

SITHAI-0201/57

February 25, 2014

Subject : Explanation on Financial Statements of the Year Ended 2013

Dear : Mr. President
The Stock Exchange of Thailand.

We refer to our audited financial statements of the year ended 2013 comparing with the financial statements of the last year already submitted to you.

The explanations of our performance are as follows:-

1. Overall review of operations and prediction

In the year of 2013, sales of the Group increased by 7.31% and its operational results were lower than the previous year. The Group had net profit attributable to owners of the parent of Baht 486.97 million, decreased by Baht 54.91 million or 10.13% from the previous year. Significant non-recurring items affecting the financial statements of the year ended 2013 were;

- An impairment of investment in an overseas associate amounting to Baht 12.04 million and the deferred tax assets recognition amounting to Baht 5.17 million being a temporary difference of future tax benefit from an impairment of investment in an overseas associate which will be realized as tax expense in the future.
- Actuarial gain on other long-term employee benefits amounting to Baht 34.22 million which reduced cost of sales and selling and administrative expenses.
- Gain on foreign exchange of Baht 1.30 million was against the loss of Baht 5.01 million in the previous year due to the depreciation of the Thai Baht against the US Dollar since mid year 2013.
- Actuarial loss on post-employee benefits netting off with deferred tax assets of which tax benefit will be utilised in future, amounting to Baht 34.44 million was recorded on statement of comprehensive income.

Table 1 Operating results at a glance

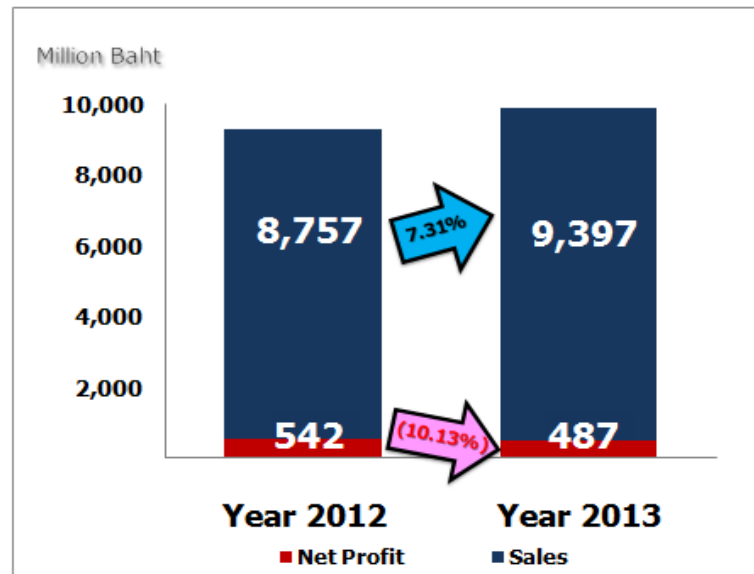
Consolidated financial information (partial)

Unit : Million Baht

| Description | Year 2012 | Year 2013 | Change from Year 2012 | |
|---|-----------|-----------|-----------------------|----------|
| | | | Amount Inc (Dec) | % +(-) |
| Sales | 8,757.32 | 9,397.42 | 640.10 | 7.31% |
| Gross profit (%) | 21.87% | 19.59% | (2.27%) | (10.40%) |
| EBIT (Profit before interest and tax) | 807.40 | 738.32 | (69.08) | (8.56%) |
| Net profit attributable to owners of the parent | 541.88 | 486.97 | (54.91) | (10.13%) |
| % Net profit on sales | 6.19% | 5.18% | (1.01%) | (16.25%) |
| Earnings per share (Baht) | 2.00 | 1.80 | (0.20) | (10.00%) |

| Description | As at 31 Dec 2012 | As at 31 Dec 2013 | Change from 31 Dec 2012 | |
|----------------------------|----------------------|----------------------|-------------------------|--------|
| | | | Amount Inc (Dec) | % +(-) |
| Total assets | 9,325.30 | 10,125.51 | 800.21 | 8.58% |
| Total liabilities | 4,867.39 | 5,560.37 | 692.97 | 14.24% |
| Total shareholders' equity | 4,457.91 | 4,565.14 | 107.24 | 2.41% |

| | | |
|----------------------------|------------|------------|
| Return on Operating Assets | 11.19% | 9.20% |
| Return on Equity | 12.16% | 10.67% |
| Debt to Equity | 1.09 times | 1.22 times |



1) Sales

Based on information in the table above, the Group's sales of year 2013 increased by 7.31% as compared to previous year:

