




## VISION AND MISSION

The Board of Directors has established the vision and mission as goals and future direction for our business.





### Vision ●



“ To be a leading investment company that serves customers with heartfelt service, dedication to ongoing development and social contribution values. ”



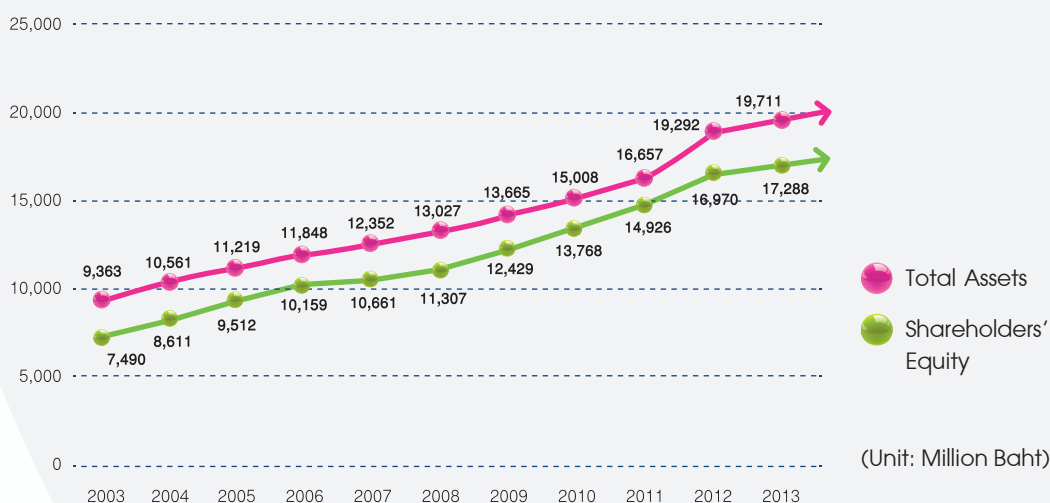
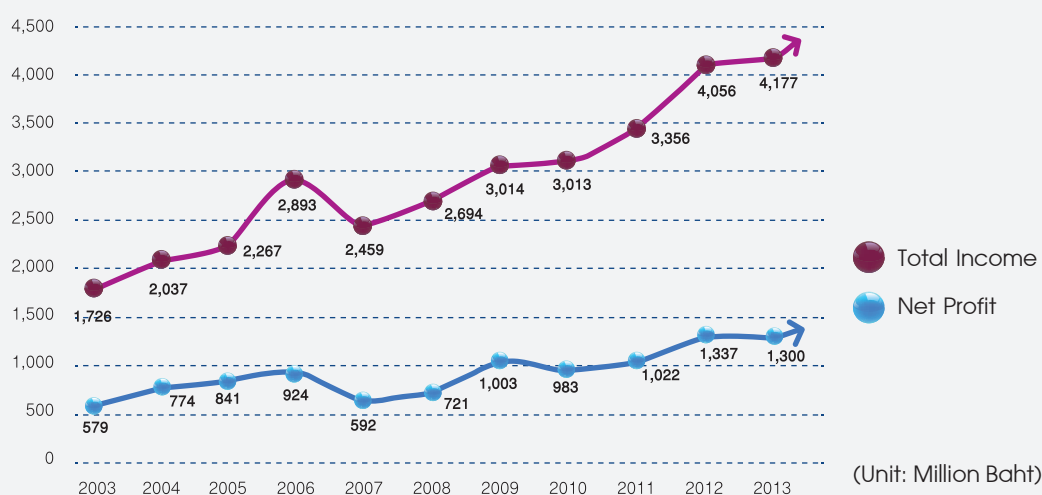
### Mission ●

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- To invest in high – potential businesses
  - To increase customer satisfaction through service excellence
  - To take the standards of industrial parks to international levels
  - To incorporate the good corporate governance principle, as well as, to promote ongoing personnel development in terms of business expertise, moral and ethics, together with, social and environmental awareness, in order to increase the market competitiveness of the company
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# Financial Highlights

(UNIT : 1,000 Baht)

	2013	2012	2011
Total Income	4,176,691	4,056,144	3,355,793
Net Profit	1,299,971	1,337,178	1,022,042
Basic Net Profit Per Share (Baht)	2.63	2.71	2.07
Dividend Payment	113,628	113,628	108,688
Dividends Payout Ratio (%)	n.a.	8.50	10.63
Share Capital, Fully Paid	494,034	494,034	494,034
Premium on Share Capital	1,041,358	1,041,358	1,041,358
Shareholders' Equity	17,287,709	16,969,848	14,925,574
Book Value per Share (Baht)	34.99	34.35	30.21
Investment	15,375,395	15,659,834	13,516,173
Total Assets	19,710,830	19,292,223	16,656,634



# Report of the Board of Directors ●

Global economic prospects in 2013 did not show a significant improve and the road to recovery in the advanced economies will remain bumpy. World output growth reaches 3 percent. The emerging market and developing economies have grown 4.7 percent while the U.S. economy has grown 1.9 percent slow down a bit from previous year and EU GDP still showed a negative growth at 0.4 percent due to its public debt problems.

Throughout the unrocovery world economy, Thai economy in 2013 showed some slowdown in key indicators. GDP growth was 2.9 percent down from 6.5 percent in 2012. Overall investment shrank 1.9 percent. Goods export decreased 2 percent in value. Household spending grew only 0.2 percent compared to 6.7 percent in 2012. Most key sectors expanded only at minimal in 2013.

SPI continues to achieve the sustainable growth in term of revenue and shareholder value. Operating result of 2013 shows the revenue of 4.17 billion baht, increases 2.97 percent of 121 million baht from 2012. Net profit is 1.3 billion baht and decreases 2.78 percent or 37 million baht compared to 2012. With fully aware of the negative impact from domestic situation, management has been adjusting its strategy to maintain the revenue not less than the previous year. For instance, our industrial park business has increased land sales by 50 percent from 202 million baht in 2012 to 304 million baht in 2013. Revenue from rental and service business has increased more than 10 percent from 2.25 billion baht in 2012 to 2.47 billion baht in 2013. The Company has also introduced new property development project called J-Park in Sriracha in late 2013. More income from newly opened warehouse for rent is also the key revenue contribution to the Company in order to offset the lower revenue from share of profit from investment by Equity Method. Furthermore, the Company has been preparing to support an expansion of trade and investment liberalization in ASEAN, by investing in the Republic of the Union of Myanmar in several key businesses. Promotion of retail trade through the development of border areas as industry, Mae Sot, Tak Province.

It is pleasing to note that Saha Group Industrial Park - Sriracha is Thailand's first industrial group awarded for ISO 50001:2011 Certification of Energy Management Standard. Our continued improvement of the Good Corporate Governance principles has earned the full 100 points from the quality evaluation at the Annual General Shareholders Meeting for the fifth consecutive year. The evaluation rating is "Excellent".

The Board of Directors hereby expresses our gratitude towards all interested parties. Your trust and contribution have ensured our success and given all executives and employees the will to proceed ahead to achieve sustainable growth for the Company.

# ● Report of the Audit Committee

Dear Shareholders of Saha Pathana Inter-Holding Public Company Limited,

The Audit Committee of Saha Pathana Inter-Holding Public Company Limited was appointed by the Board of Directors on May 14<sup>th</sup>, 2013 with three independent, non-executive members: Mr. Nophorn Bhongsvej as Chairman, Pol. Lt. Gen. Amarin Niemskul and Mr. Krish Follett as Audit Committee with a term of one year. The committee has held eight meetings in 2013 and the attendance of each member may be summarized as follows:

1. Mr. Wanchai	Umpungart	meeting attending	3 times
2. Mr. Nophorn	Bhongsvej	meeting attending	8 times
3. Pol. Lt. Gen. Amarin	Niemskul	meeting attending	8 times
4. Mr. Krish	Follett	meeting attending	5 times

The Audit Committee has performed their duties within the authority and the responsibilities entrusted by the Board of Directors as follows:

1. To review the quarterly financial statements and those for the accounting year 2013. The financial statements are prepared in accordance with generally accepted accounting standards with input from the auditor and the executives from the accounting department in order to ensure correct and complete disclosure of information.
2. To review related transactions and disclosure of information on related transactions with individuals with possible conflict of interests in order to ensure compliance with requirements of the authority.
3. To review the internal control system including the risk management and approve the internal audit plan; and to follow up on the internal audit effort of the internal audit unit during the year in order to ensure adequacy and appropriateness of the internal control system to the current state of business.
4. To convene meetings with the auditor to review the auditing independence and performance and to seek the opinions of the auditor on the internal control system of the company.
5. To convene meetings with Company Executives for discussion on various topics of significance.
6. To review company operations in order to ensure compliance with relevant laws and regulations of the authority.
7. To consider the appointment of company auditors for 2013. The Audit Committee is of the opinion that Mrs. Suvimol Krittayakiern C.P.A. (Thailand ) Registration No. 2982 of DIA International Auditing Co., Ltd. and/or Mrs. Vilairat Rojnuckarin C.P.A. (Thailand ) Registration No. 3104 of DIA International Auditing Co., Ltd. are qualified as auditors of the company. It will be subsequently proposed to the Board of Directors to appoint and determine the remuneration and to propose to the annual general meeting of shareholders for consideration and approval.

Having completed the duties above, the Audit Committee did not find any significant defect with any possible effect on the financial statements of the company. The Board of Directors meeting has been notified of the performance above.

On behalf of the Audit Committee,



(Mr. Nophorn Bhongsvej)

Chairman of the Audit Committee

March 13, 2014



## 1. The Policy and Overview Of Business Operation

The Businesses currently conducted by the company can be divided into 3 main types of businesses, Investment in Share Capital, Rent and service business and. Industrial Park business details as follows:

### Investment in Share Capital

The company has invested in share capital in various businesses with an objective to add value to the company in the long run. The company has invested in the business enhancing the business undertaken by the companies in the group or the business possibly to be undertaken in the future because there is a profitable potential. The company will get the return in the form of dividends. Our company invests in three major lines of businesses, production, distribution, service businesses, as well as, and other business operations. As of December 31<sup>st</sup>, 2013, we have investments in the shares of 148 companies in total.

Business	No. of Companies	Net Investment Amount Unit: Thousand Baht
1. Production	84	9,087,207
2. Distribution	17	5,464,911
3. Service and other Business	47	823,277
<b>Total</b>	<b>148</b>	<b>15,375,395</b>

### Rent and service business

We operate our own leasing and service business with the objective of accommodating the growth and enhancing the competitiveness of all companies under the group. The business involves the letting of land and buildings and provision of basic utility in Saha Group Industrial Park and other industrial estates of ours. In the year 2013, the J-Park Sriracha Nihon Mura project was initiated. In this shopping mall, the Company offers rental retail space for clothing items, restaurants, convenience stores and supermarkets. It is located on the eastern seaboard in Surasak Subdistrict of Sriracha District, Chon Buri. The revenue generated from this business is in the form of rent and utility fees. We are providing electricity and steam service to companies inside of Saha Group Industrial Park Sriracha as well, we opened Kabinburi Sports Club, a new golf course in Kabinburi district, Prachinburi province, and we gain income in the form of golf course fees, food and drink charges, etc. Additionally, we serve as the intermediary for the seeking of licenses and the right to use trademarks of notable foreign brands (e.g. Guy Laroche, Elle and Absorba) in Thailand for our affiliates, and we gain income through royalty fees. For other trademarks the domestic right of which we already hold, we allow our affiliates, to produce and distribute products under these trademarks and gain income through trademark fees.

In addition to the above services, we provide consultation, business planning, management and implementation services to subsidiaries in exchange for consultation and service fees.

# ● The Business Operations

## Industrial Park business

The Saha Group Industrial Park is an industrial area project set up by the company to support the growth of the factories in the group and in support of the government's policy of income distribution in the rural areas. At present, the company has the policy to sell land to general investors and the company will receive from land-selling. At present, the company operates 3 Industrial Parks in Sriracha District, Chonburi Province, Kabinburi District, Prachinburi Province and Lamphun District, Lamphun Province and expanded to the industrial zone to Mae Kasa Subdistrict of Mae Sod District in Tak Province. Five companies are currently operating factories there.

## 2. Background & Development

Saha Pathana Inter Holding Public Company Limited was incorporated on April 5, 1972, under the name of Saha Pathana Investment Co., Ltd., with the registered capital of 6 million Baht. Now the company has the registered capital of 800,000,000 Baht with paid-up capital of 494,034,300 Baht. Our core business is in three categories : investment, rental and service and industrial parks.

- |      |  |
|------|--|
| 1972 | • Increase of registered capital to 10,000,000 Baht  |
| 1973 | • Increase of registered capital to 40,000,000 Baht  |
| 1974 | • Established Saha group Industrial Park - Sri Racha, Chon Buri Province.  |
| 1977 | • Listed with the Stock Exchange of Thailand (SET)   |
| 1978 | • Increase of registered capital to 60,000,000 Baht  |
| 1983 | • Increase of registered capital to 120,000,000 Baht   |
| 1984 | • Changed the name to Saha Pathana Inter Holding Co., Ltd.   |
| 1986 | • Increase of registered capital to 240,000,000 Baht   |
| 1988 | • Increase of registered capital to 350,000,000 Baht   |
| 1989 | • Established the Saha group Industrial Park - Kabinburi, and the Saha group Industrial Park - Lamphun   |
|      | • Increase of registered capital to 800,000,000 Baht   |
| 1994 | • On May 9 the company was listed as a public company  |
| 2003 | • Changed the par value of the ordinary shares from 10 Baht to 1 Baht per share.   |
| 2004 | • Moved the headquarters from No. 2156, New Petchburi Road, Bangkok Sub-district, Huay Kwang District, Bangkok metropolis 10310 to No. 757/10 Soi Pradoo 1, Sathupradit Road, Bangpongpan Sub-district, Yannawa District, Bangkok 10120, at present the address is No. 530 Soi Sathupradit 58, Bangpongpan Sub-district, Yannawa District, Bangkok 10120 |
| 2007 | • The fourth branch was registered at 196 Moo 11, Tambon Wang - Daan, Kabinburi District, Prachinburi Province. Additional business is golf course service under the name of Kabinburi Sport Club, which earns revenues from green fees, foods and beverages.  |

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# The Business Operations ●

- 2009 • Registration of the fifth branch at 269 Moo 15, Tambon Maekasa, Mae Sot District, Tak Province, as the company has expanded its business in that district.

Additionally, our businesses have seen improvement in several areas as follows:

## ● The Environment

- 1994 • Central wastewater treatment system at Sriracha Industrial Park received an honor certificate from the Environmental Club.
- 2002 • The three industrial parks started to introduce the quality management standards ISO 9001:2000 on land development and basic infrastructure and submitted the application.  
2003 • On September 26 the three industrial parks were certified under ISO 9001:2000 from the Management System Certification Institute (Thailand).
- 2005 • Join venture with PTT Public Company limited to study and prepare the Project promotion of using NGV gas in cars and trucks to substitute gasoline that had increased in price in Saha Group Industrial Park - Sriracha.
- 2006 • The Saha Group Industrial Park, Kabinburi, had a high volume of treated wastewater from the factory. For sustainable management of the treated waste, the company developed the vacant land by creating the greatest benefit by constructing an 18-hole golf course. This golf course is able to utilize the high volume of treated water in a sustainable manner.
- 2007 • Saha Group Industrial Park - Sriracha participated in the campaign to upgrade the standard of industrial entrepreneurs using ISO 14001 Environmental Management System sponsored by the Department of Industrial Works, Ministry of Industry, and the Management System Certification Institute (Thailand).
- 2008 • Saha Group Industrial Park - Sriracha was ISO 14001:2004 certified for its central wastewater treatment system by TUV Nord (Thailand) Ltd. in accordance with the certificate registration no. 44 104 082444 dated August 20<sup>th</sup>.
- 2009 • Saha Group Industrial Park - Lamphun was ISO 14001:2004 certified for their environmental management of the central wastewater treatment system by the Management System Certification Institute (Thailand).  
• Saha Group Industrial Park - Sriracha was issued a certificate by the Ministry of Industry for compliance of the Standard for Social Responsibility (CSR-DIW) B.E. 2552 on September 22<sup>nd</sup>.



