

SRITHAI SUPERWARE PUBLIC COMPANY LIMITED

**CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS**

31 DECEMBER 2013



AUDITOR'S REPORT

To the Shareholders of Srithai Superware Public Company Limited

I have audited the accompanying consolidated and company financial statements of Srithai Superware Public Company Limited and its subsidiaries and of Srithai Superware Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

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 consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Srithai Superware Public Company Limited and its subsidiaries and of Srithai Superware Public Company Limited as at 31 December 2013, and its consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read 'V. Khingmontri', is written over the printed name.

Vichien Khingmontri
Certified Public Accountant (Thailand) No. 3977
PricewaterhouseCoopers ABAS Ltd.

Bangkok
25 February 2014

Srithai Superware Public Company Limited
Statement of Financial Position
As at 31 December 2013

	Notes	Consolidated		Company	
		2013	2012	2013	2012
		Baht	Reclassified Baht	Baht	Reclassified Baht
Assets					
Current assets					
Cash and cash equivalents	7	437,117,224	441,288,433	215,856,126	232,169,465
Short-term investments	8	7,858,770	7,358,536	-	-
Trade accounts receivable, net	9	1,855,457,482	1,685,624,170	1,674,540,952	1,522,602,065
Other receivables - third parties		52,943,475	46,649,965	30,912,289	35,177,430
- related parties, net	34.2	6,699,179	904,453	11,256,998	4,872,024
Short-term loan to a related party	34.2	-	-	-	182,914,200
Inventories, net	10	1,475,138,671	1,351,492,945	1,131,539,015	1,042,173,822
Other current assets		114,290,528	96,879,970	88,614,959	53,725,048
Total current assets		3,949,505,329	3,630,198,472	3,152,720,339	3,073,634,054
Non-current assets					
Investments in subsidiaries, net	11.1	-	-	761,800,125	456,714,525
Investments in associates, net	11.1	288,172,289	293,691,731	184,113,258	199,978,123
Investments in joint venture	11.1	14,313,342	11,406,239	4,999,800	4,999,800
Other long-term investments, net	12	206,616,354	206,616,354	140,769,970	140,769,970
Investment properties, net	13	134,779,114	141,125,198	499,214,447	504,880,126
Property, plant and equipment, net	14	5,295,733,845	4,842,889,670	4,176,798,801	3,868,198,442
Intangible assets, net	15	49,383,359	57,931,020	39,114,428	48,564,595
Deferred tax assets, net	16	94,162,249	75,525,487	68,417,644	59,467,287
Leasehold right	17	48,330,147	-	-	-
Other non-current assets		44,514,183	65,915,067	21,927,380	67,785,828
Total non-current assets		6,176,004,882	5,695,100,766	5,897,155,853	5,351,358,696
Total assets		10,125,510,211	9,325,299,238	9,049,876,192	8,424,992,750

Director Director

The notes to the consolidated and company financial statements on pages 9 to 70 form an integral part of these financial statements.

Srithai Superware Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2013

	Notes	Consolidated		Company	
		2013 Baht	2012 Reclassified Baht	2013 Baht	2012 Reclassified Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans	18	823,449,663	840,961,459	820,000,000	790,000,000
Long-term loans (maturing within one year)	19	563,878,278	532,901,427	435,091,938	463,470,227
Trade accounts payable - third parties		837,645,983	794,532,300	571,423,566	667,637,751
- related parties	34.2	112,561,983	127,701,776	122,262,729	170,392,411
Other payables - third parties	20	404,595,970	377,011,296	285,333,755	271,466,377
- related parties	34.2	2,474,859	3,207,943	3,502,743	9,066,166
Other current liabilities		36,132,749	52,451,214	25,790,381	41,533,850
Total current liabilities		2,780,739,485	2,728,767,415	2,263,405,112	2,413,566,782
Non-current liabilities					
Long-term loans	19	2,466,413,261	1,852,106,539	1,965,748,880	1,300,840,818
Finance lease liabilities		2,660,506	887,907	-	-
Employee benefit obligations	24	310,552,945	285,631,020	265,234,764	246,347,843
Total non-current liabilities		2,779,626,712	2,138,625,466	2,230,983,644	1,547,188,661
Total liabilities		5,560,366,197	4,867,392,881	4,494,388,756	3,960,755,443
Shareholders' equity					
Share capital	25				
Authorised share capital					
Ordinary shares 270,990,480 shares of par Baht 10 each		2,709,904,800	2,709,904,800	2,709,904,800	2,709,904,800
Issued and paid-up share capital					
Ordinary shares 270,990,480 shares of par Baht 10 each		2,709,904,800	2,709,904,800	2,709,904,800	2,709,904,800
Premium on treasury shares	25	19,928,420	19,928,420	19,928,420	19,928,420
Retained earnings					
Appropriated - legal reserve	26	182,000,000	160,000,000	182,000,000	160,000,000
Unappropriated		1,496,725,906	1,363,905,290	1,600,758,216	1,531,508,087
Other components of equity	27	(72,939,778)	(24,810,563)	42,896,000	42,896,000
Total parent's shareholders' equity		4,335,619,348	4,228,927,947	4,555,487,436	4,464,237,307
Non-controlling interests		229,524,666	228,978,410	-	-
Total shareholders' equity		4,565,144,014	4,457,906,357	4,555,487,436	4,464,237,307
Total liabilities and shareholders' equity		10,125,510,211	9,325,299,238	9,049,876,192	8,424,992,750

The notes to the consolidated and company financial statements on pages 9 to 70 form an integral part of these financial statements.

Srithai Superware Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2013

	Notes	Consolidated		Company	
		2013	2012	2013	2012
		Baht	Reclassified Baht	Baht	Reclassified Baht
Sales and service income	28	9,397,421,494	8,757,315,768	7,169,075,744	7,181,681,643
Cost of sales and services	28, 34.4	(7,556,282,689)	(6,842,474,505)	(5,800,143,207)	(5,619,848,453)
Gross profit		1,841,138,805	1,914,841,263	1,368,932,537	1,561,833,190
Other income	34.3	106,906,527	110,747,865	225,394,522	179,958,378
Selling expenses	30, 34.4	(857,393,367)	(855,688,557)	(764,504,466)	(773,238,458)
Administrative expenses	30, 34.4	(390,387,696)	(399,913,590)	(278,764,718)	(304,645,820)
Other expenses		-	(4,472,903)	-	(4,354,151)
Finance costs	29	(167,000,062)	(135,182,956)	(123,607,480)	(115,625,015)
Share of profit of investments in associates and joint venture	11.2	50,099,483	41,890,136	-	-
Reversal (loss) on impairment of investment in subsidiary and associate, net	11.3 (b)	(12,044,661)	-	32,335,135	(4,200,000)
Profit before income tax		571,319,029	672,221,258	459,785,530	539,728,124
Income tax	16.3	(52,365,234)	(94,859,354)	(36,023,042)	(80,357,492)
Net profit for the year		518,953,795	577,361,904	423,762,488	459,370,632
Other comprehensive income:					
Exchange rate differences on translating financial statements		(48,657,389)	3,834,433	-	-
Gain on remeasuring available-for-sale investments		2,045	21,678,126	-	21,676,000
Actuarial loss on defined employee benefit plans		(34,072,134)	(15,732,002)	(34,437,021)	(11,111,117)
Other comprehensive income (expense) for the year, net of tax		(82,727,478)	9,780,557	(34,437,021)	10,564,883
Total comprehensive income for the year		436,226,317	587,142,461	389,325,467	469,935,515
Profit attributable to:					
Owners of the parent		486,968,088	541,881,902	423,762,488	459,370,632
Non-controlling interests		31,985,707	35,480,002	-	-
Net profit for the year		518,953,795	577,361,904	423,762,488	459,370,632
Total comprehensive income attributable to:					
Owners of the parent		404,766,739	552,367,219	389,325,467	469,935,515
Non-controlling interests		31,459,578	34,775,242	-	-
Total comprehensive income for the year		436,226,317	587,142,461	389,325,467	469,935,515
Earnings per share	31				
Basic earnings per share		1.80	2.00	1.56	1.70

The notes to the consolidated and company financial statements on pages 9 to 70 form an integral part of these financial statements.

Srithai Superware Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2013

Consolidated (Baht)											
Attributable to owners of the parent											
Other components of equity											
Other comprehensive income (expense)											
Translation adjustment for investments in overseas subsidiaries and associates											
	Issued and paid-up share capital	Premium on treasury shares	Appropriated retained earnings - legal reserve	Unappropriated retained earnings	Translation adjustment for investments in overseas subsidiaries and associates	Available-for-sale investments	Actuarial gain (loss) on defined employee benefit plans	Total other components of equity	Total owners of the parent	Non-controlling interests	Total shareholders' equity
Notes	(Note 25)	(Note 25)	(Note 26)	earnings	and associates	(Note 27)	benefit plans	of equity	the parent	interests	equity
Opening balance as at 1 January 2013	2,709,904,800	19,928,420	160,000,000	1,377,002,854	(67,715,587)	42,905,024	(13,097,564)	(37,908,127)	4,228,927,947	228,978,410	4,457,906,357
Reclassification	2	-	-	(13,097,564)	-	-	13,097,564	13,097,564	-	-	-
Opening balance as at 1 January 2013 (Reclassified)	2,709,904,800	19,928,420	160,000,000	1,363,905,290	(67,715,587)	42,905,024	-	(24,810,563)	4,228,927,947	228,978,410	4,457,906,357
Net profit for the year	-	-	-	486,968,088	-	-	-	-	486,968,088	31,985,707	518,953,795
Other comprehensive income (expense) for the year	-	-	-	(34,072,134)	(48,131,260)	2,045	-	(48,129,215)	(82,201,349)	(526,129)	(82,727,478)
Dividends	32	-	-	(298,075,338)	-	-	-	-	(298,075,338)	(17,601,980)	(315,677,318)
Legal reserve	-	-	22,000,000	(22,000,000)	-	-	-	-	-	-	-
Additional investment in a subsidiary	-	-	-	-	-	-	-	-	-	(13,311,342)	(13,311,342)
Closing balance as at 31 December 2013	2,709,904,800	19,928,420	182,000,000	1,496,725,906	(115,846,847)	42,907,069	-	(72,939,778)	4,335,619,348	229,524,666	4,565,144,014
Opening balance as at 1 January 2012	2,709,904,800	19,928,420	136,000,000	1,062,363,812	(69,620,342)	21,226,898	-	(48,393,444)	3,879,803,588	203,708,472	4,083,512,060
Net profit for the year	-	-	-	541,881,902	-	-	-	-	541,881,902	35,480,002	577,361,904
Other comprehensive income (expense) for the year	-	-	-	-	1,904,755	21,678,126	(13,097,564)	10,485,317	10,485,317	(704,760)	9,780,557
Dividends	32	-	-	(203,242,860)	-	-	-	-	(203,242,860)	(7,801,850)	(211,044,710)
Legal reserve	-	-	24,000,000	(24,000,000)	-	-	-	-	-	-	-
Decrease during the year	-	-	-	-	-	-	-	-	-	(1,703,454)	(1,703,454)
Closing balance as at 31 December 2012	2,709,904,800	19,928,420	160,000,000	1,377,002,854	(67,715,587)	42,905,024	(13,097,564)	(37,908,127)	4,228,927,947	228,978,410	4,457,906,357

The notes to the consolidated and company financial statements on pages 9 to 70 form an integral part of these financial statements.

Srithai Superware Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2013

Company (Baht)								
Notes	Issued and paid-up share capital (Note 25)	Premium on treasury shares (Note 25)	Appropriated retained earnings - legal reserve (Note 26)	Unappropriated retained earnings	Other components of equity			Total shareholders' equity
					Other comprehensive income (expense)			
					Available- for-sale investments (Note 27)	Actuarial gain (loss) on defined employee benefit plans	Total other components of equity	
Opening balance as at 1 January 2013	2,709,904,800	19,928,420	160,000,000	1,542,619,204	42,896,000	(11,111,117)	31,784,883	4,464,237,307
Reclassification	2	-	-	(11,111,117)	-	11,111,117	11,111,117	-
Opening balance as at 1 January 2013 (Reclassified)	2,709,904,800	19,928,420	160,000,000	1,531,508,087	42,896,000	-	42,896,000	4,464,237,307
Net profit for the year	-	-	-	423,762,488	-	-	-	423,762,488
Other comprehensive income (expense) for the year	-	-	-	(34,437,021)	-	-	-	(34,437,021)
Dividends	32	-	-	(298,075,338)	-	-	-	(298,075,338)
Legal reserve	-	-	22,000,000	(22,000,000)	-	-	-	-
Closing balance as at 31 December 2013	<u>2,709,904,800</u>	<u>19,928,420</u>	<u>182,000,000</u>	<u>1,600,758,216</u>	<u>42,896,000</u>	<u>-</u>	<u>42,896,000</u>	<u>4,555,487,436</u>
Opening balance as at 1 January 2012	2,709,904,800	19,928,420	136,000,000	1,310,491,432	21,220,000	-	21,220,000	4,197,544,652
Net profit for the year	-	-	-	459,370,632	-	-	-	459,370,632
Other comprehensive income (expense) for the year	-	-	-	-	21,676,000	(11,111,117)	10,564,883	10,564,883
Dividends	32	-	-	(203,242,860)	-	-	-	(203,242,860)
Legal reserve	-	-	24,000,000	(24,000,000)	-	-	-	-
Closing balance as at 31 December 2012	<u>2,709,904,800</u>	<u>19,928,420</u>	<u>160,000,000</u>	<u>1,542,619,204</u>	<u>42,896,000</u>	<u>(11,111,117)</u>	<u>31,784,883</u>	<u>4,464,237,307</u>

The notes to the consolidated and company financial statements on pages 9 to 70 form an integral part of these financial statements.