1.1) Household Products

Domestic sales of Household Products decreased, particularly from increase of household debts from heavy spending in the year 2012 after big flooding in late 2011. The government's policy of first car also resulted in sluggish economy in 2013. The increase in minimum wage caused rising of the cost of living, unemployment as small businesses being closed down which led to declining consumption. In addition, household products are not basic necessity, and distributors also piled up inventory last year before selling price adjustment resulting in drop in direct sales and distributors sales. However, export sales slightly increased from previous year although economy in USA and Europe has not been recovered in 2013 whereas Baht currency was appreciated during the first half of 2013. The Company successfully negotiated to increase selling price with major customers. In the year 2013, sales of a subsidiary, Srithai (Vietnam) Company Limited, increased significantly due to the subsidiary seeking new direct customers by ceasing distributor.

1.2) Industrial Products

Sales of food and beverage packaging products grew significantly both from domestic market and Vietnam market. A subsidiary in Vietnam, Srithai (Vietnam) Company Limited, started its production line of beverage packaging products in the 3rd quarter of 2012 and for entire year 2013. Furthermore, for domestic market, the Group received big orders from major soft drink producers. Expansion of convenient stores and development of new food items resulting in increase in demand of ready-to-eat food, thus increasing sales of food packaging products. The Company kept on investing in additional machinery in order to

serve higher demand. Nonetheless, sales of automotive parts and electrical parts decreased in line with our policy to gradually terminate order of OEM works in order to utilize existing resources for other products with higher margin.

1.3) Trading Business Line and Moulds Business Line

Sales of Trading Business Line and Moulds Business Line of 2013 decreased from previous year. In 2012, sales of Moulds Business Line were high due to recovery of Automotive Industry after big flooding in 2011 and government's policy of first car. However, sales of the 2nd quarter this year were still high due to sales of used moulds of terminated OEM products to relevant customers.

Sales of Trading Business Line increased over the previous year especially attributable to high growth of agricultural innovative products under networking business via sale membership channel. These products are having high margin, large market, and no competitor. Quality of health innovative products such as dietary food supplement and skin care products are also acceptable and hit consumers' demand. This resulted in increase in new generation membership since they can earn extra earnings, causing increase in number of membership by 33% from previous year (see Sales by segment in Table 2 for reference).

2) Gross Profit Ratio

Gross profit ratio dropped against previous year. The key reasons were higher labour costs as a result of the government's policy to increase the minimum wage to Baht 300 per day, higher fixed costs absorption due to idle production capacity, and unadjustable selling price as a result of strong competition and slow down economy. Meanwhile, sales of Household Products, particularly direct sales channel which normally generates high gross profit, dropped against previous year (see Profit from sales by segment in Table 3 for reference).

3) Operating Results

The Group was able to manage selling and administrative expenses well together with decrease in corporate income tax rate from 23% to 20% and some tax exemption of promotional activities under the Board of Investment's privileges. However, declining in gross profit, higher finance costs, and loss on impairment of investment in an overseas associate resulted in decrease in the Group's net profit by 10.13% against previous year.

4) Profitability and Efficiency Ratio

- Return on Equity (ROE) decreased from previous year being 12.16% to 10.67% due to decrease in operating results.
- Return on Operating Assets decreased from previous year being 11.19% to 9.20% due to additional fixed assets acquisition in 2013 to serve business expansion, whereby revenue has not been fully generated during early stage of investment. Underutilized assets were experienced due to drop in orders of household products.

5) Forecast for the year 2014

5.1) Household Products

Export sales of Household Products in 2014 are expected to be better off 2013 as the Company will enter the HORECA (Hotel, Restaurant and Catering) market in Latin America and focus on variety of products shape and designs for each customer groups by co-designing product with European and Middle East customers which are our top sales. Besides, the Company will develop quality of products in order to create product strength to be Global Brand, establish plant in India in 2014 which will serve India market and generate more profitable from reducing import duty burden.

Domestic sales of Household Products through direct sales channel will adjust its strategy by approaching urbanization style products and lifestyle products. The Group has introduced many of creative products in order to access new target (Customer Touch Point) and broaden customer base to New Generation both Gen-X and Gen-Y or Metro Living target groups. This will help build sales leaders and sales executives for sustainable business in the future. Moreover, the Company will enter the HORECA market and extend to E-Commerce channel. These will push 2014 sales to rise.