# ● The Business Operations

- Saha Group Industrial Park - Sriracha was certified for the Total Level of Thai Labor Standard Management (TLS 8001-2546) by the Department of Labor Welfare and Protection, the Ministry of Labor, on September 23 rd.
  - The central wastewater treatment systems of Saha Group Industrial Park - Sriracha and Saha Group Industrial Park — Kabinburi were issued a certificate by the Ministry of Industry for compliance with good environmental governance principle.
  - All three industrial parks were ISO 9001:2000 certified by the Management System Certification Institute (Thailand), as well as ISO 9001:2008 certified for land and basic utility service development.
  - The Environment and Energy Research and Development Center was established in Muang District, Ratchaburi Province to ensure development towards Green Industries and Eco Town.
- 2010
- The Environment and Energy Research and Development Center conducted studies and compiled physical, socioeconomic and environmental data on the area and communities within the sixty kilometers radius to prepare for the establishment of an Eco Town.
- 2011
- Saha Group Industrial Park — Sriracha is granted a certificate by the Ministry of Industry for their central wastewater management system which has earned the “Gold Medal” level of accreditation as per the industrial waste management standard under the “Waste Management Business Enhancement Program” of the fiscal year 2011.
  - Saha Group Industrial Park — Lamphun is granted a certificate by the Ministry of Industry for their compliance with the 2011 Standard for Social Responsibility (CSR-DIW).
  - Saha Group Industrial Park — Kabinburi is granted a certificate by the Prachinburi Province Anti-Drug Center to officially recognize them as a “white” or “drug-free” industrial estate in 2011.
  - The Ratchaburi Environment and Energy Research and Development Center has carried out a corporate social responsibility activity in the form of a mobile exhibition on environment and alternative energy. The alternative energy sources presented include wind, solar, water and biomass. Interesting facts about the environment are presented in this exhibition, particularly waste categorization and waste management. The exhibition was very informative and beneficial to students of nearby schools.
- 2012
- Saha Group Industrial Park is granted a certificate by the Ministry of Industry for their compliance with the 2012 (Standard for Corporate Social Responsibility (CSR-DIW) B.E. 2012) CSR-DIW Continuous Award.
  - Saha Group Industrial Park - Sriracha and Saha Group Industrial Park - Lamphun have been selected by the Ministry of Industry to join the CSR-DIW Network for compliance to the standard for corporate social responsibility.

# The Business Operations ●

- Saha Group Industrial Park — Sriracha has been presented with the Certificate of Achievement by the Department of Industrial Works for the successful evaluation under the energy management system project (EnMS-DIW) where the central wastewater treatment system is concerned, as a part of the ISO 50001 energy management system certification. This unit has managed to use 5% less electricity compared to that used in 2011.
  - Saha Group Industrial Park — Sriracha, Saha Group Industrial Park — Kabinburi and Saha Group Industrial Park - Lamphun have been consistently certified for quality management in accordance with the ISO 9001:2008 standard for development of land and basic infrastructure by the Management System Certification Institute (Thailand), Foundation for Industrial Development.
  - Saha Group Industrial Park - Sriracha has been ISO 14001:2004 certified for central wastewater treatment system by Thailand Institute of Scientific and Technological Research
  - The genuine commitment to eco-friendliness of Saha Group Industrial Park - Sriracha in Chon Buri has been recognized with the 'Green Industrial Park' award.
  - Saha Group Industrial Park has been presented with the Green Industrial Park plaque by the Department of Industrial Works on July 12<sup>th</sup>, 2012.
  - Saha Group Industrial Park — Sriracha and Saha Group Industrial Park — Kabinburi participated in the Eco Industrial Complex project of the Department of Industrial Works, Ministry of Industry. The objective of this project is to enhance Thai industry in such a manner that all concerned parties are involved. The five aspects listed in the strategy are economy, environment, society, physiology and management.
  - Saha Group Industrial Park - Lamphun has initiated a mixed use plantation project titled "Dr. Thiam Chokwatana Lamphun Sufficiency Economy Project". This is a center where relevant parties can study the ecological balance between agriculture and industry. The project serves to educate the communities regarding environmental issues surrounding our industrial park as well.
- 2013
- Saha Group Industrial Park — Sriracha became Thailand's first industrial group/estate to have been certified for energy management standard by the International Organization for Standardization ISO 5001 : 2011
  - Three Saha Group Industrial Park in Sriracha, Kabinburi and Lamphun have been ISO 14001 : 2008 certified on a multisite basis by the Quality System Certification Office under the Thailand Institute of Scientific and Technological Research. This is the first year of application for such multisite certification.
  - Saha Group Industrial Park - Sriracha, Saha Group Industrial Park - Kabinburi, and Saha Group Industrial Park - Lamphun have successfully increased the amount of recycled water for use in green areas. This initiative has contributed to the reduction of wastewater being released into public waterways

# ● The Business Operations

- Saha Group Industrial Park - Sriracha was presented with the 2013 Outstanding Preservation and Rehabilitation of Rivers Award by the Ministry of Industry. This award attests to the fact that we are a socially responsible corporation with due attention paid to the wellbeing of the environment at every stage of our operation. Our wastewater management policy ensures that the quality of water released to public waterways meets the standard required by the Ministry of Industry.
- Saha Group Industrial Park - Sriracha and Saha Group Industrial Park - Lamphun were presented with a certificate by the Ministry of Industry for consistent compliance with the Corporate Social Responsibility standard. The 2013 CSR — DIW Continuous Award aims to promote the social responsibility of industrial factories and contribute to the continued and sustainable improvement of the Green Culture Network.

## ● Management

- 1997
  - The Saha Group of companies organized the SAHA GROUP EXPORT'98, emphasizing the export market.
- 1998
  - The Saha Group of companies, organized SAHA GROUP EXPORT & TRADE EXHIBITION, emphasizing both the export and domestic markets, and has since been organized each year.
- 2002
  - For corporate governance the board of directors # 7 (board# 9) on November 14, had approved policy on corporate governance, business ethics, and employee code of conduct.
  - For the first time, land was sold in the industrial park to external parties. The buyers were Abbey Crest (Thailand) Co., Ltd. with the business in ornaments.
- 2003
  - Restructured the organization into two large units, the administration 1, responsible for providing supervision and management of the headquarters, and the administration 2 responsible for providing supervision and management of the industrial parks.
- 2008
  - The Board of Directors passed a resolution appointing Mrs. Darunee Soontorntumrong as the company secretary on May 12<sup>th</sup>.
  - The Board of Directors passed a resolution approving the Board of Directors Charter, the Audit Committee Charter, the Nomination and Remuneration Committee Charter, the Executive Board Charter and the President Authority and Responsibilities on December 18<sup>th</sup>. They came into effect on December 19<sup>th</sup>.
  - Saha Group Industrial Park - Sriracha was ISO 14001:2004 certified for its central wastewater treatment system by TUV Nord (Thailand) Ltd. in accordance with the certificate registration no. 44 104 082444 dated August 20<sup>th</sup>.
  - Shares of companies listed on the Stock Exchange of Thailand in the possession of the company were processed into the scriptless system with Thailand Securities Depository Co., Ltd. (TSD).
- 2009
  - Saha Group Export & trade Exhibition was renamed Saha Group Fair.

- 2010
  - Amendment of Company Memorandum No.3 “ Company Objectives” by amending No.4 with the addition of four items from thirty-seven to forty-one
  - Amendment of Company Articles of Association No. 30 and dismissal of Articles 18 and 65, bringing the total number of articles from sixty-five to sixty-three
- 2011
  - More units are established: Corporate Development and Management, and Corporate Investment Management
- 2013
  - Amendment to the Memorandum of Association where a modification was made to Item 6 under “Article 3: Company Objective” and where one item was added, bringing the total number of objectives from 41 to 42
  - Revision of six 2013 company regulations concerning payment, procurement, contract employment and sale or disposal of assets and extraneous materials.
  - Revision of internal control regulation to reflect the internal audit standard of COSO (Committee of Sponsoring Organization of the Treadway Commission)
  - Revision of evaluation and welfare regulation
  - Adjustment of the organizational structure into two primary chains of command-the “Project and Asset Development and Management Chain” and the “Investment and Trading Organization Support Chain”. Another key chain of command in addition to the primary chains is the Office of the Managing Director.
  - Alteration of the authority, duties and responsibilities of the Senior Managing Director to reflect the nature of management work at the present time.
  - The J-Park Sriracha Nihon Mura shopping mall project was initiated. This shopping mall offers rental retail space for clothing items, restaurants, convenience stores and supermarkets. It is located on the eastern seaboard in Surasak Subdistrict of Sriracha District, Chon Buri.

## 3. Shareholding Structure of the Group Company

### (1 ) Policy of the operation of the company

Saha Pathana Inter Holding Public Company Limited incorporated on April 5, 1972, under the name of Saha Pathana Investment Co., Ltd., with the registered capital of 6 million Baht. Now the company has the registered capital of 800,000,000 Baht with the paid-up capital of 494,034,300 Baht, our core business is in three categories: investment, rent and service and industrial parks. The Company and subsidiaries jointly reviewed the possibilities of joint investment in related or mutually beneficial businesses. According to our policy, the company with the most relevant operation to such a joint venture is required to follow up on the operation of such business. This will make it easier to identify any issue and report any timely resolution to the company and its shareholders. The operation of any company in which we have investment is to be conducted at the liberty of the Board of Directors of such



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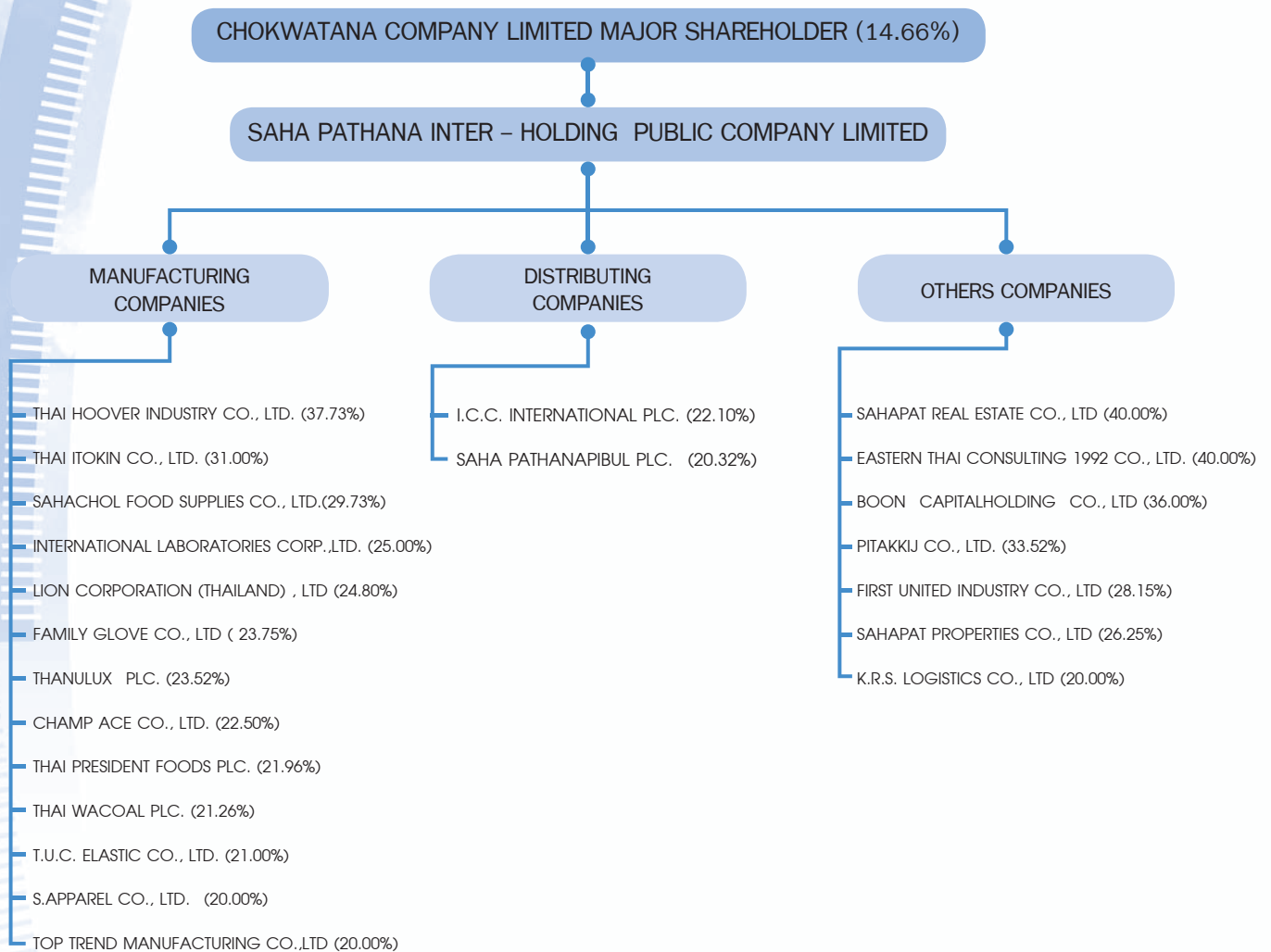
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# ● The Business Operations

company. We are continuously expanding our investment efforts in production businesses, distribution businesses, as well as, service and miscellaneous businesses.

(2) As at December 31 , 2013 the company does not invest in subsidiary companies but invests in 22 associated companies which business line are as follow



## Shareholding Structure

1. In the year 2013, company directors, executives, spouses and children under juristic age collectively hold 4.23% of the shares of the company which is not exceeding 25% of issued and paid-up shares. The company's free float shareholding is 36.24%, which is greater than the 25% of issued and paid-up shares.
2. The company has a cross shareholding structure. Nevertheless, such cross shareholding practice is not contradictory to the criteria of Article 14 of the Announcement of the Equity Market Committee no. Tor Jor. 28/2551 on the Seeking and the Giving of Permission to Offer Newly Issued Shares.

3. The company has not implemented mechanism for the prevention of takeovers. The company discloses the shareholding structure within the business group and the cross shareholding practice under “the Investment Structure and Cross Shareholding Structure” section.
4. Foreign institutional shareholder holds a total of 33,078,990 shares or 6.70%. Thai institutional shareholder holds a total of 265,570 shares or 0.05%. Total number of shares held by institutional investors is 33,344,560 shares or 6.75%.
5. We treat all shareholders equally in the event where we repurchase the shares. However, there was no share repurchase in 2013.
6. We published information concerning our Company via the systems of the Stock Exchange of Thailand and via our own website ([www.spi.co.th](http://www.spi.co.th)). We encourage shareholders to take part in the shareholder meetings. As well, events are held for shareholders to meet with analysts, investors, and other interested members. We can mutually exchange their views and opinions among themselves or with the executives. Moreover, the Company has cooperated with the Stock Exchange of Thailand and the Federation of Thai Capital Market Organizations organized the company visit at the Saha Group Industrial Park-Sriracha to provide the investors information for their self-determination in investment. For effective communication each other between Company and shareholders, there are no obstacle or barrier in order to invest of investors.
7. We do not have any agreement with certain shareholders which will have significant impact on us or other shareholders

## Cross Shareholding Structure

The Company has the cross shareholding as follows

### 1. Holding of shares exceeding 50%

A) Other firms hold shares in the Company exceeding 50%, the Company must not cross shareholding in other firms.

-None-

B) The Company holds shares in other firm exceeding 50%, the other firms must not cross shareholding in the Company.

-None-

C) The Company holds shares exceeding 50% between two or more other firm, any other firms must not cross shareholding each other.

-None-

# ● The Business Operations

## 2. Holding of shares exceeding 25% not exceeding 50%

A) Other firms hold shares in the Company exceeding 25% but not exceeding 50% of shares, the Company must not cross shareholding in other firms exceeding 10%.

-None-

B) The Company holds shares in other firms exceeding 25% but not exceeding 50% of shares, the other firms must not cross shareholding in the Company exceeding 10%.

-None-

Names	Proportion of Shareholding %	
	The Company holds Share in other Firms	Other Firms holds Share in the Company
1. SAHAPAT REAL ESTATE CO., LTD	40.00	0.21
2. EASTERN THAI CONSULTING 1992 CO., LTD.	40.00	-
3. THAI HOOVER INDUSTRY CO., LTD.	37.73	-
4. BOON CAPITAL HOLDING CO., LTD .	36.00	-
5. PITAKKIJ CO., LTD.	33.52	-
6. THAI ITOKIN CO., LTD.	31.00	-
7. SAHACHOL FOOD SUPPLIES CO., LTD.	29.73	-
8. FIRST UNITED INDUSTRY CO., LTD	28.15	0.52
9. SAHAPAT PROPERTIES CO., LTD	26.25	0.07

## 3. Holding of shares not exceeding 25%

A) Other firms hold shares in the Company not exceeding 25%, the Company must not cross shareholding in other firms exceeding 25%.

