, as well as are undertaken in clearly defined procedures and in a transparent manner. This enables the Company to nominate 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;
2. Determine the required and appropriate diversity of the composition of the Board of Directors based on the Skill Matrix of knowledge expertise of each Director;
3. Define an appropriate nomination procedures and processes;
4. Nominate and appoint board directors as specified in the Company's Articles of Association.

The Company's Board of Directors has assigned the Nomination and Remuneration Committee, which is a Board Committee, to recruit people with the required qualifications and without any of the specified disqualifying criteria in accordance with the laws together with the appropriate knowledge, abilities and experiences to join the Company so as to help develop them to grow. Once the recruiting process, which is to be undertaken in accordance with the associated policies and operating guidelines, is completed, then the nomination shall be submitted to the Board of Directors for consideration in approving the proposed replacement Directors.

The Committee will then propose to the Board of Directors to consider the appropriateness of candidates to be appointed as the board director.

However, in the event that any appointed director has a term of office less than 2 months or has replaced a director who is 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 item 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 casting their votes.

Moreover, the Board of Directors has established the policy for the Nomination and Remuneration Committee to consider selecting the candidates to appoint 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 to create diversity in the Board composition. 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.

With respect to diversity and Skill Matrix in the Board composition, currently those directors who are not executives of the Company and possess extensive knowledge of and experiences in the manufacturing, but are not businesses that are our direct competitors are Mr. Suchat Boonbanjerd Sri, Mrs. Siriporn Sailasuta and Mr. Supachoke Liamkaeo.

The Company has not specified the maximum numbers of times in being nominated as a board director, nor any limitations relating to age in consideration of a directorship. In this regard, the Company adheres to Article 14 of the Company's Articles of Association. However, in the case of independent directors, they must fulfill all the required qualifications specified by the Company as well as comply with the qualifications according to the definition of Independent Director specified by 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, associates, major shareholder or controlling person, and the shares held by related parties of such independent director will also be counted.
- (b) The person shall not be or was executive director, worker, employee, retained consultant, or controlling person of the Company, parent company, subsidiaries, associates, subsidiaries 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 prior to the date of submitting application to the office. Such qualifications do not apply to independent director who was once served as governmental official or advisor of governmental entity which 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, sibling, and offspring, including spouse of offspring or other director, 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 had business relationship with the Company, parent company, subsidiaries, associates, major shareholder, or controlling person of the Company and such relationship may impede his own freedom of judgment, and shall not be or was a significant shareholder or controlling person of the person who has business relationship with the Company, parent company, subsidiaries, associates, major shareholder or controlling person of the Company, except that he has been free from such qualifications for at least 2 years prior to 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. Such actions may affect the Company or its counterparty to be obligated to debts owed to another party at a minimum of 3% of the net tangible assets of the Company or 20 million Baht, whichever is lower. 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 connected transactions mutatis mutandis. By considering such debts, they 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 was external auditor of the Company, parent company, subsidiaries, associates, major shareholder or controlling person of the Company, and shall not be a significant shareholder, controlling person or partner of the audit office who is employer of auditor of the Company, parent company, subsidiaries, associates, major shareholder or controlling person of the Company, except that he has been free from such qualifications for at least 2 years prior to the date of submitting an application to the Office.
- (f) The person shall not be or was any professional service provider, including legal service or financial advisory service obtaining the service fees of more than 2,000,000 Baht per year from the Company, parent company, subsidiaries, associates, 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 prior to 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, retained consultant. The person shall not hold shares more than 1% of total the 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 expressing opinions freely regarding the Company's operations.

Independent directors may be assigned by the Board of Directors to make decisions on the operations of the Company, parent company, subsidiaries, associates, or other subsidiaries of the same (or equal) level, major shareholders, or a controlling person of the Company, whereby the assigned decision is undertaken as a collective decision.

All four independent directors of the Company have fully met the specified qualifications and criteria, and have carried out their responsibilities appropriately throughout their term of office. However, three of the independent directors have been in office for more than 9 consecutive years, which is not consistent with the Guideline of Corporate Governance



of Thai Listed Companies as prescribed by the Thai Institute of Directors Association. The Board of Directors has deemed, however, that this does not affect their performances or ability to express independent opinions. Moreover, all 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 business communities and organizations and have provided recommendations and suggestion for the maximum benefits of 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.38 (for the year 2019), the Board of Directors proposed to the meeting to re-appoint 2 independent directors (ie: Mr. Enghug Nontikarn and Mr. Suchat Boonbanjerd Sri) for another term. The meeting then approved the re-appointment as proposed by the Board of Directors.

### 9.3.2 Nomination of Executives

The Company's executives have the duty to nominate, to the Nomination and Remuneration Committee, persons possessing the appropriate qualifications suitable for the Company's businesses for consideration and appointment 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 with regard 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 with new challenging responsibilities. The process is aimed at effectively preparing those qualified Company personnels for future promotion 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 has approved policies and guidelines relating to 'Succession Plan' for executive positions, including the President, in order to prepare suitably qualified senior-level personnels who possess the required knowledge, capabilities and experiences, to best meet the Company's growth and sustainability in the long term. The criteria shall cover the followings:

1. Determining senior executive position needs 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 qualified internal and external candidates should be made;
3. Undertaking a performance assessment together with assessment on 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.

In 2019, the company does not appointment executives.

### 9.3.3 Development of Directors

The Board of Directors has assigned the Company Secretary to select relevant training programs from institutes that are credible and correspond to the requirements of being a board director of a listed company such as Capital Markets Academy, the Thai Institute of Directors Association (IOD), to support directors to attend training courses or seminars that aimed at enhancing the required knowledge and skills in discharging the required responsibilities on a continuing basis.

In 2019, the Company arranged for a director, Mr. Chaiwat Kulphattaravanich and Mr. Naphol Lertsumitkul to attend the Board Nomination and Compensation Program (BNCP) and Boards that Make a Difference (BMD), respectively while the remaining board directors were unable to attend certain courses in which they were interested due to ongoing job commitments at the time when the courses were being held. Nevertheless, many directors attended various general seminars on business activities together with on the changes in the regulatory requirements as specified by relevant authorities for the benefit to the stakeholders.

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, the Person assigned to the highest responsibility in Accounting and Finance ("CFO") and the Person assigned to the direct responsibility of supervising accounting preparation and Company Secretary.

### **9.3.4 Performance Assessments of the Board of Directors and the President**

The Board of Directors undertakes a performance assessment of the entire Board of Directors as well as of individual directors; and also carries 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, is undertaken with regard 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 responsibilities 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 uses the respective self-evaluation result 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 are categorized into 'very good', 'good', 'satisfactory', and 'needs improvement'. These scores are then being presented to the Board of Directors.

In 2019 the board directors undertook a performance evaluation of the Board itself and achieved an overall 'very good'.

B. Performance Assessment of individual directors is made through a self-evaluation process, as a mechanism to support and ensure that board directors genuinely understand their respective roles and responsibilities with regard 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. Overall evaluation

Each director provides the respective evaluation result to the Company Secretary to keep as confidential information before presenting to the Board of Directors meeting in summary with the overall score categorized as: 'very good', good, satisfactory, and 'needs improvement' in accordance with the established criteria.

In 2019, the Board of Directors undertook a self-evaluation of their respective individual performances that achieved an overall 'very good' rating

#### C. Assessment of the President

It is the duty of every Director, except the President, to evaluate 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 2019, 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 categorized as: '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 process and criteria as evaluating the Board of Directors.

## 9.4 Monitoring the Operations of Subsidiaries and Associates

At present, the Company has made investments in several subsidiaries and associates - in Thailand and overseas. The 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 Moulds Business and Other Businesses 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 those persons sent as representatives of the Company have been considered from the Board of Directors, they must be well qualified and suitable as well as gain approval from the management. In addition, they must be Company executives already in charge of the same 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 subsidiaries or associates, the Company's representatives are empowered to make decisions or 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 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 on 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 2019, none of the Company's subsidiaries and associates executed any shareholders' agreements that would have any significant effect on 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 interest 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 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 until prior to the day the Company discloses its operating 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 subject to the penalty codes of the Company, offenders of this requirement are also personally subject to the legal penalties imposed by the Securities and Exchange Act.

The Board of Directors has 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 2019, there was no transaction or change in the ownership of the Company's shares by the Company's board directors. As for executives, there was a person 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's board directors and executives, the 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 2019

### 1. Audit fees

The Company and its subsidiaries paid audit fees to EY Office Limited (“EY”), and its affiliates in 2019 for the sum of Baht 3.82 million and Vietnamese Dong 907.80 million.

### 2. Non-audit fees

The Company and its subsidiaries paid non-audit fees for the assignments as per requirements of the Board of Investment (BOI), the review on subsidiaries and associates’ financial statements for the consolidation of financial statements, as well as the control review of some significant system to EY in 2019, totaling Baht 0.58 million. The Company and its subsidiaries had completely recorded all abovementioned non-audit fees as expenses in the year 2019.

## 9.7 Implementing the principles of good corporate governance for listed Companies – 2017 Revision

In 2019 upon the proposal by the Good Corporate Governance Committee, the Company’s Board of Directors reviewed the revised principles of good corporate governance issued by the Office of Securities Exchange Commission (SEC) in 2017 (or CG Code 2017); and amended the Company’s existing Corporate Governance Policy to correspond with the core 8 principles of the CG Code. As such, the Board then approved and announced the revised Corporate Governance Policy of the Company – 4<sup>th</sup> revision (2018) for use as operating procedure guidelines effective from 2019 onwards - as shown in detail in Section 9.1: Corporate Governance Policy.

By the review of the CG Code to be adapted for implementing within the organization, the Good Corporate Governance Committee together with the Board of Directors have recognized the importance and value of the CG Code, as well as its practical application in conducting of the Company’s business. In 2019, both the Good Corporate Governance Committee and the Board of Directors have reviewed and realized those aspects of the CG Code that are not adopted currently; whereby the remaining aspects are only in the minority – such as: the Chairman of the Board is an Independent Director; the Chairman of the Board and the President shall not be the same person; and the total term of office for Independent Directors shall not exceed 9 consecutive years. Furthermore, they have also assigned the good corporate governance working groups to monitor and further develop good corporate governance practices including those remaining aspects of the CG Code as appropriate and propose to them for acknowledge of progress and consideration on an annual basis.

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

Apart from the governance and oversight as stated above, in 2019, the Company also complied with the Good Corporate Governance Principles in other areas as follows:

### 9.8.1 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 the right to transfer their shareholdings. 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 practice 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, by enquiring, expressing their opinions, and exercising 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 website of the Company and of the Stock Exchange of Thailand to inform all shareholders in advance, 30 days prior to the meeting date.

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 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. 38 (for the year 2019) and No. 39 (for the year 2020) as follows :

The Annual General Meeting of Shareholders	No. 38 (for the year 2019)	No. 39 (for the year 2020)
Date of announcement regarding shareholders rights on the SET and Company's website	September 27, 2018	September 27, 2019
Period in exercise the shareholder's rights	October 1 - December 31, 2018	October 1 - December 31, 2019
Proposal by Shareholders on names for consideration as a Board Director, or other Agenda Items for consideration	NONE	NONE

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

- 1) To send in a proxy form specified by the Ministry of Commerce, on which shareholders 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, 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 22, 2019, such information was disseminated for the Annual General Meeting of Shareholders No. 38 (for the year 2019). Such notification was also 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 sufficient for decision-making by shareholders with regard 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 operating 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 proposing names of auditors 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 compared with that of the past year.

- Appointment of the Company's directors

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

- Remuneration of directors

By presenting information on the structure of remuneration of the Company's Board of Directors and Sub-Committees. Apart from determining the remuneration based on knowledge, capability and experiences of each director, the Company has the policy to compare such rates with 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 sent to the Stock Exchange of Thailand within 14 days after the Annual General Meeting of Shareholders, followed by posting on the Company's website in Thai and English versions, which contains disclosures of all relevant data and sufficient information as well as :

- Name of all Directors and Executives attending the Meeting;
- Details of the votes casted (i.e. agreed, disagreed, abstained and invalid ballot) together with any suggestions;
- Questions – together with the name of each shareholder asking/proposing suggestions and related clarification made by the Company.

For 2019, the Company received evaluation relating to its 'AGM Checklist' from the Thai Investors' Association with a score of 100%, which was higher than the overall average score for all listed companies that participated in the AGM evaluation exercise.

### **9.8.2 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, 2019 the Company had a "free float" of 66.45% of the total issued and paid up shares held by retail investors, 4.72% by institutional investors, and 16.70% by the Company's directors.

In 2019, the treatment to all shareholders by the Company was as follows:

#### **1. Preparation of the Annual Report**

The Company prepared the Annual Report 2018 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 2019, the Company sent out the Letter of Invitation via the Company's Shares Registrar, 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 the year 2018, 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 the year 2019, 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. The Company has defined 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.

### 9.8.3 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 (1st 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

No.	Business Ethics (1st revised – 2014)	No.	Good Corporate Governance Policies Section 3 Roles of Stakeholders
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
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 revision – 2014) has been published on the Company's website at [www.srithaisuperware.com](http://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.

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.

#### **9.8.4 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 5 years
- Names and details of the Company's Board of Directors and executives
- Shareholding structure; information on major shareholders holding on the top 10, directly or indirectly, by their spouses and minor children who are not yet of legal age
- Price movements of the Company's shares which links to other credible website e.g. [www.settrade.com](http://www.settrade.com)
- Direct channels of communications, with assigned independent directors, for informants (or whistle blowers) to inform on any alleged corruption or acts of non-compliance with the relevant applicable laws, rules and regulations. In 2019, 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.

### **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.

### **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 has officially announced a policy on corporate social responsibility so that all groups of stakeholders, both inside and outside the Company, acknowledge, understand, and abide. This reflects the reinforcement and importance the Company gives and the practices that the Company has complied with including operating the business based on corporate governance, taking care of all of its stakeholders, balancing between business, society, and environment with the 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 developing and improving 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”) since 2013 with the current CSR Committee comprising 15 members of its executives and staff as follows :

1.	Mr. Sanan Angubolkul	Chairman of the CSR Committee
2.	Mr. Chaiwat Kulphattaravanich	CSR Committee Member
3.	Mr. Apisit Tangsatit	CSR Committee Member
4.	Mr. Pongsak Kantiratanawong	CSR Committee Member
5.	Mr. Garun Angubolkul	CSR Committee Member
6.	Mr. Chaichan Chareonsuk*	CSR Committee Member
7.	Ms. Bunnapa Lertsumitkul	CSR Committee Member
8.	Mr. Pramual Pinyo	CSR Committee Member
9.	Mr. Surasit Sirisompop	CSR Committee Member
10.	Mr. Somsong Raksapol	CSR Committee Member
11.	Mrs. Sudarat Ratchniyom	CSR Committee Member
12.	Mr. Raveewat Jaimool	CSR Committee Member
13.	Mrs. Sikarn Phanvongsa	CSR Committee Member
14.	Ms. Chaniya Chompoonut	CSR Committee Member
15.	Ms. Sivaporn Hotrachitra	CSR Committee Member and Secretary

\*Mr. Chaichan Chareonsuk resigned from the Company during the year 2019.

The Committee has the duties and responsibilities 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, receiving 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 core concept, guideline and driver of the corporate social responsibility as well as pushing it to become an organization culture. The Company's personnels are one of the key success factors of the corporate social responsibility who will build sustainable growth to the Company, take direct responsibility and realize the importance and advantages of the corporate social responsibility. As such, the Company allows opportunities and is prepared to support all Company personnels in actively undertaking various CSR projects – both internally within the organization and externally with surrounding communities to create actual deliverables and tangible outcomes in terms of development and 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, Revised Fourth Edition (2018), Business Ethics (revised 1<sup>st</sup> 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 made to the public 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 2019, the Company received complaints on general work activities that were not in breach of any good corporate governance policies or were not involved with any alleged acts of corruption.

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

- 1) Provide a staff provident fund, retirement benefits and a 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. In 2019, the Company arranged internal and external training for staff with average training hours of 15 hours and 35 minutes per person per year. As part of the Company's staff training and development program, the Company encourages and promotes their staffs, who have skill and experience, to be a trainer in transferring their knowledge capital. Additionally, the Company provides funds for its staff's education programs for those with high potential matched with appropriate timing and opportunities, to study at leading universities in programs that they can use in their work and to help further develop the organization.
- 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 coupled with further developing their mental health by attaining happiness through meditation and listening to the Buddha's teachings from visiting monks once a month.

- 4) Provide equal treatment for all staff without any bias or prejudice with regard to race such as arranging Thai language courses for foreign workers so that they can communicate and work more effectively, providing employee suggestion boxes in Thai, Myanmar and Cambodian languages 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.
- 5) Improve and increase the degree of happiness for the staff, through creating a “mother’s milk feeding corner” for new mothers to feed their new born babies, together with a prayer room/wash room for Muslims in their daily prayer rituals.
- 6) Establish an exercise room for the staff, in order to promote good physical health and make beneficial use of their free or spare time.

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

Apart from recognizing the need for workplace Safety, Health and Environment (SHE) within the Company and establishing a Safety Officer (Jor Por) Unit, reporting directly to the President, the Company has also established a Workplace Safety, Health, and Environment Committee together with associated Sub-Committees and Working Groups in each production plant to oversee, monitor, drive, and implement similar standards in each and every branch throughout the organization in a systematic and effective manner. As such, goals, operating procedures and guidelines have been determined together with required standards relating to workplace safety, health and environment, in order to instill a common mindset for work safety as a basic requirement together with adequate care, pollution free and happy working environment. Therefore, the activities undertaken by the Company on a continuing basis to achieve the established workplace safety, health and environment objectives include:

- Korat plant has been certified with the Safety, Health and Working Environment Standards OHSAS 18001:2007 and TIS 18001:2011. This proves the Company’s safety in the production process in compliance with the Ministry of Industry standard and international standards, whereas every plant is assured to fully comply with the laws related to safety.
- The Company arranges the inspection on the safety of buildings, electrical systems, working environment, and others by independent agencies annually with regard to the Head Office buildings, and all 4 production plants – all of which have been in use for many years, 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 and the property were properly maintained.
- Invest in and improve work process.
- Provide training courses on “Safety Executives” and “Safety Supervisors” to employees in each plant continually as required by law. The program is aimed at developing trained employees to be Safety Executives and Safety Supervisors.
- Distribute a work manual and handbook on workplace safety, hygiene and environment to all involved staff at every level throughout the organization.
- Disseminate information about safety.
- 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, which leads to increase competitive edge for the Company, reduce losses in terms of staff, time and productivity, and improve the Company's image. As such, during 2019, the Company did not have any major accidents that caused injury to the staff at all 4 production plants.

As for activities of safety, health and environment undertaken on a regular basis every year, the Company gives importance to training and dissemination of information on those to the staff, in order to drive actual and stimulate genuine compliance on a continuing basis. Competitions are held to identify staff's role models and workplace together with regular assessments of actual activities as well as giving recognition and awards to those who maintain the required standards according to the established regulations on safety. The Company provides an annual employee health checkup according to the laws every year and coordinates 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. Furthermore, 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 on the well-being or life of the Company's staff. As for non-communicable diseases with increasing risk and rising rate such as: diabetes from high blood sugar, office syndrome, breast and cervical cancer – the Company also attaches importance to teaching and giving relevant information to the staff, in order to prevent the diseases through changing their behavioral patterns or receiving proper treatment.

### **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 various types of products. Each type of products is subject to differing tests and evaluation with regard to the production process used and overall quality control. As such the Company gives importance as well as encourages each and every production plant to receive various independent certifications of its products standard at the international levels; whereby these are the international standard certifications received by the Company:



- Standards on Automotive Quality Management System (IATF 16949:2016)
- Standards on Quality Management: ISO 9001:2015
- Standards of Good Manufacturing Practice (GMP) certification or good manufacturing practices relating to production of food products
- Standards of the Hazard Analysis and Critical Control Point (HACCP)
- Standards of the Food Safety Certification (FSSC 22000)
- Standards of the BRC/IOP (Issue 5) regarding food safety standards, for food packaging

#### **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 2019, Amata City Chonburi plant in Chonburi, Bangpoo plant and Korat plant received the CSR-DIW continuous Award 2019, all 3 plants have received awards continuously for many years from development of nearby communities.

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**

The Company has products and uses production technologies that help conserve the environment, together with the 3 Saves practice: Save Material, Save Energy, Save the World, the Company focuses on continuous product development, especially beverage packaging products i.e. light screw lid and preformed soft drink and water bottles (PET) within its beverage packaging product group. This helps promote the CSR of soft drink and drinking water business entrepreneur as well as food packaging product group that uses as the Thin Recess Injection Molding ("TRIM") technology in reducing the wall thickness. This production process has been certified by the Greenhouse Gas Management Organization (Public Organization) for reduction of carbon dioxide emission. Both of these product groups also reduce the use of raw materials and amount of energy used in the production process while maintaining the same effective use of these products. This not only helps reduce customers' cost but also conserve the environment directly and indirectly.

With regard to household products or melamine products, in spite of these products are not naturally bio-degradable or would take some time to do so, they can replace single-use plastic packaging products and to help reduce the issue of plastic waste pollution. Furthermore, the Company is continually undertaking ongoing research and development on the production process as well as the actual products themselves, so as to reduce the overall usage of melamine powder by

adding other natural raw materials together with using less energy. The Company is endeavoring to extend our successes into the activities of all other involved parties along the value chain, in order to drive the reuse and recycling of our melamine products in the production process and output products to come up with new designs with good standards of quality.

In addition, all production processes are undertaken under the 3 Saves practice: Save Material, Save Energy, Save the World, which helps environment by continuing to give importance to managing production wastes in a systematic manner, through pushing each plant to implement wastes management with the 3Rs practices – i.e: Reduce, Reuse and Recycle – in a concrete and effective approach from the beginning to the end of the entire production process. All of which also includes the treatment of waste materials (that cannot be utilized) and its Disposal (of such waste materials in a safe manner).



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 their opinions and making suggestions to correct any faults that might cause energy waste. 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 plant. 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. It reflects its commitment and successful intent to genuinely operate its businesses under the principles of efficient energy management. Both plants 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 placed the importance of social and environmental responsibilities and considered them as part of its key tasks to all staff. The Company has formulated an environmental policy to serve as a practice guideline. Consequently, the Company has received certifications relating the environment such as Certificate for its environmental protection standard ISO 14001:2015 and certificate as Green Industry from the Ministry of Industry. This has proven that the Company has systematic environmental management, proper monitoring, and review process for continuing development.

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.

### Major Achievement Management Awards during 2019

- **Health Leader Network Award in the operating plant**

On July 4, 2019 the Korat Plant received the Top Health Leader Network Award and Honorary Certificate from the Nakhon Ratchasima Health Office; whereby this award is given to those operating plants that promote their staff to make positive changes to their overall health with regard to food and exercise, to the extent that it has become the role model for good and healthy work environment.

- **Award for Waste Management under the 3Rs (3Rs Award)**

On August 8, 2019 the Bangpoo Production Plant received the Award for Waste Management under the 3Rs concept for the project in developing the usage of production waste materials for the 2019 fiscal year, from the Department of Industrial Works, Ministry of Industry. The award is given to production plant that implements good management of production wastes under the 3Rs concept – namely: Reduce (minimize the overall amount of production waste materials); Reuse (make use of production wastes); and Recycle (incorporating waste materials in the ongoing production process); which then preserves natural resources, the use of energy and the good environment with sustainability.

- **Continuous Standard of Corporate Social Responsibility (CSR-DIW Continuous Award 2019)**

On September 23, 2019, the Amata City Chonburi, Bangpoo and Korat plants received the Award for Standard of Corporate Social Responsibility: CSR-DIW Continuous Award 2019 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. In addition, the award gives support to 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.

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

On November 15, 2019, Korat plant and Bangpoo plant received an Honor Award for the Excellent Establishment on Labour Relations and Welfare. This award is given by the Welfare Department, Ministry of Labour to those businesses that have good management with regard to the relationship between the employers and the employees, through recognizing the importance of close cooperation and good working relationships and shared benefits in order to establish a system of good labour relations within the organization. Both plants also received the same Honorary Achievement Certificate award for many consecutive years.

- **Top Award for Promoting and Supporting Disabled Persons for 2019**

On December 3, 2019, the Company received the Top Award for Organizations Promoting and Supporting Disabled Persons for 2019, from the Ministry of Social Development and Human Security; which is an award given to operating businesses that continuously support and promote the welfare of disabled persons through offering them jobs and training prepared for working in the organization.

- **Honorary Award and Certificate for Role Model Organizations**

On December 13, 2019, the Amata City Chonburi Plant received the Honorary Award and Certificate for Role Model Organizations from the Department of Health, Ministry of Public Health, in promoting workplace health and quality of life including creating positive quality of life at work.

- **Supplier Award 2019 (Platinum Award)**

On December 16, 2019, the Company received the Supplier Award 2019 (Platinum Award) in the ThaiBev Business Partner Conference 2019 from Thai Beverage PCL.. The award is given to distributors and business partners with excellent achievements with regard to product quality, prices, delivery, services and creative innovation in accordance with the established criteria of having received the Gold Award for 3 consecutive years. It is also intended to promote and enhance the potential capabilities as well as to confirm the achieved business standards of the distributors and business partners of the Thai Bev Group of Companies, attesting to the level of readiness in growing together in a sustainable manner.

The Company has prepared a Corporate Social Responsibility Report for Sustainable Growth for 2019, which is made to the public on the Company's website accordingly.