5.2) Industrial Products

- Sales of food and beverage packaging products under Industrial Products in 2014 are expected to rise not less than 20% from 2013. There is fierce competition in beverage industry especially non-carbonated soft drink e.g. green tea and herbal drink. The double-digit growth is stemmed from the world-renowned beverage producers entering market in Vietnam, Cambodia, Laos, and Myanmar. Hence, the Company has invested in additional machinery in our subsidiary in Vietnam. The Company also has domestically additional investment plan in order to serve both existing and new customer demands. With these strategies, the Company will become Regional Supplier of the world-renowned beverage producers. Our Vietnam subsidiary is also increasing production capacity for serving other customers by looking for big local producers. Export sales will be growing due to Southeast Asian customers being satisfied with our product quality.
- Sales of food packaging products under Industrial Products are growing in 2014 following the expansion of convenient stores and ready-to-eat food. People's lifestyles nowadays need quickness and convenience so there is increase in ready-to-eat food consumption and the use of convenient stores. In addition, to follow the Company's environmental preservation campaign, 3 SAVES, we are developing new technology for food packaging called Trim which reduces weight of products, therefore, raw material consumption is reduced. The production of Trim technology will start for export in the 1st quarter of 2014. The Company will use this technology for developing others food packaging products which will help boost sales and profit in future.

5.3) Trading Business Line and Moulds Business Line

Sales of Trading Business Line and Moulds Business Line is expected to rise in 2014 especially SNatur networking business. Success and earnings of the sales members have inspired sales members from other companies to join SNatur. The external factor being unemployment rate of 2014 tends to be higher. Therefore, SNatur networking business will be another choice for those unemployed people and those who want to work on their own. Moreover, SNatur products are acceptable for quality and support the need of daily products especially dietary supplement, skin care, etc. These lead many of the young age to join SNatur. For the agricultural innovative products which the Company is a sole distributor, we also received good responses with soaring sales from this channel. The expansion of ASEAN market in order to support AEC especially Myanmar and Laos which the Company already have sales distributor are also growing well. The Company are expanding to Cambodia in order to push sales to hit target.

6) Risk Management Plan

The Group has an effective cost management plan by managing risk factors as follow:

- 6.1) Prices fluctuation of raw material: The Group has set up a Purchasing Committee comprising management who have expertise in this area. The Committee will closely monitor prices of raw material, and plan for the purchases of raw material in advance by considering the appropriate volume and prices. Negotiation with customers will also be undertaken for a contract or an agreement concerning selling price changes every 1-3 months.
- 6.2) Increase in minimum wage to Baht 300 per day: The Group has rescheduled working hours of workers in order to save overtime payment, whereas increase productivity of workers.
- 6.3) Fluctuation of the exchange rate: The Group has set out key strategies such as quoting the price in currencies other than US Dollar in order to diversify risks and alleviate the impact of over-dependency on a particular currency. The Group looks to sell its products to some customers in Thai Baht. At the same time, a plan also is set for negotiation with customers with condition to adjust selling prices when the exchange rate fluctuates significantly. Moreover, natural hedge strategy alongside is considered as deemed appropriate by arranging forward contracts to alleviate the impact.
- 6.4) Few customers of food and packaging products: Since the Group has few customers of food and packaging products, our strategy is to seek more domestic and overseas customers in order to mitigate risk of dependency on limited customers.

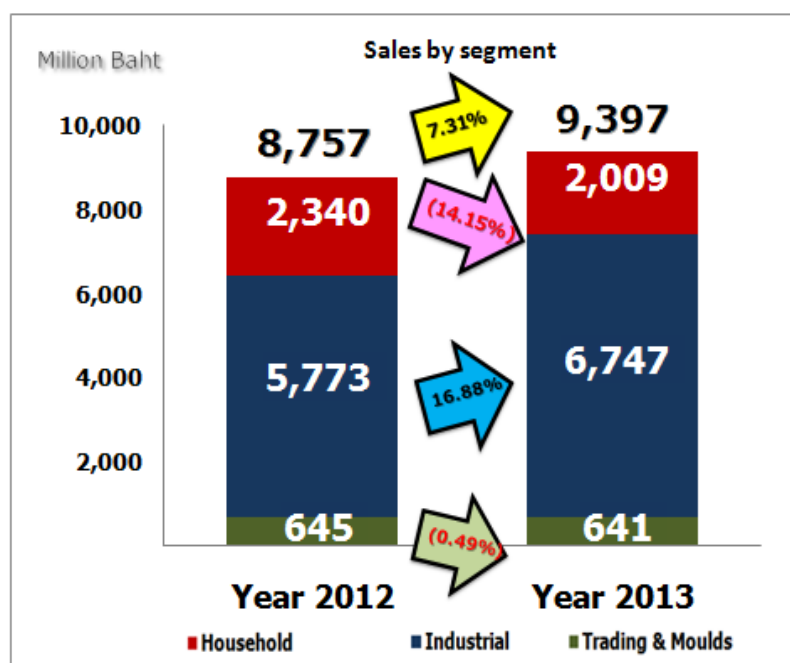
2. Review of the financial operation in 2013

