

SITHAI-1101/58

November 13, 2015

Subject : Clarifications Regarding the Financial Information for the Q3/2015 Period.

Dear : Madam President,

The Stock Exchange of Thailand (SET)

Reference is made to the financial information for the Quarter 3/2015 period, as submitted by the Company, which has been reviewed by the external auditor, considered by the Audit Committee, and approved by the Company's Board of Directors on November 13, 2015. The Company wishes to report further clarifications in summary as follows:

1. Summary of Operating Performance Results of the Company and Subsidiaries

For the Q3/2015 period, consolidated revenues of the Company and its subsidiaries has decreased by 2.50% Year-On-Year (YoY). Gross Margin has also decreased to 17.37% (from 19.04%) of total revenues. As such consolidated net income of Q3/2015 is Baht 106.05 million, that is attributable to the Owners of the Parent Company which is Baht 100.01 million, a decrease of Baht 18.16 million (or 15.37% YoY. This represents an earnings per share (EPS) of Baht 0.04 – the same as for Q3/2014. There is no non-recurring transactions of any significant impact to the financial statements for Q3/2015, except for a gain of foreign exchange totaling Baht 17.94 million, compared to a similar gain on foreign exchange of Baht 5.92 million, in the same period last year, as a result of the weakening value of the Thai Baht against the US Dollar.

Table 1 Overview
Consolidated financial information (partial)
Unit : Million Baht

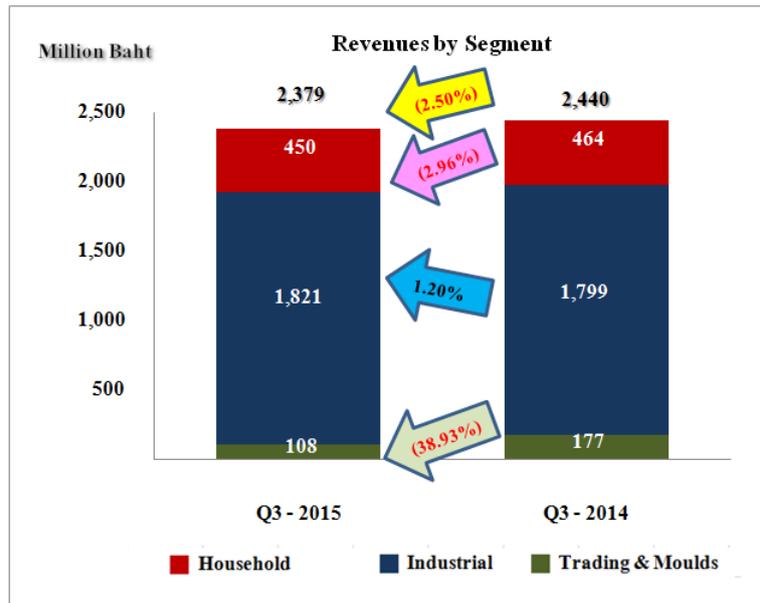
Description	Quarter 2, 2015	Quarter 3, 2015	Quarter 3, 2014	Change from Quarter 3, 2014	
				Amount Inc (Dec)	% +(-)
Sales	2,450.89	2,379.27	2,440.33	(61.06)	(2.50%)
Gross profit (%)	18.83%	17.37%	19.04%	(1.67%)	(8.77%)
EBIT (Profit before interest and tax)	213.58	149.44	168.67	(19.23)	(11.40%)
Net profit attributable to owners of the parent	138.19	100.01	118.17	(18.16)	(15.37%)
% Net profit on sales	5.64%	4.20%	4.84%		
Earnings per share (Baht)	0.05	0.04	0.04		