## 10.3 Business Operations that Affect Social Responsibility

In 2019, the Company and its subsidiaries did not have any business operations that affect social responsibility in the following manners:

1. The Company and its subsidiaries have been audited or are being audited by agency in charge of assessment, consideration or judgment that the Company or its subsidiaries' operations significantly violate the law on the 8 Principles of the Corporate Social Responsibility Guidelines of the Stock Exchange of Thailand.
2. The operations of the Company and its subsidiaries have part or have been claimed to cause negative impact to society, environment, or 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 creating and 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 positions 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 Parents and Teachers Association of Assumption Commercial College, President of the Development and Promotion Committee of King Mongkut's University of Technology Thonburi, President of Thai-Vietnam Business Council, Honorary Consul-General of the Republic of Maldives in Thailand, President of Honorary Consul and President of ACMECS of Thailand.

Additionally, Mr. Sanan Angubolkul has been appointed to join the Working Committee on Public-Private Collaboration, by holding the position of Head of the Private Sector Team for Export & Outbound Investment Promotions.

The Company has participated in creating and returning benefits to the society and the community and the community as appropriate in terms of timing and opportunity, as well as has regularly undertaken various activities for the benefit of society and local communities surrounding offices and plants of the Company. 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, as well as support educational institutes in upcountry in setting hygienic practices, giving educational equipment, and granting scholarship, all of which lead to development and self-reliance;
- Provide students from various universities on-the-job training programs, which help students gain actual working experience in business in a systematic manner before graduation. Simultaneously, the educational institutes themselves can adapt their teaching syllabus and courses to meet the needs of the business sector. In addition, arrange site visits for groups, organizations, visits by people and educational institutions, which give an opportunity to exchange ideas, opinions and new knowledge between staff and the visitors;
- Run activities to educate locals and educational organizations regarding revenue generation and self reliance based on the sufficiency economy as well as give opportunity to surrounding communities to study and visit manufacturing process of the Company to learn about drug addiction and first-aid regarding basic CPR for learning;
- Promote and encourage employees in our organization to realize the importance and continually participate in CSR activities both internally and externally in order to create knowledge and understand the benefits of CSR impacting on the Company's businesses
- Promote education and development of skill of disabled people on a continuous basis – in terms of hiring disabled people and/or providing funds for training or on-the -job training for disabled people in collaboration with the King Mongkut University of Technology – Thonburi. This is to create learning opportunities for disabled people; whereby this program provides 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.
- Participated in supporting the production of award medals from recycled plastics together with medal ribbons and "Kao Khon La Kao" T-shirts made from used plastic water bottles for the "Kao Kon La Kao and Kao Tor Pai with little energy" program, which was a long distance charity run aimed at raising funds from donations to be given to local community hospitals in the North East of Thailand.
- Participated, together with the Public and Private Sectors, in donating flat-bottom boats, portable toilets, and melamine products to help those communities affected by floods in the North East provinces.

- Provided funds for education to Vietnamese school kids in joining a short term study program for learning languages and cultural exchanges at the Lampang Rajapat University; whereby apart from building good foreign relations between Thailand and Vietnam, it also promoted a positive corporate image for the Company in Vietnam.

The Company has prepared a Corporate Social Responsibility Report for Sustainable Growth for 2019, and will post 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 conducting 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.

The Company first received the formal CAC certification on June 9, 2017 and received the renewal for another 3 years in February 2020, which reflects the genuine success of the Company from its endeavors to actively participate and have a role in fighting all forms of corruption as well to develop a clean nation; whereby such practices 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, and 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 information provider 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](http://www.srithaisuperware.com). In 2019, the Company has continued the corporate governance policies and the anti-corruption policies as follows:

- Announcement anti-corruption policies and practice guidelines, 2<sup>nd</sup> revised (2019)
- Communicated and disseminated business ethics together with practice guidelines on good corporate governance – on the role of Stakeholders, through holding workshops for the management and staff of subsidiaries and associates totaling 2 companies.
- Set the Company's policies on good corporate governance and anti-corruption as part of the orientation for new employees of the Company, together with undertaking campaigns to give relevant information on an ongoing basis such as in On the Job Training, various internal publications or announcements within the Company.
- Assigned Good Corporate Governance Working Group, under the responsibility of the Good Corporate Governance Committee, to determine a 3Por Strategy (to change, to instill, and to prevent), aimed at informing, educating and instilling positive anti-corruption behaviors towards all forms of corruptions to the Company staff at all levels throughout the organization.
- Reviewed and monitored 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 information or complaint providers. As such, during 2017, the Company did not receive any complaints about any alleged acts of corruption.

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 2019. 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 (whistle blower). 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. Enghug Nontikarn E-mail address : enghug\_non@srithaisuperware.com
  2. Mr. Suchat Boonbanjerdsri E-mail address : suchat\_boo@srithaisuperware.com
  3. Mrs. Siriporn Sailasuta E-mail address : siriporn\_sai@srithaisuperware.com
  4. Mr. Supachoke Liamkaeo 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 inform outcome of the action or ask for additional information.

## 11. INTERNAL CONTROLS AND RISK MANAGEMENT

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

The Board of Directors arranged to have established a system of internal control 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 responsibilities 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. 6/2019, held on December 24, 2019, 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 are adequate and appropriate, and that no significant deficiencies have been found with regard 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 executive members. 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 with regard 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 executive 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 for the Board of Directors and the executives to learn about and be aware of the Company's performance as well as in making decisions 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 the 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 equipment and to regularly back up all important information and data.

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

## 5. Monitoring Activities

The Company's executives are responsible for driving forward the business of the Company, in accordance with corporate policies, strategies, objectives and goals. Executives are also responsible for solving any problems that may occur, or for adjusting and adapting any operational activities to be aligned with the latest changing situation in the event that actual results deviate significantly from strategies, goal and business plan. It is required to report, on a quarterly basis, actual performance results based on the approved plans and objectives to the Board of Directors.

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

## 11.2 Opinion of the Audit Committee on the Internal Control Systems

The Audit Committee has regularly reviewed the internal control systems with the Company's Auditors and Internal Auditors on quarterly and annual basis. All parties have opinion that the Company has in place appropriate and adequate internal control systems. In 2019, 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 reports are 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 in connection with the Internal Audit function such as, the Audit Committee Secretary, 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.

Nevertheless, Mr. Tanatch Sripan has resigned from the Company on January 1, 2020. The Audit Committee has then assigned Ms. Supavasa Baiphaka to take an acting role of Internal Audit Manager for the time being until a new replacement is recruited, as Ms. Supavasa Baiphaka has worked with Mr. Tanatch Sripan since 2006 and possesses knowledge and understanding of the Company's business and operations as well as internal audit tasks assigned to her. She will continue to perform her duties and follow up on internal audit plans and activities appropriately.

The Compliance Unit is part of the Office of the Company Secretary. The Company Secretary is responsible for its oversight activities. 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. Related-Party Transactions with Individuals Who Might be Conflicted or Connected with the Company

The Company has subsidiaries and some related companies which might have conflict of interest and/or be connected companies according to the Securities and Exchange Act and regulations of related agencies. Related transactions in the normal course of business that incurred in 2019 are as follows:

Company Name / Relationship	Nature of Business	Type / Value of Transactions in 2019	Necessity / Reasonableness
<b>Srithai Moulds Company Limited</b> 1. A subsidiary whose 71.0% of shares held by the Company. 2. 29.0% of shares held by executives of the Company and relatives of some executives.	Mould Making Service and Manufacture and Distribution of Plastic Products	1. Normal business transactions amounted to Baht 40.61 million  2. Transactions involving assets or service amounted to Baht 0.07 million  3. Dividend income amounted to Baht 2.13 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 – namely: purchase of office equipment from the Company, within remained low value and in good condition, and no longer used by 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. 3. Pay out of dividend to all shareholders of Srithai Moulds Company Limited at the same rate in proportion to number of shares held by each shareholder.



Company Name / Relationship	Nature of Business	Type / Value of Transactions in 2019	Necessity / Reasonableness
<b>Srithai Packaging Company Limited</b> 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	Normal business transactions amounted to Baht 1.68 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.
<b>Srithai Marketing Company Limited</b> 1. A related company. 2. 72.0% of shares held by relatives of some executives of the Company. Some of them serve as directors of Srithai Marketing Company Limited. 3. It has long been a distributor and trade partner for the Company.	Distributor of Houseware Products	1. Normal business transactions amounted to Baht 188.99 million  2. Supporting normal business transactions amounted to Baht 4.08 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.
<b>Siam Melamine Marketing Company Limited</b> 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 66.19 million  2. Short-term property rent amounted to Baht 0.92 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. 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 including the rental price evaluation undertaken by an external independent appraiser.

Company Name / Relationship	Nature of Business	Type / Value of Transactions in 2019	Necessity / Reasonableness
<b>Srithai Stainless Company Limited</b> 1. A related company. 2. 60.0% of shares held by relatives of some executives of the Company, who also serve as directors of Srithai Stainless Company Limited.	Manufacture and Distribution of Kitchenware and Furniture	1. Normal business transactions amounted to Baht 2.34 million  2. Supporting normal business transactions amounted to Baht 0.04 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 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.
<b>S.Sahatara (Thailand) Company Limited</b> 1. A related company. 2. 100.0% of shares held by an executive of the Company and his relatives. Some of them serve as directors of S.Sahatara (Thailand) Company Limited.	Stickers and Labels Printing	Normal business transactions amounted to Baht 2.01 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.
<b>P. C. Container Company Limited</b> 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	1. Normal business transactions amounted to Baht 0.03 million.  2. Short-term property rent amounted to Baht 0.48 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. Short-term property rent of land with building provided by the Company on a yearly basis. The rental rate was reasonable as its location, market rental rate and economic condition were taken into consideration.

Company Name / Relationship	Nature of Business	Type / Value of Transactions in 2019	Necessity / Reasonableness
<b>P. E. T. Container Company Limited</b> 1. A related company. 2. 55.8% of shares held by 3. 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 0.19 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 2019 in the Notes to Consolidated Financial Statements for the year ended December 31, 2019, No. 6 Related party transactions, pages 28-31.

In 2019, the company has terminated the guarantee of the 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 1.0 million, due to an improved financial position of the subsidiary. However, 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:

Providing corporate guarantee on credit facilities granted by a financial institution to Srithai Superware Manufacturing Private Limited, a wholly-owned subsidiary, through issuing a 'Standby Letter of Credit' for a financial institution in India totaling Indian Rupees 33.0 million, in order to support the business of this subsidiary, whereby it is an annual guarantee with the total guarantee amount being the same as in 2018.

## 2. Need for Related-party Transactions

The Company has placed an importance on the investment in the business related and/or connected with the plastics business, the core 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 partly support the core businesses of the Company. Related-party transactions frequently occur 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 and/or give financial support necessary for business operations of the subsidiaries to be competitive.

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 are 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 are based on normal transactions with outsiders. Terms and conditions of inter-company transactions are compared with those from external sources of information. Exceptional cases are considered during sales promotion or at time of transacting with long-term trade partner on a case by case basis. However, the Audit Committee and the Board of Directors have been very careful to assure that interest of shareholders and all stakeholders was safeguarded against any transaction 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 financial support suitable for 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 has 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 is 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 and services, 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 those 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 has appointed EY Office Limited, "EY", as its auditor. The auditor has audited Consolidated and Separate Financial Statements for the year ended December 31, 2019 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

	2019	2018	2017
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	321	375	290
Short-term investments-fixed deposit	0	5	0
Trade receivables	1,737	2,072	2,205
Other receivables	57	95	53
Inventories	1,177	1,772	1,673
Other current assets	96	113	101
<b>Total current assets</b>	<b>3,388</b>	<b>4,432</b>	<b>4,322</b>
<b>Non-current assets</b>			
Restricted bank deposits and available-for-sale investments	40	66	71
Long-term investments	318	332	347
Investment properties	133	130	130
Property, plant and equipment	4,185	4,909	5,489
Intangible assets and goodwill	29	38	42
Deferred tax assets	231	171	155
Leasehold right	124	137	145
Other non-current assets	24	24	25
<b>Total non-current assets</b>	<b>5,084</b>	<b>5,807</b>	<b>6,404</b>
<b>Total assets</b>	<b>8,472</b>	<b>10,239</b>	<b>10,726</b>

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

Unit : Million Baht

	2019	2018	2017
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Short-term loans	1,703	2,156	1,952
Trade payables	916	1,022	1,010
Other payables	305	321	250
Current portion of long-term loans	514	706	771
Other current liabilities	39	41	40
<b>Total current liabilities</b>	<b>3,477</b>	<b>4,246</b>	<b>4,023</b>
<b>Non-current liabilities</b>			
Long-term loans, net of current portion	633	1,166	1,770
Finance lease liabilities	2	0	1
Provision for long-term employee benefits	414	402	384
<b>Total non-current liabilities</b>	<b>1,049</b>	<b>1,568</b>	<b>2,155</b>
<b>Total liabilities</b>	<b>4,526</b>	<b>5,814</b>	<b>6,178</b>
<b>Equity</b>			
Share capital	2,710	2,710	2,710
Premium on treasury shares	20	20	20
Retained earnings	1,357	1,707	1,772
Other components of shareholder's equity	(391)	(264)	(212)
<b>Equity attributable to equity holders of Company</b>	<b>3,696</b>	<b>4,173</b>	<b>4,290</b>
Non-controlling interests	250	252	258
<b>Total shareholders' equity</b>	<b>3,946</b>	<b>4,425</b>	<b>4,548</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,472</b>	<b>10,239</b>	<b>10,726</b>

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

Unit : Million Baht

	2019	2018	2017
Sales	8,846	9,562	9,426
Cost of sales	(8,082)	(8,419)	(8,178)
<b>Gross profit</b>	<b>764</b>	<b>1,143</b>	<b>1,248</b>
Dividend income	5	6	6
Other income	62	70	69
Selling and administrative expenses	(968)	(1,029)	(1,128)
<b>Other expenses-loss on disposal of fixed assets</b>			
<b>Profit (loss) before share of profit from investments in associates and joint venture, finance cost and income tax</b>	<b>(137)</b>	<b>190</b>	<b>195</b>
Share of profit from investments in associates and joint venture	16	43	38
<b>Profit (loss) before finance cost and income tax</b>	<b>(121)</b>	<b>233</b>	<b>233</b>
Finance cost	(123)	(146)	(181)
Profit (loss) before income tax	(244)	87	52
Income tax (expenses) benefit	32	(2)	21
<b>Profit (loss) for the year</b>	<b>(212)</b>	<b>85</b>	<b>73</b>
<b>Other comprehensive income :</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
Gain (loss) on change in value of available-for-sale investments	(25)	(6)	4
Exchange differences on translation of financial statement in foreign currency	(100)	(46)	(174)
Income tax effect	5	1	(1)
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods-net of income tax</b>	<b>(120)</b>	<b>(51)</b>	<b>(171)</b>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss	0	(10)	(6)
Income tax effect	0	2	1
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods-net of income tax</b>	<b>0</b>	<b>(8)</b>	<b>(5)</b>
<b>Other comprehensive income for the year</b>	<b>(120)</b>	<b>(59)</b>	<b>(176)</b>
<b>Total comprehensive income for the year</b>	<b>(332)</b>	<b>26</b>	<b>(103)</b>
<b>Profit (loss) attributable to :</b>			
Equity holders of the Company	(215)	76	42
Non-controlling interests	3	9	31
	(212)	85	73
<b>Total comprehensive income attributable to :</b>			
Equity holders of the Company	(342)	18	(134)
Non-controlling interests	10	8	31
	(332)	26	(103)
<b>Earnings per share</b>			
Basic earnings (loss) per share (Baht)			
Profit (loss) attributable to equity holders of the Company	(0.08)	0.03	0.02

Remark : The Consolidated statements of Comprehensive Income for the year 2017 and 2018 were reclassified to be comparable to the year 2019. The reclassification is due to adoption of Thai Financial Reporting Standards No. 15 Revenue from Contracts with Customers, however, no change to net profit as reported in the annual report of 2017 and 2018.



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

Unit : Million Baht

	2019	2018	2017
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax	(244)	87	52
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities :			
Depreciation & amortization	759	807	818
Assets written off	11	13	19
Loss on impairment of fixed assets	33	0	32
(Gain) loss on disposal of assets	4	(2)	7
Provision for long-term employee benefits	47	25	24
Actuarial loss-other long-term employee benefits	0	15	3
Unrealized loss on exchanges	7	5	10
Share of profit of investments in associates and joint venture	(16)	(43)	(38)
Interest income and dividend income	(8)	(9)	(12)
Finance costs	123	146	181
Others	23	9	(7)
Profit from operating activities before changes in operating assets and liabilities	739	1,053	1,089
Operating assets (increase) decrease			
Trade receivables and other receivables	299	165	(205)
Inventories	525	(116)	97
Others	12	7	19
Operating liabilities increase (decrease)			
Trade payable and other payables	(72)	54	184
Employee benefits paid	(35)	(34)	(26)
Others	(5)	(2)	7
Cash flows from operating activities	1,436	1,127	1,165
Interest paid	(127)	(146)	(179)
Income tax paid	(41)	(36)	(43)
Income tax refunds	35	2	13
<b>Net cash flows from operating activities</b>	<b>1,330</b>	<b>947</b>	<b>956</b>

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

Unit : Million Baht

	2019	2018	2017
<b>Cash flows from investing activities</b>			
(Increase) decrease in short-term investments	5	(5)	32
Purchase of assets and leasehold right	(193)	(241)	(575)
Proceeds from acquisition of a subsidiary and disposals of assets	11	37	18
Interest receipts and dividend receipts from long-term investments	57	41	87
<b>Net cash payments from(used in) investing activities</b>	<b>(120)</b>	<b>(168)</b>	<b>(438)</b>
<b>Cash flows from financing activities</b>			
Increase (decrease) in short-term loans	(453)	204	330
Receipt from long-term loans	0	100	273
Repayment of long-term loans	(699)	(771)	(768)
Repayment of finance lease liabilities	(2)	(1)	(13)
Dividend payment	(147)	(153)	(283)
<b>Net cash flows used in financing activities</b>	<b>(1,301)</b>	<b>(621)</b>	<b>(461)</b>
<b>Increase (decrease) in translation adjustments</b>	<b>37</b>	<b>(73)</b>	<b>(39)</b>
<b>Net increase(decrease) in cash and cash equivalents before effect from currency translation</b>	<b>(54)</b>	<b>85</b>	<b>18</b>
<b>Cash and cash equivalents, opening balance</b>	<b>375</b>	<b>290</b>	<b>272</b>
<b>Cash and cash equivalents, closing balance</b>	<b>321</b>	<b>375</b>	<b>290</b>

## 13.2 Significant Financial Ratios from the Consolidated Financial Statements

Ratio	Unit	2019	2018	2017
<b>Liquidity Ratio</b>				
Current Ratio	Times	0.97	1.04	1.07
Quick Ratio	Times	0.61	0.60	0.63
Operating Cash Flows Ratio	Times	0.34	0.23	0.25
Account Receivable Turnover	Times	4.59	4.43	4.44
Average Collection Period	Days	78.40	81.23	81.07
Inventory Turnover <sup>(1)</sup>	Times	10.16	9.03	8.91
Inventory Days	Days	35.42	39.85	40.40
Account Payable Turnover	Times	8.34	8.29	8.79
Average Payment Period	Days	43.16	43.44	40.94
Cash Cycle Days <sup>(2)</sup>	Days	70.65	77.65	80.53
<b>Profitability Ratio</b>				
Gross Margin	%	8.64	11.95	13.24
Operating Margin	%	(2.31)	1.20	1.36
Non-operating Margin <sup>(3)</sup>	%	0.75	0.79	0.78
Operating Cash Flows Margin	%	(652.07)	827.66	743.67
Net Profit Margin <sup>(3), (4)</sup>	%	(2.37)	0.89	0.77
Return on Equity	%	(5.06)	1.90	1.54
<b>Efficiency Ratio</b>				
Return on Total Assets	%	(2.26)	0.81	0.66
Return on Net Fixed Assets <sup>(5)</sup>	%	11.47	16.45	14.79
Total Assets Turnover	Times	0.95	0.92	0.86
<b>Financial Policy Ratio</b>				
Debt to Equity Ratio	Times	1.15	1.31	1.36
Interest Coverage Ratio	Times	11.82	7.73	6.59
Operating Cash Flows Coverage (cash basis)	Times	1.28	0.81	0.58
Dividend Payout Ratio <sup>(6)</sup>	%	99.43	107.60	66.77

- (1) Only finished goods inventory, excluding work in process, raw materials, supplies, moulds for sales and goods in transit (before inventories cost in excess of net realizable value)
- (2) Cash Cycle Days = Average Collection Period + Inventory Days - Average Payment Period
- (3) Total Revenues = Sales + Dividend Income + Other Income
- (4) Net Profit = Net Profit for the Year including Profit Attributable to Equity holders of Company and that of Non-controlling Interests
- (5) Fixed Assets = Property, Plant and Equipment + Leasehold right
- (6) The Company's 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 from the Company's separate financial statement, which is used as a basis for dividend declaration.
- (7) Some of the financial ratios of the year 2017 and 2018 were revised according to the adjusted Consolidated statements of Comprehensive Income due to the adoption of Thai Financial Reporting Standards No. 15 Revenue from Contracts with Customers.

## Analysis of Financial Ratios from the Consolidated Financial Statements Liquidity

As at December 31, 2019, the Group of companies had a Current Ratio that dropped from 1.04 times in 2018 to 0.97 times in 2019 and a Quick Ratio that raised from 0.60 times in 2018 to 0.61 times in 2019. This is mainly due to the decrease in current assets, from trade receivables and inventories and a higher proportion than the decrease in current liabilities mainly from loans and trade payables which is a result of working capital management to be more efficient by managing the cash flow, clearing inventories to increase liquidity and loan repayment.

Although the Group's incurred losses in 2019 compared with making profit in previous year, the decreased amount of depreciation and amortization together with the decrease in inventories and trade payables led to the substantial increase in operating cash flow despite the decrease in Total Current Liabilities. As such, the Group had an operating cash flow ratio that increased from 0.23 times in 2018 to 0.34 times in 2019.

In addition, the Group's cash cycle improved by decreasing from 77.65 days in 2018 to 70.65 days in 2019, derived from :-

1. Average Collection Period decreased from 81.23 days in 2018 to 78.40 days in 2019, due to the average trade receivables having decreased corresponding to the decrease in sales together with ongoing activities to speed up collection of long overdue trade receivables.
2. Average Inventory Days decreased from 39.85 days in 2018 to 35.42 days in 2019 as a result of improved inventory management corresponding to sales volume, production and inventories.
3. Average Payment Period slightly decreased from 43.44 days in 2018 to 43.16 days in 2019, as a result of improved inventory management and necessary orders.

With the consideration of these ratios, it is concluded that in 2019 although the group incurred operating loss, the Group increased substantial cashflow from operation, from its effort to closely manage its working capital to sufficiently make repayment of principles and interests to all its creditors on time.

All in all, the Liquidity Ratios for 2019 of the Group were not much different from those of 2018. The liquidity and cash cycle of the Group are considered at an appropriate level, whereas operating cash flows 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.

## Profitability

In 2019, the Group's profitability dropped from last year due to its losses from the decrease in sales, while its cost of sales and selling and administrative expenses increased as explained in Section 14 Management Discussion and Analysis.

The Group's Gross Margin dropped from 11.95% in 2018 to 8.64% in 2019. The Group's Net Profit Margin decreased from 0.89% in 2018 to a loss of 2.37% in 2019. Return on Equity decreased from 1.90 % in 2018 to a loss of 5.06% in 2019, due to the loss from operations together with Shareholders' Equity decreased by the dividend payment.

## Efficiency Ratio

In 2019, the Group's Return on Net Fixed Assets Ratio decreased from 16.45% in 2018 to a negative 11.47% in 2019, corresponding to the operating loss in 2019 while the Total Operating Assets decreased mainly by depreciation and amortization for the year higher than new operating assets acquired during the year due to the investment slowdown made by the Group.

### Financial Policy

The Group's Debt to Equity Ratio decreased from 1.31 times in 2018 to 1.15 times in 2019, as a result of the decrease in Total Liabilities deriving from the decrease in debt obligations and Total Shareholders' Equity from the dividend payment.

The Group's operating cash flow in 2019 increased from the previous year, however, with significant reduction in finance costs and commitments such as capital expenditure, repayment of long-term loans and dividend payment, the Group's Interest Coverage Ratio increased from 7.73 times in 2018 to 11.82 times in 2019. All of the above contributed to the increase in Operating Cash Flows Coverage Ratio (cash basis) from 0.81 times in 2018 to 1.28 times in 2019.

The Dividend Payout Ratio decreased from 107.60% in 2018 to 99.43% in 2019, as a result of the Company having paid total dividends from the unappropriated retained earnings at Dividend per Share of Baht 0.05 /Share in 2018, the same as the year 2018. This Dividend Payout was higher than the Company's policy of paying dividend not less than 50% of net profit of the separate financial statements.

It is noted that the 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 is different from the one used in calculation of the ratio as a financial covenant with its financial institution creditors. Hence, the results from the two methods cannot be compared. The Company has 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. Summary of Operating Results of the Group

The summary of operating result for 2019 decreased from 2018. Sales of Baht 8,846 million, a decrease by Baht 716 million or 7.5% YoY. This was mainly due to a drop in sales for household and industrial products of domestic operations, resulting from domestic economic slowdown, delayed investment and spending by private sector, intense market competition, prolonged trade war as well as the appreciation of Thai Baht. Nevertheless, overseas operations in Vietnam showed decent result with growing profit, whereas operation in India has grown continually and started to deliver profit for the Group.

Gross profit of Baht 764 million, decreased by Baht 379 million or 33.2% YoY with gross profit margin of 8.6%, decreased from 12.0% in 2018. Decrease in gross profit resulted from the decrease in sales following the economic slowdown, a stronger Thai Baht affecting foreign orders, and the deep discount offerings to clear aging inventories. While the overall production costs and selling and administrative expenses increased due to low utilization of production capacity, annual wage adjustment, the effect of the compensation adjustment under new labour law, severance pay, and substantial loss from impairment of fixed assets. A large number of non-recurring adjustments this year contributed to the Group's substantial operating loss of Baht 190 million, representing operating loss margin of 2.1% compared with operating profit of Baht 125 million (operating profit margin of 1.3%) in 2018.

