



บริษัท ทรัพย์ศรีไทย จำกัด (มหาชน)

SUB SRI THAI PUBLIC COMPANY LIMITED

ANNUAL REPORT 2012





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Board of Directors



1. Mr. Keokhwan Vajarodaya
Chairman and Independent Director



2. Mr. Sompoch Intranukul
Director / Chairman of the Audit Committee /
Independent Director



3. Mrs. Chitra Thavara
Director / Member of the Audit Committee /
Independent Director



4. Mr. Surapong Paisitpatnapong
Director / Member of the Audit Committee /
Independent Director

Board of Directors



5. Mr. Supasith Sukhanindr

Authority Director to Sign on Behalf of the
Company/Chairman of The Board of Executive
Directors



6. Mr. Pilanchai Pradubphong

Directors / Vice-Chairman of The Board of
Executive Directors



7. Mr. Sumrit Tantidilokul

Authority Director to Sign on Behalf of the
Company/Executive Directors/ Managing Director/
Corporate Secretary



8. Mrs. Intira Sukhanindr

Authority Director to Sign on Behalf of the
Company

Board of Directors



9. Miss Duangdao Chinthammit

Authority Director to Sign on Behalf of the Company



10. Miss Duangkae Chinthammit

Director



Message from the Chairman of the Board of Directors



In 2012 Thailand has continually been affected from the crisis of economic situations in United States, EU countries and Japan but with economic strength in Thailand we can recover from the crisis of huge floods during the fourth quarter of 2011 rapidly and Thailand can have the economic growth rate at 6.4%.

For the performance of our company in 2012, amid the prices competition and labor problems we had net loss at 181 million baht, resulted in loss with vegetable oil business at net loss of 75 million baht; warehouse business earned net profit of 43 million baht; food and beverage business at net profit of 78 million baht and with loss from the compliance under new accounting standard both IFRS and TAS at 227 million baht.

In future, we still believe in our potential for growth in food and beverage business and document storage with high growth rate and in very good trend and we are determined to develop modern performance system to have the company's edge in the competition, fast response to customers' needs and with better efficiency and at the same time reduce our operation costs in long term.

On organizational activities in and outside the company, we are aware that an organization can grow sustainably, the management and employees must be of vision and competence in association with virtue and ethics in performance under the guideline of good governance including the responsibility to the society, community and environment, therefore we have pushed our management and all employees to follow the guideline and standards related with CSR closely with knowledge and understand to develop to sustainability under the rule of good governance of the company.

On behalf of the Board of Directors, I thank the shareholders, customers, business allies in giving us their support throughout the time past and I wish to thank the management, all employees who wholeheartedly perform duty making the company grow continually and we will be adhered to business running in transparent, honest and fair to all parties under the good corporate governance forever.



Mr. Keokhwan Vajarodaya

Chairman of the Board of Directors

Report of Board of Director

In year 2012, projection of the country's economic growth rate expanded at the rate of 6.4% greatly increasing when compared with year 2011, which expanded at the rate of 0.1%. For export, they were increasing at the rate of 3.2%, which decreased when compared with 2011 at the rate of 16.4%. And import, they were increasing at the rate of 7.8%, when compared with year 2011, which were increasing at the rate of 24.7%*.

In 2013, the forecast of economic growth rate of the country will expand at the rate 4.5% to 5.5% with the export and import volume will expand at the rate 11.0% and 11.3% respectively*.

In 2012 the company has invested with 3 world-class franchised brands, "Au Bon Pain", "Dunkin Donuts" and "Baskin-Robbins". The company has trusted both in the growth potential and competitiveness in this high competition business.

The vegetable oil and animal feed business in 2012 has continually been affected from the fluctuations of soybean price and damage with our machinery in huge flood of last quarter in 2011, resulted in loss of income.

The warehouse and wharf business has average rate on space use in gradual decrease from 91% in 2011 to be 89%. However, the company has regular customers both old and new using our services, especially with document storage services but with high competition it is not possible to adjust service fees in all types of service.

For the performance of the company in the year 2012, it can be summarized as follows:

Goods Deposit Operation and Document Storage: Types of goods deposited were chemical fertilizer, animal feed ingredient, office furniture, a box and file containing document, computer media for instance. Product typed chemical fertilizer annually deposited was 0.230 million tons, decreasing at the rate of 24.59% when compared with quantity of 0.305 million tons in year 2011.

Warehouse Rental: Average area for rent was 42,186 square meters per month decreasing at the rate of 0.85% when compared with amount of 42,548 square meters per month in year 2011. Types of goods stored were iron, chemical products, machinery, cotton, shoes, tile, decorative home accessories, raw material for cooking food, office supplies, paint and raw materials for manufacturing paint, furniture, publication, and devices exhibitions for instance.

Wharf Rental: There were 48 sea-going vessels berthing at the port, an average of 16.63 days/wharf per month, increasing at the rate of 7.29% when compared with 60 sea-going vessels, and average of 15.50 days/wharf per month in year 2011.

Service of through cargoes: There was a total of 0.468 million tons of various through cargoes, such as iron, sugar, salt, and other goods increasing at the rate of 28.93% when compared with amount of 0.363 million tons in the year 2011.

Our company performance in 2012 we had net loss at 181 million baht with the major cause from the loss in complying with new accounting standard, making the lost at 227 million baht. If we categorize our performance at business groups, we find that warehouse and wharf business earned net profit of 43 million baht; vegetable oil and animal food at total income of 425 million baht with net loss of 75 million baht and food and beverage at total income of 1,627 million baht with net profit of 78 million baht.

In this 2013, the company is ready to make business growth via our core group of businesses with the intention to develop both product quality and service, to create confidence with our customers in long run and to be a part in enhancing social development with company activities. The company board has truly believed we have the potential for continual and sustainable growth and we can make good returns to all our shareholders in long term.

* Source: Office of the National Economic and Social Development Board, February 18, 2013.



Report of the Audit Committee

To: The Company's shareholders

The Audit Committee consists of three independent directors with full qualifications which are Mr. Sompoch Intranukul, Chairman of the Audit Committee, Mr. Surapong Paisitpatnpong and Mrs. Chitra Thavara, Member of the Audit Committee.

In cycle year of 2012, the Audit Committee has performed its duties and responsible to the assignment from the company's board of directors and the Audit Committee has been with 5 meetings with the management, auditor and internal auditor, as suitably, with following conclusions, as follow.

1. Review on Quarterly Financial Statement and Annual Financial Statement 2012 to be proposed to the company committee for approval. The Audit Committee has questioned and listened on the explanations of the management and the auditor on accuracies in financial statement and sufficiency in the information disclosure, in which the Audit Committee hold the similar opinion with the auditor that the mentioned financial statement is with proper accuracies in its essence under the generally accepted principles of accounting.

2. Review on Internal Control System in order to assess on sufficiency, suitability and effectiveness of internal control system by considering from the internal audit report of each quarter, according to the approved work plan, in which, nevertheless, important error has not been found; the properties have been appropriately managed. From the internal control system assessment, the audit committee has decided that the company has good internal control system, and adequate, appropriate and effective tracking system which can manage the risk to be in the acceptable level and the continuous follow up has been made.

3. Review on Internal Audit by hiring an external independent company to inspect and assess the adequacy of the internal audit provided the audit report will be made to the audit committee regularly every quarter, and when having considered the extent of operation, duties, independency including reports, the audit committee has decided that the internal audit is adequate and appropriate, and the continuous follow up has been made.

4. Review on Legal Compliance according to the law and regulations of the Stock Exchange of Thailand and other legislation related to the company's business including obligations of the company with outside persons, the Audit Committee hold the opinion that the company has followed the laws, provisions and obligation which the company has with others.

5. Review on the Risk Management to be associated with the internal audit to manage the risk by considering the inspection of policies and risk management manual including the progress of risk management. The Audit Committee has considered that the company has the efficient risk management and it is associated with the risk management manual which the company has made. The acceptable risks have been specified, including the regular risk review to be associated with the present situations.

6. Review on the connected transactions and Disclosure of Such Information which the auditors have declared and presented the transactions in the financial statements and notes to financial statements. The audit committee has agreed with the auditors that the said transactions are normal business transactions and useful to the business of the company including the declaration is made correctly and completely.

7. Consideration on Selection, Appointment and Remuneration Proposal for Auditor for the year 2013, it is to be presented to the board of directors of company for approval in General Meeting of Shareholders in 2013 by considering on performance, independence and suitability of remuneration. Therefore, the Audit Committee approved to appoint Miss Suphannee Triyananthakul CPA. No. 4498 or Mr. Supachai Phanyawattano CPA. No.3930 or Miss Siraporn Ouaanunkun CPA. No. 3844 of Ernst & Young Office Limited to be the company's auditors for the fiscal year 2013 with the recommendation of Audit Committee for the year 2013 at Baht 1,300,000.- The Audit Committee has opinion in relation to the appointment of the auditor as follows:

- In last year, the auditors have operated to the full capacity in their occupation and given suggestion about the internal control system including had operation independence.
- The proposed compensation is appropriate: proposing 1,300,000 Baht.
- The auditors (Miss Suphannee Triyananthakul) have been appointed to be the auditors in 2013, this will be the third year consecutively.
- The auditor has no relation with the company and its subsidiaries.

Comment/Remarks on Performance

In overall conclusion, the Audit Committee have fully performed its duties as stated in the charter, the Audit Committee have been approved from the Board of Directors of the company and the Audit Committee has examined the above said transactions and agreed that the company has followed the good corporate governance.

The Audit Committee



(Mr. Sompoch Intranukul)
Chairman of the Audit Committee
Date: March 8, 2013

General Information

Sub Sri Thai Public Company Limited

Initial	SST
Registered Number	0107537002117
Type of Business	Providing document and property storage, rental service and space management for warehousing including the service of warehouse and stock management and business related with wharf.
Registered Capital	271,227,395.00 Baht (Two hundred and seventy one million two hundred twenty seven thousand three hundred and ninety five Baht) including 271,227,395.00 common shares (Two hundred and seventy one million two hundred twenty seven thousand three hundred and ninety five shares)
Par Value	1.00 (one) Baht per share
Paid-up Capital	180,817,904.00 Baht (One hundred and eighty million eight hundred seventeen thousand nine hundred four Baht)
Head Office	2044/25-27 New Phetchaburi Road, Bangkok, Huai Khwang, Bangkok 10310 Telephone: 66 (0)-2314-0412, 66 (0)-2314-3132, 66 (0)-2318-5514-5 Telefax: 66 (0)-2318-3490-1
Warehouse 1	71, 71/1-8 Moo 1 Soi Suksawat 49 Tambon Bangchak, Amphoe Phrapradaeng, Samut Prakan Province 10130 Telephone: 66 (0)-2463-4280-9 Telefax: 66 (0)-2463-4287, 66 (0)-2818-7847
Warehouse 2 and Warehouse	115 Moo 6 Soi Suksawat 76 Tambon Bangchak, Document Amphoe Phrapradaeng, Samut Prakan Province 10130 Telephone: 66 (0)-2463-0127, 66 (0)-2464-1502-9 Telefax: 66 (0)-2817-5190
Warehouse 3 and Document Warehouse	115/7-9 Moo 6 Soi Suksawat 76 Tambon Bangchak, Amphoe Phrapradaeng, Samut Prakan Province 10130 Telephone: 66 (0)-2819-9322-3, 66 (0)-2819-9372-7, 66 (0)-2819-9397 Telefax: 66 (0)-2819-9378
Website	www.subsrithai.co.th and www.subsrithai.com

Subsidiary Company

Warehouse Business

SST Warehouse Company Limited

Registered Number	0105552067303
Type of Business	Warehouse business / Depositing of goods Service
Registered Capital	5,000,000.00 Baht (Five million Baht) including 50,000 common shares (Fifty thousand shares)
Par Value	100.00 (one hundred) Baht per share
Head Office	2044/25-27 New Phetchaburi Road, Bangkapi, Huai Khwang, Bangkok 10310 Telephone: 66 (0)-2314-0412, 66 (0)-2314-3132, 66 (0)-2318-5514-5 Telefax: 66 (0)-2318-3490-1
Warehouse	71/9 Moo 1 Soi Suksawat 49 Tambon Bangchak, Amphoe Phrapradaeng, Samut Prakan Province 10130 Telephone: 66 (0)-2463-4280-9 Telefax: 66 (0)-2463-4287, 66 (0)-2818-7847

Vegetable oil and animal feed

1. Industrial Enterprises Co., Ltd.

Registered Number	0105508000665
Type of Business	Producing vegetable cooking oil and animal feed products
Registered Capital	200,000,000.00 Baht (Two hundred million Baht) including 200,000,000 common shares (Two hundred million shares)
Par Value	1.00 (one) Baht per share
Head Office and Manufactory	39/6 Moo 3 Tiwanon Road, Tambon Banmai, Pakkred District, Nontaburi Province 11120 Telephone: 66 (0)-2961-6040-9, 66 (0)-2583-7147 Telefax: 66 (0)-2583-8207
Website:	www.tipoil.com

2. Thai Livestock Promotion Co., Ltd.

Registered Number	0125555004973
Type of Business	Import and export trade of agricultural crops and all agricultural products
Registered Capital	1,000,000.00 Baht (One million Baht) including 10,000 common shares (Ten thousand shares)
Par Value	100.00 (one hundred) Baht per share
Head Office and Manufactory	39/6 Moo 3 Tiwanon Road, Tambon Banmai, Pakkred District, Nontaburi Province 11120 Telephone: 66 (0)-2961-6040-9, 66 (0)-2583-7147 Telefax: 66 (0)-2583-8207

Food & Beverage

1. Mudman Co., Ltd.

Registered Number	0105549035749
Type of Business	Services as a consultant and provide advice about investment and management.
Registered Capital	450,000,000.00 Bath (Four hundred fifty million Baht) (as of February 28, 2013) including 4,500,000.00 common shares (four million five hundred thousand shares)
Par Value	100.00 Baht (one hundred) per share
Head Office	209/1 K Tower B Floor.25 Sukumvit Road (Asoke), North Klongtoey, Wattana, Bangkok 10110 Telephone: 66 (0)-22614-5370-75 Telefax: 66 (0)-2261-5360

2. Golden Donuts (Thailand) Co., Ltd.

Registered Number	0105548146423
Type of Business	Production and distribution of food, baked snacks and foods
Registered Capital	226,197.760.00 Baht (Two hundred twenty six million one hundred ninety seven thousand and seven hundred sixty Baht) including 22,619,760 common shares (Twenty two million six hundred nineteen and seven hundred sixty shares)

Par Value	10.00 (ten) Baht per share
Head Office and Manufactory	209/1 K Tower B, Floor.25, Sukhumvit 21 Road (Asoke), North Klongtoey, Wattana, Bangkok 10110 Telephone: 66 (0)-22614-5370-75 Telefax: 66 (0)-2261-5360
Website:	www.dunkindonuts.co.th

3. ABP cafe (Thailand) Co., Ltd

Registered Number	0105548146776
Type of Business	Production and distribution of food, baked snacks and foods
Registered Capital	139,623,210.00 Baht (One hundred thirty nine million six hundred twenty three thousand and two hundred ten Baht) including 13,962,321 common shares (Thirteen million nine hundred sixty two three hundred twenty one shares)
Par Value	10.00 (ten) Baht per share
Head Office	209/1 K Tower B, Floor.25, Sukhumvit 21 Road (Asoke), North Klongtoey, Wattana, Bangkok 10110 Telephone: 66 (0)-22614-5370-75 Telefax: 66 (0)-2261-5360
Website:	www.aubonpainthailand.com

4. Golden Scoop Co., Ltd.

Registered Number	0105555079990
Type of Business	Production, import and sale of ice cream, baked snacks and foods
Registered Capital	5,000,000.00 Baht (Five million Baht) including 500,000 common shares (Five hundred thousand shares)
Par Value	10.00 (ten) Baht per share
Head Office	209/1 K Tower B, Floor.25, Sukhumvit 21 Road (Asoke), North Klongtoey, Wattana, Bangkok 10110 Telephone: 66 (0)-22614-5370-75 Telefax: 66 (0)-2261-5360

References

- Share Registrar
Thailand Securities Depository Company Limited
4th Floor, SET Building, 62 Ratchadapisek Road,
Klongtoey, Bangkok 10110 Thailand
Telephone: 66 (0)-2229-2800
Telefax: 66 (0)-2359-1259

- Auditor
 - Miss Suphannee Triyananthakul CPA. No. 4498
 - Mr. Supachai Phanyawattano CPA. No.3930
 - Miss Siraporn Ouuanunkun CPA. No.3844Ernst & Young Office Limited
33rd Floor, Lake Rajada Office Complex, 193/136-137
Ratchadapisek Road, Klongtoey, Bangkok 10110
Thailand
Telephone: 66 (0)-2264-0777
Telefax: 66 (0)-2264-0789

- Internal Audit
IVL Auditing Co., Ltd.
77 Soi Supapong 1, Nongbon, Prayet, Bangkok 10250
Telephone: 66 (0)-2748-2332-4
Telefax: 66 (0)-2748-2331

Financial Highlights

(Unit : Thousand Baht)

Consolidated Financial	2010 (Revise)	2011	2012
Warehouse and Wharf business incomes	195,258	208,371	222,128
Food and Beverage business incomes	-	-	1,625,421
Animal feed business incomes	71,286	193,566	299,402
Total Revenues	296,203	878,274	2,204,178
Operating expenses (excluded interest and income Tax expenses)	212,740	425,534	2,255,845
Income from ordinary activities	50,460	418,065	(181,237)
Total Assets	1,795,027	3,152,726	4,516,644
Total Liabilities	808,269	1,608,468	2,960,975
Shareholders' equity	986,758	1,544,257	1,555,668
Issued and paid-up share capital (ordinary shares)	114,554,044	119,327,368	180,077,754
Earning per share from ordinary activities	0.44	2.79	(1.01)
Book value per share (Baht)	8.61	10.33	8.64
Liquidity ratio (Time)	4.50	1.94	0.33
Collection Period (Day)	65.81	53.49	9.33
Net profit Margin (%)	17.04	47.60	(8.22)
Return on Equity (%)	6.68	33.04	(11.69)
Return on Total Assets (%)	4.02	16.90	(4.73)
Debt-to Equity (Time)	0.82	1.04	1.90
Payout Ratio (%)	93.57	8.01	N/A

Nature of Business Operation

Sub Sri Thai Public Company Limited started operating business in warehouse and wharf in 1976, registered into a public company limited in 1994. With our long experience in warehouse business the company has expanded into document storage service in 1995 and with the development of document storage in AS/RS (AUTOMATED STORAGE AND RETRIEVAL SYSTEMS), BARCODE and COMPUTER into the application of storage and search with documents effectively with the storage of electronic media or any goods required to be stored in a temperature control room.

Whereas warehouse business has limitations in its operation, for instance, deposit only for goods or renting of warehouse at certain part and official permission first before renting out or in investment that is under many limits and prohibitions, forcing the company to be unable to expand or put money into other business at actual economic conditions or at the company's capacity. Therefore, the company decided to dissolve licensed warehouse business and establish a subsidiary, SST Warehouse Co., Ltd., to operate warehouse business instead since October 2009. After the company has dissolved the licensed warehouse business, it has still operated marine wharf business, leasing space of warehouse, stock management and document storage service.

To make profits and income to the organization including the diversification the risks in the business without the dependence in warehouse business solely, the Company has invested in Industrial Enterprises Co., Ltd., the producer and distributor of vegetable oil and animal feed, in July 2011.

Later in January of 2012, the Company has moved on into food and beverage business by buying shares at 100% in Mudman Ltd., Golden Donuts (Thailand) Co., Ltd., and ABP Café (Thailand) Co., Ltd., The Golden Donuts (Thailand) Co., Ltd., is the company holding the franchise brand of “**Dunkin’ Donuts**” in Thailand while ABP Café (Thailand) Co., Ltd., holds the franchised brand, “Au Bon Pain” in Thailand. After that, the company has also expanded into food and beverage business by buying the assets used in the business of ice-cream, “Baskin Robbins” exclusively in Thailand through the subsidiary, Golden Scoop Co., Ltd.

Now Sub Sri Thai Public Company Limited has operated in 3 major businesses, warehouse and wharf, vegetable oil and animal feed and food and beverage with 7 subsidiary companies as following:

Warehouse and Wharf Business

1. SST Warehouse Co., Ltd.

SST Warehouse Co., Ltd., was established on July 10, 2009 with the registered and paid up capital is 5,000,000 Baht. SST warehouse Co., Ltd., has operated under the Notification of the Ministry of Commerce on Imposition of Conditions Controlling Warehouse Business B.E. 2535, that imposes the board of directors shall hold the company's share not less than one fifths of the registered shares. With legal conditions as such, the company cannot hold shares in its subsidiary in full 100% but only 80%, and so our directors have to hold the other 20% in the subsidiary. Therefore, the directors from holding company become board of directors in the subsidiary and the control is under the holding company indirectly. SST Warehouse Co., Ltd., has operated licensed warehouse with its main objective in depositing of goods with remuneration or benefits.

Vegetable oil and animal feed Business

2. Industrial Enterprises Co., Ltd.

Industrial Enterprise Co., Ltd., has the registered and paid up capital is 200,000,000 Baht. It was established on April 15, 1965 and a pioneer in manufacture of vegetable oil, in Thailand under commercial trademark branded "Tip". It is the company that produces and sells vegetable oil.

Industrial Enterprise Co., Ltd., went bankrupt and had entered a rehabilitation process of which rehabilitation plan and the rehabilitation plan was approved by a meeting of its creditors and by the Central Bankruptcy Court on April 12, 2011.

On July 4, 2011, the Company has purchased and made full payment for common shares of Industrial Enterprise Co., Ltd., total 199.99 million shares at the price of 1 Baht per share, for total price of 199.99 million Baht. The Central Bankruptcy Court approved Industrial Enterprises Co., Ltd.'s exit from the rehabilitation plan on August 31, 2011. The Extraordinary General Meeting of Shareholders of Industrial Enterprises Co., Ltd., held on September 23, 2011, approved the appointment of new board of directors and the Company, therefore considers Industrial Enterprises Co., Ltd. to be its subsidiary since September 23, 2011, because it gained controlling authority with the appointment of the new board of directors.

3. Thai Livestock Promotion Co., Ltd.

Thai Livestock Promotion Co., Ltd., established on February 29, 2012 at the registered capital of 1,000,000 Baht which its shares hold by Industrial Enterprise Co., Ltd. 100% of fully, operating business in import and export and trading of agricultural crops and products including soybean meal, sunflower meal, cotton seed meal and raw materials for the production of all animal foods.

Food and Beverage Business

4. Mudman Ltd.

This company operates business as a Holding Company with the registered capital of 300,000,000 Baht and Sub Sri Thai PCL., has bought both preferential shares and ordinary shares at 100% from the former shareholders in January 2012 and currently Mudman Ltd., is holding ordinary shares at 100% in ABP Café (Thailand) Co., Ltd., and holding 100% shares in Golden Donuts (Thailand) Co., Ltd.

5. ABP Café (Thailand) Co., Ltd.

This company is the franchise holder of Au Bon Pain solely in Thailand, with registered capital of 139,623,210 Baht and Sub Sri Thai PCL., has purchased 59% of total ordinary shares from former shareholders in January 2012 and later in May 2012 the company has distributed the mentioned amount of ordinary shares to Mudman Ltd., Au Bon Pain is a food outlet network in bakery and café with branches around the world, first branch in Thailand opened in 1997 and with continual expansion until at the end of 2012 with 52 retail outlets.

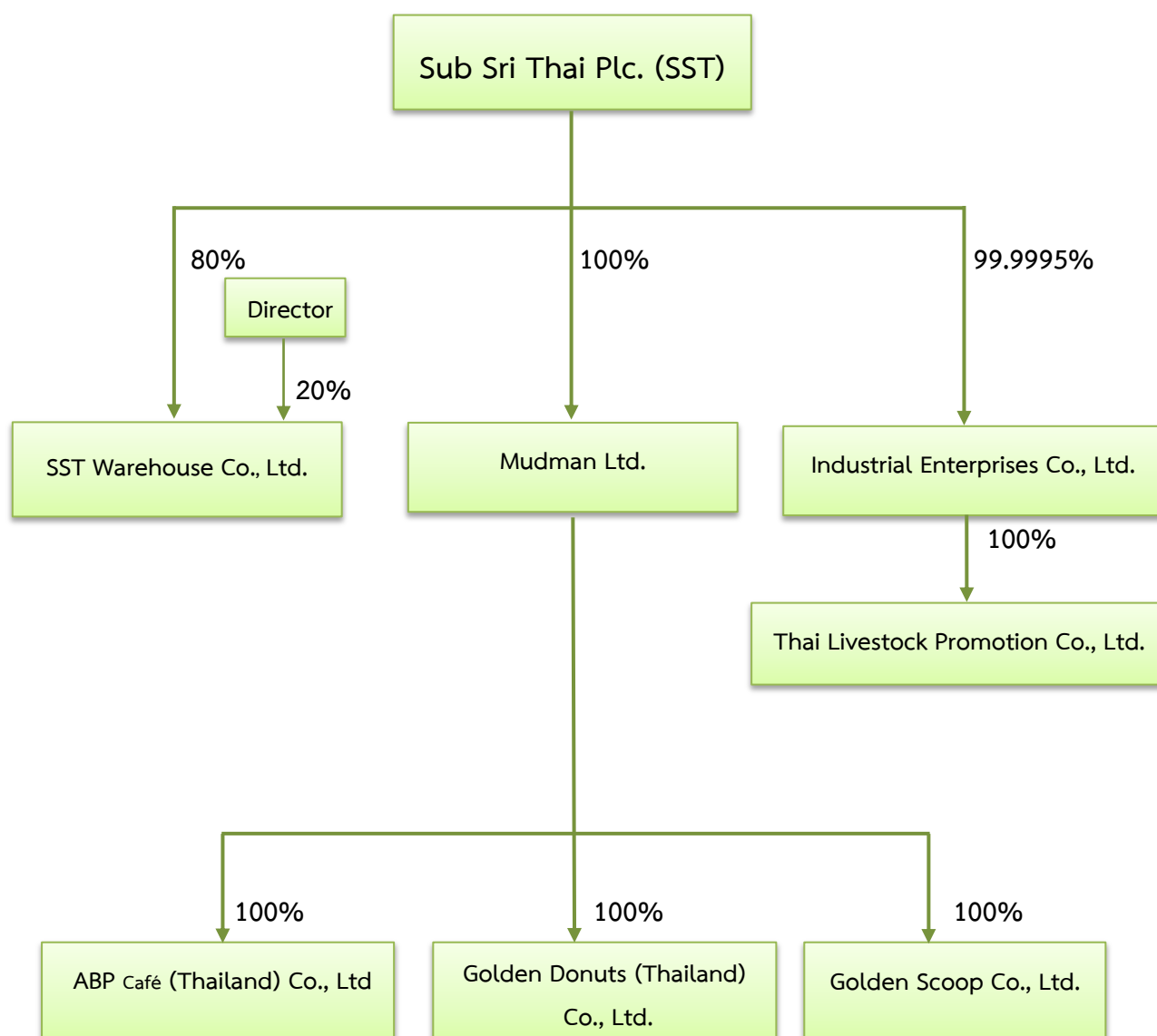
6. Golden Donuts (Thailand) Co., Ltd.

This company is the franchise holder of Dunkin' Donuts solely in Thailand with the registered capital of 226,197,760 Baht and Sub Sri Thai Public Company Limited has bought the ordinary shares at 59% from the former shareholders in January 2012 and later in May 2012 the company has distributed these ordinary shares to Mudman Ltd., Dunkin' Donuts which is a well-known outlet network of donuts and beverages with branches around the world. First branch outlet opened in Thailand in 1981 and with fast outlets expansion and continually until the end of 2012 at 229 branch outlets.