2. Analysis of the Operating Results for Q3/2015

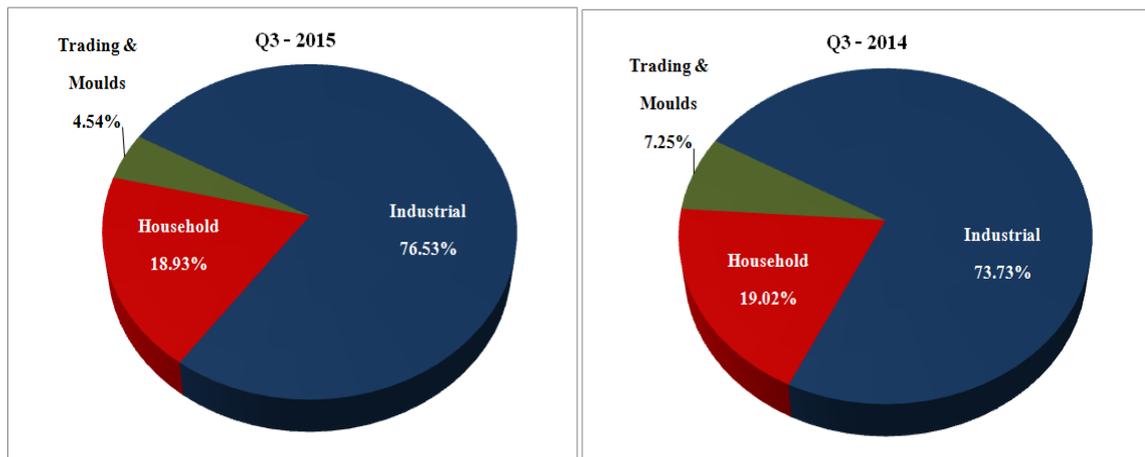
2.1 Revenues - by Types of Business

Table 2 Revenues - by Types of Business
Unit : Million Baht

Description	Quarter 2, 2015		Quarter 3, 2015		Quarter 3, 2014		Change from Quarter 3, 2014	
	Amount	% on sales	Amount	% on sales	Amount	% on sales	Amount Inc (Dec)	% +(-)
Plastics Business Line	2,332.27	95.16%	2,271.24	95.46%	2,263.43	92.75%	7.81	0.35%
Household Products	511.48	20.87%	450.44	18.93%	464.17	19.02%	(13.73)	(2.96%)
Domestic production	483.53	19.73%	418.04	17.57%	439.17	18.00%	(21.13)	(4.81%)
Overseas production	27.95	1.14%	32.40	1.36%	25.00	1.02%	7.40	29.60%
Industrial Products	1,820.79	74.29%	1,820.80	76.53%	1,799.26	73.73%	21.54	1.20%
Domestic production	1,465.07	59.78%	1,486.24	62.47%	1,458.36	59.76%	27.88	1.91%
Overseas production	355.72	14.51%	334.56	14.06%	340.90	13.97%	(6.34)	(1.86%)
Trading and Moulds Business Lines	118.62	4.84%	108.03	4.54%	176.90	7.25%	(68.87)	(38.93%)
Total	2,450.89	100.00%	2,379.27	100.00%	2,440.33	100.00%	(61.06)	(2.50%)



Revenues Proportion by Business Line



Revenue proportion by business lines for the Plastics Business line, in Q3/2015 compared to the same period last year, increased from 92.75% to 95.46% of total revenues – comprising an increase in the Industrial Products from 73.73% to 76.53%, while the Household Products down from 19.02% to 18.93%; and the Trading & Moulds Business Lines declining from 7.25% to 4.54%.

1) Household Products

Comparison between Q3/2015 and Q3/2014

Sales of Household Products in Q3/2015 decreased by Baht 13.73 million (or 2.96%) YoY compared to Q3/2014, as a result of a decrease in total export sales to customers in America,

who reduced their imports in order to manage their inventories on hand system, as well as the impact of the earthquake, ongoing unstable political, and economic situation in the South Asia Subcontinent.

Domestic sales via the direct sales channel decreased in Q3/2015 against the same period of the previous year, due to the continuing high household debt levels that resulted in a slowdown in overall consumption with consumers being more cautious of their spending.

However, large order was received for the patented cartoon design melamine products from a major convenience stores operator for sales as ‘premium’ products through its very popular customers’ loyalty points redemption sales campaign.

A subsidiary company - namely: Srithai (Vietnam) Company Limited - achieved increased total sales in Q3/2015, through deploying its recent marketing strategies in targeting new domestic customer segments as well as those living in the provincial areas. Additionally, increased sales was achieved from sales/exhibition activities and the overall economic growth trends in Vietnam that has resulted in increased consumption by Vietnamese consumers. Furthermore, the overall AEC markets have accommodated both high sales potential and purchasing power.

Comparison between Q3/2015 and Q2/2015

Sales of Household Products of Q3/2015 decreased as compared to Q2/2015. In Q2/2015, a large export orders were received from the Middle East markets for sets of brand new melamine products during the Ramadan Festival, together with high domestic sales of the Company’s products that were sold through local distributors to retail outlets and various schools during the start of the new school term as well as through the Company’s mid-year Grand Sale event in June.

2) Industrial Products

Comparison between Q3/2015 and Q3/2014

Sales of Industrial Products in Q3/2015 increased by Baht 21.54 million (or 1.20%) YoY, as follows:

- Industrial products – automotive parts sold by a subsidiary increased significantly, starting as of late last year, due to the launch of new car models with minor changes.
- However, sales of beverage packaging products decreased against Q3/2014, due to the fact that in the previous year there was the Football World Cup event that resulted in the 2 large global soft drinks manufacturers undertaking their major World Cup-related sales and marketing promotions campaigns. This year export sales of preform products decreased as customers procured the products by themselves. Furthermore, sales prices were reduced corresponding to the declining costs of raw material since late last year, whilst new ‘light weight’ products were developed using less raw materials which resulted in a reduction of the sales price.
- Sales of food packaging products decreased compared to the same period last year, due to the impacts from the unfavorable economic climate and problems regarding illegal labor used in the fishing industry, that caused many European seafood importers placing a ban on their orders from Thai seafood processors and exporters.
- As for other types of Industrial Products, overall sales decreased when compared to the same Q3 period last year – namely: beverage crates and pallets. The ongoing declining trend of customers using such plastic crates stems from overall change and replacement in using PET bottles instead of glass bottles, which no longer requires the use of plastic crates. However, in Q3/2015, the Company continuously received increased sales orders for ‘premium’ products from a major convenience stores operator.