Earnings before interest, tax, depreciation and amortization ("EBITDA") of Baht 623 million (EBITDA margin 7.0%), decreased by Baht 374 million or 37.5% YoY. As such, net loss of 2019 was Baht 212 million with a loss attributable to the equity holders of the Company being Baht 215 million. This represents a Loss Per Share of Baht 0.08, a decrease from an Earning Per Share of Baht 0.03 YoY.

**Table 1: Summary of Operating Results of the Group**

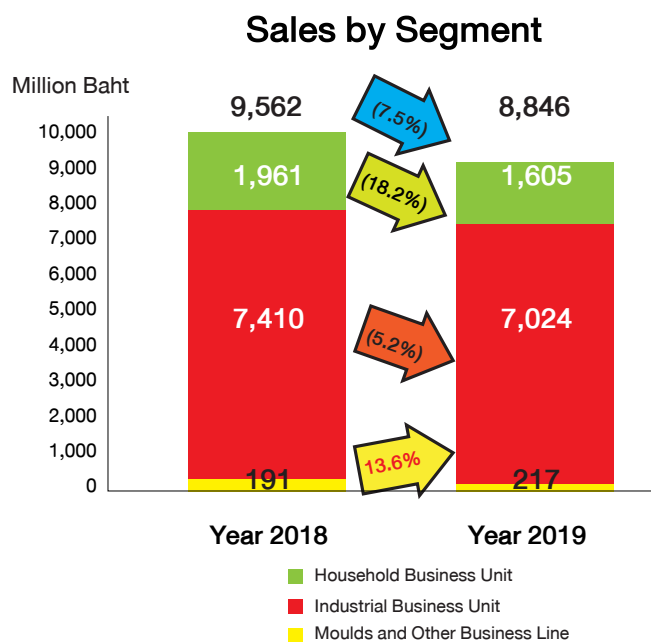
(Unit: Million Baht)	2019	2018	%YoY +/(−)
Sales	8,846	9,562*	(7.5%)
Gross Profit	764	1,143*	(33.2%)
Gross Profit (%)	8.6%	12.0%	(3.3%)
Operating profit (loss)	(190)	125	(252.0%)
Operating profit (loss) margin (%)	(2.1%)	1.3%	(3.5%)
EBITDA**	623	997	(37.5%)
EBITDA Margin (%)	7.0%	10.4%	(3.4%)
Net profit (loss) for the period	(212)	85	(349.4%)
Net profit (loss) on sales (%)	(2.4%)	0.9%	(3.3%)
Profit (loss) attributable to equity holders of the Company	(215)	76	(382.9%)
Earning (Loss) per share (Baht)	(0.08)	0.03	(382.1%)

Note:

\*Restated sales according to TFRS 15

\*\*EBITDA excluding share of profit from investments in associates

## 2. Operating Results by Segment



### 2.1 Sales - by Types of Business

#### 2.1.1 Household Products

2019 sales of Household Business Products were Baht 1,605 million, decreased from 2018 by 18.2%, which can be summarized according to the following operating business bases:

- Domestic operations**

Sales dropped from both domestic and export sales. Domestic sales were directly affected by domestic economic slowdown, high household debt levels,

careful credit control by financial institutions, more intense competition from cheap imported goods of competitors and changing consumers' behavior towards online products. Nowadays, sales agents can sell products via online media, and get access to various product sources by themselves, causing a decline in membership of the direct sales business as well as diminishing domestic sales in direct sales channel. Whereas, export sales were directly affected by the prolonged trade war, and the appreciation of Thai Baht against the US Dollar, as can be seen from the movement of the Baht/USD (shown in Figure 2). Apart from conflicts in the Middle East, causing order delay, retail market customers in Europe were also affected by online channel. All resulted in the decline in export sales in 2019.

- Overseas operations**

Sales increased from subsidiaries in Vietnam and India. The retail market in Vietnam has grown as a result of increased consumption by growing population and per capita income. Sales through traditional trade channels as well as direct distributors rose. Sales of subsidiary in India increased due to the restructuring of sales structure and sales teams, expanding distribution channels, further sales promotion as well as introducing new products to targeted customers in India.

**Table 2: Summary of Operating Results of Household Products**

(Unit: Million Baht)	2019	2018	%YoY +/-
Sales	1,605	1,961 *	(18.2%)
Domestic operations	1,252	1,618	(22.6%)
Overseas operations	353	343	2.9%
Operating profit (loss)	(126)	82	(253.7%)
Operating profit (loss) margin (%)	(7.9%)	4.2%	(12.0%)
EBITDA**	(40)	173	(123.1%)
EBITDA Margin (%)	(2.5%)	8.8%	(11.3%)

Note:

\*Restated sales according to TFRS 15

\*\*EBITDA excluding other income and share of profit from investments in associates



The decrease in sales of Household Business Products led to the operating loss in 2019 amounting to Baht 126 million with operating loss margin 7.9%, decreased from 2018 with operating profit margin of 4.2% and EBITDA margin declined from positive 8.8% in 2018 to negative 2.5% in 2019. Such decrease in operating margin was derived from the decrease in gross profit in line with lower sales according to economic situation, the Baht appreciation trend against the US Dollar, and the deep discount product offerings in grand sales to clear aging inventories. Whereas, cost of sales decreased in lower proportion due to low utilization, the Company's annual wage raise, and the effect of the compensation adjustment under new labour law, resulting in small reduction in production costs. While selling and administrative expenses of domestic operations decreased from diminishing export expenses, unnecessary costs and expenses cutting, closing a number of non-profitable branches of direct sales business, and organizational restructuring. Nevertheless, selling and administrative expenses decreased in lower proportion than the decrease in sales.

## 2.1.2 Industrial Products

2019 sales of Industrial Business Products were Baht 7,024 million, decreased by 5.2% YoY, mainly from domestic operations. While, sales of overseas operations increased. It can be summarized according to the following operating business bases:

### • Domestic operations

Total sales were Baht 4,786 million, decreased by Baht 486 million or 9.2% YoY. It derived mainly from industrial products, due to the economic slowdown and delayed investment by private sector resulting in lower sales of pallets, garbage bins, containers, pails, and battery cases. In addition, auto parts sales of domestic subsidiary decreased in line with the automotive industry market situation. However, sales for beverage packaging products increased due to expanding the customer base in the bottled water manufacturers group in relation to the rise of health conscious consumers, apart from the bottled carbonated soft drinks manufacturers.

### • Overseas operations

Sales increased from 2018 due to increase in sales of industrial products of subsidiary in Vietnam according to economic growth especially the fast growing of foreign investment in property market resulting in increased sales of paint pails. The sales of battery cases also increased following the growth of automotive market in Vietnam as well. Moreover, sales of beverage packaging products increased following economic growth and the expansion of tourists.

The decrease in sales of Industrial Business Products led to the operating loss in 2019 with operating loss margin 0.5%, decreased from 2018 at operating profit margin of 1.2% and EBITDA margin declined from 10.6% in 2018 to 8.9% in 2019. Such decrease in operating margin was derived from the decrease in gross profit in line with lower industrial products sales of domestic operations according to economic situation, the delayed investment by private sector, automotive industry situation. While the cost of sales decreased in less proportion due to low utilization, annual wage adjustment of the Company, and the effect of the compensation adjustment under new labour law, causing less reduction in production costs. Selling and administrative expenses of domestic operations decreased from sales promotion expenses, unnecessary costs and expenses cutting, organizational restructuring, as well as a substantial loss from impairment of fixed assets. The expenses decreased in lower proportion than the decrease in sales.

However, Beverage packaging products of both domestic and overseas operations showed improving performance even though main raw material prices had decreased.

Table 3: Summary of Operating Results of Industrial Products

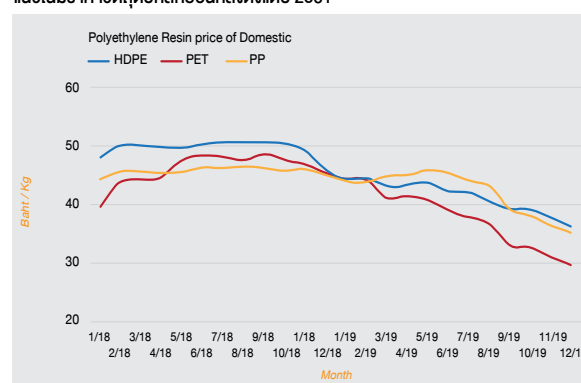
(Unit: Million Baht)	2019	2018	%YoY +/-
Sales	7,024	7,410 *	(5.2%)
Domestic operations	4,786	5,272	(9.2%)
Overseas operations	2,238	2,138	4.7%
Operating profit (loss)	(32)	88	(136.4%)
Operating profit (loss) margin (%)	(0.5%)	1.2%	(1.6%)
EBITDA**	628	786	(20.1%)
EBITDA Margin (%)	8.9%	10.6%	(1.7%)

Note:

\*Restated sales according to TFRS 15

\*\*EBITDA excluding other income and share of profit from investments in associates

แนวโน้มราคาวัตถุดิบหลักย้อนหลังตั้งแต่ปี 2561



Source : <http://plastic.oie.go.th/>

## 2.2 Moulds and Others Business Line

2019 sales of the Mould and Others Business Line were Baht 217 million, increased by 13.6% from 2018, which is an increase of moulds business due to the delivery of moulds of a subsidiary. Whereas sales of Network Business decreased from the downsizing and became part of direct sales business at the end of 2019.

Operating loss of Moulds and Others Business Line was Baht 32 million,

decreased from 2018 which equaled to loss of Baht 44 million. Operating loss margin was 14.7% in 2019 compared with loss margin of 23.0% in 2018 and EBITDA margin was negative 8.8%. Negative EBITDA margin improved from loss margin of 14.7% in the previous year due to more revenue generated of moulds business.

**Table 4: Summary of Operating Results of Moulds and Others Business Line**

(Unit: Million Baht)	2019	2018	%YoY +/(−)
Sales	217	191*	13.6%
Moulds	210	176	19.3%
Others	7	15	(53.3%)
Operating loss	(32)	(44)	(27.3%)
Operating loss margin (%)	(14.7%)	(23.0%)	8.3%
EBITDA**	(19)	(28)	(32.1%)
EBITDA Margin (%)	(8.8%)	(14.7%)	5.9%

Note:

\*Restated sales according to TFRS 15

\*\*EBITDA excluding other income and share of profit from investments in associates

## 3. Financial Position

As at 31 December 2019, compared with the end of 2018,

The Group had total assets of Baht 8,472 million, a decrease of Baht 1,767 million, which comprised the key items as follows:

- Trade receivables of Baht 1,737 million, decreased by Baht 335 million from the decrease in sales together with debt collection management both customers of household and industrial products.
- Inventories of Baht 1,177 million, decreased by Baht 595 million, due to the established

policy of production based on orders received from customers in order to reduce stocking up and clear excess inventories of the Group to increase liquidity and working capital.

- Property, Plant and Equipment of Baht 4,185 million, decreased by Baht 724 million due mainly to depreciation and amortization and delayed investment in fixed assets.

Total liabilities of Baht 4,526 million, decreased by Baht 1,288 million which comprised the key items as follows:

- Trade payable of Baht 916 million, decreased by Baht 106 million from management of inventories and purchasing based on orders.
- Total loans of Baht 2,850 million, decreased by Baht 1,178 million, consisted of the decrease in short-term loans by Baht 453 million and long-term loans by Baht 725 million due principally to repayment of loans without creating any additional debt.

Total shareholders' equity of Baht 3,946 million, decreased by Baht 479 million, deriving from operating loss, exchange rate differences on translation of financial statements in foreign currency, and dividend payment during the year.

**Table 5: Key items in Statement of financial position**

(Unit: Million Baht)	31 Dec 19	31 Dec 18	Increase (Decrease)
Trade receivables	1,737	2,072	(335)
Inventories	1,177	1,772	(595)
Property, plant and equipment	4,185	4,909	(724)
Total assets*	8,472	10,239	(1,767)
Trade payables	916	1,022	(106)
Short-term loans	1,703	2,156	(453)
Long-term loans	1,147	1,872	(725)
Total liabilities*	4,526	5,814	(1,288)
Total shareholders' equity*	3,946	4,425	(479)

Note:

\*Total lines extracted from Statements of Financial Position

## 4. Cash flow

The Group had a decrease in cash and cash equivalents by Baht 91 million, consisting of:

- Cash flow from operating activities were Baht 1,330 million mainly from the decrease in inventories and trade receivables from management of inventories, reducing excess inventories, and debt collection.
- Cash flow used in investment activities were Baht 120 million from the postponement and reduction of investment.
- Cash flow used in financing activities were Baht 1,301 million from the repayment of short term and long term loans in order to reduce debts of the Group.

**Table 6: Cash flow statement**

(Unit: Million Baht)	12 months 2019	12 months 2018
Net cash flows from operating activities	1,330	947
Net cash flows used in investing activities	(120)	(168)
Net cash flows used in financing activities	(1,301)	(621)
Net increase (decrease) in cash and cash equivalents	(91)	158

As at 31 December 2019, the Group still has available unused credit facilities totaling more than Baht 4 billion comprising overdraft facilities, and revolving credit lines. As such, the Group is confident that it has sufficient cash flow for its operations.

## 5. Financial Covenants on Loan Agreements

Currently, there are no significant conditions of the loan agreements, executed by the Company, that may have impacts on normal operations or expansion of the Company's businesses. Only financial ratios, based on the financial statements of the Company, need to be achieved 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 Ratio = Total Debts ÷ Total Shareholders' equity (as per the Statement of Financial Position)

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

Definition and calculation of the DSCR

DSCR = EBITDA ÷ (Interests payable + Current Portion of Long-term Loans within 1 year).

EBITDA means profits before interest payable, corporate income taxes (as per the Statement of Comprehensive Income) + depreciation or amortization expenses (as per the Statement of Cash Flows).

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

Current Portion of Long-term Loans means the portion of long terms loans that are due for repayment during the respective current year (as per the Statement of Financial Position).

The calculation of such financial ratios based on information in the separate financial statements as required by the loan agreements is as follows:

Financial ratios (times)	Required	As at end 2019	As at end 2018
D/E (X)	Not exceeding 2.0 times	0.70	0.82
DSCR (X)	Not less than 1.1 times	0.30	1.12

The Debt to Shareholders' equity Ratio in 2019 decreased from the previous year due to both trade payables and overall total outstanding loans having decreased, despite total shareholders' equity having also decreased in line with the decreased operating results and the dividend payment made during the year. While, Debt Service Coverage Ratio (DSCR) also decreased from the previous year because of the decreased operating results and did not meet the covenant criteria as agreed in the loan agreements. Nevertheless, in 2019 the Company did not have any problems or issues in repaying both the principal and interests of all its debt obligations with all creditors. All the repayments were made on time from its net operating cash flow, without having to acquire any additional loans; as a result, the Company's overall debt obligations for both short term and long term loans have then decreased tremendously. As such, as at December 31, 2019, the Company has already received Waiver Letters on such financial covenant in the loan agreements for 2019 from every creditor.

Additionally, in accordance with the business operation plans for 2020, as approved by the Board of Directors together with the intended careful consideration for investment and for acquiring any new loans, as well as with the decrease in overall loan principal repayments and interests payments, the Company is confident that it will achieve improved financial ratios and be able to manage to meet all the determined financial covenants.

## **6. Significant Events during 2019 and Events After the Reporting Period**

During 2019, the Group has adopted new accounting policies in addition to those already in place from the previous year as disclosed in the notes to the financial statements as at December 31, 2019. 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. Financial Assistance to a Subsidiary**

#### **1.1 Guarantee of a revolving credit line of a Subsidiary**

In Quarter 4/2019, the Company extended the validity of the Standby Letter of Credit for another year, which was issued to a financial institution in India with a total value of India Rupee 33.0 million (or equaled to Baht 15.0 million). This is an annual guarantee for a revolving credit line that is granted to Srithai Superware Manufacturing Private Limited, a subsidiary in which the Company has a 100% equity shareholding. The total value of the guarantee has remained the same as the year 2018.

#### **1.2 Termination of a Guarantee for credit line of a Subsidiary**

In 2019, the Company terminated a letter of guarantee given to Srithai (Hanoi) Company Limited ("SHN"), a wholly-owned subsidiary of Srithai (Vietnam) Company Limited ("SVN") in which the Company has a 100% equity shareholding and is an indirect subsidiary of the Company. The guarantee was used for credit line of SHN with its raw material supplier in the amount of US Dollars 1.0 million (or equaled to Baht 30 million). The guarantee is no longer needed due to its improved financial position.

### **2. Other Matters**

#### **2.1 Commitments and Contingent Liabilities**

In 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.

Subsequently, in 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 the agent's breach of agreement. The court already examined evidence from both the Company and the agent.

In May 2017, the court ordered the Company to pay Baht 4.77 million with 7.5% annual interest. However, the Company filed for an appeal to the Court of Appeal in August 2017.

During the year 2019, the Court of Appeal dismissed the judgment of the Civil Court on the ground that in the Civil Court trial, there were no translation copies of the Company's supporting evidences from foreign language into Thai language. The Court of Appeal, therefore, ordered the Company to prepare translation copies of the evidences and submit them to the Court in 2019. Thereafter, the Court of Appeal ordered the Civil Court proceed the judgment again based on pertinent evidences of the case.

On January 17, 2020, the Civil Court confirmed the same judgment which ordered the Company to pay Baht 4.77 million with interest at a rate of 7.5% per annum to the recruitment agency. Nevertheless, the Company affirmed to file an appeal with the Court of Appeal in March 2020. The Company and the Company's legal counselor are confident that it has significant evidences and information that will be of benefit in defending the case. Therefore, the Company did not set aside any provision for this claim.

## 2.2 Appropriation of Net Profit and Dividend Payment

The Company has appropriated its net profit for the year 2018 to be allocated for required legal reserves totaling Baht 7,000,000, as well as for a dividend payment to its shareholders at the rate of Baht 0.05 per share in 2019, totaling Baht 135,495,240 or equal to 99.43% of the net profit of the separate financial statements in accordance with the resolution of the Annual General Meeting of Shareholders No. 38 (for the year 2019).

Additionally, the 5 subsidiaries, namely: Korat Thai Tech Company Limited ("KTT"); T Thaiplas Company Limited ("TTP") ((Formerly known as "Srithai Nanoplast Co., Ltd."); Srithai-Otto Company Limited ("SOT"); Srithai Moulds Company Limited ("SMO") and Srithai Miyagawa Company Limited ("SMW"), have announced their respective dividend payments for 2018 and also an interim dividend payment for 2019, as summarized below :

Company Name	Total Dividend (Million Baht)	Dividend per share (Baht)	Percentage of shareholding	Dividend income attributable to the Company (Million Baht)
KTT	57	19.0	100.0	57
TTP	11	2.8	100.0	11
SOT	4	20.0	75.0	3
SMO	3	3.0	71.0	2
SMW	20	16.7	51.0	10
<b>Total</b>	<b>95</b>			<b>83</b>

## 2.3 Results of the Annual Evaluation of Corporate Governance Practices and Assessment of the Quality of the Annual General Meeting of Shareholders for 2019

In 2019, the Thai Institute of Directors Association (IOD) evaluated the overall degree of corporate governance practices of the Company as "Excellent". In addition, the Thai Investors Association (TIA) also assessed the quality of the Company's Annual General Meeting of Shareholders (AGM) and reported the full score of 100%. Both of these evaluation results reflect the achievements of the Company in maintaining high standard of work.

## 2.4 Event After the Reporting Period

- **Renewal of the Membership of the Thailand Private Sector Collective Action Against Corruption (CAC)**

On March 14, 2020, the Company received formal confirmation, from the CAC Committee, of the renewal of its Membership of the Thailand Private Sector Collective Action Against Corruption (CAC) for another 3 years; whereby this signifies the Company's ongoing intent to play an active role in participating in the various types and forms of anti-corruption activities, as well as to participate in the development of the country in a genuine manner.

- **Approval for the No Appropriation of the Company's Net Profit and No Dividend Payment**

On February 25, 2020, the Company's Board of Directors considered and approved to submit to the Annual General Shareholders Meeting No. 39 (for 2020) for consideration and approval, the proposed no appropriation from the retained Net Profit for the required legal reserves for 2019 and the proposal not to pay any dividend for 2019, since the Company incurred Net Loss for the period of January to December 2019.

## 14.2 BUSINESS OUTLOOK FOR 2020

### 1) Plastic Business Line

#### Household Products

The domestic economic slowdown, intense competition from competitors' imported goods, the prolonged trade war, and the spread of the Coronavirus (officially named COVID-19) may affect sales of both domestic and export. However, the Group has developed the new products continually including environmentally friendly products for domestic and overseas customers, focused on maintaining the customer base in response to customers' needs, as well as introducing marketing channels via social media, apart from streamlining and restructuring the organization, making use of automation in production, and reducing unnecessary expenses.

For overseas operations, although the move of sales channels from traditional trade to modern trade in Vietnam will tend to stabilize, it is expected that small and medium traditional trade still plays a significant role in upcountry areas. With implemented strategy to expand new customer bases, establish more distributors in the central region of Vietnam, launch new products design and pattern suitable for each customer group, and set the customer service team focusing on targeted customers, it is believed that overseas sales from subsidiary in Vietnam will continue to grow.

#### Industrial Products

Sales of Beverage packaging products of domestic operation is forecast to slightly decrease from 2019 in line with downward price trend of raw material, even though sales volumes remain stable. Nevertheless, it is expected to have a higher gross profit margin. For the subsidiaries in Vietnam, sales are expected to grow with decent profit due to the continued economic growth of Vietnam and strong support by the Vietnamese government to boost the economy. Therefore, the operations in Vietnam look bright.

Other product groups of domestic operations may still be affected by the economic slowdown and delayed investment by private sector. The sluggish export sector may affect the businesses relating to exports. These may directly affect the domestic operations' industrial products. Sales of overseas operations are expected to increase based on products related to the growth in real estate business, automotive industry, and manufacturing sector in Vietnam such as paint pails, battery cases, and crates etc.

### 2. Moulds and Other Business Line

Sales remain stable in consistent with current economic situation and the automotive industry outlook. However, we expect to recognize more revenue from moulds in the next year as a result of scheduled delivery of the moulds in the pipeline.

## Attachment no. 1

Details of the Directors, Executives, Controlling Persons, the Person assigned to the highest responsibility in Accounting and Finance (“CFO”) and the Person assigned to the direct responsibility of supervising accounting preparation and Company Secretary<sup>1</sup>. Background Information about Directors, Executives, Controlling Persons and Company Secretary

### 1. Information of persons holding

#### 1) Mr. Sanan Angubolkul

Age : 73 years  
 Present Position : Chairman, President and  
 Nomination and Remuneration  
 Committee Member



Date of Directorship	Authority to Sign for the Company as per Certification Document	Relationship among Directors and Executives	Illegal Acts in the Past 10 Years
January 1, 1993	Yes	Father of Mr. Garun Angubolkul	Yes

#### Shareholding in the Company :

Held by	As at December 30, 2019		Net change during the year (+ or -)	As at December 28, 2018	
	No. of shares	%		No. of shares	%
Owner	440,823,510	16.27	NONE	440,823,510	16.27
Spouse	0	0.00	NONE	0	0.00
Minor Child	0	0.00	NONE	0	0.00
<b>Total</b>	<b>440,823,510</b>	<b>16.27</b>	<b>NONE</b>	<b>440,823,510</b>	<b>16.27</b>

#### Education :

Degree	Major	Institution
Honorary Doctorate	Management	Nakhon Phanom University
Honorary Doctorate	Industrial and Manufacturing Systems Engineering	King Mongkut's University of Technology Thonburi
Honorary Doctorate Degree in Philosophy	Social Science	Mahachulalongkornrajavidyalaya University
Honorary Doctorate Degree in Engineering	Production Engineering	Suranaree University of Technology
Honorary Doctorate Degree in Business Administration	Management	Rajamangala University of Technology ISAN



Degree	Major	Institution
Honorary Doctorate	Marketing	Sripatum University
Honorary Doctorate Degree in Business Administration	-	Chiang Mai University
BBA	Business Administration	University of Oglethorpe, Atlanta, Georgia, U.S.A.