Srithai Superware Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2013

	Notes	Consolidated		Company	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Cash flows from operating activities					
Cash generated from operations	33.1	957,727,289	1,094,205,156	510,503,644	1,104,655,463
Interest paid		(166,117,890)	(133,706,432)	(122,869,983)	(116,010,300)
Income tax paid		(80,549,623)	(131,105,230)	(44,689,118)	(102,680,986)
Net cash receipts from operating activities		<u>711,059,776</u>	<u>829,393,494</u>	<u>342,944,543</u>	<u>885,964,177</u>
Cash flows from investing activities					
Cash payment for short-term investments	8	(17,323,863)	(11,674,766)	-	-
Cash payment for investments in subsidiaries	11.1	-	-	(75,514,000)	(87,277,209)
Purchase of fixed assets	33.2	(996,714,246)	(1,226,904,760)	(786,893,707)	(713,663,446)
Purchase of intangible assets	33.2	(7,300,594)	(11,614,731)	(3,289,812)	(5,920,685)
Purchase of leasehold rights		(47,294,571)	-	-	-
Cash payment for short-term loan to a related party		-	-	(8,000,000)	(220,135,826)
Cash receipt from disposal of short-term investments	8	16,739,860	17,511,469	-	-
Proceeds from disposals of fixed assets and intangible assets		15,411,737	36,040,510	35,042,112	173,636,773
Cash receipt from repayment of short-term loan to a related party and interest income		-	-	8,264,719	34,875,207
Interest receipt		7,901,672	3,409,479	2,230,947	972,519
Dividend receipts from investments in subsidiaries and associates	33.2	32,869,500	17,150,854	85,267,520	29,349,004
Dividend receipts from other investments		15,179,904	8,880,000	15,179,904	8,880,000
Net cash payments for investing activities		<u>(980,530,601)</u>	<u>(1,167,201,945)</u>	<u>(727,712,317)</u>	<u>(779,283,663)</u>
Cash flows from financing activities					
Increase (decrease) in bank overdrafts and short-term loans		(20,789,795)	105,992,959	30,000,000	95,000,000
Receipt from long-term loans	19	1,196,728,000	1,160,684,500	1,100,000,000	600,000,000
Receipt from short-term loan from a related party		3,000,000	3,200,000	-	-
Repayment of long-term loans	19	(579,337,827)	(474,097,338)	(463,470,227)	(458,643,055)
Repayment of finance lease liabilities		(2,867,444)	(24,380,830)	-	(720,221)
Repayment of short-term loan from a related party		(3,000,000)	(3,200,000)	-	-
Cash payment for investments in subsidiaries	11.1	(12,756,000)	-	-	-
Dividend payment	32	(298,075,338)	(203,242,860)	(298,075,338)	(203,242,860)
Dividends paid to non-controlling interests in subsidiaries		(17,601,980)	(7,801,850)	-	-
Receipt from investment of non-controlling interests		-	8	-	-
Net cash receipts from financing activities		<u>265,299,616</u>	<u>557,154,589</u>	<u>368,454,435</u>	<u>32,393,864</u>
Net increase (decrease) in cash and cash equivalents		<u>(4,171,209)</u>	<u>219,346,138</u>	<u>(16,313,339)</u>	<u>139,074,378</u>
Cash and cash equivalents, opening balance		<u>441,288,433</u>	<u>221,942,295</u>	<u>232,169,465</u>	<u>93,095,087</u>
Cash and cash equivalents, closing balance	7	<u><u>437,117,224</u></u>	<u><u>441,288,433</u></u>	<u><u>215,856,126</u></u>	<u><u>232,169,465</u></u>
Non cash transactions					
Conversion of loan to investment in a subsidiary	11.3 (a)	-	-	181,371,600	-

The notes to the consolidated and company financial statements on pages 9 to 70 form an integral part of these financial statements.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

1 General information

Srithai Superware Public Company Limited (the Company) is a Public Limited Company and is incorporated and domiciled in Thailand. The address of its registered office is as follows:

15 Suksawat Rd. Soi 36 Bangpakok Rasburana Bangkok 10140, Thailand.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the “Group”.

The Group’s main business operation is manufacturing and selling of plastics, comprising household products and industrial products, and the trading and moulds business line.

These consolidated and company financial statements have been approved by the Board of Directors on 25 February 2014.

2 Accounting policies

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

2.1 Basis for preparation

The consolidated and company financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards (“TAS”) issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial information in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

An English version of the consolidated and company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

During the period, the Group had reclassified actuarial gain (loss) on defined benefits plan recognised in other comprehensive income to be recognised directly in retained earnings, reclassified loss/reversal of loss on impairment in value of investments in associates recognised in administrative expenses to be presented separately as reversal (loss) on impairment of investment in subsidiary and associates and transactions incurred in relation to storm and fire incident as other expenses.

	Consolidated			Company		
	Before Reclassified Baht	Reclassi- fication Baht	After Reclassified Baht	Before Reclassified Baht	Reclassi- fication Baht	After Reclassified Baht
Statement of Financial Position						
As at 31 December 2012						
Unappropriated retained earnings	1,377,002,854	(13,097,564)	1,363,905,290	1,542,619,204	(11,111,117)	1,531,508,087
Other components of equity	(37,908,127)	13,097,564	(24,810,563)	31,784,883	11,111,117	42,896,000
	<u>1,339,094,727</u>	<u>-</u>	<u>1,339,094,727</u>	<u>1,574,404,087</u>	<u>-</u>	<u>1,574,404,087</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

2 Accounting policies (Cont'd)

2.1 Basis for preparation (Cont'd)

	Consolidated			Company		
	Before Reclassified Baht	Reclassi- fication Baht	After Reclassified Baht	Before Reclassified Baht	Reclassi- fication Baht	After Reclassified Baht
Statement of Comprehensive Income						
For the year ended 31 December 2012						
Administrative expenses	-	-	-	(308,845,820)	4,200,000	(304,645,820)
Reversal (loss) on impairment of investment in subsidiary and associate - net	-	-	-	-	(4,200,000)	(4,200,000)
Transactions incurred in relation to storm and fire incident	(4,472,903)	4,472,903	-	(4,354,151)	4,354,151	-
Other expenses	-	(4,472,903)	(4,472,903)	-	(4,354,151)	(4,354,151)
	<u>(4,472,903)</u>	<u>-</u>	<u>(4,472,903)</u>	<u>(313,199,971)</u>	<u>-</u>	<u>(313,199,971)</u>

The statement of financial position as at 1 January 2012 has not been presented as a corresponding figure due to having no effect from the reclassification.

2.2 New accounting standards, new financial reporting standards, new interpretations and amendments to accounting standards

- a) New accounting standards, revised accounting standards and new financial reporting standards which are effective on 1 January 2013 and are relevant to the Group are:

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

TAS 12 requires tax expenses to be recognised for current and deferred tax. The Group had already adopted this standard, as a consequence, it has no impact to assets, liabilities and retained earnings. Accounting policy of income taxes is provided in Note 2.14.

TAS 20 applies in accounting for, and in the disclosure of, government grants and in the disclosure of other forms of government assistance. TAS 20 has no impact to the Group's financial statements.

TAS 21 (Revised 2009) requires the Company to determine the functional currency which is the currency of the primary economic environment in which the entity operates. The Company assessed and concluded that the functional currency of the Company is Thai Baht. As a consequence, applying TAS 21 (Revised 2009) has no impact to assets, liabilities and retained earnings. The new accounting policy is described in Note 2.4.

TFRS 8 requires the operating segment to be described in the same manner as internal reporting used by the chief operating decision-maker. The new accounting policy is described in Note 2.22. The impact to the Group in applying TFRS 8 is only on a disclosure.

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretations and amendments to accounting standards (Cont'd)

- b) Revised accounting standards, revised financial reporting standards and related interpretations that are not yet effective and have not been early adopted by the Group are:

Revised accounting standards, revised financial reporting standards which are effective on or after 1 January 2014 are as follow:

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interest in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of assets
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-based Payment
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Group.

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This standard has no impact to the Group.

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. The management is currently assessing the impact of applying this standard.

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. This standard has no impact to the Group.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2011. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretations and amendments to accounting standards (Cont'd)

- b) Revised accounting standards, revised financial reporting standards and related interpretations that are not yet effective and have not been early adopted by the Group are: (Cont'd)

Revised accounting standards, revised financial reporting standards which are effective on or after 1 January 2014 are as follow: (Cont'd)

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. This standard has no impact to the Group.

TAS 28 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loses joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Group.

TAS 36 (Revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. This standard has no impact to the Group.

TAS 38 (revised 2012) clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. This standard has no impact to the Group.

TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. This standard has no impact to the Group.

TFRS 3 (revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. This standard has no impact to the Group.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This standard has no impact to the Group.

TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretations and amendments to accounting standards (Cont'd)

- b) Revised accounting standards, revised financial reporting standards and related interpretations that are not yet effective and have not been early adopted by the Group are: (Cont'd)

New interpretations of Thai Financial Reporting Interpretations Committed (TFRIC) and Thai Standard Interpretations Committee (TSIC) which are effective for the periods beginning on or after 1 January 2014 are as follows:

TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under TAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. This interpretation has no impact to the Group.

TFRIC 5 provides guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. This interpretation has no impact to the Group.

TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. This interpretation has no impact to the Group.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. This interpretation has no impact to the Group.

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretations and amendments to accounting standards (Cont'd)

- b) Revised accounting standards, revised financial reporting standards and related interpretations that are not yet effective and have not been early adopted by the Group are: (Cont'd)

New interpretations of Thai Financial Reporting Interpretations Committed (TFRIC) and Thai Standard Interpretations Committee (TSIC) which are effective for the periods beginning on or after 1 January 2014 are as follows: (Cont'd)

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. This interpretation has no impact to the Group.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact to the Group.

TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. This interpretation has no impact to the Group.

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS17 "Leases". The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS38 "Intangible Assets". This interpretation has no impact to the Group.

New accounting standard which is effective on 1 January 2016 are as follows:

TFRS 4 Insurance Contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

2 Accounting policies (Cont'd)

2.3 Group accounting - investments in subsidiaries and associates and interests in joint venture

2.3.1 Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

A list of the Group's subsidiaries is set out in Note 11.

2 Accounting policies (Cont'd)

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

2.3.2 Investments in associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost in the consolidated financial statements and using the cost method of accounting less allowance for impairment of investments in the company financial statements. The Group's investment in associates includes goodwill identified on acquisition net of accumulated impairment loss (Note 2.13 for the impairment of assets).

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other the Group's obligations or payments that are made on behalf of the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed, where necessary, to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

A list of the Group's associates is set out in Note 11.

2.3.3 Interests in joint venture

The Group's interests in jointly controlled entity are accounted for by the equity method and cost method of accounting in the consolidated and company financial statements, respectively.

A list of the Group's joint venture is set out in Note 11.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the company's functional and the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2 Accounting policies (Cont'd)

2.4 Foreign currency translation (Cont'd)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each income statements and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Cash and cash equivalents

In the consolidated and company statement of cash flows, cash and cash equivalents comprise cash on hand, cheque on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Deposits pledged at banks are not included in cash and cash equivalents balance.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful accounts. The Group estimates the allowance for doubtful accounts based on a review of all outstanding amounts at the period end. The estimate encompasses consideration of past collection experiences and other factors such as changes in the composition and volume of the receivable, the relationship of the allowance to the receivable and local economic conditions. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in profit or loss within administrative expenses.

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of inventories are determined on the standard cost basis which adjusted to actual cost calculated on a weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts. The cost of finished goods and work in process comprises direct materials, direct labour, other direct costs and manufacturing overheads. Manufacturing overheads include costs directly related to the units of production and those systematically allocated from variable and fixed production overheads, but exclude borrowing costs. Work-to-order is stated at actual cost.

The Group estimates net realisable value from the estimated selling price in the ordinary course of business, less the costs necessary for completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2 Accounting policies (Cont'd)

2.8 Investments

Investments other than investments in subsidiaries, associates and joint venture are classified into the following three categories: 1. Held-to-maturity investments, 2. Available-for-sale investments, and 3. General investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- (2) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- (3) Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction costs.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

Available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. Unrealised gains and losses incurred when its fair value changed are credited/charged against gain (loss) on remeasuring available-for-sale investments in other comprehensive income.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.9 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

The investment property of the Group comprises land and building held for long-term rental yields and land whose future use is currently undetermined.

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

2 Accounting policies (Cont'd)

2.9 Investment properties (Cont'd)

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

Buildings	20 years
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Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.10 Property, plant and equipment and depreciation

Property, plant and equipment is recorded at cost less accumulated depreciation. Cost is measured by the cash and cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate assets, as appropriated, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

Property, plant and equipment, except for land which is considered to have an indefinite life, is presented at cost less accumulated depreciation.

Depreciation is calculated on the straight line basis to write off the cost or of each asset to its residual value over the estimated useful life as follows:

Buildings	20 years
Land improvement	5 years
Building improvement	5 years
Machinery and equipment	5 to 20 years
Furniture and office equipment	5 to 8 years
Motor vehicles	7 to 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset during the period of time required to complete and prepare the property for its intended use.

2 Accounting policies (Cont'd)

2.11 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose, and identified according to operating segment.

2.12 Intangible assets

2.12.1 Operational computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, not exceeding a period of 5 years.

2.12.2 Other intangible assets

Expenditure on acquired patents, copyright and licences is capitalised and amortised using the straight-line method over their useful lives, generally over 5 to 10 years. Intangible assets are not revalued.

2.13 Impairment of assets

Assets that have an indefinite useful life such as goodwill are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Deferred income taxes and income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 Accounting policies (Cont'd)

2.14 Deferred income taxes and income taxes (Cont'd)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investment in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Other non-current assets

Leasehold right

Leasehold right of lands and buildings is amortised using the straight-line method over the lease period of 48 to 99 years.

Deferred moulds

Deferred moulds represent cash paid in advance for customers' moulds which are used for the manufacture of engineering parts for each customer. The deferred moulds are recognised as expenses based on the actual quantity manufactured from customers' orders over the period of 3 to 6 years.

2.16 Leases

a) Where the Group is the lessee

Operating leases

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Finance leases

Leases of assets where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

b) Where the Group is the lessor

Operating leases

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

2 Accounting policies (Cont'd)

2.17 Employee benefits

The Group's employee benefits comprise of other long-term employee benefits and post-employment benefits both for defined contribution plans and defined benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period and adjusted with unrecognised past-service costs. The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit plans are charged or credited to equity in other comprehensive income in the period in which they arise. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for other long-term employee benefits are recognised in profit and loss.

Past-service costs are recognised immediately in profit or loss, unless the changes to the benefit plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Post-employment benefits

- Defined contribution plans

The Group has set up a provident fund, being a defined contribution plan, of which the assets are held in a separate trust fund. The provident fund is funded by payments from employees and by the Group. The Group's contributions to the provident fund are charged to profit and loss in the years to which they relate.

- Defined benefit plans

Under the Labour Law applicable in Thailand and the Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement at age 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at rate of 300 days of final salary and may be supplemented based on management's judgement.

Other long-term employee benefits

The Group has schemes to award gold and money to employees who have provided services to the Group at every 5 years anniversary, for a maximum of 8 times.

2.18 Provisions

Provisions, are recognised when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2 Accounting policies (Cont'd)

2.19 Treasury shares

Where the Company or its subsidiaries purchases the Company's equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity as treasury shares until they are cancelled.

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

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services are recognised as revenue when work is completed and delivered to customers.

Other revenue are recognised on the following bases:

- Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.
- Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.
- Dividend income is recognised when the Group's right to receive payment is established.
- Income from selling scrap is recognised when the scrap is actually sold.

2.21 Dividends

Dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as President that makes strategic decisions.

Segment information is presented in respect of the Group's business segments which is based on the Group's management and internal reporting structure as per presented in Note 6.

3 Financial risk management

3.1 Financial risk factors

The principle financial risks faced by the Group are exchange rate risk, interest rate risk, and credit risk. To finance its investments and operations, the Group borrows money at both fixed and floating rates. The majority of the debts are in Baht currency, except for loans of a foreign subsidiary, which are in foreign currency (as described in Notes 18 and 19). Part of the revenues from sales and services, and imported machinery and equipment is denominated in foreign currencies. Credit risk arises when sales and services are made on a credit term basis.

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

Nevertheless, with the exception of entering into forward foreign exchange contracts for imported goods and machinery and exported goods, the Group does not make use of any derivative financial instruments in order to manage such risks because there is no material financial commitment in foreign currency. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

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

a) Exchange rate risk

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

b) Interest rate risk

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

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

c) Credit risk

The majority of the Company's revenues are derived from manufacturing and selling of plastic products. The Company has set guidelines for customer credit evaluation. Management believes that credit risk arising from sales is insignificant. Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are dispersed, cover the spectrum of manufacturing and distribution and have a variety of end markets in which they sell. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for allowance for collection losses.

Furthermore, payment terms for most export customers are opening of letters of credit or partial or full payment before shipment in case of new customers or those whose financial standing is still in doubt.

d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available. Cash and deposits are placed with financial institutions with high credit rating.

3 Financial risk management (Cont'd)

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instruments are recognised in the financial statements on inception.

Foreign currency forward contracts mitigate the Group's risk from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes.

3.3 Fair value estimation

The fair value of available-for-sale investments is based on quoted market prices at the statements of financial position date. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the statements of financial position date.

The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group by similar financial instruments.

Information on the fair values of borrowings is set out in Note 19.