Sales by Srithai (Vietnam) Company Limited decreased slightly from lower sales prices corresponding to the lower costs of raw material since late last year. However, there was an increase in the volume of raw materials used as a result of the increased sales order received from a major soft drinks manufacturers as well as due to the increase in the total number of its customers. Additionally, the ongoing economic growth in Vietnam has yielded in higher purchasing and spending power. The growth of the cineplex business in Vietnam has also resulted in increased sales of products used by these businesses, that has helped drive up sales of food packaging products made with the new IML production process.

Comparison between Q3/2015 and Q2/2015

Sales of Industrial Products for Q3/2015 remained approximately the same as for Q2/2015, despite the fact that traditionally Q3 is a low sales season for beverage packaging products. However, sales of other types of Industrial Products by the Company increased – such as, battery cases, containers and ‘premium’ products.

3) Trading & Moulds Business Lines

Comparison between Q3/2015 and Q3/2014

Total Q3/2015 sales for the Trading & Moulds Business Lines decreased by Baht 68.87 million (or 38.93%) compared to the same period last year, mainly due to the overall decrease in Trading Business sales – especially for the innovative agricultural products sold through the Network Marketing Business Unit as a result of the drought in the key targeted provincial markets for these agricultural products. Other key factors attributable to the lower sales included overall sluggish economy, the continuing high household debts, as well as the declining prices for agricultural commodities and products that resulted in decreased income and lower purchasing power within the agricultural sector. Meanwhile, entering of new competitors within the Network Marketing Business with their marketing strategies in attracting members to their network has caused a decrease in the number of new members

joining the Company's Network together with the exit of some of our leading Network Business resources. However, total sales for the Moulds Business Line increased YoY due to an increase in sales of new moulds used for the production of automotive parts.

Comparison between Q3/2015 and Q2/2015

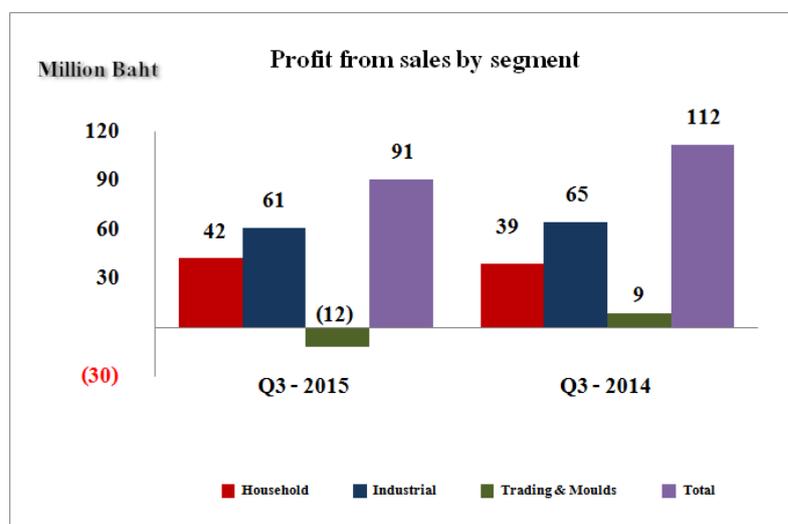
Total Q3/2015 sales for the Trading & Moulds Business Lines decreased compared to Q2/2015 due to the overall decrease in the Trading Business Line resulting from declining purchasing power, natural disasters, and new competitors, together with the decreased sales of the Moulds Business Line by a subsidiary that received a special sales order in Q2/2015 period.

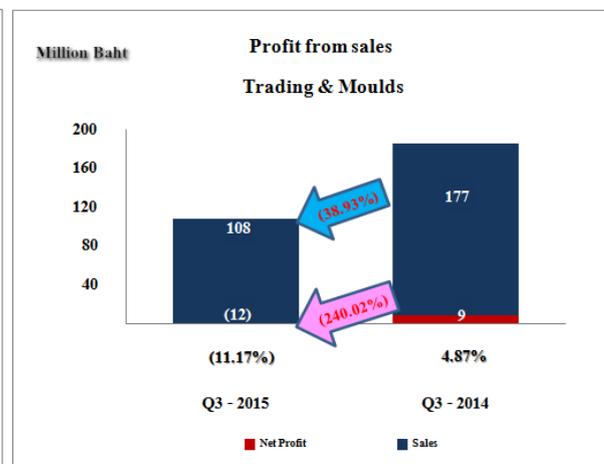
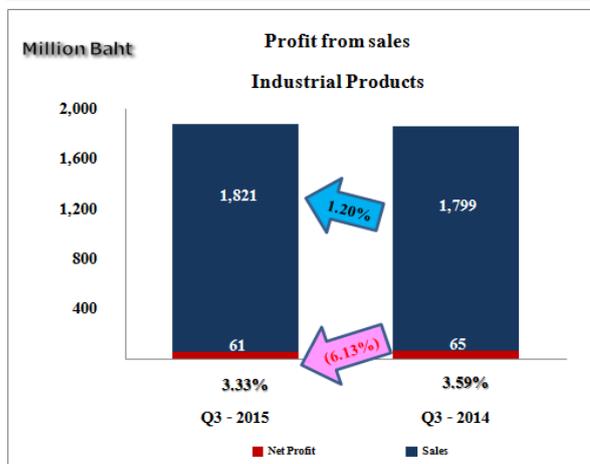
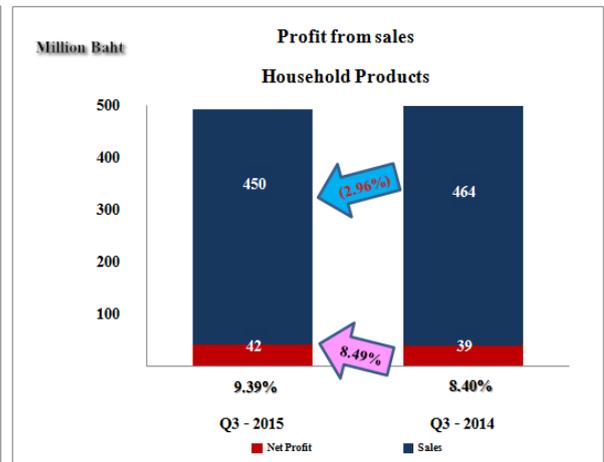
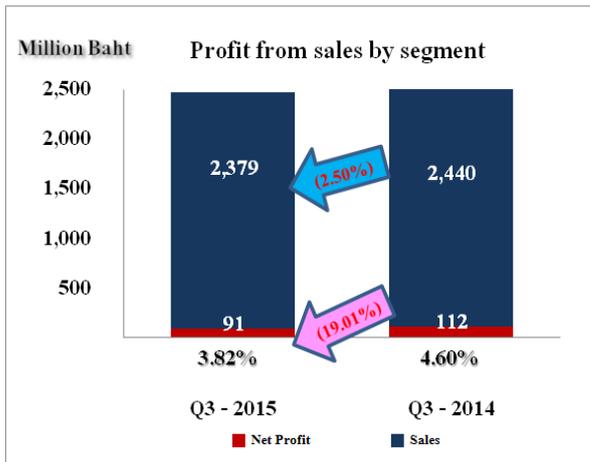
2.2 Profit from Sales by Segment