-None-

B) The Company holds shares in other firms not exceeding 25%, the other firms must not cross shareholding in other firms exceeding 25%.

-None-



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The details are as follows

Names	Proportion of Shareholding %	
	The Company holds Share in other Firms	Other Firms holds Share in the Company
1. INTERNATIONAL LABORATORIES CORP.,LTD.	25.00	0.29
2. LION CORPORATION (THAILAND) CO., LTD.	24.80	0.26
3. THANULUX PLC.	23.52	0.68
4. I.C.C. INTERNATIONAL PLC.	22.10	9.72
5. THAI PRESIDENT FOODS PLC	21.96	0.20
6. THAI WACOAL PLC	21.26	0.68
7. SAHA PATHANAPIBUL PLC.	20.32	6.52
8. NEW CITY (BANGKOK) PLC.	15.50	0.07
9. S & J INTERNATIONAL ENTERPRISE PLC.	15.35	0.24
10. FAR EAST DDB PLC.	14.08	0.28
11. PEOPLE'S GARMENT PLC.	13.78	0.44
12. O.C.C. PLC.	12.73	0.06
13. TEXTILE PRESTIGE PLC..	12.03	0.09

*Note : The Company has adopted the cross shareholding structure which is not contrary to the No. 14 of the Notification of Capital Market Supervisory Board No. Torchor 28/2551, Re: Application for and Approval of Offer For Sale of Newly Issued Shares.*

## Relationship with the business groups of major shareholders

-None-

# ● The Business Operations

## 4. The Character of Businesses

The Businesses currently conducted by the company can be divided into 3 main types of businesses, Investment in Share Capital, Rent and service business and Industrial Park business, details are as follows :

### (1). Associated Company Income Structure

TYPE OF BUSINESS	COMPANY	% INVESTMENT	2013		2012		2011	
			(THOUSAND : BAHT)	%	(THOUSAND : BAHT)	%	(THOUSAND : BAHT)	%
INVESTMENT IN SHARE CAPITAL								
PROFIT FROM INVESTMENT BY EQUITY	ASSOCIATED COMPANIES	20 - 40	1,102,090	26.39	1,198,844	29.56	953,367	28.41
DIVIDEND INCOME	OTHER COMPANIES	0.03 -19.99	221,244	5.30	209,080	5.15	191,783	5.71
RENT AND SERVICE BUSINESS	OWNER		2,468,687	59.11	2,252,932	55.54	1,929,353	57.49
INDUSTRIAL PARK BUSINESS	OWNER		303,847	7.27	202,005	4.98	68,040	2.03
OTHER BUSINESS	OWNER		80,823	1.93	193,283	4.77	213,250	6.36
Total			4,176,691	100.00	4,056,144	100.00	3,355,793	100.00

### (2) The Operation of each product line

The Businesses currently conducted by the company can be divided into 3 main types of businesses, Investment in Share Capital, Rent and service business and Industrial Park business, details are as follows :

## 2.1 Investment in Share Capital

### 2.1.1 Products and Services

The company has invested in share capital in various business with an objective to add value to the company in the long run. The company has invested in the business enhancing the business undertaken by the companies in the group or the business possibly to be undertaken in the future because there is a profitable potential. The company will get the return in form of dividends. In year 2013, the company has invested into 4 companies, which was a total of 49,289,851.55 baht. We have cancelled the investment and issued 8 companies.

As of December 31<sup>st</sup>, 2013, we have investments in 148 companies as follows:

1. Production
2. Distribution
3. Service and other Business

# The Business Operations ●

**Production Business:** We have joint investments in domestic and international operators. These include investments in producers of raw materials and consumer products which are sold under trademarks held by the company or the subsidiaries, as well as, those licensed by their foreign owners. Examples of which are as follows:

- LION CORPORATION (THAILAND) Company Limited : Producer of consumer products under Pao, Kodomo, Shogobutsu Monogatari, Systema , Kirei Kirei and Sue Sat and other trademarks
- THANULUX Public Company Limited: Producer of ready-made clothing and leather items under Arrow, Guy Laroche, Daks and other trademarks
- THAI WACOAL Public Company Limited: Producer of ladies' lingerie and ready-made clothing items under Wacoal, Elle, Enfant, BSC and other trademarks
- THAI PRESIDENT FOODS Public Company Limited: Producer of instant noodles under Mama and other trademarks
- S & J INTERNATIONAL ENTERPRISE Public Company Limited: Producer of cosmetics under BSC and other trademarks

**Distribution Business:** We have invested in consumer product distribution companies and direct sale companies, most of which are joint ventures with subsidiaries. The majority of products distributed are also produced by the subsidiaries.

- SAHA PATHANAPIBUL Public Company Limited: Distributor of consumer products such as Pao detergent, Mama instant noodles, Systema products, Shogobutsu Monogatari liquid soap, Lipon F dish-washing , Kodomo products - Kirei Kirei, i-Healti Q10 , Sue Sat and Mama Ramen instant noodle .
- I.C.C. INTERNATIONAL Public Company Limited: Distributor of products such as Arrow, Lacoste, Guy Laroche, Elle and Daks ready-made clothing items, Wacoal lingerie, Enfant and Absorba children's clothing items, Regal and Naturalizer , Sby , Mizuno and Speedo sportswear and, BSC products.
- Better Way (Thailand) Company Limited: Direct seller of Mistine and Faris by Naris.

**Service and Other Businesses:** We have invested in other high-potential companies with satisfactory long-term returns which support the operation of our subsidiaries. Such are companies in service, investment and property development sectors, with details as follows.

- SAHACOGEN (CHONBURI) Public Company Limited: Producer and distributor of electricity and steam-related services.
- FAREAST DDB Public Company Limited: Advertising agency and producer.
- EASTERN THAI CONSULTING 1992 Company Limited: Provider of environmental services including water and air quality analysis, wastewater treatment system and tap water production

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## 2.1.2 Marketing and Competition

### Marketing

Our Company invests in shares of various companies which produce raw materials for our use, as well as finished products for our distribution. As competition intensifies, it is necessary for manufacturers to create innovation, add value to their products and consistently communicate with consumers. At the same time, manufacturers need to engage in social service-oriented marketing activities and be aware of environmental issues. These are what matter to consumers and contribute to their purchase decision. Therefore, our production arm strives to procure raw materials and implement processes which are environmentally friendly to bring product quality to the level desired by modern day consumers. Additionally, manufacturers must improve production efficiency in order to bring production costs down and managerial flexibility up in order to improve competitiveness and secure market share. Our group companies are at an advantage against competition in terms of variety as well as lower cost. Additionally, we regularly invest in the research and development of new raw materials. Most companies in Saha Group are ISO 9001 certified for their production standard.

Aside from production, sales channels are another of our key strategies. The products of most companies within our group are distributed via our group distributors such as Saha Pathanapibul Public Company Limited and ICC International Public Company Limited. The intermediaries we must use to this end are the department stores, the discount stores and the convenience stores all of which have high bargaining power. These stores have now branched into the provinces, that means we sell more to the provinces as well. Therefore, in order to ensure retail space for our brands, we must strengthen our products with innovation and marketing activities to correspond with diverse consumer requirements. For instance, BSC Cosmetology has introduced “Adorned by the Most Beautiful Women in the World” marketing concept with Miss Universe 2005 Natalie Glebova as the brand ambassador to help enhance the image of BSC Cosmetology as a global brand. Meanwhile, Arrow has staged the “Arrow Handsome 2012” contest with the “Style Legend” concept. Our direct sales channel is managed by Better Way (Thailand) Co., Ltd. with regular adjustment of strategies that have resulted in excellent public awareness of Mistine and in the subsequent launch of new products under the Mistine and Faris by Naris brands. We are engaged in satellite marketing via the S Channel or Super Channel in keeping with consumers who have gone digital.

Considering that our affiliates are independently managed and competitive against one another, innovations are continually developed by the different companies, resulting in added value and more expansive distribution channels. Nevertheless, the individual companies under the group can synergize to demonstrate our collective potential. The Saha Group Fair, which was attracted by a very large number of shopping visitors. The 2013 installment was the fair’s 17<sup>th</sup> event where new products and innovations of the subsidiaries were displayed. Each company showcases their products and services, and, invites existing and new clients to visit the fair to exchange views and learn more about their requirements. This is a perfect channel for joint ventures and expansion of domestic and international markets. Saha Group Fair gives all affiliates the possibility to adapt to fluctuating economic situations, promote development of innovative products and marketing activities, and, create added value for clients. Appearing



on the packaging or the price tag of our products is the Saha Group Thailand Best logo informing consumers that they are using quality products made in Thailand by Thai people. Visitors to the fair are able to purchase products at special prices as we want to express our gratitude and to assist people.

## Competition

The majority of products under our group of companies are consumer products which are essential to the daily life of people such as men's, ladies' and children's clothing, underwear, cosmetics, instant noodles, detergent, leatherwear and food. The free trade agreement would give consumers more choice obviously. Local entrepreneurs have to face competition from imported products. Consequently, we need to consistently evolve and introduce innovations to the market. Our products are well received for their quality and ability to satisfy the demands of consumers. These innovations, however, require factories with the capability to accommodate production needs.

- **Cosmetics:** Competition has intensified with continuous growth from new brands to the industry while brand loyalties are in the declining trend. In 2013, in spite of economic growth slowdown and political turmoil, cosmetic industry was still growing due to expansion of discount stores and convenience stores which offer higher reach to consumer together with its proactive marketing strategy. Counter brands cosmetics are using comprehensive marketing tools. In 2013, counter brands of cosmetics chose to use television media and to increase spending in advertising to build brand recognition more broadly which is in line with brand expansion to other major cities and continuously launching of new products. Internet media growth is undeniable notable. Online shopping is growing in every product segment including cosmetic which rank No. 2 in online shopping growth where the leader is fashion clothing segment. This online shopping growth is considered to be an opportunity to increase revenue via this channel which has shown high growth rate in the past 5 years. Marketing strategy in counter brands segment also chose to use media in cinemas and at department stores and increase the marketing strategic such as boosting consumer spending and also consumer brand loyalty. The discount store scene has undergone major change and competitors have been reduced to Big C and Tesco Lotus only. Offering much lower prices than the market has given them added bargaining power. Discount stores more proactively demand benefits. As transnational companies, they can invest in new branches on a regular basis. Additionally, they have introduced smaller sized outlets such as convenience store and supermarket in community area to increase leverage against trading partners. Convenience stores have partnered with more than 70 companies in order to provide bill payment service as a marketing tool to attract customers. The service corresponds with the customer behavior. They have limited time and enjoy the convenience of shopping and other services in a one-stop location. In the future, there is a plan to implement full online shopping services to support upcoming competition. The trading partners affection was determined conditions to efficiency for the group of discount store. Companies in Saha Group are trying to strike a balance with the discount stores by avoiding direct discount and choosing instead to offer free items. The discount store are expanding continuously with the emphasized to middle and small size provinces market with the high purchasing power and new model as a smaller size and close to community.

- **Women's lingerie:** The development of women's lingerie places great importance on innovation and technology, as well as, research and development. At our Company, the development of women's lingerie is based on extensive

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studies into two major aspects — women's contour and customer behavior at different age ranges. Our women's lingerie products have been created to satisfy the needs of women across all ages — teenagers, young adults and adults. Modern women tend to place greater emphasis on the design of the lingerie. New collections of women's lingerie are launched at pre-determined intervals with an aim to stimulate target customers to continue to buy the products. Moreover, cyberspace has emerged as a new high-potential market as more and more people do their shopping online. Well aware of this, the Company has established partnerships that will help facilitate its online marketing and delivery of purchased products to customers. Having said this, existing conventional customers also remain key customers that the Company will always attempt to keep satisfied through the 'His & Her Plus Point' membership program. Women's lingerie is a business that requires a great effort from any newcomer to enter this highly competitive industry. In order to enter this market, one needs to invest substantially in everything from raw material to production technology to distribution to marketing. And even when you have your products ready, it's still not easy to negotiate with leading department stores or modern-trade outlets to place your products on their shelves. Our Company currently operates a total of seven women's lingerie brands — each of which serves their own distinct customer segment. 'Wacoal' is our leading brand which currently holds a substantial 60% market share.

Even though women at different ages have different needs for the lingerie that they prefer, they do love one thing in common — the wearing comfort. Good lingerie must make the wearer feel good and look good too. Also, more and more women are placing importance on the health benefits of lingerie. This is true not only for older women, but also for younger ones like women aged between 13 to 27 — the period when a female body goes through a great deal of change. Economic difficulties and political unrest have prompted many people to think twice before spending, and therefore price competition in the lingerie market is inevitable. Our Company however tries to differentiate our lingerie products from competitors by promoting innovation and technology that is capable of producing lingerie that truly matches the body contour of Thai women.

- **Men's apparel:** The Company's fashion apparel for men is mainly distributed through leading department stores both in Bangkok and upcountry, as well as, at discount stores and standalone outlets. Thailand's men's apparel market value shrank by 8% in 2013 with the last quarter of the year being the time of the hardest hit. That was when the prolonged political protest took hold and resulted in a slowdown in making purchasing decisions by many consumers. Producers need to be able to adapt to ever-changing circumstances and manage their costs more efficiently in order to remain competitive. Advanced production technology, adding value to products and efficient communication with consumers are key factors that contribute to gaining increased market shares. Another factor that affects the decision of modern consumers to buy products from any brand is whether or not it is a brand that cares enough for society to organize serious corporate social contribution efforts on a regular and ongoing basis. This is an area where we stand out in comparison with most other apparel makers in the market who seem to focus only on price competition without any interest in other marketing strategies. The Company will make attempts to achieve even better cost management so that it continues to enjoy a competitive edge over its competitors in the long term. The Company's comprehensive portfolio of men's fashion apparel is diversified enough to cover a wide range of consumer segments. The outstanding quality and innovation excellence of our men's clothing items result from support of business partners within the group who operate as either textile makers, fabric dying plants and producers of ready-to-wear clothing items.

Under current political circumstances, the economic downturn in the men's apparel market is expected to continue. Competition is also anticipated to increase as new overseas makers enter the market including producers of low-price products from China. In order to remain competitive, makers in this market need to be able to differentiate themselves from others through outstanding product quality.

- **Consumer products:** The consumer goods market is a highly competitive one. Most of our products are intended for daily use and can be classified into four main categories: household products, food products, personal-care products and children's products. These include Lipon F dish-washing agent, Pao detergent, Mama instant noodles, Systema products and Kodomo products. Our focus is on quality and price that is honest and fair to the consumers. We try to expand our distribution channels to cover as many target areas as possible. As for marketing strategy, we focus on achieving the market share that corresponds with the positioning of our products and services. New products are developed to reflect the needs of consumers, which evolve over time. Logistics and information technology systems are developed to ensure utmost customer satisfaction and minimize the loss of sales opportunity due to inventory shortage. The synergy network of distribution established serves Bangkok and provincial markets at the ratio of 40:60. The consumer goods market continues to be intensely competitive. The free market model offers consumers more choices. Domestic entrepreneurs must embrace heightened competition from imported products, as well as the relocation of the manufacturing base of the competitors to Thailand or neighboring countries. This is why we need to constantly introduce innovations to the market and engage in marketing activities to promote products and ensure a positive relationship among subsidiaries, retail stores and consumers. Most of our consumer goods are well known on a wide scale. Mama instant noodles, for instance, netted a total market value of approximately 17,000 Million Baht in 2013 or about 8% growth. The growth in value of instant noodle products has been used as an economic indicator. A higher sales of instant noodles translates and an economic slowdown indicate that people spend less and eat more instant noodles. Thai people eat an average of 44 packs of instant noodles a year. In the past three to four years, the consumption trend shifted from packs to cups, resulting in increased market value of instant noodles in cups. Of all instant noodle sales, packs account for approximately 70% while cups account for approximately 30%. Present day consumers buy fewer products at one time but buy more frequently. It is expected that competition will continue to intensify. Mama is now the number one leader of the instant noodle market with the highest market share of 54%. This is particularly true for instant noodles in cups which grow both in value and quantity with a top market share of 61%, while the market share of instant noodles in packs is 50%. In the past year, new flavors were introduced, namely Mama Spicy Cheese, Mama Tomyum Kung Extreme and Mama Seafood Pad Keemao. Premium instant noodle products are in greater demand than before.