4 Critical accounting estimates, assumption and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a) Impairment of investments in a subsidiary and associates

The investments in a subsidiary and associates are reported using the cost method in the Company financial statements. A provision for impairment was recognised as the cost of the investments in a subsidiary and associates exceeded the recoverable amount, which determines by the value in use. As to whether the impairment provision should be provided or reversed, the management made an assessment by considering from past performance, external factors that may affect the business operations, and produced and reviewed financial forecast and expected future cash inflow. The Group use Weighted Average Cost of Capital (WACC) of the company as discount rate in determining the current estimate of value in use.

b) Deferred tax

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

c) Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

4 Critical accounting estimates, assumption and judgements (Cont'd)

c) Employee benefit obligations (Cont'd)

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit obligations.

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 24.

5 Capital risk management

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

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

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

6 Segment information

The Group's main businesses are manufacturing and selling of plastics, comprising household products and industrial products, and the trading and moulds business line. Intercompany sales were already eliminated. Profit (loss) from sales was determined by subtracting cost of sales and services, selling expenses, administrative expenses from net sales. Other income and other expenses were unallocated. Fixed assets are allocated to each segment based on their utilisations.

	Consolidated					
	For the year ended 31 December 2013 (Baht'000)					
	Plastics business line					
	Household products		Industrial products		Trading and moulds business line	Total
Domestic Production	Overseas Production	Domestic Production	Overseas Production			
Sales and service income	2,316,181	67,513	5,740,474	1,074,054	688,411	9,886,633
Revenue from subsidiaries	(371,793)	(3,167)	(64,337)	(2,991)	(46,924)	(489,212)
Total sales and service income	<u>1,944,388</u>	<u>64,346</u>	<u>5,676,137</u>	<u>1,071,063</u>	<u>641,487</u>	<u>9,397,421</u>
Profit from sales by segment	<u>184,731</u>	<u>3,336</u>	<u>285,450</u>	<u>71,100</u>	<u>48,741</u>	<u>593,358</u>
Gain on foreign exchange rate, net						1,300
Other income						105,607
Finance costs						(167,000)
Share of profit of investments in associates and joint venture						50,099
Loss on impairment of investment in associate						(12,045)
Profit before income tax						<u>571,319</u>
Income tax						<u>(52,365)</u>
Net profit for the year						<u>518,954</u>
Fixed assets	<u>516,799</u>		<u>4,541,014</u>		<u>196,620</u>	<u>5,254,433</u>
Other unallocated fixed assets						41,301
Other unallocated assets						4,829,776
Consolidated total assets						<u>10,125,510</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

6 Segment information (Cont'd)

	Consolidated					Total
	For the year ended 31 December 2012 (Baht'000)					
	Plastics business line				Trading and moulds business line	
Household products		Industrial products				
	Domestic Production	Overseas Production	Domestic Production	Overseas Production		
Sales and service income	2,486,358	48,643	5,463,583	381,477	704,705	9,084,766
Revenue from subsidiaries	(195,112)	-	(65,768)	(6,524)	(60,046)	(327,450)
Total sales and service income	<u>2,291,246</u>	<u>48,643</u>	<u>5,397,815</u>	<u>374,953</u>	<u>644,659</u>	<u>8,757,316</u>
Profit from sales by segment	<u>266,788</u>	<u>3,041</u>	<u>361,814</u>	<u>17,894</u>	<u>14,717</u>	664,254
Loss on foreign exchange rate, net						(5,015)
Other income						110,748
Other expenses						(4,473)
Finance costs						(135,183)
Share of profit of investments in associates and joint venture						41,890
Profit before income tax						<u>672,221</u>
Income tax						(94,859)
Net profit for the year						<u>577,362</u>
Fixed assets	<u>668,636</u>		<u>3,980,124</u>		<u>141,030</u>	4,789,790
Other unallocated fixed assets						53,100
Other unallocated assets						4,482,409
Consolidated total assets						<u>9,325,299</u>

7 Cash and cash equivalents

Cash and cash equivalents as at 31 December comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Cash on hand	7,065,208	6,610,140	5,332,550	6,156,025
Cheque on hand	18,207,915	18,121,015	18,168,215	18,121,015
Deposits with banks				
- current accounts	75,112,625	85,365,528	3,632,191	10,826,184
- saving accounts	289,054,579	307,742,847	188,365,463	196,712,712
- fixed deposits	47,676,897	23,448,903	357,707	353,529
Total cash and cash equivalents	<u>437,117,224</u>	<u>441,288,433</u>	<u>215,856,126</u>	<u>232,169,465</u>

As at 31 December 2013, the average interest rate of saving deposits at banks is between 0.10% to 2.75% per annum (2012: 0.05% to 0.88% per annum).

As at 31 December 2013, fixed deposits at banks represent 1-month to 3-month fixed deposits carrying interest at the rate of 1.50% to 1.75% per annum (2012: 1.75% to 3.00% per annum).

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

8 Short-term investments

Short-term investments as at 31 December comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Fixed deposits pledged at bank	98,940	103,900	-	-
Fixed deposits	7,669,925	7,166,776	-	-
Local mutual fund units which are classified as available-for-sale investments	78,836	78,836	-	-
<u>Add</u> Fair value reserves	11,069	9,024	-	-
Total short-term investments	<u>7,858,770</u>	<u>7,358,536</u>	-	-

As at 31 December 2013, fixed deposits of a subsidiary amounting to Baht 0.09 million (2012: Baht 0.10 million) are pledged as collateral for tax guarantee.

As at 31 December 2013, fixed deposits of subsidiaries represent 3-month to 12-month fixed deposits at banks carrying interest at the rate of 1.75% to 8.75% per annum (2012: 2.00% to 8.25% per annum).

As at 31 December 2013, short-term investments of a subsidiary amounting to Baht 0.08 million (2012: Baht 0.08 million) represent local mutual fund units at bank classified as available-for-sale investments.

The movements of short-term investments for the years ended 31 December comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Opening book value	7,358,536	13,276,312	-	-
Increase in short-term investments	17,323,863	11,674,766	-	-
Disposals	(16,739,860)	(17,511,469)	-	-
Fair value changes of available-for-sale investments	2,045	2,127	-	-
Currency translation differences	(85,814)	(83,200)	-	-
Closing book value	<u>7,858,770</u>	<u>7,358,536</u>	-	-

9 Trade accounts receivable, net

Trade accounts receivable as at 31 December comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Trade accounts receivable - third parties	1,528,902,928	1,344,118,158	1,294,067,519	1,104,136,626
<u>Less</u> Allowance for doubtful accounts	(4,829,402)	(4,739,504)	(4,215,679)	(4,426,284)
Trade accounts receivable - third parties, net	1,524,073,526	1,339,378,654	1,289,851,840	1,099,710,342
Trade accounts receivable - related parties (Note 34.2)	331,383,956	346,245,516	384,689,112	422,891,723
Total trade accounts receivable, net	<u>1,855,457,482</u>	<u>1,685,624,170</u>	<u>1,674,540,952</u>	<u>1,522,602,065</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

9 Trade accounts receivable, net (Cont'd)

Trade accounts receivable can be aged as follows:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Not yet due	1,310,423,471	1,257,875,480	1,104,163,978	1,093,156,841
Overdue not exceeding 3 months	430,916,641	381,431,907	417,828,682	354,712,116
Overdue 3 to 6 months	71,793,209	17,022,451	84,726,227	20,856,193
Overdue 6 to 12 months	38,988,351	22,196,871	42,676,892	37,281,117
Overdue 12 months	8,165,212	11,836,965	29,360,852	21,022,082
Total	1,860,286,884	1,690,363,674	1,678,756,631	1,527,028,349
<u>Less</u> Allowance for doubtful accounts	(4,829,402)	(4,739,504)	(4,215,679)	(4,426,284)
Total trade accounts receivable, net	1,855,457,482	1,685,624,170	1,674,540,952	1,522,602,065

10 Inventories, net

Inventories as at 31 December comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Finished goods	808,919,425	717,359,950	688,173,728	599,628,086
Work in process	175,651,314	175,271,078	89,654,986	90,081,439
Raw materials	349,485,818	364,315,344	262,850,518	255,570,011
Supplies	89,713,148	93,952,720	81,103,683	85,376,331
Moulds for sales	22,661,272	9,515,225	18,888,929	17,569,444
	1,446,430,977	1,360,414,317	1,140,671,844	1,048,225,311
<u>Less</u> Allowance for obsolescence	(11,956,327)	(14,206,826)	(9,000,000)	(11,000,000)
Allowance for net realisable value	(2,287,327)	(3,126,456)	(1,000,000)	(1,000,000)
	1,432,187,323	1,343,081,035	1,130,671,844	1,036,225,311
Goods in transit	42,951,348	8,411,910	867,171	5,948,511
Total inventories, net	1,475,138,671	1,351,492,945	1,131,539,015	1,042,173,822

Allowance for obsolescence and allowance for net realisable value as at 31 December comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Allowance for obsolescence				
Finished goods	5,180,455	3,361,954	4,800,000	2,500,000
Work in process	672,100	672,100	200,000	200,000
Raw materials	2,991,470	6,060,470	1,500,000	4,800,000
Supplies	3,112,302	4,112,302	2,500,000	3,500,000
Total allowance for obsolescence	11,956,327	14,206,826	9,000,000	11,000,000
Allowance for net realisable value				
Finished goods	2,230,000	1,550,500	1,000,000	1,000,000
Work in process	57,327	1,575,956	-	-
Total allowance for net realisable value	2,287,327	3,126,456	1,000,000	1,000,000
Total allowance for obsolescence and allowance for net realisable value	14,243,654	17,333,282	10,000,000	12,000,000

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

10 Inventories, net (Cont'd)

The cost of inventories recognised as expense and included in “cost of sales” amounted to Baht 7,528.60 million and Baht 5,800.14 million (2012: Baht 6,815.65 million and Baht 5,619.85 million) in the consolidated and company statement of comprehensive income, respectively.

The Group had reversed allowance for obsolescence and allowance for net realisable value amounted to Baht 3.09 million and Baht 2.00 million in the consolidated and company statement of comprehensive income, respectively.

11 Investments in subsidiaries, associates and joint venture

11.1 The movements in book value of investments in subsidiaries, associates and joint venture for the years ended 31 December comprise the following:

Subsidiaries

	Company Cost method	
	2013 Baht	2012 Baht
Opening net book amount	456,714,525	369,437,316
Investment in subsidiaries (Note 11.3 (a))	256,885,600	87,277,209
Reversal of loss on impairment of investment in a subsidiary (Note 11.3(b))	48,200,000	-
Closing net book amount	<u>761,800,125</u>	<u>456,714,525</u>

Associates

	Consolidated Equity method		Company Cost method	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Opening net book amount	293,691,731	273,828,807	199,978,123	204,178,123
Share of profit of investments in associates	47,192,380	38,921,754	-	-
Dividends received	(38,192,103)	(17,562,109)	-	-
Reversal of loss on impairment of investment in associates (Note 11.3 (b))	-	-	-	5,800,000
Impairment in investment in an associate (Note 11.3 (b))	(12,044,661)	-	(15,864,865)	(10,000,000)
Currency translation differences	(2,475,058)	(1,496,721)	-	-
Closing net book amount	<u>288,172,289</u>	<u>293,691,731</u>	<u>184,113,258</u>	<u>199,978,123</u>

Joint venture

	Consolidated Equity method		Company Cost method	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Opening net book amount	11,406,239	8,437,857	4,999,800	4,999,800
Share of profit of investment in joint venture	2,907,103	2,968,382	-	-
Closing net book amount	<u>14,313,342</u>	<u>11,406,239</u>	<u>4,999,800</u>	<u>4,999,800</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

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

11.2 The Group's share of the results of associates and joint venture, all of which are unlisted, and its share of the assets including goodwill and liabilities are as follows:

For the year ended 31 December 2013					
Country of incorporation	Assets Baht	Liabilities Baht	Revenues Baht	Profit (Loss) Baht	Percentage of share holding
<u>Associates</u>					
<u>Local</u>					
Srithai Sanko Co., Ltd.	Thailand 104,559,366	78,170,304	198,214,840	16,755,849	48.0
Thai MFC Co., Ltd.	Thailand 234,542,419	40,073,831	319,079,932	29,957,813	45.0
Sheewamala Co., Ltd.	Thailand 30,258,688	4,664,148	33,650,453	4,055,283	40.0
Srithai Packaging Co., Ltd.	Thailand 75,238,322	36,846,356	38,987,955	(3,531,131)	39.2
	<u>444,598,795</u>	<u>159,754,639</u>	<u>589,933,180</u>	<u>47,237,814</u>	
<u>Foreign</u>					
Beijing Huatai Replica of Porcelain Products Co., Ltd.	China 47,370,196	39,784,623	4,378,990	(4,304,304)	40.0
PT. Srithai Maspion Indonesia	Indonesia 23,681,066	6,016,454	40,381,276	4,258,870	32.5
	<u>71,051,262</u>	<u>45,801,077</u>	<u>44,760,266</u>	<u>(45,434)</u>	
Total associates	<u>515,650,057</u>	<u>205,555,716</u>	<u>634,693,446</u>	<u>47,192,380</u>	
<u>Joint venture</u>					
<u>Local</u>					
Srithai-Otto (Thailand) Co., Ltd.	Thailand 18,966,071	4,533,339	30,113,958	2,907,103	50.0
Total joint venture	<u>18,966,071</u>	<u>4,533,339</u>	<u>30,113,958</u>	<u>2,907,103</u>	
Total associates and joint venture	<u>534,616,128</u>	<u>210,089,055</u>	<u>664,807,404</u>	<u>50,099,483</u>	

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

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

11.2 The Group's share of the results of associates and joint venture, all of which are unlisted, and its share of the assets including goodwill and liabilities are as follows: (Cont'd)

For the year ended 31 December 2012					
Country of incorporation	Assets Baht	Liabilities Baht	Revenues Baht	Profit (Loss) Baht	Percentage of share holding
<u>Associates</u>					
<u>Local</u>					
Srithai Sanko Co., Ltd.	Thailand 100,109,142	72,659,664	200,506,099	9,551,753	48.0
Thai MFC Co., Ltd.	Thailand 228,968,549	46,160,352	347,672,741	23,305,802	45.0
Sheewamala Co., Ltd.	Thailand 31,202,409	9,663,153	43,767,177	7,468,000	40.0
Srithai Packaging Co., Ltd.	Thailand 56,645,429	14,297,959	42,663,885	(1,166,076)	39.2
	<u>416,925,529</u>	<u>142,781,128</u>	<u>634,609,902</u>	<u>39,159,479</u>	
<u>Foreign</u>					
Beijing Huatai Replica of Porcelain Products Co., Ltd.	China 46,806,413	31,443,075	13,715,987	(5,035,137)	40.0
PT. Srithai Maspion Indonesia	Indonesia 24,760,175	7,893,748	42,733,941	4,797,412	32.5
	<u>71,566,588</u>	<u>39,336,823</u>	<u>56,449,928</u>	<u>(237,725)</u>	
Total associates	<u>488,492,117</u>	<u>182,117,951</u>	<u>691,059,830</u>	<u>38,921,754</u>	
<u>Joint venture</u>					
<u>Local</u>					
Srithai-Otto (Thailand) Co., Ltd.	Thailand 16,629,650	4,548,808	30,635,402	2,968,382	50.0
Total joint venture	<u>16,629,650</u>	<u>4,548,808</u>	<u>30,635,402</u>	<u>2,968,382</u>	
Total associates and joint venture	<u>505,121,767</u>	<u>186,666,759</u>	<u>721,695,232</u>	<u>41,890,136</u>	

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

11.3 Significant events

a) **Investment in subsidiaries**

Srithai (Vietnam) Company Limited

During the year 2012, Srithai (Vietnam) Company Limited, a subsidiary, registered a capital increase of US dollars 11.10 million. The Board of Directors of Srithai Superware Public Company Limited passed a resolution to invest in an increased capital according to a 100% shareholding. The Company paid a part of the increased share capital being US dollars 2.10 million or equivalent to Baht 66.03 million.