7. Golden Scoop Co., Ltd

This company is the company that operates ice-cream business under the brand “Baskin Robbins”, established by Mudman Ltd., with registered capital of 5,000,000 Baht, with the purchase of rights and properties in operating distribution business of ice-cream under the “Baskin Robbins” brand from Big Scoop Co., Ltd., in June 2012. At the end of 2012, Baskin-Robbins has totally 16 branch outlets.

Holding Shares in Subsidiary Companies as at December 31, 2012



Sub Sri Thai Plc. has also invested in an Associated Company which is Sub Sri Thai Property Fund, details are as follows.

Sub Sri Thai Property Fund (SSTPF)

Sub Sri Thai Property Fund (Free Hold) (SSTPF or the Fund) has been approved by Securities and Exchange Commission Thailand for its incorporation into a property fund and registration of its property into mutual fund on 29 April 2011, with the objectives in mobilizing funds from general investors to invest commercially in the property. CIMB-Principal Asset Management Co., Ltd., was appointed as the fund manager. SSTPF has capital from the unit holders of Baht 675 million. On April 27, 2011, the Company has purchase 22,500,000 of the investment units of the Fund or equivalent to 33.33 percent of all investment units sold at the price of Baht 10 per investment unit, with the total price of 225,000,000 Baht.

The Fund has its policy in dividend payment at its profit under the rules to be able to pay dividend; the Property Fund will pay dividend to unit holders not more than 2 times a year at the rate not less than 90% of the net profit for the year but not including the unrealized gain in value assessment.

Income Structure in each Type of Business

Company's Name	Type of Business	% of Share	2012		2011		2010	
			Million Baht	%	Million Baht	%	Million Baht	%
Sub Sri Thai Plc. SST Warehouse Co., Ltd.	Warehouse and Wharf	80	222.1	10.1	208.3	23.7	195.2	65.9
Industrial Enterprises Co., Ltd. Thai Livestock Promotion Co., Ltd.	Vegetable Oil and Animal feed	100 100	299.4	13.5	193.5	22.0	71.3	24.1
Mudman Ltd. Golden Donuts (Thailand) Co., Ltd. ABP Café (Thailand) Co., Ltd Golden Scoop Co., Ltd.	Food & Beverage	100 100 100 100	1,625.4	73.8	-	-	-	-
Gain on sales of fixed assets			0.8	0.0	418.6	47.6	0.4	0.1
Membership Fee			9.8	0.5	-	-	-	-
Other income*			46.6	2.1	57.8	6.7	29.3	9.9
Total Income			2,204.1	100	878.2	100	296.3	100

* Other income includes interest and dividend, income from the fair value of investment property and other miscellaneous income.

Classified Business Operation in Each Segment

1. Products and services

Warehouse and Wharf Business

Sub Sri Thai Plc.

● Document Storage Services

Deposit of documents in cartons/files using the system of AS/RS (AUTOMATED STORAGE AND RETRIEVAL SYSTEMS), together with bar-coding and computer systems in the storage and search for relevant services, for instance, transportation for delivery, packing, searching or photocopying, destruction, provision of standard box to contain documents and room for inspection at the Document Storage Services Center, service of electronic media in temperature room and humidity and Scanning service and storage in Server.

● Warehouse for Rent

The company has rental business of warehousing in full rent of total building and in space sharing from 100 square meters up, using wire fencing to separate rental area inside each warehouse, so we can respond more to our customers' demand.

Types of goods stored were iron, chemical products, machinery, cotton, cloths, shoes, tile, decorative home accessories, raw material for cooking food, office supplies, paint and raw materials for manufacturing paint, furniture, publication, and devices exhibitions for instance.

● Management of Warehouse

The company provides service in the management of inventory in integrated manner with report of inventory monthly and inventory balance to issue invoice, issuing of invoice and collection for the customer.

● Other Services

- Lending money with security that are the deposited goods in its subsidiary which operation licensed warehouse.
- Wharfing Service: providing two wharfs for two ocean vessels together with mooring for a number of lighters.
- Providing wharfs for cargo loading and unloading to transfer goods that are not deposited in warehouse to destination.
- Weighing Service: 3 modern and accurate weighing machines with the platform measured 18 m. x 3 m. for 60 metric ton weight available.
- Stevedoring Service: providing readily and sufficiently labor and all kinds of cargo loading and unloading equipment.
- Insurance Service: provided according to the desire of each depositor.
- Security Service: deployment of security guards in the warehouse area for 24 hours.

SST Warehouse Co., Ltd.

Our warehouse can provide service for the deposit of crops and agricultural products to be exported, for instance, rice, coffee bean, maize, sugar, etc. and deposit of general goods produced and in circulation in the country, for instance, liquor, air-conditioner, car tire and other agricultural products by issuing warehouse receipt for evidence and the depository can do Packing Stock with a commercial bank for the guarantee on loan with other finance institutions and deposit of goods imported from abroad, for instance, chemical fertilizer, wheat, animal food mix, etc. including the goods in Trust Receipt with a commercial bank or in guarantee on loan from other finance institutions.

As of December 31, 2012, SST Warehouse Co., Ltd has warehouse space for licensed warehouse at 13 buildings, covering 17,764 square meters.

Vegetable oil and animal feed Business

Industrial Enterprises Co., Ltd.

Produce and distribute many vegetable oil brands, for instance, Tipwise, Soybean Oil for “Tip”, through Modern Trade, general retailers, restaurant, food shop and vegetable oil (raw) that has not been refined to export distributor and soybean meal to animal food factories and animal farms.

Thai Livestock Promotion Co., Ltd.

Import and export and trading of agricultural crops and products including soybean meal, sunflower meal, cotton seed meal and raw materials for the production of all animal foods.

Food and Beverage Business

- **Au Bon Pain**

Au Bon Pain is the trademark of food outlet in the form of bakery café with its retail outlets around the world, offering with identity products and services for the satisfaction of customers.

The company is the franchised holder of trademark, “Au Bon Pain” exclusively in Thailand and this franchise held by ABP Café (Thailand) Co., Ltd., a subsidiary of Mudman Ltd., by holding shares at 100% (Sub Sri Thai Plc. holds shares in Mudman Ltd., at 100%). Au Bon Pain officially opened in Thailand in 2007, first outlet at Sindhorn Building, Witthayu Road and now Au Bon Pain has at total of 52 outlets (data as of 31 December 2012), with service in the outlet and take away including delivery service to home and office.

● Dunkin’Donuts

Dunkin’Donuts is the trademark of coffee and bakery with over 60 years’ service for Americans and Dunkin’Donuts is a very popular brand with a number of awards, for instance, Dunkin’ Brand’ Franchisee and Enterprise Awards International Partner of the Year in 2010 and Brand Dedication of the Year in the same year.

The company holds the right of trademark “Dunkin’Donuts” exclusively in Thailand and this right belongs to Golden Donuts (Thailand) Co., Ltd., a subsidiary of Mudman Ltd., with 100% holding of shares (Sub Sri Thai PCL., holds 100% shares in Mudman Ltd.) Dunkin’Donuts opens Siam Square outlet as the first branch in 1981 and currently it has 229 outlets throughout Thailand (data as at 31 December 2012) with service in the outlet and take away including delivery to home and office. Dunkin’Donuts has snack box service for meeting and party including outside party for customers.

● Baskin Robbins

Baskin Robbins is the trademark of the largest ice-cream network in the world (The World’s Largest Chain of Ice Cream Specialty Stores), established in 1945 in USA. with continual development and expansion until the present time. The company holds trademark right of “Baskin Robbins” in Thailand and it was in the hand of Golden Scoop Co., Ltd, a subsidiary of Mudman Ltd., as Mudman Ltd., holds 100% shares in this company. (Sub Sri Thai PCL., holds 100% shares in Mudman Ltd.).

“Baskin Robbins” opens the first branch in Thailand in 1991 at Central Ladprao and now Baskin Robbins under the management of Golden Scoop Co., Ltd., has 16 branch outlets (data as at December 31, 2012) mostly located in department stores and business areas with in-house and take away service.

2. Marketing and Competition

Warehouse and Wharf Business

The Company’s customers can be classified in two groups which are directly deals with the company, mostly are our rental customers and with long and good record in business with us. The target group will be exporters, importers and industrial operators, etc. Another group of customer is directly approached by the company, mostly will be depositor of documents. The company is necessary to have its marketing team to approach the customers in an integrated approach, with structuring of Booths at different locations and distribution of Brochure to the target customers.

Most customers of the company were depositors who deposit boxes and file containing documents, the importer of goods in the type sawn timber, cotton, soybean and wheat, the exporter of goods in the type of sugar and rice, etc. and large retailer of goods in type of sport products, shoes, tile, furniture, stationery, office supplies and raw material for food processing, etc. Most customers approximately 65% required the service of goods deposition and approximately 35% required the service of warehouse leasing.

The proportion between the first 10 major customers in the past 3 years.

<u>2012</u>	<u>2011</u>	<u>2012</u>
28.18%	10.81%	28.95%

● **Strategy in Competition:**

1. Emphasize efficient service, convenient, fast and accurate to meet the needs of the customers.
2. Location of warehouse and wharf conveniently accessed both on land and waterway.
3. Giving importance to the safety of the goods stored including the safety of relevant personnel both our employees and customers.

● **Competition within the Industry:**

Normally the business of warehouse and wharf is not in hectic competition and with only a few competitors for instance, the listed companies in SET in the category of transportation and logistics but in 2012 it comes up with more interested companies in this business due to economic expansion and Asean Economic Community (AEC) in 2015.

On the service of documentation deposit, even with not so many competitors in the market but still with high competition, the company must speed up its development in service and with our marketing team and customer relations both before and after sale to investigate their needs and satisfaction in order to make us to develop continually.

In addition, the company can create confidence with our customers in 3 prominent features, as follow:

1. Good reputation gained during more than 30 years of services, well known of good reliability by Services Users and Financial Institutions.
2. The company has ownership on standard warehouse with stability and safety and in ideal location with good accessibility, on the bank of Chao-Phraya River, close to Suksawat Road, connected to Industrial Ring Road.
3. Good services provided:
 - 3.1 Qualified operators to facilitate accurate checking, receiving and issuing of goods in shortest time possible.
 - 3.2 Packing and Transferring Equipment are of high efficiency, together with qualified operators help in speedy movement of goods without loss or damage.
 - 3.3 Flexibility in our operations and development services with the advanced technology to meet customers'

Growth Trends of the Industry

Warehouses in Thailand can be separated into three major types as follows:

1. Warehouse use solely for the benefits of the owner

Such as warehouse of Factory, Department Stores, Importers, and Exporters for example. Whenever space left available may be rented out to others.

2. Warehouse the owner planned especially for rent

That is not to use for their own benefits, but aim to be rented out to business operators such as those shown in (1), who does not have a warehouse of their own.

3. Registered Warehouse

Is a type of warehouse required to be registered with the Ministry of Commerce, and entitled to attach the word “Warehouse” to their registered company’s name. The warehouse can be rented out or receiving goods deposit by issuing warehouse receipt and warehouse warrant to depositor. Such receipt and warehouse warrant issued, the depositor can use as document qualified for juristic actions regarding transfer of ownership of the goods and to mortgage such goods.

For more than ten years, requirements for warehouse spaces were increasing all the time, that is increasing in accordance with the growth of National Economy and the trend that warehouse with good standard and docking ports for large sea-going vessel along the Chao-Phraya River shall be more important increasingly, due to many of the old style warehouses have turned to other businesses with better returns, such as hotels, condominium and office buildings.

For intermediate term and long term, Warehousing business with high standard tended to continue its growth in line with the Gross National product, increasing quantity of goods for both imports and exporters, results in increasing demands for warehouse area, while the total warehouse area in Bangkok and outlying areas along the Chao-Phraya River tended to be decreasing, while opportunity to start new warehouses with wharf are having limitations on location, high cost of land and construction, therefore, the likely sites tended to be located in outside Bangkok and up-country areas, such as Ayudhya, Angthong, Chon-Buri and Chachoengsao, for example, and it is warehouse without wharf (Inland Warehouse).

Vegetable oil and animal feed Business

- **Channel of Distribution:**

The Company has the channel of distribution for vegetable oil and animal food as following:

Vegetable Oil: The company has salesmen responsible for the distribution at following:

1. In Bangkok and nearby provinces will concentrate with targets like food shop, restaurant and hotels;
2. Provinces not in Clause 1 to distribute through wholesalers and department stores;
3. Industrial factories.

Animal Food channel of distribution:

1. Distributed by Broker
2. Direct sale to farms.

- **Competition within the Industry:**

The business of vegetable oil and animal feed this year is not with much expansion according to the Thailand Economic Report 2012 of the Office of the National Economic and Social Development Board (NESDB) that the agricultural sector is at 3.1% and it is therefore not in hectic competition but with market fluctuations naturally.

Food & Beverage Business

- **Channel of Distribution:**

Au Bon Pain is the trademark of bakery café restaurant with worldwide outlets, emphasizing in offering a diversity of identity products for the customers, original sandwich recipe of Au Bon Pain, bread and bakery over 30 kinds in zero-gram trans fat, without any trans fat which is good for health and soup menu with nutritious and the customers can pick for sandwich of his own formula mix with special drinks in the atmosphere of cozy eating from Au Bon Pain employees.

Au Bon Pain provides service in its outlet and take away or delivery service to your home and office including a party as you require.

Au Bon Pain locations are chiefly in well-known business area, department store, hospital or any area with our targeted group who are office employees, new businessmen, students with good taste for their lifestyle.

Dunkin' Donuts is the trademark of coffee and bakery with over 60 years service for Americans with delicious formula of coffee and bakery. Customers group starts from lower class up. Therefore, the opening of outlets shall serve people of all levels and Dunkin' Donuts are everywhere in department stores or general departments, business area or communities for convenience to everyone. The services comprise in the outlet and take away including snack box service for meeting, party and moreover with parties as required by the customers.

Baskin Robbins: this is world-class US ice-cream brand, a premium ice cream with retail sale at large department stores, business areas, emphasizing on target up to the middle class group of customers. We have different marketing strategies in each year that are suitable to the needs of customer and public to relate relations program with Fan page on internet, window display advertisement, for instance, poster stand and discount coupon attached with the Postcard. In future we intend to do more communications to create new customers using radio and television such the strategies need preparedness and appropriateness.

- **Competition within the Industry:**

The food and beverage business is with high potential for growth and in good trend inducing more operators in this business and the competition is therefore hectic by each operator must introduce new products all the time. However, we trust in the strength of our quality and brand so we expect a continual growth in the three brands.

3. Procurement of Products or Services

Warehouse and Wharf Business

Sub Sri Thai Plc., has three locations of warehouses for service as follows:

1. Warehouse I and Wharf located at No. 71, 71/1-8 Moo 1, Soi Suksawat 49, Suksawat Road, Tambon Bangchak, Amphoe Phrapradaeng, Samutprakarn Province, Tel : 02-463-4280-9 Fax : 02-463-4287, 02-818-7847 comprises the main structures which are 28 warehouses for storage of goods of 210,000 metric tons, two wharfs for ocean vessels, a roofed transit shed for the placement of goods of 12,000 metric tons , the parking spaces for 150 trucks and service facilities for the Company's official and staff concerned.

2. Warehouse II and Document Storage located at No. 115 Moo 6 Soi Suksawat 76, Suksawat Road., Tambon Bangchak, Amphoe Phrapradaeng, Samutprakarn Province, Tel: 02-463-0127, 02-464-1502-9 Fax : 02-817-5190 comprises the main structures which are 9 warehouses for storage of goods of 79,700 metric tons, 5 document storage warehouses total area 8,588 square meters, controlled temperature and humidity room total area is 96 square meters, the parking spaces for 100 trucks and service facilities for the Company's official and staff concerned.

3. Warehouse III - Document Storage located at No. 115/7-9 Moo 6 Soi Suksawat 76, Suksawat Road., Tambon Bangchak, Amphoe Phrapradaeng, Samutprakarn Province, Tel: 02-819-9322-3, 02-819-9372-77, 02-819-9379 Fax: 02-819-9378 comprises the main structures which are 7 warehouses total area 12,709 square meters, 1 strong room with Automation warehouse, AS/RS (Automated Storage and Retrieval System), which total area 1,445 square meters, racking for storing documents including fire protection which are smoke detector, heat detector, fire alarm detector, fire alarm, dry chemical fire extinguishers, extinguishing water-pipe systems, infrared alarms, in case someone intrudes and CCTV monitoring all over the area, controlled temperature and humidity room in strong room building, fire-resistant over 3 hours which total area is 156 square meters, offices and service facilities for the Company's official and staff concerned.

Vegetable Oil and Animal Feed

The Company imports main raw materials, soybean imported from the United States and Argentina and soy pulp from Argentina.

Food and Beverage Business:

Dunkin' Donuts uses raw material produced in Thailand with 20 production kitchens located in Bangkok for 4 kitchens and 16 kitchens in the provinces.

Au Bon Pain has production factory for frozen food at Bangpu, Mueang District of Samutprakarn Province and with 2 bakery kitchens at Praram 3 and Pattaya. In addition, we have production kitchen in certain outlets for distribution to nearby areas. Main raw material is flour for bakery and we import from the United States under Au Bon Pain Standard.

Baskin Robbins directly imports ice cream from the United States without any production in Thailand and it is the same standard all over the world

Important Events in 2012

<p>January 2012</p>	<p>The Extraordinary General Meeting of Shareholders No. 1/2012 has approved the Company's acquisition of assets by purchasing shareholding in Mudman Limited., ABP Café (Thailand) Co., Ltd., and Golden Donuts (Thailand) CO., Ltd., (together as the "Targets") for 1,320 million Baht.</p> <p>As of January 31, 2012, the company has increased its registered paid-up capital from 121,000,000 Baht to 150,681,886 Baht due to there are warrant holders exercise their rights of 29,681,886 units, equivalent to 29,681,886 shares. Therefore, the company's registered capital and paid-up capital are as follows:</p> <table data-bbox="528 898 1085 981"> <tr> <td>Registered capital:</td><td>151,250,000.00 Baht</td></tr> <tr> <td>Paid-up Capital:</td><td>150,681,886.00 Baht</td></tr> </table>	Registered capital:	151,250,000.00 Baht	Paid-up Capital:	150,681,886.00 Baht
Registered capital:	151,250,000.00 Baht				
Paid-up Capital:	150,681,886.00 Baht				
<p>February 2012</p>	<p>The Company establishment of indirect subsidiary, Thai Livestock Promotion Co., Ltd., which has been established by Industrial Enterprises Co., Ltd., a direct subsidiary that SST holds 99.9995% of fully paid-up capital.</p> <p>Thai Livestock Promotion Co., Ltd., established on February 29, 2012 at the registered capital of 1,000,000 Baht operating business in import and export and trading of agricultural crops and products including soya bean, sunflower meal, seed cotton and raw materials for the production of all animal foods.</p>				
<p>April 2012</p>	<p>The Annual General Meeting of Shareholders for the year 2012, hold on April 30, 2012, has significant resolved as follows:</p> <ol style="list-style-type: none"> 1. Approved the decrease of the Company's registered capital from 151,250,000 Baht to 150,681,886 Baht by reducing the number of remaining shares from the ordinary shares reserved for allotment of Warrants to existing shareholders in total of 568,114 shares at a par value of Baht 1 per share, totaling of 568,114 Baht. 2. Approved the issue of the new ordinary shares at the amount of 30,136,378 shares to support stock dividend payment at rate of 5 (five) existing shares per 1 (One) stock dividend 				

<p>April 2012</p>	<p>3. Approved the increase of the Company's registered capital under General Mandate by issuing the new ordinary shares at the amount of 90,409,131 shares. However, the Company has not allocated in the whole amount in the year 2012.</p> <p>From the approve the company's registered capital and paid-up capital as of 10 May 2012 was:</p> <table data-bbox="571 533 1085 622"> <tr> <td>Registered capital:</td><td>271,227,395.00 Baht</td></tr> <tr> <td>Paid-up Capital:</td><td>150,681,886.00 Baht</td></tr> </table> <p>4. Approved the Employee Joint Investment Program of Sub Sri Thai Plc. No. 2 "EJIP" whit details shown in Employee Joint Investment Program: "EJIP" page 75.</p>	Registered capital:	271,227,395.00 Baht	Paid-up Capital:	150,681,886.00 Baht
Registered capital:	271,227,395.00 Baht				
Paid-up Capital:	150,681,886.00 Baht				
<p>May 2012</p>	<p>As of May 28, 2012, the company has increased its registered paid-up capital from stock dividend 30,136,018 shares (remaining shares from reserving for stock dividend payment 360 shares). Therefore, the company's registered capital and paid-up capital are as follows:</p> <table data-bbox="539 1014 1085 1104"> <tr> <td>Registered capital:</td><td>271,227,395.00 Baht</td></tr> <tr> <td>Paid-up Capital:</td><td>180,817,904.00 Baht</td></tr> </table>	Registered capital:	271,227,395.00 Baht	Paid-up Capital:	180,817,904.00 Baht
Registered capital:	271,227,395.00 Baht				
Paid-up Capital:	180,817,904.00 Baht				
<p>June 2012</p>	<p>The Company has adjusted the shareholders structure in subsidiaries by approving the sale of shares in ABP Café (Thailand) Co., Ltd., and Golden Donuts (Thailand) Co., Ltd., held by the Company at the proportion of 59% to Mudman Ltd., a subsidiary that the Company has its shares at 100%, making Mudman Ltd., to hold shares in ABP Café (Thailand) Co., Ltd., and Golden Donuts (Thailand) Co., Ltd., at the proportion of 100% to enhance the management with more flexibility.</p> <p>And the Company has increased capital in Mudman Ltd., by buying additional shares in Mudman Ltd., at 2,632,500 shares at 100 baht per share for 263,250,000 Baht, and after the increase Mudman Co., Ltd., has its increased registered capital from 75,000,000 Baht to be 338,250,000 Baht and on August 27, 2012 it has registered to reduce capital to be at 300,000,000 Baht by reducing the preferential share at 382,500 shares at the par value at 100 Baht.</p>				

<p>June 2012</p>	<p>The Company establishment of indirect subsidiary, Golden Scoop. Co., Ltd., which has been established by Mudman Ltd., a direct subsidiary that SST holds 100% of fully paid-up capital.</p> <p>Golden Scoop. Co., Ltd., established on 1 June 2012 at the registered capital of 5,000,000 Baht operating business in production, import and sale of ice cream, baked snacks and foods by July 4, 2012, it purchased of rights and properties in operating distribution business of ice cream under the “Baskin-Robbins” brand from Big Scoop Co., Ltd., in June 2012.</p>
<p>August 2012</p>	<p>Through the running of business with continual profits and with business expansion, it has supported the company to have outstanding growth, making Sub Sri Thai Public Limited Company to pass the selection by Forbes Asia to be in the Best 200 SMEs in Asia Pacific or Asia's 200 Best Under a Billion for 2012* from 15,000 companies in 15 countries in Asia Pacific region (there are 6 Thai Listed Companies selected by Forbes Asia magazine), under the criterion a company to be listed in Asia's 200 Best Under a Billion shall have its income during the year between 5-1,000 US million dollars and its performance with net profit and a listed company from one year up with growth rate in sales and total profits including shareholder’s return in outstanding for last 12 months and last three years.</p> <p>*For more detail please see on: http://www.forbes.com/companies/sub-sri-thai/</p>



Risk Factors

In running a business it is common to face with risk factors that could affect significant impacts to the business; the company has carefully paid the attention on the risk management by implementing it with the internal control and inspection under the best practice to be able to adapt under the risk situations strongly. The risk factors that may happen to the company are as following:

1. The Company has its major shareholders > 50%

Mr. Supasith Sukhanindr and related persons hold the Company's shares more than 60% of total company shares being sold. In this regard, Mr. Supasith and related persons was able to control of the shareholders' meeting in its resolution; whether on appointing of directors or resolution in other matter that seeks majority of votes in the shareholders' meeting, except for the matter that the law or regulations of the company has imposed to get three fourths (3/4) of the shareholders' meeting. Therefore, other shareholders cannot have enough voting power to inspect and balance on the matters proposed by the major shareholder.

2. High Competitions

At present there is high competition between companies as it has more new comers into business all the time while the existing sellers and providers have to adjust strategies in developing products and services. The company has prepared to respond this issue by developing our service and product quality, management training and personnel to be able to improve along with various aspects of development for the best satisfaction of our customers and related persons.

3. Risks in Franchise Extension

Our food and beverage business run under the franchised brands oversea under the terms and conditions stipulated in the contract of franchise, therefore it may face with the risk in not getting license extension or in the change of details and conditions. However, the company has continually marketed these brands and with good turnover and growing market respectively, the risks should then be minimal.

4. Interest rate risk

The company has risk in interest rate which arises from financial assets and liabilities. Such as interest rate fluctuate, according to the market rate, the interest rate risk is so minimum.

5. Risk in Debt Collection from Account Receivables

Within the business group granted credit in relation with account receivables the company has imposed its policy that covers the implementation, follow-up and credit control suitable and in addition our customers are diversified and therefore the risk in not able to collect payment is low. For the food and beverage business that caters for major income to us it has very little risk as it may be compared equivalent to cash.

6. Risk in Compliance with Long-term Loan Contract

We and one subsidiary must comply with certain financial conditions as stated in the loan agreement, for instance, the debt to equity ratio, the debt settlement ability and limitations in distribution, pay, transfer or causing charges to land, construction, equipment and certain investment money to comply with the agreement, etc. The company and Industrial Enterprises Co., Ltd., (subsidiary) cannot comply with certain financial conditions under the loan contract. However, the company and the subsidiary company have been granted with the letter granting grace on the defaulting conditions from the bank.

7. Risk in Shortage of Labor

Thailand is now under labor shortage in every business segment and it leads to scrambling for labor. We pay attention to this risk by providing with good welfare and reasonable remunerations, develop knowledge to our employees continually including the arrangement of proper environment for working to enhance them to yield best efficiency and satisfaction to work with the company in long term.

Shareholders and Capital Structure

1. Sub Sri Thai Securities

Common shares

As of December 31, 2013, Sub Sri Thai's registered capital at 271,227,395.00 Baht (Two hundred and seventy one million two hundred twenty seven thousand three hundred and ninety five Baht) made up of 271,227,395.00 common shares at par valued of 1.00 Baht each. These consisted of Baht 180,817,904.00 (One hundred and eighty million eight hundred seventeen thousand nine hundred four Baht) in paid-up capital.

Debentures

The company has issued its debentures for 2 times, as follow:

1. Issuing of debentures, No. 1/2553, on March 19, 2010;

Senior Debt, non-secured debt No. 1/2553 with its yield to maturity (YTM) on March 19, 2013, fixed interest rate at 5.00% per annum, interest to be payable every 3 months throughout the debenture period at 140,000 units, par value at 1,000 Baht, totaling 140,000,000 Baht.

