

SITHAI-1101/57

November 14, 2014

Subject : Explanation on Financial Information of the 3rd quarter of 2014

Dear : President

The Stock Exchange of Thailand

We refer to our financial information of the 3rd quarter of the year 2014 as reviewed by the auditor, considered by the Audit Committee, and approved by the Board of Directors on November 14, 2014, comparing with the financial information of the same period last year already submitted to you.

The explanations of our performance are as follows:-

1. OVERVIEW : Operating Results for the Company and Subsidiaries

In the 3rd quarter of 2014, sales of the Company and subsidiaries increased by 9.32% whereas gross profit ratio decreased from 19.21% to 19.04% of sales, comparing with the same period last year. The Group had net profit for the period amounting to Baht 117.77 million, attributable to owners of the parent of Baht 118.17 million, increased by Baht 28.31 million or 31.51% from the previous year. Earnings per share was Baht 0.04, higher than being Baht 0.01 in the same period of last year. There was no significant non-recurring item affecting the financial statements of this quarter.

Table 1 Operating results at a glance

Consolidated financial information (partial)

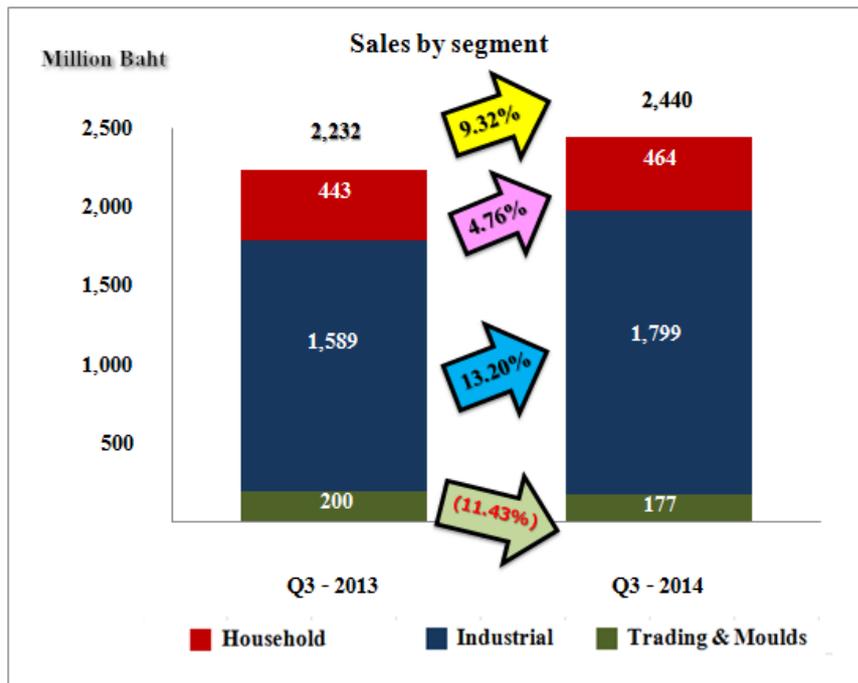
Unit : Million Baht

Description	Quarter 2, 2014	Quarter 3, 2014	Quarter 3, 2013	Changes from Quarter 3, 2013	
				Amount Inc (Dec)	% +(-)
Sales	2,489.09	2,440.33	2,232.21	208.12	9.32%
Gross profit (%)	19.50%	19.04%	19.21%	(0.17%)	(0.87%)
EBIT (Profit before interest and tax)	186.51	168.67	146.68	21.99	14.99%
Net profit attributable to owners of the parent	132.47	118.17	89.86	28.31	31.51%
% Net profit on sales	5.32%	4.84%	4.03%	0.82%	20.29%
Earnings per share (Baht)	0.05	0.04	0.03	0.01	

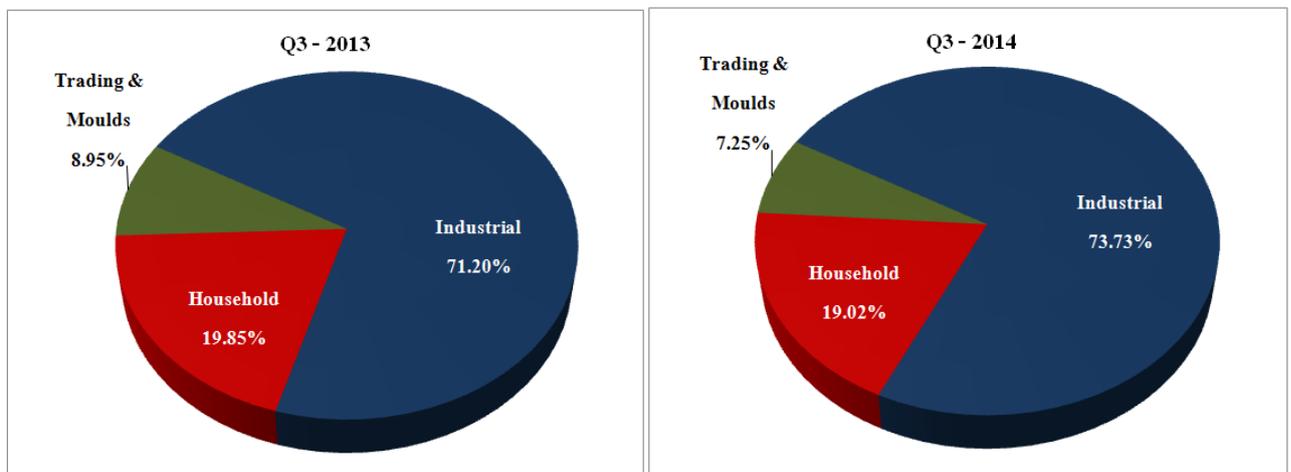
2. ANALYSIS: The financial operations in the 3rd quarter of 2014**2.1 Sales by segment****Table 2** Sales by segment (Consolidated)