Table 3 Profit from Sales by Segment

Unit : Million Baht

Description	Quarter 2, 2015		Quarter 3, 2015		Quarter 3, 2014		Change from Quarter 3, 2014	
	Amount	% on sales	Amount	% on sales	Amount	% on sales	Amount Inc (Dec)	% +(-)
Profit from sales by segment								
Plastics Business Line	162.09	6.95%	102.96	4.53%	103.61	4.58%	(0.65)	(0.63%)
Household products	39.79	7.78%	42.28	9.39%	38.97	8.40%	3.31	8.49%
Industrial products	122.30	6.72%	60.68	3.33%	64.64	3.59%	(3.96)	(6.13%)
Trading and Moulds Business Lines	(10.76)	(9.07%)	(12.07)	(11.17%)	8.62	4.87%	(20.69)	(240.02%)
Total	151.33	6.17%	90.89	3.82%	112.23	4.60%	(21.34)	(19.01%)





Q3/2015 profit from sales by segment decreased by Baht 21.34 million (or 19.01%) compared to the same period last year.

1) Household Products

Q3/2015 profit from sales for Household Products increased by 8.49% compared to the same period last year, with the Net Profit Margin increasing from 8.40% to 9.39% of sales, despite the decrease in overall sales. This is due to the price adjustment for export sales and the weakening of the Thai Baht. Besides, this year special sales orders for 'premium' products from a major convenience stores operator and the opening of a newly established Srithai Super Outlet generated lucrative gross margins while the increase in selling and administrative expenses was lower than the increase in the gross margins.

Total Q3/2015 profit for the Household Products increased compared to Q2/2015 due to more sales of 'premium' products to a major convenience stores operator.

2) Industrial Products

Total Q3/2015 profit from sales of Industrial Products decreased by 6.13% against the same period last year, and the Net Profit Margin decreased from 3.59% to 3.33% of sales. This is mainly caused by the decreased gross margins resulting from lower selling prices corresponding to the decrease in costs of raw material since late last year. However, in Q3/2015 raw material prices started to rebound again while the Company has yet to adjust its selling prices whereas overall expenses have remained approximately the same as for last year.

Total Q3/2015 profit from sales for Industrial Products decreased compared to Q2/2015, as Q3 is the traditional low sales season for beverage packaging products as well as costs of raw material have started to increase since late Q2 this year, resulting in a decrease in gross margins.

3) Trading & Moulds Business Lines

The Trading & Moulds Business Lines faced total losses of Baht 12.07 million (or equal to 11.17% of sales) due to the decrease in sales and gross margins for the Trading Business Line, as a result of increased competition in the Network Marketing Business, slow down economic climate, and lingering drought. Meanwhile, overall expenses were lower which somewhat incurred for sales promotions campaigns undertaken with the aim of reducing inventories in order to achieve a better and more appropriate balance in regards to the overall stock-keeping days.

Total Q3/2015 losses for the Trading & Moulds Business Lines increased compared to Q2/2015, due to the higher losses for the Trading Business Line resulting from its declining sales in Q3/2015.