As for Thailand, the Thai economy has expanded at the rate of 2.9% in 2013, down from 6.5% in 2012. Overall investment grew at the negative rate of -1.9% due to decreased private sector investment of -2.8%. Goods export grew by 0.2% as nearly all types of goods have lowered export value. Household spending grew by only 0.2% as opposed to 6.7% in 2012. Nearly all branches of the industrial sector expanded minimally. Wholesale and retail grew 3.2%, down from 5.2% in 2012 while the industrial sector expanded by only 0.1%. Nevertheless, tourism continues to grow significantly at the rate of 12.1% due to the increase in the number of tourists, as well as transportation, which expanded by 7.9%.

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In the year 2013, our company has netted a total income of 4,177 Million Baht or an increase of 121 Million Baht or 3.0% over the year prior. Net profit was at 1,300 Million Baht or an increase of 37 Million Baht or 3.0% over the year before. The details of these performance figures can be found in the explanation and the analysis of the financial status and operational results of the management.

As for 2014, the company performance is anticipated to be in a satisfied range. According to the year 2013, the performance of affiliates hasn't earned high profit, which will affect the company to receive less dividends. However, the income from the industrial park business will continuously increase, regarding to the expansion of rental and service. Furthermore, the company recognizes the importance of changes that occurs with personal skills improvement, cost reduction and the enhancement of efficiency in product and service.

## 2.1.3 Procurement of Products and Services

We invest in companies, the business of which relates to or enhances our current operation. Additionally, we are investing in new businesses which we believe to be capable of generating worthwhile returns. To this end, we are seeking new, high potential joint investors with the necessary technology. Some are suggested by current joint investors, financial institutions and potential clients of our industrial parks. We can provide assistance by suggesting location and securing permits from the authority with the aim to achieve the goals set. Location-wise, we have the land and the buildings inside of three industrial parks which are ready for lease or sale and have the land and the building at Tambon Maekasa, Amphur Maesot, Tak Province for lease, which will allow investors for quick operation, production and profitability at a price which allows investors to manufacture products and earn profits in a timely manner.

## 2.1.4 Outstanding tasks: -None-

## **2.2 Rent and service business**

### 2.2.1 Types of Products and Services

We operate rental and service business on our own to accommodate growth and to enhance the competitiveness of companies in the group. This can be classified into four categories as follows:

#### **1. Leasing industrial spaces and providing services in industrial parks**

The industrial parks which are already in operation let land and buildings, provide basic utility services, as well as maintenance services including waste water treatment and infirmary. Further, in the year 2009, we have expanded our leasing and service business to Mae Kasah Subdistrict, Mae Sod District, Tak Province and J-Park Sriracha Nihon Mura Project, Sarasuk Subdistrict, Sriracha District, Chon Buri. The revenue from this business is in the form of rent and utility fees. As well, we have been issued a permit for the sale of electricity within the compound of Saha Group

Industrial Park — Sriracha. We have also been granted a concession contract to provide electricity and steam to companies in our industrial parks. There were a total of 70 lessees, 63 electricity service users and 25 steam service users in 2013.

## 2. Business consultation service

We provide consultation on business planning, management and service implementation to our affiliates in exchange for consultation and service fees. A total of 71 clients in 2013 enjoyed our service in this regard.

## 3. Trademark-related facilitation service

We serve as the intermediary for the seeking of licenses and the right to use trademarks of notable brands for our affiliates. Such trademarks can be divided into two categories.

Firstly, trademarks of foreign brands. These include such brands as Guy Laroche, Elle and Absorba. We obtain the licenses and the right to use these trademarks in Thailand for our affiliates, and we gain income through royalty fees. In 2013, we served a total of 13 customers in this area.

Secondly, we own and have registered domestic trademarks with the Department of Intellectual Property, the Ministry of Commerce, by product categories. To this end, we have licensed our affiliates to use these trademarks (e.g. Kulasatree, Rain Flower, Homecare and Flore) on the products they produce and distribute in exchange for license fees. In 2013, we served a total of 3 customers in this area.

## 4. Golf Course business

The company operates a standard 18-hole golf course in Wangtarn, Kabinburi district, Prachinburi province, and we gain income in the form of golf course fees, food and drink charges, etc. The golf course also serves as an efficient and sustainable way to make the best use of treated wastewater from our industrial park in the district.

### 2.2.2 Marketing and Competition

#### Marketing

An Overseas Marketing Unit has been established to support our existing Domestic counterpart. The new overseas unit has been initially aiming at attracting potential Japanese investors to locate their establishments in our industrial parks. Relevant information is also provided to the Board of Investment and made available on our website at [www.spi.co.th](http://www.spi.co.th). Specialist and experienced advisors are on hand to assist clients at all times.

In addition, the company has arranged the land and Saha group completed buildings to facilitate the small and medium enterprises (SMEs) in Saha Group Industrial Park in Sriracha, Kabinburi and Lampoon through land and building lease. Thus the lessees are able to undertake the business at once. Regarding the basic public utilities, the



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company has put its focus on readiness and the sufficiency of the services such as quality wastewater treatment system, garbage collection and incinerator service and nursing service. The ISO 9001:2008 quality management system is introduced in the area of land and basic utility development. The system provides a basis for continued improvement in quality management. In order to generate more revenue from rent and service fees, we need to continue with our image enhancement, as well as our social and environmental responsibility. These have become a strong marketing strategy in recent times. They are capable of enhancing marketing potential, convincing clients of our services and attracting new investors to our industrial parks. We have been consistently improving the environmental circumstances of our three , Saha Group Industrial Parks. They are now ISO 14001:2004 certified for the central wastewater treatment system by the Management System Certification Institute (Thailand) and the Office of Certification Body under Thailand Institute of Scientific and Technological Research.

## Competition

Competition With regard to the leasing and service business, the majority of clients are subsidiaries under our own group. Therefore, competition is not a serious issue. In addition, other non-subsidiary clients have been specifically selected to ensure that their businesses will not have any negative impact to the environment. We have constantly made improvements in this area and successfully attracted clients to our industrial parks. Our land and building arrangement makes our service a viable option for major and minor investors alike. Comparing the lease rates of factory buildings located in Saha Group Industrial Parks and those in other adjacent industrial areas and estates, ours have a lower lease rate per square meter. Our consistent improvements in the area of services and environment preservation have convinced customers to select our sites. As for the electricity business, our only competitor is the Provincial Electricity Authority. We are a holder of an electricity sales permit and we are a stable supplier capable of providing quick and efficient service. The steam business is not experiencing any competitive issue as the cost of our steam service is cheaper than if the client were to produce steam themselves. In addition, the Company has also expanded rental and service business to Mae Kasa Subdistrict, Mae Sot District, Tak Province, which is one of the government's special economic areas. The move is believed to provide more options for business people.

With regard to the golf course business, as Saha Group Industrial Park — Kabinburi produces a generous amount of treated wastewater, we believed that this water should be used to benefit without any effect on the surrounding communities. We have perceived that the golf course business is thriving so in order to establish a sustainable water management practice, In 2007, Kabinburi Sport Club golf course was built as the only course of standard 18 holes. The Company built a driving range and encourages the having of more new local golfers and offers locals the right to apply for free local memberships with a view to create relationships with communities. In addition, the golf course was uniquely designed to have the longest length in Thailand, which attracts and challenges golfers in general to try. These have placed KabinBuri Sports Club Golf Course at an advantage over other operators in adjacent industrial areas. It enhances the land value and helps attract entrepreneurs to invest in Saha Group Industrial Park — KabinBuri.

## 2.2.3 Procurement of Products and Services

The Company provides lands and finished buildings in Saha Group Industrial Parks and at Mae Kasa Subdistrict, Mae Sot District, Tak Province. In year 2013, the J-Park Sriracha Nihon Mura project was initiated. This shopping mall offers rental retail space for clothing items, restaurants, convenience stores, and supermarkets. It is located on the eastern seaboard in Surasak Subdistrict of Sriracha, Chonburi. It aims to serve investors who desire to conduct businesses within the parks, including personnel in accounting, law, foreign affairs and other fields. Copyrights and trademarks of foreign renowned products which are popular and craved for both domestic and international markets are made available by both the company and the affiliates. Their registration or copyright registration will be made by the company to ensure product diversification, which could create revenues from the increasing productivity, as well as creating new own trademarks generally accepted by markets to reduce copyright costs in production. In addition, the company makes the optimum use of its plain area by constructing a golf course as its new service.

## 2.2.4 Outstanding tasks: -None-

## **2.3 Industrial Park business**

### 2.3.1 Types of Products and Services

The company engages in the business of developing industrial areas with an initial objective to serve the increasing needs of the industrial space of our own subsidiaries. The idea was also in compliance with government policies that encourage the expansion of industrial areas to upcountry regions. The policies aim for the expansion to contribute to sustainable prosperity, improved quality of life, greater social benefits and better environment for upcountry people. All of the company's three industrial parks in Chonburi, Prachinburi and Lamphun provinces are managed under good corporate governance, and through them, the company earns income from leasing and selling industrial space.

Instead of 'Industrial Estates', we choose to call our principal business 'industrial parks', because we strive to offer peaceful tranquility and desirable greenery in all of our industrial locations. Therefore, in order to ensure client confidence in the services of Saha Group Industrial Park, we have introduced the ISO 9001:2008 quality management system in the area of land and basic utility development of all three industrial parks. We have not ceased to improve our quality management system since.

The following are the key objectives in the implementation of ISO certification in our organization.

1. To use it as a guideline in improving the company's quality standards
2. To ensure greater overall efficiency and effectiveness of the company performance
3. To increase customer satisfaction

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The ISO 9001:2008 quality management system was reviewed in 2010 and approval is granted to implement the “Good People, Good Product, Good Society” initiative of Mr. Boonsithi Chokwatana as the quality policy for the service business within all three Saha Group industrial parks. This is to ensure customer satisfaction and constant development. The policy requires that our staff serves clients quickly, politely and ethically; that the facilities provided are of high quality and adequacy; and that improvements are made according to the set objectives. The occupational health, hygiene, safety and environment for the staff and the residents of the surrounding areas are promoted and developed. It is implemented in unison with the ISO 14001:2004 environmental management policy for the beautiful environment within the industrial parks, the proper contribution to society and the allowance of mutual recreation. Employees of all levels are expected to implement the said policies with great efficiency. At present, we have been consistently improving the environmental circumstances of our three, Saha Group Industrial Parks. They are now ISO 14001:2004 certified for the central wastewater treatment system by the Management System Certification Institute (Thailand) and the Office of Certification Body under Thailand Institute of Scientific and Technological Research. The environmental policy is established as below:

## Environmental Policy

### Saha Pathana Inter — Holding Public Company Limited

Saha Pathana Inter — Holding Public Company Limited is a company in charge of central wastewater management and treatment at Saha Group Industrial Park- Sriracha, Saha Pathana Inter- Holding Public Company Limited recognized the essential of preservation the environment by implementing a proper management system and by establishing effective environmental policies. All executives and staff members are determined to comply with the following code of conduct.

1. To comply with relevant environmental laws and regulations and use them as the minimum operational requirements
2. To conserve and utilize natural resources and energy in such a manner as to ensure greatest efficiency and with minimum impact on the environment
3. Communicate with employees of all levels, including contractors and companies located inside of our industrial parks about the significance and the responsibility under our environmental policy and environment management system. The policy is announced to the public as well.
4. To prevent water pollution and ensure minimal impact on the environment
5. To engage in the procedures established in the company’s environmental management system, and to adopt continuous improvement

Our environmental policy is promoted among the staff through ongoing training and reminded by posters affixed in the compound of the company. Department/division managers must ensure that all of their staff, as well as distributors and contractors acting on behalf of the company, are in full understanding and compliance with the

company's environmental policy.

The energy and global warming situations appear to escalate with time to the level where they become matters of national concern. This is a result of inefficient use of energy that must be imported from other countries. Money is lost to foreign sources in the process. This rising production cost affects the competitiveness of factory operators, particularly those 10,000 Thai-owned small and medium sized industrial factories.

In the year 2013, Saha Group Industrial Park-Sriracha has engaged in a pilot project to improve energy management efficiency, following the implementation of the DIW Energy Management System for SMEs in 2012. The energy policy of the management has been translated into energy policy for the central wastewater treatment facilities with the aim of continuous energy conservation and development. This policy focuses on the energy-saving efforts of the central wastewater treatment systems. Employees at all levels must implement this policy as strictly as possible in order to achieve the desired efficiency. We are currently the first industrial group or estate in Thailand to have been certified for the ISO 50001:2011 standard for energy management by the Management System Certification Institute (MASCI) for the energy usage improvement of the central wastewater treatment facilities. Looking forward, energy usage at Saha Group Industrial Parks-Sriracha will be further improved with an energy policy established as follows:

## Energy Policy

### Saha Pattana Inter-holding Public Company Limited

Saha Pattana Inter-holding Public Company Limited manages the central wastewater treatment facilities of Sahaphat Sriracha Industrial Park. With firm belief in energy conservation, it is deemed a duty of all employees to help contribute to the sustainability of this initiative.

To this end, we have established an energy policy as a framework for the efficient use of energy as follows:

1. We will appropriately engage in the development of energy management with energy conservation as a part of our operation. The activities in this area will be in strict compliance with relevant laws and regulations.
2. We will continuously improve the energy usage efficiency of the organization by employing suitable technology and best practices.
3. We will procure machinery, tools and devices required for manufacturing, as well as other services, with consideration on energy efficiency of such products and services.
4. We will determine the energy conservation plan and a goal for each year and communicate such plan to all employees so it can be put into practice correctly and appropriately.
5. We will analyze, evaluate, control and reduce the use of energy. Continual energy performance will be in

# ● The Business Operations

place with 2012 average electricity usage not exceeding 1.32 megajoules per cubic meter.

6. We believe that energy conservation is a responsibility of the management and employees at all levels who must comply with the established measures, follow up on practices and report to the Energy Management Workgroup.
7. We will provide necessary support which includes personnel, funding, time, training and suggestions on energy initiatives.
8. We will help liaise with communities, governmental agencies, entrepreneurs and third parties on matters relating to energy management.
9. The management and Energy Management workgroup will review and revise energy policies, goals and plans on an annual basis.

Employees are a most invaluable asset and a key to realizing energy management goals.

In order to enhance the knowledge and capability of employees on a regular basis, internal and external training is arranged for employees of all levels to ensure systemic development of the company's energy management. This will allow us to strive forward with optimal energy efficiency, better quality and greater competitiveness. Moreover, the company aspires to be an organization that provides its employees with learning opportunities. This will in return contribute to the company's sustainable development and its ability to help improve the society to which the company belongs.

The above policy has helped us save 117,778.6 kilowatts/hour of energy or 400,000 Baht reduction of wastewater treatment cost per year.

## SAHA GROUP INDUSTRIAL PARK

Saha Group Industrial Parks is comprised of power plants in Saha Group. Therefore, the level of service provided within Saha Group Industrial Park is the only service for the Affiliates in Saha Group. We aim mainly for the benefit of the Affiliates because we believe that those benefits will reflect to the Company and the surrounding society of Saha Group Industrial Parks at the end. Details are as follows;





บริษัท สหพัฒนาอินเตอร์โฮลดิ้ง จำกัด (มหาชน)  
SAHA PATHANA INTER - HOLDING PUBLIC COMPANY LIMITED

Saha Group Industrial Park – Lamphun

Saha Group Industrial Park – Kabinburi

Land at Mae Sot Project

Land at Ratchaburi Project

Saha Group Industrial Park – Sriracha



The Business Operations

# ● The Business Operations



## 1. Saha Group Industrial Park – Sriracha

Saha Group Industrial Park — Sriracha was established in 1977 in the municipality of Laemchabang Subdistrict, located in Moo 11, Tambon Nong-kham and Moo 1, Tambon Bueng, Sriracha District, Chonburi Province. It presently covers a space of approximately 1,800 Rai and offers various facilities and infrastructure services as follows:

- A 174 - Megawatt Power Plant capable of providing adequate power backup 24 hours a day. The power plant is operated by Sahacogen (Chonburi) Public Company Limited with an electricity sales license issued by the Energy Regulatory Commission Office, the Ministry of Energy. The excess steam from the generation of electricity is also sold to factories located inside the industrial park.
- The standard centralized wastewater treatment, which was certified by Siam Environment Group in 1993, can treat waste water according to the standard of the Department of Industrial works. Its capacity could treat daily 12,000 cubic meter waste water.
- Air - field with the private license from the Commercial Aviation Department.
- Reservoir with raw water storage capacity of 850,000 cubic meter.
- The daily water supply capacity 20,000 cubic meter.
- Park
- Business supplementary service sector, which is the center of selling products from Saha Group under the symbol "Thailand Best", operating by Kabin Pattanakij Co., Ltd.