Unit : Million Baht

Description	Quarter 2, 2014		Quarter 3, 2014		Quarter 3, 2013		Changes from Q3, 2013	
	Amount	% on sales	Amount	% on sales	Amount	% on sales	Amount Inc (Dec)	% +(-)
Plastics Business Line	2,304.87	92.60%	2,263.44	92.75%	2,032.48	91.05%	230.96	11.36%
Household Products	477.08	19.17%	464.18	19.02%	443.07	19.85%	21.11	4.76%
Domestic production	458.05	18.40%	439.18	18.00%	428.57	19.20%	10.61	2.48%
Overseas production	19.02	0.76%	25.00	1.02%	14.50	0.65%	10.50	72.40%
Industrial Products	1,827.79	73.43%	1,799.26	73.73%	1,589.41	71.20%	209.85	13.20%
Domestic production	1,475.27	59.27%	1,458.36	59.76%	1,368.97	61.33%	89.39	6.53%
Overseas production	352.53	14.16%	340.90	13.97%	220.45	9.88%	120.46	54.64%
Trading and Moulds Business Line	184.22	7.40%	176.90	7.25%	199.73	8.95%	(22.83)	(11.43%)
Total	2,489.09	100.00%	2,440.33	100.00%	2,232.21	100.00%	208.12	9.32%



Sales proportion by segment



Sales proportion of Industrial Products of the 3rd quarter of 2014 increased from 71.20% to 73.73% as compared to the 3rd quarter of 2013 whereas that of Household Products slightly decreased from 19.85% to 19.02%, while Trading and Moulds Business Line decreased from 8.95% to 7.25%.

1) Household Products

- Comparison to the same period of 2013

Domestic Sales: Sales of Household Products of the 3rd quarter of 2014 increased by Baht 21.11 million, or 4.76% against the same period of previous year due to the increased domestic sales as more prevailing positive economic trends in Thailand, resulting from the improved and stable political situation after the National Council for Peace and Order (NCPO) took political control in May and then appointed an interim government in August. Government policies and activities became clearer, together with speedy budget disbursements relating to public sector investments as well as placing priority on several previously stalled infrastructure projects. Such renewed government activities helped significantly improve overall private sector confidence and domestic demand. However, domestic consumption showed only a slight upward trend, since overall household debts remained high. The growth in domestic consumption for 2014 was limited only to non-durable goods and consumable products – such as, food and basic household goods. Hence, this achieved only a slight increase in demand for the Company's products; with the increased domestic sales mainly from the direct sales channels, due to the proactive drive in support of the Sales Management Group to promote sales activities in the provincial markets together with an expansion of the available range and variety of products that appealed to the new target customers.

Export Sales: Associated risks of export can be described as follow:-

- 1) The USA's Report on Thailand's alleged human trafficking activities - resulting in Thailand's trading status being downgraded from Tier 2 to Tier 3;
- 2) The EU placing a temporary hold on trade cooperation with Thailand - resulting in delays in negotiations regarding the Thai-EU FTA Agreement, which will not come into effect before January 1, 2015. Consequently, Thailand will lose its special customs tax privileges under the Generalized System Preferences (GSP), in accordance with the ranking criteria of national income; whereby Thai exporters will then have to bear increased costs for their export products.
- 3) The 3rd quarter of 2014 is also a 'low season for export market' because it is the summer season in Europe as well as the Ramadan fasting period in the Middle East.

Nevertheless, despite such negative impacts, the Group's overall export sales increased and showed positive trends in response to the economic growth in both the USA and the EU zone. Additionally, sales of melamine products are becoming more popular within the HORECA (Hotels, Restaurants and Catering) business sector – especially in the American continent and European markets. Melamine products are widely used as a substitute for glassware or ceramic ware (both of which tend to easily crack or break) due to their reasonable prices and ability to be used with dishwashers. Also the Company has continuously launched newly designed melamine products. Moreover, the key Middle East markets have continued to expand, attributable to our product quality and outstanding designs compared to those of our competitors. This is an indicative of the longstanding confidence and trust in the Superware brand.