2.1 Sales by segment

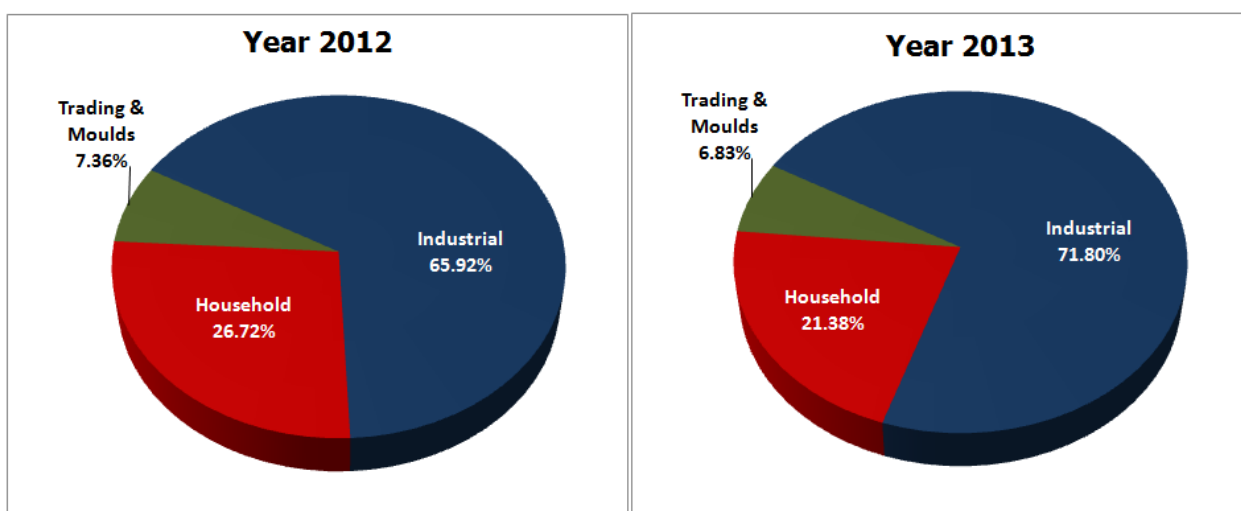
Table 2 Sales by segment (Consolidated)

Unit : Million Baht

| Description | Year 2012 | | Year 2013 | | Change from Year 2012 | |
|----------------------------------|-----------|------------|-----------|------------|-----------------------|----------|
| | Amount | % on sales | Amount | % on sales | Amount Inc (Dec) | % +(-) |
| Plastics Business Line | 8,112.66 | 92.64% | 8,755.94 | 93.17% | 643.28 | 7.93% |
| Household Products | 2,339.89 | 26.72% | 2,008.74 | 21.38% | (331.15) | (14.15%) |
| Domestic production | 2,291.25 | 26.16% | 1,944.39 | 20.69% | (346.85) | (15.14%) |
| Overseas production | 48.64 | 0.56% | 64.35 | 0.68% | 15.71 | 32.29% |
| Industrial Products | 5,772.77 | 65.92% | 6,747.20 | 71.80% | 974.43 | 16.88% |
| Domestic production | 5,397.82 | 61.64% | 5,676.14 | 60.40% | 278.32 | 5.16% |
| Overseas production | 374.95 | 4.28% | 1,071.06 | 11.40% | 696.11 | 185.65% |
| Trading and Moulds Business Line | 644.66 | 7.36% | 641.49 | 6.83% | (3.18) | (0.49%) |
| Total | 8,757.32 | 100.00% | 9,397.42 | 100.00% | 640.10 | 7.31% |



Sales proportion by segment



Sales proportion of Industrial Products of 2013 increased from 65.92% to 71.80% compared to previous year whilst that of Household Products sales of 2013 decreased from 26.72% to 21.38% as compared to previous year.