**Training Course from Thai Institute of Directors Association (IOD)** : Year 2019  
 : -None-  
 : Before year 2019  
 Role of the Chairman Program (RCP) Class 4/2001  
 Director Accreditation Program (DAP)

**Other Training :**

Training Course	Training Institute
<b>Year 2019</b>	-None-
<b>Before year 2019</b>	
Top Executive Program in Commerce and Trade 2nd Class (TEPCoT2)	Commerce Academy
Capital Market Academy Leadership Program, class 7/2008	Capital Market Academy
Certificate of Achievement, 3 <sup>rd</sup> Class	The National Defence College of Thailand

**Experience :**

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

**Present Positions in Companies :**

**1) Listed Companies (1 company) :**

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

**2) Non-listed Companies :**

**2.1) Srithai Superware Group (total 6 companies) :**

Position	Company
	<b>Subsidiaries</b>
Executive Director	Korat Thai Tech Company Limited
Chairman	Srithai Moulds Company Limited
Chairman	Srithai Miyagawa Company Limited
	<b>Associates</b>
Executive Director	Srithai Sanko Company Limited
Director	Thai MFC Company Limited
Director	Srithai Packaging Company Limited

## 2.2) Other Companies (Total 7 companies)

Position	Company
Director	<b>Related Party Company</b> S.Sahatara (Thailand) Company Limited
Director	Toho Foam (Thailand) Company Limited
Director	<b>Other Company</b> LN Srithai Comm Company Limited
Director	Nissen Chemitec (Thailand) Limited
Director	Schaffner EMC Company Limited
Director	Chai Talay Hotel Company Limited
Director	Srithai Agricultural Garden Company Limited

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

**May Arise** : None

#### Attendance Year 2019 :

- 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 : 2	No. of meetings attended : 2

**Tenure of directorship** : 27 years (since 1993 until present time)

## 2) Mr. Enghug Nontikarn



**Age** : 63 years

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

Date of Directorship	Authority to Sign for the Company as per Certification Document	Relationship among Directors and Executives	Illegal Acts in the Past 10 Years
May 31, 1994	None	None	None

### Shareholding in the Company:

Held by	As at December 30, 2019		Net change during the year (+ or -)	As at December 28, 2018	
	No. of shares	%		No. of shares	%
Owner	0	0.00	NONE	0	0.00
Spouse	59,000	0.00	NONE	59,000	0.00
Minor Child	0	0.00	NONE	0	0.00
<b>Total</b>	<b>59,000</b>	<b>0.00</b>	<b>NONE</b>	<b>59,000</b>	<b>0.00</b>

### Education :

Degree	Major	Institution
MBA	Business Administration	Thammasat University

**Training Course from** : Year 2019

**Thai Institute of** : -None-

**Directors Association (IOD)** : Before year 2019

Director Accreditation Program (DAP)

### Experience :

Time Period	Position	Company
2013 – 2016	Director	Thai Rating and Information Services Company Limited
2012 – 2016	Executive Vice President - Head of Financial and Fixed Income Securities	Thanachart Bank Public Company Limited
2005 – 2011	Senior Executive Vice President	Siam City Bank Public Company Limited
2002 – 2005	First Executive Vice President	Siam City Bank Public Company Limited
1998 – 2001	Executive Vice President	Siam City Bank Public Company Limited
1995 – 1998	Senior Vice President	Siam City Bank Public Company Limited
1991 – 1995	Manager	Bangkok Metropolitan Bank Public Company Limited
1979 – 1991	Deputy Manager	Krung Thai Bank Public Company Limited

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

Position	Company
Independent Director, Chairman of the Audit Committee and Nomination and Remuneration Committee Member	Srithai Superware Public Company Limited

**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 Year 2019 :**

- 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 : 2	No. of meetings attended : 2
- Meeting among independent directors and auditors without attendance of executives	No. of meetings held : 1	No. of meetings attended : 1

**Tenure of directorship** : 26 years (since 1994 until present time)

### 3) Mr. Suchat Boonbanjerd Sri



**Age** : 60 years  
**Present Position** : Independent Director,  
 Audit Committee Member and  
 Chairman of the Good Corporate Governance Committee

Date of Directorship	Authority to Sign for the Company as per Certification Document	Relationship among Directors and Executives	Illegal Acts in the Past 10 Years
August 21, 2002	None	None	None

#### Shareholding in the Company :

Held by	As at December 30, 2019		Net change during the year (+ or -)	As at December 28, 2018	
	No. of shares	%		No. of shares	%
Owner	0	0.00	NONE	0	0.00
Spouse	0	0.00	NONE	0	0.00
Minor Child	0	0.00	NONE	0	0.00
<b>Total</b>	<b>0</b>	<b>0.00</b>	<b>NONE</b>	<b>0</b>	<b>0.00</b>

#### Education :

Degree	Major	Institution
MBA	Finance & Marketing	Wharton School, University of Pennsylvania, U.S.A.
Bachelor (2nd class honors)	Quantitative Economics	Chulalongkorn University

**Training Course from** : Year 2019  
**Thai Institute of** : -None-  
**Directors Association (IOD)** : Before year 2019  
 Directors Certification Program (DCP)  
 Audit Committee Program (ACP)

#### Other Training :

Training Course	Training Institute
<b>Year 2019</b>	-None-
<b>Before year 2019</b>	
Capital Market Academy Leadership Program, Class 14/2012	Capital Market Academy
Executive Development Program (EDP)	Thai Listed Companies Association
Leadership Development Program (LDP)	Thai Listed Companies Association

**Experience :**

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

**Present Positions in Companies :**
**1) Listed Companies (total 5 companies) :**

Position	Company
Independent Director and Audit Committee Member and Chairman of the Good Corporate Governance Committee	Srithai Superware Public Company Limited
Independent Director and Chairman of the Audit Committee*	General Engineering Public Company Limited
Director	Pylon Public Company Limited
Independent Director and Chairman of the Audit Committee	Salee Printing Public Company Limited
Independent Director and Chairman of the Audit Committee	SNC Former Public Company Limited

\* resigned from Directorship on January 16, 2019.

**2) Non-listed Companies :**

**2.1) Srithai Superware Group** : None

**2.2) Other Companies (total 11 companies) :**

Position	Company
Chairman	Practicum Engineering Company Limited
Director	Knight Club Capital Asset Management Company Limited
Director	Steeler Steel Works Company Limited
Director	Steel Plus Fabrication Company Limited
Director	Dark Horse Development Company Limited
Director	Knight Club Capital Holding Company Limited
Director	K J K Estate Company Limited
Director	TJ Inter Service Company Limited
Director	TES Practicum Company Limited
Director	PSB 35 Company Limited
Director	PSB 5 Company Limited

**3) Position in Competing Companies /**

**Company Related to Business of the  
Company that Conflict of Interest**

**May Arise** : None

**Attendance Year 2019 :**

- 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 : 2	No. of meetings attended : 2
- Meeting among independent directors and auditors without attendance of executives	No. of meetings held : 1	No. of meetings attended : 1

**Tenure of directorship** : 18 years (since 2002 until present time)



#### 4) Mrs. Siriporn Sailasuta



**Age** : 73 years  
**Present Position** : Independent Director, Chairperson of the Nomination and Remuneration Committee and Good Corporate Governance Committee Member

Date of Directorship	Authority to Sign for the Company as per Certification Document	Relationship among Directors and Executives	Illegal Acts in the Past 10 Years
March 3, 2008	None	None	None

##### Shareholding in the Company:

Held by	As at December 30, 2019		Net change during the year (+ or -)	As at December 28, 2018	
	No. of shares	%		No. of shares	%
Owner	0	0.00	NONE	0	0.00
Spouse	0	0.00	NONE	0	0.00
Minor Child	0	0.00	NONE	0	0.00
<b>Total</b>	<b>0</b>	<b>0.00</b>	<b>NONE</b>	<b>0</b>	<b>0.00</b>

##### Education :

Degree	Major	Institution
B.Sc. in Engineering	Electrical Engineering	Chulalongkorn University

**Training Course from Thai Institute of Directors Association (IOD)** : Year 2019  
 -None-  
 : Before year 2019  
 Chartered Director Class (CDC)  
 Role of Compensation Committee (RCC)  
 Financial Statements for Directors (FSD)  
 Director Certification Program (DCP)

##### Other Training :

Training Course	Training Institute
<b>Year 2019</b>	-None-
<b>Before year 2019</b> Certificate of Achievement, 42nd Class	The National Defence College of Thailand, Institute of National Defence Academy
Certificate Top Executive Training Program 1	Office of the Civil Service Commission
Certificate - Leadership, Management and Governance in the Public Section	The Australian National University
Certificate - Energy Planning Programme for Southeast Asia Countries	Pennsylvania State University

**Experience :**

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

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

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

**2) Non-listed Companies :**

**2.1) Srithai Superware Group** : None

**2.2) Other Companies (total 2 companies) :**

Position	Company
Director	Sui-Siriphun Company Limited
Director	Saila Suwan Company Limited

**3) Position in Competing Companies /**

**Company Related to Business of the**

**Company that Conflict of Interest**

**May Arise** : None

**Attendance Year 2019 :**

- 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 : 2	No. of meetings attended : 2
- Good Corporate Governance Committee meeting	No. of meetings held : 2	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** : 12 years (since 2008 until present time)

## 5) Mr. Supachoke Liamkaeo



**Age** : 65 years  
**Present Position** : Independent Director and  
 Audit Committee Member

Date of Directorship	Authority to Sign for the Company as per Certification Document	Relationship among Directors and Executives	Illegal Acts in the Past 10 Years
November 11, 2016	None	None	None

### Shareholding in the Company:

Held by	As at December 30, 2019		Net change during the year (+ or -)	As at December 28, 2018	
	No. of shares	%		No. of shares	%
Owner	0	0.00	NONE	0	0.00
Spouse	0	0.00	NONE	0	0.00
Minor Child	0	0.00	NONE	0	0.00
<b>Total</b>	<b>0</b>	<b>0.00</b>	<b>NONE</b>	<b>0</b>	<b>0.00</b>

### Education :

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

**Training Course from** : Year 2019  
**Thai Institute of** -None-  
**Directors Association (IOD)** : Before year 2019  
 Advance Audit Committee Program (AACP 29/2018)  
 Director Accreditation Program (DAP)

### Other Training :

Training Course	Training Institute
<b>Year 2019</b>	-None-
<b>Before year 2019</b>	
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

Training Course	Training 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

**Experience :**

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

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

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

**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 Year 2019 :**

- 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** : 4 years (since 2016 until present time)

## 6) Mr. Naphol Lertsumitkul



**Age** : 58 years  
**Present Position** : Director and Vice President-Office of the President

Date of Directorship	Authority to Sign for the Company as per Certification Document	Relationship among Directors and Executives	Illegal Acts in the Past 10 Years
December 31, 1993	Yes	None	None

### Shareholding in the Company:

Held by	As at December 30, 2019		Net change during the year (+ or -)	As at December 28, 2018	
	No. of shares	%		No. of shares	%
Owner	0	0.00	NONE	0	0.00
Spouse	0	0.00	NONE	0	0.00
Minor Child	0	0.00	NONE	0	0.00
<b>Total</b>	<b>0</b>	<b>0.00</b>	<b>NONE</b>	<b>0</b>	<b>0.00</b>

### Education :

Degree	Major	Institution
MBA	Business Administration	Phitsanulok University
Bachelor	Business Administration	Phitsanulok University

**Training Course from** : Year 2019  
**Thai Institute of** : Boards that Make a Difference (BMD)  
**Directors Association (IOD)** : Before year 2019  
 Director Accreditation Program (DAP)  
 Director Certification Program (DCP)  
 Director Certification Program Update (DCPU)

### Experience :

Time Period	Position	Company
2019 - Present	Director and Vice President-Office of the President	Srithai Superware Public Company Limited
1986 – 2018	Director and Assistant Vice President	Srithai Superware Public Company Limited

### Present Positions in Companies :

#### 1) Listed Companies (1 company) :

Position	Company
Director and Vice President-Office of the President	Srithai Superware Public Company Limited

**2) Non-listed Companies :**

**2.1) Srithai Superware Group (1 company) :**

Position	Company
Director	<b>Subsidiaries</b> Srithai Miyagawa Company Limited

**2.2) Other Companies (total 2 companies) :**

Position	Company
Director	Srithai Agricultural Garden Company Limited
Director	Superware Housing Company Limited

**3) Position in Competing Companies /**

**Company Related to Business of the**

**Company that Conflict of Interest**

**May Arise** : None

**Attendance Year 2019**

- 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** : 26 years (since 1994 until present time)

## 7) Mr. Mani Ativanichayaphong

(resigned from the Director position on January 1, 2020)

Age : 74 years  
Present Position : Director



Date of Directorship	Authority to Sign for the Company as per Certification Document	Relationship among Directors and Executives	Illegal Acts in the Past 10 Years
January 1, 1993	None	None	None

### Shareholding in the Company:

Held by	As at December 30, 2019		Net change during the year (+ or -)	As at December 28, 2018	
	No. of shares	%		No. of shares	%
Owner	10,087,200	0.37	NONE	10,087,200	0.37
Spouse	1,500,000	0.06	NONE	1,500,000	0.06
Minor Child	0	0.00	NONE	0	0.00
<b>Total</b>	<b>11,587,200</b>	<b>0.43</b>	<b>NONE</b>	<b>11,587,200</b>	<b>0.43</b>

### Education :

Degree	Major	Institution
Bachelor	Marketing	Ramkhamhaeng University

Training Course from : Year 2019  
Thai Institute of : -None-  
Directors Association (IOD) : Before year 2019  
Director Certification Program (DCP)  
Director Accreditation Program (DAP)

### Experience :

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

### Present Positions in Companies :

#### 1) Listed Companies (1 company) :

Position	Company
Director*	Srithai Superware Public Company Limited

\*resigned from the Director position on January 1, 2020.



**2) Non-listed Companies :**

**2.1) Srithai Superware Group (total 3 companies) :**

Position	Company
Director	<b>Subsidiaries</b> Srithai Superware Manufacturing Private Limited
Director	Srithai Superware India Limited
Director	<b>Associates</b> PT. Srithai Maspion Indonesia

**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 Year 2019 :**

- 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 : 5

**Tenure of directorship** : 27 years (since 1993 until present time)

## 8) Mr. Chaiwat Kulphattaravanich



**Age** : 50 years  
**Present Position** : Director,  
 Good Corporate Governance Committee Member,  
 Risk Management Sub-Committee Member,  
 Company Secretary, Chief Financial Officer\*  
 and Acting Head of Compliance Unit  
 \* assigned to the Highest responsibility in Accounting and Finance.

Date of Directorship	Authority to Sign for the Company as per Certification Document	Relationship among Directors and Executives	Illegal Acts in the Past 10 Years
January 2, 2019	Yes	None	None

### Shareholding in the Company:

Held by	As at December 30, 2019		Net change during the year (+ or -)	As at December 28, 2018	
	No. of shares	%		No. of shares	%
Owner	0	0	NONE	0	0
Spouse	0	0	NONE	0	0
Minor Child	0	0	NONE	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>NONE</b>	<b>0</b>	<b>0</b>

### Education :

Degree	Major	Institution
MBA International Exchange Program	Finance	London Business School, U.K. University of Chicago, Booth School of Business, U.S.A.
Higher Diploma in Auditing (Master)	Auditing	Thammasat University
BBA (2nd class honors)	Accounting	Thammasat University

**Training Course from Thai Institute of Directors Association (IOD)** : Year 2019  
 Board Nomination and Compensation Program (BNCP) no. 7/2019  
 : Before year 2019  
 Director Diploma Examination no. 62/2018  
 Risk Management Program for Corporate Leaders (RCL) no. 11/2018  
 Company Secretary Program no. 86/2018  
 Director Certification Program (DCP) no. 248/2017

**Other Training :**

Training Course	Training Institute
<b>Year 2019</b> TLCA CFO Professional Development Program (TLCA CFO CPD) 2019 <ul style="list-style-type: none"> <li>No. 2/2019 “Automation &amp; RPA (Robot Process Automation) for Accounting”</li> <li>No. 3/2019 “Regulatory review of quarterly financial statements”</li> <li>No. 4/2019 “How important are intangible assets impairments?” and “How important of Employee Benefit Actuarial Valuation”</li> <li>No. 5/2019 “The CFO’s role in stakeholder communications”</li> </ul>	Thai Listed Companies Association
<b>Before year 2019</b> Strategic Financial Leadership Program	Thai Listed Companies Association
Strategic CFO in Capital Markets Program	The Stock Exchange of Thailand
CFO In Practice Certification Program	Federation of Accounting Professions
Fundamentals for Corporate Secretaries	Thai Listed Companies Association
IR Professional Development Program	Thai Listed Companies Association

**Training to develop knowledge in the accounting year 2019: 8 hours**
**Experience :**

Time Period	Position	Company
2017 - 2018	Finance Director	Srithai Superware Public Company Limited
2002 – 2017	Assistant Vice President Finance and Accounting	Charoen Pokphand Group Co., Ltd.
1998 – 2001	Senior Associate Investment Banking	Merrill Lynch Phatra Securities Limited
1991 - 1994	Senior Auditor	Ernst & Young Corporate Services Limited

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

Position	Company
Director, Good Corporate Governance Committee Member, Risk Management Sub-Committee Member, Company Secretary, Chief Financial Officer and Acting Head of Compliance Unit	Srithai Superware Public Company Limited

**2) Non-listed Companies :**

**2.1) Srithai Superware Group (total 14 companies) :**

Position	Company
	<b>Subsidiaries</b>
Director	Korat Thai Tech Company Limited
Director	T Thaiplas Company Limited
Director	Srithai (Vietnam) Company Limited
Director	Srithai (Hanoi) Company Limited
Director	Srithai Superware Manufacturing Private Limited
Director	Srithai Superware India Limited
Director	Srithai-Otto (Thailand) Company Limited
Director	Srithai Moulds Company Limited
Director	Srithai Miyagawa Company Limited
	<b>Associates</b>
Director	Srithai Sanko Company Limited
Director	Sanko Srithai (Malaysia) SDN.BHD
Director	Thai MFC Company Limited
Director	Srithai Packaging Company Limited
Director	PT. Srithai Maspion Indonesia

**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 Year 2019 :**

- 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 : 2	No. of meetings attended : 2
- Risk Management Sub-Committee meeting	No. of meetings held : 7	No. of meetings attended : 7

**Tenure of directorship** : 1 year (since 2019 until present time)

## 9) Mr. Apisit Tangsatit



**Age** : 61 years  
**Present Position** : Risk Management Sub-Committee  
 Member and Vice President - Industrial Products

Date of Directorship	Authority to Sign for the Company as per Certification Document	Relationship among Directors and Executives	Illegal Acts in the Past 10 Years
-	None	None	None

### Shareholding in the Company:

Held by	As at December 30, 2019		Net change during the year (+ or -)	As at December 28, 2018	
	No. of shares	%		No. of shares	%
Owner	1,420	0.00	NONE	1,420	0.00
Spouse	0	0.00	NONE	0	0.00
Minor Child	0	0.00	NONE	0	0.00
<b>Total</b>	<b>1,420</b>	<b>0.00</b>	<b>NONE</b>	<b>1,420</b>	<b>0.00</b>

### Education :

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

### Experience :

Time Period	Position	Company
2019 - Present	Vice President - Industrial Products	Srithai Superware Public Company Limited
1983 – 2018	Senior Factory Director - Industrial Products	Srithai Superware Public Company Limited

### Present Positions in Companies :

#### 1) Listed Companies (1 company) :

Position	Company
Risk Management Sub-Committee Member and Vice President - Industrial Products	Srithai Superware Public Company Limited

**2) Non-listed Companies :**

**2.1) Srithai Superware Group (total 5 companies) :**

Position	Company
Director	<b>Subsidiaries</b> Srithai-Otto (Thailand) Company Limited
Director	Srithai Moulds Company Limited
Director	Srithai Miyagawa Company Limited
Director	<b>Associates</b> Srithai Sanko Company Limited
Director	Sanko Srithai (Malaysia) SDN.BHD.

**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 Year 2019 :**

- Annual General Meeting of Shareholders	No. of meetings held : 1	No. of meetings attended : 1
- Risk Management Sub-Committee meeting	No. of meetings held : 7	No. of meetings attended : 5

## 10) Mr. Pongsak Kantiratanawong



Age : 61 years  
Present Position : Vice President – Beverage Packaging Products

Date of Directorship	Authority to Sign for the Company as per Certification Document	Relationship among Directors and Executives	Illegal Acts in the Past 10 Years
-	None	None	None

### Shareholding in the Company:

Held by	As at December 30, 2019		Net change during the year (+ or -)	As at December 28, 2018	
	No. of shares	%		No. of shares	%
Owner	2,500,000	0.09	100,000	2,400,000	0.09
Spouse	0	0.00	NONE	0	0.00
Minor Child	0	0.00	NONE	0	0.00
<b>Total</b>	<b>2,500,000</b>	<b>0.09</b>	<b>100,000</b>	<b>2,400,000</b>	<b>0.09</b>

### Education :

Degree	Major	Institution
MBA	Marketing	Thammasat University
Bachelor of Science	Biochemistry	Chulalongkorn University

### Experience :

Time Period	Position	Company
2019 - Present	Vice President – Beverage Packaging Products	Srithai Superware Public Company Limited
2007 - 2018	Marketing Director - Packaging Products	Srithai Superware Public Company Limited
1993 – 2007	Vice President	C.P. Packaging Industry Company Limited
1986 – 1993	Senior Marketing Manager	Thai Modern Plastic Industry Company Limited
1985	Marketing Officer	SCT Company Limited
1980 – 1985	Technical Sales Representative	Hoechst Thai Limited

### Present Positions in Companies :

#### 1) Listed Companies (1 company) :

Position	Company
Vice President – Beverage Packaging Products	Srithai Superware Public Company Limited

#### 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 Year 2019 :

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



## 11) Mr. Garun Angubolkul



Age : 39 years  
Present Position : Vice President – Household Products

Date of Directorship	Authority to Sign for the Company as per Certification Document	Relationship among Directors and Executives	Illegal Acts in the Past 10 Years
-	None	Son of Mr. Sanan Angubolkul	None

### Shareholding in the Company:

Held by	As at December 30, 2019		Net change during the year (+ or -)	As at December 28, 2018	
	No. of shares	%		No. of shares	%
Owner	0	0	NONE	0	0
Spouse	0	0	NONE	0	0
Minor Child	0	0	NONE	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>NONE</b>	<b>0</b>	<b>0</b>

### Education :

Degree	Major	Institution
Ph.D.	Business & Economic Studies – Marketing	University of Leeds, U.K.
Master	Engineering Business Management	University of Warwick, U.K.
Bachelor	Business Administration	Mahidol University

### Experience :

Time Period	Position	Company
2018 – Present	Vice President – Household Products	Srithai Superware Public Company Limited
2016 – 2018	Manager – Office of the President	Srithai Superware Public Company Limited
2010 – 2016	Assistant Manager – Office of the President	Srithai Superware Public Company Limited

### Present Positions in Companies :

#### 1) Listed Companies (1company) :

Position	Company
Vice President – Household Products	Srithai Superware Public Company Limited

**2) Non-listed Companies :**

**2.1) Srithai Superware Group (total 3 companies) :**

Position	Company
Director	<b>Subsidiaries</b> Korat Thai Tech Company Limited
Director	T Thaipras Company Limited
Director	<b>Associates</b> Thai MFC Company Limited

**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 Year 2019 :**

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

## 12) Ms. Ladda Namjarusathienchai



**Age** : 48 years  
**Present Position** : Financial Controller  
 \* assigned to the direct responsibility of supervising accounting preparation.

Date of Directorship	Authority to Sign for the Company as per Certification Document	Relationship among Directors and Executives	Illegal Acts in the Past 10 Years
-	None	None	None

### Shareholding in the Company:

Held by	As at December 30, 2019		Net change during the year (+ or -)	As at December 28, 2018	
	No. of shares	%		No. of shares	%
Owner	0	0	NONE	0	0
Spouse	0	0	NONE	0	0
Minor Child	0	0	NONE	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>NONE</b>	<b>0</b>	<b>0</b>

### Education :

Degree	Major	Institution
Master	Managerial Accounting	Kasetsart University
Bachelor	General Accounting	Ramkhamhaeng University
Bachelor	Accounting	Rajamangala University of TechnologyThanyaburi

### Other Training :

Training Course	Training Institute
<b>Year 2019</b>	
Well Prepared for "Lease Accounting" and "Understanding and Writing Auditor's report properly"	Department of Business Development, Ministry of Commerce
Understanding the basics of TFRS 9 for finance and non-finance groups, Gen. 3/62	Federation of Accounting Professions
Review basic of Financial Statements and Financial Analysis	Federation of Accounting Professions
Understanding TFRS 9/TFRS 15 TFRS 16, impact and practice including case study	The Stock Exchange of Thailand
<b>Before Year 2019</b>	
Certified Public Accountant (Thailand) (CPA)	Federation of Accounting Professions
CFO In Practice Certification Program	Federation of Accounting Professions
CFO Current Issues	Federation of Accounting Professions
Consolidated Financial Statements	Department of Business Development Ministry of Commerce

**Training to develop knowledge in the accounting year 2019:** 8 hours

**Experience :**

Time Period	Position	Company
1997 – Present	Financial Controller	Srithai Superware Public Company Limited
1995 – 1997	Accounting Manager	Srithai Superware Public Company Limited
1996 – 2005	Senior Manager	PriceWaterhouseCoopers ABAS Limited

**Present Positions in Companies :**

**1) Listed Companies : :**

Position	Company
Financial Controller	Srithai Superware Public Company Limited

**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 Year 2019 :**

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

## 2. Duties and Responsibility of the Company Secretary

Duties and responsibilities of the Company Secretary are in accordance with Section 89/15 of the Securities and Exchange Act (4<sup>th</sup> Amended Issue) B.E. 2551 as follows :

1. Duties 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 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 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 responsibilities 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 shareholders and concerned parties such as debtors, creditors, staff members, related agencies such as the Revenue Department, the Stock Exchange of Thailand, Office of the Securities & Exchange Commission, and financial advisors, 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 in compliance with regulations of the Stock Exchange of Thailand for directors, executives, auditors, including spouses and children who are 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 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 historical record of being penalized in the last 5 years regarding the violation of the Securities and Exchange Act or the Derivatives Act 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

### Directors 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 subsidiaries that contributed income from their respective sales and services activities in 2019 over 10% of the total sales of the Srithai Group of Companies in the consolidated statement of comprehensive income, for the year ended on December 31, 2019 comprises :

Name	SVN	SMW
Mr. Somsak Toragsaskul	Executive Director	---
Mr. Ong Chee Hwee	Executive Director	---
Mr. Sanan Angubolkul	---	Chairman
Mr. Naphol Lertsumitkul	---	Director
Mr. Apisit Tangsatit	---	Director
Mr. Chaiwat Kulphattaravanich	Director	Director
<i>Mr. Seishiro Miyagawa</i>	---	Director
<i>Mr. Shingo Miyagawa</i>	---	Director
Mr. Isuma Fujita	---	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** : 53 years  
**Present Position** : Internal Audit Manager and  
 Audit Committee Secretary



Date of Directorship	Authority to Sign for the Company as per Certification Document	Relationship among Directors and Executives	Illegal Acts in the Past 10 Years
-	None	None	None

#### Shareholding in the Company :

Held by	As at December 30, 2019		Net change during the year (+ or -)	As at December 28, 2018	
	No. of shares	%		No. of shares	%
Owner	0	0	(200,000)	200,000	(200,000)
Spouse	0	0	NONE	0	NONE
Minor Child	0	0	NONE	0	NONE
<b>Total</b>	<b>0</b>	<b>0</b>	<b>(200,000)</b>	<b>200,000</b>	<b>(200,000)</b>

#### Education :

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

**Training Course** : Year 2019  
**Thai Institute of Directors Association (IOD)** : Corruption Risk and Control workshop (CRC)  
 : Before year 2019  
 Company Secretary Program (CSP)  
 Effective Minutes Taking (EMT)  
 Anti-Corruption : The Practical Guide (ACPG)



**Other Training :**

Training Course	Training Institute
<b>Year 2019</b>	None
<b>Before year 2019</b>	
Enterprise Risk Management	The Institute of Internal Auditors of Thailand
Enterprise Risk Management	National Institute of Development Administration
How can Internal Auditor support Audit Committee?	Federation of Accounting Professions
Governance Risk Management and Compliance	TRIS Corporation Limited
Risk Management Specialist	TRIS Corporation Limited
Business for Internal Audit	Federation of Accounting Professions
Certified Professional Internal Audit of Thailand (CPIAT Class 46)	The Institute of Internal Auditors of Thailand
Anti-Corruption Working Paper Program	Federation of Accounting Professions

**Experience :**

Time Period	Position	Company
2001 – 2019	Internal Audit Manager	Srithai Superware Public Company Limited

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

Position	Company
Internal Audit Manager and Audit Committee Secretary*	Srithai Superware Public Company Limited

\* resigned from the Company on January 1, 2020 until a new replacement is recruited. Ms. Supavasa Baiphaka, Deputy Internal Audit Manager was assigned by the Audit Committee for acting in such a position until a new replacement is recruited.