On 3 January 2013, the Company additionally paid an increased share capital in the subsidiary by converting short-term loan to share capital amounting to US Dollars 6.00 million or equivalent to Baht 181.37 million.

Srithai Superware Manufacturing Private Limited

During the year 2013, the Company registered a new subsidiary, Srithai Superware Manufacturing Private Limited, in India with a registered share capital of Indian Rupees 120.00 million according to the resolution of the Board of Directors of the subsidiary. The subsidiary is engaged in the manufacture and distribution of melamine products. The Company holds 100.00% shareholding in the subsidiary and partially paid for the share capital of Rupees 110.10 million, or equivalent to Baht 62.76 million.

Srithai Nanoplast Company Limited

On 14 May 2013, the Board of Directors of the Company passed a resolution to acquire shares of Srithai Nanoplast Company Limited, a subsidiary. The Company acquired by purchasing shares from former shareholders at the net asset value of the subsidiary as at 31 March 2013 being Baht 10.63 per share, totalling Baht 12.76 million. After the acquisition, the Company's holding in the subsidiary has increased from 70.00% to 100.00%.

Newly established subsidiary

On 12 November 2013, the Board of Directors of the Company had passed a resolution approving the investment in a new subsidiary, which will be a joint venture with allied partner(s) and incorporated in the Republic of Indonesia. The new subsidiary will engage in the manufacture and distribution of beverage packaging products in order to increase manufacturing line and expand beverage packaging in overseas markets with a registered share capital not exceeding Baht 500.00 million. The Company will hold at least 60.00% shareholding in the subsidiary. As at 31 December 2013, the Company is under negotiation with partner(s).

P.E.T. Blow Company Limited

On 9 March 2012, the Extraordinary Shareholders' Meeting of P.E.T. Blow Company Limited, a subsidiary, passed a resolution to call for paid-up the remaining 75.00% of entire registered share capital amounting to Baht 15.00 million. The Company has paid up in full according to its 100% shareholding.

SuperIdea Company Limited (Formerly named "PET Siam Company Limited")

On 20 March 2012, the Company registered to incorporate a subsidiary, PET Siam Company Limited, which is engaged in the manufacture of blown beverage packaging and/or other packaging, with a registered share capital of Baht 25.00 million. The Company had a 100% shareholding in the subsidiary. The subsidiary called for 25.00% paid-up share capital amounting to Baht 6.25 million. The Company has paid the called for paid-up share capital on 30 March 2012.

On 7 June 2013, the Extraordinary Shareholders' meeting of PET Siam Company Limited approved the change of the company's name to SuperIdea Company Limited. The change was registered with the Ministry of Commerce on 19 June 2013.

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

11.3 Significant events (Cont'd)

a) Investment in subsidiaries (Cont'd)

Srithai Superware India Limited

During the year 2012, the Company had registered for increasing the Company's shareholding in a subsidiary. This is due to the other two shareholders having no intention for further investment in additional call for paid-up shares according to their 30.00% shareholding. As a result, the Company having equity interest in the subsidiary increased from 70.00% to 82.35% of the paid-up capital of the subsidiary.

b) Impairment of investments in a subsidiary and an associate

Srithai (Vietnam) Company Limited

In the 2nd quarter of 2013, the Company's management had considered and determined to reverse the provision for impairment of investment in a subsidiary, Srithai (Vietnam) Company Limited, recorded in the Company's financial statements at Baht 48.20 million. The reversed amount is presented under reversal on impairment of investment in subsidiary in the statement of comprehensive income.

The management determined that the forecast of performance and its expectations of market development and adjustment of the business's direction would result in betterment of the financial position and business's operation of the subsidiary. Furthermore, the cash flow projection has been prepared based on the most recent financial budgets approved by management and discounted over the business license period of the subsidiary by the Company's weighted average cost of capital at 14.06%.

Beijing Huatai Replica of Porcelain Products Co., Ltd.

In 2012, according to a review of an impairment provision in respect of an investment in Beijing Huatai Replica of Porcelain Products Company Limited, an associate, management concluded that it was appropriate to set up an impairment provision in the Company financial statement at the amount of Baht 10.00 million due to its declining performance and increasing in cumulative deficits.

In the 2nd quarter of 2013, the Company's management had considered and determined to set up additional provision for impairment of investment in an associate, Beijing Huatai Replica of Porcelain Products Company Limited, of Baht 12.04 million and Baht 15.87 million which equals to the net book value of investment in the associate in the consolidated and company financial statements, respectively. The management made its determination based on the associate declining performance and increasing in cumulative deficits, furthermore the associate had already shutdown its business operation. At the Board of Directors' Meeting of an associate on 25 May 2013, a resolution was passed to process the company's liquidation according to the law. The provision is presented under loss on impairment of investment in associate in the statement of comprehensive income.

Sheewamala Company Limited

In 2012, following a review of an impairment provision previously booked in respect of an investment in Sheewamala Company Limited, an associate, management concluded that it was appropriate to reverse this provision in the Company financial statement, at the amount of Baht 5.80 million due to an expansion of the associate's business and betterment of the operation performance during the pass years. The provision is presented under reversal (loss) on impairment of investment in associate in the statement of comprehensive income.

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

11.3 Significant events (Cont'd)

c) Associate's liquidation

Srithai WBG Company Limited

During the year 2012, the Central Bankruptcy Court finalised its investigation and judged an associate, Srithai WBG Company Limited, to be insolvent with effect from 8 June 2011. Therefore in 2012, the Company had written-off investments in associate amounting to Baht 3.76 million, and short-term loans and accrued interest income amounting to Baht 1.04 million for which impairment was already reserved in full.

d) Dividend payment of subsidiaries

Srithai Moulds Company Limited

At the Annual General Shareholders' Meeting of Srithai Moulds Company Limited on 26 March 2013, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2012 at Baht 10.00 per share, totalling Baht 10.00 million. The Company received a dividend of Baht 7.10 million according to its 71.00% shareholding.

Korat Thai Tech Company Limited

At the Annual General Shareholders' Meeting of Korat Thai Tech Company Limited on 5 April 2013, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2012 of Baht 10.00 per share, totalling Baht 30.00 million. The Company received a dividend of Baht 30.00 million according to its 100.00% shareholding.

Srithai Miyagawa Company Limited

At the Annual General Shareholders' Meeting of Srithai Miyagawa Company Limited on 22 April 2013, the meeting has approved a dividend in respect of the subsidiary's net profit for the year 2012 at Baht 25.00 per share, totalling Baht 30.00 million. The Company received a dividend of Baht 15.30 million according to its 51.00% shareholding.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

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

11.4 Subsidiaries, associates and joint venture as at 31 December comprise the following:

Nature of business	Country of incorporation	Nature of relationship	Paid-up capital	Percentage of shareholding		Company (Unit : Baht)						
				31 December 2013	31 December 2012	Cost method 31 December 2013			Cost method 31 December 2012			
						Cost	Allowance for impairment	Net book value	Cost	Allowance for impairment	Net book value	
Subsidiaries												
Local												
Korat Thai Tech Co., Ltd.	Manufacture of melamine	Thailand	Shareholder	30,000,000	100.0	100.0	29,999,970	-	29,999,970	29,999,970	-	29,999,970
P.E.T. Blow Co., Ltd.	Manufacture of plastic	Thailand	Shareholder	20,000,000	100.0	100.0	19,999,970	-	19,999,970	19,999,970	-	19,999,970
SuperIdea Co., Ltd. (formerly "PET Siam Co., Ltd.)	Manufacture of plastic	Thailand	Shareholder	6,250,000	100.0	100.0	6,249,993	-	6,249,993	6,249,993	-	6,249,993
Srithai Nanoplast Co., Ltd.	Manufacture of plastic	Thailand	Shareholder	40,000,000	100.0	70.0	40,755,980	-	40,755,980	27,999,980	-	27,999,980
Srithai Moulds Co., Ltd.	Manufacture of moulds	Thailand	Shareholder	100,000,000	71.0	71.0	82,000,000	-	82,000,000	82,000,000	-	82,000,000
Srithai Miyagawa Co., Ltd.	Manufacture of moulds and plastic	Thailand	Shareholder	120,000,000	51.0	51.0	61,200,000	-	61,200,000	61,200,000	-	61,200,000
							240,205,913	-	240,205,913	227,449,913	-	227,449,913
Foreign												
Srithai (Vietnam) Co., Ltd.	Manufacture of plastic and melamine	Vietnam	Shareholder	277,877 Million Dong	100.0	100.0	433,745,712	-	433,745,712	252,374,112	(48,200,000)	204,174,112
Srithai Superware Manufacturing Pvt. Ltd.	Manufacture of melamine	India	Shareholder	110.10 Million Rupee	100.0	-	62,758,000	-	62,758,000	-	-	-
Srithai Superware India Ltd.	Trading of melamine	India	Shareholder	42.50 Million Rupee	82.4	82.4	25,090,500	-	25,090,500	25,090,500	-	25,090,500
							521,594,212	-	521,594,212	277,464,612	(48,200,000)	229,264,612
Total investments in subsidiaries							761,800,125	-	761,800,125	504,914,525	(48,200,000)	456,714,525

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

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

11.4 Subsidiaries, associates and joint venture as at 31 December comprise the following: (Cont'd)

Nature of business	Country of incorporation	Nature of relationship	Paid up capital	Percentage of shareholding		Consolidated (Unit : Baht)		Company (Unit : Baht)					
				31 December 2013	31 December 2012	Equity method		Cost method 31 December 2013			Cost method 31 December 2012		
						31 December 2013	31 December 2012	Cost	Allowance for impairment	Net book value	Cost	Allowance for impairment	Net book value
Associates													
Local													
Srithai Sanko Co., Ltd.	Thailand	Shareholder	20,000,000	48.0	48.0	20,108,808	17,752,059	9,599,400	-	9,599,400	9,599,400	-	9,599,400
Thai MFC Co., Ltd.	Thailand	Shareholder	200,000,000	45.0	45.0	193,820,814	181,863,001	90,000,000	-	90,000,000	90,000,000	-	90,000,000
S.K.I. Ceramics Co., Ltd.*	Thailand	Shareholder	125,000,000	42.0	42.0	-	-	52,500,000	(52,500,000)	-	52,500,000	(52,500,000)	-
Sheewamala Co., Ltd.	Thailand	Shareholder	49,800,000	40.0	40.0	22,658,587	18,603,305	19,920,000	-	19,920,000	19,920,000	-	19,920,000
Srithai Packaging Co., Ltd.	Thailand	Shareholder	60,000,000	39.2	39.2	39,242,071	43,243,601	27,156,000	-	27,156,000	27,156,000	-	27,156,000
Soko Srithai Co., Ltd.*	Thailand	Shareholder	250,000,000	24.0	24.0	-	-	48,384,880	(48,384,880)	-	48,384,880	(48,384,880)	-
						<u>275,830,280</u>	<u>261,461,966</u>	<u>247,560,280</u>	<u>(100,884,880)</u>	<u>146,675,400</u>	<u>247,560,280</u>	<u>(100,884,880)</u>	<u>146,675,400</u>
Foreign													
Beijing Huatai Replica of Porcelain Products Co., Ltd.*	China	Shareholder	10.6 Million Yuan	40.0	40.0	-	15,363,338	25,864,865	(25,864,865)	-	25,864,865	(10,000,000)	15,864,865
PT. Srithai Maspion Indonesia	Indonesia	Shareholder	10,394.1 Million. Rupiah	32.5	32.5	12,342,009	16,866,427	37,437,858	-	37,437,858	37,437,858	-	37,437,858
						<u>12,342,009</u>	<u>32,229,765</u>	<u>63,302,723</u>	<u>(25,864,865)</u>	<u>37,437,858</u>	<u>63,302,723</u>	<u>(10,000,000)</u>	<u>53,302,723</u>
Total investments in associates						<u>288,172,289</u>	<u>293,691,731</u>	<u>310,863,003</u>	<u>(126,749,745)</u>	<u>184,113,258</u>	<u>310,863,003</u>	<u>(110,884,880)</u>	<u>199,978,123</u>
Joint venture													
Local													
Srithai-Otto (Thailand) Co., Ltd.	Thailand	Shareholder	10,000,000	50.0	50.0	14,313,342	11,406,239	4,999,800	-	4,999,800	4,999,800	-	4,999,800
Total investments in joint venture						<u>14,313,342</u>	<u>11,406,239</u>	<u>4,999,800</u>	<u>-</u>	<u>4,999,800</u>	<u>4,999,800</u>	<u>-</u>	<u>4,999,800</u>
Total investments in associates and joint venture						<u>302,485,631</u>	<u>305,097,970</u>	<u>315,862,803</u>	<u>(126,749,745)</u>	<u>189,113,058</u>	<u>315,862,803</u>	<u>(110,884,880)</u>	<u>204,977,923</u>

* Associates were dissolved and have been under the process of liquidation. As at 31 December 2013, the Group has not recognised share of accumulated losses in associates which exceed the Group's interest totaling of Baht 7.37 million (2012 : Baht 7.37 million).

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

12 Other long-term investments, net

12.1 Other long-term investments as at 31 December comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
<u>Listed company</u> (Available-for-sale investments)				
Union Plastic Public Company Limited	39,980,000	39,980,000	39,980,000	39,980,000
<u>Add</u> Fair value reserves on available-for-sale investments	53,620,000	53,620,000	53,620,000	53,620,000
	<u>93,600,000</u>	<u>93,600,000</u>	<u>93,600,000</u>	<u>93,600,000</u>
<u>Non-listed companies</u>				
LN Srithai Comm Co., Ltd.	73,546,384	73,546,384	15,200,000	15,200,000
Nissen Chemitec (Thailand) Co., Ltd.	17,000,000	17,000,000	17,000,000	17,000,000
D M S Tech Co., Ltd.	11,000,000	11,000,000	-	-
Lock&Lock (Thailand) Co., Ltd.	5,169,970	5,169,970	8,669,970	8,669,970
Others (less than 5% holding)	9,300,000	9,300,000	9,300,000	9,300,000
	<u>116,016,354</u>	<u>116,016,354</u>	<u>50,169,970</u>	<u>50,169,970</u>
<u>Less</u> Allowance for impairment loss of investments	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
	<u>113,016,354</u>	<u>113,016,354</u>	<u>47,169,970</u>	<u>47,169,970</u>
Total other long-term investments, net	<u>206,616,354</u>	<u>206,616,354</u>	<u>140,769,970</u>	<u>140,769,970</u>

12.2 The movements in book value of other long-term investments for the years ended 31 December comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Opening net book amount	206,616,354	174,216,354	140,769,970	108,369,970
Fair value reserves on available-for-sale investments increase during the year	-	32,400,000	-	32,400,000
Closing net book amount	<u>206,616,354</u>	<u>206,616,354</u>	<u>140,769,970</u>	<u>140,769,970</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

13 Investment property, net

The movements of investment property for the year ended 31 December comprise the following:

	Consolidated		
	Land Baht	Land and building Baht	Total Baht
As at 1 January 2012			
Cost	27,250,000	177,928,490	205,178,490
<u>Less</u> Accumulated depreciation	-	(57,707,208)	(57,707,208)
Net book value	<u>27,250,000</u>	<u>120,221,282</u>	<u>147,471,282</u>
For the year ended 31 December 2012			
Opening net book value	27,250,000	120,221,282	147,471,282
Depreciation charge (Note 30)	-	(6,346,084)	(6,346,084)
Closing net book value	<u>27,250,000</u>	<u>113,875,198</u>	<u>141,125,198</u>
As at 31 December 2012			
Cost	27,250,000	177,928,490	205,178,490
<u>Less</u> Accumulated depreciation	-	(64,053,292)	(64,053,292)
Net book value	<u>27,250,000</u>	<u>113,875,198</u>	<u>141,125,198</u>
For the year ended 31 December 2013			
Opening net book value	27,250,000	113,875,198	141,125,198
Depreciation charge (Note 30)	-	(6,346,084)	(6,346,084)
Closing net book value	<u>27,250,000</u>	<u>107,529,114</u>	<u>134,779,114</u>
As at 31 December 2013			
Cost	27,250,000	177,928,490	205,178,490
<u>Less</u> Accumulated depreciation	-	(70,399,376)	(70,399,376)
Net book value	<u>27,250,000</u>	<u>107,529,114</u>	<u>134,779,114</u>
Fair value as at 31 December 2012	363,180,000	500,063,250	863,243,250
Fair value as at 31 December 2013	363,180,000	500,063,250	863,243,250

As at 31 December 2012 investment property of a subsidiary which stated in the consolidated financial statement at cost of Baht 10.45 million has been pledged as a security for borrowings. The subsidiary has already released these collateral assets during the year 2013.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

13 Investment property, net (Cont'd)

The movements of investment property for the year ended 31 December comprise the following: (Cont'd)

	Company		
	Land Baht	Land and building Baht	Total Baht
As at 1 January 2012			
Cost	201,543,000	359,529,898	561,072,898
<u>Less</u> Accumulated depreciation	-	(50,527,094)	(50,527,094)
Net book value	<u>201,543,000</u>	<u>309,002,804</u>	<u>510,545,804</u>
For the year ended 31 December 2012			
Opening net book value	201,543,000	309,002,804	510,545,804
Depreciation charge (Note 30)	-	(5,665,678)	(5,665,678)
Closing net book value	<u>201,543,000</u>	<u>303,337,126</u>	<u>504,880,126</u>
As at 31 December 2012			
Cost	201,543,000	359,529,898	561,072,898
<u>Less</u> Accumulated depreciation	-	(56,192,772)	(56,192,772)
Net book value	<u>201,543,000</u>	<u>303,337,126</u>	<u>504,880,126</u>
For the year ended 31 December 2013			
Opening net book value	201,543,000	303,337,126	504,880,126
Depreciation charge (Note 30)	-	(5,665,679)	(5,665,679)
Closing net book value	<u>201,543,000</u>	<u>297,671,447</u>	<u>499,214,447</u>
As at 31 December 2013			
Cost	201,543,000	359,529,898	561,072,898
<u>Less</u> Accumulated depreciation	-	(61,858,451)	(61,858,451)
Net book value	<u>201,543,000</u>	<u>297,671,447</u>	<u>499,214,447</u>
Fair value as at 31 December 2012	363,180,000	486,520,000	849,700,000
Fair value as at 31 December 2013	363,180,000	486,520,000	849,700,000

The fair value of the Group's investment property is determined by independent professionally qualified valuers who hold a recognised relevant professional qualification and have experience in the locations and categories of the investment properties valued.

Amounts recognised in profit and loss that are related to investment property are as follows:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Rental income	6,846,159	7,225,642	6,377,150	6,756,633

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

14 Property, plant and equipment, net

The movements of property, plant and equipment for the years ended 31 December comprise the following:

	Consolidated							Total Baht
	Land and buildings Baht	Land improvement Baht	Building improvement Baht	Machinery and equipment Baht	Furniture and office equipment Baht	Motor vehicles Baht	Work under installation Baht	
As at 1 January 2012								
Cost	1,095,689,170	16,108,913	358,866,029	4,510,669,443	288,544,044	155,148,130	242,526,321	6,667,552,050
<u>Less</u> Accumulated depreciation	(286,391,459)	(15,983,490)	(251,665,481)	(1,620,174,868)	(206,285,205)	(123,349,139)	-	(2,503,849,642)
Provision for impairment	-	-	-	(4,985,178)	-	-	(40,000)	(5,025,178)
Net book value	<u>809,297,711</u>	<u>125,423</u>	<u>107,200,548</u>	<u>2,885,509,397</u>	<u>82,258,839</u>	<u>31,798,991</u>	<u>242,486,321</u>	<u>4,158,677,230</u>
For the year ended 31 December 2012								
Opening net book value	809,297,711	125,423	107,200,548	2,885,509,397	82,258,839	31,798,991	242,486,321	4,158,677,230
Additions	56,896,410	600,000	14,716,397	442,787,912	18,326,282	5,095,213	678,387,595	1,216,809,809
Depreciation charge (Note 30)	(39,211,535)	(42,020)	(35,001,628)	(390,144,934)	(23,828,811)	(9,243,520)	-	(497,472,448)
Disposals- cost	(323,085)	-	(58,692)	(49,023,444)	(7,624,955)	(37,186,683)	-	(94,216,859)
- accumulated depreciation	323,084	-	54,252	19,502,084	7,516,200	34,368,689	-	61,764,309
- reversal of impairment	-	-	-	1,285,178	-	-	-	1,285,178
Assets written off - cost	-	-	(5,532,576)	(17,159,053)	(6,106,196)	-	-	(28,797,825)
- accumulated depreciation	-	-	5,482,515	11,718,591	6,024,062	-	-	23,225,168
Reclassification - cost	-	-	-	1,976,801	-	-	-	1,976,801
- accumulated depreciation	-	-	-	(354,270)	-	-	-	(354,270)
Transfer within account	47,954,873	-	3,956,716	524,691,613	5,830	-	(576,609,032)	-
Foreign exchange rate adjustment	-	-	-	-	(4,581)	(2,842)	-	(7,423)
Closing net book value	<u>874,937,458</u>	<u>683,403</u>	<u>90,817,532</u>	<u>3,430,789,875</u>	<u>76,566,670</u>	<u>24,829,848</u>	<u>344,264,884</u>	<u>4,842,889,670</u>
As at 31 December 2012								
Cost	1,200,217,368	16,708,913	371,947,874	5,413,943,272	292,934,250	123,026,711	344,304,884	7,763,083,272
<u>Less</u> Accumulated depreciation	(325,279,910)	(16,025,510)	(281,130,342)	(1,979,453,397)	(216,367,580)	(98,196,863)	-	(2,916,453,602)
Provision for impairment	-	-	-	(3,700,000)	-	-	(40,000)	(3,740,000)
Net book value	<u>874,937,458</u>	<u>683,403</u>	<u>90,817,532</u>	<u>3,430,789,875</u>	<u>76,566,670</u>	<u>24,829,848</u>	<u>344,264,884</u>	<u>4,842,889,670</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

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

The movements of property, plant and equipment for the years ended 31 December comprise the following: (Cont'd)

	Consolidated							Total Baht
	Land and buildings Baht	Land improvements Baht	Building improvements Baht	Machinery and equipment Baht	Furniture and office equipment Baht	Motor vehicles Baht	Work under installation Baht	
For the year ended 31 December 2013								
Opening net book value	874,937,458	683,403	90,817,532	3,430,789,875	76,566,670	24,829,848	344,264,884	4,842,889,670
Additions	10,043,580	475,000	16,472,966	238,910,728	16,539,393	14,984,579	742,909,688	1,040,335,934
Depreciation charge (Note 30)	(42,860,101)	(223,270)	(33,526,659)	(467,613,904)	(24,622,394)	(7,139,345)	-	(575,985,673)
Disposals - cost	-	-	(2,688,700)	(26,892,053)	(3,849,262)	(19,189,198)	-	(52,619,213)
- accumulated depreciation	-	-	2,228,177	19,236,175	3,727,928	19,001,182	-	44,193,462
Assets written off - cost	-	-	-	(10,218,567)	(165,885)	-	-	(10,384,452)
- accumulated depreciation	-	-	-	9,376,963	82,471	-	-	9,459,434
Reclassification - cost	(157,500)	-	-	(3,358,500)	(468,000)	-	-	(3,984,000)
- accumulated depreciation	93,000	-	-	1,518,000	286,500	-	-	1,897,500
Transfer within account	6,484,500	-	4,254,176	555,127,290	-	-	(565,865,966)	-
Foreign exchange rate adjustment	-	-	-	-	(52,857)	(15,960)	-	(68,817)
Closing net book value	<u>848,540,937</u>	<u>935,133</u>	<u>77,557,492</u>	<u>3,746,876,007</u>	<u>68,044,564</u>	<u>32,471,106</u>	<u>521,308,606</u>	<u>5,295,733,845</u>
As at 31 December 2013								
Cost	1,216,587,948	17,183,913	389,986,316	6,167,512,170	304,881,471	118,775,672	521,348,606	8,736,276,096
<u>Less</u> Accumulated depreciation	(368,047,011)	(16,248,780)	(312,428,824)	(2,416,936,163)	(236,836,907)	(86,304,566)	-	(3,436,802,251)
Provision for impairment	-	-	-	(3,700,000)	-	-	(40,000)	(3,740,000)
Net book value	<u>848,540,937</u>	<u>935,133</u>	<u>77,557,492</u>	<u>3,746,876,007</u>	<u>68,044,564</u>	<u>32,471,106</u>	<u>521,308,606</u>	<u>5,295,733,845</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

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

The movements of property, plant and equipment for the years ended 31 December comprise the following: (Cont'd)

	Company							Total Baht
	Land and buildings Baht	Land improvements Baht	Building improvements Baht	Machinery and equipment Baht	Furniture and office equipment Baht	Motor vehicles Baht	Work under installation Baht	
As at 1 January 2012								
Cost	1,023,749,148	16,108,913	337,375,207	3,975,700,106	215,490,620	135,108,955	232,603,958	5,936,136,907
<u>Less</u> Accumulated depreciation	(223,064,556)	(15,983,490)	(240,505,064)	(1,437,354,835)	(166,511,178)	(109,979,028)	-	(2,193,398,151)
Provision for impairment	-	-	-	(3,700,000)	-	-	-	(3,700,000)
Net book value	<u>800,684,592</u>	<u>125,423</u>	<u>96,870,143</u>	<u>2,534,645,271</u>	<u>48,979,442</u>	<u>25,129,927</u>	<u>232,603,958</u>	<u>3,739,038,756</u>
For the year ended 31 December 2012								
Opening net book value	800,684,592	125,423	96,870,143	2,534,645,271	48,979,442	25,129,927	232,603,958	3,739,038,756
Additions	6,728,000	600,000	12,683,320	380,543,856	12,904,881	2,553,400	288,466,296	704,479,753
Depreciation charge (Note 30)	(27,141,007)	(42,020)	(31,896,841)	(341,431,557)	(13,510,360)	(6,725,463)	-	(420,747,248)
Disposals - cost	-	-	(58,692)	(194,431,402)	(8,542,878)	(35,792,188)	-	(238,825,160)
- accumulated depreciation	-	-	54,252	46,943,994	7,541,787	33,006,707	-	87,546,740
Assets written off - cost	-	-	(248,453)	(16,167,523)	(1,434,223)	-	-	(17,850,199)
- accumulated depreciation	-	-	198,392	10,886,061	1,370,316	-	-	12,454,769
Reclassification - cost	-	-	-	2,471,801	-	-	-	2,471,801
- accumulated depreciation	-	-	-	(370,770)	-	-	-	(370,770)
Transfer within account	39,322,373	-	3,945,725	389,823,144	-	-	(433,091,242)	-
Closing net book value	<u>819,593,958</u>	<u>683,403</u>	<u>81,547,846</u>	<u>2,812,912,875</u>	<u>47,308,965</u>	<u>18,172,383</u>	<u>87,979,012</u>	<u>3,868,198,442</u>
As at 31 December 2012								
Cost	1,069,799,521	16,708,913	353,697,107	4,537,939,983	218,418,399	101,870,167	87,979,012	6,386,413,102
<u>Less</u> Accumulated depreciation	(250,205,563)	(16,025,510)	(272,149,261)	(1,721,327,108)	(171,109,434)	(83,697,784)	-	(2,514,514,660)
Provision for impairment	-	-	-	(3,700,000)	-	-	-	(3,700,000)
Net book value	<u>819,593,958</u>	<u>683,403</u>	<u>81,547,846</u>	<u>2,812,912,875</u>	<u>47,308,965</u>	<u>18,172,383</u>	<u>87,979,012</u>	<u>3,868,198,442</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

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

The movements of property, plant and equipment for the years ended 31 December comprise the following: (Cont'd)

	Company							Total Baht
	Land and buildings Baht	Land improvements Baht	Building improvements Baht	Machinery and equipment Baht	Furniture and office equipment Baht	Motor vehicles Baht	Work under installation Baht	
For the year ended 31 December 2013								
Opening net book value	819,593,958	683,403	81,547,846	2,812,912,875	47,308,965	18,172,383	87,979,012	3,868,198,442
Additions	7,253,580	475,000	10,072,966	173,232,932	10,791,860	10,906,000	582,676,822	795,409,160
Depreciation charge (Note 30)	(27,199,762)	(223,270)	(30,045,090)	(381,796,179)	(13,528,564)	(4,692,413)	-	(457,485,278)
Disposals - cost	-	-	(2,038,700)	(51,813,634)	(3,849,263)	(17,955,198)	-	(75,656,795)
- accumulated depreciation	-	-	2,038,698	23,715,895	3,727,928	17,767,182	-	47,249,703
Assets written off - cost	-	-	-	(10,208,567)	(165,885)	-	-	(10,374,452)
- accumulated depreciation	-	-	-	9,375,549	82,472	-	-	9,458,021
Transfer within account	-	-	4,254,176	283,052,886	-	-	(287,307,062)	-
Closing net book value	<u>799,647,776</u>	<u>935,133</u>	<u>65,829,896</u>	<u>2,858,471,757</u>	<u>44,367,513</u>	<u>24,197,954</u>	<u>383,348,772</u>	<u>4,176,798,801</u>
As at 31 December 2013								
Cost	1,077,053,101	17,183,913	365,985,549	4,932,203,600	225,195,111	94,820,969	383,348,772	7,095,791,015
<u>Less</u> Accumulated depreciation	(277,405,325)	(16,248,780)	(300,155,653)	(2,070,031,843)	(180,827,598)	(70,623,015)	-	(2,915,292,214)
Provision for impairment	-	-	-	(3,700,000)	-	-	-	(3,700,000)
Net book value	<u>799,647,776</u>	<u>935,133</u>	<u>65,829,896</u>	<u>2,858,471,757</u>	<u>44,367,513</u>	<u>24,197,954</u>	<u>383,348,772</u>	<u>4,176,798,801</u>

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

Addition in the consolidated financial statements includes assets leased under finance leases where the Group is the lessee of Baht 3.08 million (2012: Baht 1.38 million).