2.3 Selling and Administrative Expenses

Table 4 Selling and Administrative Expenses

unit : Million Baht

Description	Quarter 2, 2015		Quarter 3, 2015		Quarter 3, 2014		Change from Quarter 3, 2014	
	Amount	% on sales	Amount	% on sales	Amount	% on sales	Amount Inc (Dec)	% +(-)
selling and administrative expenses	302.75	12.35%	322.40	13.55%	346.46	14.20%	(24.06)	(6.94%)

Selling & Administrative Expenses decreased in Q3/2015 from Q3/2014 by Baht 24.06 million (or 6.94%). Expenses regarding commission, sales promotions campaigns and exports sales activities were curtailed, which corresponded to the overall decreased sales for the Direct Sales business, the Trading Business Line, and export sales of Household Products.

3. Analysis of Consolidated Financial Position

Table 5 Consolidated Financial Position (partial)

Unit : Million Baht

Description	As at Sep 30, 2015	As at Dec 31, 2014	Changes from Dec 31, 2014	
	Amount	Amount	Amount Inc (Dec)	% +(-)
Trade accounts receivable, net	1,984.10	1,992.36	(8.26)	(0.41%)
Inventories, net	1,679.70	1,599.49	80.21	5.01%
Property, plant and equipment, net	5,730.13	5,373.05	357.08	6.65%
Total assets *	11,030.08	10,516.04	514.04	4.89%
Bank overdrafts and short-term loans	1,591.15	1,452.30	138.85	9.56%
Trade accounts payable	879.52	968.42	(88.90)	(9.18%)
Long-term loans	2,880.82	2,575.10	305.72	11.87%
Employee benefit obligations	318.18	296.57	21.61	7.29%
Total liabilities *	6,133.17	5,783.93	349.24	6.04%
Unappropriated retained earnings	1,754.62	1,674.79	79.83	4.77%
Non-controlling interests	239.58	225.67	13.91	6.16%
Total shareholders' equity *	4,896.91	4,732.11	164.80	3.48%

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

As at September 30, 2015, significant changes in the consolidated financial position compared to December 31, 2014 are as follows:

- Decrease in Trade Accounts Receivable due to Q3/2015 sales being lower than in Q4/2014, which covered the yearend festivities when people tend to spend and consume more and lower prices of products from reduced raw material costs.
- Increase in Inventories on hand resulting from an increase in finished goods stocks of Household Products in anticipation of the upcoming Christmas and New Year festivities, as well as of the year-end Grand Sale events. Additionally, there was an increase in finished goods stocks of beverage packaging products in preparation for the traditional high selling season in Q4.
- Increase in the net book value (after depreciation and amortization during the year) of Property, Plant and Equipments as a result of increased investments in new production facilities located in India and Vietnam, together with purchase of additional new machinery and equipments.
- Increase in Bank Overdrafts and Short Term Loans due to additional loan draw downs this year.
- Decrease in Trade Accounts Payable corresponding to the decrease in total sales compared to Q4/2014, which is traditionally a high sales season – especially in regards to trade accounts payable for products sold by the Network Marketing Business that has decreased considerably. Further, the Company has also purchased and now keeps on hand only the proper quantity of key raw materials required for its production plans, as well as has renegotiated payment terms for such raw materials to be more appropriate.
- Increase in Long Term Loans (net after scheduled repayments) resulting from the loan draw downs for assets acquisition.

- Increase in Employee Benefit Obligations resulting from the recognition of committed staff welfare and other benefits obligations in compliance with legal requirements and commitments.
- Increase in Unappropriated Retained Earnings totaling Baht 79.83 million, resulting from increase in Profit Attributable to Owners of the Parent for the YTD 9 months (Jan-Sept) period after the dividend payment for the FY/2014 performance amounting to Baht 270.99 million.
- Increase in Non-controlling Interests from increased net profits of subsidiary companies for the YTD 9 months (Jan-Sept) period.

4. Analysis of Liquidity

Table 6 Consolidated Statement of Cash Flows (partial)

Unit : Million Baht

Description	9 months Sep 30, 2015	9 months Sep 30, 2014	Change from Prior period
Cash flows from operating activities	756.25	444.45	311.80
Cash flows from investing activities	(855.67)	(541.80)	(313.87)
Cash flows from financing activities	146.65	(14.79)	161.44
Net increase (decrease) in cash and cash equivalent	47.23	(112.14)	159.37
Cash and cash equivalents, opening balance	472.96	437.12	35.84
Cash and cash equivalents, closing balance	520.19	324.98	195.21

For the 9 months (Jan-Sept)/2015 period, the Company had significant cash flows as follows:

- 1) Increase in Cash Flows from Operating Activities compared to the previous year, primarily resulting from the increase in depreciation/amortization, the decrease in trade accounts receivable, the decrease in receivables due from the Revenue Department relating to VAT claims, together with the low increase in inventories on hand when compared to the previous year.

- 2) Increase in Net Cash Payments for Investing Activities due to purchases of fixed assets as well as investments made in establishing new production facilities by subsidiary companies in India and Vietnam.
- 3) Increase in Cash Flows from Financing Activities due to the amount of new long term loans draw downs exceeding the amount of scheduled long term loan repayments made.

As at September 30, 2015, the Group still has unutilized credit facilities, comprising long term loan facilities and revolving credit facilities exceeding Baht 4 billion at appropriate costs of funds. The Company is also in the process of seeking additional sources of funds to support the Group's overall business plans. These can be ensured that the Group has sufficient cash flow to support both its operations and investments plans.