**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 :**

No. of meetings attended : 1	No. of meetings held : 1	No. of meetings attended : 1
No. of meetings attended : 4	No. of meetings held : 4	No. of meetings attended : 4

**Manpower of Internal Audit Department** : 4 persons (inclusive of Department Manager) as of December 31, 2019.

## **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. Chaiwat Kulphattaravanich, the Company Secretary, as Acting Head of Compliance Unit; whereby the scope of duties and responsibilities are as follows:

- 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 on the Company's businesses to the Company's Board of Directors and executives.
- 2) Propose to establish or revise Company policies, rules, regulations, operating manuals and procedures to be in compliance with related applicable laws, regulatory requirements, and standards.
- 3) Propose to the organization any legal preventive measures, to ensure that work plan, projects 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 members on 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, with the responsibilities of supporting the Board of Directors in determining appropriate remuneration and compensation for the Company's Board Directors and Executives, as well as for screening and selecting qualified persons to be proposed for appointment as Board Directors and Executives in a fully transparent and equitable manner for the benefit of all Stakeholder groups.

Members of the Nomination and Remuneration Committee are appointed with a term of office equal to 3 financial years. The current Nomination and Remuneration Committee has its term of office until the end of 2021.

#### Performance of the Nomination and Remuneration Committee

During the year 2019, the Nomination and Remuneration Committee held 2 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	Chairperson of the Nomination and Remuneration Committee	2/2
Mr. Sanan Angubolkul	Nomination and Remuneration Committee Member	2/2
Mr. Enghug Nontikarn	Nomination and Remuneration Committee Member	2/2

The mission and activities of the Nomination and Remuneration Committee during the year 2019 are summarized as follows :

1. 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. 38 (for the year 2019);
2. Appointed senior executives;
3. Proposed replacement of the resigned director;
4. Considered the proposed annual bonus payment for executives of the Company for the year 2019;
5. Undertook a self assessment of the Nomination and Remuneration Committee's performance for the year 2019; and
6. Prepared the Report of the Nomination and Remuneration Committee for disclosure in the Company's Annual Report for the year 2019.

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



**Mrs. Siriporn Sailasuta**

**Chairperson of the Nomination and Remuneration Committee**

## Report of the Good Corporate Governance Committee

**To The Shareholders,**

**Srithai Superware Public Company Limited**

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

The Good Corporate Governance Committee has appointed both working group and sub-working group on good corporate governance practices, responsible for coordinating and working together with various operating business units of the Company, in order that the policies on good corporate governance as well as on anti-corruption are implemented comprehensively for the benefit of all Stakeholders in an effective and efficient manner.

During the year 2019, the Good Corporate Governance Committee held 2 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	2/2
Mrs. Siriporn	Sailasuta	Good Corporate Governance Committee Member	2/2
Mr. Chaiwat	Kulphattaravanich	Good Corporate Governance Committee Member and Secretary	2/2

The Good Corporate Governance Committee is responsible for overseeing that the Company has complied with the established policies on good corporate governance, the policy on Anti-Corruption together with associated operating guidelines, since the Company received formal certification as a Member of the Thailand's Private Sector Collective Action against Corruption (CAC) in March 2017. In 2019 significant activities performed by the Committee can be summarized as follows :

1. Arranged to incorporate a Section on the Policy on Good Corporate Governance and Policy on Anti-Corruption as part of the orientation program for new Company employees; as well as undertook ongoing activities to promote giving information to the Company's staff – such as: through on the job training programs, disseminating information through various printed media or via the internal broadcasting system within the Company's offices and facilities.
2. Arranged to assess and test, on a quarterly basis, the level of knowledge and understanding gained and retained by the Company's employees with regard to the Policy on Good Corporate Governance as well as the Policy on Anti-Corruption. As such, it was apparent that more and more employees have become engaged on these aspects, and that the average test scores showed an increasing level of knowledge and understanding on these issues.
3. Arranged and published a Handbook of Operating Guidelines on the Policy on Good Corporate Governance and on the Policy on Anti-Corruption, using a "Questions and Answers" format together with associated recommendations, which were regarded as operating procedure guidelines for executives and staff.

In addition, the Good Corporate Governance Committee has monitored and followed up on the results achieved for associated policies assigned to executives to implement, with details as follows:

1. Followed up on the results of the 'Whistle Blower' program via various channels of communications, whereby the Good Corporate Governance Committee has approved establishing various investigation committees to follow up on the information received in an equitable manner to all parties involved, together with protecting those who have informed any matter. As such, during the year 2019, there was a complaint received, which then the committees investigated the associated details and parties involved. In summary, they all involved information about general incidents that were not in conflict with the policy on good corporate governance nor about any behavior relating to fraud or corruption at all.
2. Supported the Company to participate in the survey on good corporate governance practices of Thai listed companies that has been undertaken by the IOD Association continuously since 2008; whereby in 2019 the Company was given an "Excellent" rating for the 4<sup>th</sup> consecutive year.
3. Proposed improvements on the established Anti-Corruption Policies and Operating Procedures Guidelines - Revised Edition No. 2 (2019); together with assigning the good corporate governance working group to coordinate with all involved operating business units within the Company, as well as provide training to all monthly employees at all levels within the Company in order for them to comply with the above operating guidelines, apart from disseminating the Anti-Corruption Policies to all business partners of the Company (ie: customers & suppliers) in a fully comprehensive manner.
4. Reviewed together with the Audit Committee, the compliance with the established anti-corruption measures and procedures, and presented to the Board of Directors for a final review before submitting an application for being a member of the Private Sector Collective Action Against Corruption (CAC) for another term.

In 2019, the Good Corporate Governance Committee has undertaken a self-evaluation of the performance as a group. The assessment result is concluded that the Committee has discharged all assigned duties and responsibilities in an appropriate, adequate and effective manner.

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.**

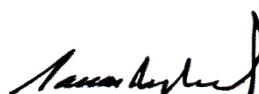
The Board of Directors of the Company is responsible for the consolidated financial statements of the Company and its subsidiaries, and the separate financial statements of the Company, including other financial information shown in the Company's annual report. The financial statements for the year ended December 31, 2019 have been prepared in accordance with Thai Financial Reporting Standards under appropriate accounting policy, consistent practices, careful judgment together with prudent estimates and sufficient disclosures as appeared in the notes to the financial statements, which genuinely reflect the fair financial position, financial performance and cash flow, in order to be beneficial for the shareholders and general investors. The financial statements audited by the independent external auditor expressing an unqualified opinion and reviewed by the Audit Committee have been approved by the Board of Directors.

The Board of Directors of the Company has the duties and responsibilities to oversee and further develop the system of good governance, business ethics, and anti-corruption measures as well as arrange for a review on the risk management system and measures, the internal control system and the internal audit procedures. This is to ensure that all financial information is accurate, comprehensive and adequate, so as to maintain and preserve the assets of the Company as well as to prevent fraud and irregularity. The Board of Directors has appointed an Audit Committee comprising 3 independent directors who possess the complete required qualifications as specified by the regulatory authorities. The Audit Committee is assigned to oversee, supervise and review the reliability and accuracy of the financial reports as well as assess that the existing internal control system and the internal audit procedures are effective and efficient. The opinions and comments of the Audit Committee with regard 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 views that the existing internal control systems are adequate and appropriate. It is, therefore, to reasonably ensure that the consolidated financial statements of Srithai Superware Public Company Limited (the Company) and its subsidiaries (the Group), present the consolidated and separate financial position of the Group and the Company as at December 31, 2019 together with the consolidated and separate financial performance and its consolidated and separate cash flow for the year then ended in accordance with 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: The 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 and banking, accounting and management:

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

With the Internal Audit Manager acting as Secretary to the Audit Committee

During the year 2019, the Audit Committee held a total of 5 meetings. Of these meetings, 4 meetings were held together with the external Auditors, Executives and the Internal Audit Manager, so as to enable the Audit Committee to be informed of and to exchange various viewpoints with the external Auditors on the outcome of their review 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 addition, there was 1 meeting with the external Auditors, without any member of the Executives 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 in compliance with the Audit Committee's Charter for the year can be summarized as follows:

1. Review the Quarterly and Annual Consolidated Financial Statements and those of the Separate Company as presented by the Company's Auditors after their review and audit.  
  
Further, the Audit Committee views that the Quarterly and Annual Financial Statements of the Company for the year 2019 have been prepared in accordance with the financial reporting standards, and that they have presented fairly all the material aspects together with timely, sufficiently, and appropriate information disclosures and the Audit Committee has presented those financial statements to the Board of Directors for approval.
2. Review and advise on Risk Management activities, the Company's policies on risk management, associated plans and directions on risk management practices performed and reported on a quarterly basis by the Risk Management Sub-Committee. The Audit Committee views that the Company has in place appropriate risk management measures that are adequate for the current business operations of the Company.
3. Review compliance with all laws and regulatory requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as with all associated legal requirements applicable to the business operations of the Company. As such, the Audit Committee views that the Company has fully complied with all applicable regulatory and legal requirements as specified.
4. Review all connected transactions together with those transactions that may involve any conflict of interests; whereby the Audit Committee views that these connected transactions have been undertaken in accordance with the policies as specified by the Board of Directors of the Company and in compliance with the announcements of the Stock Exchange of Thailand (SET) in a fully transparent manner with reasonableness and equitability for the best interest of the Company, as well as without any conflict of interests and with disclosure of information in an adequate and timely manner.

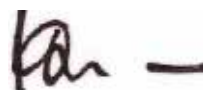
5. Review the effectiveness of the internal control systems and activities that are in accordance with the annual internal audit plans as approved by the Audit Committee whereby the Audit Committee has been informed of the results of the internal audit activities in a timely manner and without any significant deficiencies being found in the internal control systems that would have any impact on the business operations and Financial Statements of the Company.
6. Consider the qualifications, independence and credibility of external Auditor of the Company, as well as propose the appointment of the external Auditor of the Company for the 2019 financial year together with the associated audit fee for consideration by the Board of Directors and for proposing to the Annual General Shareholders meeting for final approval.

As such, the Audit Committee concurred with the appointment of EY Office Limited as the external Auditor of the Company, with either one of Mr. Preecha Arunnara (CPA No. 5800) or Ms. Supanee Triyanantakul (CPA No. 4498) or Ms. Watoo Kayankannavee (CPA No. 5423), being able to audit the Company, for the financial year ending December 31, 2020 with the audit fee at Baht 2,100,000.

7. Review jointly with the Good Corporate Governance Committee on the Company's compliances with established policies on good corporate governance, the established risk management measures and measures on anti-corruption; and also consider information received relating to the established "whistle blower" program with details given in the Report of the Good Corporate Governance Committee.
8. Reviewed together with the Audit Committee, the compliance with the established anti-corruption measures and procedures, and presented to the Board of Directors for a final review before submitting an application for being a member of the Private Sector Collective Action Against Corruption (CAC) for another term.
9. Undertake an annual self-evaluation of the activities performed by the Audit Committee for the year 2018; whereby the Audit Committee considers that the result has been effective and productive, as well as has been achieved the established goals as set by the Board of Directors of the Company.

The Audit Committee has undertaken its activities in accordance with the scope of responsibilities as assigned by the Company's Board of Directors and specified in the Charter of the Audit Committee, as well as in accordance with announcements by of the Stock Exchange of Thailand (SET) in 2008 with regard to the qualifications and scope of activities of the Audit Committee. 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 for the maximum and sustainable benefit of all stakeholders of the Company. The Audit Committee is confident that the Consolidated Financial Statements of the Company and its Subsidiaries and also the Financial Statements for the Separate Company are accurate, reliable and comply in conformity with the financial reporting standards with sufficient disclosure of information, effective internal control systems, appropriate risk management, good corporate governance practices, together with full compliance with all applicable laws and regulatory requirements.

On Behalf of the Audit Committee  
Srithai Superware Public Company Limited



(Mr. Enghug Nontikarn)  
Chairman of the Audit Committee





**Srithai Superware Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2019**



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## Independent Auditor's Report

To the Shareholders of Srithai Superware Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Srithai Superware Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Srithai Superware Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Srithai Superware Public Company Limited and its subsidiaries and of Srithai Superware Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.



Key audit matters and how audit procedures respond to each matter are described below.

#### *Revenue recognition*

Revenue from sales of goods is one of the Group's significant accounts because the amounts of revenue recorded directly affect the Group's profit or loss for the year. Moreover, the Group has a large number of customers with a variety of different commercial terms. There are therefore risks with respect to the amount and timing of revenue recognition. For this reason, I have paid particular attention to the Group's recognition of revenue from sales of goods.

I have examined the Group's revenue recognition by gaining an understanding and evaluating the effectiveness of the Group's internal controls with respect to the revenue cycle. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year and near the end of the accounting period. In addition, I reviewed credit notes issued by the Group to its customers after the period-end and performed analytical review procedures on the sales account to identify possible irregularities in sales transactions throughout the period.

#### *Allowance for doubtful trade receivables*

As disclosed in Note 8 to the financial statements, estimating the allowance for doubtful trade receivables is an area requiring significant management judgement in terms of determining the circumstances and environmental factors relevant to trade receivables, which includes taking into account collection experience and analysis of debt aging. There is a risk with respect to the amount of provision set aside for doubtful trade receivables.

I assessed and tested the Group's internal controls relevant to the determination of provision for doubtful trade receivables by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also assessed the method and the assumption applied by management in determining such provision by gaining an understanding of the basis applied in determining the provision for doubtful trade receivables, and reviewing the consistency of the application of that basis. In addition, I tested the reliability of the trade receivable aging report used in initially assessing the allowance and assessed the appropriateness of the rationale used in the recognition of allowances for overdue individual trade receivables on a specific basis. Furthermore, I compared historical allowances for doubtful trade receivables with the actual balance and tested for the subsequent receipt of actual payment from these trade receivables.

#### *Deferred tax*

The Company has disclosed its accounting policy and details relating to deferred tax in Notes 4.19 and Notes 24 to the financial statements. As at 31 December 2019, deferred tax assets of the Company related to the recognition of tax loss carry forwards amount to Baht 100 million. A deferred tax asset is recognised when it is highly probable that the Company's taxable profit will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires management to exercise significant judgment with respect to preparation of business plans and projections of future taxable profit based on approved business plans. Therefore, there is a risk with respect to the value of deferred tax assets.



I assessed the estimates of future taxable profit by checking the required information and key economic assumptions used in the projections, through inquiry with the management of the Company regarding the assumptions used in projecting sales, gross profit and operating expenses, as well as comparison of past taxable profit projections with actual taxable profits to assess the exercise of management judgment in estimating taxable profits. I also tested the calculation of future taxable profit based on the above information and assumptions.

### **Other Information**

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 those charged with governance 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 those charged with governance 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 those charged with governance, I determine those matters that were of most significance in the audit of the 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.

I am responsible for the audit resulting in this independent auditor's report.



Preecha Arunnara

Certified Public Accountant (Thailand) No. 5800

EY Office Limited

Bangkok: 25 February 2020

**Srithai Superware Public Company Limited and its subsidiaries**
**Statement of financial position**
**As at 31 December 2019**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	321,232,224	374,570,838	128,714,852	195,127,219
Short-term investments - fixed deposit		-	5,024,849	-	-
Trade receivables	8	1,736,772,566	2,072,343,580	1,114,377,563	1,375,276,791
Other receivables - unrelated parties		55,708,066	72,896,303	22,872,570	21,046,156
Other receivables - related parties	6.2	1,021,038	21,990,460	61,249,148	101,892,107
Inventories	9	1,177,255,738	1,771,663,299	666,149,177	1,166,507,476
Other current assets		96,072,854	113,712,653	2,922,879	3,866,835
Total current assets		3,388,062,486	4,432,201,982	1,996,286,189	2,863,716,584
Non-current assets					
Restricted bank deposits	10	6,049,002	6,595,402	-	-
Available-for-sale investments	11	34,080,000	58,800,000	34,080,000	58,800,000
Investments in subsidiaries	12	-	-	1,937,220,102	1,937,220,102
Investments in associates	13	204,917,609	218,797,216	184,113,258	184,113,258
Other long-term investments	14	113,016,354	113,016,354	47,169,970	47,169,970
Investment properties	15	132,981,010	129,732,404	498,378,854	495,130,247
Property, plant and equipment	16	4,185,492,753	4,909,341,315	2,464,815,596	2,972,492,210
Intangible assets	17	24,049,279	32,645,680	9,416,259	14,525,795
Goodwill		5,130,932	5,130,932	-	-
Deferred tax assets	24.2	231,150,916	170,874,097	185,006,393	122,894,619
Leasehold rights	18	124,304,791	137,461,297	-	-
Other non-current assets		23,009,795	24,533,483	6,747,439	12,388,789
Total non-current assets		5,084,182,441	5,806,928,180	5,366,947,871	5,844,734,990
Total assets		8,472,244,927	10,239,130,162	7,363,234,060	8,708,451,574

The accompanying notes are an integral part of the financial statements.

**Srithai Superware Public Company Limited and its subsidiaries**
**Statement of financial position (continued)**
**As at 31 December 2019**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans	19.1	1,703,293,230	2,156,019,760	1,180,000,000	1,470,000,000
Trade payables - unrelated parties		858,392,461	919,444,779	518,988,161	502,589,637
Trade payables - related parties	6.2	57,593,340	102,564,987	59,223,540	117,580,604
Other payables - unrelated parties	20	304,139,973	320,336,237	123,840,898	133,967,915
Other payables - related parties	6.2	816,207	1,111,372	3,410,785	3,578,172
Current portion of long-term loans	19.2	513,538,074	706,189,164	400,680,000	545,745,000
Other current liabilities		39,460,176	39,973,680	20,237,445	27,228,299
<b>Total current liabilities</b>		<b>3,477,233,461</b>	<b>4,245,639,979</b>	<b>2,306,380,829</b>	<b>2,800,689,627</b>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	19.2	633,032,200	1,165,969,048	395,800,000	796,480,000
Finance lease liabilities		1,479,406	422,101	1,479,406	-
Provision for long-term employee benefits	21	414,214,809	402,169,013	323,612,542	324,906,911
<b>Total non-current liabilities</b>		<b>1,048,726,415</b>	<b>1,568,560,162</b>	<b>720,891,948</b>	<b>1,121,386,911</b>
<b>Total liabilities</b>		<b>4,525,959,876</b>	<b>5,814,200,141</b>	<b>3,027,272,777</b>	<b>3,922,076,538</b>
<b>Shareholders' equity</b>					
Share capital					
Registered					
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 fully paid					
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
Premium on treasury shares		19,928,420	19,928,420	19,928,420	19,928,420
Retained earnings					
Appropriated - statutory reserve	22	264,000,000	264,000,000	264,000,000	264,000,000
Unappropriated		1,092,604,637	1,443,086,579	1,346,848,063	1,777,485,816
Other components of shareholders' equity		(390,498,066)	(264,132,399)	(4,720,000)	15,056,000
Equity attributable to equity holders of the Company		3,695,939,791	4,172,787,400	4,335,961,283	4,786,375,036
Non-controlling interests		250,345,260	252,142,621	-	-
<b>Total shareholders' equity</b>		<b>3,946,285,051</b>	<b>4,424,930,021</b>	<b>4,335,961,283</b>	<b>4,786,375,036</b>
<b>Total liabilities and shareholders' equity</b>		<b>8,472,244,927</b>	<b>10,239,130,162</b>	<b>7,363,234,060</b>	<b>8,708,451,574</b>

The accompanying notes are an integral part of the financial statements.



**Srithai Superware Public Company Limited and its subsidiaries**
**Statement of comprehensive income**
**For the year ended 31 December 2019**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018 (Restated)
<b>Profit or loss:</b>					
Sales		8,846,328,894	9,562,229,884	4,960,484,776	5,887,077,620
Cost of sales		(8,082,278,093)	(8,419,154,119)	(4,773,610,009)	(5,277,462,909)
<b>Gross profit</b>		<b>764,050,801</b>	<b>1,143,075,765</b>	<b>186,874,767</b>	<b>609,614,711</b>
Dividend income		4,688,000	5,812,300	117,752,138	213,505,862
Other income		62,412,557	70,049,866	82,909,034	105,162,968
Selling and distribution expenses		(469,528,756)	(518,610,695)	(342,256,610)	(381,421,221)
Administrative expenses		(498,483,693)	(509,990,841)	(329,021,053)	(332,058,808)
<b>Profit (loss) before share of profit from investments in associates and joint venture, finance cost and income tax</b>		<b>(136,861,091)</b>	<b>190,336,395</b>	<b>(283,741,724)</b>	<b>214,803,512</b>
Share of profit from investments in associates and joint venture	13.3	16,558,030	43,144,967	-	-
<b>Profit (loss) before finance cost and income tax</b>		<b>(120,303,061)</b>	<b>233,481,362</b>	<b>(283,741,724)</b>	<b>214,803,512</b>
Finance cost		(123,347,614)	(146,002,537)	(66,066,646)	(84,976,373)
<b>Profit (loss) before income tax</b>		<b>(243,650,675)</b>	<b>87,478,825</b>	<b>(349,808,370)</b>	<b>129,827,139</b>
Income tax (expenses) benefit	24.1	31,959,017	(2,161,569)	54,665,857	6,443,478
<b>Profit (loss) for the year</b>		<b>(211,691,658)</b>	<b>85,317,256</b>	<b>(295,142,513)</b>	<b>136,270,617</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Loss on change in value of available-for-sale investments		(24,720,000)	(6,600,000)	(24,720,000)	(6,600,000)
Exchange differences on translation of financial statements in foreign currency		(100,011,290)	(46,015,793)	-	-
Income tax effect		4,944,000	1,320,000	4,944,000	1,320,000
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(119,787,290)	(51,295,793)	(19,776,000)	(5,280,000)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		-	(10,229,693)	-	(18,708,974)
Income tax effect		-	2,045,939	-	3,741,795
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	(8,183,754)	-	(14,967,179)
<b>Other comprehensive income for the year</b>		<b>(119,787,290)</b>	<b>(59,479,547)</b>	<b>(19,776,000)</b>	<b>(20,247,179)</b>
<b>Total comprehensive income for the year</b>		<b>(331,478,948)</b>	<b>25,837,709</b>	<b>(314,918,513)</b>	<b>116,023,438</b>

The accompanying notes are an integral part of the financial statements.

**Srithai Superware Public Company Limited and its subsidiaries**
**Statement of comprehensive income (continued)**
**For the year ended 31 December 2019**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		(Restated)
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	(214,986,702)	76,071,420	<u>(295,142,513)</u>	<u>136,270,617</u>
Non-controlling interests	<u>3,295,044</u>	<u>9,245,836</u>		
	<u>(211,691,658)</u>	<u>85,317,256</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	(341,352,369)	18,251,273	<u>(314,918,513)</u>	<u>116,023,438</u>
Non-controlling interests	<u>9,873,421</u>	<u>7,586,436</u>		
	<u>(331,478,948)</u>	<u>25,837,709</u>		
<b>Earnings per share</b>	26			
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company	(0.08)	0.03	(0.11)	0.05

The accompanying notes are an integral part of the financial statements.