1) Household Products

Sales of Household Products of 2013 decreased by Baht 331.15 million, or 14.15% against previous year due to the impact of domestic economy particularly from household debts increased from over spending in the year 2012 after big flooding in late 2011. Increase in minimum wage caused the cost of living to rise, and unemployment as small businesses closed down. The demand and purchasing power of customers dropped, particularly through the direct sales and local distributors channels. However, export sales slightly increased because of selling price adjustment with major customers. Sales of a subsidiary, Srithai (Vietnam) Company Limited, increased as the subsidiary has focused on seeking new direct customers by ceasing distributor.

2) Industrial Products

Sales of Industrial Products increased by Baht 974.43 million, or 16.88% from beverage packaging of both the Company and overseas subsidiary which received orders from big soft drink and drinking water producers. As well, soaring sales of food packaging products as demand of ready-to-eat food increased together with expansion of convenient stores. The Company has invested in additional machinery in 2013 in order to serve increasing orders. Besides in 2nd quarter of 2013, sales of bottle crate products increased since our major customer changed its whole production line. However, sales of OEM products dropped in line with our policy to gradually terminate order of OEM works because of low margin.

3) Trading Business Line and Moulds Business Line

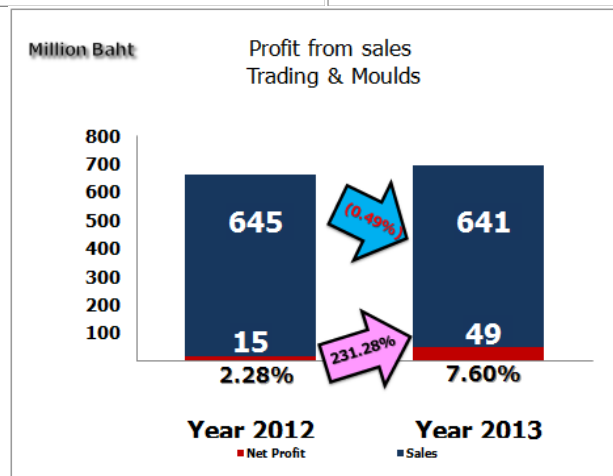
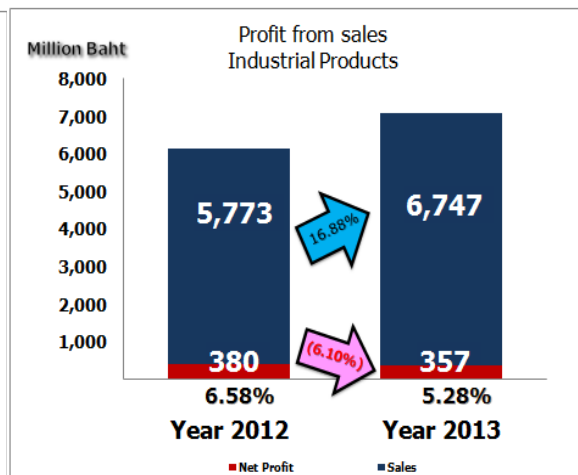
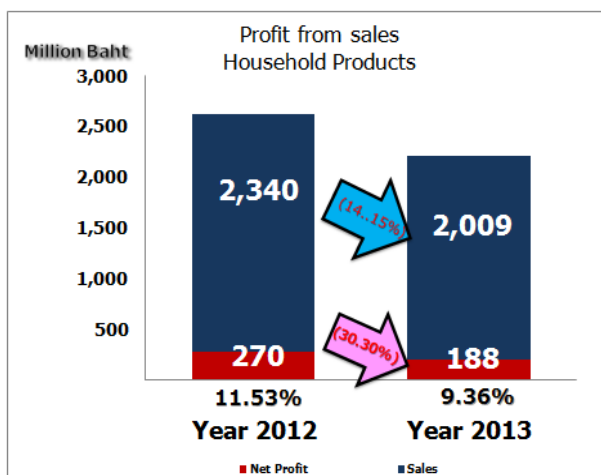
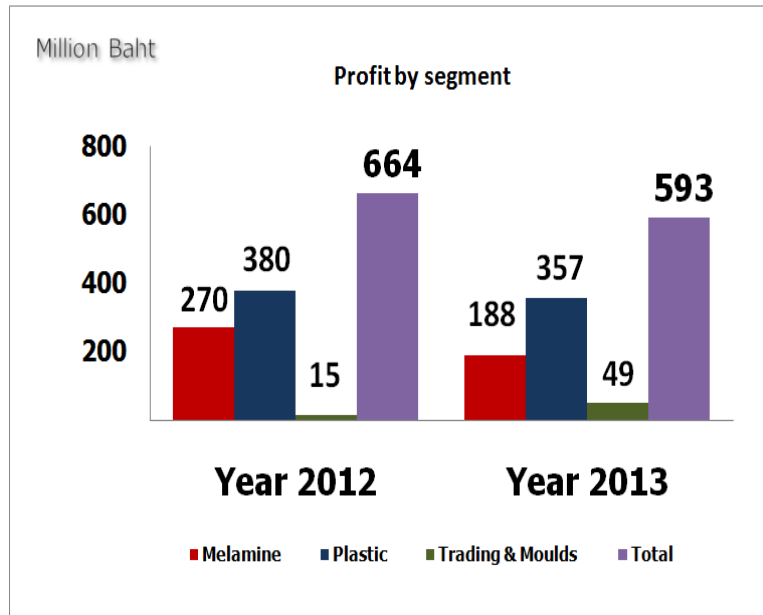
Sales of Trading Business Line and Moulds Business Line dropped by Baht 3.18 million, or 0.49% against previous year. This is due to high sales in 2012 resulting from recovery of Automotive Industry after big flooding and government's policy of first car. However, there was less impact to sales in 2013 because in the year 2013 the Company sold moulds of terminated OEM products to relevant customers. Additionally, surging sales were from SNatur networking business from innovative agricultural products and health products as well as increase in number of sales membership.