Commitments

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

	Consolidated		Company	
	Cost 2013 Million Baht	Cost 2012 Million Baht	Cost 2013 Million Baht	Cost 2012 Million Baht
Srithai Superware Public Company Limited				
- Land and buildings	-	619.0	-	619.0
Subsidiaries:				
Srithai Moulds Company Limited				
- Land, buildings and machinery	26.2	38.5	-	-
Srithai Miyagawa Company Limited				
- Land and machinery	226.8	166.3	-	-
Srithai Nanoplast Company Limited				
- Land and machinery	19.1	19.1	-	-

During the year, the Company has already released a mortgage of land and building which are collateral for overdrafts, long-term loans, and working capital facilities from 2 local banks.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

15 Intangible assets, net

Intangible assets as at 31 December comprise the following:

	Consolidated			Total Baht
	Software copyright and operational computer software Baht	Work under installation- computer software Baht	Production technique patents Baht	
As at 1 January 2012				
Cost	124,467,331	321,600	39,289,855	164,078,786
<u>Less</u> Accumulated amortisation	(87,277,762)	-	(12,317,618)	(99,595,380)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	<u>36,824,766</u>	<u>321,600</u>	<u>26,972,237</u>	<u>64,118,603</u>
For the year ended 31 December 2012				
Opening net book value	36,824,766	321,600	26,972,237	64,118,603
Additions	9,733,654	412,560	-	10,146,214
Amortisation charge	(10,189,628)	-	(4,048,985)	(14,238,613)
Transfer within account	332,160	(332,160)	-	-
Assets written off - cost	(4,635,527)	-	-	(4,635,527)
- accumulated amortisation	4,635,527	-	-	4,635,527
Reclassification - cost	(2,471,801)	-	-	(2,471,801)
- accumulated amortisation	370,770	-	-	370,770
Foreign exchange rate adjustment	5,847	-	-	5,847
Closing net book value	<u>34,605,768</u>	<u>402,000</u>	<u>22,923,252</u>	<u>57,931,020</u>
As at 31 December 2012				
Cost	127,413,130	402,000	39,289,855	167,104,985
<u>Less</u> Accumulated amortisation	(92,442,559)	-	(16,366,603)	(108,809,162)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	<u>34,605,768</u>	<u>402,000</u>	<u>22,923,252</u>	<u>57,931,020</u>
For the year ended 31 December 2013				
Opening net book value	34,605,768	402,000	22,923,252	57,931,020
Additions	4,560,622	2,350,050	-	6,910,672
Amortisation charge	(11,392,018)	-	(4,048,986)	(15,441,004)
Transfer within account	1,367,500	(1,367,500)	-	-
Assets written off - cost	(24,252)	-	-	(24,252)
- accumulated amortisation	15,349	-	-	15,349
Foreign exchange rate adjustment	(8,426)	-	-	(8,426)
Closing net book value	<u>29,124,543</u>	<u>1,384,550</u>	<u>18,874,266</u>	<u>49,383,359</u>
As at 31 December 2013				
Cost	133,317,000	1,384,550	39,289,855	173,991,405
<u>Less</u> Accumulated amortisation	(103,827,654)	-	(20,415,589)	(124,243,243)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	<u>29,124,543</u>	<u>1,384,550</u>	<u>18,874,266</u>	<u>49,383,359</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

15 Intangible assets, net (Cont'd)

Intangible assets as at 31 December comprise the following: (Cont'd)

	Company			Total Baht
	Software copyright and operational computer software Baht	Work under installation- computer software Baht	Production technique patents Baht	
As at 1 January 2012				
Cost	101,080,643	321,600	39,289,855	140,692,098
<u>Less</u> Accumulated amortisation	(69,201,220)	-	(12,317,618)	(81,518,838)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	<u>31,514,620</u>	<u>321,600</u>	<u>26,972,237</u>	<u>58,808,457</u>
For the year ended 31 December 2012				
Opening net book value	31,514,620	321,600	26,972,237	58,808,457
Additions	4,039,608	412,560	-	4,452,168
Amortisation charge	(8,254,289)	-	(4,048,985)	(12,303,274)
Transfer within account	332,160	(332,160)	-	-
Disposals - cost	(507,348)	-	-	(507,348)
- accumulated amortisation	215,623	-	-	215,623
Reclassification - cost	(2,471,801)	-	-	(2,471,801)
- accumulated amortisation	370,770	-	-	370,770
Closing net book value	<u>25,239,343</u>	<u>402,000</u>	<u>22,923,252</u>	<u>48,564,595</u>
As at 31 December 2012				
Cost	102,473,262	402,000	39,289,855	142,165,117
<u>Less</u> Accumulated amortisation	(76,869,116)	-	(16,366,603)	(93,235,719)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	<u>25,239,343</u>	<u>402,000</u>	<u>22,923,252</u>	<u>48,564,595</u>
For the year ended 31 December 2013				
Opening net book value	25,239,343	402,000	22,923,252	48,564,595
Additions	549,840	2,350,050	-	2,899,890
Amortisation charge	(8,301,071)	-	(4,048,986)	(12,350,057)
Transfer within account	1,367,500	(1,367,500)	-	-
Closing net book value	<u>18,855,612</u>	<u>1,384,550</u>	<u>18,874,266</u>	<u>39,114,428</u>
As at 31 December 2013				
Cost	104,390,602	1,384,550	39,289,855	145,065,007
<u>Less</u> Accumulated amortisation	(85,170,187)	-	(20,415,589)	(105,585,776)
Provision for impairment	(364,803)	-	-	(364,803)
Net book value	<u>18,855,612</u>	<u>1,384,550</u>	<u>18,874,266</u>	<u>39,114,428</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

16 Deferred income taxes

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15.00% to 33.99% (2012: 15.00% to 33.99%).

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income taxes as at 31 December comprise the following:

	Notes	Consolidated		Company	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Deferred tax assets	16.1	104,886,249	86,249,487	79,141,644	70,191,287
Deferred tax liabilities	16.2	(10,724,000)	(10,724,000)	(10,724,000)	(10,724,000)
Deferred income taxes, net		<u>94,162,249</u>	<u>75,525,487</u>	<u>68,417,644</u>	<u>59,467,287</u>

16.1 Deferred tax assets

The movements in the components of deferred income tax assets during the years is as follows:

	Consolidated						
	1 January 2012 Baht	Transaction recorded in Profit and Loss Baht	Transaction recorded directly to Equity Baht	31 December 2012 Baht	Transaction recorded in Profit and Loss Baht	Transaction recorded directly to Equity Baht	31 December 2013 Baht
Tax loss carry forward	4,356,898	3,584,569	-	7,941,467	3,402,812	-	11,344,279
Allowance for impairment of investments	17,900,310	2,276,667	-	20,176,977	5,172,973	-	25,349,950
Employee benefit obligations	49,908,574	3,719,821	3,933,000	57,561,395	(3,968,839)	8,518,033	62,110,589
Foreign exchange rate adjustment	(886,110)	-	(432,984)	(1,319,094)	-	(452,823)	(1,771,917)
Others	2,266,154	(377,412)	-	1,888,742	5,964,606	-	7,853,348
	<u>73,545,826</u>	<u>9,203,645</u>	<u>3,500,016</u>	<u>86,249,487</u>	<u>10,571,552</u>	<u>8,065,210</u>	<u>104,886,249</u>

	Company						
	1 January 2012 Baht	Transaction recorded in Profit and Loss Baht	Transaction recorded directly to Equity Baht	31 December 2012 Baht	Transaction recorded in Profit and Loss Baht	Transaction recorded directly to Equity Baht	31 December 2013 Baht
Allowance for impairment of investments	17,900,310	2,276,667	-	20,176,977	5,172,973	-	25,349,950
Employee benefit obligations	44,330,718	2,161,072	2,777,779	49,269,569	(4,831,871)	8,609,255	53,046,953
Others	1,138,534	(393,793)	-	744,741	-	-	744,741
	<u>63,369,562</u>	<u>4,043,946</u>	<u>2,777,779</u>	<u>70,191,287</u>	<u>341,102</u>	<u>8,609,225</u>	<u>79,141,644</u>

16.2 Deferred tax liabilities

The movements in the components of deferred tax liabilities during the years is as follows:

	Consolidated and Company				
	1 January 2012 Baht	Transaction recorded directly to Equity Baht	31 December 2012 Baht	Transaction recorded directly to Equity Baht	31 December 2013 Baht
Available - for - sale investments	-	10,724,000	10,724,000	-	10,724,000

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

16 Deferred income taxes (Cont'd)

16.3 Income tax expense

Income tax expense for the years ended 31 December comprises the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Current income tax expense	62,936,786	104,062,999	36,364,144	84,401,438
Deferred income tax				
- Deferred tax assets (Note 16.1)	(10,571,552)	(9,203,645)	(341,102)	(4,043,946)
- Deferred tax liabilities (Note 16.2)	-	-	-	-
	<u>52,365,234</u>	<u>94,859,354</u>	<u>36,023,042</u>	<u>80,357,492</u>

A reconciliation between current income tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Profit before tax	571,319,029	672,221,258	459,785,530	539,728,124
Tax rate	20%	23%	20%	23%
The result of the accounting profit multiplied by the income tax rate	114,263,806	154,610,889	91,957,106	124,137,469
Effect of exempted income and extra deduction expenses	(8,382,728)	(8,327,663)	(25,824,423)	(14,829,669)
Effect from (income)/expenses not deductible for tax purpose	(3,638,471)	3,651,278	(8,611,388)	2,662,695
Profit exempt from corporate income tax due to promotional privilege from BOI	(40,903,779)	(44,593,819)	(21,498,253)	(31,613,003)
Share of net (profit)/loss from investments				
- equity method	(10,019,897)	(9,634,731)	-	-
Effect of different tax rates	1,046,303	(846,600)	-	-
Income tax	<u>52,365,234</u>	<u>94,859,354</u>	<u>36,023,042</u>	<u>80,357,492</u>

The Group's and the Company's weighted average applicable tax rate were 9.17% and 7.83%, respectively (2012 : 14.11% and 14.88%, respectively).

The allocation of taxable profit under BOI privileges between corporate income tax exemption and non corporate income tax exemption.

	Consolidated		Company	
	2013	2012	2013	2012
Corporate income tax exemption	33%	29%	37%	27%
Non corporate income tax exemption	67%	71%	63%	73%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

17 Leasehold right

Leasehold right represents leasehold right on land of Srithai Superware Manufacturing Private Limited, a subsidiary, for the period of 99 years. The subsidiary paid for the leasehold right of Rupee 97.69 million or equivalent to Baht 48.33 million.

18 Bank overdrafts and short-term loans

Bank overdrafts and short-term loans as at 31 December comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Bank overdrafts	449,663	1,791,459	-	-
Short-term loans from banks				
- Baht	823,000,000	790,000,000	820,000,000	790,000,000
- US Dollar	-	49,170,000	-	-
Total bank overdrafts and short-term loans	<u>823,449,663</u>	<u>840,961,459</u>	<u>820,000,000</u>	<u>790,000,000</u>

As at 31 December 2013, short-term loans in Thai Baht from local banks amounting to Baht 823.00 million (2012: Baht 790.00 million), represent promissory notes due at call with a period not exceeding 3 months, bearing fixed interest rate over loan period (2012: fixed interest rate over loan period).

As at 31 December 2012, short-term loans in US Dollars of an overseas subsidiary amounting to US Dollars 1.58 million (equivalent to Baht 49.17 million) represent short-term loans contracts with a period not exceeding 3 months, bearing interest at Cost of Fund plus margin of a bank in Vietnam and are secured by Srithai Superware Public Company Limited.

19 Long-term loans

Long-term loans as at 31 December comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
<u>Long-term loans</u>				
- Baht	2,614,105,939	2,024,974,966	2,400,840,818	1,764,311,045
- Vietnam Dong - Vietnam Dong 103,862 million (2012: Vietnam Dong 64,323 million)	166,179,200	96,484,500	-	-
- US dollars - US dollars 7.41 million (2012: US dollars 8.45 million)	250,006,400	263,548,500	-	-
Total long-term loans	<u>3,030,291,539</u>	<u>2,385,007,966</u>	<u>2,400,840,818</u>	<u>1,764,311,045</u>

Long-term loans are due for repayments as follows:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Current portion of long-term loans	<u>563,878,278</u>	<u>532,901,427</u>	<u>435,091,938</u>	<u>463,470,227</u>
Loans due later than 1 year and not later than 3 years	1,151,626,521	917,236,478	901,666,600	706,337,538
Loans due later than 3 years and not later than 5 years	868,462,940	618,388,561	676,017,280	386,798,280
Loans due later than 5 years	446,323,800	316,481,500	388,065,000	207,705,000
	<u>2,466,413,261</u>	<u>1,852,106,539</u>	<u>1,965,748,880</u>	<u>1,300,840,818</u>
Total long-term loans	<u>3,030,291,539</u>	<u>2,385,007,966</u>	<u>2,400,840,818</u>	<u>1,764,311,045</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

19 Long-term loans (Cont'd)

The movements of long-term loans for the years ended 31 December comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Opening balance	2,385,007,966	1,698,741,804	1,764,311,045	1,622,954,100
Additions	1,196,728,000	1,160,684,500	1,100,000,000	600,000,000
Repayment	(579,337,827)	(474,097,338)	(463,470,227)	(458,643,055)
Foreign exchange rate adjustment	27,893,400	(321,000)	-	-
Closing balance	<u>3,030,291,539</u>	<u>2,385,007,966</u>	<u>2,400,840,818</u>	<u>1,764,311,045</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

19 Long-term loans (Cont'd)

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

Contract No.	Consolidated Long-term loans as of		Company	Loan Purpose	Loan Limit	Interest rate and repayment terms	Guarantees and collaterals
	31 December 2013 (Million Baht)	31 December 2012 (Million Baht)					
1	3.7	35.6	Parent company Srithai Superware Public Company Limited	The energy preservation project	Baht 302.1 million (1 agreement comprising 9 loans)	Fixed interest rate over loan period, and at MLR of local banks. Repayment is due every three months from December 2007 to 2014.	a) the lenders will be nominated as the first beneficiary of the Company's all risk insurance.
2	2,397.2	1,616.2	Srithai Superware Public Company Limited	Investment in building improvement, machinery, moulds, and factory equipment	Baht 3,434.6 million (17 agreements comprising 18 loans)	5 loans bear fixed interest rate over loan period. 13 loans bear fixed interest rate, MLR less margin, Prime Rate less margin, THBFIX 3-month plus margin, FDR 6-month plus margin and BIBOR 3-month plus margin of local banks. Repayment is due every three months from June 2009 to 2020.	a) the Company will not enter into any encumbrance or commitment on its assets, currently owned or acquitted in the future, except for authorised commitments by the lenders. b) the lenders will be nominated as the first beneficiary of the Company's all risk insurance.
3	-	112.5	Srithai Superware Public Company Limited	Restoration of the Amata Nakorn Chonburi plant	Baht 300.0 million (1 agreement comprising 1 loan)	Fixed interest rate over loan period. Repayment is due every three months from December 2011 to 2013.	a) the Company will not enter into any encumbrance or commitment on its assets, currently owned or acquitted in the future, except for authorised commitments by the lenders. b) the lenders will be nominated as the first beneficiary of the Company's all risk insurance.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

19 Long-term loans (Cont'd)

19.1 The requirements and conditions for long-term loans comprise the following: (Cont'd)

Contract No.	Consolidated Long-term loans as of		Company	Loan Purpose	Loan Limit	Interest rate and repayment terms	Guarantees and collaterals
	31 December 2013 (Million Baht)	31 December 2012 (Million Baht)					
4	-	1.6	<u>Local subsidiaries</u> Srithai Moulds Company Limited	The energy preservation project	Baht 15.0 million	Fixed interest rate over loan period. Repayment is due every month and every three months from 2006 to 2013.	The subsidiary has mortgaged its current land and buildings, as well as those to be acquired in the future, and pledged its machinery and a condominium unit (as described in Notes 13 and 14).
5	182.7	175.1	Srithai Miyagawa Company Limited	The energy preservation project	Baht 231.3 million	Fixed interest rate MLR less margin. Repayment is due every month from July 2006 to 2017.	The subsidiary has mortgaged its land and machinery (as described in Note 14) and two land parcels and buildings including prospective construction on the land parcels being covenanted not to perform any legal act or any commitment with any person or juristic person during the loan period, except legal transactions in favour of the lending bank.
6	-	50.0	Korat Thai Tech Company Limited	Investment in machinery and factory equipment	Baht 50.0 million	Fixed interest rate and MLR less margin of local banks. Repayment is due every three months from December 2012 to 2019.	Guaranteed by Srithai Superware Public Company Limited.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