2. Issuing of debentures, No. 2/2553, on August 6, 2010;

Senior Debt, non-secured debt No. 2/2553 with its yield to maturity (YTM) on August 6, 2013, fixed interest rate at 5.00% per annum, interest to be payable every 3 months throughout the debenture period at 350,000 units, par value at 1,000 Baht, totaling 350,000,000 Baht

2. Structure of Shareholders

Major Shareholders as of December 25, 2012, the last date for closing the share register, total the company's shares being sold are 180,817,904 shares. Value of share: 1.00 Baht

No.	Name of Shareholder	Number of Shares	% of Shares being sold
1.	Mr. Supasith Sukanindr	36,965,733	20.44
2.	Mrs. Intira Sukanindr	18,185,712	10.06
3.	Mr. Supachai Sukanindr	18,091,960	10.01
4.	Miss Duangkae Chinthammit	9,963,572	5.51
5.	Miss Duangdao Chinthammit	9,818,699	5.43
6.	Mr. Chamroon Chinthammit	8,800,000	4.87
7.	Mr. Somchai Chinthammit	6,602,796	3.65
8.	Mrs. Kamalee Patchimsawat	5,566,180	3.08
9.	Miss Kamolludee Patchimsawat	5,010,060	2.77
10.	Mrs. Montanat Tamsirichai	4,464,000	2.47
11.	Mr. Pornprasong Tamsirichai	2,426,820	1.34
12.	Mrs. Pornthip Panyasakoonwong	1,740,000	0.96
13.	Mr. Sakol Ngamlertchai	1,590,520	0.88
14.	Mr. Supparith Sukanindr	1,533,400	0.85
15.	Mr. Kiattinant Denpaisarn	923,160	0.05
Total		131,682,612	72.37

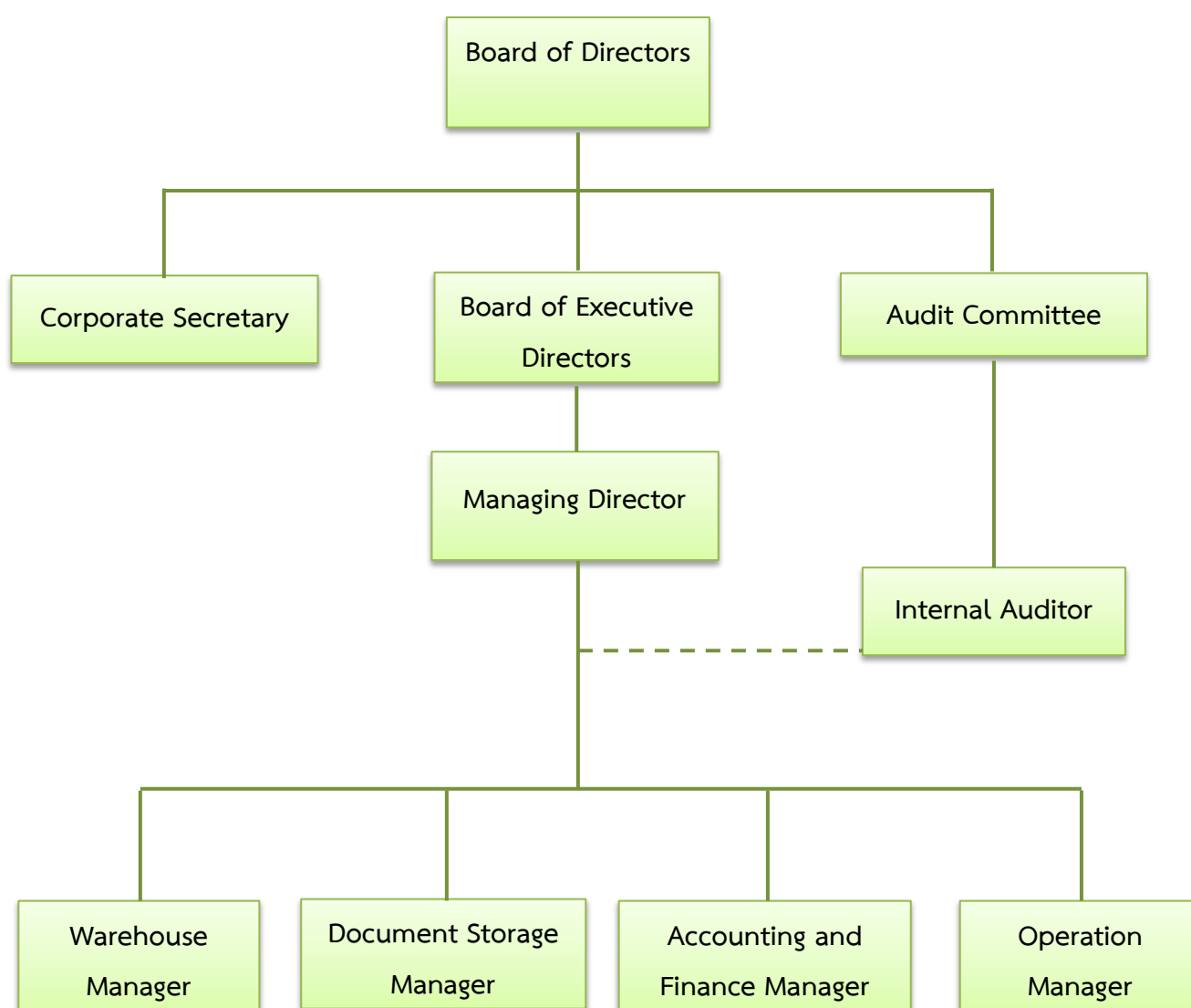
3. Payment Dividend Policy

The Company has a dividend payment policy to pay dividends to shareholders at least 50 per cent of net profit of the company consolidated statements after corporate taxes and the allocation of all legal reserves. This dividend payment shall not contrary to the Public Companies Act. However, dividend payment depends on cash flow, business expansion for the Company's projects and other essential requirement in the future.

The dividend payment policy of subsidiaries or joint company to pay dividends to Sub Sri Thai Plc., depends on their cash flow, financial liquidity, appropriateness and their need to use money.

Management

Management Structure of Sub Sri Thai Public Company Limited



Board of Directors of the Company

Name	Position
1. Mr. Keokhwan Vajarodaya *	Chairman and Independent Director
2. Mr. Sompoch Intranukul *	Director and Independent Director
3. Mrs. Chitra Thavara*	Director and Independent Director
4. Mr. Surapong Paisitpatnapong	Director and Independent Director
5. Mr. Supasith Sukhanindr **	Director
6. Mr. Pilanchai Pradubphong	Director
7. Mr. Sumrit Tantidilokkul **	Director Company Secretary***
8. Mrs. Intira Sukhanindr **	Director
9. Miss Duangdao Chinthammit **	Director
10. Miss Duangkea Chinthammit	Director

* **The independent** directors are the outside professionals and who are not employees or staff being paid by the company or related company, and free from the major shareholder and hold the company or related company not exceeding director 0.5% of paid up registered capital and able to oversee the benefit of minor shareholders with the details shown on Page 64.

** **The director authorized to sign on behalf of the company** are Mr. Supasith Sukhanindr, Mr. Sumrit Tantidilokkul , Mrs. Intira Sukhanindr, Miss Duangdao Chinthammit any 2 of 4 those directors are co-sign and affix with the company seal.

*** **The secretary company's** has been in charge of advising on legal issues and rules that the committee shall be required to acknowledge and to comply with its details shown on Page 68.

Component and Appointment

The Board of Executives comprises the president and a number of directors as chosen by shareholders to suit the size of company's business to efficiently perform business. In all it must be of not less than 5 directors, with its president as an independent director. In the board, it shall be certain directors who are not executives to be not less than half of it and with actual independent directors without any business relation or other relation that may pose influence not less than one thirds of the total directorship.

Election of directors and/or independent directors of the Company was done by the shareholders' meeting or the Board of Directors in accordance with the company's Articles of Association and the Public Companies Act B.E. 2535 based on the standards and methods as follows:

- 1 One shareholder had one vote per one share
- 2 The election of director may conduct by mean of voting to elect only one individual, one person in one time or several persons in one time or by any other method as deemed appropriate by the shareholders' meeting but in each resolution, the shareholder shall cast its existing vote as mentioned in clause (1) and it was prohibited to separate their votes.
- 3 Voting for election of director was adhered to the majority vote, in case of equal votes, the chairman of the meeting shall have the final vote.
- 4 The Directors who has been in expiration can be nominated and reappointed by the Shareholders' meeting consideration and approval.
- 5 The term of office of director is assessed in accordance with the Public Companies Act B.E. 2535

The scope of duties and responsibilities of the Board of Directors

1. To work out all duties under the law, purpose, company's regulations and resolutions of the meeting of shareholders, ministerial regulation or Act related to business operation and rules and regulations of the Stock Exchange of Thailand (SET), Securities and Exchange Commission.
2. Perform your duty and manage efficiently with your full capacity with honesty to create maximum benefits to the company and all Stakeholders.
3. Not seeking unfair benefits from work directly or indirectly.
4. Carefully manage your work and avoid conflict of interest in private benefits against the company's to administer it in full efficiency including,
 - Not seeking private benefits from directorship
 - Not using secret information illegally
 - Not being director in any company of same or similar competition to the company
 - Not having any benefit in making company's contract.
5. Imposing policy and strategy in business plan of the company and budget.
6. Follow and supervise management in implementing prescribed policy to be most efficient and effective to create maximum economic value for business and highest stability to shareholders.
7. Provide and supervise administration in rules of good supervision with internal control system and effective internal inspection including follow up of business regularly.
8. Create trust on accounting system, financial reporting and reliable auditing including supervision to have a process in evaluating sufficiency in internal control and internal inspection in managing risks and money control and legal compliance.
9. Supervise and solve all conflicts of interest including use of company's property illegally and incorrect act among involved persons.
10. Appoint and assign a director or several or other person to act on behalf of the board, by imposing duties and responsibilities clearly to oversee financial report, internal control system and supervision system as stated in the policy.

Audit Committee

Name	Position	
1. Mr. Sompoch Intranukul	Chairman of the Audit Committee	Independent Director with adequate expertise and experience to review creditability of the financial reports
2. Mrs. Chitra Thavara	Member of the Audit Committee	Independent Director with adequate expertise and experience to review creditability of the financial reports
3. Mr. Surapong Paisitpatnapong	Member of the Audit Committee	Independent Director with adequate expertise and experience to review creditability of the financial reports

The audit committee comprises at least 3 independent directors with adequate expertise and experience to review creditability of the finance reports and its term of office is 3 years. The committee member who has been in expiration may be elected again to assume post if seen suitable by the Board. The audit committee has the scope of duties and responsibilities to the Board of Directors on the following matters:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the law and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report;
 - (b) an opinion on the adequacy of the Company's internal control system;
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business;
 - (d) an opinion on the suitability of an auditor;
 - (e) an opinion on the transactions that may lead to conflicts of interests;

- (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member;
 - (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with charter.
 - (h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
7. To perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee.
 8. To report to the Board of Directors in the event that the Audit Committee has found or suspects matters that may affect The Company's financial standings and its financial performance, i.e. conflict of interests, fraud or unusual transactions or major flaws in the internal audit system, or wrong doings relating to the Securities and Stock Exchange, rules and regulations of the Stock Exchange of Thailand as well as other laws applicable to the Company's business. The Board of Directors and/or Management have to resolve the issue within the timeframe as dictated by the Audit Committee. In the event that the issue cannot be resolved within the allotted timeframe, the Audit Committee has to report to the Office of the Stock Exchange Commission and the Stock Exchange of Thailand.

Board of Executive Directors

Name	Position
1. Mr. Supasith Sukhanindr	Chairman of the Board of Executive Director
2. Mr. Pilanchai Pradubphong	Vice-Chairman of the Board of Executive Director
3. Mr. Sumrit Tantidilokkul	Executive Director

The Board of Executive Directors shall compose of chairman and not less than 2 executive directors to have authority as assigned by the Board of the Company as follows:

The scope of duties and responsibilities of the Board of Executive Directors

1. Impose the guidelines for development and business expansion to comply with the board of directors' policy with the risk evaluation that may be incurred to new product, or the risk related with new transactions including the guidelines to prevent risks related to transactions.
2. Impose business plan, budget and administrative authority in company to be submitted to the Board for approval;

3. Inspect, follow performances under the policy and guidelines to be effective and enhancing to the business operation;
4. Consider major investment projects of the company under the policy of the board of directors by analyzing investment project, risk and expected benefits to be submitted for approval from the board of directors.
5. Consider and screen the information or the facts of any matter to be submitted to the board of directors for accurate and full consideration.
6. Report to the board of directors regularly in relation with the management, operation and risk status of the company and changes including the matters to be improved to meet the imposed policy and strategy.
7. To arrange to have a working group on risks as necessary.
8. Approve administration related to company's operation as follow:
 - Approve costs as expense to be not over 10.00 million baht
 - Approve costs as asset to be not over 50.00 million baht
 - Approve accepting of goods pledge to be not over 100.00 million baht
9. Have authority in appointing, removing on executives lower than managing director.
10. Other implementations as assigned by the Board on case by case.

Meeting of Executive Directors

1. The management shall conduct to have or call for its meeting as seen suitable.
2. The management's resolution shall take the majority voting in its directors attending with the quorum, however, any director with interest in any matter shall not attend in such meeting or in any voting.
3. A management meeting shall consist of not less than its half of the total directors to make its quorum.

In 2012, the Board of Executive Directors has convened a number of meetings to follow up the management's implementations in 3 meetings and it has been reported to the Board of Directors to acknowledge and approve it.

Apart from the above-mentioned programs, the Board of Executive Directors also has a special meeting unofficially to consult on various aspects of the administration regularly every month and in attending consultation meetings to provide suggestions to the management of the subsidiaries at least once a month to make follow-up on targets.

Managing Director and Executive Officers

Name	Position
1. Mr. Sumrit Tantidilokkul	Managing Director
2. Mr. Noppadol Leela-arayasakul	Senior Document Storage Manager
3. Mr. Thanayos Thakerngkiat	Warehouse Manager
4. Mrs. Patcharee Boonnak	Senior Operation Manager
5. Mr. Charoen Boonmanosup	Accounting and Finance Manager

The Board's resolution shall impose the managing director to be of the authority in implementing normal business of the company and other matters, according to the Board and the Executive Resolution, including the following duties:

The scope of duties and responsibilities of the Managing Director

1. Take responsibility on all management work of the company to comply with company's board.
2. Approve administration related to company's operation as follow:
 - Approve costs as expense to be not over 2.00 million baht
 - Approve costs as asset to be not over 10.00 million baht
 - Approve accepting of goods pledge to be not over 20.00 million baht
3. Create vision and impose on missions to have its guideline and development in long term.
4. Take responsibility in business operation and integrated development to get suitable remuneration at appropriate rate in order to gain economic benefit at a reasonable rate.
5. Respond on market needs and customers' by developing quality and continual service to be in time of the situation at fair price.
6. Develop the Company to run business in good ethics, complying with laws, morality and good culture.
7. Develop organization and personnel to have knowledge at full capacity, create organizational culture and professional ethics.
8. Study and develop new technology, production process and continual business development using full capacity of resources.
9. Other assignments from the Board and the Executive Board.

Director and Management Biography



Name/surname Position	Shareholding Proportion(%)	Education / Training	Working experiences		
			Period	Position	Company / Type of business
1. Mr. KEOKHWAN VAJARODAYA Age 84 - Chairman and Independent Director	436,082 0.24 %	- Honorary Doctor of Agricultural Technology (Landscape Technology), Maejo Institute of Agricultural Technology - Honorary Doctor of Science (Agricultural Extension) Kasetsart University - Honorary Doctor of Education (Agricultural Technology) King Mongkut's Institute of Technology Ladkrabang - Honorary Doctor of Philosophy (Environmental Science), Ramkhamhange University - Honorary Degree of Doctor of Art (Community Development), Mahasarakham University - Doctor of Business Administration program (Honor) In Management, Bundit Boriharnthurakit College - Honorary Doctorate in Educational Administration, North Eastern University - Honorary Doctor of Agricultural Technology, Songkhla Rajabhat University - Honorary Doctor of Technology in Photography and Cinematography Technology, Rajamangala University of Technology Krungthep IOD Certifier - None -	1978 - 1986 1987 - Present	- Deputy Lord Chamberlain - Lord Chamberlain Positions in the Present In listed Companies - None - In non-listed Companies - None -	Bureau of Royal Household Bureau of Royal Household
2. Mr. SOMPOCH INTRANUKUL Age 74 - Director / Chairman of the Audit Committee / Independent Director	115,698 0.06%	- B.A. (Accounting) Chulalongkorn University - Diploma National Defence College, 1993 - Senior Executive Program (SEP 1) Sasin Graduate Institute of Business Administration of Chulalongkorn University IOD Certifier - Effective Audit Committees & Best Practices - Director Certification Program (DCP) Class 24/2002 - Director Accreditation Program (DAP) Class 63/2007 - Chartered Director Class (CDC) Class 3/2008	1995 - Present 1996 - 1998 1998 - 1999 1999 - 2000 1999 - 2001 1999 - 2009 1999 - Present 2003 - Present 2003 - Present 2008 - Present	- President - Senior Vice President - President - Chairman of the Board - Chairman Board of Executive Directors - Chairman of Audit Committee - Chairman of Audit Committee - Chairman - Chairman - Chairman of Audit Committee Positions in the Present In listed Companies 1 Company - Chairman In non-listed Companies 4 Companies - President - Chairman of Audit Committee - Chairman - Chairman of Audit Committee	The Siam Administrative Management Co., Ltd. Siam Commercial Bank Pcl. Saim City Bank Pcl. Saim City M.B. Co., Ltd. Saim City Bank Pcl. Siam Commercial Leasing Pcl. Deves Insurance Pcl. Raimon Land Pcl. SCMB Co., Ltd. Hifi Orient (Thai) Pcl. The Siam Administrative Management Co., Ltd. Deves Insurance Pcl. SCMB Co., Ltd. Hifi Orient (Thai) Pcl.

Director and Management Biography



Name/surname Position	Shareholding Proportion(%)	Education / Training	Working experiences		
			Period	Position	Company / Type of business
3. Mrs.CHITRA THAVARA Age 72 - Director / Member of the Audit Committee / Independent Director	85,710 0.05%	- Bachelor Degree in Commerce,Thammasat University - Senior Executive Program Class 12/1998 Sasin Graduate Institute of Business Administration of Chulalongkorn University IOD Certifier - Director Accreditation Program (DAP) Class 56/2006	1995 - 2001 2001 - 2002 2002 - 2003 2003 - 2006 2005 - 2010 2006 - 2009 2006 - 2009 2006 - 2010 2006 - 2010 2010 - Present	- Executive Vice President, Accounting & Finance Oil Business Unit - Executive Vice President, Head Office - Advisor Accounting System - Working Group to Plan Administrator - Independent Director - President - President - President - Advisor to CEO, Incharge of Acting Executive Vice President - Corporate Planning Supply Feedstock & Trading - Advisor of Corporate Commercial and Marketing. Positions in the Present In listed Companies 1 Company - Advisor of Corporate Commercial and Marketing. In non-listed Companies - None -	PTT Plc. PTT Plc. PTT Plc. Thai Petrochemical Industry Plc. Siamweb Plc. IRPC Polyol Co.,Ltd. IRPC Oil Co.,Ltd. Thai ABS Co.,Ltd. IRPC Plc. IRPC Plc.
4. Mr.SURAPONG PAISITPATNAPONG Age 72 - Director / Member of the Audit Committee / Independent Director	85,698 0.05%	- B.A. (Accounting) Thammasat University - B.A. of Business Administration Thammasat University - B.A. of Laws Thammasat University - The New Accounting Standards by The Federation of Accounting Professions - EPC/RFID for Logistics and Supply Chain Management by Department of primary Industries and Mines - Logistics-Inventory by Department of Primary Industries and Mines - Tax Auditor (Three days Training) by Revenue Department - Mini MBA Thammasat University (Matichon Program) - Applied Political Science by political Science Association of Thailand IOD Certifier - Director Certification Program (DCP) Class 142/2011 Thai Institute of Directors Association (IOD)	1970 - 1982 1995 - 1998 1991 - Present 1998 - Present 2000 - 2004 2002 - 2008 2005 - Present 2006 - 2008 2006 - Present 2009 - Present	- General Manager - General Manager, Maketing Development Division - Vice chairman of Automotive Industry Club - Member of Committee, Public Relation Committee - Advisor - Member of Committee, Human Capacity Building Institute - Advisor - Director of Federation of Thai Industries - Member of Committee,Academics Committee - Member of Committee, Export promotion committee Positions in the Present In listed Companies - None - In non-listed Companies - None -	Kijkamol Sukosol Co., Ltd. Sukosol and Mazda Co., Ltd. Federation of Thai Industries (FTI) Federation of Thai Industries (FTI) Kijkamol sukosol Co., Ltd. Federation of Thai Industries (FTI) Grand Prix International Co., Ltd. Federation of Thai Industries (FTI) Federation of Thai Industries (FTI) Thai National Shippers' Council

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Director and Management Biography



Name/surname Position	Shareholding Proportion(%)	Education / Training	Working experiences		
			Period	Position	Company / Type of business
7. Mr.SUMRIT TANTIDILOKKUL Age 60 - Authority Director to Sign on Behalf of the Company / Executive Director / Managing Director / Corporate Secretary	199,504 0.11%	- M.B.A. Chulalongkorn University - Bachelor of Accountancy, Chulalongkorn University IOD Certifier - Director Accreditation Program (DAP) Class 8/2004 - Director Certification Program (DCP) Class 51/2004 Thai Institute of Directors Association (IOD) - Role of the Compensation Committee Program (RCC) Class 15/2012	1978 - 2003 1991 - 1996 1997 - 2005 2003 - Present 2009 - Present 2010 - Present 2011 - Present	- Deputy Managing Director - Director - Director - Subcommittee - Director - Director - Director	Sub Sri Thai Plc. Warehouse Trade Association Listed Companies Association The Agricultural Futures Exchange Thailand (Category : Rice) SST Warehouse Co., Ltd * Industrial Enterprises Co., Ltd * Thai Livestock Promotion Co., Ltd.* Positions in the Present In listed Companies - None - In non-listed Companies 3 Companies - Director SST Warehouse Co., Ltd * - Director Industrial Enterprises Co., Ltd * - Director Thai Livestock Promotion Co., Ltd.* * Subsidiary Company
8. Mrs.INTIRA SUKHANINDR Age 65 - Authority Director to Sign on Behalf of the Company	18,185,712 10.06%	- Certificate of Secretary,Melbourne, Australia IOD Certifier - Director Accreditation Program (IDAP) Class 50/2006 Thai Institute of Directors Association (IOD)	1968 - 2010 1968 - 2010 1968 - 2010 1976 - 2010 2003 - Present 2004 - Present 2010 - 2011 2010 - 2011 2010 - 2011 2010 - 2011 2010 - Present 2010 - Present 2011 - Present 2011 - Present 2011 - Present 2011 - Present	- Vice President Business Development - Vice President Business Development - Vice President Business Development - Vice President Business Development - Director - Director - Director and Vice President - Director and Vice President - Director and Vice President - Director and Vice President - General Manager - Director - Director and Senior Vice President - Director and Senior Vice President - Director and Senior Vice President - Director and Senior Vice President	New Krung Thai Sugar Factory Co., Ltd. New Kwang Soon Lee Sugar Factory Co., Ltd. Tamaka Sugar Industry Co., Ltd. Khon Kaen Sugar Industry Plc. Champion Fermentation Co., Ltd. Thai Fermentation Industry Co., Ltd. Khon Kaen Sugar Industry Plc. New Krung Thai Sugar Factory Co., Ltd. New Kwang Soon Lee Sugar Factory Co., Ltd. Tamaka Sugar Industry Co., Ltd. KSL Export Trading Co., Ltd. KSL AGRO & Trading Co., Ltd Khon Kaen Sugar Industry Plc. New Krung Thai Sugar Factory Co., Ltd. New Kwang Soon Lee Sugar Factory Co., Ltd. Tamaka Sugar Industry Co., Ltd. Positions in the Present In listed Companies 1 Company - Director and Senior Vice President Khon Kaen Sugar Industry Plc. In non-listed Companies 6 Companies - Director Champion Fermentation Co., Ltd. - Director Thai Fermentation Industry Co., Ltd. - Director KSL AGRO & Trading Co., Ltd - Director and Senior Vice President New Krung Thai Sugar Factory Co., Ltd. - Director and Senior Vice President New Kwang Soon Lee SugarFactory Co., Ltd. - Director and Senior Vice President Tamaka Sugar Industry Co., Ltd.

Director and Management Biography



Name/surname Position	Shareholding Proportion(%)	Education / Training	Working experiences		
			Period	Position	Company / Type of business
9. Miss DUANGDAO CHINTHAMMIT Age 54 - Authority Director to Sign on Behalf of the Company	9,818,699 5.43%	- Master of Science, Agricultural Economics, University of Saskatchewan, Canada	1995-2004	- Director and Vice President	Khon Kaen Sugar Industry Co., Ltd.
		- Bachelor of Science, Computer Information System, Western Michigan University, U.S.A.	1996 - Present	- Director	Onnuch Construction Co., Ltd.
		- BBA in Business Administration, Kasetsart University	1999 - Present	- Director	KSL Real Estate Co., Ltd.
			2004 - Present	- Director and Vice President	New Kwang Soon Lee Sugar Factory Co., Ltd.
			2004 - Present	- Director and Vice President	New Krung Thai Sugar Factory Co., Ltd.
			2004 - Present	- Director and Vice President	Tamaka Sugar Industry Co., Ltd.
			2004 - Present	- Director and Vice President	Khon Kaen Sugar Industry Plc.
			2006 - Present	- Director	KSL Chemicals Co., Ltd.
			2007 - Present	- Director	KSL AGRO & Trading Co., Ltd.
		IOD Certifier		Positions in the Present	
		- Director Accreditation Program (DAP) Class 17/2004		In listed Companies	
		- Director Certification Program (DCP) Class 71/2006		1 Company	
		Thai Institute of Directors Association (IOD)		- Director and Vice President,	Khon Kaen Sugar Industry Plc.
				In non-listed Companies	
				7 Companies	
				- Director	Onnuch Construction Co., Ltd.
				- Director	KSL Real Estate Co., Ltd.
				- Director and Vice President	New Kwang Soon Lee Sugar Factory Co., Ltd.
				- Director and Vice President	New Krung Thai Sugar Factory Co., Ltd.
				- Director and Vice President	Tamaka Sugar Industry Co., Ltd.
				- Director	KSL Chemicals Co., Ltd.
				- Director	KSL AGRO & Trading Co., Ltd.
10. Miss DUANGKAE CHINTHAMMIT Age 57 - Director	9,963,572 5.51%	- Diploma from KATINKA School, England	1980 - 2004	- Director and Assistant Vice President	Khon Kaen Sugar Industry Co., Ltd.
			2004 - Present	- Director and Assistant Vice President	Khon Kaen Sugar Industry Plc.
			2004 - Present	- Director and Assistant Vice President	New Kwang Soon Lee Sugar Factory Co., Ltd.
			2004 - Present	- Director and Assistant Vice President	New Krung Thai Sugar Factory Co., Ltd.
			2004 - Present	- Director and Assistant Vice President	Tamaka Sugar Industry Co., Ltd.
				Positions in the Present	
				In listed Companies	
				1 Company	
				- Director and Assistant Vice President	Khon Kaen Sugar Industry Plc.
				In non-listed Companies	
				3 Companies	
				- Director and Assistant Vice President	New Kwang Soon Lee Sugar Factory Co., Ltd.
				- Director and Assistant Vice President	New Krung Thai Sugar Factory Co., Ltd.
				- Director and Assistant Vice President	Tamaka Sugar Industry Co., Ltd.
11. Mr. NOPPADOL LEELA-ARAYASAKUL Age 53 - Senior Document Storage Manager	33,162 0.02%	- Master of Public and Private Management	1992 - 1999	- Deputy Warehouse Manager	Sub Sri Thai Plc.
		The National Institute of Development Administration (NIDA)	2000 - 2003	- Senior Deputy Warehouse Manager	Sub Sri Thai Plc.
		- B.A. In Law, Ramkhamhaeng University	2004 - 2007	- Document Storage Manager	Sub Sri Thai Plc.
		- Entrepreneurs Development for Manufacturer program : Sustainable Innovation Management (SIM) Department of Industrial promotion, Ministry of Industry			
		- Modern Sale Management (MSP) The Continuing Education Center Chulalongkorn University			
		- Digital Marketing Mini- MBA Nation University			

Director and Management Biography



Name/surname Position	Shareholding Proportion(%)	Education / Training	Working experiences		
			Period	Position	Company / Type of business
12. Mr.THANAYOS THAKERNGKIAT Age 59 - Warehouse Manager	27,678 0.02%	- Master of Public Administration (M.P.A) Chulalongkorn University - Bachelor of Accountancy, Chulalongkorn University	1984 - 1999 1999 - 2000 2000 - 2002 2002 - 2003 2008 - 2010 2011 - Present	- Branch Manager - Branch Manager - Director - Assistant Managing Director - Director - Vice-President	Siam Commercial Bank Plc. Asia Bank PLC. Unique System Consultant Co. Ltd. T. Kungthai Industail Plc. Warehouse Silo and Cold Storage Business Association Warehouse Silo and Cold Storage Business Association
13. Mrs.PATCHAREE BOONNAK Age 55 - Senior Operation Manager	24,930 0.01%	- B.A. In Law Ramkhamhaeng University - Corporate Secretary Development Program Faculty of Commerce and Accountancy, Chulalongkorn University - Organizational Risk Management Program Sasin Graduate Institute of Business Administration of Chulalongkorn University - Entrepreneurs Development for Manufacturer program : Sustainable Innovation Management (SIM) Department of Industrial promotion, Ministry of Industry	1994 - 1999 2000 - 2003 2004 - 2009	- Assistant Deputy Operation Manager - Deputy Operation Manager - Operation Manager / Senior Operation Manager	Sub Sri Thai Plc. Sub Sri Thai Plc. Sub Sri Thai Plc.
14. Mr.CHAROEN BOONMANOSUP Age 53 - Accounting and Finance Manager	22,976 0.01%	- B.S. (Accounting), Kasetsart University	1996 - 2003	- Senior Team Leader Bank Audit and Compliance Department	Siam Commercial Bank Plc.