2.2 Profit from sales by segment

Table 3 Profit from sales by segment

Unit : Million Baht

| Description | Year 2012 | | Year 2013 | | Change from Year 2012 | |
|----------------------------------|-----------|------------|-----------|------------|-----------------------|----------|
| | Amount | % on sales | Amount | % on sales | Amount Inc (Dec) | % +(-) |
| Profit from sales by segment | | | | | | |
| Plastic Business Line | 649.54 | 8.01% | 544.62 | 6.22% | (104.92) | (16.15%) |
| Household products | 269.83 | 11.53% | 188.07 | 9.36% | (81.76) | (30.30%) |
| Industrial products | 379.71 | 6.58% | 356.55 | 5.28% | (23.16) | (6.10%) |
| Trading and Moulds Business Line | 14.71 | 2.28% | 48.74 | 7.60% | 34.03 | 231.27% |
| Total | 664.25 | 7.59% | 593.36 | 6.31% | (70.90) | (10.67%) |



1) Household Products

Profits from sales of Household Products dropped by 30.30% against the previous year, whereby profit to sales ratio lowered from 11.53% to 9.36%. Key reasons as such were the increase in minimum wage to Baht 300 per day, which has been in effect since January 1, 2013, and annual wages increment in April 2013. The sluggish economy had adversely affected sales through the direct sales channel, which generates highest gross profit for the Company, to be lower than previous year. Moreover, production capacity dropped as sales declined resulting in higher rate of fixed production costs, whereby the Company was unable to adjust selling price since latest adjustment in previous year, and selling expenses also increased to boost sales.

2) Industrial Products

Profits from sales of Industrial Products decreased as compared to previous year being 6.10%. The profit to sales ratio was lower from 6.58% in the previous year to 5.28% due to higher production cost from minimum wage increase to Baht 300 per day and annual wages increment. Moreover, fixed overhead costs increased because the capacity was not fully used from increasing in machinery investment to serve sales growth of food and beverage packaging products.

3) Trading and Moulds Business Line

Profits from sales of Trading and Moulds Business Line increased by 231.28% against the previous year. The profit to sales ratio is 7.60% against that of previous year being 2.28% due to sharply increased of profit for network business in Trading Business line. Network business has sales growth of agricultural innovative and health products, having high margin, netted with the lower profit of Moulds Business line. The reasons were because of less order from customers against last year of when Automotive Industry recovered after flood crisis and the government introduced the first car policy.