## 2. Saha Group Industrial Park – Kabinburi

Saha Group Industrial Park — Kabinburi was established in 1989, located in Tambon Nong — Si and Tambon Wang — Daan, Kabinburi district, Prachinburi Province. It presently covers a space of approximately 3,900 Rai and offers various facilities and infrastructure services as follows:

- Reservoir with raw water storage capacity of 1 million cubic meters.
- The daily water supply capacity 6,000 cubic meters.
- A 50 x 2 - Megawatt Mini Power Plant under the supervision of the Provincial Electricity Authority.
- Centralized wastewater treatment system with daily capacity of 16,000 cubic meter.
- Air — field with the private license from the Commercial Aviation Department.
- A garbage incinerator with the capacity of 100 kilograms per hour with permit issued by the Ministry of Industry.



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### 3. Saha Group Industrial Park – Lamphun

Saha Group Industrial Park — Lamphun was established in 1989, located in Tambon Pasak and Tambon Wieng Yong, Mueng district, Lamphun Province. It presently covers a space of approximately 2,200 Rai and offers various facilities and infrastructure services as follows:

- Reservoir with raw water storage capacity of 1 million cubic meters
- Wastewater treatment with the daily capacity of 6,500 cubic meters
- A 50 x 2 -Megawatt Mini Power Plant under the supervision of the Provincial Electricity Authority
- Air — field with the private license from the Commercial Aviation Department
- A garbage incinerator with the capacity of 50 kilograms per hour with a permit issued by the Ministry of Industry
- Water supply from the artesian well with daily capacity of 3,120 cubic meters
- The daily water supply capacity 1,200 cubic meters

## 2.3.2 Marketing and Competition

### Marketing

The company has developed the Saha Group Industrial Park starting system development, control of the environment in a good condition. Selection of the company to undertake a business in the industrial park is based on the environmental impact so the factory with no environmental impact or the factory with proper prevention of environmental impact will be selected. The factories will be continuously monitored while the factory zoning is arranged for better control. For the distribution or lease of the area in the industrial park, the company puts its focus on the customers in need of expansion of the production capacity or relocation of the production base into the investment promotion area. The majority of clients has received information of Saha Group Industrial Park from the banks or the financial institutions they are in constant contact with, as well as our local and international partners and joint investors, on the company's website at [www.spi.co.th](http://www.spi.co.th). We have provided our industrial park profile to the Office of Board of Investment in order to facilitate dissemination of information to foreign investors entrepreneurs looking to invest in Thailand.

In addition to land or service quality, clients are making decisions based on the operator's positive image and social/environmental responsibility. This is an important marketing strategy and one which helps us to increase marketing capability and in attracting investors to our industrial parks. We have worked very hard to improve their environment. Certifications and certificates we have received for our efforts are as follows:

- Saha Group Industrial Park - Sriracha is granted a certificate by the Ministry of Industry for compliance with the 2009 Standard for Social Responsibility (CSR-DIW) and a certificate by the Department of Labor Welfare and Protection under the Ministry of Labor for compliance with the "Complete Initial Level" of Thai Labor Management System (Mor Ror Tor 8001-2546).
- Saha Group Industrial Park - Sriracha and Saha Group Industrial Park — Kabinburi have been granted a certificate by the Ministry of Industry for their central wastewater treatment system's compliance with the environmental governance principle.
- The three Saha Group Industrial Park has been ISO 14001:2004 certified for the central wastewater treatment system by the Office of Certification Body under the Thailand Institute of Scientific and Technological Research. They are also granted a certificate by the Ministry of Industry for compliance with the 2010 Standard for Social Responsibility (CSR-DIW)
- Saha Group Industrial Park - Sriracha is granted a certificate by the Ministry of Industry for their central wastewater management system which has earned the "Gold Medal" level of accreditation as per the industrial waste management standard under the "Waste Management Business Enhancement Program" of the fiscal year 2011.



# ● The Business Operations

- Saha Group Industrial Park — Lamphun is granted a certificate by the Ministry of Industry for their compliance with the 2011 Standard for Social Responsibility (CSR-DIW).
- Saha Group Industrial Park — Kabinburi is granted a certificate by the Prachinburi Anti-Drug Center to officially recognize them as a “white” or “drug-free” industrial estate in 2011.
- The Ratchaburi Environment and Energy Development Research Center has carried out a corporate social responsibility activity in the form of a mobile exhibition on environment and alternative energy. The alternative energy sources presented include the wind, the sunlight, the water and the biomass. Interesting facts about the environment are presented in this exhibition, particularly waste categorization and waste management. The exhibition has been found very informative and beneficial by students of nearby schools.

Environment and Energy Development Research Center as stated above good response from around community however, geographical area meet limited water resources unfavorable to industrial operation. The project has been postponed. The project’s information result was led to develop in Saha Group Industrial Park - Kabinburi, Prachinburi Province.

- Saha Group Industrial Park has been presented with a certificate by the Ministry of Industry for uninterrupted compliance to the standard of corporate social responsibility in 2012 (CSR-DIW Continuous Awards).
- Saha Group Industrial Park - Sriracha and - Saha Group Industrial Park - Lamphun have been selected by the Ministry of Industry to join the CSR-DIW Network for compliance to the standard for corporate social responsibility.
- Saha Group Industrial Park - Sriracha has been EnMS-DIW certified by the Ministry of Industry for efficient energy system management as per the ISO 50001 standard.
- Saha Group Industrial Park - Sriracha has been presented with the Outstanding Green Technology and Innovation Award 2012, in the capacity as a green industrial park, by the National Environmental Technology and Engineering Transfer Network and the Thai Environmental Consultants Association.
- Saha Group Industrial Park — Sriracha, Saha Group Industrial Park — Kabinburi and Saha Group Industrial Park - Lamphun have been consistently certified for quality management in accordance with the ISO 9001:2008 standard for development of land and basic infrastructure by the Management System Certification Institute (Thailand), Foundation for Industrial Development.
- Saha Group Industrial Park - Sriracha has been ISO 14001:2004 certified for central wastewater treatment system by Thailand Institute of Scientific and Technological Research.
- The genuine commitment to eco-friendliness of Saha Group Industrial Park - Sriracha in Chon Buri has been recognized with the ‘Green Industrial Park’ award.
- Saha Group Industrial Park have been presented with the Green Industrial Park plaque by the Department of Industrial Works on July 12<sup>th</sup>, 2012.

In the year 2013, the Company has been certified and granted more certifications as follows:

- Saha Group Industrial Park — Sriracha became Thailand's first industrial group/estate to have been certified for energy management standard by the International Organization for Standardization ISO 5001 : 2011
- Three Saha Group Industrial Park in Sriracha, Kabinburi and Lampoon have been ISO 14001 : 2008 certified on a multisite basis by the Quality System Certification Office under the Thailand Institute of Scientific and Technological Research. This is the first year of application for such multisite certification.
- Saha Group Industrial Park - Sriracha was presented with the 2013 Outstanding Preservation and Rehabilitation of Rivers Award by the Ministry of Industry.
- Saha Group Industrial Park - Sriracha and Saha Group Industrial Park - Lampoon were presented with a certificate by the Ministry of Industry for consistent compliance with the Corporate Social Responsibility standard. The 2013 CSR — DIW Continuous Award aims to promote the social responsibility of industrial factories and contribute to the continued and sustainable improvement of the Green Culture Network.

## Competition

Saha Group Industrial Parks were originally conceived as centers for the manufacturing activity of the subsidiaries and the joint ventures before opening up to accommodate other industrial businesses as well. As a commercial operation, we have to compete with other public and private industrial estates in the neighboring areas.

We compete mainly with our quality and infrastructure. The facilities we provide are consistent with the needs of the client, both in the present and in the future. Our sales and client relations work closely with the management and department managers to ensure customer satisfaction.

Saha Group Industrial Parks offer one-stop service and as such are found to be an alternative for entrepreneurs who wish to be free of issues relating to labor, the environment and basic infrastructure such as electricity, water, drainage and telecommunication. We aim to become the leader in eco industrial parks through optimal management of the environment as well as being involved with interested parties such as the communities surrounding us or in adjacent industrial estates. This should pave the way for a more pleasant society, as well as for the sustainability of our business.

Brand positioning defines how our land plots are superior to the competition. To this end, we highlight the stability of our basic infrastructure such as electricity, water and wastewater treatment. Our wastewater treatment system has met the standard of the Department of Industrial Works and utilizes electricity most efficiently for sustainable energy management. The location of our industrial parks offers ease of transportation of products to various industrial estates and to the ports as well.

# ● The Business Operations

We are able to preserve the image of our industrial parks, first of all, by being careful with how we screen factories and companies to move into our parks. The higher prices of our land plots are set as an exclusion measure preventing factories that do not have sound operation or management from moving in. Despite these higher prices, our land plots retain their appeal to foreign investors because we offer value for money. The situation is much like designer products where there is interest regardless of higher price tags. The sale price per rai of land inside Saha Group Industrial Parks is relatively higher than that of adjacent industrial estates and zones in the region. However, entrepreneurs continue to decide to invest in our land plots. This is because they appreciate the advantages we offer in terms of infrastructure, particularly the stability of the electricity system as all of our industrial parks have Provincial Electricity Authority sub-stations located within the park. Saha Group Industrial Park - Sriracha and Saha Group Industrial Park - Sriracha Lamphun operate their own natural gas and biomass generators as well. Additionally, we have a sufficient and good raw water reserve system, a clean water production system meeting the standard of the Provincial Waterworks Authority and an efficient wastewater system.

Additionally, we have introduced the ISO 9001:2008 certified for land and basic utility development of all three industrial parks, and, the ISO 14001:2004 certified for its central wastewater treatment system by TUV Nord (Thailand) Ltd. of Saha Group Industrial Park - Sriracha and Saha Group Industrial Park - Lamphun. Saha Group Industrial Park - Sriracha was certified for Total Level of Thai Labor Standard Management (TLS 8001-2546) by the Department of Labor Welfare and Protection. Saha Group Industrial Park - Sriracha is granted a certificate by the Ministry of Industry for their central wastewater management system which has earned the "Gold Medal" level of accreditation as per the industrial waste management standard under the "Waste Management Business Enhancement Program" of the fiscal year 2011. These credentials should serve to convince investors to establish their business inside one of our Saha Group Industrial Parks.

## Key advantages offered by Saha Group Industrial Parks

Clients have placed their trust in Saha Group Industrial Parks for a number of reasons.

1. Saha Group Industrial Parks are located in high-potential locations with great possibility of economic growth. They offer logistical convenience with accessibility by land, by air and by sea.

### (1) By land

- Saha Group Industrial Park - Sriracha, Saha Group Industrial Park - Kabinburi and Saha Group Industrial Park - Lamphun are all located on main highways, allowing ease of transportation to all other regions.
- Saha Group Industrial Park - Sriracha is located on Sukhapibarn 8 Road, connecting Highway No. 7 (Bangkok - Pattaya - Rayong Road).
- Saha Group Industrial Park - Kabinburi is located on Highway No. 33 (Suwansorn Road).
- Saha Group Industrial Park - Lamphun is located on Highway No. 116 (Lampoon - Pahsang Bypass Road). Located in the adjacent areas are educational institutions, banks, hospitals and governmental agencies.

## (2) By air

- Saha Group Industrial Park — Sriracha is located only 98 kilometers from Suvarnabhumi Airport and only 59 kilometers from U-tapao Airport.
- Saha Group Industrial Park — Kabinburi is located only 155 kilometers from Suvarnabhumi Airport and only 195 kilometers from U-tapao Airport.
- Saha Group Industrial Park — Lamphun is located only 35 kilometers from Chiang Mai Airport.

## (3) By sea

- Saha Group Industrial Park — Sriracha is located only 6 kilometers from Laemchabang Deep Sea Port.
2. Our industrial parks feature the infrastructure and the facilities necessary to accommodate investment. We provide water for industrial use, as well as standardized central wastewater treatment system, security in time of normal operation and emergency, landscaping, central nurse station, convenience stores and factory outlets.
  3. We are financially integral. The three industrial parks in Chonburi, Prachinburi and Lamphun all feature land plots, buildings and SME factories for sale and lease to accommodate expansion of investment by ASEAN countries as a result of the AFTA.
  4. Saha Group Industrial Park are operated by the private sector and as such afford flexibility in service and management. We are capable of responding quickly to our clients' needs.
  5. Saha Group Industrial Park — Kabinburi and Saha Group Industrial Park — Lamphun are located on high plains which qualify as suitable locations. This is a crucial deciding factor for investors looking to establish an industrial facility. Saha Group Industrial Park — Sriracha, on the other hand, is located on a plain along the eastern seaboard. It is possible for water to overflow from the public canals or the reservoirs into the park for a brief period of time, particularly during the period of heavy rain or a flooding situation. A prevention and mitigation plan has already been developed for such a situation.

## The Disadvantages associated with Saha Group Industrial Parks

- Saha Group Industrial Park are developed with domestic and export businesses in mind. Nevertheless, we have not yet to register for the Free Zone or FZ with the Customs Department to afford export businesses relevant tax privileges.

# ● The Business Operations

## 2.3.3 Procurement of Products and Services and Environmental impact

### Procurement of Products and Services

The company has arranged the land at least 1,000 rai in Saha Group Industrial Park with consideration on the location, water resource, other public utilities, policy and requirements of the authority, prepared the design, and project layout, study of the environmental impact and determination of the need to expand by the companies in the group. The company has arranged the public utility service properly and sufficiently for the need of the company interesting in investment in the industrial park. Such land development is required to be undertaken step-by-step in accordance with the need to utilize the resources optionally without any waste in the investment.

### Environmental impact

Saha Group Industrial Park is aware of the significance of the control of environmental impact so the development, measures, guidelines and working methods have been undertaken in relation to the environment. A special unit is formed to take responsibility on collection of test data and research to control and prevent the environmental impacts caused by the operations of Saha Group Industrial Park in accordance with the standards prescribed by the Industrial Factory Department. When there are a number of factories and jobs, the agency of the company has separated itself to set up Eastern Thai Consulting 1992 Co., Ltd. to undertake the work on research, development and supervision of the environment of all three Saha Group Industrial Park, like the waste water treatment, garbage removal, measurement of air and noise quality. The measurement made at all three Saha Group Industrial Park has shown that they have passed the standard. For each industrial standard, the company has arranged the central wastewater treatment system and all factories are required to have the waste water treatment system initially before the wastewater is disposed to the main system. We have been consistently improving the environmental circumstances of our three , Saha Group Industrial Parks. They are now ISO 14001:2004 certified for the central wastewater treatment system by the Management System Certification Institute (Thailand) and the Office of Certification Body under Thailand Institute of Scientific and Technological Research.

### 2.3.4 Outstanding tasks:      -None-

## 5. The Risk Factors

### 1. Operational risks of the company may be classified as follows:

#### 1.1 Risks from investment in share capital

We have invested in companies in a diverse range of industries, with shareholding limitation not exceeding 50% of the registered capital of such companies, in order to diversify the risks. There are however a number of companies with reciprocal shareholding at a very low ratio, and we do not have controlling authority in the companies in which we have invested. All affiliates operate freely under the authority of their respective Board of Directors.

The company and affiliates would review their investment potential and jointly invest in relevant or mutually benefiting businesses. The company has a policy which stipulates that the joint-venture company with the most relevance to the business in which investment is being made, is to monitor the operation of that invested business in order to identify problems and report to the company and other shareholders who can then make suggestions on a suitable remedy in a timely manner. Earnings on the investment are received in the form of dividends. Nevertheless, in the case where any company experiences a loss, the company will have to record the depreciation of investment, and will not be paid the dividends. Such risk, therefore can affect the profit and loss and the value of assets of the company to a certain extent.

For the year 2013, the company invested in 148 affiliates and recorded an impairment loss on investment 12 companies, amounting 71,875,141.48 Baht.

#### 1.2 Guarantee

The company guarantees the credit line for its affiliates, newly incorporated companies and joint ventures. The guarantee for newly incorporated companies is based on necessity while that for joint ventures is proportionate to the ratio of investment. The risk associated with the guarantee is that, in the case where the company for which the guarantee is given, is unable to repay the debt to the creditors, we may have to be liable for the debt instead. In the case where we experience a loss from the operation together with that from the guarantee, the impact on our performance could be significant. Therefore, we have established a policy to mitigate such risks by canceling excessive guarantee and requiring responsible affiliates to serve as the guarantor instead. There is also the effort to encourage affiliates to stand on their own feet.