Name of Directors in Subsidiaries of Sub Sri Thai Plc.

As of 1st February 2013

Directors' name	Subsidiary Company						
	SST Warehouse Co., Ltd.	Industrial Enterprises Co., Ltd.	Thai Livestock Promotion Co., Ltd.	Mudman Ltd.	ABP cafe (Thailand) Co., Ltd.	Golden Donuts (Thailand) Co., Ltd.	Golden Scoop Co., Ltd.
1. Mr. Keokhwan Vajarodaya							
2. Mr. Sompoch Intranukul							
3. Mrs. Chitra Thavara							
4. Mr. Surapong Paisitpatnapong							
5. Mr. Supasith Sukhanindr	✓	✓	✓	✓	✓	✓	✓
6. Mr. Pilanchai Pradubphong	✓	✓	✓				
7. Mr. Sumrit Tantidilokkul	✓	✓	✓	✓	✓	✓	✓
8. Mrs. Intira Sukhanindr							
9. Miss Duangdao Chinthammit							
10. Miss Duangkea Chinthammit							

Remark Mr. Sumrit Tantidilokkul has been appointed to be a director in Mudman Co., Ltd., ABP cafe (Thailand) Co., Ltd., Golden Donuts (Thailand) Co., Ltd. and Golden Scoop Co., Ltd. since 28th January 2013.

Good Corporate Government

The Board of Directors of Sub Sri Thai Public Company Limited is aware and fully believes that corporate governance is the main key to enhance the achievement of our running of business, creating confidence and build maximum benefits to our shareholders and all related parties. Therefore, we are imposing our guideline and supervision policy under the concept of good governance by collecting all principle of good governance to the Board of Directors to acknowledge and must commit to when performing their duties and responsibilities to maximize benefits to our shareholders.

At present the Board of Directors of the company has reviewed and improved our corporate governance policy and manual of business ethics to be consistent with the time and situations and the guidelines of the Stock Exchange of Thailand (SET) in order that all directors can actually comply with it to create competitiveness, leading to the progress of the company and adding value to the shareholders in long term by thinking of all stakeholders involved.

1. Right of the Shareholders

The Board of the company is aware and gives the importance on the right of shareholders, no matter the basic right in law comprising the selling or transferring of shares, profit sharing of business, sufficient information on business, attending for exercising of right in the shareholders' meeting to appoint or remove directors, appointment of auditor, and matter affecting the company, such as, apportion of dividend, imposing or amending regulations and memorandum of association, decrease or increase of capital, and approval on special items, etc, and right of proxy for other person to attend on behalf, right of ownership in appointing committee to function on behalf, and the right to make decision on company's major changes. The company has implemented in order to promote the rights of the shareholders as follow:

1.1 Shareholders' Meetings

In the year 2012, the Company held the Meeting of Shareholders 2 times, these are:

1) The Extraordinary General Meeting of Shareholders No. 1/2012 that was held on January 6, 2012 (10.00 a.m.) at Vajiravej-Vitayalai Chalermprakiert Foundation, Royal Golden Jubilee Building 2, Soi Soonvijai, New Phetchaburi Road, Bangkok, in order to approve the Company's acquisition of assets by purchasing shareholding in Mudman Limited, ABP Café (Thailand) Co., Ltd., and Golden Donuts (Thailand) CO., Ltd., There were 10 directors, including shareholders and their proxies who attended meeting in the total of 88 persons and in the total of 101,536,188 shares or 83.91% of total shares.

2) The Annual General Meeting of Shareholders for the year 2012 that was held on April 30, 2012 (9.00 a.m.) at Vajiravej-Vitayalai Chalermprakiert Foundation, Royal Golden Jubilee Building 2, Soi Soonvijai, New Phetchaburi Road, Bangkok, to consider the agenda in compliant with the law and under the guidelines of the Stock Exchange of Thailand and to consider the increase of registered capital of the Company under a General Mandate. There were 9 directors and 1 directors authorized to attorney attending meeting, including shareholders and their proxies who attended meeting in the total of 136 persons and in the total of 113,882,652 shares or 75.58% of total shares.

Prior implementation before meeting

1) The Company had given opportunity to our shareholders to propose Shareholders Meeting Agenda as well as to nominate persons to be elected as the Company Directors in Annual General Meeting of shareholders for the year 2013 during October 1, 2012 to December 31, 2012. The criteria, procedures, submission channel and other related details which are stipulated to ensure the transparency and the Company's and shareholders' benefit are announced on the Company's website: <http://www.subsritthai.co.th> and also through the SET.

2) Inviting the shareholders by the company has entrusted the Thailand Securities Depository Co., Ltd., the company's registrar of shares, to invite with the meeting documents to the shareholders before the convening date for 14 days and publicize in the website: www.subsritthai.co.th in advance 30 days before the convening date and publishes the notice of shareholders' meeting in newspapers for three consecutive days in advance 20 days to shareholders' meeting for the shareholders to have enough time to study the information and data before the meeting.

3) The company's invitation letter has with the information, the date, time and venue including the agendas and all information related to the matters for decision making to the shareholders inclusive of the proxy letter, form gaw and khor, in the standardized forms imposed by the ministry of commerce, the company's regulations in relation with the shareholders' meeting, rules and methods in voting for each agenda and evidence details necessary for the shareholders on the convening date and in addition, with the list of names and background of independent directors. The shareholders may choose to make proxies to attend.

4) Each agenda of the invitation letter has clearly prescribed its proposal for acknowledgment or consideration including the facts, objectives and reasons, committee's opinions, including the voting amount to be the resolution, for instance, a special resolution will require three fourths of the votes, etc.

5) The agenda on the appointment of directors has with the name and background of the proposed director. In 2012, it has the proposal on former directors to retain the position again so it is given with data on previous meetings and number of years together with the holding ratio of securities in the company.

6) For the election of independent directors, the company has added information about the directors proposed on their independence, for instance, stake holding in the company, subsidiary or the juristic person that may be in conflict, etc.

7) Set the agenda on the remuneration of directors on yearly basis to be considered and approved by the shareholders, the company has provided detailed explanation on Annual Registration Statement (Report form 56-1) including policies and rules in the consideration.

8) The agenda for the appointment of the auditor, with the auditor's name, the related company and experience and expertise and independence of the auditor, including the auditing service fee.

9) The agenda for the dividend payment, it has been with the notice on dividend payment, dividend rate, together with the reason and accompanying information.

Implementation of Shareholders' Meeting

1) In the annual general meeting of shareholders, the chairperson has instructed the meeting criterions, resolution voting and counting and use of voting card.

2) The chairperson has given the shareholders with the session on questioning and opinions with the record of these issues in the Minutes of Meeting for those who did not attend to acknowledge it.

3) At the appointment of director agenda, the company has given the shareholders with voting right on persons.

4) Voting cards were used by shareholders to fill if they disagree and suspend vote to be deducted from the total votes.

5) In the annual general meeting of shareholders 2012, the company's Chairman of the Audit Committee, Chairman of the Board of Executive Director and Managing Director are present and the company has invited the auditor and the company's management to attend to fully give information or answer on shareholders' question.

Incidentally, Chairman of the Board did not attend the meeting due to he had other important priority.

6) In each agenda, it has been conducted by the company in the manner of resolution voting and record on each voting count clearly: yes, no, suspended at what amount of votes.

7) The company has granted the shareholders who attended after the meeting started with right to vote or voting in the agenda in discussion and no resolution yet.

8) The company does not add agendas and without any prompt notice on information or major change of information.

Implementation after the Shareholders' Meeting

After the shareholders' meeting, the company has prepared with the shareholders' minute of meeting comprising following details which are the notification on voting method and counting, voting resolution and record of votes gained in each agenda clearly: yes, no, suspended at what amount of votes, including the explanation on major points, exposing with question and answer or opinion in conclusion and the company has submitted its minute to the SET within 14 days as scheduled and upload to website within 30 days from the convening date for shareholders who are interested and need to review.

From the implementation of quality evaluation project of the annual general meeting 2012 organized by the Thai Investors Association, the company has been rated 84% in the level of **"Very Good"**.

1.2 Promote the shareholders to fully exercise their right and voting:

1) Separate the closing of register of shares transfer suspension for the right in attending the annual general meeting for the shareholders to consider approving the apportion of profit and dividend for the year; before the closure of the register again for the right of dividend payment to maintain the shareholders' right to choose to keep the shares for dividend or not.

2) Locate the meeting venue to be convenient, which is convened at the Royal Golden Jubilee Building, Soi Soonvijai, New Phetchaburi Road, Huai Khwang District, in nearby vicinity of Head Office, convenient transportation and suitable conference room, can support the number of participants sufficiently and with facility for shareholders to register in advance one hour before attending the meeting.

3) In case a shareholder cannot attend, he/she may assign proxy to attend or authorize an independent director to attend and vote by downloading the form of proxy and information, for instance, financial data, and meeting info from the company's website.

1.3 The Right of the Shareholders in acknowledging the company's information

The committee gives vital attention for information disclosure that is accurate, transparent, and comprehensive on its financial and general information, including the information that may affect its price by disseminating such information for all investors through the mediums of the SET and the website of the company.

2. Equal Practice to All Shareholders

The company must create confidence with shareholders who will invest with the company. Therefore, the board should oversee the company's spending that will suitably create maximum benefits to the company and the shareholders and to supervise that all shareholders are treated and protected in exercising their basic rights as mentioned above.

In addition, the board has its policy in processing the procedure of shareholders' meeting in the manner to promote equal treatment to all and imposing measures to prevent the directors to use insider information for their own benefits or others illegally, including prescribing the board and the management of the company to disclose information related with the interest of themselves and related persons for the committee to consider transactions that may be in conflict and to be able to make decision for overall benefits of the company, by directors and management who are of interest in transactions shall not participate in such decision making. The company has implemented in order to promote the practice to all shareholders equitably as follows:

2.1 Imposing Independent Directors to oversee the minor shareholders

The minor shareholders can propose suggestions to independent directors via e-mail: sompoch@subsritai.co.th and independent directors shall consider each case and in any important case with effect to all shareholders or business it will be submitted to the board of directors to be put for consideration at next general meeting of shareholders.

2.2 Oversee the use of internal information

The company has prescribed the measures on Insider Trading by the following persons:

- 1) It is forbidden for all director, executives and the Company's staffs to make use of any information of corporate affairs that have not yet been made public (inside information) or giving inside information to outsiders for the benefits in trading of company's securities.
- 2) The directors, executives and staffs related to the company's inside information should abstain from sale of company's shares during its period before disclosure of financial statement or company's status including other important data. It should be waited for public disclosure first before making trading on the next day which is deemed suitable.
- 3) The executives and company's staffs should report on sale of company's securities to the managing director within 3 days from the trading date, to make it data in follow-up and evaluation on protection system in applying inside information illegally. The company shall further conclude and report it to the Audit Committee for acknowledgment and further consideration.
- 4) The directors at having the report on holding of securities of the Company in Form 59-2 to the Securities and Exchange Commission with reporting to the Chairman for acknowledgment, via the company secretary.

This is intended to prevent Insider Trading using internal information and to avoid scandal on the appropriateness of the company staff on trading of shares.

When to Deem It as, “Inside Information”:

- 1) When such data has “essential elements”, that is, it has a great probability that investors tend to deem it as important in making decisions on trading of company’s securities.
- 2) When such data is “not a public data”, that is, until such information shall be open to public and report by media, taking the next day after such official disclosure to be public information.

During the past year, the directors have transferred and purchased on company’s shares and warrant (SST-W1) for purchasing the Company’s ordinary shares, and reported their securities holding (Form 59-2) to SEC under the rules of SEC, and reported to the Chairman for acknowledgment, via the company secretary. Moreover, in assignment on share purchase as mentioned, it has no insider information in any manner.

2.3 To prevent Conflict of Interests

The Company has stipulated its policy to warn all directors, executives and staffs to avoid any act in contradict to the company’s benefits directly or indirectly. The Practices are imposed for all directors, executives and staffs of the company as follow:

- 1) It has a clear separation of responsibility between board of directors and the company’s management and the shareholders, so it does not come up with any overlapping in the case any director or any management person with the stake of interest in the matter, such stake holder will not attend or suspend voting for the fair decision making by the Board of Directors and the management for the actual benefits of the shareholders.
- 2) It has with the policy overseeing the use of internal information in the policy for corporate governance and business code of ethics.
- 3) Not seeking benefits for self or associates, through the position held in communication with related traders of the company, for instance, partner, customer, competitor, causing damage to the company.
- 4) Avoiding any trading particular connected to self that may cause conflicts of interest against the company.
- 5) Not making use of the opportunity earned in being director, executive or staff of the company in seeking private benefit and in competitive business against the company or in making related business.
- 6) Refrain holding shares in competitor’s business, in case of any share holding that may affect a person’s responsibility or in case of share holding before becoming a director, management or company’s employee or via succession, it must be reported in writing for the company’s acknowledgment.

In addition, all board members and executive officers have reported about management or directorship in other companies with holding of shares in other companies to the Board Chairman and Chairman of Audit Committee and it has been acknowledged by him via the company secretary, who is assigned by the Board to compile necessary information, as

stipulated in policy guideline. All directors are required to disclose information on equity including relevant persons and must report every time before any changing from previous report to enable the company's management into proper efficiency.

3. Roles of the Stakeholders

The company operates its business by adhering to all related stakeholders for joint benefits sustainably, therefore, the committee has reviewed and prescribed into guideline document, called "Manual of Business Code of Ethics" to create the clarity in time with situations and time, able to be complied accurately. The stakeholders who are shareholders, employees, customers, trade partners, creditors and community that the company located, society or the public sector which should be performed and overseen by the company according to the rights existing in the legislations and under the agreement with the company, as follow:

3.1 Shareholders

The company gives its importance to the shareholders by adhering to the equality of the shareholders, operating business in bona fide principle, with ethics and righteousness under the frame of the law and code of ethics, through our utmost effort and care and business determination in transparency, carefulness and long term growth with good returns of income to satisfy the shareholders and to organize measures to prevent the use of internal information for a director's benefit or the management to maintain the benefits of the shareholders. The company has arranged channels to accept complaints from shareholders or other stakeholders through e-mail of the audit committee as shown in the sub-heading of: "Right of the Shareholders and with Equal Treatment to Shareholders".

3.2 Employees

The company is fully aware that the employees are our most vital resource for the company's success and achieving the set targets at maximum efficiency. The company is therefore determined to make our employees proud and confident in the company including with the fair remuneration in consistent with the performance and economic conditions. In the previous year, the company organized projects to support and promote the joint working atmosphere including the boosting of morale and will power in working, for instance:

- The company has set up the provident fund for our employees since 1986, before the promulgation of the Provident Fund Act, B.E. 2530, with the objectives in supporting and giving welfare to the employees in saving and creating security for their future. The scheme has brought our employees who may have to resign to have a lump sum of money or at retirement and it also creates incentive to them to work with the company in long run. At present, we have contributed at the rate of 6-15% of the wage at working period of the employees.

- The company has set up the Employee Joint Investment Program – EJIP which is the second EJIP Program of the Company consecutively. EJIP Program is a form of giving return to employees, creating Ownership participation, incentive for loyalty to the company, and working for long term incentives by the employees pay at 5% of salary and the company’s contribution at 7% of the salary (see detail on page 75, Employee Joint Investment Program).
- The company has established Welfare Committee in Workplace as the medium for relaying welfare needs of employees to the employer and in consultation for the suggestions including the supervision on welfare inside workplace and the company sees that the employees will benefit and morale in work. Therefore, the company has supported in the provision of equipment, tools and appliances, facilities in working and good environment as proposed by the Welfare Committee.
- The company has established a safety committee and we also have safety policy, with no report on any accidents in our work at all.
- The company has arranged life insurance, accident insurance and health insurance to all employees, especially those employees who are on travel to provinces. We are aware in travel safety, so we have additional travel insurance for these employees on duty and we have revised insurance programs to have suitable coverage with economic situation and present cost of living continually including conducting annual health inspection for all employees.
- The company gives importance in overseeing the employees’ safety, with the plan and training on fire protection and fire drill for employees annually at least once a year. Moreover, the company has employed an engineering team on control according to the law to look after the training and register as the building inspector to inspect our building on annual basis.
- The company also aims to develop and enhance on knowledge and skill of our employees continuously in order to support the growth of the company. In the previous year, the company has conducted training for skill development for our employees at the rate over 50% of our total employees, with intention to enhance on knowledge, skill and attitude under the state policy.

3.3 Customers

The Company pays great attention to our customers’ satisfaction, determining to develop continual servicing system to respond our customers’ need to be most effect at all the time. The company has prescribed its policy on fair treatment and responsibility towards the customers in its Manual of Business Ethics, which is generally disseminated to the public.

In over the past 10 years, our old customers still entrust with our services until now, as the company has delivered with good product and services in efficient manner with convenience, fastness and integrity in our servicing flexibility, under fair conditions and with full

completion of agreements made with the customers under the regulations and laws related with business operation of the company and no violation or contract default with the customers. The company always thinks of the customers' satisfaction by conducting on the satisfaction evaluation of our customers annually and with our improvements to meet ISO 9001:2008 as accredited to the company including the arrangement of the system and process for the customers to make complaints on the quality, volume and safety of the goods and service.

3.4 Trade Partners and/or Creditors

The company has its policy to implement its treatment and responsibility with all trade partners and creditors in equal term and fairness by considering on the maximum benefits of the company, basing on the fair returns to both parties, as follow:

The company has suitable treatment to its trade partner appropriately, fairly, and equally, without demand or taking or paying any interest illegally in trading with partners and without any judgment or personal relationship to build confidence in all partners to get the fair treatment, complying with agreements or conditions as agreed strictly.

The company has always treated our creditors under the conditions or trade agreements and duties towards the creditors by creating trust through out management in good ethics and facility in providing information for the good understanding in the company's finance.

3.5 Trade Competitors

The company complies with bona fide frame of trade competition, adhering in business operation under the fair covenants, under the law and ethics of the company, without any ill practice on each other and no seeking of trade secrets of the competitor through any illegitimate method or breaching of agreement in not disclosing the competitor's information whether from the customer or other person. In the previous year, the company does not have any dispute in relation with the trade competitors.

3.6 Safety, Occupational Health, Environment, Society and Public

The company has its policy in running business by giving importance and dedication to the maintenance of environment and safety, occupational health in the company's business activities to create benefits to economic, social and our society as follow:

Environment and Safety

- The company's warehouse is located at the bank of the Chao Phya River; therefore, we oversee the release of waste water into the river by constructing the grease trap for treating fat and waste water, taking the sample of water from various points in order to verify the quality under the standard by measuring Ph, BOD, Suspended Solids, Oil & Grease, Nitrate-Nitrogen, Phosphate and other for every 3 months with relevant report to the state authorities.

- On occupational health and safety, the company oversees the working environment to be safe for life and property of the employees, customers and contact persons at all time, so it has been improved with the checking system on fire and water safety regularly. We have planned and trained on fire prevention to the employees annually, including the hiring of engineering control team trained and registered as the building inspector to check the building stability including lift system, electricity and air-conditioning, health and environment, prevention and extinguishing of fire, capacity of equipment and systems in the building, safety management of the building annually and the company has been accredited with the certificates from the state authorities until the present time.

Society and Public

- The company has strictly complied with all related laws on quality of life, environment, safety, labor, accounting and tax administration, copyright and intellectual property from any dishonest act and we comply with official notifications in relation with our business. In 2011 the National Anti-Corruption Commission has announced the rules and methods in the preparation and statement of accounts of the project that person or juristic entity is contract party with the government agencies, B.E. 2554, effective from 1 April 2012, for the benefit in the prevention and suppression of corruption in contracts between state agencies and person or juristic entity. The company as a contract party with government agencies is aware in the impacts from corruption so we have paid attention in this matter by having our employees attending the seminars to improve their understanding and to strictly comply with NACC notifications.

In addition, we have co-operated in supporting activities of the government agencies in seminar and proposing our opinion as an operator in warehouse and wharf business to The Thai Chamber of Commerce and Board of Trade of Thai Chamber of Commerce, Warehouse, Silo and Cold Storage Business Association for the official benefit in improving the rules and regulations and administration to enhance efficiency in the industrial sector of the country. Moreover, the company has co-operated with government agencies in their implementation, for instance, granting the Ladluang City Municipality to use the area of Warehouse II for the local election and general election.

- The company has the policy to make ourselves to have with, Corporate Social Responsibility – CSR, through internal and external activities with the consideration on its impact to the society, by using the resources inside and outside the organization, in order to live happily in the society with normal peace. Therefore, the company has conducted CSR Day in the workplace by

organizing CSR DAY since 2011 and in 2012 to promote the knowledge about Corporate Social Responsibility – CSR to the employees to enhance their “participation process” and to make preparation for them in Sustainability Development Report (SD Report) under the guidance of Global Reporting Initiative (GRI), a project supported by the Stock Exchange of Thailand, Corporate Social Responsibility Institute (CSRI) and Thaipat Institute.

At present the Board has imposed the policy and vision as the guideline for the company’s activities to develop for sustainability, as follow:

vision

To become Thailand’s business leader in warehouse, documentation storage by determining to develop Automation and heading to food and beverage business by running the business with responsibility to the society and environment.

Mission

- 1) To hand over products and services in quality and high standard from modern technology;
- 2) To run the administration in good governance, with responsibility to employees, community, society and environment and create relationship with interested persons to realize the value of business.

Vision and Mission on Corporate Social Responsibility

- 1) Intend to run business with virtues, ethics, and awareness in social responsibility and for the country
- 2) Intend to create quality and excellence in all organization sections and to intend to develop new products and services with quality and standard with the modern technology added value and satisfaction to our client including the customers, trade partners, employees and shareholders
- 3) Aim to treat our personnel with human rights including the promotion of their development in equality and fairness;
- 4) Aim to promote and develop environment in the organization and awareness on corporate social responsibility towards our natural resource and environment

The company can have with **Sustainability Development Report 2013** under GRI reference at C level and shall spread 2013 Annual Report with Thaipat Institute as the project advisor.

- And from our CSR Day, our employees propose on environmental, the company’ s staff and social activities as follow: Mangrove Forest Project, Happy Work Happy Life and Education Materials Donation for Schools, and the company has organized the mangrove forestation at Chulachomklao Fort, Samutprakan Province on 10 July 2011, Project Donating Money and Things to

Pakkred Babies' Home, Nonthaburi on 28 July 2012 and Project Donating Blood to Commemorate His Majesty's 84th Birthday and the celebrations on the auspicious of His Majesty's 84th Birthday on 29 September 2012.

- On the society and the communities nearby the company, we provide with education funds and Children's Day Fund to the schools in Phra Padaeng District and Phra Samut Jedi District continually every year. Moreover, the company has organized with the funds for social donations and for our religion, Buddhism continually every year. In 2012, the company has contributed supporting donations at the amount of Baht 61,000.-
- In addition, the company has contributed with knowledge to education institutions including public or private agencies that are interested in company's business on Automated Warehouse, by visiting to learn our Automated Storage and Retrieval System, the most modern technology in Asia and the first and only in Thailand. In 2012, it has organizations and institutions interested in making visit on AS/RS system, for instance, Office of Auditor General of Thailand, Dhurakij Pundit University and Rajamangala University of Technology Phra Nakhon, etc.

4. Disclosure of Information and Transparency

The information disclosure should be accurate, complete, timely, and transparent including the information access in time and in equality as the principle to comply with and confidence in the trust from shareholders, investors including all related persons as the supporting factors on added value in long term and short term. The board therefore must impose and oversee the good practice for communications and present the information and news easily, with equality and accountability, as follow:

4.1 Major and sufficient financial information that complies with the generally-accepted accounting principle and through the inspection and non-conditional opinion of independent auditor and the information which is not financial statement under the requirement of a related law accurately, completely, timely and transparently through the channels of the Stock Exchange of Thailand.

In addition, the company has prepared the report of responsibility of the committee towards the financial report together with the auditor's report with the contents supporting the compliance with the generally accepted accounting principles and with financial report containing full and accurate information, truthfully according to accounting standards, certified by the company president and the managing director.

4.2 Apart from the dissemination of information through the stipulated rules and channels of the Stock Exchange of Thailand in Annual Registration Statement (Form 56-1) and Annual Report (56-2), it should be made in Thai and English through other channels, like, website of the company and with regular update of the information.

4.3 The policy on corporate governance and manual of business ethics and conduct guidelines that the Board of Director has approved openly on the website for all shareholders or interested persons to study.

4.4 Share-holding structure to be clear and transparent by showing the structure of major shareholders and minor shareholders.

4.5 Clearly reveal the structure of implementation and investment in the subsidiaries.

4.6 Reveal the information on remuneration of directors and senior executives that reflect the responsibilities including the form and nature of remuneration, including remuneration of directors in the subsidiaries.

4.7 Prescribe that the directors and the management to report on their stake holding and related persons in relation with the company's management or subsidiaries under the rules and regulations of the Public Company Act and the Act Governing Securities and Stock Market to the company through the company secretary, for its maintenance and collection to be proposed to the company president and the chairperson of the Audit Committee to acknowledge within 7 business days from the day the company has received it.

4.8 Reveal the role and duties of the sub-committees, the number of meetings and the number each director attended in the previous year and their opinions.

4.9 Reveal information in relation with the share holding of directors and the management.

4.10 In the previous year, the company has not been implemented by the SEC or SET due to any disclosure of information not complying with the rules.

However, the company has not yet set up its Investor Relation body but assigning Mr. Sumrit Tantidilokkul, the company's managing director and company secretary, Mr. Charoen Boonmanosup, Accounting and Finance Manager and Mrs. Patcharee Boonnak, Senior Advisor on Operations to contact institutional investors, shareholders, including analysts and related government agencies and the investors can contact the company at:

Tel. 02-318-5514-5, 02-314-0412, 02-314-3132

WebSite: www.subsrithai.co.th or **WebSite:** www.subsrithai.com

E-mail address: ssst@subsrithai.co.th, patcharee@subsrithai.co.th

5. Responsibilities of the Board of Directors

The Board of Directors is composed of qualified persons with experience, and ethics in operating business and who are without bad background or forbidden record as imposed by the notification of the SEC to be of leadership to control the management, the vision with the management, independence in decision making, performing duties with care and skills and integrity for the best benefits of the company and fairness to shareholders with accurate and full information.

The Company's board of executive shall dedicate time and hardworking practice in company's business to acknowledge opportunities, risks and business issues and readiness to join company's meetings to consider and present opinions on issues.