**Srithai Superware Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity**

**For the year ended 31 December 2019**

Consolidated financial statements												(Unit: Baht)
Equity attributable to owners of the Company												
Other components of equity												
Other comprehensive income												
Issued and fully paid share capital	Premium on treasury shares	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Surplus (deficit) on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests	Total shareholders' equity			
		Appropriated	Unappropriated									
2,709,904,800	19,928,420	257,000,000	1,514,943,558	(232,081,411)	20,336,000	(211,745,411)	4,290,031,367	257,669,558	4,547,700,925			
-	-	-	76,071,420	-	-	-	76,071,420	9,245,836	85,317,256			
-	-	-	(5,433,159)	(47,106,988)	(5,280,000)	(52,386,988)	(57,820,147)	(1,659,400)	(59,479,547)			
-	-	-	70,638,261	(47,106,988)	(5,280,000)	(52,386,988)	18,251,273	7,586,436	25,837,709			
-	-	-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-	-	-			
-	-	-	(135,495,240)	-	-	-	(135,495,240)	(18,990,425)	(154,485,665)			
-	-	7,000,000	(7,000,000)	-	-	-	-	-	-			
2,709,904,800	19,928,420	264,000,000	1,443,086,579	(279,188,399)	15,056,000	(264,132,399)	4,172,787,400	252,142,621	4,424,930,021			
2,709,904,800	19,928,420	264,000,000	1,443,086,579	(279,188,399)	15,056,000	(264,132,399)	4,172,787,400	252,142,621	4,424,930,021			
-	-	-	(214,986,702)	-	-	-	(214,986,702)	3,295,044	(211,691,658)			
-	-	-	-	(106,589,667)	(19,776,000)	(126,365,667)	(126,365,667)	6,578,377	(119,787,290)			
-	-	-	(214,986,702)	(106,589,667)	(19,776,000)	(126,365,667)	(341,352,369)	9,873,421	(331,478,948)			
-	-	-	(135,495,240)	-	-	-	(135,495,240)	(11,670,782)	(147,166,022)			
2,709,904,800	19,928,420	264,000,000	1,092,604,637	(385,778,066)	(4,720,000)	(390,498,066)	3,695,939,791	250,345,260	3,946,285,051			

The accompanying notes are an integral part of the financial statements.

**Srithai Superware Public Company Limited and its subsidiaries**
**Statement of changes in shareholders' equity (continued)**
**For the year ended 31 December 2019**

(Unit: Baht)

	<b>Separate financial statements</b>									
	Other components of equity									
	Other comprehensive income									
	Surplus (deficit) on									
	Issued and fully paid share capital	Premium on treasury shares	Retained earnings		changes in value of available-for-sale investments		other components of shareholders' equity	Total	shareholders' equity	Total
			Appropriated	Unappropriated						
<b>Balance as at 1 January 2018</b>	2,709,904,800	19,928,420	257,000,000	1,798,677,618	20,336,000	20,336,000	20,336,000	4,805,846,838		
Profit for the year	-	-	-	136,270,617	-	-	-	136,270,617		
Other comprehensive income for the year	-	-	-	(14,967,179)	(5,280,000)	(5,280,000)	(5,280,000)	(20,247,179)		
Total comprehensive income for the year	-	-	-	121,303,438	(5,280,000)	(5,280,000)	(5,280,000)	116,023,438		
Dividend (Note 29)	-	-	-	(135,495,240)	-	-	-	(135,495,240)		
Transfer unappropriated retained earnings to statutory reserve (Note 22)	-	-	7,000,000	(7,000,000)	-	-	-	-		
<b>Balance as at 31 December 2018</b>	2,709,904,800	19,928,420	264,000,000	1,777,485,816	15,056,000	15,056,000	15,056,000	4,786,375,036		
<b>Balance as at 1 January 2019</b>	2,709,904,800	19,928,420	264,000,000	1,777,485,816	15,056,000	15,056,000	15,056,000	4,786,375,036		
Loss for the year	-	-	-	(295,142,513)	-	-	-	(295,142,513)		
Other comprehensive income for the year	-	-	-	-	(19,776,000)	(19,776,000)	(19,776,000)	(19,776,000)		
Total comprehensive income for the year	-	-	-	(295,142,513)	(19,776,000)	(19,776,000)	(19,776,000)	(314,918,513)		
Dividend (Note 29)	-	-	-	(135,495,240)	-	-	-	(135,495,240)		
<b>Balance as at 31 December 2019</b>	2,709,904,800	19,928,420	264,000,000	1,346,848,063	(4,720,000)	(4,720,000)	(4,720,000)	4,335,961,283		

The accompanying notes are an integral part of the financial statements.

**Srithai Superware Public Company Limited and its subsidiaries**
**Cash flow statement**
**For the year ended 31 December 2019**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	(243,650,675)	87,478,825	(349,808,370)	129,827,139
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	748,105,907	793,252,971	462,064,126	498,375,165
Amortisation of intangible assets	8,470,662	10,692,112	3,636,071	4,831,331
Amortisation of leasehold rights	2,894,559	3,049,194	-	-
Assets written off	11,171,721	12,988,340	7,936,686	10,073,553
Allowance for doubtful accounts	860,732	6,091,906	7,500,000	11,000,000
Allowance for inventory obsolescence and for inventories cost in excess of net realisable value (reversal)	21,715,146	6,921,113	18,000,000	(400,000)
Loss on impairment of fixed assets	33,000,000	-	33,000,000	-
(Gain) loss on disposal of fixed assets	3,910,421	(1,719,322)	(1,837,184)	(2,507,018)
Provision for long-term employee benefits	46,998,911	25,440,513	23,067,527	17,413,782
Actuarial loss - other long-term employee benefits	-	15,285,260	-	14,365,151
Unrealised loss on exchanges	7,181,311	4,768,147	6,599,750	3,046,361
Realised (gain) loss on exchanges	33,661	(157,828)	33,661	(157,828)
Share of profit from investments in associates and joint venture	(16,558,030)	(43,144,967)	-	-
Gain from change in status of investment	-	(4,096,266)	-	-
Gain arising from subsidiary's liquidation	-	-	-	(1,280,625)
Dividend income from investments in subsidiaries, associates and joint venture	-	-	(113,281,938)	(207,693,562)
Dividend income from other investments	(4,688,000)	(5,812,300)	(4,470,200)	(5,812,300)
Interest income	(2,777,922)	(2,856,587)	(1,416,922)	(1,850,659)
Finance cost	123,347,614	146,002,537	66,066,647	84,976,373
Profit from operating activities before changes in operating assets and liabilities	740,016,018	1,054,183,648	157,089,854	554,206,863
Operating assets (increase) decrease				
Trade receivables	277,769,618	183,505,685	252,529,669	266,601,651
Other receivables	20,993,562	(19,116,643)	(1,831,505)	1,208,431
Inventories	524,507,189	(116,095,153)	478,573,579	72,969,814
Other current assets	1,265,328	4,496,054	943,956	219,130
Other non-current assets	11,220,052	2,349,347	5,641,351	1,670,887
Operating liabilities (increase) decrease				
Trade payables	(77,448,007)	(13,092,641)	(39,893,458)	(83,979,071)
Other payables	4,627,920	67,350,108	(4,663,835)	(21,982,259)
Other current liabilities	(5,252,233)	(1,851,237)	(6,990,853)	2,713,162
Employee benefits paid	(34,953,115)	(34,023,456)	(24,361,897)	(32,539,181)
Cash flows from operating activities	1,462,746,332	1,127,705,712	817,036,861	761,089,427
Cash paid for interest expenses	(126,730,566)	(146,158,636)	(66,566,789)	(87,313,783)
Cash paid for income tax	(41,318,225)	(36,218,669)	(2,501,918)	(2,664,317)
Income tax refunds	35,281,176	2,125,864	-	-
<b>Net cash flows from operating activities</b>	<b>1,329,978,717</b>	<b>947,454,271</b>	<b>747,968,154</b>	<b>671,111,327</b>

The accompanying notes are an integral part of the financial statements.

**Srithai Superware Public Company Limited and its subsidiaries**
**Cash flow statement (continued)**
**For the year ended 31 December 2019**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from investing activities</b>				
Decrease (increase) in short-term investments	5,024,849	(5,024,849)	-	-
Acquisition of property, plant and equipment	(190,774,346)	(238,003,814)	(65,291,984)	(108,608,754)
Acquisition of intangible assets	(1,801,402)	(1,939,083)	(35,708)	(650,790)
Proceeds from acquisition of a subsidiary	-	14,973,838	-	-
Proceeds from liquidation of a subsidiary	-	-	-	1,280,625
Proceeds from disposals of property, plant and equipment	11,596,981	21,823,490	68,137,980	16,755,826
Interest receipts	2,707,275	3,504,824	1,422,014	1,847,075
Dividend receipts from investments in subsidiaries, associates and joint venture	48,999,059	31,161,815	149,378,178	137,521,527
Dividend receipts from other investments	4,688,000	5,812,300	4,470,200	5,812,300
<b>Net cash flows from (used in) investing activities</b>	<u>(119,559,584)</u>	<u>(167,691,479)</u>	<u>158,080,680</u>	<u>53,957,809</u>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans	(452,726,530)	204,405,760	(290,000,000)	25,000,000
Receipt from long-term loans	-	100,000,000	-	-
Repayment of long-term loans	(699,531,528)	(771,363,200)	(545,745,000)	(554,980,000)
Repayment of finance lease liabilities	(1,642,267)	(1,347,836)	(1,189,255)	-
Dividend payment	(135,495,240)	(135,495,240)	(135,495,240)	(135,495,240)
Dividends paid to non-controlling interest in subsidiaries	(11,670,726)	(17,640,270)	-	-
<b>Net cash flows used in financing activities</b>	<u>(1,301,066,291)</u>	<u>(621,440,786)</u>	<u>(972,429,495)</u>	<u>(665,475,240)</u>
<b>Increase (decrease) in translation adjustments</b>	<u>37,340,250</u>	<u>(74,148,607)</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents before effect from currency translation</b>	(53,306,908)	84,173,399	(66,380,661)	59,593,896
Effect from currency translation of cash and cash equivalents	(31,706)	(3,150)	(31,706)	(3,150)
<b>Net increase (decrease) in cash and cash equivalents</b>	(53,338,614)	84,170,249	(66,412,367)	59,590,746
<b>Cash and cash equivalents at beginning of year</b>	<u>374,570,838</u>	<u>290,400,589</u>	<u>195,127,219</u>	<u>135,536,473</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>321,232,224</u></u>	<u><u>374,570,838</u></u>	<u><u>128,714,852</u></u>	<u><u>195,127,219</u></u>

**Supplementary cash flows information comprises the following:**
**Property, plant and equipment**

Additions (Note 16)	173,936,937	249,698,408	61,296,345	98,666,712
Decrease (increase) in other payables from purchases of property, plant and equipment	20,358,913	(12,062,926)	5,295,822	7,642,197
Decrease in other payables - related parties from purchases of property, plant and equipment	-	-	2,221,320	1,931,513
Purchases of property, plant and equipment under finance lease	(3,000,000)	-	(3,000,000)	-
Unrealised (gain) loss on exchanges	(521,504)	368,332	(521,503)	368,332
Payment for purchases of property, plant and equipment	<u>190,774,346</u>	<u>238,003,814</u>	<u>65,291,984</u>	<u>108,608,754</u>

The accompanying notes are an integral part of the financial statements.

**Srithai Superware Public Company Limited and its subsidiaries**
**Cash flow statement (continued)**
**For the year ended 31 December 2019**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Property, plant and equipment (continued)</b>				
Disposals (Note 16)	15,634,905	20,472,165	68,017,434	14,681,201
Gain (loss) on disposal of fixed assets	(3,910,421)	1,719,322	1,837,184	2,507,018
Increase in other receivables from disposals of property, plant and equipment	(127,503)	(367,997)	(127,503)	(367,997)
Increase in other receivables - related parties from disposal of property, plant and equipment	-	-	(1,589,135)	(64,396)
Proceeds from disposals of property, plant and equipment	<u>11,596,981</u>	<u>21,823,490</u>	<u>68,137,980</u>	<u>16,755,826</u>
<b>Dividend income</b>				
Dividends of investments in subsidiaries, associates and joint venture	-	-	113,281,938	207,693,562
Dividends of investments in associates and joint venture presented as net of such investments in the consolidated financial statements	29,952,720	45,283,987	-	-
Decrease (increase) in dividend receivable	19,080,000	(14,280,000)	36,129,901	(70,329,863)
Realised gain (loss) on exchanges rate	<u>(33,661)</u>	<u>157,828</u>	<u>(33,661)</u>	<u>157,828</u>
Dividends received from investments in subsidiaries, associates and joint venture	<u>48,999,059</u>	<u>31,161,815</u>	<u>149,378,178</u>	<u>137,521,527</u>
<b>Non-cash related transactions</b>				
Transfer fixed assets to investment properties	<u>9,639,582</u>	<u>6,473,028</u>	<u>9,639,582</u>	<u>6,473,028</u>
Transfer fixed assets to other non-current assets	<u>10,309,298</u>	<u>1,205,130</u>	<u>-</u>	<u>-</u>
Acquisition of investment in joint venture by settling against outstanding receivables	<u>-</u>	<u>7,097,940</u>	<u>-</u>	<u>7,097,940</u>
Transfer to change in the status of investment in joint venture to investment in subsidiary	<u>-</u>	<u>22,760,207</u>	<u>-</u>	<u>12,097,740</u>

The accompanying notes are an integral part of the financial statements.

## Srithai Superware Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

For the year ended 31 December 2019

#### 1. General information

Srithai Superware Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The registered office of the Company is at 15 Suksawat Road Soi 36, Bangpakok, Rasburana, Bangkok 10140.

The Group is principally engaged in the manufacture and distribution of plastics products such as plastic products for household and plastic products for industry and the manufacture and distribution of moulds.

#### 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

#### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Srithai Superware Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2019</u> Percentage	<u>2018</u> Percentage
Korat Thai Tech Co., Ltd.	Manufacture and distribution of melamine products	Thailand	100.0	100.0
T Thaiplas Co., Ltd.*	Manufacture and distribution of melamine products	Thailand	100.0	100.0
Srithai-Otto (Thailand) Co., Ltd.**	Distribution of plastic products	Thailand	75.0	75.0
Srithai Moulds Co., Ltd.	Manufacture and distribution of moulds and plastic products	Thailand	71.0	71.0
Srithai Miyagawa Co., Ltd.	Manufacture and distribution of moulds and plastic products	Thailand	51.0	51.0
Srithai (Vietnam) Co., Ltd.	Manufacture and distribution of plastic and melamine products	Vietnam	100.0	100.0



Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2019</u>	<u>2018</u>
			Percentage	Percentage
Srithai Superware Manufacturing Pvt. Ltd.	Manufacture and distribution of melamine products	India	100.0	100.0
Srithai Superware India Ltd.	Distribution of melamine products	India	82.4	82.4

A subsidiary held by Srithai (Vietnam) Co., Ltd. presented as the below.

Company's name	Nature of business	Country of incorporation	Percentage of Indirect shareholding	
			<u>2019</u>	<u>2018</u>
			Percentage	Percentage
Srithai (Hanoi) Co., Ltd.	Manufacture and distribution of plastic products	Vietnam	100.0	100.0

\* Srithai Nanoplast Company Limited, a subsidiary, was changed its name to T Thaplas Company Limited on 2 April 2019.

\*\* Change in the status of the investment from the investment in joint venture to the investment in subsidiary since 23 August 2018.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using average exchange rates in the year. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company groups have been eliminated from the consolidated financial statements.

- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

### 3. **New financial reporting standards**

#### (a) **Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations (revised 2018) and new financial reporting standards which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Group has adopted TFRS 15 using the full retrospective method of adoption. The adoption of this financial reporting standard affects only the statement of comprehensive income, and the amounts of the adjustments affecting this statement are as presented below:

**Statement of comprehensive income for the period ended 31 December 2018**

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Previous	Increase (decrease)	TFRS 15	Previous	Increase (decrease)	TFRS 15
	accounting policy			accounting policy		
<b>Profit or loss:</b>						
Sales	9,697,584	(135,354)	9,562,230	6,004,714	(117,636)	5,887,078
Cost of sales	8,398,810	20,344	8,419,154	5,263,565	13,898	5,277,463
Selling and distribution expenses	674,309	(155,698)	518,611	512,955	(131,534)	381,421

The nature of these adjustments are described below:

- Consideration payable to a customer - The Group has determined that commission and other selling expenses were paid to generate revenue that occurred in the current period and have a direct relationship with sell price and transferring promised goods. These expenses are, therefore, recorded as a deduction from sales. Previously, they were recognised as selling and distribution expenses.
- Royalty expenses - The Group has determined that royalty expenses were paid to licensors for the rights to use production technology and processes, including brands, and have a direct relationship with the quantity of goods sold, so this expense is recorded as costs of sales. Previously, it was recognised as selling and distribution expenses.

**(b) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

### **Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### *Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts.

###### *Rendering of services*

Service revenue is recognised at a point in time upon completion of the service.

###### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

###### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

##### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

##### **4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

##### **4.4 Inventories**

Inventories are stated at the lower at cost and net realisable value. The cost of inventories is measured using the standard cost basis which is adjusted to actual cost calculated on a weighted average method. The cost of finished goods and work in process, which produced by the Group, are consist of raw material, labor and factory overheads costs.

Raw materials and supplies are valued at the lower of the weighted average cost and net realisable value and are charged to production costs whenever consumed.

#### **4.5 Investments**

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### **4.6 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Investment properties of the Group comprise land and building held for rental yields and land whose future use is currently undetermined.

Depreciation of investment properties for building held for rental yields is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income. No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### 4.7 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	18 - 30 years
Land improvement	5 - 10 years
Building improvement	4 - 20 years
Machinery and equipment	3 - 20 years
Furniture and office equipment	3 - 10 years
Motor vehicles	6 - 15 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.9 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Computer software	Not exceeds	6 years
Copyright for operation of computer software		10 years
Patents		10 years

#### 4.10 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the subsidiary's cash generating units (or group of cash - generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash - generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash - generating units) is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.11 Leasehold rights**

Leasehold rights of lands are amortised using the straight-line method over the estimated useful lives of 42, 43 and 99 years.

#### **4.12 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.13 Long-term leases**

##### Finance leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over their useful life.

##### Operating leases

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **4.14 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.



#### **4.15 Impairment of assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### **4.16 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits and other long-term employee benefits***

###### ***Defined contribution plans***

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### ***Defined benefit plans and other long-term employee benefits***

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefits plans. The Group treats these severance payment obligations as a defined benefit plans. In addition, the Group provides other long-term employee benefit plan which consists of award gold and money.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term employee benefits are recognised immediately in profit and loss.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognizes restructuring-related costs.

#### **4.17 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.18 Treasury shares**

The treasury shares are presented in the statement of financial position at cost and deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, and 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.

#### **4.19 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.20 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1      Use of quoted market prices in an active market for such assets or liabilities.
- Level 2      Use of other observable inputs for such assets or liabilities, whether directly or indirectly.
- Level 3      Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

##### **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

##### **Allowance for diminution in value of inventory**

The determination of allowances for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for reduce cost to net realisable value is estimated based on the selling price expected in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale; and provision for obsolete, slow-moving and deteriorated inventories that is estimated based on the approximate aging of each type of inventory.

##### **Property plant and equipment and depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

#### Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### 6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

#### 6.1 Transactions occurred during the year

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	156,777	153,657	Cost plus margin
Rental and service income	-	-	26,418	38,925	Contract price / Mutually agreed price
Management service income	-	-	5,160	3,800	Contract price
Purchase of goods	-	-	210,770	319,847	Cost plus margin
Service expenses	-	-	3,320	5,044	Mutually agreed price
Dividend income	-	-	83,329	162,410	As declared
Sales of fixed assets	-	-	60,011	6,592	Cost plus margin
Purchase of fixed assets	-	-	233	17,121	Cost plus margin

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2019	2018	2019	2018	
<b><u>Transactions with associates</u></b>					
Sales of goods	216,222	397,963	216,197	397,890	Cost plus margin
Rental and service income	7,072	8,458	7,072	8,458	Contract price / Mutually agreed price
Purchase of goods	322,019	472,617	147,207	272,241	Market price / Cost plus margin
Service expenses	622	1,239	622	1,239	Mutually agreed price
Dividend income	-	-	29,953	40,284	As declared
Disposal fixed asset	46	112	46	112	Cost plus margin
<b><u>Transactions with joint venture</u></b> *					
Sales of goods	-	46,188	-	46,026	Cost plus margin
Rental and service income	-	541	-	541	Contract price / Mutually agreed price
Management service income	-	667	-	667	Contract price
Purchase of good	-	152	-	146	Market price / Cost plus margin
Dividend income	-	-	-	5,000	As declared
<b><u>Transactions with related companies</u></b>					
(shares held by executive of the Company and relatives of some executives; some of them serve as directors)					
Sales of goods	319,494	413,624	240,873	316,071	Cost plus margin
Rental and service income	1,737	1,675	1,724	1,675	Contract price / Mutually agreed price
Purchase of goods	40,698	43,088	18,684	22,403	Cost plus margin
Promotion expenses	4,005	5,031	4,005	5,031	Mutually agreed price

\* As at 23 August 2018, Srithai-Otto (Thailand) Co., Ltd. has been changed the status of the investment from the investment in joint venture to the investment in subsidiary.

## 6.2 Outstanding balances as at the year ended

The balances of the accounts between the Group and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b><u>Trade receivables - related parties</u></b>				
Subsidiaries	-	-	114,235	133,351
Associates	114,433	185,813	114,433	185,734
Other related parties - shares held by executives of the Company and relatives of some executives; some of them serve as directors	130,383	185,739	101,205	144,002
Total	244,816	371,552	329,873	463,087
Less: Allowance for doubtful debts	-	-	(62,000)	(55,000)
Total trade receivables - related parties, net (Note 8)	244,816	371,552	267,873	408,087
<b><u>Other receivables - related parties</u></b>				
Subsidiaries - dividend receivables	-	-	57,000	74,050
Subsidiaries - other receivables	-	-	3,228	5,852
Associates - dividend receivables	-	19,080	-	19,080
Associates - other receivables	899	2,870	899	2,870
Other related parties - shares held by executives of the Company and relatives of some executives; some of them serve as directors	122	40	122	40
Total other receivables - related parties	1,021	21,990	61,249	101,892
<b><u>Trade payables - related parties</u></b>				
Subsidiaries	-	-	29,411	52,345
Associates	46,818	91,742	22,488	54,895
Other related parties - shares held by executives of the Company and relatives of some executives; some of them serve as directors	10,775	10,823	7,325	10,341
Total trade payables - related parties	57,593	102,565	59,224	117,581
<b><u>Other payables - related parties</u></b>				
Subsidiaries	-	-	3,102	3,175
Associates	352	390	305	390
Other related parties - shares held by relatives of executive of the Company and some of them serve as directors	464	721	4	13
Total other payables - related parties	816	1,111	3,411	3,578

### 6.3 Key directors and management's benefits

During the year ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Directors' remuneration	2,130	2,093	2,130	2,093
Managements' remuneration				
Short-term employee benefits	82,640	105,436	37,567	58,632
Post-employment benefits	1,477	2,615	649	1,839
Other long-term employee benefits	11	81	9	77
<b>Total</b>	<b>86,258</b>	<b>110,225</b>	<b>40,355</b>	<b>62,641</b>

Since 1 January 2019, the Company has revamped its organisational structure to correspond with its new strategic plans and corporate management structure. Additionally, the Company has appointed key management in line with the new corporate structure. Therefore, the number and identity of the key management has changed from 2018 to 2019, according to the definition specified by the Securities and Exchange Commission.

### 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash	2,609	4,465	1,820	2,217
Cheque on hand	7,306	19,453	3,706	18,603
Deposits at banks				
- Current accounts	110,970	158,454	3,317	46,981
- Savings accounts	196,209	190,849	119,872	127,326
- Fixed deposits	4,138	1,350	-	-
<b>Total cash and cash equivalents</b>	<b>321,232</b>	<b>374,571</b>	<b>128,715</b>	<b>195,127</b>

## 8. Trade receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade receivables - related parties</u> (Note 6.2)				
Aged on the basis of due dates				
Not yet due	172,854	295,590	169,067	284,649
Past due				
Up to 3 months	45,753	75,962	65,858	98,972
3 - 6 months	26,209	-	26,354	940
6 - 12 months	-	-	-	1,670
Over 12 months	-	-	68,594	76,856
Total	244,816	371,552	329,873	463,087
Less: Allowance for doubtful debts	-	-	(62,000)	(55,000)
Total trade receivables - related parties, net	244,816	371,552	267,873	408,087
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,069,230	1,260,649	546,431	657,397
Past due				
Up to 3 months	355,916	372,904	246,775	258,726
3 - 6 months	36,155	39,376	29,003	30,738
6 - 12 months	23,576	19,176	18,169	14,265
Over 12 months	28,994	30,492	20,188	19,625
Total	1,513,871	1,722,597	860,566	980,751
Less: Allowance for doubtful debts	(21,914)	(21,805)	(14,061)	(13,561)
Total trade receivables - unrelated parties, net	1,491,957	1,700,792	846,505	967,190
Trade receivables - net	1,736,773	2,072,344	1,114,378	1,375,277

The Group has a policy to provide a credit term of 15 to 150 days and 30 to 180 days to trade receivables - unrelated parties and trade receivables - related parties, respectively.



## 9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	2019	2018	2019	2018	2019	2018
Finished goods	647,719	942,524	(43,542)	(25,848)	604,177	916,676
Work in process	290,178	299,527	(4,264)	(6,850)	285,914	292,677
Raw materials	197,365	374,512	(2,546)	(1,101)	194,819	373,411
Supplies	81,996	146,475	(7,864)	(3,859)	74,132	142,616
Mould for sales	543	14,784	-	-	543	14,784
Goods in transit	17,671	31,499	-	-	17,671	31,499
<b>Total</b>	<b>1,235,472</b>	<b>1,809,321</b>	<b>(58,216)</b>	<b>(37,658)</b>	<b>1,177,256</b>	<b>1,771,663</b>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	2019	2018	2019	2018	2019	2018
Finished goods	450,172	725,022	(24,573)	(10,573)	425,599	714,449
Work in process	114,474	147,021	(559)	(559)	113,915	146,462
Raw materials	75,481	168,614	(1,101)	(1,101)	74,380	167,513
Supplies	59,199	132,120	(7,487)	(3,487)	51,712	128,633
Mould for sales	543	1,993	-	-	543	1,993
Goods in transit	-	7,457	-	-	-	7,457
<b>Total</b>	<b>699,869</b>	<b>1,182,227</b>	<b>(33,720)</b>	<b>(15,720)</b>	<b>666,149</b>	<b>1,166,507</b>

During the current year, the Group reduced cost of inventories by Baht 22 million to reflect the net realisable value. This was included in cost of sales (The Company only: Baht 18 million) (2018: Baht 7 million, The Company only: reversed the write-down of cost of inventories by Baht 0.4 million and reduced the amount of inventories recognised as expense during the year).