Moreover, an overseas subsidiary, Srithai (Vietnam) Company Limited, has soaring sales thanks to our focus on sales directly to customers instead of through distributors, and seeking new markets. In addition, buoyant economy in Vietnam raised consumer spending.

- Comparison to the 2nd quarter of 2014

Total sales of Household Products of the 3rd quarter of 2014 decreased from the 2nd quarter of 2014 due to the Company's grand sale events in June 2014 at Suksawat headquarter and at Korat factory. Exports sales to the AEC markets continued to rise. Also, sales of Household Products in Vietnam has increased in line with its overall economic growth.

2) Industrial Products

- Comparison to the same period of 2013

Total sales of Industrial Products increased by Baht 209.85 million (or 13.20%) compared to the 3rd quarter of 2013. Despite being a 'low season', sales increase was mainly as a result of major soft drink producers undertaking sales and marketing campaigns during this period, pushing up significant sales in beverage packaging products. Additionally, the ongoing economic growth in Vietnam has mounted its consumer purchasing power, yielding higher sales of beverage packaging products in that market compared to the previous year.

However, sales of food packaging products contracted slightly compared to the same quarter last year. Many large retailers and convenience stores played more active in selling ready-to-eat meals

during this year's traditional 'vegetarian food festival' in response to the current lifestyle trend and preference by the new generation of consumers for convenience as well as increasing popularity of vegetarian food. Retailers perceived that current Thai consumers' purchasing power was beginning to improve although not yet at the high level as before. They, therefore, competed to deploy various marketing promotions campaigns to increase sales of vegetarian food by introducing new menu for the main food dishes, snacks and various beverages, together with maintaining same prices as last year's. All of which affected a slight decrease in share of sales for ready-to-eat meals segment of the Group's key customers. Besides, vegetarian food launching by one key customer this year was quite delayed as compared to previous year. Nevertheless, sales of food packaging products using the IML (or In Mould Labeling) production technology has soared up owing to more popular and widely accepted – especially in the Philippines, Indonesia and Vietnam.

Overall sales of Industrial Products other than Food and Beverage Packaging in this quarter increased slightly compared to last year because of having special large orders of bottle crates and plastic furniture.

- Comparison to the 2nd quarter of 2014

Total sales of Industrial Products in the 3rd quarter of 2014 decreased against sales in the 2nd quarter of 2014, which is traditionally a 'high season' for beverage packaging products in response to the hot summer months during the 2nd quarter. As well, the high sales stemmed from the Songkran festival and the intensive marketing promotions campaigned by all soft drinks producers relating to the football World Cup competition.

3) Trading Business Line and Moulds Business Line

- Comparison to the same period of 2013

Total sales for the Trading and Moulds Business Line of the 3rd quarter of 2014 decreased by Baht 22.83 million (or 11.43%) compared to the same quarter last year. The reason was mainly from decrease in sales of moulds. This corresponded to the overall decline in Thailand's production of automobiles, resulting from the ongoing slowdown in automotive sales following a negative economic climate as well as the adverse impact of the previous government's first-car policy which

artificially drove up car demand in previous years, which increased total household debts. Additionally, fewer new models together with only some 'minor changes' for new cars have been launched this year which resulted in less consumer's interests in buying new cars. Furthermore, customers placed large orders for moulds used in the production of automotive component parts in the 3rd quarter of 2013 in response to the Company's policy to cease production and sales of automotive component parts.

However, total sales for the Trading Business increased, especially for the network marketing business segment which has kept on expansion since 2013. The increase in demand for products related to agricultural and health care, thanks to the introduction of new products of these 2 groups in the 1st quarter of 2014 and the opening of more distribution centers for the agricultural care products. These sales support activities have been well received; together with the recent start up of new foreign businesses activities in Malaysia and Singapore, which helped generate ongoing sales increases for these products. Further sales support campaigns for independent business entrepreneurs have driven the rapid expansion of the network marketing business as well as increase in number of independent representatives, especially the young generation, which have enabled the related Trading Business continuing to increase significantly.