5.1 Structure and Qualities of Board of Directors

5.1.1 The Board of Directors

The Board of Directors of the Company comprises of 10 directors which is suitable for its business with directorship term at 3 years a time, and it is composed of:

- Independent Board: 4 persons (3 persons are Audit Committee)
4 independent directors with full qualifications under the rules of the SEC, calculated at one third of the total directors and one independent director is the company president and who is not the same person with the managing director to separate the division of duties on governance and regular management.
- Executive Board: 3 persons
- Non-Executive Board: 7 persons
- Authorized director: 4 persons (signed 2/4)

Resume details, qualifications, experience, share holding, can be read in the sub-heading of Details in relation with Director and Management Biography on Page 44.

5.1.2 Independent Directors

Chairman of the Board

Chairman of the Board is independent directors, who is not the same person with the Managing Director and is not an employees or management of the Company.

Audit Committee

The Audit Committee is independent director under the meaning of the Stock Exchange of Thailand and Office of the Stock Exchange Commission, with the independence from major shareholders and the management and without any relationship with the management. The elected committee is appointed from the persons with full qualifications under the rules of the Capital Market Supervisory Board, as follow:

- Shall not hold the Company's shares more than 0.5%
- Shall not be a management director, employee or staff or consultant with remuneration from the company.
- Shall not have any blood relation, no business relation with the company that may intervene independent discretion.

Therefore, the qualities of "independent committee" are stricter than minimum requirements imposed by SEC and the Stock Exchange of Thailand on shares holding of the company fixed at not over 1%.

5.1.3 The Board of Directors has appointed the company's secretary to give information and instruction on law and rules that the board shall have to acknowledge including the duties in overseeing its activities and co-ordination in order to strictly comply with the board's resolutions.

Category of Director

Name of Directors	Category of Director			
	Representative Shareholders	Non-Executive Director	Independent Director	Executive Director
1. Mr. Keokhwan Vajarodaya	√	√	√	
2. Mr. Sompoch Intranukul	√	√	√	
3. Mrs. Chitra Thavara	√	√	√	
4. Mr. Surapong Paisitpatnapong	√	√	√	
5. Mr. Supasith Sukhanindr	√			√
6. Mr. Pilanchai Pradubphong	√			√
7. Mr. Sumrit Tantidilokkul	√			√
8. Mrs. Intira Sukhanindr	√	√		
9. Miss Duangdao Chinthammit	√	√		
10. Miss Duangkea Chinthammit	√	√		
Total	10	7	4	3

5.2 Committees

The sub-committees may be appointed from a group of directors in the Board, having the qualification and knowledge in proper expertise, being a director in a sub-committee appointed by the Board to do duty in finding out and checking on its importance and regular occurrence which must be closely watched to enhance effectiveness in follow-up and control of work on behalf of the Board. They are management committee, audit committee, by imposing the management to attend the explanation or making reporting as seen appropriate.

In this regard, at present, the company still not appoint the Nomination Committee and Remuneration Committee due to the company is a small organization, therefore, appointment of several committee is deemed inappropriate and the supervision of inspection to the company can be easily done by using the method to order each work unit to regularly report its responsibility whereas if the company organization is expanded in the future, the company shall perfectly comply with the standards of the Stock Exchange of Thailand accordingly.

For the details of role, function, responsibility, component, qualification and reports submitted to the Board of Directors are in the topic Management on Board of Executive Directors and Audit Committee.

5.3 Role, Duties and Responsibilities of the Board of Directors

The details of role, duties and responsibilities of the Board of Directors have been shown in Section Management, heading, “The scope of duties and responsibilities of the Board of Directors”

5.4 Board of Directors’ Meetings

The Board may impose its meeting at least every 3 months and shall have additional special meeting as necessary.

The appointment on meeting shall have its secretary doing co-ordination on appointments in advance to be not less than 1 month and shall be in letter on meeting with agenda and date/time and venue of meeting with documents related. It must be informed in advance not less than 7 days to let directors to have time for consideration on information and in urgent case it must be notified in other method as acknowledged by the directors.

The quorum of the Board’s meeting shall be of not less than half of all directors.

In the meeting, the chairperson shall be as stated and conclusion of issues to be discussed by directors and assessment of opinions and meeting resolution, by opening the opportunity for each director to express opinion, except for directors who have stake in that matter and the chairperson must request his/her vacancy in the matter under consideration.

In any consideration, the directors have the right for checking of the matter with the explanation in details from the management in such matter.

Voting shall be in majority and if it has any objection it must be recorded in the Minutes and any director having interest or stake in that matter must abstain.

In the past 2012, The Board of Directors had normal meetings for 6 times and in each meeting, there were over 75% of directors attending the meeting in order to consider and follow the management's implementations under the given policy, following up on company's business plan and budget, including in joint consideration of the major development projects as proposed by the management, the detail of Directors' attendance at the meeting are as follow:

Directors' attendance at the meeting in each committee for year 2012

(1 January-31 December 2012)

Name	Position	Meeting Attendance in 2012		
		Board of Directors (Total 6)	Executive Committee (Total 3)	Audit Committee (Total 5)
1. Mr. Keokhwan Vajarodaya	Chairman and Independent Director	5/6		
2. Mr. Sompoch Intranukul	Director and Independent Director/ Chairman of the Audit Committee	5/6		5/5
3. Mrs. Chitra Thavara	Director and Independent Director/ Audit Committee	6/6		3/5
4. Mr. Surapong Paisitpatnapong	Director and Independent Director/ Audit Committee	6/6		5/5
5. Mr. Supasith Sukhanindr	Director and Chairman of Board Executive Director	6/6	3/3	
6. Mr. Pilanchai Pradubphong	Director and Vice-Chairman Executive Director	6/6	3/3	
7. Mr. Sumrit Tantidilokkul	Managing Director and Executive Director	6/6	3/3	
8. Mrs. Intira Sukhanindr	Director	6/6		
9. Miss Duangdao Chinthammit	Director	6/6		
10. Miss Duangkea Chinthammit	Director	6/6		

5.5 Company's Secretary

The company has arranged to have its own secretary according to the section 89/15 of Stock and Stock Market Act, to perform in giving information and instructions on law and rules that the directors must comply, co-ordinate and prepare meeting agendas, to prepare and maintain register of directors, preparing invitations, meeting documents, advance notice giving enough for the study and consideration of the agendas to give opinion and voting, to oversee and conduct meeting in good order and according to the laws and rules of the company, minutes taking and filing, annual report and report on stake holding to be reported by directors and the management, with its copy to the company president and chairperson of the audit committee to review it within 7 days from the date the company has received it, co-ordination to have the compliance under the governance policy announced by the company with other implementations as stipulated by the SEC.

However, the company secretary shall perform duty with responsibility, carefulness and integrity including in complying with the laws, objectives, and regulations of company, board's resolutions and resolutions from the shareholders' meeting.

5.6 Remuneration for Directors and Management

- Remuneration for directors:

As the remuneration is directly related to the directors, therefore, the board cannot approve its own remuneration. The Board of Directors shall provide with remuneration process which is transparent at a suitable level and sufficient to motivate and maintain a required amount of directors with its approval from shareholders every year, but as we are still without a remunerations committee, it shall be at present thoroughly considered at the meeting of the Board of Directors, by comparing within the same industry, including the business expansion and growth of the company, scope of responsibility of each director, for instance, chairman, chairman of sub-committee, member in committees, such as, executive committee for audit committee, etc.

The remuneration for the directors should be high enough to maintain the directors who have qualities as required.

Remuneration of The Board of Directors and Committee for the year 2012

Directors	2012		2011	
	No. Total	Allowance (Baht)	No. Total	Allowance (Baht)
The Board of Directors (Remuneration)	10	2,238,000	10	2,192,000
The Board of Executive Directors (Remuneration)	3	3,444,000	3	3,376,000
Audit Committee (Remuneration)	3	570,000	3	556,000
Contribution to EJIP Program	10	2,145,000	10	1,620,000
Bonus	10	-	10	3,000,000
Other Benefit	10	-	10	-
Total	10	8,397,000	10	10,744,000

- Remuneration for management:

The remuneration for the management is in compliance with the principle and policy imposed by the Board of Directors. The Board of Executive Directors shall consider and present the appropriate remuneration to the Board of Directors for consideration and final approval. The remuneration for the management should be in the good incentives to maintain the managing director and the management who have knowledge and capability to work for the company in linking with the company's performance and assessment of the managing director and each executive director.

Remuneration for Managements for the year 2012, including Managing Director

Managing Director and Managements	2012		2011	
	No. Total	Allowance (Baht)	No. Total	Allowance (Baht)
Salary	5	7,807,800	5	7,363,000
Bonus	5	3,549,000	5	3,894,064
Contribution to EJIP Program	5	537,096	5	506,184
Other Benefit such as contribution to provident fund and employee benefit	5	2,672,014	5	1,858,432
Total	5	14,565,910	5	13,621,680

Holding the Company's Shares of the Board of Directors and managements

Name	Ordinary Share			
	As of Dec 17, 2011 (Paid-up Capital 121,000,000 Baht)	%	As of Dec 25, 2012 (Paid-up Capital 180,817,904 Baht)	%
1. Mr. Keokhwan Vajarodaya	284,689	0.24	436,082	0.24
2. Mr. Sompoch Intranukul	73,099	0.06	115,698	0.06
3. Mrs. Chitra Thavara	51,109	0.04	85,710	0.05
4. Mr. Surapong Paisitpatnapong	51,099	0.04	85,698	0.05
5. Mr. Supasith Sukhanindr	30,784,349	25.44	36,965,733	20.44
6. Mr. Pilanchai Pradubphong	51,109	0.04	64,275	0.04
7. Mr. Sumrit Tantidilokkul	120,196	0.10	199,504	0.11
8. Mrs. Intira Sukhanindr	14,611,109	12.08	18,185,712	10.06
9. Miss Duangdao Chinthammit	6,922,349	5.72	9,818,699	5.43
10. Miss Duangkea Chinthammit	6,922,349	5.72	9,963,572	5.51
11. Mr. Noppadol Leela-arayasakul	20,364	0.02	33,162	0.02
12. Mr. Thanayos Thakerngkiat	17,033	0.01	27,678	0.02
13. Mrs. Patcharee Boonnak	15,189	0.01	24,930	0.01
14. Mr. Charoen Boonmanosup	14,080	0.01	22,976	0.01

Note

- The above number of shares which the director and managements are included shares from EJIP Program
- The proportion of holding company's shares is calculated from the number of shares with issued and fully paid-up Capital.

5.7 Performance Assessment and Development of Directors

5.7.1 Assessment of the Board:

The Board of Directors have assessed the performance in group once a year to comply with the policy of good governance of the company and to revise that the supervision is according to the schedule and/or sufficient actions and to be the information for the management to improve/develop its efficiency by applying the assessment form of the Good Governance Development Center of the Stock Exchange of Thailand as the criterion with the details in assessment topics and results, as following:

Self-assessment of the Board of Directors, comprising 6 topics, which are:

1. Structure and qualifications of the Board
2. Role, duty and responsibility of the Board
3. Board meeting
4. Function of directors
5. Relation with the administration
6. Self-development of directors and the management's development

The Board of Directors has conducted its assessment of the board in group and holds the opinion that it is in “excellent” criterion at the average score of 93.75%

	2010		2011		2012	
	Average Score	%	Average Score	%	Average Score	%
The self-assessment of the Board of Directors	3.55	88.75%	3.48	87%	3.75	93.75%

5.7.2 Assessment of the Managing Director's Performance

The Board of Directors has imposed the assessment of the managing director's performance regularly every year. As the managing director is responsible for the administration to comply with the policies of the Board, by having each director assesses under the target and rules in the assessment linking with the success of the strategies of the company to consider the remuneration and suitable incentive reward using the assessment form of the Good Governance Development Center of the Stock Exchange of Thailand as the criterion with the details in assessment topics and results, as following:

Assessment of the Managing Director and Team comprising 10 topics, which are:

1. Leadership
2. Imposing strategies
3. Complying with strategies
4. Planning and Finance Results
5. Relationship with the Board
6. Outside Relationship
7. Management and Personnel Relationship
8. Succession
9. Knowledge on Products and Services
10. Personal Traits

The Board of Directors has conducted its assessment of the Managing Director and holds the opinion that it is in “excellent” criterion at the average score of 95.75%

	2010		2011		2012	
	Average Score	%	Average Score	%	Average Score	%
Evaluation of the performance of the Managing Director	3.56	89%	3.75	93.75%	3.83	95.75%

Note: The evaluation criteria for Self-assessment of the Board of Directors and Assessment of the Managing Director are:

90-100% = "Excellent"	80-89% = "Very good"
70-79% = "Good"	60-69% = "Quite good"
50-59% = "Pass"	Less than 50% = "Shall be improved"

5.7.3 Development of Directors and Management

Orientation of New Directors

The Board of Directors have organized for an orientation of new directors to create understanding and knowledge of the business and company activities to prepare for the readiness in performing duty of the directors, with the company secretary to co-ordinate on the following matters, as follow:

1. Major IT information that will be necessary in the function of each director, for instance, the capital structure, shareholder, past performance and articles of association, guidelines on the good governance, annual information report and annual report;

2. General knowledge and characteristics of business policy and overview of business and results of performance and warehouse trip;
3. Training program of Thai Institute of Directors (IOD): Director Accreditation Program (DAP) and Director Certification Program (DCP)

Training of Directors and Management

The company promotes and provides the facilities for related persons in the corporate governance, for instance, directors, audit committee, management, company's secretary with regular training or seminar on relevant matters, especially the training conducted by IOD, to enable all related persons of the company to have the understanding of the actual role and with continual improvement. Currently the directors have attended the course, Director Accreditation Program (DAP) and Director Certification Program (DCP) of the Thai Institute of Directors (IOD), including other courses with new knowledge as organized by the Stock Exchange of Thailand and other professional institutes, for instance, in 2011, we have conducted training on IFRS (International Financial Reporting Standards: IFRS), which continuously training from the year 2011 to our directors, management and accountants to enhance their knowledge in complying with the international accounting standards (new accounting standards).

6. Internal Control and Audit System

6.1 Internal Audit and Financial Report

The Company has strictly imposed its policy to have system control and effective internal inspection, so it has come up with the procurement of internal inspector under the review of the Audit Committee to inspect and follow the internal control of the company at every quarter period, to enhance control measures to be appropriate with the situations and risks that have been changed. Therefore, in order to have a control system successfully, it has been imposed with following practices:

1. The executives should be aware on the significance of internal control and should create internal control procedure at every level of company's work.
2. To impose measures, formats and methods of internal control to be suitable to the situations and environment in work, level of risks and risk management continually to be efficient.
3. All levels of staffs shall pay attention in complying internal control measures as imposed by the company strictly and continually.
4. Financial Report: The executives have the duty and responsibility in making full and valid reports under generally-accepted principles.

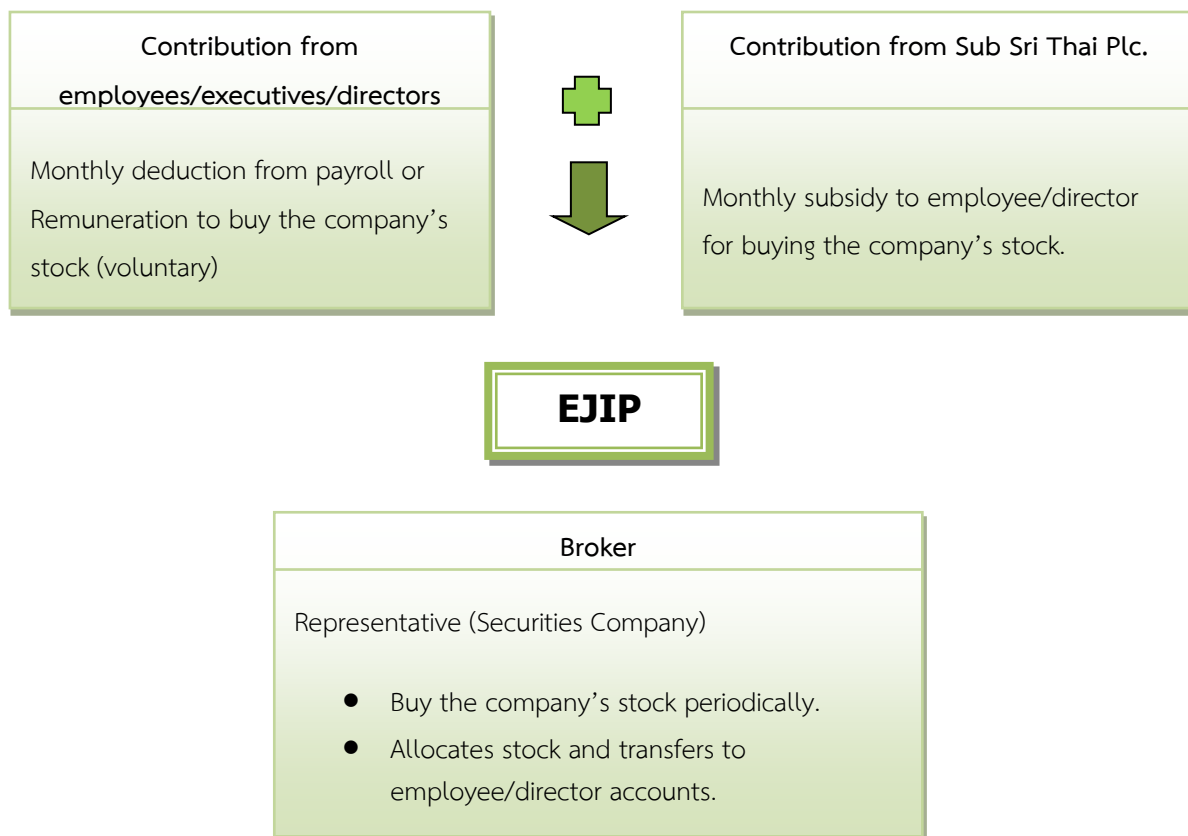
6.2 Internal Control and Risk Management

The board gives importance to the internal control system and risk management in operating the company business inclusive of finance and work performance by improving working tools via modern technology suitable for business, promoting employees to adhere with corporate governance and ethics of the company. Moreover, it should impose senior management in accounting and finance to prepare the financial report and sufficiency in disclosing information in financial report accurately under accounting standards. To prevent and maintain investment money of shareholders and the company's property, it is imposed with the implementation procedure, approval authority and the responsibility of the management and employees in writing. It must have internal inspection office to check the performance of all departments to comply with law and regulations. It must be stipulated on the risk evaluation of the business and its measures on the risk administration.

The audit committee shall oversee and check the performance of the internal inspection office to be independent and can perform its check and together with the right of expression of opinion with the evaluation on sufficiency and effectiveness of the internal inspection, accuracy of financial statement, sufficient information disclosure, transparency and risk management evaluation inside the company, including reliable information system that affects performance by reporting directly to the audit committee. In addition, the company has arranged channels to accept complaints, opinions or suggestions including any behavior that can be illegal practice of persons in the company including employees, shareholders or other stakeholders through e-mail of the audit committee, sompoch@subsritai.co.th. or sending mail to,

Chairman of the Audit Committee
Sub Sri Thai Public Company Limited.
2044/25-27 New Phetchaburi Road,
Bangkapi, Huai Khwang, Bangkok 1031

Employee Joint Investment Program: “EJIP”



Object of the program

Employee Joint Investment Program (EJIP) is an investment program for the voluntary employees, executives and directors of the listed companies in the Stock Exchange of Thailand upon accumulative buying of their Company's shares on a period basis (i.e. monthly or quarterly) using the Dollar Cost Average.

EJIP is a means of compensating to employees, executives and directors of the Company and creating a sense of ownership to employees, executives and directors of the Company. It is also an incentive for loyalty to the organization and working with the Company in the long run (Long-term Incentives)

The Company has established EJIP for 2 times with approved by the shareholders' meeting.

- 1st EJIP: Starting from 1 August 2010 until 31 July 2012 Total duration: 2 years
- 2nd EJIP: Starting from 1 August 2012 until 31 July 2014 Total duration: 2 years

Details of the second Employee Joint Investment Program

The period of the program	The Program will start from August 1, 2012 until July 31, 2014, the total duration of two (2) years.
Qualifications of the EJIP Members	Employees and executives (full-time staff and work with the Company for one year up) and the director of the Company on the voluntary basis.
Attributes of the EJIP	<ul style="list-style-type: none"> - Employees and executives shall contribute five (5) percent of their monthly base salary on every month to put into the program. - The Company shall additionally contribute seven (7) percent of employees and executives monthly base salary on every month. - Directors shall contribute 16,000 Baht on every month to put into the program. - The Company shall additionally contribute of 24,000 Baht on every month to put into the program.
Buying date	<p>On specified date in every month</p> <p>Automatic purchase as stated in the contract</p>
Securities company	Phillip Securities (Thailand) Public Company Limited (Securities company will open trading account in the name of the employees, executives and directors who joint EJIP program. After completion of buying the Company's stocks, the stocks will be transfer to the account of such employees, executives and directors.)
Conditions for securities holding	After the EJIP period is ended, EJIP participants can sell of the Company share's starting from August 15, 2014 onwards.
Benefits to EJIP Members	<ul style="list-style-type: none"> - Dividend Gain - Capital Gain - Other rights such rights Issue, Warrant, Shareholders' Meeting
Tax	<ul style="list-style-type: none"> - Employee executives and directors must pay personal income tax on the contribution amount received from the Company. - Company can claim tax deductible on the contribution amount.

Inter – Transactions

1. Personal Mutual Benefits

In the past, Siam Commercial Bank Public Plc. held Sub Sri Thai's shares more than 20 percent. On November 17, 2005, the major shareholder of the Company has changed from Siam Commercial Bank Public Plc. to group of investors which led by Mr. Supasith Sukhanindr.

Shareholding rate (%) as at 31 December

	2012	2011	2010	2009	2008
Mr. Supasith Sukhanindr and Group of Concerned Persons	68.58	78.12	80.50	80.28	71.63

2. Past Inter-Transactions and Future Policy

- In September 2009, the Company entered into a reciprocal agreement with SST Warehouse Company Limited (“subsidiary”), whereby the latter will be provided with warehouse space, stock management and other related services for a consideration calculated at 80 percent of the goods storage revenue of this subsidiary (Amendment on 1st July 2010). The agreement is for a period of 3 years, expired on 30th September 2012 and the Company agreed to extend that contract for 3 years from 1st October 2012 to 30th September 2015.
- On 25 November 2011, the Board of Directors of the Company passed a resolution approving the purchase of shares of Mudman Limited, ABP Café (Thailand) Co., Ltd. and Golden Donuts (Thailand) Co., Ltd. (collectively “Mudman Group”) and on 31st May 2012, the Board of Directors of the Company passed a resolution approving the restructuring of shareholdings in the Mudman Group. (The Details as in notes to financial statements, Items 13)
- On 1 March 2012, the Company has made a contract allowing the Industrial Enterprises Co., Ltd (subsidiary) to carry out the production and distribution of products under the trademark of our company within the kingdom, totaling 13 items, chiefly under the brands related with vegetable oil and animal feed, at the agreed remuneration at 0.5% of the total revenue of the distributed products under the mentioned brands, and the remuneration that the subsidiary shall pay us must not be less than 4,725,000 baht per year and the contract is effective from 1st January 2012 onwards.

- There are loan and accrued interest receivable with goods in guarantee that is the lending of money to Industrial Enterprises Co., Ltd (subsidiary) by taking the raw material and finished products in guarantee for the mentioned loan money, at the amount not over 600 million baht, with interest rate equivalent with MMR (amended on 19 January 2012) and with payable schedule for principal amount within 120 days from the date of credit payment.
- Short term loan and accrued interest receivable is the loan to Mudman Ltd. (subsidiary) in the form of promissory note with interest at 4.35-5.875 % per year and to be payable on demand.
- On 29 February 2012, the Industrial Enterprises Co., Ltd (“subsidiary”) has invested in new subsidiary, Thai Livestock Promotion Co., Ltd., a newly established company to operate the business of importing animal feed to be distributed in Thailand.
- On 12 June 2012, the Mudman Ltd. (“Subsidiary”) has invested in new subsidiary, Golden Scoop Co., Ltd., a newly-established company to operate the business of distribution food and beverage.

3. Recommendation about related transactions among the company, subsidiaries, affiliated companies and persons with mutual benefits.

In last year, the company and subsidiaries had the business transactions important to persons or related businesses. The said business transactions have followed the commercial conditions and standards mutually agreed by the company and the persons or those related businesses, which are normal business transactions. (Details as in notes to financial statements, Items 6)

4. Policy and Trend on Mutual Transactions in Future

Mutual transactions between companies now and in the future shall be normal business items as usual, without special items, without any benefit transformation and related persons. Moreover, the company board shall comply with the law governing securities and stock market and the regulations, notifications, orders or any requirement of the Stock Exchange of Thailand including complying with the requirements related with information of Transactions Constituting an Acquisition or Disposal assets of the company or subsidiary under the imposed accounting standards of the Institute of Certified Accountants and Auditor of Thailand.

Explanation and Analysis of Financial and Operational Performance

Operational

Results of operation in the past as considered from the financial statement details as follows:

1. Revenue

In 2012, the company and subsidiaries has total income at 2,204.18 million baht, rising at 150.97%, compared with the same period of last year at the total income of 878.27 million baht with the income in sales at 1,924.82 million baht or at 87.32% of the total income. However, the increase of income is from the sales in food and beverage business that the Company has invested in this year.

2. Expenses

In 2012, the company and subsidiaries has the cost of sale and service at the total of 1,066.16 million baht compared with 2011 at 343.19 million baht in cost of sale and service, rising at 722.97 million baht due to the cost of sale and service in food and beverage business.

For the selling expense and administrative expense of the company and subsidiaries in 2012 at the total of 1,189.68 million baht, compared with 2011 at 82.34 million baht, increasing 1,107.34 million baht with selling expense at 860.69 million baht or 38.15% of the total expenses resulted in the expense of food and beverage business. Moreover, the company affected from the compliance under new accounting standard and finance report standard related with the acquisition of food and beverage business at 101 million baht and for the part of vegetable oil and animal feed at 145 million baht.

3. Net Profit

In 2012, the company had net loss at 181.23 million baht, compared with 2011 at net profit of 418.06 million baht, decreasing at 599.30 million baht or decreasing at 144%. The main reason is from the effect in compliance under new accounting standard and finance report standard as explained in Clause 2 above and the loss in vegetable oil and animal feed at 75 million baht.

Financial Status

Consideration the financial status of the company from change of financial statement details in several aspects as follows:

1. Components of Assets:

In 2012, the company has current asset at 417.76 million baht, compared with 2011 with the current asset at 574.29 million baht, decreasing 156.53 million baht. The principal reason is that one of its subsidiary has the compensation money from an insurance company in 2012, making account receivables and compensation from insurance company decreased from 227.99

to be 76.12 million baht and the decrease in 2011 from net amount at 209.84 million baht to be 139.67 million baht in 2012.

2. Quality of Assets

2.1 Assets

According to the assessment on fair value in land, building and machinery of a subsidiary, it finds the recoverable amount of land and machinery below the carrying amount at 37 million baht and the company has recorded the depreciation of land and machinery of the mentioned amount in 2012 and the company has recorded the allowance for depreciation in goodwill of the subsidiaries in 2012 at the total of 66.35 million baht.

1.2 Receivable

If we consider at the consolidated financial statement it shows the equivalent amount in the ratio of current debtors increasing from 2011 at 6.73 to be 38.58 times in 2012 and average debt collection period decreased when considered with average time in debt collection at 2012 and 2011 at 9.33 and 53.49 respectively. The reason is the food and beverage business is done in cash.

3. Liquidity

3.1 Cash Flow

Whereas in the year 2012 the company has spent money in its investment in food and beverage business at a large amount, the cash flow is used in investment at 1,586.34 million baht, increasing from 2011 with net cash flow in investment at 55.43 million baht at the amount of 1,641.77 million baht, leading the cash flow from financing activities rising above the year 2011 with cash flow used in financing activities at 90.79 million baht in cash received from financing activities in 2012 at 1,224.05 million baht, the increase proportion is from cash received from long term loan from finance institution at 850 million baht.