As of the end of 2013, the company provided a credit line guarantee for 7 companies, affiliates for a total of 152 Million Baht. The actual credit used was 20 Million Baht. One additional company, Tsuruha (Thailand) Co., Ltd was provided a credit line guarantee of 17,750,000 Baht. The actual credit used was 5 Million Baht. There is no record of loss from this guarantee.



# ● The Business Operations

## 1.3 Risks from property rental and provision of services

We have revenue from property rentals and utility fees from services rendered inside of Saha Group industrial parks. The company operates of Saha Group industrial parks so we provide office buildings, factories and facilities in good operational condition. Should there be any damage to any such property, it will, one way or another, affect the revenue of the company. In order to prevent or reduce such a risk, the company has insured all of its rental property in the amount of 555,274,500 Baht.

In 2013, the company generated 128,566,302.40 Baht in revenue from property rentals, and, 2,117,118,018.96 Baht in revenue from utility fees.

## 1.4 Environmental and Nature risk

### 1.4.1. Environmental risk

At present, the world gives precedence to the global warming and the remedy for environmental problems. The company, which is the entrepreneur of the industrial parks, is well aware of the problem. The company has strictly complied with all the laws and regulations regarding environmental impact, and has successfully completed an Environmental Impact Analysis (EIA) report, which has been presented to the Office of Environmental Policy and Planning. The company closely monitors all of its operating procedures to ensure that each and every production site in Saha Group Industrial Parks is in line with specified regulations. The company also strives to ensure that its Saha Group industrial parks are free from any environmental problem, including air or water pollution, which may affect surrounding communities. This is very important because any environmental dispute with residential communities may lead to undesirable legal action, which could eventually result in extensive expenses in the courts for the company or even the termination of business. However, such problem has never occurred. But, in order to minimize the risk, we have initiated a project to enhance the environmental management of industrial operators. We have been consistently improving the environmental circumstances of our three , Saha Group Industrial Parks. They are now ISO 14001:2004 certified for the central wastewater treatment system by the Office of Certification Body under Thailand Institute of Scientific and Technological Research.

### 1.4.2. Nature risk

Saha Group Industrial Park — Sriracha and Saha Group Industrial Park - Lamphun are at low risk of flood as there is no flowing water source nearby. This is a crucial deciding factor for investors looking to establish an industrial facility. In the year 2013, the Prachin Buri province was gravely affected by flood. However, the central community wastewater treatment system of Saha Group Industrial Park-Kabinburi is located at the level of approximately 19 meters above sea level and as such was not reached by the flood waters. This facility handles 300-500 cubic meters of water per day. Meanwhile, the central factory wastewater treatment system is located at the level of 18 meters above sea level. This facility handles an average of 3,000 cubic meters of water per day. The design of wastewater treatment facilities has undergone a major revision in 2010. Land was filled to raise the ground level above the water

flow with the reference level being the irrigation roads separating alluvial plains/agricultural areas and residential areas. Our barriers are 20-30 centimeters higher than the irrigation roads. During the flood on September 21<sup>st</sup>, 2013, we monitored the situation closely by land and by air. An aircraft was dispatched to survey the water flow and dirt mounds were raised by one meter around the wastewater treatment system in order to prevent the fluid from coming in and the wastewater from contaminating the outside environment. Despite the floodwater inside all areas of the compound, the central wastewater treatment facilities were not affected. The barriers around these facilities measure the distance of approximately 1.5 kilometers. The Saha Group Industrial Park — Sriracha, on the other hand, is located on a plain along the eastern seaboard. It is possible for water to overflow from the public canals or the reservoirs into the park for a brief period, particularly during the period of heavy rain or a flooding situation of our three Saha Group Industrial Parks. As for these flood risks, a prevention and mitigation plan has already been developed for such a situation. This comprises a monitoring team to watch over the water level in the radius of five kilometers from the Sriracha Industrial Park around the clock. The three monitoring levels are “normal”, “watch” and “alert”. Once the alert level is reached, the factories are advised to follow the emergency plan. We follow the updates from the Meteorological Department on a regular basis in order to analyze and compile information. Plans are rehearsed on an annual basis. All Saha Group Industrial Park remains unaffected by any flood so far.

## 1.5 Chemical risks

Chemical agents are a symbol of technological advancement. It is imperative that, in the course of development, all factories located within Sahaphat Industrial Parks use chemicals in their industrial production process, including the use in daily life. The correct use of chemicals can lead to a great deal of benefits. Nevertheless, the lack of correct understanding and good preventive measures can result in disastrous situations as well. For example, hazardous waste, contaminants in product and the environment, and chemical accidents. These incidents result in risk to life, property, and the ecological balance, both in the short term and the long term.

Several companies within our industrial parks use chemicals in their industrial production process. Therefore, we have put in place control measures for the handling of all chemicals entering and exiting our Saha Group Industrial Parks in order to mitigate relevant risks. These measures have been effective since December 1<sup>st</sup>, 2012. Following the announcement of control measures on the movement of all chemicals and hazardous waste into and out of the Saha Group Industrial Park-Sriracha, it appears that all companies have all complied very well. We are determined to further improve the efficiency of these measures in response to the initiative of the management where the risk of chemical emergency will be further reduced. These measures will be applied to Saha Group Industrial Park-Kabinburi and Saha Group Industrial Park- Lampoon as well in 2014.

## 2. Investment risks of shareholders

Given the low number of shares being circulated in the Stock Exchange of Thailand, shareholders may stand the risk of not being able to sell their shares immediately at the price they prefer.

# ● The Business Operations

## 6. Legal Dispute

In 2010, we as the plaintiff have filed a civil lawsuit with Chonburi Provincial Court against PCB Center Co., Ltd. on the grounds of their breach of service, sales and purchase agreement for an amount of 44,540,297.85 Baht and interest of 1,052,493.34 Baht, totaling 45,592,791.19 Baht. The filing was completed on November 29<sup>th</sup>, 2010 as Black Case Number 1198/2553. Subsequently, on January 26<sup>th</sup>, 2011, a compromise agreement was entered into before the court where we permitted the principal of 44,540,297.85 Baht to be repaid to us in monthly installments over a period of two years (24 installments) on the last day of every month beginning from the end of February 2011. A default on any single installment will be deemed as a default on the repayment of all debt and under which circumstance consent is given for us to enforce the case as per the plaint for the amount of 45,592,791.19 Baht with default interest at the rate of 7.5% per year on the entire outstanding amount.

Given the fact that PCB Center Co., Ltd. has defaulted on their repayment of debt to us in accordance with the compromise agreement above, therefore, we have filed a lawsuit against PCB Center Co., Ltd. with the Central Bankruptcy Court on March 2<sup>nd</sup>, 2012. A receivership order has been issued by the court on May 17<sup>th</sup>, 2012 with black case number Lor. 1455/2555 and red case number Lor. 3583/2555.

Afterwards, the Central Bankruptcy Court has judged PCB Center Co., Ltd to go bankrupt with black case number lor. 1455/2555 and red case number Lor. 3583/2555 on July 1<sup>st</sup>, 2013.

## 1. Capital Structure and Shareholders

### 1.1 Securities

(1) Share capital and paid-up Share capital as of December 31<sup>st</sup>, 2013

- Share capital : 800,000,000 Baht,  
comprising of 800,000,000 common shares with a par value of 1 Baht each
- Issued and paid-up shares : 494,034,300 Baht,  
comprising of 494,034,300 common shares with a par value of 1 Baht each

(2) Other securities with different rights or conditions from common shares such as preferred stock:

-None-

(3) Other securities which are not common shares such as debentures, bills of exchange, convertible stocks or debt instruments:

-None-

(4) Agreement between major shareholders on matters which affect issuance and offering of securities, or, the management of the company, where the agreement is endorsed by the company as well:

-None-

Name	No. of Share	%
1. CHOKWATANA COMPANY LIMITED	72,446,150	14.664
2. I.C.C. INTERNATIONAL PUBLIC COMPANY LIMITED	48,006,770	9.717
3. MITSUBISHI CORPORATION	33,700,000	6.821
4. SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED	32,219,530	6.522
5. MR. WEERAPAT PUNSAK-UDOMSIN	18,683,400	3.782
6. NOMURA SECURITIES CO LTD-CLIENT A/C	17,625,000	3.568
7. UNI CENTRAL COMPANY LIMITED	17,149,860	3.471
8. I.D.F. COMPANY LIMITED	14,577,040	2.951
9. UNI WEALTH COMPANY LIMITED	13,327,110	2.698
10. HSBC (SINGAPORE) NOMINEES PTE LTD	10,196,750	2.064
<b>Total</b>	<b>277,931,610</b>	<b>56.258</b>

**Note :** Prior to the annual general meeting, investors may visit the company website at [www.spi.co.th](http://www.spi.co.th) to view the list of the top ten major shareholders of the company at any time from the day of shareholders registration book closure.

# ● Capital Structure and Shareholders

Distribution of shares by the number of shareholders per range of shares hold:

Periods	2013	
	No. of Shareowners	%
1 - 50	99	9.49
51 - 100	68	6.52
101 - 500	93	8.92
501 - 1,000	95	9.11
1,001 - 3,000	142	13.61
3,001 - 5,000	84	8.05
5,000 - ขึ้นไป	462	44.30
<b>Total</b>	<b>1,043</b>	<b>100.00</b>

Distribution of shares by the classification of shareholders per amount of shares hold:

Categories	2013	
	No. of shares	%
Limited companies and public companies	274,176,703	55.50
Commercial banks and financial institutions	259,870	0.05
General individuals who are not employees of the company	105,843,937	21.42
Company employees	9,748,020	1.97
Foreign investors	104,005,770	21.05
<b>Total</b>	<b>494,034,300</b>	<b>100.00</b>

## 1.2 Shareholders' Agreement

Agreement between major shareholders with possible impact on the issuance and offering of securities or on the management of the Company, co-signed by the Company

- None -



## 1.3 Issuance of other securities

- None -

## 1.4 Dividend Payment Policy:

### Company

The Company has a standing policy that specifies its minimum dividend payout to be 0.10 Baht per share (or 10% of the share value), but the Company has always been able to pay its dividends at a higher rate than specified in the policy, taking into consideration the Company's prevailing business performance, cash flow and overall economic situations.

Year	2013	2012	2011	2010	2009
Earning per share	2.63	2.64	2.07	2.07	2.03
Dividend per share*	0.23	0.23	0.23	0.22	0.20
Dividend payout ratio (%)	8.74%	8.71%	11.11%	10.63%	9.85%
Dividend payout against earning per share (%) separate financial statements	15.72%	19.66%	24.47%	23.66%	19.61%

Remark: \*The Board of Directors Meeting No.11 (Board #20) on March 13th, 2014 has passed a resolution to propose to the general shareholders meeting, scheduled for April 21<sup>st</sup>, 2014, regarding the approval of payment of dividend at the rate of 0.23 Baht per share.

### Subsidiaries

- None -

# ● Management Structure

## 2. Management Structure

The company's management structure is clearly defined, balanced and auditable. The authority between Board of Directors, Subcommittees and Executive clearly comprises the Board of Directors and two subcommittees to help supervise important issues of Directors, the Audit Committee, and, the Nomination and Remuneration Committee. Executive authority lies with the Executive Board, President, First Executive Vice President, Executive Vice President and Department Managers. Authority and duties of each committee and those of the President are prescribed in writing in respective charters, and the Authority and Responsibilities of the President document which was approved by Board of Directors meeting No. 8 (BOARD # 15) on December 18<sup>th</sup>, 2008. The previous bill of authority was cancelled concerning the duties and responsibilities of the Senior Managing Director of Saha Pathana Inter-Holding Public Company Limited. The new 2013 version is approved for use by Board of Directors Meeting No.2 (Board #20) on June 20<sup>th</sup>, 2013, with the company secretary performing the duties required by the laws and assigned by the Board of Directors.

### 2.1 The Board of Directors

The Board of Directors is established to oversee the business in the best interest of the company and the shareholders. It ensures that laws, objectives, policies, articles of association and resolutions of the Board of Directors and those of the assembly of shareholders are observed. All directors are required to discharge their duties in an accountable, careful and honest manner as a reasonable man caring for one's property would under the same circumstances and with the authority to engage in trading negotiations without any influence from their status as a director. The management structure is clearly defined, balanced and auditable.

1. The Board of Directors has a clear understanding of their role, duties and responsibility towards the shareholders, and they have proven to be capable of carrying out their duties as expected by the Company.
2. Sufficient audit and balance measures are in place for in the structure of the Board of Directors and the management.

2.1 There were 18 directors, however, following the resignation of Santi Wilassakdanont from the position of a director, effective from May 1<sup>st</sup>, 2013, the number of directors became 17. As for this one vacant position, the Board of Directors has had a resolution to withhold an appointment for the time being and instructed the The Nomination and Remuneration Committee to identify a suitable candidate for this position. On March 13<sup>th</sup>, 2014, the Board of Directors has passed a resolution appointing Mr. Surachai Danaitangtrakul as a director to fill the vacant position according to the nomination and remuneration proposed. The Board of Directors now has 18 directors again with six directors being the management and 12 being non-management.

2.2 There are six Independent Directors in the Board of Directors, of the six Independent Directors, one is the Chairman of the Board of Directors and three are members of the Audit Committee. This is consistent

with the criteria on ratio of Independent Directors where listed companies are required to have at least one third of all directors or at least three being Independent Directors.

2.3 The Audit Committee is comprised of three Independent Directors who are qualified to serve in that position according to the announcement of the Capital Market Supervisory Board. Their duties are as defined in the charter which is of the same nature as those specified in the regulations of the Stock Exchange of Thailand. Two members of the Audit Committee must have the knowledge and experience required to review the credibility of the financial statements. All three members are also able to serve other duties as a member of the Audit Committee.

2.4 The Board of Directors has a clear practice for the granting of authority between the Board of Directors and the management. Authority and duties of the various committees and the Senior Managing Director are established in writing in the charter and in the bill of authority, duties and responsibilities of the Senior Managing Director. The details of this are disclosed under the **Corporate Governance** section.

**Members of The Board of Directors as of December 13<sup>th</sup>, 2014 are as below:**

Name		Board of Directors	Directorial Term
1. Mr. Somkid	Jatusripitak	Chairman and Independent Director	At each annual general meeting, one-third of the directors have to retire from the post. In the case where the number of directors cannot be divided by three, the number of directors to retire is to be closest to one-third. Directors who retire from the post may be re-elected.
2. Mr. Boonpakorn	Chokwatana	Vice Chairman	
3. Mr. Boonsithi	Chokwatana	Chairman of the Executive	
4. Mrs. Chantra	Purnariksha	President	
5. Mr. Tanong	Srichit	First Executive Vice President	
6. Mr. Vichai	Kulsomphob	Executive Vice President	
7. Mr. Samrerng	Manoonpol	Director	
8. Mr. Somsakdi	Dhanasarnsilp*	Director	
9. Mr. Karmthon	Punsak-udomsin	Director	
10. Mr. Pipat	Paniangvait	Director	
11. Mr. Boonkiet	Chokwatana	Director	
12. Mr. Manu	Leelanuwatana	Director	
13. Mr. Boonchai	Chokwatana	Director	
14. Mr. Minoru	Furusawa	Independent Director	
15. Mr. Nophon	Bhongsvej	Chairman of Audit committee and Independent Director	
16. POL.LT.GEN. Amarin	Niemskul	Audit committee and Independent Director	
17. Mr. Krish	Follett (Being a Director in April 22 <sup>nd</sup> , 2013)	Audit committee and Independent Director	
18. Mr. Surachai	Danaitangtrakul (Being an Independent Director in March 13 <sup>th</sup> , 2014)	Independent Director	

# ● Management Structure

## Directors with authority to sign on behalf of the company

Any two out of the twelve following directors can sign and seal on behalf of the company.