- Comparison to the 2nd quarter of 2014

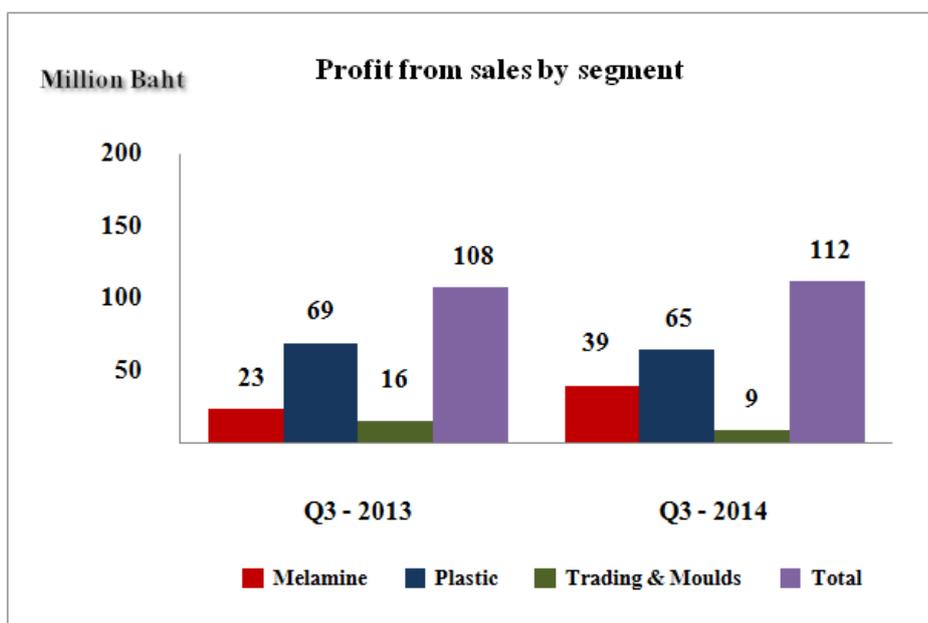
Total sales for the Trading and Moulds Business Line of the 3rd quarter of 2014 were lower than the 2nd quarter of 2014, resulting from the quarter-on-quarter (QoQ) decrease in sales for the network marketing business. This is because many new products launches were initiated with various marketing campaigns in previous quarter. Also, in the 2nd quarter of 2014, there were many level promotions for the network marketing business members. Overall numbers of sales campaigns activities or events were maintained in this quarter whereas most networking members preferred keeping their previous sales levels.

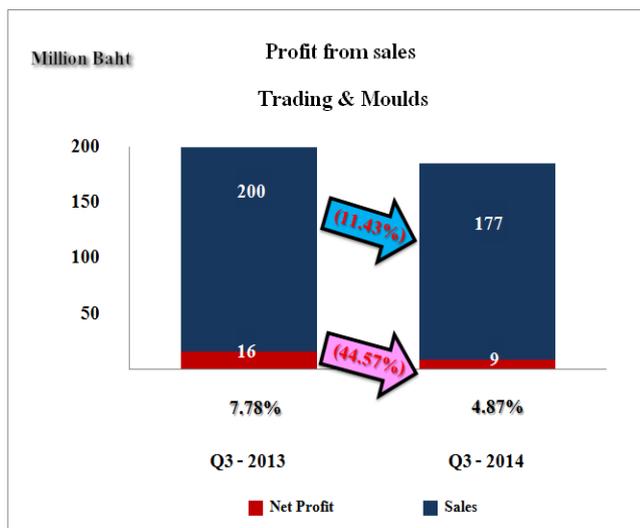
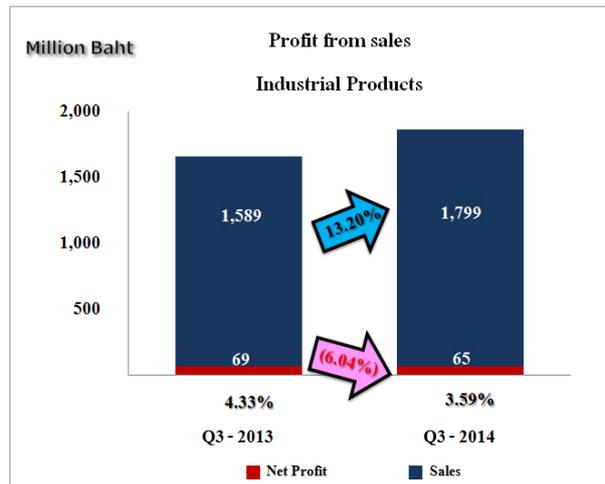
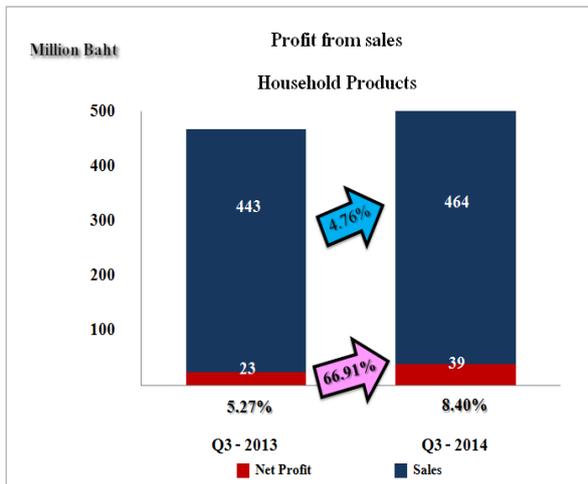
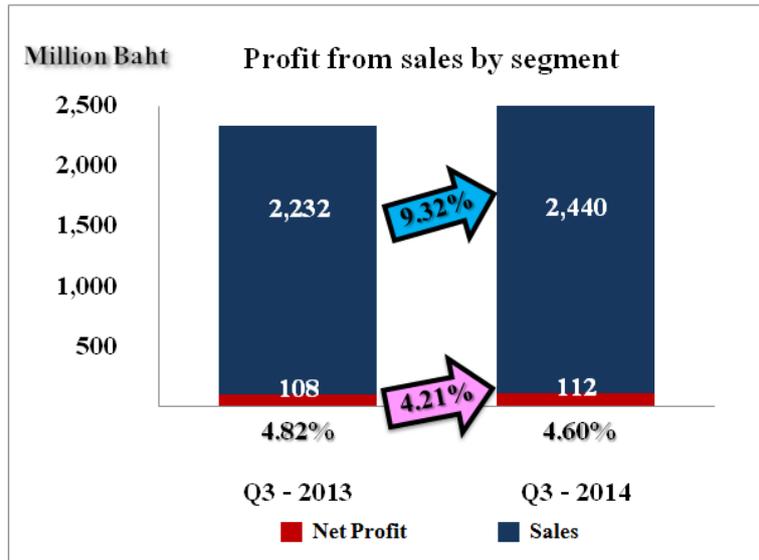
2.2 Profit from sales by segment