3.2 Liquidity ratio

The liquidity ratio in 2012 was at 0.33, decreasing from 2011 at 1.94 due to the year 2012 the company has with the debenture stocks in due in one year increasing at 489.41 million baht.

3.2 Investment expense

In 2012, the company has big investment expense in the improvement of wharf and warehouse. For the subsidiaries, their main expenses were to expand their branches.

3.4 Source of Fund

3.4.1 Suitability of capital structure

When considered from the debt to equity ratio in 2012 at the ratio of 1.9, higher than 2011 at the ratio of 1.04, showing the figure in high amount of debts but still acceptable its subsidiaries have with letter granting grace from the finance institution related to the capital structure.

3.4.2 Shareholders' equity

The company and subsidiaries have current liability increasing from 296.09 million baht in 2011 to be 1,269.14 in 2012, increasing at 973.05 million baht, making quick liquidity ratio decreased from 2011 at ratio of 1.2 to be 0.22 in 2012 but when considered from liquidity ratio with cash flow at the ratio of 0.51 it shows the company has sufficient liquidity in the settlement of current debts.

Fee for Auditor

1. Audit Fee

For the fiscal year ended 2012, the company paid the audit fees to the company's auditors, Ernst & Young Office Limited, details as follow:

- The audit fee for Sub Sri Thai Plc. at amount of 1,100,000 Baht.
- The audit fee for Subsidiary Company at amount of 3,270,000 Baht.

2. Non - Audit Fee

In 2012, the Company had paid for non-audit fee to the Company's auditor (Ernst & Young Corporate Service Co., Ltd.) total amount of 455,106 Baht.

Factor and Influence Which May affect to the Business Operation or Financial Status in the future

One important factor that can affect the operation, income and profit of the company is the needs of customers with their regular changes, the company and subsidiary has therefore developed the products and services to meet their needs including the attempt to create difference in products and services to be distinguished from the competitors plus with service efficiency to increase income for the company and our future growth.

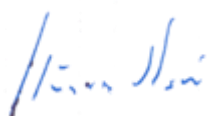
In addition, for our business workforce in packaging and delivery of goods or employees in food and beverage that require a large number of employees and hard to find at the present situation, another factor affecting the company's operation. However, the company has paid attention in this matter by stressing on knowledge development and capability with reasonable income to make our employees growing with us at the same time with business progress and we have also tried to apply automatic transportation (Automation) to reduce relying on labor force.

Board of Directors' Statement of Responsibility for Financial Reports

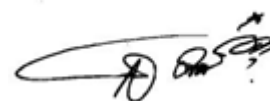
The Board of Director of Sub Sri Thai Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance. The Board of Directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2012, which are prepared according to Generally Accepted Accounting Standards of Thailand. The Board of Directors has selected and consistently followed an appropriate accounting policy. The aforementioned financial statements are prepared using careful judgment and the best estimation. In addition, important information is adequately disclosed in the Notes to the Financial Statements. The financial statements have been examined by an independent external auditor. Therefore, the financial statements are transparently and can be used for the benefit of shareholders and investors.

The Board of Directors has appointed the Audit Committee, which comprises of independent directors, to review the quality of the financial reports and to evaluate the internal control system, risk management system, and various systems to support effective financial documentation to ensure that accounting records are correct, complete, timely. The Audit Committee's opinion is presented in the Audit Committee's Report which is a part of this annual report.

The Board of Directors believes that the Company's overall internal control system is able to create credibility and reliability for the financial statements of Sri Thai Public Company Limited and subsidiaries for the period ended December 31, 2012



(Mr. Keokhwan Vajarodaya)
Chairman



(Mr. Sumrit Tantidilokkul)
Managing Director

Independent Auditor's Report

To the Shareholders of Sub Sri Thai Public Company Limited

I have audited the accompanying consolidated financial statements of Sub Sri Thai Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at 31 December 2012, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Sub Sri Thai Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sub Sri Thai Public Company Limited and its subsidiaries and of Sub Sri Thai Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 13 to the financial statements that on 9 January 2012, the Company acquired 100 percent shareholdings in Mudman Limited, ABP Café (Thailand) Co., Ltd. and Golden Donuts (Thailand) Co., Ltd. (collectively “Mudman Group”) from their former shareholders. The Company has assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date and the assessment process has been completed in the fourth quarter of 2012 within the period of twelve months from the acquisition date allowed by Thai Financial Reporting 3 (revised 2009). During this measurement period, the Company obtained further information on the fair value of part of the assets and liabilities and has retrospectively adjusted the provisional amount recognised at the acquisition date, as mentioned in the notes to financial statements. My opinion is not qualified in respect of this matter.

Supanee Triyanantakul

Certified Public Accountant (Thailand) No. 4498



Ernst & Young Office Limited

Bangkok: 27 February 2013

Consolidated

Sub Sri Thai Public Company Limited and its subsidiaries

Statement of financial position

As a 31 December 2012

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets					
Current assets					
Cash and cash equivalents	7	110,408,109	75,081,673	10,273,810	39,991,068
Current investments		3,011,628	7,770,900	3,011,628	7,770,900
Trade and other receivables	8	66,843,494	44,444,762	38,749,248	35,193,584
Insurance receivable	9	76,129,442	227,995,677	-	-
Inventories	10	139,675,758	209,839,353	-	-
Inventory-secured loans to and interest receivable					
from related party	6	-	-	83,731,122	485,602,493
Short-term loans to and interest receivable from related party	6	-	-	243,000,711	-
Other current assets		21,689,501	9,158,461	6,936,588	5,766,086
Total current assets		417,757,932	574,290,826	385,703,107	574,324,131
Non-current assets					
Fixed deposits		-	1,178,463	-	1,178,463
Restricted bank deposits	11	6,460,870	1,581,744	-	-
Investment in associated company	12	239,581,069	238,257,991	225,000,000	225,000,000
Investment in subsidiaries	13	-	-	708,535,329	281,999,000
Investment properties	14	547,178,495	539,806,638	547,178,495	539,806,638
Property, plant and equipment	15	1,702,817,095	1,446,202,324	570,805,326	534,057,443
Intangible assets	17	539,777,800	87,057,003	75,213,723	84,153,008
Goodwill	18	951,857,579	235,649,075	-	-
Leasehold rights	19	50,186,318	26,493,077	24,600,715	26,493,077
Rental deposit		49,846,691	-	-	-
Deferred tax assets	31.3	5,698,021	1,850,292	31,213,612	1,850,292
Other non-current assets		5,482,239	358,829	208,562	231,129
Total non-current assets		4,098,886,177	2,578,435,436	2,182,755,762	1,694,769,050
Total assets		4,516,644,109	3,152,726,262	2,568,458,869	2,269,093,181

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

Sub Sri Thai Public Company Limited and its subsidiaries
Statement of financial position (continued)
As a 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institution	20	334,070,808	79,656,979	50,000,000	-
Trade and other payables	21	323,109,875	166,036,205	76,758,459	120,054,246
Current portion of long-term loans					
from financial institutions	22	87,000,000	37,000,000	29,500,000	27,000,000
Current portion of long-term debentures	23	489,406,820	-	489,406,820	-
Income tax payable		15,893,157	5,552,631	-	5,473,509
Other current liabilities		19,660,208	7,841,184	5,578,212	4,318,338
Total current liabilities		<u>1,269,140,868</u>	<u>296,086,999</u>	<u>651,243,491</u>	<u>156,846,093</u>
Non-current liabilities					
Long-term loans from financial institutions					
-net of current portion	22	1,253,125,000	516,000,000	195,000,000	26,000,000
Long-term debentures – net of current portion	23	-	488,285,771	-	488,285,771
Provision for long-term employee benefits	24	31,252,575	10,151,594	10,645,073	8,547,285
Deferred tax liabilities	31.3	402,603,669	297,944,317	132,645,326	127,319,886
Other non-current liabilities		4,853,763	-	-	-
Total non-current liabilities		<u>1,691,835,007</u>	<u>1,312,381,682</u>	<u>338,290,399</u>	<u>650,152,942</u>
Total liabilities		<u>2,960,975,875</u>	<u>1,608,468,681</u>	<u>989,533,890</u>	<u>806,999,035</u>

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

Sub Sri Thai Public Company Limited and its subsidiaries
Statement of financial position (continued)
As a 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Shareholders' equity					
Share capital	25				
Registered					
271,227,395 ordinary shares of Baht 1 each (2011: 151,250,000 ordinary shares of Baht 1 each)		271,227,395	151,250,000	271,227,395	151,250,000
Issued and fully paid					
180,817,904 ordinary shares of Baht 1 each (2011: 130,652,308 ordinary shares of Baht 1 each)		180,817,904	130,652,308	180,817,904	130,652,308
Treasury shares	29	-	(7,283,035)	-	(7,283,035)
Share premium					
Ordinary share premium	26	337,773,202	197,566,156	337,773,202	197,566,156
Treasury share premium		37,006,907	18,666,632	37,006,907	18,666,632
Retained earning					
Appropriated - statutory reserve	27	18,081,790	15,125,000	18,081,790	15,125,000
- treasury share reserve	29	-	7,283,035	-	7,283,035
Unappropriated		773,913,463	984,784,170	799,645,861	904,621,675
Other components of shareholders' equity					
Revaluation surplus on land-net of tax	16	205,599,315	195,462,375	205,599,315	195,462,375
Equity attributable to owners of the Company		1,553,192,581	1,542,256,641	1,578,924,979	1,462,094,146
Non-controlling interests of the subsidiary		2,475,653	2,000,940	-	-
Total shareholders' equity		1,555,668,234	1,544,257,581	1,578,924,979	1,462,094,146
Total liabilities and shareholders' equity		4,516,644,109	3,152,726,262	2,568,458,869	2,269,093,181
		-	-	-	-

The accompanying notes are an integral part of the financial statement

Sub Sri Thai Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Profit or loss:					
Revenues					
Sale income		1,924,823,436	193,565,951	-	128,149,472
sales		222,128,028	208,371,308	218,867,942	204,910,370
Other income					
Dividend income	12.2	-	-	17,451,000	-
Gain on sale of investments	13	-	-	68,648,491	-
Gain on fair value adjustment of investment properties	14	7,371,857	-	7,371,857	-
Gain on sales of fixed assets	15	777,183	418,612,450	-	418,612,450
Member cards income		9,802,367	-	-	-
Interest Income		954,503	24,196,344	19,162,377	34,955,566
Others		38,320,733	33,528,006	17,317,684	13,474,417
Total revenues		2,204,178,107	878,274,059	348,819,351	800,102,275
Expenses					
Cost of sales		925,409,703	216,400,804	-	143,142,707
Cost of services		140,751,172	126,790,630	140,667,864	126,739,988
Total cost of sales and services		1,066,160,875	343,191,434	140,667,864	269,882,695
Selling and administrative expenses					
Selling expenses		860,699,821	-	-	-
Administrative expenses		180,100,489	82,343,535	53,893,462	68,437,232
Business acquisition expense	13	45,894,004	-	45,894,004	-
Impairment loss from investment in a subsidiary	13.2	-	-	145,220,792	-
Impairment loss from fixed assets	15	36,636,914	-	-	-
Impairment loss from goodwill	18	66,353,663	-	-	-
Total selling and administrative expenses		1,189,684,891	82,343,535	245,008,258	68,437,232
Total expenses		2,255,845,766	425,534,969	385,676,122	338,319,927
Profit(loss) before share of profit from investments in associates,					
finance cost and corporate income tax		(51,667,659)	452,739,090	(36,856,771)	461,782,348
Share of profit from investments in associated company	12.2	18,774,078	13,257,991	-	-
Profit (loss) before finance cost and corporate income tax expense		(32,893,581)	465,997,081	(36,856,771)	461,782,348
Financial cost		(122,659,522)	(40,921,142)	(57,077,405)	(29,604,646)
Profit (loss) before income tax expense		(155,553,103)	425,075,939	(93,934,176)	432,177,702
Income tax expenses					
Current income tax expenses	31.1	(41,378,651)	(145,995,378)	(8,455,441)	(145,316,039)
Deferred income tax	31.2	15,694,072	138,984,558	26,572,115	51,253,813
Profit (loss) for the year		(181,237,682)	418,065,119	(75,817,502)	338,115,476

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

Sub Sri Thai Public Company Limited and its subsidiaries
Statement of comprehensive income (Continued)
For the year ended 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Other comprehensive income					
Gain on revaluation surplus on land	15	12,671,175	-	12,671,175	-
Decrease in revaluation surplus of land from land sale		-	(41,034,645)	-	(41,034,645)
Increase in revaluation surplus of land from changes in the applicable tax rate		-	30,540,995	-	30,540,995
Income tax effect		(2,534,235)	2,098,730	(2,534,235)	2,098,730
Other comprehensive income for the year		<u>10,136,940</u>	<u>(8,394,920)</u>	<u>10,136,940</u>	<u>(8,394,920)</u>
Total comprehensive income for the year		<u>(171,100,742)</u>	<u>409,670,199</u>	<u>(65,680,562)</u>	<u>329,720,556</u>
Profit attributable to:					
Equity holders of the Company		(181,712,395)	417,566,428	(75,817,502)	338,115,476
Non-controlling interests of the subsidiary		<u>474,713</u>	<u>498,691</u>		
		<u>(181,237,682)</u>	<u>418,065,119</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		(171,575,455)	409,171,508	(65,680,562)	329,720,556
Non-controlling interests of the subsidiary		<u>474,713</u>	<u>498,691</u>		
		<u>(171,100,742)</u>	<u>409,670,199</u>		
Earnings per share	33				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		(1.01)	2.79	(0.42)	2.26
Diluted earnings per share					
Profit (loss) attributable to equity holders of the company		<u>(-1.01)</u>	<u>2.73</u>	<u>(0.42)</u>	<u>2.21</u>

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

Sub Sri Thai Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit (loss) before income tax	(155,553,103)	425,075,939	(93,934,176)	432,177,702
Adjustments to reconcile profit (loss) before tax to net cash				
Provided by (paid from) operating activities:				
Allowance for doubtful debt	-	202,195	-	202,195
Reversal of the reduce cost to net realizable value of inventories	(13,775,126)	-	-	-
Depreciation and amortisation	202,523,550	55,286,676	42,372,827	41,788,128
Gain on sales of fixed assets	(777,183)	(418,612,450)	-	(418,612,450)
Impairment loss from fixed assets (Note 15)	36,636,914	-	-	-
Loss on written-off fixed asset	950,462	22,469	-	22,469
Gain on fair value adjustment of investment properties (Note 14)	(7,371,857)	-	(7,371,857)	-
Gain on sale of investments (Note 13)	-	-	(68,648,491)	-
Impairment loss from investment in a subsidiary (Note 13)	-	-	145,220,792	-
Business acquisition expenses (Note 13)	45,894,004	-	45,894,004	-
Impairment loss from goodwill (Note 18)	66,353,663	-	-	-
Share of profit from investment in associated company	(18,774,078)	(13,257,991)	-	-
Amortisation relating to the issuance cost of debentures	1,121,049	1,063,909	1,121,049	1,063,909
Provision for long-term employee benefits	5,070,629	3,795,898	2,097,788	2,191,588
Dividend income	-	-	(17,451,000)	-
Interest expenses	122,659,522	40,921,142	57,077,405	29,604,646
Interest income	(954,503)	(24,196,344)	(19,162,377)	(34,955,566)
Profit from operating activities before change in operating assets and liabilities	284,003,943	70,301,443	87,215,964	53,482,621
Operating assets (increase) decrease				
Trade and other receivables	(10,704,001)	62,621,618	(3,562,930)	36,028,000
Insurance receivable (Note 9)	151,866,235	-	-	-
Inventories	120,015,541	143,286,346	-	-
Other current assets	(3,014,757)	2,416,327	1,285,045	(1,633,711)
Other non-current assets	(15,333,412)	(215,059)	22,567	(87,359)
Operating liabilities increase (decrease)				
Trade and other payables	98,446,340	11,157,816	(946,901)	(2,503,771)
Other current liabilities	(57,398,576)	(9,750,051)	1,259,874	1,225,955
Other non-current liabilities	4,038,763	-	-	-
Cash flows from operating activities	571,920,076	279,818,440	85,273,619	86,511,735
Cash paid for interest expenses	(126,833,745)	(35,879,015)	(56,954,426)	(29,628,694)
Cash paid for income tax	(47,473,361)	(144,221,134)	(16,384,497)	(143,562,702)
Net cash flows from (used in) operating activities	397,612,970	99,718,291	11,934,696	(86,679,661)

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

Sub Sri Thai Public Company Limited and its subsidiaries
Cash flow statement (Continued)
For the year ended 31 December 2012

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from investing activities				
Decrease in current investments	4,759,272	67,229,100	4,759,272	67,229,100
(Increase) decrease in fixed deposits	1,178,463	(1,178,463)	1,178,463	(1,178,463)
(Increase) decrease in restricted bank deposit	(105,132)	114,676,768	-	116,258,512
(Increase) decrease in inventory-secured loans to relate party	-	(240,874,019)	398,856,522	(224,017,406)
Increase in short-term loans to related party	-	-	5,968,566	-
Cash paid for investments in subsidiaries (Note 13)	(1,327,503,941)	(203,480,105)	(1,454,536,616)	(214,999,000)
Cash paid for business acquisition expenses (Note 13)	(45,894,004)	-	(45,894,004)	-
Proceeds from sale of investment in subsidiaries (Note 13)	-	-	927,636,595	-
Cash paid for acquisition of new ordinary shares in subsidiary (Note 13)	-	-	(263,249,800)	-
Cash received from cancelation of preference shares in subsidiary (Note 13)	-	-	38,249,800	-
Cash paid for payable under business acquisition agreement	(42,000,000)	-	(42,000,000)	-
Cash paid for investment in associated company	-	(225,000,000)	-	(225,000,000)
Acquisition of fixed assets	(176,841,472)	(140,230,462)	(54,949,946)	(114,054,496)
Proceeds from sales of fixed assets	1,704,167	659,406,555	-	659,406,555
Acquisition of investment properties	-	(300,000)	-	(300,000)
Acquisition of intangible assets	(18,791,698)	(1,436,591)	(1,139,807)	(1,436,592)
Acquisition of leasehold rights	(1,319,500)	-	-	-
Dividend received	17,451,000	-	17,451,000	-
Cash received from interest income	1,026,087	26,617,325	22,006,606	37,388,547
Net cash flows from (used in) investing activities	<u>(1,586,336,758)</u>	<u>55,430,108</u>	<u>(445,663,349)</u>	<u>99,296,757</u>
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	254,413,829	(107,650,274)	50,000,000	-
Cash receipt from long-term loans from financial institutions	850,000,000	-	200,000,000	-
Repayment of long-term loans from financial institutions	(62,875,000)	(32,000,000)	(28,500,000)	(32,000,000)
Cash received from warrant exercised	160,236,624	77,218,464	160,236,624	77,218,464
Cash received from sale of treasury shares	25,623,310	18,858,166	25,623,310	18,858,166
Dividend paid	(3,348,539)	(47,215,772)	(3,348,539)	(47,215,772)
Net cash flows from (used in) financing activities	<u>1,224,050,224</u>	<u>(90,789,416)</u>	<u>404,011,395</u>	<u>16,860,858</u>
Net increase (decrease) in cash and cash equivalents	<u>35,326,436</u>	<u>64,358,983</u>	<u>(29,717,258)</u>	<u>29,477,954</u>
Cash and cash equivalents at beginning of year	<u>75,081,673</u>	<u>10,722,690</u>	<u>39,991,068</u>	<u>10,513,114</u>
Cash and cash equivalents at end of year	<u>110,408,109</u>	<u>75,081,673</u>	<u>10,273,810</u>	<u>39,991,068</u>
	-	-	-	-
Supplemental cash flows information:				
Non-cash items				
Fixed assets acquired through creation of liabilities	<u>24,035,664</u>	<u>2,282,310</u>	<u>1,810,445</u>	<u>2,282,310</u>

The accompanying notes are an integral part of the financial statements

Sub Sri Thai Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2012

(Unit: Baht)

Consolidated financial statement												
Equity attributable to the shareholders of the Company												
									Other components			
									of equity			
									Other comprehensive income	Total attributable to owners	Equity attributable to non-controlling interest of the subsidiary	Total shareholders'
					Retained earnings							
					Appropriated		Treasury share					
					Statutory reserve	General reserve	reserve	Unappropriated	Revaluation surplus on land	of the Company	the subsidiary	equity
Note	Issued and paid-up share capital	Treasury shares	Ordinary share premium	Treasury share premuim								
Balance as at 1 January 2011	121,000,000	(17,518,750)	130,000,000	10,044,181	15,125,000	200,000,000	17,518,750	371,370,083	203,857,295	1,051,396,559	1,502,249	1,052,898,808
Increase in ordinary shares as a result of exercise of warrant	9,652,308	-	67,566,156	-	-	-	-	-	-	77,218,464	-	77,218,464
Decrease in treasury shares	-	10,235,715	-	8,622,451	-	-	(10,235,715)	10,235,715	-	18,858,166	-	18,858,166
Decrease in revaluation surplus on land as a result of sale of land	-	-	-	-	-	-	-	32,827,716	(32,827,716)	-	-	-
Reversal of revaluation surplus on land from effect of changes in the applicable tax rate	-	-	-	-	-	-	-	-	24,432,796	24,432,796	-	24,432,796
Total comprehensive income for the year	-	-	-	-	-	-	-	417,566,428	-	417,566,428	498,691	418,065,119
Transfer general reserve to unappropriated retained earnings	28	-	-	-	-	(200,000,000)	-	200,000,000	-	-	-	-
Dividend paid	32	-	-	-	-	-	-	(47,215,772)	-	(47,215,772)	-	(47,215,772)
Balance as at 31 December 2011	130,652,308	(7,283,035)	197,566,156	18,666,632	15,125,000	-	7,283,035	984,784,170	195,462,375	1,542,256,641	2,000,940	1,544,257,581
Balance as at 1 January 2012	130,652,308	(7,283,035)	197,566,156	18,666,632	15,125,000	-	7,283,035	984,784,170	195,462,375	1,542,256,641	2,000,940	1,544,257,581
Increase in ordinary shares as a result of exercise of warrant	26	20,029,578	-	140,207,046	-	-	-	-	-	160,236,624	-	160,236,624
Decrease in treasury shares	29	-	7,283,035	-	18,340,275	-	(7,283,035)	7,283,035	-	25,623,310	-	25,623,310
Increase in revaluation surplus on land	15	-	-	-	-	-	-	-	10,136,940	10,136,940	-	10,136,940
Total comprehensive income for the year	-	-	-	-	-	-	-	(181,712,395)	-	(181,712,395)	474,713	(181,237,682)
Transfer unappropriated retained earnings to statutory reserve	27	-	-	-	2,956,790	-	-	(2,956,790)	-	-	-	-
Dividend paid	32	-	-	-	-	-	-	(3,348,539)	-	(3,348,539)	-	(3,348,539)
Stock dividends	32	30,136,018	-	-	-	-	-	(30,136,018)	-	-	-	-
Balance as at 31 December 2012	180,817,904	-	337,773,202	37,006,907	18,081,790	-	-	773,913,463	205,599,315	1,553,192,581	2,475,653	1,555,668,234

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

Sub Sri Thai Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2012

(Unit: Baht)

Separate financial statements										
	Retained earnings								Other components of equity	
					Appropriated				Other comprehensive income	Total shareholders' equity
	Issued and paid-up share capital	Treasury shares	Ordinary share premium	Treasury share premium	Statutory reserve	General reserve	Treasury share reserve	Unappropriated	Revaluation surplus on land	
Note	share capital	Treasury shares	share premium	premium	Statutory reserve	General reserve	reserve	Unappropriated	surplus on land	equity
Balance as at 1 January 2011	121,000,000	(17,518,750)	130,000,000	10,044,181	15,125,000	200,000,000	17,518,750	370,658,540	203,857,295	1,050,685,016
Increase in ordinary shares as a result of exercise of warrant	9,652,308	-	67,566,156	-	-	-	-	-	-	77,218,464
Decrease in treasury shares	-	10,235,715	-	8,622,451	-	-	(10,235,715)	10,235,715	-	18,858,166
Decrease in revaluation surplus on land as a result of sale of land	-	-	-	-	-	-	-	32,827,716	(32,827,716)	-
Reversal of revaluation surplus on land from effect of changes in the applicable tax rate	-	-	-	-	-	-	-	-	24,432,796	24,432,796
Total comprehensive income for the year	-	-	-	-	-	-	-	338,115,476	-	338,115,476
Transfer general reserve to unappropriated retained earnings	28	-	-	-	-	(200,000,000)	-	200,000,000	-	-
Dividend paid	32	-	-	-	-	-	-	(47,215,772)	-	(47,215,772)
Balance as at 31 December 2011	130,652,308	(7,283,035)	197,566,156	18,666,632	15,125,000	-	7,283,035	904,621,675	195,462,375	1,462,094,146
Balance as at 1 January 2012	130,652,308	(7,283,035)	197,566,156	18,666,632	15,125,000	-	7,283,035	904,621,675	195,462,375	1,462,094,146
Increase in ordinary shares as a result of exercise of warrant	26	20,029,578	-	140,207,046	-	-	-	-	-	160,236,624
Decrease in treasury shares	29	-	7,283,035	-	18,340,275	-	(7,283,035)	7,283,035	-	25,623,310
Increase in revaluation surplus on land	15	-	-	-	-	-	-	-	10,136,940	10,136,940
Total comprehensive income for the year	-	-	-	-	-	-	-	(75,817,502)	-	(75,817,502)
Transfer unappropriated retained earnings to statutory reserve	27	-	-	-	2,956,790	-	-	(2,956,790)	-	-
Dividend paid	32	-	-	-	-	-	-	(3,348,539)	-	(3,348,539)
Stock dividends	32	30,136,018	-	-	-	-	-	(30,136,018)	-	-
Balance as at 31 December 2012	180,817,904	-	337,773,202	37,006,907	18,081,790	-	-	799,645,861	205,599,315	1,578,924,979

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

Notes to consolidated financial statements

Sub Sri Thai Public Company Limited and its subsidiaries

For the year ended 31 December 2012

1. General information

Sub Sri Thai Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in warehouse rental, storage of document and electronic media, wharf services, lending against the pledge of goods in custody and distribution of vegetable oil and its registered address is 2044/25-27 New Phetchaburi Road, Bangkapi, Huai Khwang, Bangkok and its warehouses and wharfs are located in Samutprakarn.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting 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 28 September 2011, 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 Sub Sri Thai 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>2012</u> Percent	<u>2011</u> Percent
<u>Subsidiaries directly owned by the Company</u>				
SST Warehouse Co., Ltd.	Warehouse	Thailand	80	80
Industrial Enterprises Co., Ltd.	Production of vegetable oil and soy meal	Thailand	100	100
Mudman Limited	Holding Company	Thailand	100	-

Subsidiaries indirectly owned by the Company

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2012</u> Percent	<u>2011</u> Percent
Held by Mudman Limited				
Golden Donuts (Thailand) Co., Ltd.	Distribution of food and beverage	Thailand	100	-
ABP Café (Thailand) Co., Ltd	Distribution of food and beverage	Thailand	100	-
Golden Scoop Co., Ltd.	Distribution of food and beverage	Thailand	100	-
Held by Industrial Enterprises Company Limited				
Tip Vegetable Oil Co., Ltd.	Cease operating	Thailand	100	100
Thai Livestock Promotion Co., Ltd.	Distribution of animal feed	Thailand	100	-

- b) 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.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- (e) The excess of the fair value of net assets at the date of the acquisition of the subsidiaries over related cost of investment is accounted as “Goodwill” in the consolidated statement of financial positions.
- f) 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.
- g) On 25 November 2011, the Board of Directors of the Company passed a resolution approving the purchase of shares of Mudman Limited, ABP Café (Thailand) Co., Ltd. and Golden Donuts (Thailand) Co., Ltd. (collectively “Mudman Group”). On 31 May 2012, the Board of Directors of the Company passed a resolution approving the restructuring of shareholdings of Mudman Group, as described in detail in Note 13 to the financial statements.
- h) On 29 February 2012, Industrial Enterprises Co., Ltd. (a subsidiary) invested in a subsidiary named Thai Livestock Promotion Co., Ltd., a new company established to import and distribute animal feed in Thailand.