1. Mr. Boonpakorn	Chokwatana	2. Mr. Boonsithi	Chokwatana
3. Mr. Samrereng	Manoonpol	4. Mrs. Chantra	Purnariksha
5. Mr. Tanong	Srichit	6. Mr. Vichai	Kulsomphob
7. Mr. Somsakdi	Dhanasarnsilp	8. Mr. Karmthon	Punsak-udomsin
9. Mr. Pipat	Paniangvait	10. Mr. Boonkiet	Chokwatana
11. Mr. Manu	Leelanuwatana	12. Mr. Boonchai	Chokwatana

## 2.2 Executive Management

### 2.2.1 Executive Board

The Board of Directors appoints directors and/or other individuals who are company employees or staff and/or outsiders to the post of a member of the Executive Board, provided that the said individuals have sufficient knowledge and experience to manage matters of the company well. The Executive Board discharges duties assigned by the Board of Directors in an accountable, careful and honest manner as a reasonable person would under the same circumstances and with the authority to engage in trading negotiations without any influence from their status as a member of the Executive Board. The committee is comprised of at least five members as below:

Name		Position	PERIOD
1. Mr. Boonsithi	Chokwatana	Chairman of the Executive Board	May 2013 — May 2014
2. Mrs. Chantra	Purnariksha	Executive Director	May 2013 — May 2014
3. Mr. Tanong	Srichit	Executive Director	May 2013 — May 2014
4. Mr. Vichai	Kulsomphob	Executive Director	May 2013 — May 2014
5. Mr. Samrereng	Manoonpol	Executive Director	May 2013 — May 2014
6. Mr. Somsakdi	Dhanasarnsilp	Executive Director	May 2013 — May 2014

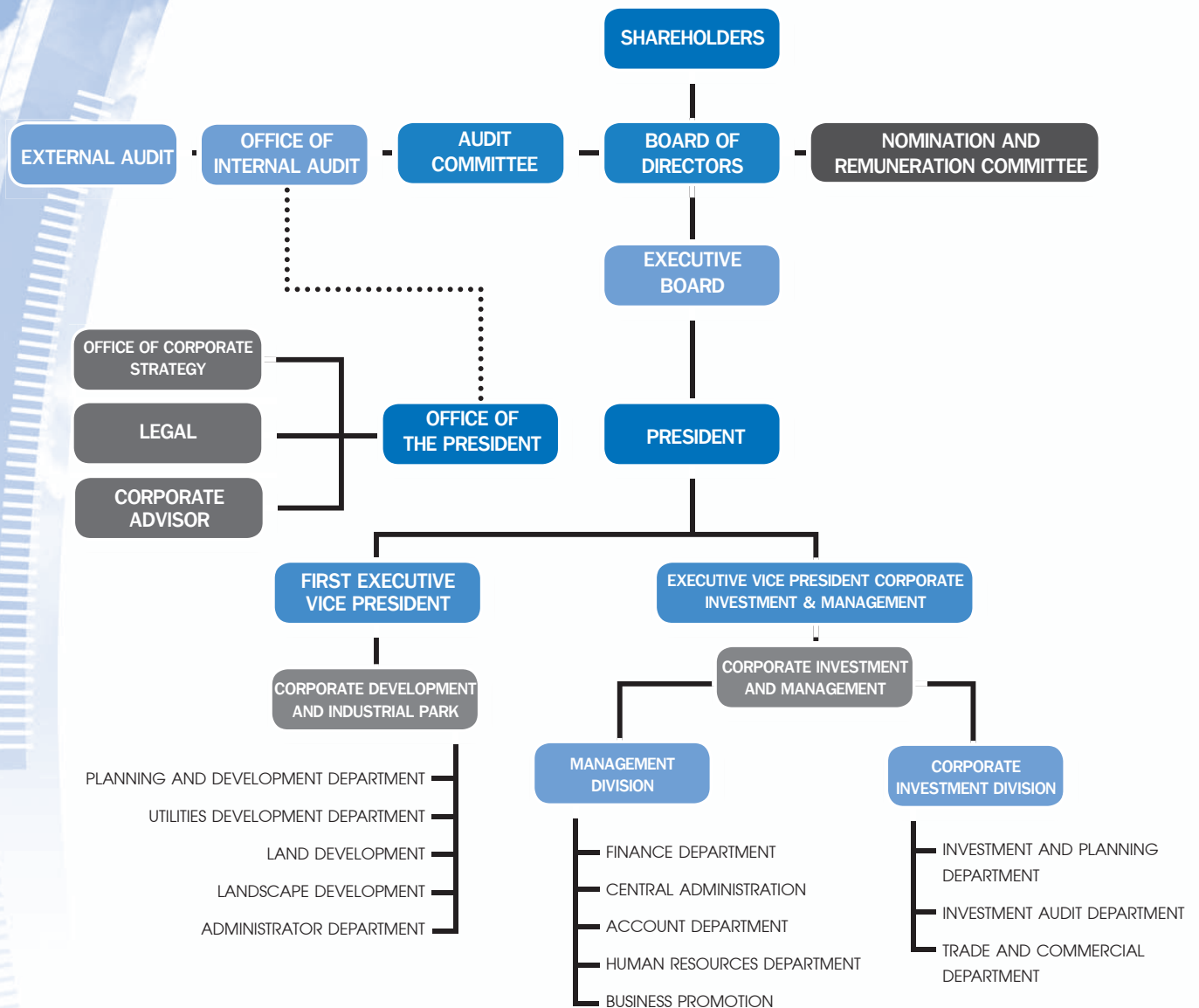
## 2.2.2 The Executives consists of

Name			Position
1.	Mrs. Chantra	Purnariksha	President
2.	Mr. Tanong	Srichit	First Executive Vice President
3.	Mr. Vichai	Kulsomphob	Executive Vice President
4.	Mrs. Darunee	Soontorntrumong	Central Administrative Manager and Company Secretary
5.	Mrs. Nisa	Chindasombatcharoen <i>(Contract ended in January 1<sup>st</sup>, 2014 and appointed Ms. Kessara Sumkanchanaluck January 1<sup>st</sup>, 2014.)</i>	Accounting Manager
6.	Ms. Suvanee	Kittipipathanapong	Finance Manager
7.	Mr. Vichian	Aramruang	Legal Manager
8.	Ms. Sauwanee	Numbenjapol <i>(Contract ended in January 1<sup>st</sup>, 2014 and appointed Mr. Paworn Jaramas January 1<sup>st</sup>, 2014)</i>	Human Resources Manager
9.	Mrs. Pimsiri	Kuansuwan	Business Promotion Manager
10.	Mr. Chuto	Chirakunakorn	Planning and Development Manager
11.	Mr. Sontaya	Tabkhan	Utilities Development Manager
12.	Mr. Tinakorn	Bunnag	Land Development Manager
13.	Mrs. Tasanee	Intapura	Administrative Manager
14.	Mr. Pirom	Thongging	Internal Audit Manager
15.	Mr. Watchara	Yaemkaew	Architecture Manager

The above personnel serve as the executives as defined by the Securities and Exchange Commission.

# ● Management Structure

The Company's Organization Chart as of December 31<sup>st</sup>, 2013





## 3. Company Secretary

The Board of Directors has appointed Mrs. Darunee Soontorntrumrong, as the Company Secretary on May 12<sup>th</sup>, 2008 under office of the President. She has graduated with a Bachelor's Degree with a Major in Banking Finance (Honors Level 2). Furthermore, she has completed training of all programs relevant to performing the duties required of the Company's Secretary. A disclosure of her history has been made in Forms 56-1 and 56-2 in the section covering Information of the Directors Executives, Control Persons and Company Secretary in accordance with the Article 89/15 and Article 89/16 of the Securities and Exchange Act (No. 4) in 2008, which has been effective on August 31<sup>st</sup>, 2008. The Company Secretary is tasked with the responsibilities discretion honest regarding relevant comply with laws, objective, article of associations resolution of the Board of Directors and also resolution of the General Meeting of Shareholders.

The Secretary's responsibilities accordance with the laws are as follows:

1. Maintain records of the following documents.
  - Registration of the Board of Directors
  - Board of Directors Meeting Book, Meeting Minutes, and the Company's Annual Report.
  - Shareholders Meeting Book and Shareholders Report.
2. Maintain a report on their interest by the Company Directors or the Management, and sending copy of a report on their interest accordance with section 89/14 to the Chairman and Chairman of Audit Committee within 7 days since the Company get the report .
3. Perform other duties as determined the Capital Market Supervisory Board

Additionally, the Company Secretary discharges duties assigned by the Board of Directors as follows:

1. Encourage the adherence to standards of good corporate governance, providing advice in this respect to the Company's Board of Directors and Management that is relevant laws, rules, and article of association. Furthermore, this includes making note of any significant changes in the Company's Board of Directors.
2. Take care of the activities of the Board of Directors. Act as a liaison between the Company's Board of Directors and its Management. Coordinate to ensure the adherence to relevant laws or regulations, and perform any actions necessary to ensure proper compliance. Furthermore, the Secretary shall monitor the Board of Directors' compliance with relevant resolutions, and report findings to the Board of Directors in the next meeting of the Board.
3. Organize meetings for the Board of Directors as well as the Shareholders. This will be done as according to the Company's Articles of Association as well as other best practices.
4. Record the minutes for the Board of Directors Meetings as well as the Shareholders Meetings.
5. Liaise with supervisory agencies such as the Office of Security and Exchange, and, the Stock Exchange of Thailand to disclose and report to supervisory agencies and the public in the most correct manner possible.

# ● Management Structure

6. Facilitate the communication of shareholder rights to all shareholders, as well as regularly release Company news.
7. Prepare the Directors' Manual, conduct orientation, and, provide necessary advice to newly elected directors.
8. Other duties as assigned

## 2.4 Remuneration for the Board of Directors and Executives

The Nomination and Remuneration evaluates the performance of the total board of directors each year, considers the amount and remuneration for the directors based on the performance of the company as well as duties and responsibilities, the amount approved by shareholders meeting, the amount paid in the prior year, also compares with the same level in the same group of business to propose the determined amount to the board of directors meeting for consideration and to the shareholders meeting for approval.

### 1. Monetary Remuneration

#### (A) Remuneration for directors

The 42<sup>nd</sup> annual general meeting of shareholders on April 22<sup>nd</sup>, 2013 has determined that the total remuneration amount for directors will remain to be not exceeding 17 Million Baht per year as before, until further changes. This is not inclusive of remuneration or welfare to which the directors are entitled to in the capacity as a staff member or an employee of the company.

#### 1. Directors

- Meeting allowance (only when they are present)
  - Chairman of the Board of Directors : 12,000 Baht per meeting
  - Director : 10,000 Baht per meeting

(A total of 1,994,000 Baht was paid in 2013 in this regard.)

# Management Structure ●

- Director fee, only for the Chairman as determined by the Nomination and Remuneration Committee and approved by the Board of Directors

(A total of 2,480,000 Baht was paid in 2013 in this regard.)

- Annual remuneration for all directors as determined by the Nomination and Remuneration Committee and approved by the Board of Directors

(A total of 9,120,000 Baht was paid in 2013 in this regard.)

## 2. Audit Committee

- Meeting allowance (Quarterly)

- Chairman of the Audit Committee : 60,000 Baht per quarterly
- Audit Committee : 30,000 Baht per quarterly

(A total of 477,666.66 Baht was paid in 2013 in this regard.)

## 3. Nomination and Remuneration Committee

- Meeting allowance (only when they are present)

- Chairman of the Nomination and Remuneration Committee : 12,000 Baht per meeting
- Nomination and Remuneration Committee : 10,000 Baht per meeting

(A total of 76,000 Baht was paid in 2013 in this regard.)

The rates are to be used from the time of approval by the meeting until further changes. The remuneration must not exceed the amount approved by the General Meeting of Shareholders.

Grand total of 14,147,666.66 Baht was paid in 2013

# Management Structure

The Remuneration for The Board of Directors in the year 2013 is as follow:

Name	Meeting attendance fee(Baht)	Director fee, Only for the Chairman (Baht)	Annual Remuneration of Directors (Baht)	Audit Committee	Nomination and Remuneration Committee	Remuneration of Directors Total ( Baht)
1. Mr. Somkid Jatusripitak	144,000	2,480,000	700,000	-	-	3,324,000
2. Mr. Boonpakorn Chokwatana	120,000	-	650,000	-	-	770,000
3. Mr. Boonsithi Chokwatana	120,000	-	650,000	-	36,000	806,000
4. Mr. Chantra Purnariksha	120,000	-	650,000	-	-	770,000
5. Mr. Tanong Srichit	120,000	-	650,000	-	30,000	800,000
6. Mr. Vichai Kulsompob	120,000	-	650,000	-	-	770,000
7. Mr. Samrern Manoonpol	120,000	-	650,000	-	-	770,000
8. Mr. Somsakdi Dhanasarnsilp	90,000	-	650,000	-	-	740,000
9. Mr. Karmthon Punsak-udomsin	120,000	-	430,000	-	-	550,000
10. Mr. Pipat Paniangvait	90,000	-	430,000	-	-	520,000
11. Mr. Boonkiet Chokwatana	120,000	-	430,000	-	-	550,000
12. Mr. Manu Leelanuwatana	120,000	-	430,000	-	-	550,000
13. Mr. Boonchai Chokwatana	120,000	-	430,000	-	-	550,000
14. Mr. Minoru Furusawa	90,000	-	430,000	-	-	520,000
15. Mr. Nophon Bhongsvej (Being a Chairman of the Nomination and Remuneration Committee May 14 <sup>th</sup> , 2013.)	110,000	-	430,000	180,000	-	720,000
16. POL.LT.GEN. Amarin Niemskul	120,000	-	430,000	120,000	-	670,000
17. Mr. Krish Follett (Being an Independent Director in April 22 <sup>nd</sup> , 2013 and an Audit Committee May 14 <sup>th</sup> , 2013.)	80,000	-	430,000	63,000	-	573,000
18. Mr.Santi Vilassaksanont (Resigned as a Director May 1 <sup>st</sup> , 2013)	30,000	-	-	-	10,000	40,000
19. Mr.Wanchai Umpungart (Terminated as a Director April 22 <sup>nd</sup> , 2013.)	40,000	-	-	114,666.66	-	154,666.66
<b>รวม</b>	<b>1,994,000</b>	<b>2,480,000</b>	<b>9,120,000</b>	<b>477,666.66</b>	<b>76,000</b>	<b>14,147,666.66</b>

## (B) Remuneration for executive board and executives

Management will consider according to company criteria policy and based on the company performance and their individual performance. In 2013, the remuneration for the first four executive board and executives, 20 persons are on the same level as of the fourth. The remuneration comes in the form of salaries, meeting attendance fees, allowance bonus and retirement benefit .The total remuneration was 80,745,213.60 Baht.

## 2. Other remuneration

The company has established and registered its provident fund, as part of The Provident Fund SCB Permpon 1 already registered. 18 Executives who are members of this fund will need to pay 8% of their wages to the fund, and at the same time, the company will pay the same amount to the fund to support them. The remuneration in this regard in 2013 was 1,901,184 Baht. When their membership is terminated, they will receive their money back, as well as, the supporting fund from the company and other benefits according to terms and conditions of the fund.

## 2.5 Personnel

As of December 31<sup>st</sup>, 2013, the company has a total of 111 employees (exclusive of employees in the positions of Executive Board members and executives). We have paid in the forms of salary, overtime wage, allowance, bonus and retirement benefits to our employees in 2013.

Employees can be divided as follows.

### Number of employees and compensation

Department	Number of Staff Members	Compensation (Baht)
1. Organizational Support and Investment/Trading Department	55	41,293,010.98
2. Projects and Assets Development and Service Department	56	40,987,511.55
<b>Total</b>	<b>111</b>	<b>82,280,522.53</b>

Over the years, we have encouraged our employees to consistently improve their knowledge and competency; as well as to spend their money and time wisely, and, to work together in an amicable manner. There is no labor dispute within the company as a result.

The company has established and registered its provident fund, as part of The Provident Fund SCB Permpon 1 already registered. 99 Employees who are members of this fund will need to pay 8% of their wages to the fund, and at the same time, the company will pay the same amount to the fund to support them. The remuneration in this regard in 2013 was 4,115,127 Baht. When their membership is terminated, they will receive their money back, as well as, the supporting fund from the company and other benefits according to terms and conditions of the fund.



# ● Management Structure

## Employee Development Policy

### Human resource system development and improvement

In order to enhance competitiveness in the face of current economic circumstances, employees must be empowered to use their knowledge and capability more fully in their work performance to achieve the Company's business goals. Employees should have the opportunity to advance in their career path and grow with the Company's success.

As we believe in this development and the need for employees to adapt for sustainability, we support the creation of a learning society where each unit focuses on delivering quality and efficiency. Units are encouraged to enhance their operation through objective evaluations and process analyses. Our personnel are given the opportunity to take part in the improvement of their own unit. This is an incentive for them to become even more willing to improve their performance which will reflect positively on the employees themselves and the Company in the long run.