5. Analysis of Key Financial Ratios

Table 7 Key Financial Ratios

Description	Unit	Quarter 1 2015	Quarter 2 2015	Quarter 3 2015	Quarter 3 2014	12 months 2014
Working Capital Ratios						
1. Collection Period	Days	79.71	69.49	75.05	72.54	73.56
2. Inventory Turnover	Days	84.99	77.25	76.89	77.83	73.07
3. Payment Period	Days	53.05	40.07	40.26	39.86	44.24
4. Cash Cycle	Days	111.64	106.67	111.68	110.51	102.38
Profitability Ratios						
5. Return on Equity	%	2.30	2.93	2.04	2.53	9.93
6. Return on Operating Assets	%	2.08	2.54	1.75	2.20	8.75
Financial Policy Ratios						
7. Debt to Equity	Times	1.20	1.29	1.25	1.25	1.22

5.1 Working Capital Ratios

For Q3/2015, the Group's Cash Cycle was 111.68 days, which is an increase when compared to Q3/2014 and to the 12 months (Jan-Dec) period ended as at December 31, 2014 that equaled to 110.51 days and 102.38 days, respectively, due to:

1) Average trade accounts receivable collection days was 75.05 days, a longer compared to Q3/2014 and to the 12 months (Jan-Dec) period ended as at December 31, 2014 that equaled to 72.54 days and 73.56 days, respectively - resulting from the decrease in cash sales of Household Products and of the Trading Business Line combined with some overdue accounts receivables that are being actively chased up.

2) Average days inventory on hand was 76.89 days, a decrease compared to Q3/2014 that equaled to 77.83 days but a longer compared to the 12 months (Jan-Dec) period ended as at December 31, 2014 that equaled to 73.07 days - resulting from an increase in inventories on hand of both raw materials and finished goods for Household Products in order to support the expected Q4/2015 high sales season as well as for 'premium' products with sales order received in Q3/2015 from a major convenience stores operator.

3) Average trade accounts payable days was 40.26 days, an increase compared to Q3/2014 that equaled to 39.86 days but a shorter compared to the 12 months (Jan-Dec) period ended as at December 31, 2014 that equaled to 44.24 days – resulting from purchasing and keeping only the required raw materials on hand as necessary for the production plans together with the lower costs of raw materials since late last year.

5.2 Profitability Ratios

- The Return on Equity was 2.04%, a decrease compared to Q3/2014 which equaled to 2.53% corresponding to the decrease in overall net profit results.
- The Return on Operating Assets was 1.75%, a decrease compared to Q3/2014 which equaled to 2.20% corresponding to the decrease in net profit results; whilst the Group acquired assets for its future expansion business, combined with low assets utilization rates corresponding to the current economic environment.

5.3 Financial Policy Ratios

The Debt to Equity Ratio of the Group was 1.25 times, which is the same as for Q3/2014 but was an increase compared to the 12 months (Jan-Dec) period ended as at December 31, 2014 that equaled to 1.22 times - resulting from the increase in overall borrowings used for investing

in additional assets and for working capital, as well as from the increase in retained earnings in line with this year performance after deducting dividend payment.

6. Risk Management

The Group has the following plans to manage various risks:

1) Movement of raw material costs

Given that the costs of key raw materials – especially plastic pellets – account for 60% of total production costs and relate to commodity products, the prices of which change corresponding to the movements in crude oil prices, the Company places great importance on the purchase of these raw materials so as to achieve the most appropriate overall costs. As such, the purchase of this raw material is managed by a special procurement group that closely follows ongoing fluctuations in the prices of the raw materials based on various sources of information, as well as that carefully plans the required raw materials purchases – in terms of quantity and prices – through taking into consideration the appropriate timing of purchases together with the occasional adjustments to selling prices.

2) Labor cost

Labor costs is a another key factor for the production process. The Company has changed its working hours, in order to reduce the burden of its expenditures as well as to improve overall efficiency without reducing production outputs.

3) Exchange rate fluctuations

As the Company's total export sales accounts for more than 20% of total revenues and key raw materials, machinery and equipments are to be imported from overseas, the Group focuses on the following risks management activities in order to diversify relevant risks as well as to reduce potential impacts from being too reliant on any one particular foreign currency:

- Focus on selling products or purchasing materials or goods in foreign currencies other than just the US dollars.

- Sell products in Thai Baht for customers in certain countries as well as for certain customers.
- Negotiate with key customers relating to price adjustments in the event that significant foreign exchange rates fluctuations occur.
- Execute foreign currency forward contracts, so as to reduce the potential impacts as appropriate and when the opportunity arises.
- Manage In/Out Cash Flows of foreign currencies, so as to achieve an effective balance of foreign currencies held by the Company (namely: a ‘Natural Hedge’).

4) Management of customers and associated credit lines

The Group has a limited member of customers for some products lines; and, as such, it plans to expand the customer base – both in the domestic and overseas markets – in order to spread out risks as well as to reduce the potential impact of being too reliant on any specific group of customers.

As for the management of customers credit lines, the Company analyzes and assesses the capacity to pay by customers on a regular basis. Their credit lines and payment terms may be adjusted, in a systematic manner, according to the customer’s actual payment history. As well, there are measures in place to closely follow-up on and speed up any overdue receivables.