2.3 Consolidated financial position

Table 4 Consolidated statements of financial position (partial)

Unit : Million Baht

| Description | Dec 31, 2012 | Dec 31, 2013 | Change from Dec 31, 2012 | |
|--------------------------------------|-----------------|------------------|--------------------------|---------------|
| | Amount | Amount | Amount Inc (Dec) | % +(-) |
| Trade accounts receivable, net | 1,685.62 | 1,855.46 | 169.83 | 10.08% |
| Inventories, net | 1,351.49 | 1,475.14 | 123.65 | 9.15% |
| Property, plant and equipment, net | 4,842.89 | 5,295.73 | 452.84 | 9.35% |
| Leasehold right | - | 48.33 | 48.33 | 100.00% |
| Other non-current assets | 65.92 | 44.51 | (21.40) | (32.47%) |
| Total assets | 9,325.30 | 10,125.51 | 800.21 | 8.58% |
| Bank overdrafts and short-term loans | 840.96 | 823.45 | (17.51) | (2.08%) |
| Trade accounts payable | 922.23 | 950.21 | 27.97 | 3.03% |
| Long-term loans | 2,385.01 | 3,030.29 | 645.28 | 27.06% |
| Employee benefit obligations | 285.63 | 310.55 | 24.92 | 8.73% |
| Total liabilities | 4,867.39 | 5,560.37 | 692.97 | 14.24% |
| Unappropriated retained earnings | 1,363.91 | 1,496.73 | 132.82 | 9.74% |
| Non-controlling interests | 228.98 | 229.52 | 0.55 | 0.24% |
| Total shareholders' equity | 4,457.91 | 4,565.14 | 107.24 | 2.41% |

As of December 31, 2013, the financial position has been changed from December 31, 2012 as follows:

- Increase in trade accounts receivable due to soaring sales of food and beverage packaging products of the Group.
- Increase in inventories due to decrease in local sales of household products and increase in product cost.
- Increase in property, plant and equipment due to additional acquisition of assets netted with depreciation and disposal of the year.
- Leasehold right being land leasehold for the factory of a subsidiary in India, with the period of 99 years.

- Decrease in other non-current assets due to sales of moulds of OEM customers during the year according to the Company's policy to terminate OEM products.
- Decrease in bank overdrafts and short-term loans following the change in working capital of the Group, withdrawal of long-term loans, and repayment of short-term loans.
- Increase in trade accounts payable due to purchase of production supplies to support the expansion of sales.
- Increase in long-term loans due to withdrawal for investment in operating assets, netted with loan repayments less than withdrawal during the year.
- Increase in employee benefit obligations due to recognition of post-employment benefits and other long-term employment benefits, netted with benefits payment during the year and actuarial gain and loss on defined employee benefit plans as at December 31, 2013.
- Increase in unappropriated retained earnings by Baht 132.82 million from net profit attributable to the owners of the parent company for the year ended December 31, 2013 amounting to Baht 486.97 million, netted with the legal reserve amounting to Baht 22 million, the dividend payment in respect of operating results of 2012 amounting to 298.08 million, and the recognition of actuarial loss on defined employee benefit plans in statements of comprehensive income.
- Increase in non-controlling interests due to net profit for the year ended December 31, 2013, netted with dividend payment and acquisition of shares of Srithai Nanoplast Company Limited from former shareholders.

2.4 Key financial ratio analysis

Table 5 Key Financial Ratios

| Description | Unit | 12 months 2012 | 12 months 2013 |
|--------------------------------|-------|-------------------|-------------------|
| Working Capital Ratios | | | |
| 1. Collection Period | Days | 69.29 | 71.08 |
| 2. Inventory Turnover | Days | 71.11 | 70.28 |
| 3. Payment Period | Days | 48.52 | 45.27 |
| 4. Cash Cycle | Days | 91.88 | 96.09 |
| Financial Policy Ratios | | | |
| 5. Debt to Equity | Times | 1.09 | 1.22 |

1) Working capital ratios

Cash cycle for the year ended December 31, 2013 was 96.09 days, longer than that for the year ended December 31, 2012 being 91.88 days:

- 1.1) Collection period of accounts receivable for the year ended December 31, 2013 being 71.08 days was longer than that for the year ended December 31, 2012 being 69.29 days as soaring sales of beverage packaging products and decrease in cash sales channel of Household Products.
- 1.2) Inventory turnover for the year ended December 31, 2013 being 70.28 days was shorter than that for the year ended December 31, 2012 being 71.11 days due to surging sales of beverage packaging products having quick turnover and increase in cost of sales.
- 1.3) Payment period of accounts payable for the year ended December 31, 2013 being 45.27 days was shorter than that for the year ended December 31, 2012 being 48.52 days as the Group made purchase and kept raw materials at the level being sufficient for production plan, as well as negotiated with suppliers for shorter term of payment in order to get better raw material price.

2) Financial policy ratios

Debt to equity ratio for the year ended December 31, 2013 being 1.22 times was increased from that of the year ended December 31, 2012 being 1.09 times. This was attributable to more long-term loans withdrawal in order to invest in operating assets and serve business expansion as well as higher dividend payment in respect of operating results of 2012.