19 Long-term loans (Cont'd)

19.1 The requirements and conditions for long-term loans comprise the following: (Cont'd)

Contract No.	Consolidated Long-term loans as of		Company	Loan Purpose	Loan limit	Interest rate and repayment terms	Guarantees and collaterals
	31 December 2013 (Million Baht)	31 December 2012 (Million Baht)					
7	22.9	25.0	<u>Local subsidiaries</u> P.E.T. Blow Company Limited	Investment in machinery and factory equipment	Baht 25.0 million	Interest rate at MLR less margin of local bank. Repayment is due every three months from September 2013 to 2019.	Guaranteed by Srithai Superware Public Company Limited.
8	7.6	9.0	Sritahi Nanoplast Company Limited	Investment in machinery and factory equipment	Baht 9.0 million	Interest rate at MLR less margin of local bank Repayment is due every three months from February 2013 to 2019.	The subsidiary has mortgaged its land and machinery (as described in Note 14).
9	416.2 (Vietnam Dong 103,862 million and US Dollars 7.41 million)	360.0 (Vietnam Dong 64,323 million and US Dollars 8.45 million)	<u>Overseas subsidiary</u> Srithai (Vietnam) Company Limited	Investment in machinery and factory equipment	Equivalent to US dollars 8.78 million And Vietnam Dong 104,140 million (2012 : US dollars 9.03 million And Vietnam Dong 104,140 million)	Interest rate at Cost of Fund plus margin of a bank in Vietnam. Repayment will be due for a period of 7 years from the date of the first draw down with 1 year grace period for principal repayment.	Guaranteed by Srithai Superware Public Company Limited.
Total	3,030.3	2,385.0					

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

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

19 Long-term loans (Cont'd)

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

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Total borrowings:				
at fixed rates	885,983,739	311,025,752	867,859,818	282,371,831
at floating rates	2,144,307,800	2,073,982,214	1,532,981,000	1,481,939,214
	<u>3,030,291,539</u>	<u>2,385,007,966</u>	<u>2,400,840,818</u>	<u>1,764,311,045</u>

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

bank borrowings	3.58% to 13.00%	3.00% to 14.50%	3.58% to 6.38%	4.00% to 7.38%
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The carrying values and fair value of long-term loans are as follow:

	Consolidated		Company	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Long-term loans - carrying value	3,030.3	2,385.0	2,400.8	1,764.3
Long-term loans - fair value	2,835.0	2,298.2	2,250.7	1,689.9

The fair values of long-term loans are based on discounted cash flows using a discount rate from the borrowing market rates which are available to the Group and the Company at the statement of financial position date. The carrying amounts of short-term loans are shown at an approximate fair value.

19.3 Unutilised credit facilities

Unutilised credit facilities as at 31 December comprise the following:

	Consolidated					
	31 December 2013			31 December 2012		
	Overdraft Baht	Long-term loan facilities Baht	Working capital facilities Baht	Overdraft Baht	Long-term loan facilities Baht	Working capital facilities Baht
Floating rate						
- draw down within 1 year	-	54,470,000	-	-	105,740,167	-
- draw down with no timeframe limitation	221,550,337	-	283,766,400	191,407,629	-	197,652,485
Fixed rate						
- draw down with no timeframe limitation	-	-	4,308,879,961	-	-	2,039,487,184
	<u>221,550,337</u>	<u>54,470,000</u>	<u>4,592,646,361</u>	<u>191,407,629</u>	<u>105,740,167</u>	<u>2,237,139,669</u>
	Company					
	31 December 2013			31 December 2012		
	Overdraft Baht	Long-term loan facilities Baht	Working capital facilities Baht	Overdraft Baht	Long-term loan facilities Baht	Working capital facilities Baht
Floating rate						
- draw down with no timeframe limitation	175,000,000	-	-	145,000,000	-	-
Fixed rate						
- draw down with no timeframe limitation	-	-	4,248,879,961	-	-	1,979,487,184
	<u>175,000,000</u>	<u>-</u>	<u>4,248,879,961</u>	<u>145,000,000</u>	<u>-</u>	<u>1,979,487,184</u>

20 Other payables - third parties

Other payables as at 31 December comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Payable of long-term assets	126,352,439	84,338,408	77,112,937	64,776,392
Other payables	14,671,526	42,844,329	12,803,708	39,232,234
Advance receipt from customers	66,011,110	77,841,743	24,060,554	24,373,431
Accrued commission expenses	58,550,819	43,513,219	58,539,619	42,917,956
Accrued utility expenses	30,970,851	33,752,672	28,937,848	31,174,864
Accrued staff cost	19,464,059	22,184,444	16,288,322	16,211,569
Current portion of finance lease liabilities	1,014,856	2,405,755	-	-
Others	87,560,310	70,130,726	67,590,767	52,779,931
Total other payables - third parties	<u>404,595,970</u>	<u>377,011,296</u>	<u>285,333,755</u>	<u>271,466,377</u>

21 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise.

Fair values

Financial assets carried on the statement of financial position include cash and cash equivalents, short-term investments, trade accounts receivable, amounts due from related parties, short-term loans to related parties, and investments. Financial liabilities carried on the statement of financial position include short-term and long-term loans from banks and financial institutions, trade accounts payable, amounts due to related parties, and accrued expenses.

The accounting policies are disclosed in the individual policy statements associated with each items.

Objectives and significant terms and conditions

In order to manage the risks arising from fluctuations in currency exchange rates, the Company makes use of the following derivative financial instruments:

Forward foreign exchange contracts

Forward foreign exchange contracts have been entered into to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

The fair values of forward foreign exchange contracts have been calculated (using rates quoted by the Group's bankers) as if the contracts were terminated at the statement of financial position date. As at 31 December 2013 and 2012, the Group has no outstanding forward foreign exchange contracts.

22 Contingent liabilities and bank guarantee

22.1 Contingent liabilities

Contingent liabilities as at 31 December comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Guarantee of related parties' loans	876.24	681.87	872.24	681.87

22.2 Bank guarantee

As at 31 December, the Group's bankers had issued letters of guarantee on behalf of the Group as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
In respect of electricity usage	60.28	60.20	57.48	57.40
Other guarantee	3.16	0.13	2.32	0.01

23 Commitments

Commitments as at 31 December comprise the following:

23.1 Capital commitments

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Commitment for purchase of machinery, moulds and equipment	54.09	114.44	46.77	77.70
Commitment for installation of facilities system	10.53	-	10.53	-
Commitment for land and building improvements	51.10	6.99	-	3.88
Commitment for purchase of software program	2.36	5.31	1.06	0.56

23.2 Operating lease commitments

The Company and subsidiaries have entered into operating lease agreements for land, buildings, cars, computers, computer servers and computer network services. As at 31 December, the future minimum lease payments under non-cancellable operating leases comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Million Baht	Million Baht	Million Baht	Million Baht
Not later than 1 year	31.03	29.97	25.38	25.73
Later than 1 year and not later than 2 years	23.52	14.87	19.30	10.62
Later than 2 years and not later than 5 years	19.79	12.86	13.43	5.22
Later than 5 years	28.62	17.27	-	-
	<u>102.96</u>	<u>74.97</u>	<u>58.11</u>	<u>41.57</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

24 Employee benefit obligations

Employee benefit obligations as at 31 December comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Statement of financial position				
Post-employment benefits	204,874,532	150,836,764	172,381,635	122,416,918
Other long-term employment benefits	105,678,413	134,794,256	92,853,129	123,930,925
	<u>310,552,945</u>	<u>285,631,020</u>	<u>265,234,764</u>	<u>246,347,843</u>
(Profit) or loss				
Post-employment benefits	17,336,850	20,337,484	13,132,535	15,322,028
Other long-term employment benefits	14,288,347	10,629,504	10,827,406	8,374,803
Actuarial gain	(25,858,435)	-	(25,743,310)	-
Reduction in past service cost	(8,548,531)	-	(8,477,075)	-
	<u>(2,781,769)</u>	<u>30,966,988</u>	<u>(10,260,444)</u>	<u>23,696,831</u>

During the year 2013, there are 512 staff and 444 staff of the Group and the Company changed the benefit scheme from defined benefit plan to defined contribution plan. This result in reduction in past service cost of Baht 8.55 million and Baht 8.48 million, respectively.

The movement in the defined benefit obligations during the year is as follows:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Opening balance	285,631,020	249,542,875	246,347,843	221,653,598
Current service cost	19,811,870	20,225,085	14,235,676	14,289,871
Interest cost	11,813,327	10,741,903	9,724,264	9,406,960
Negative past service cost	(8,548,531)	-	(8,477,075)	-
Actuarial loss	16,731,732	19,665,002	17,302,967	13,888,896
Benefits paid	(14,886,473)	(14,543,845)	(13,898,911)	(12,891,482)
Closing balance	<u>310,552,945</u>	<u>285,631,020</u>	<u>265,234,764</u>	<u>246,347,843</u>

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2013	2012	2013	2012
Discount rates	3.97% - 4.79%	3.81% - 4.63%	3.97%-4.79%	3.81% - 4.53%
Future salary increase rates	3.00% - 7.52%	3.00% - 7.52%	3.00%-6.00%	3.00% - 6.00%
Staff turnover rates	0.00% - 81.00%	0.00% - 81.00%	3.00%-67.00%	3.00% - 81.00%

25 Share capital and premium on treasury shares

Share capital as at 31 December comprises the following:

	Number of shares	Ordinary shares Baht	Premium on treasury shares Baht	Total Baht
As at 31 December 2011	270,990,480	2,709,904,800	19,928,420	2,729,833,220
Issue of shares during the year	-	-	-	-
As at 31 December 2012	270,990,480	2,709,904,800	19,928,420	2,729,833,220
Issue of shares during the year	-	-	-	-
As at 31 December 2013	<u>270,990,480</u>	<u>2,709,904,800</u>	<u>19,928,420</u>	<u>2,729,833,220</u>

The Company's registered share capital as at 31 December 2013 comprises 270,990,480 ordinary shares (2012: 270,990,480 ordinary shares) of Baht 10 each (2012: Baht 10 each). All issued shares are fully paid-up.

26 Legal reserve

Legal reserve as at 31 December comprises the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Opening balance	160,000,000	136,000,000	160,000,000	136,000,000
Appropriation during the year	22,000,000	24,000,000	22,000,000	24,000,000
Closing balance	<u>182,000,000</u>	<u>160,000,000</u>	<u>182,000,000</u>	<u>160,000,000</u>

Under the Public Limited Companies Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is not distributable as dividends.

27 Other components of equity

Other components of equity as at 31 December comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Fair value reserves on available-for-sale investments				
- Short-term investments	11,069	9,024	-	-
- Other long-term investments	42,896,000	42,896,000	42,896,000	42,896,000
Total fair value reserves on available-for-sale investments	42,907,069	42,905,024	42,896,000	42,896,000
Translation adjustment for investment in overseas subsidiaries and associates	(115,846,847)	(67,715,587)	-	-
Total other components of equity	<u>(72,939,778)</u>	<u>(24,810,563)</u>	<u>42,896,000</u>	<u>42,896,000</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

27 Other components of equity (Cont'd)

The movements of fair value reserves on available-for-sale investments for the years ended 31 December comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Opening balance	42,905,024	21,226,898	42,896,000	21,220,000
Increase from fair value reserves				
- Short-term investments	2,045	2,126	-	-
- Other long-term investments, net tax	-	21,676,000	-	21,676,000
Closing balance	<u>42,907,069</u>	<u>42,905,024</u>	<u>42,896,000</u>	<u>42,896,000</u>

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

Sales and service income, and cost of sales and services for the years ended 31 December comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Sales	8,502,568,484	7,855,587,464	7,169,075,744	7,181,681,643
Service income	894,853,010	901,728,304	-	-
Total sales and service income	<u>9,397,421,494</u>	<u>8,757,315,768</u>	<u>7,169,075,744</u>	<u>7,181,681,643</u>
Cost of sales	6,832,847,088	6,113,474,611	5,800,143,207	5,619,848,453
Cost of services	723,435,601	728,999,894	-	-
Total cost of sales and services	<u>7,556,282,689</u>	<u>6,842,474,505</u>	<u>5,800,143,207</u>	<u>5,619,848,453</u>

29 Finance costs

Finance costs for the years ended 31 December comprise the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Interest expense from bank borrowings	165,594,624	133,466,918	123,607,480	115,613,477
Interest expense from finance leases	1,405,438	1,716,038	-	11,538
Total finance costs	<u>167,000,062</u>	<u>135,182,956</u>	<u>123,607,480</u>	<u>115,625,015</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

30 Expenses by nature

The following expenditures, classified by nature, have been charged in arriving at operating profit for the years ended 31 December.

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Staff costs	1,201,484,855	1,217,285,419	896,188,507	880,915,936
Depreciation (Notes 13,14)	582,331,757	503,818,532	463,150,957	426,412,926
Advertising and sales promotion	351,163,950	366,407,167	339,269,473	357,614,382
Repair and maintenance	156,389,637	148,445,567	138,827,710	131,960,664
Transportation	158,238,839	144,719,476	129,577,317	116,638,348
Operating lease rentals	72,902,386	55,246,775	36,146,842	34,045,780
Amortisation of assets	77,334,976	69,802,774	55,573,903	56,908,740
Assets written-off	2,691,186	16,075,405	2,675,752	15,898,071
Loss on impairment of investment in associate (reversal) (Note 11.1)	12,044,661	-	(32,335,135)	4,200,000
(Gain) loss on foreign exchange rate, net	(1,299,644)	5,014,788	(18,245,042)	4,888,076

31 Basic earnings per share

The Company presents basic earnings per share in the statement of comprehensive income which is computed by dividing the net profit by the weighted-average number of paid-up ordinary shares outstanding during the year.

	Consolidated		Company	
	2013	2012	2013	2012
Net profit attributable to equity holders of the parent (Baht)	486,968,088	541,881,902	423,762,488	459,370,632
Weighted average number of outstanding ordinary shares (Share)	270,990,480	270,990,480	270,990,480	270,990,480
Basic earnings per share (Baht)	1.80	2.00	1.56	1.70

There are no potential dilutive ordinary shares issued for the years ended 31 December 2013 and 2012.

32 Dividends

2013

At the Annual General Meeting of shareholders on 26 April 2013, the meeting has approved a dividend in respect of the Company's net profit for the year 2012 of Baht 1.10 per share totalling of Baht 298.08 million and the Company paid all dividends during the year ended 31 December 2013.