Table 3 Profit from sales by segment

Unit : Million Baht

Description	Quarter 2, 2014		Quarter 3, 2014		Quarter 3, 2013		Changes from Q3, 2013	
	Amount	% on sales	Amount	% on sales	Amount	% on sales	Amount Inc (Dec)	% +(-)
Profit from sales by segment								
Plastic Business Line	138.64	6.02%	103.61	4.58%	92.15	4.53%	11.46	12.44%
Household products	42.99	9.01%	38.97	8.40%	23.35	5.27%	15.62	66.91%
Industrial products	95.65	5.23%	64.64	3.59%	68.80	4.33%	(4.16)	(6.04%)
Trading and Moulds Business Line	7.13	3.87%	8.61	4.87%	15.54	7.78%	(6.93)	(44.57%)
Total	145.78	5.86%	112.23	4.60%	107.69	4.82%	4.54	4.21%





Profit from sales by segment of the 3rd quarter of 2014 increased by Baht 4.54 million, or 4.21% against the same period of previous year:

1) Household Products

Profits from sales of Household Products grew by 66.91% against the 3rd quarter of previous year, whereby profit to sales ratio increased from 5.27% to 8.40% due to higher gross margin of domestic sales and increase in export sales of the Group, while expenses had been well controlled.

2) Industrial Products

Profits from sales of Industrial Products dropped by 6.04% as compared to the 3rd quarter of previous year. Profit to sales ratio was lower from 4.33% in previous year to 3.59% as automotive parts sales of subsidiary decreased from the sluggish local car market, the effect of first car policy, and high household debts. Moreover, sales proportion of high gross profit products decreased especially the products relating to automotive industry and logistics system.

3) Trading and Moulds Business Line

Profits from sales of Trading and Moulds Business Line decreased by 44.57% against the 3rd quarter of previous year. Profit to sales ratio was lower from 7.78% in previous year to 4.87% due to decrease in profit from Moulds Business Line. The result of which came from sluggish local car market this year and higher sales of moulds for terminating OEM products to relevant customers in the 3rd quarter of 2013 according to the Company's policy to reduce sales of OEM products.

2.3 Selling and administrative expenses

Table 4 Selling and administrative expenses

unit : Million Baht

Description	Quarter 2, 2014		Quarter 3, 2014		Quarter 3, 2013		Change from Quarter 3, 2013	
	Amount	% on sales	Amount	% on sales	Amount	% on sales	Amount Inc (Dec)	% +(-)
selling and administrative expenses	342.14	13.75%	346.46	14.20%	320.79	14.37%	25.67	8.00%

Selling and administrative expenses increased as compared to the 3rd quarter of 2013 and the 2nd quarter of 2014 due to increase in promotional expenses of network marketing business and direct sales business, advertising expenses, domestic and export transportation expenses in line with sales, and annual salary and wages increment.

3. ANALYSIS: The Consolidated Financial Position

Table 5 Consolidated statements of financial position (partial)

Unit : Million Baht

Description	As at Sep 30, 2014	As at Dec 31, 2013	Changes from Dec 31, 2013	
	Amount	Amount	Amount Inc (Dec)	% +(-)
Trade accounts receivable, net	1,966.92	1,855.46	111.47	6.01%
Inventories, net	1,708.53	1,475.14	233.39	15.82%
Property, plant and equipment, net	5,359.96	5,295.73	64.22	1.21%
Total assets *	10,470.66	10,125.51	345.15	3.41%
Bank overdrafts and short-term loans	1,359.09	823.45	535.64	65.05%
Trade accounts payable	874.95	950.21	(75.26)	(7.92%)
Long-term loans	2,721.36	3,030.29	(308.94)	(10.19%)
Employee benefit obligations	334.19	310.55	23.63	7.61%
Total liabilities *	5,807.69	5,560.37	247.32	4.45%
Unappropriated retained earnings	1,581.67	1,496.73	84.95	5.68%
Non-controlling interests	210.38	229.52	(19.15)	(8.34%)
Total shareholders' equity *	4,662.97	4,565.14	97.82	2.14%

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

As of September 30, 2014, the consolidated financial position has been changed from December 31, 2013 as follows:

- Increase in trade accounts receivable due to soaring sales of beverage packaging products of the Company and a subsidiary in Vietnam as a result of continuous sales promotion campaigns by major soft drink producers till the end of this year.