- i) On 12 June 2012, Mudman Limited (a subsidiary) invested in a subsidiary named Golden Scoop Co., Ltd., a new company established to distribute food and beverages.

2.3 The separate financial statements, which present investments in subsidiaries, and associates under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for TAS12 Income Taxes which the Company's management elected to early adopt this accounting standard since 2011.

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 – 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

		<u>Effective date</u>
Accounting Treatment Guidance for Transfers of Financial Assets		1 January 2013
Accounting Standard Interpretation:		
SIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of these standards and believes that Accounting Treatment Guidance for Transfers of Financial Assets, SIC 29, TFRIC 4, TFRIC 13 are not relevant to the business of the Company.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

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

Finished goods and work in process are valued at the lower of cost (average cost method) and net realisable value. Such cost includes all production costs and attributable factory overheads.

Raw materials and other material supplies are valued at the lower of cost (average cost method) and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

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 fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

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/ Depreciation

In 2010, the Company changed the accounting policy in respect of its land from carrying it at cost to at revalued amount. The change has been applied prospectively.

The surplus arising from the revaluation of land is credited directly to the other comprehensive income and the cumulative is recognised equity under the heading of “Revaluation surplus” in shareholders’ equity. Revaluation will be made with sufficient regularity to ensure that the carrying amount of the land will not differ materially from its fair value.

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:

Warehouses and wharf	-	20, 30	years
Factory	-	8, 13	years
Office building	-	8, 20	years
Warehouse and wharf improvements	-	5, 10	years
Office building improvements	-	8, 10	years
Machinery and equipment	-	3 - 10	years
Furniture, fixtures and office equipment	-	5	years
Motor vehicles	-	5	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and 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 acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are 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:

		<u>Useful lives</u>
Trademarks	-	10 years
Franchise	-	13, 15 years
Computer software	-	5 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 Company'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 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 are stated at cost less accumulated amortisation. Amortisation is calculated by reference to cost on a straight-line basis over the lease period.

The amortisation is included in determining to profit or loss.

4.12 Related party transactions

Related parties comprise enterprises and individuals 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 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

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 are depreciated over the useful life of the asset.

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

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 Company 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 Company 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.

An impairment loss is recognised in profit or loss. However in cases where property was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

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 Company 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 unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund, and employee joint investment program are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by the Company's managements and a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

4.17 Provisions

Provisions are recognised when the Company 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

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. Gains on disposal of treasury shares are determined by reference to the carrying amount and are presented as premium on treasury shares. Losses on disposal of treasury shares are determined by reference to the carrying amount and are presented in premium on treasury shares and retained earnings, consecutively.

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 Company and its subsidiaries recognise 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 Company and its subsidiaries review and reduce 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 Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

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:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of

ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

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.

Net realisable value of inventories

The management uses judgment to estimate the net realisable value of inventories based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of reporting date. In addition, the management makes judgment and estimates expected loss from stock obsolescence based upon past sales history and the prevailing economic condition.

Impairment of equity investments

The Company treats other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Investment property

The Company presents investment property at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment property using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 14.

Property plant and equipment/ 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.

The Company measures land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the income approach for buildings. The valuation involves certain assumptions and estimates.

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.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

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

The obligation under the defined benefit 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 Company and its subsidiaries 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 Company and its subsidiaries and those related parties.

(Unit: Thousand Baht)

	For the years ended 31 December				
	Consolidated		Separate		
	financial statements		financial statements		<i>Pricing policies</i>
	2012	2011	2012	2011	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Management fee income	-	-	13,040	14,290	Reciprocal agreement
Interest income	-	-	19,088	10,863	MOR, MMR, MLR - 1.25 and 4.35 - 5.875 percent per annum
Gain on sale of investment	-	-	68,648	-	Contract rate
Other income	-	-	4,795	-	Contract rate
Purchase vegetable oil	-	-	-	3,705	Contract price
Warehouse rental	-	-	120	32	Contract rate
Interest expense	-	-	4,491	-	2.2 and 6.125 percent per annum

(Unit: Thousand Baht)

	For the years ended 31 December				
	Consolidated		Separate		
	financial statements		financial statements		<i>Pricing policies</i>
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
<u>Transactions with associated company</u>					
Gain on sales of fixed assets	-	416,893	-	416,893	Contract price
Warehouse rental expense (Note 37.1)	49,400	32,798	49,400	32,798	Contract price

The balances of the accounts as at 31 December 2012 and 2011 between the Company, its subsidiaries and those related parties and persons are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Trade receivables - related parties				
Subsidiaries	-	-	451	448
Inventory-secured loans and interest receivable - related party				
Subsidiary	-	-	83,731	485,602
Short-term loan to and interest receivable from related party				
Subsidiary	-	-	243,001	-
Other receivable - related party				
Subsidiary	-	-	5,273	49
Trade payable - related party				
Associated company	24,700	24,738	24,700	24,738
Other payables - related parties				
Subsidiary	-	-	6,145	3,086
Director	-	3,000	-	3,000
	-	3,000	6,145	6,086

Reciprocal agreement

In September 2009, the Company entered into a reciprocal agreement with SST Warehouse Co., Ltd. (a subsidiary), whereby the latter will be provided with warehouse space, stock management and other related services for a consideration calculated at 80 percent of the goods storage revenue of the subsidiary (amended on 1 July 2010). The agreement is for a period of 3

years and expired on 30 September 2012. On 20 September 2012, the Company entered renewed the agreement for a period of 3 years, from 1 October 2012 to 30 September 2015.

Trademark agreement

On 1 March 2012, the company entered into a trademark agreement whereby Industrial Enterprises Co., Ltd. (a subsidiary) is to engage in production and distribution in Thailand under 13 trademarks belonging to the Company, most of which relating to vegetable oil and animal feed meal. The agreed trademark fees are 5 percent of total revenue under these trademarks, but not less than Baht 4,725,000 per annum and the agreement is effective from 1 January 2012.

Inventory-secured loan and interest receivable

These represent a loan to and interest receivable from Industrial Enterprises Co., Ltd. (a subsidiary) which is secured by the pledge of raw materials and finished goods. The loan facility is Baht 600 million and interest is charged at MMR (amended on 10 January 2012), with principal repayable within 120 days after the date the loan is drawn down.

Short-term loan to and interest receivable

These represent a short-term loan to and interest receivable from Mudman Limited (a subsidiary) under promissory note. Interest is charged at 4.35 - 5.875 percent per annum and the loan is repayable at call.

Movement for the year ended 31 December 2012 of loan to and loan from related parties are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
Loan to related parties	Related by	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
<u>Inventory-secured loan to and interest receivable</u>					
Industrial Enterprises Co., Ltd.	Subsidiary	485,602	309,214	(711,085)	83,731
<u>Short-term loan to and interest receivable</u>					
Mudman Limited	Subsidiary	-	894,403	(651,402)	243,001

Directors and management's benefits

During the year ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Short-term employee benefits		49,281	25,367	21,160	23,433
Post-employment benefits		3,337	1,064	1,698	933
Total		52,618	26,431	22,858	24,366

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash	22,433	3,798	1,924	3,638
Bank deposits	87,975	71,284	8,350	36,353
Total	110,408	75,082	10,274	39,991

As at 31 December 2012, bank deposits in saving accounts and fixed deposits carried interests between 0.25 and 3.65 percent per annum (2011: between 0.25 and 3.65 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	451	448
Total trade receivables - related parties	-	-	451	448
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	38,770	19,885	16,854	11,620
Past due				
Up to 3 months	23,361	18,687	11,711	17,243
3 - 6 months	928	2,188	755	2,188
6 - 12 months	143	1,507	143	1,507
Over 12 months	2,569	129,077	340	1,536
Total	65,771	171,344	29,803	34,094
Less: Allowance for doubtful debts	(2,431)	(127,743)	(202)	(202)
Total trade receivables - unrelated parties, net	63,340	43,601	29,601	33,892
Total trade receivable - net	63,340	43,601	30,052	34,340
<u>Other receivables</u>				
Other receivable - related party	-	-	5,273	49
Other receivables - unrelated party	3,503	844	3,424	805
Total other receivables	3,503	844	8,697	854
Trade and other receivables - net	66,843	44,445	38,749	35,194

9. Insurance receivable

In October 2011, there was severe flooding in Thailand. The locations of a subsidiary's factory and office were inundated, and factories, machinery and inventories were damaged. However, all damaged assets are covered by insurance. On 27 December 2011, the subsidiary received a letter from the insurance company notifying it that compensation for the damaged inventories amounting to Baht 328 million would be paid. As at 31 December 2012, the subsidiary had received totaling of insurance claims of approximately Baht 252 million (2011: Baht 100 million), and recorded the remaining compensation of Baht 76 million (2011: Baht 228 million) as "Insurance receivable" in the statement of financial position. At the present, the subsidiary has been able to operate its business normally.

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories – net	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Finished goods	12,680	14,593	(1,992)	(1,756)	10,688	12,837
Work in process	60,690	178,398	(6,296)	(19,911)	54,394	158,487
Raw materials	45,000	23,450	(119)	(515)	44,881	22,935
Packing materials	8,515	1,328	-	-	8,515	1,328
Spare parts and factory supplies	21,198	14,252	-	-	21,198	14,252
Total	<u>148,083</u>	<u>232,021</u>	<u>(8,407)</u>	<u>(22,182)</u>	<u>139,676</u>	<u>209,839</u>

11. Restricted bank deposit

These represent fixed deposits pledged with the banks to secure credit facilities of a subsidiary.

12. Investment in associated company

Investment in associated company is an investment in Sub Sri Thai Property Fund ("the Fund") which has been granted as a property fund by the Securities and Exchange Commission on 29 April 2011. The Company has pledged all of investment units of the Fund as collateral against credit facilities received from a financial institution.

12.1 Details of investment in associated company

(Unit: Thousand Baht)

Property fund	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
					Carrying amounts based on equity method		Cost	
			2012	2011	2012	2011	2012	2011
Sub Sri Thai Property Fund	Fund raising to invest in immovable properties, and seek benefits from those properties	Thailand	33.33	33.33	239,581	238,258	225,000	225,000

12.2 Share of profit and dividend received from investment in associated company

During the year, the Company has recognised its share of income from investment in associated company in the consolidated financial statements and dividend income in separate financial statement as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in associated company		Dividend received during the year	
	2012	2011	2012	2011
Sub Sri Thai Property Fund	18,774	13,258	17,451	-

12.3 Fair value of investments in listed associates

As at 31 December 2012, the fair value of investment in Sub Sri Thai Property Fund that is listed company on the Stock Exchange of Thailand is amounting to Baht 224 million. (2011: Baht 225 million)

12.4 Summarised financial information of associated company

Financial information of the associated company is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the year ended 31 December		Profit for the year ended 31 December	
	31 December		31 December		31 December		December		31 December	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Sub Sri Thai Property Fund	675	675	721	717	3	2	54	36	56	40

13. Investments in subsidiaries

13.1 Acquisition of subsidiary companies during the year.

On 25 November 2011, the Board of Directors of the Company passed a resolution approving the purchase of shares of Mudman Limited, ABP Café (Thailand) Co., Ltd., and Golden Donuts (Thailand) Co., Ltd., (collectively “Mudman Group”) from four former shareholders, who were Ring Holding Limited, NW Thai Limited, Tower Center (Thailand) Co., Ltd., and Asoke Park Co., Ltd., On 6 January 2012, the Extraordinary General Meeting of Shareholders of the Company passed a resolution approving the purchase of these shares. On 9 January 2012 (the acquisition date), the Company paid Baht 1,455 million for such business. The details of the acquisitions can be summarised as follows:

- a) The Company purchased preferred shares and ordinary shares totaling 750,000 shares of Mudman Limited, equal to 100% of its issued and fully paid shares, which are divided into 51% preferred shares and 49% ordinary shares.
- b) The Company purchased 8,237,769 ordinary shares of ABP Café (Thailand) Co., Ltd., equal to 59% of its issued and fully paid ordinary shares (41% of shares owned by Mudman Limited).
- c) The Company purchased 13,345,667 ordinary shares of Golden Donuts (Thailand) Co., Ltd, equal to 59% of its issued and fully paid ordinary shares (41% of shares owned by Mudman Limited).

On 31 May 2012, the Board of Directors of the Company passed a resolution approving the restructuring of shareholdings in the Mudman Group. The Company consequently sold all investments in ordinary shares of ABP Café (Thailand) Co., Ltd and Golden Donuts (Thailand) Co., Ltd, as mentioned in b) and c), to Mudman Limited at a price of Baht 928 million. The Company has recognised gain on sales of such investments amounting to Baht 69 million in the statements of comprehensive income of the separate financial statements. However, the restructuring of shareholdings in Mudman Group has no impact to the consolidated financial statements of the Company because there has been no change in the percentage shareholding since the acquisition date (9 January 2012).

In addition, the Board of Directors of the Company passed a resolution approving the purchase of 2,632,500 new ordinary shares of Mudman Limited with a par value of Baht 100, totaling Baht 263,250,000. On 26 June 2012, the Company purchased such shares, as Mudman Limited increased its registered and paid-up capital from Baht 75,000,000 to Baht 338,250,000. On 27 August 2012, Mudman Limited registered the cancelation of all of its preferred shares, amounting to Baht 38,250,000. As a result, Mudman Limited’s remaining capital consists of 3,000,000 ordinary shares with a par value of Baht 100, totaling Baht 300,000,000.

The Company assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment was completed in the fourth quarter of 2012 and within the period of twelve months from the acquisition date allowed by Thai Financial Reporting Standard number 3 (revised 2009). During the measurement period, the Company

obtained further information on the fair value of part of the assets and liabilities and has retrospectively adjusted the provisional amount recognised at the acquisition date. The adjustments caused building improvement and equipment to increase by approximately Baht 76 million, intangible assets to increase by approximately Baht 448 million, deferred tax assets to increase by approximately 4 million, other assets to increase by approximately Baht 2 million and deferred tax liabilities to increase by approximately Baht 105 million.

The financial statements of Mudman Group have been included in the consolidated financial statement of the Company since the Company gained controlling authority on 9 January 2012. The details of the acquisition are as follows:

	(Unit: Thousand Baht)
Cash paid for acquisition of the subsidiary companies	1,454,537
Less: Net assets from acquisition of subsidiary companies	(671,975)
Goodwill	<u>782,562</u>
Cash paid for acquisition of the subsidiary companies	1,454,537
Less: Cash and cash equivalents of subsidiaries	(127,033)
Cash paid for acquisition of the subsidiary companies - net of cash and cash equivalent received	<u>1,327,504</u>

The fair values of acquired assets and liabilities of Mudman Group as at the acquisition date (9 January 2012) are as follows:

	(Unit: Thousand Baht)
	<u>Fair Value</u>
Cash and cash equivalents	127,033
Trade accounts receivable	11,766
Inventories	36,077
Other current assets	6,981
Restricted bank deposits	4,774
Building improvement and equipment	229,436
Intangible assets	482,083
Leasehold rights	31,170
Rental deposit	39,637
Deferred tax assets	4,303
Trade accounts payable	(59,501)
Others payable	(23,547)
Income tax payable	(13,900)
Other current liabilities	(69,218)
Employee benefit	(16,030)

(Unit: Thousand Baht)

	<u>Fair Value</u>
Deferred tax liability	(118,274)
Other current liabilities	(815)
Net assets from acquisition of subsidiaries	671,975
Cash payment for purchase of investments in subsidiaries	1,454,537
Goodwill	<u>782,562</u>

The Company recorded acquisition cost of Baht 46 million as an expense under the caption of “Business acquisition expenses” in the statement of comprehensive income of the consolidated and separate financial statements during the current year.

Goodwill of approximately Baht 783 million principally comprises the value of intangible assets which the value cannot be measured with certainty, such as customer relationship and/or customer loyalty.

For the year ended 31 December 2012, Mudman Group has contributed revenue and net profit of approximately Baht 1,620 million and Baht 54 million, respectively, to the consolidated statement of comprehensive income of the Company.

13.2 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Separate financial statements			
			Shareholding percentage		Cost	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
SST Warehouse Co., Ltd.	5,000	5,000	80	80	4,000	4,000
Industrial Enterprises Co., Ltd.	200,000	200,000	100	100	277,999	277,999
Mudman Limited	300,000	-	100	-	571,757	-
Total					853,756	281,999
Less: Allowance for impairment loss					(145,221)	-
Investments in subsidiaries - net					<u>708,535</u>	<u>281,999</u>

14. Investment properties

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	<u>2012</u>	<u>2011</u>
Net book value at beginning of year	539,807	539,807
Net gain from a fair value adjustment	7,371	-
Net book value at end of year	<u>547,178</u>	<u>539,807</u>

The Company's investment properties are the warehouses for rent. The fair value of the investment property has been determined based on valuations performed by an accredited independent valuer, using the income approach. The main assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in rental rates.

15. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis	Cost basis						Total
	Land and land improvement	Warehouses, factory, wharf and improvements	Office building and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	
Cost / Revalued amount:								
1 January 2011	368,378	282,828	14,684	271,545	21,239	19,314	3,217	981,205
Additions	56,608	8,374	-	5,705	1,123	5,049	63,372	140,231
Disposals	(73,123)	(130,771)	-	(117,063)	(3,060)	(4,551)	(19,148)	(347,716)
Transfers	-	4,760	-	1,127	-	-	(5,887)	-
Acquisitions of subsidiaries during the year	619,027	68,524	2,772	204,758	690	2,200	1,448	899,419
31 December 2011	970,890	233,715	17,456	366,072	19,992	22,012	43,002	1,673,139
Additions	-	1,965	49,676	62,016	30,657	9,250	45,031	198,595
Disposals	-	-	(1,786)	(612)	(7,497)	(3,165)	(68)	(13,128)
Transfers	-	38,565	5,405	6,379	492	-	(50,841)	-
Revaluations	12,671	-	-	-	-	-	-	12,671
Acquisitions of subsidiaries during the year	-	-	141,542	45,025	39,178	203	3,488	229,436
31 December 2012	983,561	274,245	212,293	478,880	82,822	28,300	40,612	2,100,713

Consolidated financial statements

	Revaluation basis	Cost basis						
	Land and land improvement	Warehouses, factory, wharf and improvements	Office building and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
Accumulated depreciation:								
1 January 2011	-	122,747	9,565	127,431	16,737	14,161	-	290,641
Depreciation for the year	-	11,258	1,052	26,558	2,001	2,326	-	43,195
Depreciation on disposals	-	(36,934)	-	(62,365)	(3,049)	(4,551)	-	(106,899)
31 December 2011	-	97,071	10,617	91,624	15,689	11,936	-	226,937
Depreciation for the year	-	19,577	35,107	65,947	21,132	3,810	-	145,573
Depreciation on disposals	-	-	(738)	(113)	(7,235)	(3,165)	-	(11,251)
31 December 2012	-	116,648	44,986	157,458	29,586	12,581	-	361,259
Allowance for impairment loss:								
1 January 2011	-	-	-	-	-	-	-	-
31 December 2011	-	-	-	-	-	-	-	-
Increase during the year	34,367	-	-	2,270	-	-	-	36,637
31 December 2012	34,367	-	-	2,270	-	-	-	36,637
Net book value:								
1 January 2011	368,378	160,081	5,119	144,114	4,502	5,153	3,217	690,564
31 December 2011	970,890	136,644	6,839	274,448	4,303	10,076	43,002	1,446,202
31 December 2012	949,194	157,597	167,307	319,152	53,236	15,719	40,612	1,702,817
Depreciation for the year								
2011 (Baht 41 million included in service and manufacturing cost, and the balance in administrative expenses)								43,195
2012 (Baht 45 million included in service and manufacturing cost, and the balance in administrative expenses)								145,573

(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis	Cost basis						Total
	Land and land improvement	Warehouses, wharf and improvements	Office building and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	
Cost / Revalued amount:								
1 January 2011	368,378	280,225	14,684	271,545	21,152	19,314	3,217	978,515
Additions	56,608	8,374	-	5,627	1,094	5,049	37,942	114,694
Disposals	(73,123)	(130,771)	-	(117,063)	(3,060)	(4,551)	(19,148)	(347,716)
Transfers	-	4,760	-	1,127	-	-	(5,887)	-
31 December 2011	351,863	162,588	14,684	161,236	19,186	19,812	16,124	745,493
Additions	-	1,965	-	21,405	1,916	2,037	27,155	54,478
Transfers	-	38,565	-	1,440	-	-	(40,005)	-
Revaluations	12,671	-	-	-	-	-	-	12,671
31 December 2012	364,534	203,118	14,684	184,081	21,102	21,849	3,274	812,642

Separate financial statements

	Revaluation basis	Cost basis						
	Land and land improvement	Warehouses, wharf and improvements	Office building and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
Accumulated depreciation:								
1 January 2011	-	120,399	9,565	127,431	16,718	14,161	-	288,274
Depreciation for the year	-	8,867	956	16,083	1,922	2,233	-	30,061
Depreciation on disposals	-	(36,934)	-	(62,365)	(3,049)	(4,551)	-	(106,899)
31 December 2011	-	92,332	10,521	81,149	15,591	11,843	-	211,436
Depreciation for the year	-	10,336	956	14,984	1,535	2,590	-	30,401
31 December 2012	-	102,668	11,477	96,133	17,126	14,433	-	241,837
Net book value:								
1 January 2011	368,378	159,826	5,119	144,114	4,434	5,153	3,217	690,241
31 December 2011	351,863	70,256	4,163	80,087	3,595	7,969	16,124	534,057
31 December 2012	364,534	100,450	3,207	87,948	3,976	7,416	3,274	570,805
Depreciation for the year								
2011 (Baht 28 million included in service cost, and the balance in administrative expenses)								30,061
2012 (Baht 28 million included in service cost, and the balance in administrative expenses)								30,401

a) As at 31 December 2012, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 73 million (2011: Baht 67 million).

b) A subsidiary has mortgaged land with structures thereon and machinery amounting to approximately Baht 828 million (2011: Baht 874 million) as collateral against credit facilities received from a financial institution.

c) In December 2012, the Company arranged for an independent professional valuer to appraise the fair value of its land, using the Comparative Method of Valuation. The result of appraisal was to increase the value of land by approximately Baht 13 million (net of income tax amounting to Baht 10 million) from the previously appraised value. The Company recorded the increase in the revaluation surplus on the land under the caption of “Revaluation surplus on land” in statements of changes in shareholders' equity for the year 2012.

The land had been presented at cost in the financial statements, the book value as of 31 December 2012 and 2011 on the cost basis would have been as follows:

	(Unit: Thousand Baht)	
As at	Consolidated financial statements	Separate financial statements
31 December 2012	726,563	107,536
31 December 2011	726,563	107,536

d) In December 2012, the Company and its subsidiaries arranged for an independent professional valuer to appraise the fair value of their land, buildings, machinery and equipment, using the following valuation methods:

- Land was valued using the Comparative Method of Valuation
- Building, machinery, and equipment were valued using Depreciated Replacement Cost

Base on the appraisal result, a subsidiary has impairment on land and machinery of approximately Baht 37 million. The Company recognised impairment loss of such land and machinery under caption of “impairment loss from fixed assets” in consolidated statement of comprehensive income for the year 2012.

e) On 3 May 2011, the Company sold certain plots of land (totaling 9 rai, 2 ngan, 65 sq.wah) together with 9 warehouses, with a total area of 15,340 sq.m., including racking for document storage and equipment amounting to Baht 675 million (before net-off related expenses), to the associated company (the Fund). The net book value of those assets at disposal date amounted to Baht 222 million (as described below). The Company recognised gain on disposal of such assets amounted to Baht 417 million in the statements of comprehensive income for the year 2011.

(Unit: Million Baht)

	Cost	Revaluation surplus	Net book value
Land	26	47	73
Document warehouses	94	-	94
Racking and equipment	55	-	55
Total	175	47	222

16. Revaluation surplus on land

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2012	2011
Balance as at beginning of year	244,327	291,224
Increase during the year (Note 15)	12,671	-
Decrease in revaluation surplus on land as a result from sale of land during the year	-	(46,897)
Balance as at ending of year	256,998	244,327
Less: Deferred tax liabilities (20% of tax)	(51,399)	(48,865)
Revaluation surplus of land - net of tax	205,599	195,462

The revaluation surplus on land can neither be offset against deficit nor used for dividend payment.

17. Intangible assets

The net book value of intangible assets as at 31 December 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements		
	Trademarks	Franchise	Software license	Total	Trademarks	Software license	Total
As at 31 December 2012:							
Cost	90,000	487,216	24,536	601,752	90,000	7,177	97,177
<u>Less</u> Accumulated amortisation	(18,000)	(34,868)	(9,106)	(61,974)	(18,000)	(3,963)	(21,963)
Net book value	72,000	452,348	15,430	539,778	72,000	3,214	75,214
As at 31 December 2011:							
Cost	90,000	-	10,877	100,877	90,000	6,037	96,037
<u>Less</u> Accumulated amortisation	(9,000)	-	(4,820)	(13,820)	(9,000)	(2,884)	(11,884)
Net book value	81,000	-	6,057	87,057	81,000	3,153	84,153

A reconciliation of the net book value of intangible assets for the years 2012 and 2011 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Net book value at beginning of year	87,057	92,551	84,153	92,551
Increase in computer software from acquisition of subsidiaries (Note 13)	5,133	3,066	-	-
Increase in franchise from acquisition of subsidiaries (Note 13)	476,950	-	-	-
Acquisition of franchise during the year	10,266	-	-	-
Acquisition of computer software	8,526	1,436	1,140	1,436
Amortisation	(48,154)	(9,996)	(10,079)	(9,834)
Net book value at end of year	539,778	87,057	75,214	84,153

18. Goodwill

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
Net book value as at 31 December 2010	-	
Goodwill acquired from business combination during the year	235,649	
Net book value as at 31 December 2011	235,649	
Goodwill acquired from business combination during the year (Note 13)	782,562	
Less: increased in allowance for impairment goodwill during the year	(66,354)	
Net book value as at 31 December 2012	951,857	

19. Leasehold rights

The balance of leasehold rights as at 31 December 2012 and 2011 is as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Leasehold rights - cost	67,408	34,918	34,918	34,918
Less: Accumulated amortisation	(17,222)	(8,425)	(10,317)	(8,425)
Net book value	50,186	26,493	24,601	26,493
Amortisation expenses included in the profit or loss for the year	8,797	1,892	1,892	1,892

20. Short-term loans from financial institutions

	Interest rate (percent per annum)	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Short-term loans from financial institution	3.85 - 4.88	334,071	79,657	50,000	-

As at 31 December 2012, the short-term credit facilities of the Company and a subsidiary which have not yet been drawn down amounted to Baht 566 million. These short-term loan credit facilities are secured by the mortgage of a subsidiary's land with structures thereon and machinery.