2012

At the Annual General Meeting of shareholders on 27 April 2012, the meeting has approved a dividend in respect of the Company's net profit for the year 2011 of Baht 0.75 per share totalling of Baht 203.24 million and the Company paid all dividends during the year ended 31 December 2012.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

33 Cash flows from operating activities and supplementary cash flows information

33.1 Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities comprises the following:

	Notes	Consolidated		Company	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Profit before income tax for the year		571,319,029	672,221,258	459,785,530	539,728,124
Adjustments to reconcile net profit to net cash provided by (paid for) operations:					
Depreciation	13, 14	582,331,757	503,818,532	463,150,957	426,412,926
Amortisation		61,893,972	55,564,161	43,223,846	44,605,465
Amortisation of intangible assets	15	15,441,004	14,238,613	12,350,057	12,303,274
Assets written off		2,691,186	6,435,151	2,675,752	6,257,817
Assets written off from storm incident		-	9,640,254	-	9,640,254
Allowance for doubtful accounts		300,503	-	-	-
Allowance for inventory obsolescence and for net realisable value (reversal)	10	(3,089,628)	(3,826,294)	(2,000,000)	(5,000,000)
Loss on impairment in value of investments in subsidiary and associates (reversal)	11.3	12,044,661	-	(32,335,135)	4,200,000
(Gain) loss on disposal of fixed and intangible assets		(6,951,403)	(4,898,818)	(8,699,340)	(19,474,875)
Unrealised (gain) loss on foreign exchange rate		(16,131,960)	4,370,363	(18,030,818)	9,026,019
Interest income		(8,136,458)	(3,417,698)	(2,490,810)	(2,856,588)
Share of profit of investments in associates and joint venture	11.2	(50,099,483)	(41,890,136)	-	-
Dividend income from investments in subsidiaries and associates	34.3	-	-	(90,590,123)	(29,349,004)
Dividend income from other investments		(15,179,904)	(8,880,000)	(15,179,904)	(8,880,000)
Finance costs-interest expense	29	167,000,062	135,182,956	123,607,480	115,625,015
		<u>1,313,433,338</u>	<u>1,338,558,342</u>	<u>935,467,492</u>	<u>1,102,238,427</u>
Changes in operating assets and liabilities					
(Increase) decrease in operating assets:					
Trade accounts receivable		(149,076,099)	(124,622,817)	(129,638,531)	(30,201,531)
Other receivables		(64,259,046)	(32,967,525)	(38,934,393)	(25,154,245)
Inventories		(123,909,300)	(204,275,752)	(89,579,417)	(99,508,430)
Other current assets		(30,585,165)	8,454,032	(34,889,909)	1,681,152
Other assets		18,869,509	10,663,852	45,829,281	19,715,030
Increase (decrease) in operating liabilities:					
Trade accounts payable		26,433,773	71,616,748	(144,188,266)	106,421,978
Other payables		(29,475,159)	25,332,028	(1,984,761)	15,073,320
Other current liabilities		13,963,680	(14,976,895)	(7,418,496)	3,584,413
Employee benefit obligations		(17,668,242)	16,423,143	(24,159,356)	10,805,349
Cash generated from operations		<u>957,727,289</u>	<u>1,094,205,156</u>	<u>510,503,644</u>	<u>1,104,655,463</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

33 Cash flows from operating activities and supplementary cash flows information (Cont'd)

33.2 Supplementary cash flows information comprises the following:

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Property, plant and equipment				
Additions (Note 14)	1,040,335,934	1,216,809,809	795,409,160	704,479,753
<u>Less</u> Decrease (increase) in payables of fixed assets	(42,014,031)	12,011,326	(12,336,545)	11,246,955
Fixed assets increased by finance lease	(3,078,579)	(1,376,313)	-	-
Decrease (increase) in amounts due to related parties of fixed assets	-	-	2,350,170	(1,523,200)
Unrealised (gain) loss on exchange rate	1,470,922	(540,062)	1,470,922	(540,062)
Payment for purchase of fixed assets	<u>996,714,246</u>	<u>1,226,904,760</u>	<u>786,893,707</u>	<u>713,663,446</u>
Intangible assets				
Additions (Note 15)	6,910,672	10,146,214	2,899,890	4,452,168
<u>Less</u> Decrease (increase) in payables of intangible assets	389,922	1,468,517	389,922	1,468,517
Payment for purchase of intangible assets	<u>7,300,594</u>	<u>11,614,731</u>	<u>3,289,812</u>	<u>5,920,685</u>
Dividend income				
Dividends of investments in subsidiaries and associates (Note 34.3)	38,192,103	17,150,854	90,590,123	29,349,004
<u>Less</u> Increase in dividend receivable	(5,322,603)	-	(5,322,603)	-
Dividends received from subsidiaries and associates	<u>32,869,500</u>	<u>17,150,854</u>	<u>85,267,520</u>	<u>29,349,004</u>

34 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationships between the Company and subsidiaries, associates and joint venture are described in Note 11.4.

The relationships between the Company and related parties that are transacted with are as the following:

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

34 Related party transactions (Cont'd)

34.1 Group's policy regarding business transactions with related parties comprises the following:

a) Sales/Purchases of goods and services

The Company has made sales/purchases of goods and services to related parties in the normal course of business. The sales/purchases were transacted at prices close to those charged to third parties except for sales of goods to related parties which are the Company's distributors being charged at cost plus gross profit. Credit term for such related parties are longer than normal credit terms of accounts receivable which are between 30 to 90 days.

Mould repair and injection work were transacted with related parties at cost plus gross profit.

b) Service income

Office and factory rental income was transacted with related parties at the rate determined in the rental agreement. The rental rate was based on area and relevant space utilisation.

Machinery and mould rental was transacted with related parties at the agreed rate determined in the rental agreements.

c) Management fee income

The Group received a management fee which was transacted with related parties at an agreed rate.

d) Sales of fixed assets

The selling price of fixed assets charges at net book value plus profit. The credit term for related parties is the normal credit term which is 60 days.

34.2 Outstanding balances as at the years ended

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Trade accounts receivable				
Subsidiaries	-	-	107,138,340	76,678,978
Associates	142,554,349	133,153,870	142,554,349	133,153,870
Joint venture	7,741,160	7,650,850	7,741,160	7,618,079
Other related parties	181,088,447	205,440,796	127,255,263	205,440,796
Total trade accounts receivable - related parties	<u>331,383,956</u>	<u>346,245,516</u>	<u>384,689,112</u>	<u>422,891,723</u>
Other receivables - related parties, net				
Subsidiaries	-	-	4,557,819	3,967,571
Associates - dividend receivable	6,295,183	972,580	6,295,183	972,580
- other receivable	1,154,080	538,140	1,154,080	538,140
Joint venture	141,041	145,188	141,041	145,188
Other related parties	81,455	221,125	81,455	221,125
Total other receivables - related parties	<u>7,671,759</u>	<u>1,877,033</u>	<u>12,229,578</u>	<u>5,844,604</u>
<u>Less</u> Allowance for doubtful accounts	<u>(972,580)</u>	<u>(972,580)</u>	<u>(972,580)</u>	<u>(972,580)</u>
Total other receivables - related parties, net	<u>6,699,179</u>	<u>904,453</u>	<u>11,256,998</u>	<u>4,872,024</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

34 Related party transactions (Cont'd)

34.2 Outstanding balances as at the years ended (Cont'd)

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Short-term loan and accrued interest income				
Subsidiary	-	-	-	182,914,200

Subsidiary

Srithai Nanoplast Company Limited

As at 31 December 2013, Korat Thai Tech Company Limited, a subsidiary, has granted a short-term loan of Baht 6.00 million to Srithai Nanoplast Company Limited, another subsidiary, under credit facility Baht 10.00 million of a short-term loan agreement charging interest at the fixed rate of 4.00% per annum. The payment of interest is due every month and repayment of principal is due within 1 year.

Srithai (Vietnam) Company Limited

As at 31 December 2012, Srithai (Vietnam) Company Limited has been granted a short-term loan amounting to US Dollars 6.00 million or equivalent to Baht 182.91 million under credit facility US Dollars 9.00 million of a short-term loan agreement bearing interest at SIBOR (3 months) plus margin with no collateral. The payment of interest is due every month and repayment of principal is due within 1 year. On 3 January 2013, the Company has entered into an Agreement with the subsidiary to convert all short-term loan balance to increase share capital of the subsidiary (Note 11.3 (a)).

Korat Thai Tech Company Limited

During the year 2012, the Company has granted a short-term loan of Baht 33.00 million to Korat Thai Tech Company Limited, a subsidiary, under credit facility Baht 50.00 million of a short-term loan agreement charging interest at the fixed rate of 7.00% per annum. The purpose of the short-term loan is to support subsidiary's working capital. As at 31 December 2012, the Company had received the repayment in full.

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Trade accounts payable - related parties				
Subsidiaries	-	-	38,251,238	52,438,277
Associates	105,335,861	112,261,324	79,782,490	104,242,307
Joint venture	-	123,570	-	123,570
Other related parties	7,226,122	15,316,882	4,229,001	13,588,257
Total trade accounts payable - related parties	<u>112,561,983</u>	<u>127,701,776</u>	<u>122,262,729</u>	<u>170,392,411</u>
Other payables - related parties				
Subsidiaries - other payables	-	-	989,899	3,479,163
- payable for fixed assets	-	-	46,010	2,396,180
Associates	2,446,530	3,207,943	2,438,505	3,190,823
Other related parties	28,329	-	28,329	-
Total other payables - related parties	<u>2,474,859</u>	<u>3,207,943</u>	<u>3,502,743</u>	<u>9,066,166</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

34 Related party transactions (Cont'd)

34.3 Transactions during the years

Revenues for the years ended 31 December comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
<u>Sales and service income</u>				
Subsidiaries	-	-	162,700,871	148,930,791
Associates	320,791,210	343,934,389	320,788,620	343,934,389
Joint venture	36,140,217	32,656,931	35,984,146	32,462,203
Other related parties	448,404,819	534,868,355	393,132,655	534,868,355
Total sales and service income	805,336,246	911,459,675	912,606,292	1,060,195,738
<u>Other income</u>				
Service income				
Subsidiaries	-	-	26,982,845	22,217,045
Associates	3,854,938	2,721,350	3,854,938	2,721,350
Joint venture	628,952	614,410	628,952	614,410
Other related parties	1,712,601	1,655,195	1,712,601	1,655,195
Total	6,196,491	4,990,955	33,179,336	27,208,000
Management fee income				
Subsidiaries	-	-	4,320,000	4,155,000
Joint venture	1,000,000	1,000,000	1,000,000	1,000,000
Total	1,000,000	1,000,000	5,320,000	5,155,000
Interest income				
Subsidiaries	-	-	264,718	1,875,207
Total	-	-	264,718	1,875,207
Dividend income				
Subsidiaries	-	-	52,398,020	12,198,150
Associates	38,192,103	17,150,854	38,192,103	17,150,854
Total	38,192,103	17,150,854	90,590,123	29,349,004
Total other income	45,388,594	23,141,809	129,354,177	63,587,211
<u>Sales of fixed assets</u>				
Subsidiaries	-	-	24,796,038	158,202,204
Total sales of fixed assets	-	-	24,796,038	158,202,204

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

34 Related party transactions (Cont'd)

34.3 Transactions during the years (Cont'd)

Expenses for the years ended 31 December comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
<u>Cost of sales and services</u>				
<u>Purchases of goods</u>				
Subsidiaries	-	-	304,489,947	163,650,365
Associates	432,845,457	521,768,336	348,063,331	431,565,870
Joint venture	63,771	233,897	63,771	233,897
Other related parties	36,475,700	41,981,618	25,686,280	33,631,206
Total	<u>469,384,928</u>	<u>563,983,851</u>	<u>678,303,329</u>	<u>629,081,338</u>
<u>Expenses</u>				
<u>Service expenses</u>				
Subsidiaries	-	-	5,776,578	5,729,700
Associates	4,087,535	3,961,255	4,087,535	3,961,255
Other related parties	4,866,274	1,233,146	4,866,274	1,233,146
Total	<u>8,953,809</u>	<u>5,194,401</u>	<u>14,730,387</u>	<u>10,924,101</u>
<u>Purchases of fixed assets</u>				
Subsidiaries	-	-	17,070,000	9,138,299
Other related parties	43,550	62,000	43,550	-
Total	<u>43,550</u>	<u>62,000</u>	<u>17,113,550</u>	<u>9,138,299</u>

34.4 Directors and managements' remuneration

Directors and managements' remuneration for the years ended 31 December comprise the following:

	Consolidated		Company	
	2013	2012	2013	2012
	Baht	Baht	Baht	Baht
Directors' remuneration	2,222,500	1,650,000	2,222,500	1,650,000
Managements' remuneration				
Short-term employee benefits	106,421,597	100,193,765	65,096,715	62,815,407
Post-employment benefits	3,362,211	1,748,763	2,620,905	1,300,149
Other long-term employee benefits	64,641	23,030	61,057	19,875
Total directors and managements' remuneration	<u>112,070,949</u>	<u>103,615,558</u>	<u>70,001,177</u>	<u>65,785,431</u>

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

35 Promotional privileges

The Company and its subsidiaries received promotional privileges from the Board of Investment and must comply with the conditions and restrictions provided in the promotional certificates as follows:

Company	No. of BOI card	Date of approval	Period	Product	Significant privilege
Srithai Superware Public Company Limited	1764(4)/2548	13 July 2005	8 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (12 January 2007) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 11 January 2020).
	1339(2)/2550	14 February 2007	7 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (7 December 2007) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 6 December 2019).
	1872(2)/2554	18 January 2011	8 years	melamine products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (19 September 2012) and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of five years from the end of the privilege period (expired on 18 September 2025).
	1529(2)/2555	6 March 2012	7 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (4 September 2012) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 3 September 2024).
	1872(2)/2556	14 May 2013	7 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (not yet started) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period.

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

35 Promotional privileges (Cont'd)

The Company and its subsidiaries received promotional privileges from the Board of Investment and must comply with the conditions and restrictions provided in the promotional certificates as follows: (Cont'd)

Company	No. of BOI card	Date of approval	Period	Product	Significant privilege
Subsidiary : Srithai Moulds Company Limited	1684(1)/or/2546	21 November 2003	8 years	moulds production and repair	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (3 March 2005 to 2 March 2013).
	2458(5)/2554	19 July 2011	8 years	moulds production and repair	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (12 March 2013) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 11 March 2026).
	1268(5)/2556	5 March 2012	8 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (not yet started) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period.
Subsidiary : Srithai Nanoplast Company Limited	1838(2)/2547	18 August 2004	7 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land cost and working capital from the date income is first derived (1 April 2005) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 31 March 2017).
	1960(2)/2555	8 June 2012	7 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of seven years totally not exceeding 100% of the investment which excluded land and working capital from the date income is first derived (10 August 2012) and losses incurred within the privilege period can be carried forward for five years from the end of the privilege period (expired on 9 August 2024).
Subsidiary : Korat Thai Tech Company Limited	1616(5)/2554	18 April 2011	8 years	melamine products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (19 July 2011) and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of five years from the end of the privilege period (expired on 18 July 2024).
Subsidiary : P.E.T. Blow Company Limited	1067(5)/2555	14 March 2011	8 years	plastic products	<ul style="list-style-type: none"> Exemption from corporate income tax from the promoted activities for the period of eight years from the date income is first derived (3 February 2012) and the deduction of annual net losses arising during the privilege period from net profit for a period of five years from the end of the privilege period (expired on 2 February 2025).

Srithai Superware Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2013

35 Promotional privileges (Cont'd)

Srithai Superware Public Company Limited

Operating results from promoted and non-promoted activities for the years ended 31 December for the Company can be analysed as follows:

	Company (Million Baht)					
	2013			2012		
	Promoted activity	Non-promoted activity	Total	Promoted activity	Non-promoted activity	Total
Revenue						
Domestic sales and service income	1,198	3,814	5,012	1,363	4,139	5,502
Export sales and service income	1,004	1,153	2,157	644	1,036	1,680
Total sales and service income	<u>2,202</u>	<u>4,967</u>	<u>7,169</u>	<u>2,007</u>	<u>5,175</u>	<u>7,182</u>

36 Post statement of financial position event

Change in par value

On 25 February 2014, The Board of Directors of the Company passed a resolution to change the par value from Baht 10.00 per share to Baht 1.00 per share and change in the number of issued and paid-up shares is from 270,990,480 shares to 2,709,904,800 shares. However, the change in par value shall be proposed to the Annual General Meeting of Shareholders No. 33 (year 2014) for further consideration and approval.

Approval of dividends

On 25 February 2014, the Board of Directors of the Company passed a resolution to propose the dividend payment from the operating results of 2013 at Baht 1.00 per share, totalling Baht 270.99 million. However, the approval for the dividend payment shall be proposed to the Annual General Meeting of Shareholders No. 33 (year 2014) for further consideration and approval.

Investment in a subsidiary

On 13 February 2014, the Company paid for the additional share capital of Srithai Superware Manufacturing Private Limited, a subsidiary, amounting to Rupee 49.90 million, or equivalent to Baht 26.42 million. The subsidiary is under the process of increasing its registered share capital from Rupee 120.00 million to Rupee 250.00 million.