2.5 Cash flow

Table 6 Consolidated statements of cash flow (partial)

Unit : Million Baht

| Description | 12 months Dec 31, 2012 | 12 months Dec 31, 2013 | Change from Prior period |
|---|---------------------------|---------------------------|-----------------------------|
| Cash flows from operating activities | 829.39 | 711.06 | (118.33) |
| Cash flows from investing activities | (1,167.20) | (980.53) | 186.67 |
| Cash flows from financing activities | 557.15 | 265.30 | (291.85) |
| Net increase (decrease) in cash and cash equivalent | 219.35 | (4.17) | (223.52) |
| Cash and cash equivalents, opening balance | 221.94 | 441.29 | 219.35 |
| Cash and cash equivalents, closing balance | 441.29 | 437.12 | (4.17) |

The Group's significant cash inflow/outflow for the year of 2013 were as follow:

- 1) Net cash receipts from operating activities decreased from previous year due to lower profit before income tax from operation results, increase in finance costs as well as change in working capital.
- 2) Net cash payments for investing and net cash receipts from financing activities decreased from previous year as the Group acquired assets less than previous year and plan and incurred more bank overdrafts and short term loans, netted with increased long-term loans repayments and dividend payments.
- 3) The Group is confident that it can maintain sufficient cash flows together with proper liquidity level to be able to support business. Moreover, as at December 31, 2013, the Group has unutilized credit facility consisting of bank overdrafts, long-term loan and working capital more than Baht 4 billion which is more than enough for supporting operations.

3. Significant events of the year 2013 and subsequent events after the reporting date

The new accounting policy – Foreign currency translation did not have significant impact on the financial statements. Nevertheless, the significant events regarding additional investments, changes in investments, and future investment plan in the year 2013 were as follows:

3.1 Investment in subsidiaries

1) Newly established subsidiary in India

- Srithai Superware Manufacturing Private Limited

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

On February 13, 2014, the Company paid for the additional share capital of SSMP amounting to Rupee 49.90 million, or equivalent to Baht 26.42 million. SSMP is under the process of increasing its registered share capital from Rupee 120.00 million to Rupee 250.00 million.

2) Additional investments in subsidiaries

- Srithai (Vietnam) Company Limited

On January 3, 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 Nanoplast Company Limited

On May 14, 2013, the Board of Directors of the Company passed a resolution to acquire shares of Srithai Nanoplast Company Limited, a subsidiary by purchasing shares from former shareholders at the net asset value of the subsidiary as at March 31, 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%.

3.2 Reversal of loss on impairment of investment in subsidiary

Srithai (Vietnam) Company Limited

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

3.3 Impairment of investment in associate

Beijing Huatai Replica of Porcelain Products Company Limited

In the 2nd quarter of 2013, the Company's management had considered 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's declining performance, increased cumulative deficits, and business being shutdown. At the Board of Directors' Meeting of an associate on May 25, 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 statements of comprehensive income.

3.4 Change in name of a subsidiary

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

On June 7, 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 June 19, 2013.

3.5 Dividend payment

The Annual General Meetings of Shareholders of the Company and of 3 subsidiaries, Srithai Moulds Company Limited, Korat Thai Tech Company Limited, and Srithai Miyagawa Company Limited, approved and paid dividend in respect of companies' net profit of the year 2012 as follow:

| Company | percentage of shareholding | Dividend per share | Dividend payment |
|------------------------------|----------------------------|--------------------|--|
| Srithai Superware PCL. | - | 1.10 Baht | 298.08 million Baht (payment on May 23, 2013) |
| <u>Subsidiaries</u> | | | |
| - Srithai Moulds Co., Ltd. | 71.00 | 10.00 Baht | 10.00 million Baht |
| - Korat Thai Tech Co., Ltd. | 100.00 | 10.00 Baht | 30.00 million Baht |
| - Srithai Miyagawa Co., Ltd. | 51.00 | 25.00 Baht | 30.00 million Baht |

4. Subsequent events after the reporting date

4.1 Change in par value

On February 25, 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 from 270,990,480 shares to 2,709,904,800 shares. However, such changes shall be proposed to the Annual General Meeting of Shareholders No.33 (year 2014) for further consideration and approval.

4.2 Approval of dividends

On February 25, 2014, the Board of Directors of the Company passed a resolution to consider 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.

Please be informed accordingly.

Yours faithfully,

Prin Bholnivas
Director