## 10. Restricted bank deposits

As at 31 December 2019, the outstanding balance of restricted bank deposits is the fixed deposits of subsidiaries amounting to Baht 6 million which are pledged as guarantee for tax, electricity usage and others (2018: Baht 7 million).

## 11. Available-for-sale investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost	39,980	39,980	39,980	39,980
Add: Changes in value of investments	(5,900)	18,820	(5,900)	18,820
<b>Fair value</b>	<b>34,080</b>	<b>58,800</b>	<b>34,080</b>	<b>58,800</b>

## 12. Investments in subsidiaries

### 12.1 Details of investments in subsidiaries are presented as the following:

(Unit: Thousand Baht)

Separate financial statements										
	Paid - up capital	Percentage of shareholding		Cost method				Dividend received during the year		
		2019	2018	2019		2018		2019	2018	
		(percentage)	(percentage)	Cost	Allowance for impairment	Net book value	Cost	Impairment	Net book value	
<b>Subsidiaries</b>										
<b>Local</b>										
Korat Thai Tech Co., Ltd.	Baht 30 Million	100.0	100.0	30,000	-	30,000	30,000	-	57,000	135,000
T Thaiplas Co., Ltd. (Formerly known as "Srithai Nanoplast Co., Ltd.")	Baht 40 Million	100.0	100.0	40,756	-	40,756	40,756	-	11,000	5,000
Srithai-Otto (Thailand) Co.,Ltd.*	Baht 10 Million	75.0	75.0	12,098	-	12,098	12,098	-	3,000	4,050
Srithai Moulds Co., Ltd.	Baht 100 Million	71.0	71.0	82,000	-	82,000	82,000	-	2,129	-
Srithai Miyagawa Co., Ltd.	Baht 120 Million	51.0	51.0	61,200	-	61,200	61,200	-	10,200	18,360
				226,054	-	226,054	226,054	-	83,329	162,410
<b>Foreign</b>										
Srithai (Vietnam) Co., Ltd.	Vietnamese Dong 782,082 Million	100.0	100.0	1,229,036	-	1,229,036	1,229,036	-	-	-
Srithai Superware Manufacturing Pvt. Ltd.	Indian Rupee 720 Million	100.0	100.0	482,130	-	482,130	482,130	-	-	-
Srithai Superware India Ltd.	Indian Rupee 43 Million	82.4	82.4	25,090	(25,090)	-	25,090	(25,090)	-	-
				1,736,256	(25,090)	1,711,166	1,736,256	(25,090)	1,711,166	-
Total investments in subsidiaries				1,962,310	(25,090)	1,937,220	1,962,310	(25,090)	83,329	162,410

Total investments in subsidiaries

(Unit: Million Vietnamese Dong)

	Paid up capital	Percentage of shareholding		
		2019	2018	
		(percentage)	(percentage)	
<b>Indirect subsidiary</b>				
<b>Subsidiary of Srithai (Vietnam) Co., Ltd.</b>				
Srithai (Hanoi) Co., Ltd.	Vietnamese Dong 424,920 Million	100.0	100.0	424,920 (equivalent to Baht 663 million)
				424,920 (equivalent to Baht 663 million)

\* Change in status of the investment from the investment in joint venture to the investment in subsidiary since 23 August 2018

12.2 The movements in net book value of investments in subsidiaries comprise the following:

		(Unit: Thousand Baht)	
		Separate financial statements	
		Cost method	
		<u>2019</u>	<u>2018</u>
Opening net book amount		1,937,220	1,925,122
Change status from joint venture to subsidiary		-	12,098
Closing net book amount		<u>1,937,220</u>	<u>1,937,220</u>

12.3 Details of investments in Srithai Miyagawa Co., Ltd., a subsidiary, that has material non-controlling interests as below.

		(Unit: Thousand Baht)						
Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(percentage)	(percentage)						
Srithai Miyagawa Company Limited	49.0	49.0	233,805	240,029	1,033	11,550	9,800	17,640

Summarised financial information that based on amounts before inter-company elimination about Srithai Miyagawa Co., Ltd., that has material non-controlling

Summarised information about financial position

		(Unit: Thousand Baht)	
		As at 31 December	
		<u>2019</u>	<u>2018</u>
Current assets		275,285	335,968
Non-current assets		581,252	623,714
Current liabilities		251,097	308,375
Non-current liabilities		124,025	150,345

## Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the year ended 31 December	
	<u>2019</u>	<u>2018</u>
Revenue	921,441	1,004,449
Profit	452	22,080
Other comprehensive income	-	2,595
Total comprehensive income	452	24,675

## Summarised information about cash flow

	(Unit: Thousand Baht)	
	For the year ended 31 December	
	<u>2019</u>	<u>2018</u>
Cash flow from operating activities	104,567	61,116
Cash flow from investing activities	(44,065)	(49,530)
Cash flow from financing activities	(67,491)	(8,681)
Net increase (decrease) in cash and cash equivalents	<u>(6,989)</u>	<u>2,905</u>

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13.2 The movements in net book value of investments in associates and joint venture comprise the following:

Associates

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	Equity method		Cost method	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Opening net book amount	218,797	218,516	184,113	184,113
Share of profit from investments in associates	16,558	41,756	-	-
Dividend income	(29,953)	(40,284)	-	-
Currency translation differences	(484)	(1,191)	-	-
Closing net book amount	<u>204,918</u>	<u>218,797</u>	<u>184,113</u>	<u>184,113</u>

Joint venture

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	Equity method		Cost method	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Opening net book amount	-	15,177	-	5,000
Addition	-	7,098	-	7,098
Share of profit from investments in joint venture	-	1,389	-	-
Dividend income	-	(5,000)	-	-
Gain on change in status of investment	-	4,096	-	-
Change status from joint venture to subsidiary	-	(22,760)	-	(12,098)
Closing net book amount	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 13.3 Share of comprehensive income and dividend

During the years, the Company has recognised its share of profit/loss from investments in associate and joint venture companies in the consolidated financial statements and has recognised dividend income from associated companies and joint venture in the separate financial statements as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statement		Separate financial statements	
	Share of profit/loss from investments in associates and joint venture during the year		Dividend received during the year	
	2019	2018	2019	2018
<b>Associates</b>				
Srithai Sanko Company Limited	12,970	5,318	9,599	9,599
Thai MFC Company Limited	4,918	15,496	10,350	13,500
Sheewamala Company Limited	(1,724)	13,691	7,200	10,080
Srithai Packaging Company Limited	(2,023)	3,884	-	3,528
PT. Srithai Maspion Indonesia	2,417	3,367	2,804	3,577
<b>Total associates</b>	<b>16,558</b>	<b>41,756</b>	<b>29,953</b>	<b>40,284</b>
<b>Joint venture</b>				
Srithai-Otto (Thailand) Co., Ltd.*	-	1,389	-	5,000
<b>Total joint venture</b>	<b>-</b>	<b>1,389</b>	<b>-</b>	<b>5,000</b>
<b>Total associates and joint venture</b>	<b>16,558</b>	<b>43,145</b>	<b>29,953</b>	<b>45,284</b>

\* Change in status of the investment from the investment in joint venture to the investment in subsidiary since 23 August 2018

### 13.4 Investments in associates

#### a) Summarised financial information about a material associate

Summarised information about financial position

	(Unit: Thousand Baht)	
	Thai MFC Company Limited	
	2019	2018
Current assets	252,466	323,214
Non-current assets	71,845	59,373
Current liabilities	(71,540)	(125,611)
Non-current liabilities	(15,705)	(10,945)
<b>Net assets</b>	<b>237,066</b>	<b>246,031</b>
Shareholding percentage (%)	45.0	45.0
<b>Share of net assets</b>	<b>106,680</b>	<b>110,714</b>
Elimination entries	(2,939)	(1,541)
<b>Carrying amounts of associates based on equity method</b>	<b>103,741</b>	<b>109,173</b>

## Summarised information about comprehensive income

(Unit: Thousand Baht)

	Thai MFC Company Limited	
	For the year ended 31 December	
	<u>2019</u>	<u>2018</u>
Revenue	775,069	964,337
Profit	14,036	34,390
Total comprehensive income	14,036	34,390

### b) Individually immaterial associates

The Group has interests in an individually immaterial associates that is accounted for using the equity method which comprises the following:

(Unit: Thousand Baht)

	<u>2019</u>	<u>2018</u>
Aggregate carrying amount of individually immaterial associates	101,177	109,624
Aggregate amounts of the reporting entity's share of:		
Profit from continuing activities	11,640	26,260
Total comprehensive income	11,640	26,260

### 13.5 Investments in joint venture

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

(Unit: Thousand Baht)

	<u>2019</u>	<u>2018</u>
Aggregate carrying amount of individually immaterial joint venture	-	-
Aggregate amounts of the reporting entity's share of:		
Profit from continuing activities	-	1,389
Total comprehensive income	-	1,389

## 14. Other long-term investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Equity securities	116,016	116,016	50,170	50,170
Less: Allowance for impairment loss of investments	(3,000)	(3,000)	(3,000)	(3,000)
Total other long-term investments, net	<u>113,016</u>	<u>113,016</u>	<u>47,170</u>	<u>47,170</u>



## 15. Investment properties

The net book value of investment properties as at 31 December 2019 and 2018 is presented below:

(Unit: Thousand Baht)						
	Consolidated financial statements			Separate financial statements		
	Land	Land and building	Total	Land	Land and building	Total
<b>31 December 2019:</b>						
Cost	27,250	226,753	254,003	201,543	408,355	609,898
Less: Accumulated depreciation	-	(121,022)	(121,022)	-	(111,519)	(111,519)
Net book value	<u>27,250</u>	<u>105,731</u>	<u>132,981</u>	<u>201,543</u>	<u>296,836</u>	<u>498,379</u>
<b>31 December 2018:</b>						
Cost	27,250	207,821	235,071	201,543	389,423	590,966
Less: Accumulated depreciation	-	(105,339)	(105,339)	-	(95,836)	(95,836)
Net book value	<u>27,250</u>	<u>102,482</u>	<u>129,732</u>	<u>201,543</u>	<u>293,587</u>	<u>495,130</u>

A reconciliation of the net book value of investment properties for the years 2019 and 2018 is presented below.

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	129,732	129,587	495,130	494,985
Reclassification (Note 16)				
- Cost	18,932	7,254	18,932	7,254
- Accumulated depreciation	(9,292)	(781)	(9,292)	(781)
Depreciation charged	<u>(6,391)</u>	<u>(6,328)</u>	<u>(6,391)</u>	<u>(6,328)</u>
Net book value at end of year	<u>132,981</u>	<u>129,732</u>	<u>498,379</u>	<u>495,130</u>

The fair value of the investment properties as at 31 December 2019 and 2018 stated below:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	435,352	435,352	435,352	435,352
Land and building	1,074,320	848,330	1,059,230	833,240

The fair value of the above investment properties has been determined based on valuation performed by an independent professionally qualified valuers who hold a recognized relevant professional qualification and have experience in the locations and categories of the investment properties. The fair value of the land and building has been determined based on market prices and replacement cost respectively.

## 16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land and buildings	Land and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	
<b>Cost:</b>							
1 January 2018	1,500,441	550,376	8,908,286	279,364	87,251	189,315	11,515,033
Additions	162	9,608	151,350	5,694	-	82,884	249,698
Disposals	-	(11,771)	(69,333)	(11,989)	(12,486)	-	(105,579)
Written off	-	-	(41,896)	(2,537)	-	-	(44,433)
Transfers	(324)	359	214,016	-	-	(214,051)	-
Reclassification	(7,254)*	-	(4,384)	(110)	-	-	(11,748)
Acquisitions of a subsidiary during the year	-	-	29,020	4,314	-	-	33,334
Translation adjustment	(12,478)	(241)	(24,352)	(737)	(104)	(364)	(38,276)
31 December 2018	1,480,547	548,331	9,162,707	273,999	74,661	57,784	11,598,029
Additions	128	12,895	40,844	8,135	6,037	105,898	173,937
Disposals	-	(1,311)	(128,326)	(5,198)	(4,822)	-	(139,657)
Written off	-	-	(20,457)	(1,004)	-	-	(21,461)
Transfers	1,346	2,928	118,916	-	-	(123,190)	-
Reclassification	(18,932)*	-	(6,785)	-	-	1,224	(24,493)
Translation adjustment	(19,964)	(2,447)	(134,907)	(1,337)	(357)	(1,359)	(160,371)
31 December 2019	1,443,125	560,396	9,031,992	274,595	75,519	40,357	11,425,984
<b>Accumulated depreciation:</b>							
1 January 2018	529,131	446,956	4,727,199	236,672	56,079	-	5,996,037
Depreciation for the year	48,302	23,004	693,345	16,253	6,021	-	786,925
Depreciation on disposals	-	(11,058)	(40,441)	(11,574)	(9,447)	-	(72,520)
Depreciation on written off	-	-	(35,770)	(2,470)	-	-	(38,240)
Reclassification	(781)*	-	(3,210)	(79)	-	-	(4,070)
Acquisitions of a subsidiary during the year	-	-	11,525	2,820	-	-	14,345
Translation adjustment	(2,023)	(150)	(8,043)	(523)	(50)	-	(10,789)
31 December 2018	574,629	458,752	5,344,605	241,099	52,603	-	6,671,688
Depreciation for the year	47,491	22,141	653,160	14,203	4,720	-	741,715
Depreciation on disposals	-	(1,311)	(95,800)	(5,089)	(4,822)	-	(107,022)
Depreciation on written off	-	-	(15,766)	(977)	-	-	(16,743)
Reclassification	(9,292)*	-	(9,374)	-	-	-	(18,666)
Translation adjustment	(4,732)	(1,453)	(56,107)	(969)	(220)	-	(63,481)
31 December 2019	608,096	478,129	5,820,718	248,267	52,281	-	7,207,491

\* As disclosed in note 15 to the financial statements

(Unit: Thousand Baht)

**Consolidated financial statements**

	Land and buildings	Land and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
<b>Allowance for impairment loss:</b>							
1 January 2018	-	805	28,782	-	-	-	29,587
Disposals	-	(805)	(11,782)	-	-	-	(12,587)
31 December 2018	-	-	17,000	-	-	-	17,000
Increase during the year	-	-	33,000	-	-	-	33,000
Disposals	-	-	(17,000)	-	-	-	(17,000)
31 December 2019	-	-	33,000	-	-	-	33,000
<b>Net book value:</b>							
31 December 2018	905,918	89,579	3,801,102	32,900	22,058	57,784	4,909,341
31 December 2019	835,029	82,267	3,178,274	26,328	23,238	40,357	4,185,493

(Unit: Thousand Baht)

**Separate financial statements**

	Land and buildings	Land and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
<b>Cost:</b>							
1 January 2018	1,092,671	491,757	5,949,712	239,142	62,707	143,305	7,979,294
Additions	-	2,233	59,992	2,755	-	33,687	98,667
Disposals	-	(11,771)	(39,266)	(9,205)	(10,803)	-	(71,045)
Written off	-	-	(44,752)	(2,458)	-	-	(47,210)
Transfers	-	-	141,818	-	-	(141,818)	-
Reclassification (Note 15)	(7,254)	-	-	-	-	-	(7,254)
31 December 2018	1,085,417	482,219	6,067,504	230,234	51,904	35,174	7,952,452
Additions	-	3,197	32,284	4,101	3,876	17,839	61,297
Disposals	-	(1,311)	(172,858)	(5,318)	(2,574)	-	(182,061)
Written off	-	-	(15,535)	(789)	-	-	(16,324)
Transfers	-	-	20,397	-	-	(20,397)	-
Reclassification (Note 15)	(18,932)	-	-	-	-	-	(18,932)
31 December 2019	1,066,485	484,105	5,931,792	228,228	53,206	32,616	7,796,432

(Unit: Thousand Baht)

	Separate financial statements						
				Furniture, fixtures and		Assets	
	Land and buildings	building improvement	Machinery and equipment	office equipment	Motor vehicles	under installation	Total
<b>Accumulated depreciation:</b>							
1 January 2018	380,970	412,227	3,518,889	207,925	37,244	-	4,557,255
Depreciation for the year	26,534	15,831	434,234	11,243	4,205	-	492,047
Depreciation on disposals	-	(11,058)	(16,176)	(8,780)	(7,763)	-	(43,777)
Depreciation on written off	-	-	(39,338)	(2,446)	-	-	(41,784)
Reclassification (Note 15)	(781)	-	-	-	-	-	(781)
31 December 2018	406,723	417,000	3,897,609	207,942	33,686	-	4,962,960
Depreciation for the year	26,625	14,023	402,368	9,150	3,507	-	455,673
Depreciation on disposals	-	(1,311)	(87,930)	(5,228)	(2,574)	-	(97,043)
Depreciation on written off	-	-	(12,893)	(789)	-	-	(13,682)
Reclassification (Note 15)	(9,292)	-	-	-	-	-	(9,292)
31 December 2019	424,056	429,712	4,199,154	211,075	34,619	-	5,298,616
<b>Allowance for impairment loss:</b>							
1 January 2018	-	805	28,782	-	-	-	29,587
Disposals	-	(805)	(11,782)	-	-	-	(12,587)
31 December 2018	-	-	17,000	-	-	-	17,000
Increase during the year	-	-	33,000	-	-	-	33,000
Disposals	-	-	(17,000)	-	-	-	(17,000)
31 December 2019	-	-	33,000	-	-	-	33,000
<b>Net book value:</b>							
31 December 2018	678,694	65,219	2,152,895	22,292	18,218	35,174	2,972,492
31 December 2019	642,429	54,393	1,699,638	17,153	18,587	32,616	2,464,816

As at 31 December 2019, the Group had vehicles with net book value of Baht 4 million (2018: Baht 1 million) (The Company only: Baht 3 million (2018: nil)) which were acquired under finance lease agreements.

Subsidiaries have pledged their land, building and machines as collateral against overdrafts, long-term loans and working capital facilities as below.

	Cost	
	2019	2018
Srithai Moulds Co., Ltd.	54	26
Srithai Miyagawa Co., Ltd.	186	320

## 17 Intangible assets

The net book value of intangible assets as at 31 December 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Copyright and computer software	Production technique patents	Total	Copyright and computer software	Production technique patents	Total
<b>As at 31 December 2019 :</b>						
Cost	119,912	9,785	129,697	57,762	9,785	67,547
Less: Accumulated amortisation	(103,202)	(2,446)	(105,648)	(55,685)	(2,446)	(58,131)
Net book value	<u>16,710</u>	<u>7,339</u>	<u>24,049</u>	<u>2,077</u>	<u>7,339</u>	<u>9,416</u>
<b>As at 31 December 2018 :</b>						
Cost	130,599	9,785	140,384	69,084	9,785	78,869
Less: Accumulated amortisation	(106,270)	(1,468)	(107,738)	(62,875)	(1,468)	(64,343)
Net book value	<u>24,329</u>	<u>8,317</u>	<u>32,646</u>	<u>6,209</u>	<u>8,317</u>	<u>14,526</u>

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	32,646	41,597	14,526	18,712
Additions	1,801	1,939	35	651
Amortisation	(8,471)	(10,692)	(3,636)	(4,831)
Written off	(1,509)	(6)	(1,509)	(6)
Translation adjustment	(418)	(192)	-	-
Net book value at end of year	<u>24,049</u>	<u>32,646</u>	<u>9,416</u>	<u>14,526</u>

## 18. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
Opening net book value	140,444	148,146
Amortisation	(2,895)	(3,049)
Translation adjustment	(10,477)	(4,653)
Closing net book value	<u>127,072</u>	<u>140,444</u>

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
Current portion of leasehold rights (presented in other receivables - third parties)	2,767	2,983
Leasehold rights dues later than 1 year	124,305	137,461
Total leasehold rights, net	<u>127,072</u>	<u>140,444</u>

Leasehold rights represent leasehold rights of subsidiaries which presented as the below;

1. 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 Rupee 98.46 million or equivalent to Baht 48.72 million.
2. Leasehold right represents leasehold right on land of Srithai (Vietnam) Company Limited, a subsidiary, for the period of 42 years. The subsidiary paid for the leasehold right of Vietnamese Dong 35,003.00 million or equivalent to Baht 52.50 million.
3. 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.

## 19. Loans

### 19.1 Short-term loans

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term loans from banks				
Baht	1,255,000	1,558,000	1,180,000	1,470,000
Vietnamese Dong 342,470 million (2018: Vietnamese Dong 359,630 million)	448,293	504,921	-	-
US dollar (2018: US dollar 2.86 million)	-	93,099	-	-
Total short-term loans	<u>1,703,293</u>	<u>2,156,020</u>	<u>1,180,000</u>	<u>1,470,000</u>

As at 31 December 2019, short-term loans in Thai Baht from local banks represent promissory notes due at call and maturity within 3 months and short-term loans in Vietnamese Dong of an overseas subsidiary represent short-term loans contracts with maturity within 6 months.

Short-term loans of local subsidiaries are secured by their land, building and machines as describe in note 16 to the financial statement.

## 19.2 Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Long-term loans				
Baht	899,188	1,487,072	796,480	1,342,225
Vietnamese Dong 188,986 million				
(2018: Vietnamese Dong 274,278 million)	<u>247,382</u>	<u>385,086</u>	-	-
Total long-term loans	1,146,570	1,872,158	796,480	1,342,225

Long-term loans are due for repayments as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current portion of long-term loans	<u>513,538</u>	<u>706,189</u>	<u>400,680</u>	<u>545,745</u>
Due over 1 year and not over 3 years	535,563	817,970	333,360	592,360
Due over 3 years and not over 5 years	97,469	327,239	62,440	183,360
Due over 5 years	<u>-</u>	<u>20,760</u>	<u>-</u>	<u>20,760</u>
Total long-term loans due over 1 year	<u>633,032</u>	<u>1,165,969</u>	<u>395,800</u>	<u>796,480</u>
Total long-term loans	1,146,570	1,872,158	796,480	1,342,225

The movements of long-term loans comprise the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate financial	
	financial statements		statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Balance at beginning of year	1,872,158	2,542,023	1,342,225	1,897,205
Additions	-	100,000	-	-
Repayment	(699,532)	(771,363)	(545,745)	(554,980)
Translation adjustment	(26,056)	1,498	-	-
Balance at end of year	1,146,570	1,872,158	796,480	1,342,225

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

Contract No.	Consolidated Financial statements		Company	Loan Purpose	Loan Limit	Interest rate and repayment terms	Guarantees and collaterals
	2019 (Million Baht)	2018 (Million Baht)					
1	796.48	1,342.23	<u>Parent company</u> Srithai Superware Public Company Limited	Investment in building improvement, machinery, moulds, factory equipment and investment in overseas subsidiaries	Baht 2,750 million (8 loans) (2018: Baht 3,350 million (10 loans))	5 loans bear fixed interest rate over loan period. 3 loans bear interest rate at MLR less margin, THBFIX 3-month plus margin, FDR 6-month plus margin and BIBOR 3-month plus margin.  Repayment is due every three months from September 2013 to 2024.	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	3.40	8.50	<u>Local subsidiary</u> Srithai Moulds Company Limited	Investment in building	Baht 14.8 million (2018: Baht 20 million)	Interest rate at MLR less margin.  Repayment is due every three months from January 2014 to 2021.	The subsidiary has mortgaged its current land and buildings, as well as those to be acquired in the future. (as described in note 16 to the financial statement).
3	99.31	136.35	<u>Local subsidiary</u> Srithai Miyagawa Company Limited	The energy preservation project and investment in machinery and building	Baht 170 million (2018: Baht 320 million)	Fixed interest rate and MLR less margin.  Repayments are due every three months from July 2015 to 2022.	The subsidiary has mortgaged its land, buildings, and machinery (as described in note 16 to the financial statement) 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.



Contract No.	Consolidated Financial statements		Company	Loan Purpose	Loan Limit	Interest rate and repayment terms	Guarantees and collaterals
	2019 (Million Baht)	2018 (Million Baht)					
4	247.38 (Vietnamese Dong 188,986 million)	385.08 (Vietnamese Dong 274,278 million)	<u>Overseas subsidiary</u> Srithai (Vietnam) Company Limited	Investment in leasehold rights, building improvement, machinery, moulds, equipment, and investment in a subsidiary in Vietnam	Vietnamese Dong 376,156 million (2018: Vietnamese Dong 438,640 million and US dollar 8.30 million)	Interest rate at Cost of fund plus margin of a bank in Vietnam.  Repayment is due every three months from April 2013 to 2023.	The subsidiary will not enter into any encumbrance or commitment on its assets, currently owned or acquitted in the future, except for authorised commitments by the lenders.
Total	1,146.57	1,872.16					

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

### 19.3 Unutilised credit facilities

Unutilised credit facilities comprise the following:

(Unit: Thousand Baht)

		Consolidated financial statements	
		2019	2018
	Working capital facilities		Working capital facilities
Floating rate			
- Unspecified drawdown period		182,000	473,138
Fixed rate			
- Unspecified drawdown period		-	4,228,719
		182,000	4,701,857
		181,536	4,404,453

(Unit: Thousand Baht)

		Separate financial statements	
		2019	2018
	Working capital facilities		Working capital facilities
Floating rate			
- Unspecified drawdown period		155,000	-
Fixed rate			
- Unspecified drawdown period		-	4,153,420
		155,000	4,153,420
		154,647	3,851,737

### 20. Other payables- unrelated parties

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Payable of fixed assets	11,594	31,953	5,804	11,100
Other payables	44,536	50,555	38,190	39,356
Advance receipt from customers	120,656	114,437	5,517	7,866
Accrued commission expenses	10,382	11,931	7,688	11,047
Accrued utility expenses	26,415	29,524	23,474	25,837
Accrued staff cost	22,120	20,339	11,932	15,548
Current portion of finance lease liabilities	860	495	365	-
Others	67,577	61,102	30,871	23,214
Total other payables - unrelated parties	304,140	320,336	123,841	133,968

## 21. Employee benefit obligations

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Statement of financial position</b>				
Defined benefit plans (Note 21.1)	308,644	273,572	241,711	220,348
Other long-term employment benefits (Note 21.2)	105,571	128,597	81,902	104,559
Liability in the statement of financial position	<u>414,215</u>	<u>402,169</u>	<u>323,613</u>	<u>324,907</u>

During the year, there are 24 staffs (2018: 30 staffs) of the Company changed the benefit scheme from defined benefit plan to defined contribution plan. This results in reduction in past service cost of Baht 0.1 million (2018: Baht 0.2 million).