5) Overseas Investments

The Group has risks management policies in place in regards to its overseas investments, through taking into consideration business opportunities relating to the target customers, the cost structure of the business, applicable legal and financial systems, as well as local political stability and environment.

6) Management of capital funds

The Group has ongoing investments activities every year so as to expand its businesses. Capital funds is, therefore, an important factor – which is consisted of internal cash flows and commercial banks loans. The cost of funds is also taken into account. Despite relying on

commercial banks for its source of funds, the Group has diversified the associated risks in the following manners:

- Source borrowing funds from several commercial banks, taking into consideration the best proposed loans' terms and conditions each and every time as when the funds are required;
- Make use of applicable interest rates that are both fixed and floating;
- Make use of interest rates that are based on various financial/banking indicators or factors;
- Primarily borrow funds locally, so as to reduce potential impacts from any foreign currency fluctuations or volatility; and
- Set loan conditions with no security and collateral or guarantees – except for special instances of getting lower interest rates if giving a security or guarantees.

7. Outlook of the Overall Businesses in Q4/2015

7.1 Household Products

Domestic market

- Sales is expected to increase in Q4/2015 as a result of the Company having received a continual order from a major convenience stores operator for use in 'premium' products redemption campaign following on from Q3/2015.
- As for the Direct Sales business, there is a plan to expand the market base into new customer segments – such as the new generation consumers, food service operators, and overseas customers. Implementation plans include strategies aimed at creating additional interest and attractiveness in the products sold by introducing new melamine products with more attractive designs, selling a wide and comprehensive range of products that meet consumer demands as one stop service through closely collaborating with local business partners, and creating opportunities for overseas Direct Sales members to expand their respective businesses in their own countries. As such, there has been a clear and positive trend for this business activity during the last 6 months; whereby related sales is expected to continue to increase during Q4/2015 as well as in the next year.
- Sales from the Grand Sale events is expected to increase during Q4/2015 – starting from the end of October through to the beginning of November at the plant in Amata Nakorn

Industrial Estate, Chonburi Province; at the end of November through to the beginning of December at the Suksawat plant/HO in Bangkok; and in the middle of December at the Korat plant, Nakorn Ratchasrima province.

- The first Srithai Super Outlet, located in Chonburi, selling products from the Company's own factories together with products from other manufacturers, is beginning to be more well-known since it started its operations in Q1/2015 which was officially opened in June 2015. This Super Outlet serves as an additional key sales and marketing channel, as well as helps promote and strengthen overall awareness of the Company's products.

Export Markets

- Trends for exports of melamine products are expected to be more positive and increase during Q4/2015, which is an annual high sales season, as a result of the yearend Christmas and New Year festivities. Consumers tend to purchase products for use as gifts – since melamine products are well-suited to be gifts or souvenir items. The Company will then focus on collaborating with its customers in developing new products in preparation for such festivities.
- The new subsidiary established in India will start to generate sales during Q4/2015, which will help expand the local market base for both Direct Sales and Wholesale activities in India. This would be more competitive in pricing since previous imports of products from Thailand incurred very high import duties. The Group will focus on establishing its Superware and Ektra branded products, which have been increasingly well-accepted in regards to their quality, durability and attractive designs.

7.2 Industrial Products

Beverage Packaging Products

- In Q4/2015, it is expected that sales of beverage packaging products will increase compared to Q3/2015, as a result of the yearend Christmas and New Year festivities, that is traditionally a high sales season for this business sector. As well, sales of these products in Vietnam keeps on growing corresponding to the ongoing growth of the Vietnam economy.

- Srithai (Hanoi) Company Limited, the new subsidiary established in Hanoi, Vietnam to be a factory producing beverage packaging products is under construction and is expected to become operational in Q4/2015. It will help expand overall production capacity in Vietnam in support of the growing local beverage industry and economy. The Company's business can also be expandable into the Northern Region of Vietnam. Operating expenses and delivery time can be reduced since currently products are distributed to the north from the current Company's factory located in the south of the country.

Food Packaging Products

- Sales will be approximately the same as that in Q3/2015, as a result of the ongoing issue of illegal labor in the fishing industry and the impact on the food processing industry from the current ban on seafood products orders for exports to the EU. However, the Company has developed additional new 'Food Box' products, which is expected to attract new customers for this innovative food packaging products. New customers are becoming more interest in the packaging using the latest IML (or In Mould Labeling) production technology – especially in the Vietnam, Philippines, Indonesia, South Korea and China markets, as a result of the growth trends in the cineplex business sector during the yearend festivities.

Other Industrial Products

- It is expected that sales will increase in Q4/2015 due to the higher demand for 'premium' products redemption campaigns from a major convenience stores operator. Additionally, the Company has ongoing sales orders for plastic pallets and containers; as well as has new industrial customers to compensate for the decrease in sales of other industrial products together with an ongoing positive increase in demand for its IML food packaging products.