- Increase in inventories to serve beverage packaging sales during the end of year for Christmas and New Year festivities, and increase in molds for sale of a subsidiary.
- Increase in property, plant and equipment from additional acquisition of machinery of the Group netted with depreciation expenses and disposal during the period.
- Increase in bank overdrafts and short-term loans following the need in working capital of the Group and withdrawal of short-term loans.
- Decrease in trade accounts payable because the Group made purchase and kept raw materials at the level being sufficient for production plan, as well as negotiated with suppliers for appropriate payment term in order to get better raw material price.
- Decrease in long-term loans thanks to loan repayments with amount higher than withdrawal for investment in operating assets.
- Increase in employee benefit obligations for recognition of post-employment benefits and other long-term employment benefits during the period.
- Increase in unappropriated retained earnings by Baht 84.95 million from increase in net profit attributable to the owners of the parent company for nine-month period ended September 30, 2014 amounting to Baht 355.94 million netted with dividend payment in respect of operating result of 2013 amounting to Baht 270.99 million.
- Decrease in non-controlling interests from dividend payment, netted with increase in net profit for nine-month period ended September 30, 2014.

4. Liquidity analysis

Table 6 Consolidated statements of cash flow (partial)

Unit : Million Baht

Description	9 months Sep 30, 2014	9 months Sep 30, 2013	Change from Prior period
Cash flows from operating activities	444.45	386.84	57.61
Cash flows from investing activities	(541.80)	(647.63)	105.83
Cash flows from financing activities	(14.79)	345.50	(360.29)
Net increase (decrease) in cash and cash equivalent	(112.14)	84.71	(196.85)
Cash and cash equivalents, opening balance	437.12	441.29	(4.17)
Cash and cash equivalents, closing balance	324.98	526.00	(201.02)

The Group's significant cash inflow/outflow transactions for nine-month period of 2014 were as follow:

- 1) Net cash receipts from operating activities were higher than previous year thanks to performance of the period, better management of operating assets and liabilities, increase in depreciation from investment in operating assets and decrease in income tax payment.
- 2) Net cash payments for investing were lower than last year as higher dividend received from associates and joint venture and decrease in assets acquisition.
- 3) Net cash receipts from financing activities were lower than last year from higher amount of long-term loans repayments, and lower short-term loans and new long-term loans withdrawal.

The Group is confident that it can maintain sufficient cash flows together with proper liquidity level to be able to support business. Moreover, as at September 30, 2014, the Group has unutilized credit facility consisting of bank overdrafts, long-term loan and working capital more than Baht 4 billion which is enough for liquidity. As well, the Company is under the process of additional fund raising to support the Group's business.

5. Key financial ratio analysis

Table 7 Key Financial Ratios

Description		Unit	Quarter 1 2014	Quarter 2 2014	Quarter 3 2014	Quarter 3 2013	12 months 2013
Working Capital Ratios							
1.	Collection Period	Days	77.34	71.12	72.54	70.41	71.08
2.	Inventory Turnover	Days	78.98	75.33	77.83	76.73	70.28
3.	Payment Period	Days	44.75	48.62	39.86	38.93	45.27
4.	Cash Cycle	Days	111.58	97.83	110.51	108.22	96.09
Profitability Ratios							
5.	Return on Equity	%	2.23	2.91	2.53	2.02	10.67
6.	Return on Operating Assets	%	1.99	2.47	2.20	1.78	9.20
Financial Policy Ratios							
7.	Debt to Equity	Times	1.16	1.30	1.25	1.22	1.22

5.1 Working capital ratios

Cash cycle for the 3rd quarter of 2014 was 110.51 days, longer than that for the 3rd quarter of 2013 and for the year ended December 31, 2013 being 108.22 days and 96.09 days, respectively, due to:

- 1) Collection period of accounts receivable for the 3rd quarter of 2014 being 72.54 days was longer than that for the 3rd quarter of 2013 and for the year ended December 31, 2013 being 70.41 days and 71.08 days, respectively, following the soaring sales of beverage packaging products as continuous sales promotion campaigned by major soft drink producers in this quarter till the end of this year.
- 2) Inventory turnover for the 3rd quarter of 2014 being 77.83 days was longer than that for the 3rd quarter of 2013 and for the year ended December 31, 2013 being 76.73 days and 70.28 days, respectively, to serve beverage packaging sales during the last quarter for Christmas and New Year festivities, and increase in molds for sale of a subsidiary.
- 3) Payment period of accounts payable for the 3rd quarter of 2014 being 39.86 days was longer than that for the 3rd quarter of 2013 being 38.93 days. However, it was shorter than that for the year ended December 31, 2013 being 45.27 days. The increase or decrease in raw material purchase depends on the volume of production.