21. Trade and other payables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Trade payables - related party	24,700	24,738	24,700	24,738
Trade payables - unrelated parties	120,893	17,398	192	434
Other payables - related parties	-	3,000	6,145	6,086
Other payables - unrelated parties	6,841	-	3,422	-
Payable under business acquisition agreement	21,000	63,000	21,000	63,000
Customer deposits	14,332	14,964	14,332	14,964
Advance receipts of insurance claimed for machinery damage	2,212	15,000	-	-
Payable from purchase of machinery	24,036	2,282	1,810	2,282
Accrued expenses	109,096	25,654	5,157	8,550
Total trade and other payables	<u>323,110</u>	<u>166,036</u>	<u>76,758</u>	<u>120,054</u>

22. Long-term loans from financial institutions

			(Unit: Thousand Baht)			
Loans	Interest rate	Repayment schedule	Consolidated		Separate	
	(%)		financial statements	financial statements		
			<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Sub Sri Thai Public Company Limited						
1.	MLR - 2.50 to 2.75	Monthly installment as from January 2011 to December 2013	26,000	53,000	26,000	53,000
2.	MLR - 1.00 to 1.50	Quarterly installment as from April 2012 to January 2020	198,500	-	198,500	-
Industrial Enterprises Company Limited						
1.	MLR - 1.00 to 1.50	Semi-annually installment as from December 2012 to December 2023	490,000	500,000	-	-
Golden Donuts (Thailand) Company Limited						
1	MLR - 1.00 to 1.50	Quarterly installment as from	519,750	-	-	-

Loans	Interest rate	Repayment schedule	Consolidated		Separate	
	(%)		financial statements		financial statements	
			<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
		April 2012 to January 2020				
ABP Café (Thailand) Company Limited						
1	MLR - 1.00 to 1.50	Quarterly installment as from April 2012 to January 2020	105,875	-	-	-
Total			1,340,125	553,000	224,500	53,000
Less: Current portion			(87,000)	(37,000)	(29,500)	(27,000)
Long-term loans from financial institutions, net of current portion			1,253,125	516,000	195,000	26,000

The loan agreement contains certain covenants, which among other things, require the Company and its subsidiaries to maintain certain debt to equity and debt service coverage ratios, and to make negative pledges of certain land with construction thereon, equipment and investments. As at 31 December 2012, the Company and Industrial Enterprises Co., Ltd. (a subsidiary) breached the loan covenant regarding to maintenance of financial ratios, but the Company and its subsidiary received waiver letters from the bank.

Long-term loans of the Company and its subsidiaries are secured by the mortgage of a subsidiary's land with structures thereon, machinery and the pledge all of investment units of Sub Sri Thai Property Fund and all of investment shares of Mudman Group with a commercial bank. The long-term loans are guaranteed by the Company and its subsidiaries, Mudman Group.

As at 31 December 2012, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 155 million (2011: Baht 100 million).

23. Long-term debentures

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2012	2011
Face value	490,000	490,000
Less: Unamortised costs relating to the issuance of debentures	(593)	(1,714)
Net balance	489,407	488,286
Less: Current portion	(489,407)	-
Long-term debentures, net of current portion	-	488,286

On 19 March 2010 and 6 August 2010, the Company issued unsubordinated and unsecured 140,000 debentures and 350,000 debentures, respectively with a face value of Baht 1,000 or a total of Baht 490 million. The Company is required to comply with certain financial conditions, such as maintaining financial ratios as declared in the prospectus.

On 30 April 2012, the 2012 Annual General Meeting of the Company's shareholders approved the issuance and offering of up to Baht 1,000 million of debt securities in the form of promissory notes and / or debentures of the Company, or the equivalent in another currency. The

objective of the issue is to fund settlement of the debentures of the Company that mature in 2013, invest in expansion of the business, and provide working capital. The Board of Directors are authorised to set details regarding the debt securities in the form of promissory notes and / or debentures, such as the type, collateral, currency, amount, term, face value, offering price, coupon rate, offer channels and offering period, and the authority to take the necessary and appropriate steps.

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2012	2011	2012	2011
Defined benefit obligation at beginning of year	10,152	6,356	8,547	6,356
Increase from acquisitions of subsidiary	16,030	1,605	-	-
Current service cost	5,159	535	885	535
Interest cost	883	265	292	265
Paid during the year	(1,086)	-	-	-
Actuarial (gain) loss	(858)	1,391	(52)	1,391
Past service costs	973	-	973	-
Provisions for long-term employee benefits at end of year	31,253	10,152	10,645	8,547

Long-term employee benefit expenses included in the profit or loss was as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2012	2011	2012	2011
Current service cost	5,159	2,140	885	535
Interest cost	883	265	292	265
Actuarial (gain) loss recognised during the year	(858)	1,391	(52)	1,391
Past service costs recognised during the year	973	-	973	-
Total expense recognized in profit or loss	6,157	3,796	2,098	2,191
Line items under which such expenses are included in profit or loss				
Cost of sales	2,018	2,350	865	1,264
Selling and administrative expenses	4,139	1,446	1,233	927

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.4 - 4.3	3.3	3.4	3.3
Future salary increase rate (depending on age)	3.0 - 6.0	5.0 - 6.0	6.0	6.0
Staff turnover rate	9.7 - 45.0	9.7	9.7	9.7

25. Share capital

On 30 April 2012, the 2012 Annual General Meeting of the Company's shareholders passed the resolutions approving the Company's share capital as followings:

25.1 The reduction of the registered share capital from Baht 151,250,000 to Baht 150,681,886, or by 568,114 shares with a par value of Baht 1 per share, in order to eliminate the shares remaining after the exercise of the ordinary share warrants, as stated in note 26 to the financial statements, that the Company previously issued to existing shareholders. The ordinary share warrants expired in January 2012

25.2 An increase of the registered capital under a general mandate, whereby the Company will issue 90,409,131 new ordinary shares with a par value of Baht 1, or equal to 60 percent of the registered share and paid-up share capital. The Board of Directors is authorised to determine the objective of the share offering and other details and conditions related to the issue. The 90,409,131 shares with a par value of Baht 1 issued under the general mandate will be allocated as follows.

- Up to 45,204,565 shares to be offered to existing shareholders in proportion to the shareholding
- Up to 30,136,377 shares to be offered to the general public.
- Up to 15,068,189 shares to be offered under private placements

25.3 An increase in the share capital of the Company from Baht 150,681,886 to Baht 271,227,395 by issuing 120,545,509 new ordinary shares with a par value of Baht 1 to support the distribution of a share dividend of 30,136,378 shares and the share capital increase of 90,409,131 shares under the general mandate, as stated in note 32 and note 25.2 to the financial statements.

26. Warrants

The Extraordinary General Meeting of the shareholders held on 25 November 2008 passed a resolution approving the issuance of up to 30,250,000 warrants to the existing shareholders, free of charge, at a ratio of 1 warrant for every 4 existing shares. The warrants could be exercised to subscribe to newly issued ordinary shares in a ratio of 1 warrant per 1 ordinary share, at an exercise price of Baht 8 each. They were a one-time issue and had a life of 3 years, with the exercise period commencing on the last business day of March 2010 (one year after the issue date). The warrants expired in January 2012.

During the current year, warrants were exercised to purchase ordinary shares of the Company are summarised below:

	Units
Outstanding as at 31 December 2011	20,597,480
Exercised during the year	(20,029,578)
Expired during the year	(567,902)
Outstanding as at 31 December 2012	-

The movement of the Company's share premium for the year ended 31 December 2012 is detailed below.

	(Unit: Thousand Baht) Consolidated / Separate financial statements
Balance as at 31 December 2011	197,566
Increase from warrants exercised during the year	140,207
Balance as at 31 December 2012	337,773

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to 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.

28. General reserve

The Company has established a general reserve with no specific purpose. On 27 April 2011, the 2011 Annual General Meeting of Shareholders passed a resolution to transfer general reserve of Baht 200 million to unappropriated retained earnings.

29. Treasury shares / Treasury share reserve

On 17 March 2009, the Board of Directors of the Company approved a program to repurchase the Company's shares of up to 12.1 million shares (par value of Baht 1 each), or 10 percent of the total number of shares in issue, with a budget of not exceeding Baht 35 million, for financial management purposes. The shares are repurchased on the Stock Exchange of Thailand between 2 April 2009 and 1 October 2009. The Company has completed the share repurchase on 21 April 2009 and the shares will be resold no earlier than 6 months after the share repurchase is completed but no later than 3 years (from 4 November 2009 to 21 April 2012).

Movements in the treasury shares account during the year ended 31 December 2012 are summarised below:

	Consolidated / Separate financial statements	
	Shares	Baht
Balance as at 31 December 2011	1,471,100	7,283,035
Disposals during the year	(1,471,100)	(7,283,035)
Balance as at 31 December 2012	-	-

During the current year, the Company sold all treasury shares at an average price of Baht 17.42 each, or for a total of Baht 26 million and recorded the premium on the sale (net of related expenses), amounting to Baht 18 million, as “treasury share premium” in shareholders’ equity.

30. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2012	2011	2012	2011
Salaries, wages and other employee benefits	414,932	54,911	39,882	50,037
Depreciation	145,573	43,195	30,401	30,061
Amortisation expenses	58,072	13,156	13,093	12,791
Rental expenses from operating lease agreements	367,172	32,808	49,400	32,798
Raw materials and consumables used	504,909	34,299	8,077	-
Changes in inventories of finished goods and work in progress	106,363	41,777	-	-
Royalty fees	63,656	-	-	-
Marketing expense	39,913	-	-	-

31. Income tax

31.1 Reconciliation between income tax expenses and the product of accounting profit (loss) multiplied by the applicable tax rates for the years ended 31 December 2012 and 2011

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2012	2011	2012	2011
Accounting profit (loss) before tax	(155,553)	425,076	(93,934)	432,178
Applicable tax rate	15 - 23 percent	15 - 30 percent	23 percent	30 percent
Accounting profit (loss) before tax multiplied by applicable tax rate	(35,709)	130,332	(21,605)	129,653
Gain on fair value adjustment of investment properties	(1,696)	-	(1,696)	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Gain on reversal of revaluation surplus of land from land sale	-	14,069	-	14,069
Depreciation of fixed assets of subsidiaries at fair value as at acquisition date	9,846	-	-	-
Amortisation of intangible assets of subsidiaries at fair values as at acquisition date	3,617	-	-	-
Gain on sale of investments in a subsidiary	15,789	-	-	-
Share of profit from investments in associated company	(4,318)	-	-	-
Impairment loss from investments in a subsidiary	-	-	33,401	-
Impairment loss from fixed assets of a subsidiary	8,427	-	-	-
Impairment loss from goodwill	15,261	-	-	-
Business acquisition expenses	3,036	-	3,036	-
Dividend income	-	-	(4,014)	-
Net tax loss of subsidiaries for the year	30,140	3,548	-	-
Other temporary difference	(3,032)	(1,954)	(667)	1,594
Current income tax expenses	41,379	145,995	8,455	145,316

31.2 The components of deferred income tax for the years ended 31 December 2012 and 2011 are as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Allowance for impairment loss from investment in a subsidiary	-	-	29,044	-
Allowance impairment loss from fixed assets	7,327	-	-	-
Depreciation of fixed assets of subsidiaries at fair value as at acquisition date	8,577	-	-	-
Amortisation of intangible assets of subsidiaries at fair value as at acquisition date	3,036	-	-	-
Gain on fair value adjustment of investment properties	(1,474)	-	(1,474)	-
Gain on reversal of revaluation surplus of land from land sale	-	14,069	-	14,069
Effects of changes in the applicable tax rates:				
Gain on fair value adjustment of fixed assets of subsidiary as at the acquisition date	-	85,312	-	-
Gain on fair value adjustment of investment properties	-	38,334	-	38,334
Others	(1,772)	1,270	(998)	(1,149)
Deferred income tax	15,694	138,985	26,572	51,254

31.3 The components of deferred tax assets and deferred tax liabilities as at 31 December 2012 and 2011 are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	2012	2011	2012	2011
Deferred tax assets				
Provision for long-term employee benefits	5,657	1,804	2,129	1,804
Allowance for doubtful accounts	41	46	41	46
Allowance for impairment loss from investment	-	-	29,044	-
Total	5,698	1,850	31,214	1,850
Deferred tax liabilities				
Gain on fair value adjustment of fixed assets of subsidiaries as at the acquisition date	169,940	170,624	-	-
Gain on fair value adjustment of intangible assets of subsidiaries as at the acquisition date	100,019	-	-	-
Revaluation surplus on land	51,399	48,866	51,399	48,866
Gain on fair value adjustment of investment properties	78,143	76,669	78,143	76,669
Depreciation of investment properties	2,539	1,267	2,539	1,267
Others	564	518	564	518
Total	402,604	297,944	132,645	127,320

31.4 As at 31 December 2012, two subsidiaries have unused tax losses of approximately Baht 890 million. Deferred tax assets have not been recognised in respect of such tax losses because the management of the subsidiaries determined that there is uncertainty as to whether adequate sufficient taxable profits will be available to utilise the deferred tax assets.

31.5 In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, the Company and its subsidiaries reflected the changes in tax rates for the years 2012 to 2014 in its deferred tax calculation, as presented above.

32. Dividend paid

	Approved by	Total dividends	Dividend per share
		(Unit: Million Baht)	(Unit: Baht)
Final dividend for 2010	Annual General Meeting of the shareholders on 27 April 2011	47.22	0.40
Final dividend for 2011	Annual General Meeting of the shareholders on 30 April 2012		
- Cash dividend		3.35	0.02
- Stock dividend of 30,136,018 ordinary shares		30.14	0.20
Total dividend for 2011		33.49	0.22

33. 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, after adjusting the number of ordinary shares to reflect the impact of stock dividend as discussed in note 32 to the financial statements. The prior year's basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of earliest period reported.

Diluted 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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
Profit (loss) for the year		Weighted average number of ordinary shares		Earnings per share		
		2012	2011	2012	2011	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares) (Restated)	(Baht)	(Baht) (Restated)	
Basic earnings per share						
Profit (loss) attributable to equity holders of the parent	(181,712)	417,566	180,078	149,463	(1.01)	2.79
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	3,685	-	(0.06)
Diluted earnings per share						
Profit (loss) of ordinary shareholders assuming the conversion of warrants to ordinary shares	(181,712)	417,566	180,078	153,148	(1.01)	2.73

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	Profit (loss) for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares) (Restated)	(Baht)	(Baht) (Restated)
Basic earnings per share						
Profit (loss) attributable to equity holders of the parent	(75,818)	338,115	180,078	149,463	(0.42)	2.26
Effect of dilutive potential ordinary shares						
Warrant	-	-	-	3,685	-	(0.05)
Diluted earnings per share						
Profit (loss) of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>(75,818)</u>	<u>338,115</u>	<u>180,078</u>	<u>153,148</u>	<u>(0.42)</u>	<u>2.21</u>

34. Segment information

The Company and its subsidiaries' business operations involve three principal segments: 1) vegetable oil and animal feed meal, 2) warehouse and harbor, and 3) food and beverage businesses. These operations are carried on in Thailand only. Below is the financial information for the years ended 31 December 2012 and 2011 by segment.

	(Unit: Million Baht)									
	Vegetable oil and animal feed meal segment		Warehouse and wharf segment		Food and beverage segment		Elimination of inter-segment revenues		Consolidated financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues										
Sale of goods	425	197	-	-	1,627	-	(127)	(3)	1,925	194
Storage	-	-	138	130	-	-	-	-	138	130
Warehouse rental	-	-	63	60	-	-	-	-	63	60
Services fee	-	-	34	32	-	-	(13)	(14)	21	18
Total revenues	<u>425</u>	<u>197</u>	<u>235</u>	<u>222</u>	<u>1,627</u>	<u>-</u>	<u>(140)</u>	<u>(17)</u>	<u>2,147</u>	<u>402</u>
Segment income (loss)	(40)	(23)	81	82	1,040	-	-	-	1,081	59
Unallocated income and expenses:										
Gain on sales of fixed assets									1	419
Interest Income									1	24
Share of profit from investment in associated company									19	13
Other income									55	33
Selling expenses									(861)	-
Administrative expenses									(180)	(82)
Impairment loss from consolidation goodwill									(66)	-
Impairment loss from fixed assets									(36)	-



(Unit: Million Baht)

	Vegetable oil and animal feed meal segment		Warehouse and wharf segment		Food and beverage segment		Elimination of inter-segment revenues		Consolidated financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Acquisition business expenses									(46)	-
Financial cost									(123)	(41)
Income tax expenses									(26)	(7)
Profit (loss) for the year									(181)	418
Investment properties	-	-	547	540	-	-	-	-	547	540
Property, plant and equipment	835	912	571	534	297	-	-	-	1,703	1,446
Unallocated assets									2,267	1,167
Total assets									4,517	3,153

Transfer prices between business segments are as set out in Note 6 to the financial statements.

35. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and employees contribute to the fund monthly at rates of 5 and 15 percent of basic salary. The fund, which is managed by Siam Commercial Bank Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. For the year 2012, the Company contributed Baht 2 million (2011: Baht 2 million) to the fund.

36. Employee Joint Investment Program

Detail of Employee Joint Investment Program	No. 1	No.2
1) Approved by	The Extraordinary General Meeting of Shareholders in 2010	The Ordinary General Meeting of the shareholders in 2012
2) Duration of the scheme	2 years, from 1 August 2010 to 31 July 2012.	2 years, from 1 August 2012 to 31 July 2014.
3) Detail of contributions	<p>- Employees contribute 5 percent of their monthly base salary and the Company additionally contributes 7 percent of employees' monthly base salary</p> <p>- Directors contribute Baht 13,500 per month to the program, with the Company contributing an additional Baht 13,500</p>	<p>- Employees contribute 5 percent of their monthly base salary and the Company additionally contributes 7 percent of employees' monthly base salary</p> <p>- Directors contribute Baht 16,000 per month to the program, with the Company contributing an additional Baht 24,000</p>
4) Program management	Phillip Securities (Thailand) Public Company Limited	Phillip Securities (Thailand) Public Company Limited

Employee Joint Investment Program for the year 2012, the Company contributed Baht 4 million (2011: Baht 3 million) to the program.

37. Commitments and contingent liabilities

37.1 Rental property agreement for storage of document businesses

In May 2011, the Company entered into lease agreement of assets from Sub Sri Thai Property Fund which assets are consist certain plots of land (totaling 9 rai, 2 ngan, 65 sq.wah) together with 9 warehouses with a total area of 15,340 sq.m., including racking for document storage and equipment, for the period of 10 years at the following rates:

Year 1	Baht 50 million per annum
Year 2-3	Baht 51.50 million per annum
Year 4-5	Baht 53 million per annum
Year 6-10	Baht 47 million per annum plus profit sharing which is in excess of Baht 47 million between the Company and the Fund on a 50:50 basis.

On 27 December 2012, Sub Sri Thai Property and the Company revised original lease agreement to separate it into two new agreements, as follows:

- 1) An infrastructure, utilities, and equipment rental agreement under which the rental rates of each year are:

Year 1	Baht 48,159,200 per annum
Year 2-3	Baht 49,659,200 per annum
Year 4-5	Baht 51,159,200 per annum
Year 6-10	Baht 45,159,200 per annum plus sharing of profit in excess of fixed rental expense on a 50:50 basis
- 2) An agreement to rent land with structures thereon at a fixed rental rate of Baht 1,840,800 per annum

Future minimum lease payments required under lease agreement of assets from Sub Sri Thai Property were as follows:

	(Unit: Million Baht)	
	As at 31 December	
	<u>2012</u>	<u>2011</u>
Payable:		
in up to 1 year	51	51
In over 1 and up to 5 years	202	206
In over 5 years	157	204

37.2 Capital commitments

As at 31 December 2012, the Company and its subsidiaries had capital commitments of approximately Baht 14 million (2011: Baht 80 million) relating to purchasing fixed assets and machine installation.

37.3 Operating lease commitments and service agreements

The Company and its subsidiaries have entered into several lease agreements in respect of building space and other services. The terms of the agreements are generally between 1 and 28 years.

The Company and its subsidiaries have future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)	
	As at 31 December	
	<u>2012</u>	<u>2011</u>
Payable:		
in up to 1 year	123	4
In over 1 and up to 5 years	132	-
In over 5 years	26	-

37.4 Bank guarantees

As at 31 December 2012, there were outstanding bank guarantees of approximately Baht 64 million (2011: Baht 55 million). These mainly included letters of guarantee amounting to Baht 52 million (2011: Baht 50 million) to guarantee rental property with an associated company.

38. Financial instruments

38.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivable, insurance receivable, restricted bank deposits, rental deposit, trade and other payables, short-term loan, long-term loans and long-term debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable, loans, notes and other receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a

large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, other receivables and notes receivable as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, short-term borrowing, long-term borrowings and debentures. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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.

(Million Baht)

As at 31 December 2012						
Consolidated financial statements						
Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)	
Within 1 year	1-5 years					
<u>Financial Assets</u>						
Cash and cash at banks	2	-	68	40	110	0.25 - 3.65
Current investment	-	-	3	-	3	0.50
Trade and other receivables	-	-	-	67	67	-
Insurance receivable	-	-	-	76	76	-
Restricted bank deposits	6	-	-	-	6	2.75 – 2.85
Rental deposit	-	-	-	50	50	-
<u>Financial liabilities</u>						
Short-term loans from financial institutions	334	-	-	-	334	3.85 - 4.30
Trade and other payables	-	-	-	323	323	-
Long-term loans from financial institutions	-	-	1,340	-	1,340	MLR - 1.00 to 2.75
Long-term debentures	489	-	-	-	489	5.0

(Million Baht)

As at 31 December 2011

Consolidated financial statements						
	Fixed interest rates		interest bearing	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years				
Financial Assets						
Cash and cash at banks	36	-	35	4	75	0.25 – 3.65
Current investment	-	-	-	8	8	-
Trade and other receivables	-	-	-	44	44	-
Insurance receivable	-	-	-	228	228	-
Fixed deposits at bank	-	1	-	-	1	2.85
Restricted bank deposits	2	-	-	-	2	2.75 – 3.00
Financial liabilities						
Short-term loans from financial institutions	80	-	-	-	80	4.85 – 4.88
Trade and other payables	-	-	-	166	166	-
Long-term loans from financial institutions	-	-	553	-	553	MLR - 1 to MLR - 2.75
Long-term debentures	-	488	-	-	488	5.00

(Million Baht)

As at 31 December 2012

	Separate financial statements					Interest rate (% p.a.)
	Fixed interest rates Within 1 year	1-5 years	Floating interest rate	Non- interest bearing	Total	
<u>Financial Assets</u>						
Cash and cash at banks	-	-	8	2	10	0.25 - 0.75
Current investment	-	-	3	-	3	0.50
Trade and other receivables	-	-	-	39	39	-
Inventory-secured loans to related party	-	-	83	-	83	MMR
Short term loan to related party	243	-	-	-	243	4.35 - 5.875
<u>Financial liabilities</u>						
Short-term loans from financial institutions	50	-	-	-	50	3.85
Trade and other payables	-	-	-	77	77	-
Long-term loans from financial institutions	-	-	225	-	225	MLR - 2.50 to 2.75
Long-term debentures	489	-	-	-	489	5.00

(Million Baht)

	As at 31 December 2011					
	Separate financial statements					
	Fixed interest rates		interest bearing	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years				
<u>Financial Assets</u>						
Cash and cash at banks	34	-	2	4	40	0.25 - 3.65
Current investment	-	-	-	8	8	-
Trade and other receivables	-	-	-	35	35	-
Inventory-secured loans to related party	-	-	482	-	482	MOR
Fixed deposits at bank	-	1	-	-	1	2.85
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	120	120	-
Long-term loans from financial institutions	-	-	53	-	53	MLR - 2.50, MLR - 2.75
Long-term debentures	-	488	-	-	488	5.00

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company and its subsidiaries consider themselves no foreign currency risk because they have low foreign currency transactions, and no financial assets and liabilities denominated in foreign currencies outstanding at the statement of financial position date.

38.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

39. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2012, the Group's debt-to-equity ratio was 1.90:1 (2011: 1.04:1) and the Company's was 0.62:1 (2011: 0.55:1).

40. Events after the reporting period

On 14 February 2013, the Extraordinary General Meeting of Shareholders of Mudman Group (Subsidiaries) passed the resolution approving the restructuring of shareholdings in the Mudman Group as following:

40.1 An increase in the registered capital of Mudman Limited (Subsidiary) from Baht 300,000,000 to Baht 450,000,000, through the issue of 1,500,000 new ordinary shares with a par value of Baht 100 per share.

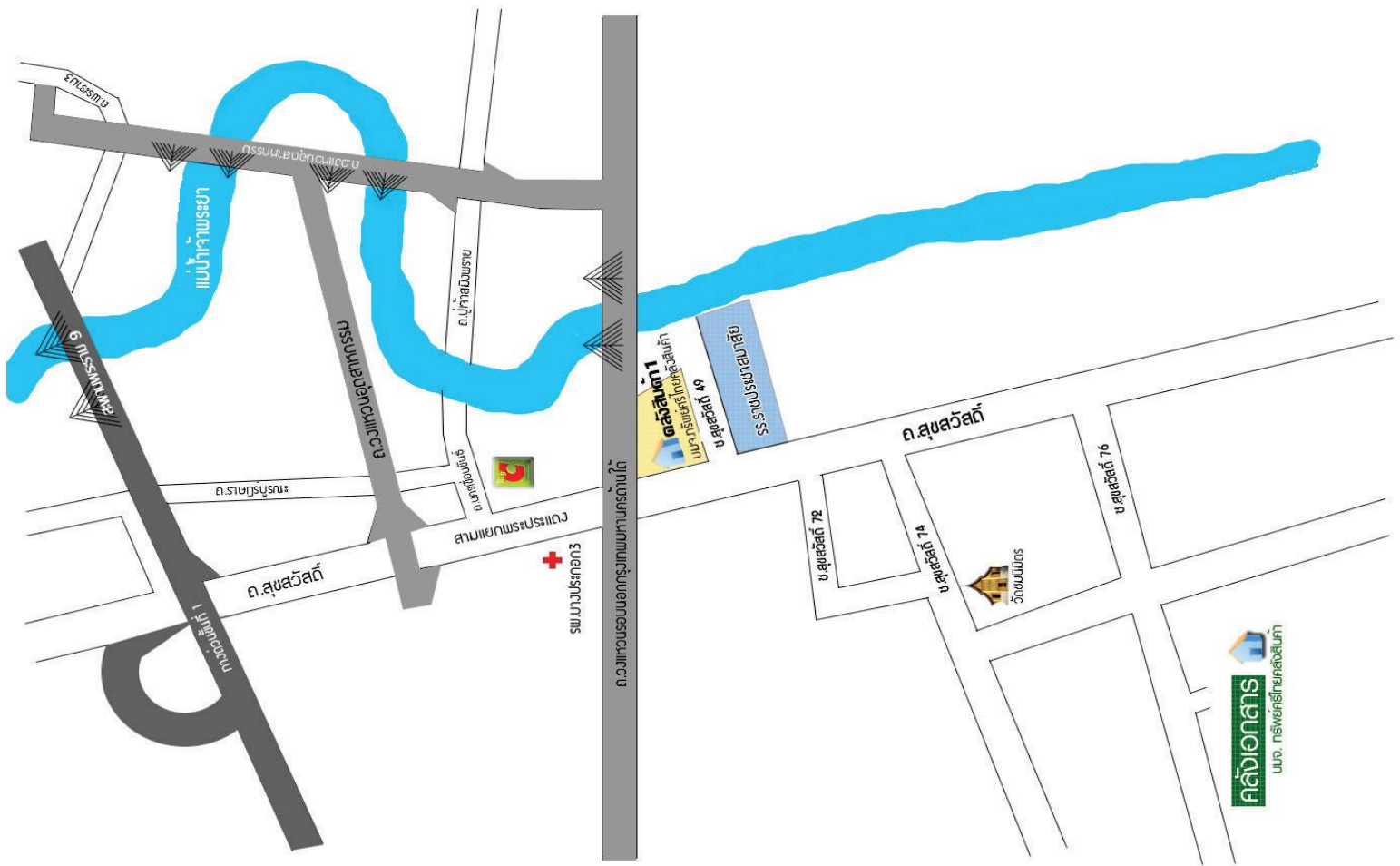
40.2 The reduction of the registered share capital of Golden Donuts (Thailand) Co., Ltd. from Baht 226,197,760 to Baht 60,000,000 or by 16,619,776 shares with a par value of Baht 10 per share.

40.3 The reduction of the registered share capital of ABP Café (Thailand) Co., Ltd. from Baht 139,623,210 to Baht 40,000,000 or by 9,962,321 shares with a par value of Baht 10 per share.

The increase and decrease capital were completed on 18 February 2013.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 27 February 2013.



บริษัท สตรีไทย จำกัด (มหาชน)
SUB SRI THAI PUBLIC COMPANY LIMITED

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