7.3 Trading and Moulds Business Lines

Trading Business Line

- Sales in Q4/2015 is expected to increase due to the Trading Business Line having new business projects and sales channels that will help drive ongoing sales, namely:

- 1) Initiating close collaboration with the agent for sourcing raw materials, equipments and after sale services relating to agriculture-related products, which produces products for agricultural cooperatives throughout Thailand. This collaboration is aimed at yielding higher outputs and introducing the Company's food for plants to the agricultural cooperatives in the northern provinces before expanding to all agricultural cooperatives nationwide in the future.
- 2) Cooperating with a private sector company in providing the only aerial agricultural fertilizer spraying service through using helicopters to spray the food for plants, which will help to save time, labor usage and costs.
- 3) Initiating the establishments of more Food Matrix Express outlets for targeted and interested business partners, who volunteer to become sales/distribution representatives at the 'tambon' level nationwide.
- 4) Initiating the Srithai Organic Agriculture Center Network project nationwide that will be an S-Matrix Quality Center. Both knowledge and capability would be developed for the owner and staff of these Centers so that they become products experts and champions. The front area of these store facilities will also be improved in conformity with appropriate and attractive design standards.
- 5) Initiating the establishment of the S-Matrix Learning and R&D Center, so that they can be used for the introduction and demonstration of relevant S-Matrix related products or materials to local SME organizations. The associated standards of business image and reputation will then be upgraded, in order to enhance overall credibility in these products to drive the development of this business on a sustainable basis.
- 6) Developing a smart phone application – called the 'Srithai Network' App, based on and supported by both iOS and Android platforms – that will enable Network Marketing Business members to be able to easily and more conveniently access any required business data relating to the Network Marketing activities.

Moulds Business Line

- It is expected that Q4/2015 sales will be approximately the same as for Q3/2015 due to a remaining backlog of sales orders awaiting delivery by a subsidiary.

8. Significant Events during Q3/2015

During Q3/2015, the Group did not have any new accounting policies in addition to those of last year. However, there were some key events relating to new investments together with changes to prior investments or intended investment plans for the future as follows:

8.1 Investment in subsidiaries

- Srithai (Vietnam) Company Limited :

Summary of the capital increases subscribed by the Company in this subsidiary:

Capital	USD Million	(Equivalent to) Baht Million
Beginning as at 1 Jan 2015	20	532
Paid up		
Quarter 1	3	98
Quarter 2	3	101
Quarter 3	9	320
Total as at 30 Sep 2015	35	1,051

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

- Srithai (Hanoi) Company Limited :

Summary of the capital increases subscribed by Srithai (Vietnam) Company Limited in this subsidiary:

Capital	VND Million	(Equivalent to) Baht Million
Beginning as at 1 Jan 2015	42,000	63
Paid up		
Quarter 1	32,000	48
Quarter 2	17,000	26
Quarter 3	78,000	117
Total as at 30 Sep 2015	169,000	254

8.2 Subsidiary's dissolution

- SuperIdea Company Limited

On September 30, 2015, the Extraordinary Shareholders' meeting of SuperIdea Company Limited approved the dissolution. This is due to the fact that SuperIdea has not been fully ready to start its operations as well as has long been in the process of assessing the business situations together with other aspects relating to the overall market potential, prospective customers and the economic and political environment by the foreign business partner for its decision whether or not to proceed with the investment in Thailand. As such, the existence of SuperIdea is not in the best interests of the Company in the long term. The dissolution was registered with the Ministry of Commerce on September 30, 2015 and completed the liquidation on November 6, 2015.

8.3 Impairment of investments in a subsidiary

- P.E.T. Blow Company Limited

In Q3/2015, the Company's management had considered and determined to set up provision for impairment of investment in a subsidiary, P.E.T. Blow Company Limited, of Baht 20.00 million which equals to the cost of investment in the subsidiary in the company financial statements. The management made its determination based on the subsidiary declining performance and increasing in cumulative deficits. The provision is presented under loss on impairment of investment in subsidiary in the statement of comprehensive income.

8.4 Dividend payments of subsidiaries

- Srithai (Vietnam) Company Limited

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

9. Post statement of financial position events

9.1 Guarantee of a subsidiary

The Company has cancelled 2 guarantee contracts with a local bank in Vietnam for securing credit facilities of Srithai (Vietnam) Company Limited with credit limit of US Dollars 11.80 million and Vietnamese Dongs 145,796.00 million. The cancellation is effective from October 8, 2015.

9.2 Investment in subsidiaries

- Srithai (Vietnam) Company Limited - Subsidiary

On October 22, 2015, the Company partially paid for additional investment share capital in Srithai (Vietnam) Company Limited, a subsidiary, amounting to US Dollars 3.00 million or equivalent to Baht 106.82 million according to its 100.00% shareholding.

Capital	USD Million	(Equivalent to) Baht Million
Capital as at 30 Sep 2015	35	1,051
Paid up Oct 2015	3	107
Total as at 31 Oct 2015	38	1,158

- Srithai (Hanoi) Company Limited – indirect subsidiary

During October 2015, Srithai (Vietnam) Company Limited, a parent, partially paid for the share capital of Srithai (Hanoi) Company Limited amounting to Vietnamese Dongs 62,000.00 million or equivalent to Baht 93.00 million according to its 100.00% shareholding.

Capital	VND Million	(Equivalent to) Baht Million
Capital as at 30 Sep 2015	169,000	254
Paid up Oct 2015	62,000	93
Total as at 31 Oct 2015	231,000	347

Please be informed accordingly.

Yours faithfully,

Prin Bholnivas

Director