5.2 Profitability ratios

- Return on Equity (ROE) for the 3rd quarter of 2014 being 2.53% was higher than that for the 3rd quarter of 2013 being 2.02% thanks to increase in operating results netted with annual dividend payment.
- Return on Operating Assets for the 3rd quarter of 2014 being 2.20% was higher than that for the 3rd quarter of 2013 being 1.78% from the increase in operating results and higher utilized assets for production in line with sales.

5.3 Financial policy ratios

Debt to equity ratio for the 3rd quarter of 2014 being 1.25 times was increased from that of the year ended December 31, 2013 being 1.22 times, due to increase in short-term loan, other payable, and dividend payment.

6. Risk Management Plan

The Group has managing risks factors as follow:

- 1) Prices fluctuation of raw material: The Group has set up a Purchasing Committee comprising management who have expertise in this area. The Committee will closely monitor prices of raw material, and plan for the purchases of raw material in advance by considering the appropriate volume and prices. Negotiation with customers will also be carried out through a contract or an agreement covering selling price adjustment every 1-3 months.
- 2) Increase in minimum wage: The Group has rescheduled working hours of workers in order to save overtime payment, whilst increase productivity of workers.
- 3) Fluctuation of the exchange rate: The Group has set out key strategies such as quoting the price in currencies other than US Dollar in order to diversify risks and alleviate the impact of over-dependency on a particular currency. The products are to be sold to some customers in Thai Baht. Negotiation with customers is set with condition to adjust selling prices when the exchange rate fluctuates significantly. Moreover, natural hedge strategy alongside is considered as deemed appropriate by arranging forward contracts to alleviate the impact.

- 4) Few customers of food and beverage packaging products: Since the Group has few customers of food and beverage packaging products, more domestic and overseas customers are sought in order to mitigate risk of dependency on limited customers.

7. BUSINESS FORECAST: For the 4th quarter of 2014

7.1 Household Products

Export market

- Export sales for the 4th quarter of 2014 is expected to increase in comparison to the 3rd quarter of 2014 as a result of the Christmas holidays and year end festivities, during which consumers will make the spending and buy gifts; whereby the melamine products are suitable as gifts and presents. With Thailand's current GSP status to be terminated early next year, many European buyers will stock up our products in order to gain benefit from cost savings on lower import tax rate this year. Additionally, the Group will launch new products with new designs and motifs for its 2015 product range, with focus on the 'life style' products consisting of a variety of designs, decorative motifs and shapes in order to meet demands of each respective target group. The new product range will also include products for 'outdoor' use, since they are more durable and hard to break as well as currently becoming more popular.
- As for the new subsidiary company established in India, it will expectedly start production and generate sales revenue in the 1st quarter of 2015. This subsidiary will help increase the direct sales and wholesales business bases in India. It will enable the Company to be more competitive by producing locally as opposed to currently importing products from Thailand with high import tax. Further, the Group still focuses on strengthening the Superware and Ektra brands to become more popular and well-accepted in terms of product quality, durability, and beautiful design, in order to increase sales in that market.
- The Company is endeavoring to drive sales for the AEC markets – especially in Cambodia, Laos, Myanmar, Vietnam and Indonesia. The key success factors are product shapes and decorative design and motifs that meet consumers needs in these respective markets, product

quality, and effective brand building activities in the AEC markets to create solid awareness and enhance trust in the products offered.

Domestic market

- Signs for a more positive and overall market growth trend are seen, together with an expected growth trend from the foreign leaders of direct sales channel in the ASEAN regional markets. They are increasingly interested in buying products from Thailand and exporting them for sales in their own markets, since they see increased sales opportunities from such business activities. Furthermore, the direct sales business has made more use of new and modern technology. These are online ordering and sales systems, home delivery systems and pick up of goods ordered at the nearest local convenience store, in order to add customer convenience in its operations - together with expanding the range and variety of its product offerings. Various sales support activities will also be implemented with an aim at enabling the sales managers to stimulate demand and drive sales.
- Increased sales will result from the 3 'grand sale' events planned for the 4th quarter of 2014, namely in
 - End October to early November at the Amata Nakorn Factory, Chonburi ;
 - End November to early December at the Suksawat Head Office, Bangkok ; and
 - Mid December at the Korat Factory, Nakorn Ratchasima
- The Company plans to invest in establishing a large 'Srithai Super Outlet', located in Chonburi, to sell all products manufactured by the Company together with products from other leading manufacturers. The new outlet is expected to be launched in the 1st quarter of 2015 in order to expand distribution channel for the Group, as well as to increase and strengthen consumer awareness for the Company's brands and products.

7.2 Industrial Products

Beverage packaging product

- In the 4th quarter of 2014, sales of beverage packaging products are expected to increase over sales in the 3rd quarter of 2014. The reasons are 'high sales season' for this industry sector during the Christmas and new year festivities, together with the continuous sales promotions

campaigns to be undertaken by major soft drinks producers in this quarter until the end of the year. Also, sales in Vietnam will continue to increase corresponding to the country's sustained economic growth and ongoing development.