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	402,169	383,821	324,907	306,958
Included in profit or loss:				
Current service cost	23,627	15,161	16,950	9,940
Interest cost	13,311	10,280	10,115	7,474
Past service cost from post-employment benefits plan amendment recognised as expenses as follows:				
- Cost of sales	34,656	-	22,280	-
- Selling and distribution expenses	13,511	-	12,489	-
- Administrative expenses	12,696	-	9,852	-
Gains or losses on settlement	(50,802)	-	(48,618)	-
Actuarial (gain) loss arising from				
- Demographic assumptions change	-	(15,185)	-	(14,233)
- Financial assumption change	-	173	-	90
- Experience adjustments	-	30,297	-	28,508
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
- Demographic assumptions change	-	(1,264)	-	6,281
- Financial assumption change	-	925	-	3,464
- Experience adjustments	-	10,569	-	8,964
Acquisitions of a subsidiary during the year	-	1,415	-	-
Benefits paid	<u>(34,953)</u>	<u>(34,023)</u>	<u>(24,362)</u>	<u>(32,539)</u>
<b>Provision for long-term employee benefits at end of year</b>	<u>414,215</u>	<u>402,169</u>	<u>323,613</u>	<u>324,907</u>

## 21.1 Defined benefit plans

Provision for defined benefit plans, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	273,572	263,842	220,348	209,207
Included in profit or loss:				
Current service cost	17,923	9,931	12,942	6,283
Interest cost	10,281	7,219	7,759	5,078
Past service cost from post-employment benefits plan amendment recognised as expenses as follows:				
- Cost of sales	34,656	-	22,280	-
- Selling and distribution expenses	13,511	-	12,489	-
- Administrative expenses	12,696	-	9,852	-
Gains or losses on settlement	(37,424)	-	(35,491)	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
- Demographic assumptions change	-	(1,264)	-	6,281
- Financial assumption change	-	925	-	3,464
- Experience adjustments	-	10,569	-	8,964
Acquisitions of a subsidiary during the year	-	1,415	-	-
Benefits paid	(16,571)	(19,065)	(8,468)	(18,929)
<b>Provision for long-term employee benefits at end of year</b>	<b>308,644</b>	<b>273,572</b>	<b>241,711</b>	<b>220,348</b>

## 21.2 Other long-term employee benefits

Provision for other long-term employee benefits, which represents compensation payable to employees after they retire, was as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	128,597	119,979	104,559	97,751
Included in profit or loss:				
Current service cost	5,704	5,230	4,008	3,657
Interest cost	3,030	3,061	2,356	2,396
Gains or losses on settlement	(13,378)	-	(13,127)	-
Actuarial (gain) loss arising from				
- Demographic assumptions change	-	(15,185)	-	(14,233)
- Financial assumption change	-	173	-	90
- Experience adjustments	-	30,297	-	28,508
Benefits paid	(18,382)	(14,958)	(15,894)	(13,610)
<b>Provision for long-term employee benefits</b>				
<b>at end of year</b>	<u>105,571</u>	<u>128,597</u>	<u>81,902</u>	<u>104,559</u>

The Group expect to pay Baht 40 million of provision for long-term employee benefits during the next year (The Company only: Baht 37 million) (2018: Baht 26.5 million, the Company only: Baht 21.6 million).

As at 31 December 2019, the weighted average duration of provision for long-term employee benefit is 3 - 29 years (The Company only 8 - 14 years) (2018: 4 - 30 years, the Company only: 9 - 15 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Discount rate	2.10 - 3.46	2.10 - 3.46	2.50 - 3.08	2.50 - 3.08
Salary increase rate	2.00 - 6.42	2.00 - 6.42	2.00 - 5.00	2.00 - 5.00
Staff turnover rate	0.00 - 55.00	0.00 - 55.00	0.00 - 52.00	3.00 - 52.00

The result of sensitivity analysis for significant assumptions that affect the present value of provision for long-term employee benefits as at 31 December 2019 and 2018 are summarised below:

Change in assumption		Impact on provision for long-term employee benefits			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Percentage)	(Percentage)	(Percentage)	(Percentage)
Discount rate	Decrease by 1%	Increase by 10.46	Increase by 10.63	Increase by 9.84	Increase by 10.00
	Increase by 1%	Decrease by 8.31	Decrease by 8.43	Decrease by 7.66	Decrease by 7.78
Salary increase rate	Decrease by 1%	Decrease by 6.86	Decrease by 6.23	Decrease by 6.13	Decrease by 5.52
	Increase by 1%	Increase by 8.73	Increase by 8.00	Increase by 8.04	Increase by 7.33
Staff turnover rate	Decrease by 1%	Increase by 10.79	Increase by 9.95	Increase by 9.96	Increase by 9.15
	Increase by 1%	Decrease by 10.54	Decrease by 9.70	Decrease by 10.06	Decrease by 9.20

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 has been applied as when calculating the provision for long-term employee benefits 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 year.

Through its long-term employee benefit plans, the Group is exposed to a number of risks, the most significant of which are changes in government bond yields. A decrease in government bond yields will increase plan liabilities.

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective on 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 61 million (the Company only: Baht 45 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the comprehensive income statement for the period in which the law is effective, which is the second quarter of the current year.

## 22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

## 23. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2019	2018	2019	2018
Staff costs	1,409,884	1,535,143	793,580	961,951
Depreciation	748,106	793,253	462,064	498,375
Advertising and sales promotion	51,237	51,604	33,514	39,182
Repair and maintenance	194,283	188,457	141,108	138,229
Transportation	142,079	159,376	75,385	92,196
Operating lease rentals	38,476	39,831	18,252	20,632
Amortisation of assets	11,365	13,741	3,636	4,831
Assets written-off	11,172	12,988	7,937	10,074
(Gain) loss on foreign exchange rate	14,129	10,741	12,750	(665)
Loss on impairment of fixed assets	33,000	-	33,000	-

## 24. Income tax

### 24.1 Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2019	2018	2019	2018
<b>Current income tax:</b>				
Current income tax charge	20,454	11,112	-	-
Withholding tax written-off	4,151	4,720	2,502	2,664
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(56,564)	(13,670)	(57,168)	(9,107)
<b>Income tax expense (benefit) reported in profit or loss</b>	<b>(31,959)</b>	<b>2,162</b>	<b>(54,666)</b>	<b>(6,443)</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax on loss (gain) from the change in value of available-for-sale investments	4,944	1,320	4,944	1,320

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accounting profit (loss) before tax	(243,651)	87,479	(349,808)	129,827
Applicable tax rate	20%	20%	20%	20%
The result of the accounting profit (loss) multiplied by the income tax rate	(48,730)	17,496	(69,962)	25,965
Effects of:				
Exempted income	(788)	(1,162)	(23,550)	(42,701)
Extra deduction expenses	(8,322)	(10,170)	(5,935)	(7,149)
Non-deductible expenses	16,759	15,356	8,149	5,073
Profit exempt from corporate income tax due to promotional privilege from BOI	(13,685)	(19,609)	-	-
Tax losses used of current year - not have been recognised as deferred tax	(9,095)	(3,719)	-	-
Loss of the current period unrecognised as deferred tax assets	34,300	12,827	34,130	9,705
Recognised deferred tax assets from previous year loss carry forward	(547)	(4,430)	-	-
Share of net profit from investments accounted for by the equity method	(3,312)	(8,629)	-	-
The effect of different tax rate to the subsidiaries in overseas	(2,690)	(518)	-	-
Withholding tax written-off	4,151	4,720	2,502	2,664
Total	16,771	(15,334)	15,296	(32,408)
Income tax expense (benefit) reported in profit or loss	(31,959)	2,162	(54,666)	(6,443)

The tax rate enacted at end of the reporting period of the subsidiaries in overseas countries are 15% to 25%



## 24.2 Deferred income taxes

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Deferred tax assets</b>				
Allowance for investment impairment	9,677	9,677	9,677	9,677
Provision for long-term employee benefits	82,843	80,434	64,723	64,981
Unused tax loss	110,923	59,399	100,000	45,918
Gain on disposal of property, plant and equipment between the entities in the Group	14,869	16,086	-	-
Others	11,659	9,042	9,426	6,083
<b>Total</b>	<b>229,971</b>	<b>174,638</b>	<b>183,826</b>	<b>126,659</b>
<b>Deferred tax liabilities</b>				
Gain (loss) on re-measuring available-for-sale investments	(1,180)	3,764	(1,180)	3,764
<b>Total</b>	<b>(1,180)</b>	<b>3,764</b>	<b>(1,180)</b>	<b>3,764</b>
<b>Deferred income taxes-net</b>	<b>231,151</b>	<b>170,874</b>	<b>185,006</b>	<b>122,895</b>

As at 31 December 2019, the Group has deductible temporary differences and unused tax losses totaling Baht 283 million (2018: Baht 180 million) (The Company only: Baht 217 million, (2018: 48 million)), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses. The unused tax losses will expire by 2020 - 2027.

## 25. 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
					<ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (19 September 2012) and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of five years from the end of the privilege period (expired on 18 September 2025).</li> </ul>
					<ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (4 September 2012) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 3 September 2024).</li> </ul>
					<ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (28 February 2014) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 27 February 2026).</li> </ul>

Company	No. of BOI card	Date of approval	Period	Product	Significant privilege
Subsidiary: Srithai Moulds Company Limited	2458(5)/2554	19 July 2011	8 years	Moulds production and repair	<ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (12 March 2013) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 11 March 2026).</li> </ul>
	1268(5)/2556	5 March 2012	8 years	Plastic products	<ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (20 February 2014) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 19 February 2027).</li> </ul>
Subsidiary : Korat Thai Tech Company Limited	1616(5)/2554	18 April 2011	8 years	Melamine products	<ul style="list-style-type: none"> <li>Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (19 July 2011) and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of five years from the end of the privilege period (expired on 18 July 2024).</li> </ul>

The Company's operating revenues for the years ended 31 December 2019 and 2018, divided between promoted and non-promoted operations, are summarised below.

	Promoted operations		Non-promoted operations		(Unit: Thousand Baht) Total	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u> (Restated)
Sales						
Domestic sales	233,953	933,003	3,899,126	3,757,832	4,133,079	4,690,835
Export sales	95,851	240,628	731,555	955,615	827,406	1,196,243
Total sales	<u>329,804</u>	<u>1,173,631</u>	<u>4,630,681</u>	<u>4,713,447</u>	<u>4,960,485</u>	<u>5,887,078</u>

## 26. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

There are no potential dilutive ordinary shares in issue during the year, so no diluted earnings per share is presented.

## 27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as President.

For management purposes, the Group presents segment information by main business lines and separated by products from production base, comprising domestic operation base and overseas operation base. It is divided into plastic business line, consisting of household products business unit and industrial products business unit, and moulds and others business line. To consider profit (loss) from sales by segment, intercompany sales are already eliminated. Profit (loss) from sales was determined by subtracting cost of sales, selling expenses, administrative expenses from net sales. Other income is unallocated.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit (loss) and fixed assets information regarding the Group' operating segments for the years ended 31 December 2019 and 2018, respectively.

(Unit: Thousand Baht)

For the year ended 31 December 2019						
	Plastic business line				Moulds and others business line	Total
	Household business unit		Industrial business unit			
	Domestic Operations	Overseas Operations	Domestic Operations	Overseas Operations		
Sales	1,406,760	396,868	4,954,401	2,250,937	234,757	9,243,723
Revenues from subsidiaries	(154,709)	(43,907)	(168,117)	(12,860)	(17,801)	(397,394)
Total sales from external customers	1,252,051	352,961	4,786,284	2,238,077	216,956	8,846,329
Profit (loss) from sales by segment	(134,294)	8,303	(170,670)	138,821	(31,993)	(189,833)
Loss on foreign exchange rate - net						(14,129)
Other income						67,101
Finance cost						(123,348)
Share of profit from investments in associates						16,558
Loss before income tax						(243,651)
Income tax benefit						31,959
Loss for the year						(211,692)
Fixed assets	596,009		3,414,150		139,668	4,149,827
Other unallocated fixed assets						35,666
Other unallocated assets						4,286,752
Consolidated total assets						8,472,245
Depreciation and amortisation of intangible assets	85,393		658,081		13,103	756,577

(Unit: Thousand Baht)

For the year ended 31 December 2018

	Plastic business line					
	Household business unit		Industrial business unit			
	Domestic Operations	Overseas Operations	Domestic Operations	Overseas Operations	Moulds and others business line	Total
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Sales	1,915,161	384,307	5,421,558	2,142,195	214,711	10,077,932
Revenues from subsidiaries	(296,948)	(41,107)	(149,719)	(4,307)	(23,621)	(515,702)
Total sales from external customers	1,618,213	343,200	5,271,839	2,137,888	191,090	9,562,230
Profit (loss) from sales by segment	81,718	(30)	28,834	58,728	(44,034)	125,216
Loss on foreign exchange rate - net						(10,741)
Other income						75,862
Finance cost						(146,003)
Share of profit from investments in associates and joint venture						43,145
Profit before income tax						87,479
Income tax expense						(2,162)
Profit for the year						85,317
Fixed assets	677,703		4,047,965		147,484	4,873,152
Other unallocated fixed assets						36,189
Other unallocated assets						5,329,789
Consolidated total assets						10,239,130
Depreciation and amortisation of intangible assets	90,618		697,318		16,009	803,945

#### *Geographic information*

Revenue from external customers, which is based on locations of the overseas entities in the Group, mostly is revenue from the Group located in Vietnam.

#### *Major customers*

For the years 2019 and 2018, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

## 28. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530.

For the overseas subsidiaries, the provident funds are established in accordance with each subsidiary's policies and the law of their country of domicile.

The contributions for the year 2019 amounting to approximately Baht 5.7 million (The Company only: Baht 2.8 million) (2018: Baht 5.8 million, the Company only: Baht 2.9 million) were recognised as expenses.

## 29. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividends per share (Baht)
<b><u>The Company</u></b>			
Final dividends for 2017, on the operating results of the year 2017	Annual General Meeting of the shareholder on 27 April 2018	135	0.05
Total dividends for 2018		135	0.05
Final dividends for 2018, on the operating results of the year 2018	Annual General Meeting of the shareholder on 25 April 2019	135	0.05
Total dividends for 2019		135	0.05
<b><u>Subsidiaries</u></b>			
<b><u>2019</u></b>			
<b><u>Korat Thai Tech Company Limited</u></b>			
Final dividends for 2018	Annual General Meeting of the shareholders on 29 March 2019	21	7.0
Interim dividends for 2019	Board of Directors Meeting on 26 June 2019	21	7.0
	Board of Directors Meeting on 27 September 2019	15	5.0
<b><u>Srithai Moulds Company Limited</u></b>			
Final dividends for 2018	Annual General Meeting of the shareholders on 29 March 2019	3	3.0

Dividends	Approved by	Total dividends (Million Baht)	Dividends per share (Baht)
<u>T Thaipras Company Limited</u> (Formerly known as “Srithai Nanoplast Company Limited”)			
Final dividends for 2018	Annual General Meeting of the shareholders on 29 March 2019	4	1.0
Interim dividends for 2019	Board of Directors Meeting on 26 June 2019	4	1.0
	Board of Directors Meeting on 27 September 2019	3	0.75
<u>Srithai Miyagawa Company Limited</u>			
Final dividends for 2018	Annual General Meeting of the shareholders on 23 April 2019	20	16.7
<u>Srithai-Otto (Thailand) Company Limited</u>			
Interim dividends for 2019	Board of Directors Meeting on 28 June 2019	4	20.0
<b>2018</b>			
<u>Korat Thai Tech Company Limited</u>			
Final dividends for 2017	Annual General Meeting of the shareholders on 30 March 2018	30	10.0
Interim dividends for 2018	Board of Directors Meeting on 29 June 2018	30	10.0
	Board of Directors Meeting on 28 September 2018	30	10.0
	Board of Directors Meeting on 14 December 2018	45	15.0
<u>Srithai Miyagawa Company Limited</u>			
Final dividends for 2017	Annual General Meeting of the Shareholders on 25 April 2018	36	30.0
<u>T Thaipras Company Limited</u> (Formerly known as “Srithai Nanoplast Company Limited”)			
Interim dividends for 2018	Board of Directors Meeting on 21 December 2018	5	1.25
<u>Srithai-Otto (Thailand) Company Limited</u>			
Interim dividends for 2018	Board of Directors Meeting on 6 December 2018	5	27.0



### 30. Commitments and contingent liabilities

#### 30.1 Capital commitments

As at 31 December 2019, the Group has capital commitments of approximately Baht 115 million (2018: Baht 29 million), relating to the building improvement, and the acquisition of machinery and equipment (The Company only: Baht 111 million (2018: Baht 20 million)).

#### 30.2 Litigation

In 2016, a migrant labour recruitment agency that was incorporated in Cambodia filed a lawsuit against the Company claiming that the Company defaulted on payment of recruitment service fees and seeking compensation together with interest. In May 2017, the court ordered the Company to pay Baht 4.77 million with interest at a rate of 7.5% per annum. However, the Company filed an appeal with the Court of Appeal in August 2017.

During the year, the Court of Appeal dismissed the judgment of the Civil Court on the ground that in the Civil Court trial, there were no translation copies of the Company's supporting evidences from foreign language into Thai language. The Court of Appeal, therefore, ordered the Company prepare translation copies of the evidences and submit them to the Court in 2019. Thereafter, the Court of Appeal ordered the Civil Court proceed the judgment again based on pertinent evidences of the case.

On 17 January 2020, the Civil Court confirmed the same judgment which ordered the Company to pay Baht 4.77 million with interest at a rate of 7.5% per annum to the recruitment agency. Nevertheless, the Company affirmed to file an appeal with the Court of Appeal in March 2020. The Company and the Company's legal counselor are confident that it has significant evidences and information that will be of benefit in defending the case. Therefore, the Company did not set aside any provision for this claim.

#### 30.3 Guarantees

	Consolidated		(Unit : Million Baht)	
	financial statements		Separate	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Guarantee</b>				
Indirect subsidiary's loans	214	224	-	-
Indirect subsidiary's raw material purchases	-	33	-	33
Third party's loans	4	4	-	-
<b>Bank Guarantee</b>				
Electricity usage	54	52	51	49
Working capital facilities	15	16	15	16
Others	6	19	6	18

### 30.4 Operating lease commitments

The Group has entered into several lease agreements in respect of land, office building, motor vehicles, computer servers and computer network services. The terms of the agreements are generally between 1 and 43 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Payable:				
In up to 1 year	30,332	33,909	19,876	24,489
In over 1 and up to 2 years	15,793	17,573	11,678	14,043
In over 2 and up to 5 years	17,013	15,747	8,527	7,444
In over 5 years	62,330	69,317	-	-
	<u>125,468</u>	<u>136,546</u>	<u>40,081</u>	<u>45,976</u>

### 31. Fair value hierarchy

As at 31 December 2019 and 2018, the Group had assets and liabilities that were measured or disclosed at fair value using different levels of inputs (as mentioned in note 4.20 to the financial statements) as follows:

(Unit: Million Baht)

	Consolidated Financial Statements			
	As at 31 December 2019			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets measured at fair value</b>				
Available-for-sale investments - equity instruments	34	-	-	34
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	1,510	-	1,510

(Unit: Million Baht)

	Consolidated Financial Statements			
	As at 31 December 2018			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets measured at fair value</b>				
Available-for-sale investments - equity instruments	59	-	-	59
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	1,284	-	1,284

(Unit: Million Baht)

	Separate Financial Statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments - equity instruments	34	-	-	34
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	1,495	-	1,495

(Unit: Million Baht)

	Separate Financial Statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments - equity instruments	59	-	-	59
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	1,269	-	1,269

## 32. Financial instruments

### 32.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, short-term investments, trade and other receivables, investments, short-term loans, trade and other payables and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade and other receivables. The Group manages the risk by adopting appropriate credit control and collection policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. Most of these customers are well-known and financially healthy. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

#### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its cash at banks, short-term and long-term loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2019 and 2018, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated Financial Statements							
As at 31 December 2019							
Fixed interest rates							Effective interest rate (% per annum)
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total		
<u>Financial Assets</u>							
Cash and cash equivalents	4	-	-	196	121	321	0.10 - 0.75
Trade receivables	-	-	-	-	1,737	1,737	-
Other receivables - unrelated parties	-	-	-	-	56	56	-
Other receivables - related parties	-	-	-	-	1	1	-
Restricted bank deposits	-	-	-	6	-	6	0.60 and 6.50
Available-for-sale investments	-	-	-	-	34	34	-
	4	-	-	202	1,949	2,155	
<u>Financial liabilities</u>							
Short-term loans	1,255	-	-	448	-	1,703	Fixed rate / Cost of fund plus margin
Trade payables - unrelated parties	-	-	-	-	858	858	-
Trade payables - related parties	-	-	-	-	58	58	-
Other payables - unrelated parties	1	-	-	-	303	304	3.55 - 5.30
Other payables - related parties	-	-	-	-	1	1	-
Finance lease liabilities	-	1	-	-	-	1	3.55 - 5.30
Long-term loans	285	358	-	504	-	1,147	Note 19.2
	1,541	359	-	952	1,220	4,072	

(Unit: Million Baht)

Consolidated Financial Statements							
As at 31 December 2018							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial Assets</u>							
Cash and cash equivalents	1	-	-	218	156	375	0.10 - 0.50
Short-term investments - fixed deposit	5	-	-	-	-	5	1.10
Trade receivables	-	-	-	-	2,072	2,072	-
Other receivables - unrelated parties	-	-	-	-	73	73	-
Other receivables - related parties	-	-	-	-	22	22	-
Restricted bank deposits	-	-	-	7	-	7	0.85 and 6.50
Available-for-sale investments	-	-	-	-	59	59	-
	6	-	-	225	2,382	2,613	
<u>Financial liabilities</u>							
Short-term loans	1,614	-	-	542	-	2,156	Fixed rate / Cost of fund plus margin / LIBOR plus margin
Trade payables - unrelated parties	-	-	-	-	919	919	-
Trade payables - related parties	-	-	-	-	103	103	-
Other payables - unrelated parties	1	-	-	-	319	320	3.55 and 4.65
Other payables - related parties	-	-	-	-	1	1	-
Finance lease liabilities	-	1	-	-	-	1	3.55 and 4.65
Long-term loans	300	621	21	930	-	1,872	Note 19.2
	1,915	622	21	1,472	1,342	5,372	

(Unit: Million Baht)

Separate Financial Statements							
As at 31 December 2019							
Fixed interest rates							Effective interest rate (% per annum)
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total		
<u>Financial Assets</u>							
Cash and cash equivalents	-	-	-	120	9	129	0.10 - 0.38
Trade receivables	-	-	-	-	1,114	1,114	-
Other receivables - unrelated parties	-	-	-	-	23	23	-
Other receivables - related parties	-	-	-	-	61	61	-
Available-for-sale investments	-	-	-	-	34	34	-
	-	-	-	120	1,241	1,361	
<u>Financial liabilities</u>							
Short-term loans	1,180	-	-	-	-	1,180	Fixed rate
Trade payables - unrelated parties	-	-	-	-	519	519	-
Trade payables - related parties	-	-	-	-	59	59	-
Other payables - unrelated parties	1	-	-	-	123	124	5.30
Other payables - related parties	-	-	-	-	3	3	-
Finance lease liabilities	-	1	-	-	-	1	5.30
Long-term loans	254	296	-	246	-	796	Note 19.2
	1,435	297	-	246	704	2,682	

(Unit: Million Baht)

Separate Financial Statements							
As at 31 December 2018							
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
<u>Financial Assets</u>							
Cash and cash equivalents	-	-	-	127	68	195	0.10 - 0.50
Trade receivables	-	-	-	-	1,375	1,375	-
Other receivables - unrelated parties	-	-	-	-	21	21	-
Other receivables - related parties	-	-	-	-	102	102	-
Available-for-sale investments	-	-	-	-	59	59	-
	-	-	-	127	1,625	1,752	
<u>Financial liabilities</u>							
Short-term loans	1,470	-	-	-	-	1,470	Fixed rate
Trade payables - unrelated parties	-	-	-	-	503	503	-
Trade payables - related parties	-	-	-	-	118	118	-
Other payables - unrelated parties	-	-	-	-	134	134	-
Other payables - related parties	-	-	-	-	4	4	-
Long-term loans	292	529	21	500	-	1,342	Note 19.2
	1,762	529	21	500	759	3,571	

### Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies.

As at 31 December 2019 and 2018, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated Financial Statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	5	6	3	7	30.1540	32.4498
Singapore dollar	3	3	-	-	22.3245	23.6943
Japanese yen	1	1	40	65	0.2759	0.2931
Ringgit	1	1	-	-	7.3222	7.8056

Foreign currency	Separate Financial Statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	5	6	-	-	30.1540	32.4498
Singapore dollar	3	3	-	-	22.3245	23.6943

### 32.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

During the current year, there were no transfers within the fair value hierarchy.

### 33. Capital management

The Group's objectives when managing capital are to safeguard 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 capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholder, issue new shares, acquire treasury shares, restructure loans, issue debentures, prepay loans before due, 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.

### 34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2020.



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