- Additionally, the Company's Board of Directors has approved the investment to establish another production plant, located in Hanoi, Vietnam, which is expected to begin operations in the 4th quarter of 2015.

Food packaging products

- Sales are expected to increase in the 4th quarter of 2014 as a result of the 'high season' during the Christmas and new year festivities, from increased consumer demand and purchases. Further, this year there are 2 'vegetarian' festivals, with the 2nd festival occurring in late October to early November. It offers the Company a good opportunity to sell more of its 'food box' products to large food services operators, in response to the increasing popular consumer trends of eating vegetarian food during this annual festival and of buying more ready-to-eat food products.
- The overall macroeconomic environment of Vietnam continues to be very positive, with sustained GDP growth as well as increased consumer demand and consumption. The movies cineplex business in Vietnam is expanding as foreign investors have established and expanded new malls/ department stores. Thus, sales of products relating to the movies cineplex business has a good growth potential, and has stimulated the growth of food packaging products using the innovative IML (in mould labeling) manufacturing technology.

Other Industrial Products

- Sales of industrial containers to Modern Trade customers and premium products will increase in the 4th quarter of 2014. This is because of more stable political situation, soaring domestic consumption as well as Christmas and new year festivities. Sales of pail packaging will also rise due to increasing trend of real estate business.

7.3 Trading Business Line and Moulds Business Line

- Sales in the 4th quarter of 2014 are expected to increase resulting from the growth and ongoing expansion in the network marketing business – especially for agricultural care products, with its recently launched new products being organic grass and weed killers. Currently, SNatur is the only one seller in Thailand; and it is expected that it will be well-received by the network marketing business members which will attract other independent sales representatives to participate in the SNatur business.
- The market expansion enables a corresponding significant expansion of the various sales channels; whereby the Company has the goal of establishing additional distribution centers in the 4th quarter of 2014, up from currently existing 500 centers. Strategies also prevail to drive and achieve increased sales of agriculture care products within the AEC markets – namely: Cambodia, Malaysia and Singapore – within the end of 2014.
- The Company plans to launch additional new products. An agreement has been signed to be a distributor of ‘Cell Food’ food supplement products, that are well-known and have received various quality awards overseas. The Company has been given the exclusive rights to import, distribute and market this quality food supplement products for the ASEAN Region. It is expected that it will be very well-received by the younger and more health conscious consumers.
- Furthermore, the Company has initiated the development of a new information technology system to support independent business owners, namely the ‘super IT’ system that will enable more convenient, modern, and speedy business transactions to be conducted via a ‘smart phone’ platform.

8. Significant events of the 3rd quarter of 2014

There is no new accounting policy in this year. Nevertheless, the significant events regarding additional investments, changes in investments, and future investment plan in the 3rd quarter of 2014 were as follows:

8.1 Investment in subsidiaries

- **Srithai Superware Manufacturing Private Limited**

During the year 2014, Srithai Superware Manufacturing Private Limited, a subsidiary, has registered to increase its capital from Rupee 120.00 million to Rupee 400.00 million according to the resolution of the Board of Directors of the subsidiary. During nine-month period ended September 30, 2014, the Company paid for the additional share capital of the subsidiary, amounting to Rupee 129.90 million or equivalent to Baht 69.17 million according to its 100.00% shareholding.

- **Srithai (Vietnam) Company Limited**

On September 30, 2014, the Board of Directors of the Company passed a resolution to increase investment in Srithai (Vietnam) Company Limited, a subsidiary, amounting to US Dollars 20.00 million according to a 100.00% shareholding. This is to increase subsidiary's registered capital from US Dollars 20.00 million to US Dollars 40.00 million. The subsidiary is under process of increase its registered capital.

8.2 Newly established subsidiary

On September 30, 2014, the Board of Directors of the Company passed a resolution approving Srithai (Vietnam) Company Limited, a wholly owned subsidiary, to invest in a new company to be established in the Socialist Republic of Vietnam. The new company will engage in the manufacture and distribution of food and beverage packaging products, and plastic industrial products with a registered share capital not exceeding US Dollars 20.00 million. The subsidiary will hold 100.00% shareholding in the new company, therefore, the new company will be a subsidiary of Srithai (Vietnam) Company Limited and the Company. The subsidiary is registering the new company.

9. Subsequent events after the reporting date

9.1 Additional investment in subsidiaries

- **Srithai Superware Manufacturing Private Limited**

On October 7, 2014, the Company paid for the additional share capital of Srithai Superware Manufacturing Private Limited, a subsidiary, amounting to Rupee 59.98 million or equivalent to Baht 32.03 million.

- **Srithai (Vietnam) Company Limited**

On November 10, 2014, the Company paid for additional investment in Srithai (Vietnam) Company Limited, a subsidiary, amounting to US Dollars 3.00 million or equivalent to Baht 98.34 million according to its 100.00% shareholding. The payment is for an increase in share capital that the subsidiary registered in 2012.

Please be informed accordingly.

Yours faithfully,

Prin Bholnivas

Director