### Personnel review and selection

We believe in the significance of the personnel selection process as it can be likened to the first step in any business endeavor. Therefore, we have established efficient, fair, transparent and auditable criteria for the review of competent people who have a positive attitude and qualifications that correspond with the nature of our operation, and those who enjoy the Company's organizational culture.

The above process begins with the determination of conditions such as qualifications, educational credentials and work experience. These elements are then reviewed in combination with attitude and personality as determined by the behavioral analysis tool called "DISC". A competency-oriented interview would then be conducted to contribute to the process.

The merit system has been integrated into our personnel review and selection process. This system is based upon four key elements as follows:

- **Element #1 — Competency:** Qualifications of candidates are determined such as educational credentials and work experience.
- **Element #2 — Equality:** This rule of fairness governs that candidates may not be prejudiced by their locality, place of residence, ethnic origin, gender, religious affinity, parents or guarantor.
- **Element #3 — Security:** Personnel at all levels of the Company must have the security they need in order to work with an uplifting spirit. Employees should not be persecuted, punished or suspended in any unreasonable way.

- **Element #4 — Neutrality:** The guiding principle of our personnel management requires employees in the various positions to be neutral. Their mandate is to not engage in any act of partiality.

## Personnel development

Our development principle is that of intellectual capital —the ability to think, analyze and use what one knows to create added value. This is why we ascribe much significance to worthwhile ideas, rather than to value a person's education only. We encourage employees to constantly seek new knowledge which can be applied to their work in the future.

The goal of our training and development programs is to make our employees competent people of high integrity. The IDP or individual development plan approach has been employed to ensure optimal benefits to employees with varying degree of education, knowledge, skills, experience, as well as values. This approach is also best for our Company with multiple units operating under a complex structure to achieve diverse objectives and goals.

The guideline for the quality and efficiency development of our employees is as follows:

- 1) Improve work life quality by making the necessary arrangements for a good, hygienic and safe working environment according to international standards.
- 2) Constantly improve the knowledge and capability of employees in order to create readiness for a diverse range of operations and to accommodate the future growth of the Company.
- 3) Grant employees appropriate career advancement as per their knowledge and capability.
- 4) Ensure that compensation and welfare are appropriate and fair.
- 5) Encourage employees to take part in the development of the Company.

The following activities are organized by the Company to benefit this personnel development initiative:

- **Orientations:** These sessions are conducted for individuals joining the Company for the first time as well as those who have served for a certain period of time but recently switched to a new position. An orientation session explains general matters including rules, regulations, policies and company structure. It also deals with matters such as business and work ethics which are critical to our operation. This is how employees can become more familiar with their environment and eventually perform with greater confidence.
- **Training and seminars:** It is the desire of our company to have systematically planned training and seminars throughout the year with the objective of providing for employees the knowledge and expertise required to achieve the goals of their unit, as well as to promote desired actions or behaviors. In the year 2013, training and seminars were organized to cover the following relevant topics:

# ● Management Structure

- Disclosure of information together with quality financial statement analysis writing for the benefit of investors
  - Good Corporate Governance checklist guideline for listed companies
  - Standard of financial reporting for businesses with no public interest, with particular focus on assets of especially high concern
  - Development of rules for the meetings of the Board of Directors and Shareholders of listed companies
  - Anti-Corruption Seminar 3/2013: Roles of the Thai Private Sector in Fighting against Corruption
  - CSR Thailand 2013: CSR Roadmap for ASEAN
  - CSR report writing
  - GRI for management
  - Financial management principles for executives (30<sup>th</sup> class)
  - Managing the new breed of leaders in the digital era
  - Risk management Workshop (2<sup>nd</sup> class)
  - CG Forum 4/2013: The Updated COSO's 2013 Integrated Internal Control
  - Legal trivia
  - Windows 8 camp for web developers
  - Convenient Excel formulas
  - Happy Workplace Forum: 5 Apps to a Happy Workplace 3.0
  - Professional lecturing techniques (Train the Trainer)
- **Site visits:** To further enhance the qualifications of our personnel and to refresh them with up to date information which will be beneficial to the operational objectives, our company offers employees the chance to participate in site visits, both domestically and internationally. Domestic trips have been organized to visit enterprises in industries such as textiles, leather goods, energy, service (call centers), food, entertainment (golf courses), synthetic fibers, real estate and laundries. Overseas trips have been held to visit a major laundry facility in Japan and an electrical appliance business in Korea.

Additionally, we have reviewed and revised the job description of each position in order to include more details that reflect our goals and business plans. Information is stored systematically and in categories.

## Building positive relationships between executives and employees

We routinely organize activities to promote positive relationships between executives and employees. These are moments when information can be transferred from the top down including information on policies, plans, directions, progress, obstacles, possible impacts and other relevant matters. Employees are also given the opportunity

to voice their opinions and participate in the process where the operational efficiency of the Company is enhanced. These activities take the form of monthly manager or project meetings, as well as the so called “Ice-Cream Parliament” events where all executives and employees can meet one another on every Wednesday throughout 2013.

## Competency Development of Directors and Executives

All directors and executives are encouraged to enhance their knowledge by participating in relevant training courses and seminars by Thai Institute of Directors Association (IOD), as a details in well as, any other future courses in order to apply knowledge and experience gathered from these training sessions to their performance of duties. Directors and executives meet regularly with their counterparts from other organizations, local and international. Additionally, in the case where the Capital Market Committee issues an announcement concerning directors and executives, we invite officials from the Office of Securities and Exchange Commission to educate our directors, executives and other relevant staff so that they will have the proper understanding with which to proceed accordingly.

The directors of the Company have participated in the relevant training course related to the performance of the directors exceeding 75% of the entire number.

## Succession Plans

In order to ensure uninterrupted operation and enhanced efficiency, we have established a policy for the succession of employees in different roles. Knowledgeable and competent personnel are identified to meet replacement needs as they arise, for instance, when an individual is promoted, resigned or retired or when a change is made to the structure of the company. Individuals are screened on the following qualifications.

1. The candidate must be a competent individual within the organization.
2. Multiple employees must be screened for a higher position based on their performance, professional capabilities, vision and the ability to take the organization forward.
3. Interpersonal relationship and leadership.
4. Enhancement of knowledge by participation in leadership courses or those related to their duties.
5. The candidate must be an individual of high moral and ethical standards.







# Analysts and Investors Meet Saha Group No. 5<sup>th</sup>

June 28<sup>th</sup>, 2013



## COMPANY VISIT



## 3. Good Corporate Governance

One mission of the Board of Directors is to implement a good corporate governance system which ensures transparency, honesty, accountability, competitiveness, fairness to all relevant parties, with consideration to all stakeholders as well as added value for shareholders. To this end, we observe the good corporate governance principle as promoted by both the Stock Exchange of Thailand and by the sufficiency economy philosophy, which teaches us to feel happy with what we have, to be reasonable, and to be careful. Our operation plans are developed and executed with expertise and great caution. And, most importantly, all executives and employees are encouraged to be honest, dedicated, patient, careful and willing to share. These measures have positioned us very well to accommodate any economic, political, cultural and social change, and, to achieve balanced and sustainable results.

The Board of Directors reviews the Good Corporate Governance Principles of the Company on an annual basis and makes efforts to improve them consistently. The Good Corporate Governance Principles (Revision No. 1) were developed in accordance with the “Principles of Good Corporate Governance for Listed Companies 2012” of the Stock Exchange of Thailand. It was approved by The Board of Directors Meeting No.9 (Board #20) on January 14<sup>th</sup>, 2014 and became effective on January 15<sup>th</sup>, 2014, replacing the previous version which was approved by the 7<sup>th</sup> meeting of The Board of Directors Meeting No.9 (Board #20) on November 14<sup>th</sup>, 2002. This version of the Company’s Good Corporate Governance Principles encompasses the following:

1. Corporate Governance policy
2. Five Categories of Corporate Governance Principles
3. Business ethics
4. Code of Conduct for Company directors, executives and employees

The constant improvement of the Company’s Good Corporate Governance Principles reflects the changes required by current business circumstances and contributes to preparing the Company for increased competition from ASEAN. Such principles serve as a practical guideline for our directors, executives and employees who can fulfill their duty to the Company with good conscience. The Board of Directors deems compliance to be crucial as personnel proceed with their duties. To this end, compliance is monitored regularly. Documents regarding the Company’s Good Corporate Governance Principles are distributed to directors, executives and employees, as well as being published on the Company’s website at [www.spi.co.th](http://www.spi.co.th)

**As a result, in the year 2013, we have been given positive ratings in the following areas:**

- In the 2013 corporate governance evaluation of listed companies, we have achieved an average of 91% which is considered “excellent”. This performance’s level is higher than that in 2012, which was “very good”.
- We have achieved a full 100 points for the evaluation of 2013 annual general meeting of shareholders. This is the fifth consecutive year that we have an “excellent” rating.



# ● Good Corporate Governance

## 3.1 Corporate Governance Policies

The Company has improved the corporate governance policies as a practice guideline of “The Principle of Good Corporate Governance for Listed Companies 2012” of the Stock Exchange of Thailand. In pursuance thereof, the Board of Directors, thereby prescribed the following corporate governance policies as a practice guideline for the Company directors, Executives and all employees. Details are as follows:

1. Company Directors, Executives and all employees are fully committed to the application of corporate governance principles, business ethics and Codes of Conduct for Company Directors, Executives and employees to Company operations.
2. Company Directors, Executives and all employees must perform their duties responsibly, prudently, earnestly and honestly in accordance with the relevant laws, Company Articles and Notifications.
3. Actions shall be taken to ensure that the Company management structure contains clear prescriptions of powers, duties and responsibilities of each Company Committees and Executives.
4. An internal control system shall be installed and risks management shall be managed at suitable levels, including an accounting system and financial statement which are accurate and reliable.
5. Information shall be disclosed in a sufficient, reliable and timely matter to the extent that the legitimate interests of the Company are not prejudiced.
6. The ownership rights of shareholders shall be appreciated and respected. Shareholders shall be treated equitably.
7. Undertakings shall have regard to the responsibilities of shareholders, stakeholders, communities, society and the environment.
8. There shall be a determination to strive towards business excellence with commitment to the creation of customer satisfaction by receiving comments and self-assessments in order to enhance management capabilities and continually promote productive creativity.
9. Virtue, ethics and good values shall be instilled. Employees shall be treated fairly with a commitment to develop and enhance the capabilities of personnel.
10. Dishonest conduct, corruption and intellectual property violations shall be suppressed. Laws and human rights shall be respected.
11. Conflict of interests shall be dealt with prudently and reasonably with due regard for the Company’s interests.

Therefore, the company improve 5 categories the Principles of Corporate Governance, as follows:

## 1. Rights of Shareholders

- 1.1 The Board of Directors appreciates and respects the ownership rights of shareholders. No actions are taken to violate or infringe the rights of shareholders. The interests of shareholders are fairly safeguarded and the exercise of rights by all shareholder groups are supported and promoted, whether domestic or foreign, major shareholders, minority shareholders or institutional shareholders, incorporating both the fundamental rights of shareholders, access rights to information in a sufficient and timely manner, and the right to attend shareholders' meetings to determine directions for operations and decisions on matters having a significant impact on the Company.
- 1.2 The Board of Directors provides opportunities for shareholders to propose items to be included in the meeting agenda and submit questions prior to the shareholders' meeting day. Rules for the proposal of the agenda item and advance submission of questions have been published on the Company website.
- 1.3 The Board of Directors ensures that information pertaining to the day, time, venue and agenda of the meeting are provided together with explanations and reasons supporting each agenda in the meeting notice. The shareholders' meeting venue shall be conveniently accessible.
- 1.4 The Board of Directors has granted shareholders with the authority to approve the remunerations of Company Directors on a yearly basis as well as to determine the rules for paying remuneration to each Company Committee.
- 1.5 The Board of Directors promotes the use of technology in shareholders' meetings in order to promote accuracy and speed. Votes are taken for each item on the agenda. Shareholders are given the right to elect Company Directors individually and ballot papers are used and independent overseers of the vote count are engaged.
- 1.6 The Board of Directors publishes shareholders' meeting resolutions along with the voting results for each agenda on the Company website on the day following the meeting.
- 1.7 The Board of Directors prepares minutes of the shareholders' meeting. The minutes provide an explanation of voting procedures, list of Company Directors, members of Company Committees, and Executives present and absent from the meeting, the voting results in each agenda together with questions and answers. Items which have not been specified in the meeting notice are not added to the agenda. The minutes are published on the Company website.

According to the Corporate Governance Policies and the Principles of Corporate Governance in **Rights of shareholders section**, the company appreciates the significance of shareholders and respects their right as owners of the company. In addition to the right to vote at shareholders meetings, the principle of Good Corporate Governance is designed to offer protection for the Rights of shareholders; to encourage shareholders to exercise their rights; and, to see to it that all shareholders are equally and fairly entitled to their basic rights as defined in the Company Regulation, Article of Association and the Business Ethics. Basic rights are as follows:

# ● Good Corporate Governance

- Right as the owner, Rights to purchase, sell and transfer
- Right to the sharing of profit
- Right to receive adequate news and information about the company
- The right to participate in shareholder meetings in order to express opinions and participate in the decision making process by voting on matters such as appointment or removal of directors; determination of directors' compensation; appointment of auditors; approval of matters affecting the Company such as dividend payments; prescription and amendment of articles of association and memorandum of association ; decrease or increase of capital; other special approvals; as well as the right to express opinions and to make inquiries at the shareholders meetings.

In addition to the basic rights, the Board of Directors takes into account the statutory rights of shareholders and engages; ensures that their rights are not violated or subjugated; and, facilitates the exercise of their rights as follows:

## 1.1 Right to be informed

All shareholders have an equal right to be informed. Therefore, information is made available to shareholders in English and in Thai via the Stock Exchange of Thailand and our website at [www.spi.co.th](http://www.spi.co.th). This is to ensure that the shareholders are well informed of matters such as operational results, related transactions, significant sales and purchases of assets, names of ten major shareholders as of the registration book closing date for the purpose of an annual general meeting, shareholders meeting minutes within 14 days after the meeting, and other information necessary for their decision making. Correct and complete information is disclosed in a timely and transparent manner.

## 1.2 Right to attend shareholders meetings

Our Company arranges for an annual general meeting of shareholders within four months from the accounting year end date. The date, time, place and format chosen must not be an obstacle for the participation by the shareholders. This is so in order to ensure that the shareholders are able to monitor the performance of the Company. In the case where it is necessary to review a special agenda with potential impact on the benefits of the shareholders, rules or enforceable laws which must be approved by the shareholders, a special shareholders meeting will be convened on a case by case basis. Our shareholders meetings follow the format described by the AGM checklist.

In 2013, we have held the 42<sup>nd</sup> annual general meeting of shareholders on April 22<sup>nd</sup>, 2013 at Montien Riverside Hotel at 372 Rama 3 Road, Bangkok, Bangkoklaem, Bangkok 10120. This hotel is where we hold the annual general meeting regularly to avoid confusion among the shareholders. A map to the meeting location is enclosed with the shareholders meeting notice which clearly details the various agendas. Where agendas concern company directors, matters such as appointment of directors and their compensation are separated into different agendas.





## Before the meeting day

1. The company gives shareholders the opportunity to be involved in the meetings. Minority shareholders can submit matters for inclusion as meeting agendas and/or nominate individuals for the company director election.  
  
For the 2013 annual general meeting of shareholders, the company has allowed shareholders to submit matters for inclusion as meeting agendas and/or nominate individuals for the company director election from December 1<sup>st</sup> to 30<sup>th</sup>, 2012. This was announced in Thai and English via the information system of the Stock Exchange of Thailand and on the company's website at [www.spi.co.th](http://www.spi.co.th). Nevertheless, no shareholder has come forward with any submission or nomination.
2. We announced general meetings of shareholders with agendas and supporting details in Thai and English via the information system of the Stock Exchange of Thailand, beginning on March 14<sup>th</sup>, 2013 or 39 days prior to the actual meeting day, in order for the shareholders to make time for it. This announcement is repeated on our own website as well.
3. The company publishes the meeting notice and supporting documents on the company's website at [www.spi.co.th](http://www.spi.co.th) prior to the actual delivery of such information in printed form in Thai and English to the shareholders. This was carried out on March 21<sup>st</sup>, 2013 or more than 30 days before the meeting date in order to allow Thai and foreign shareholders to access information more quickly and conveniently, as well as to have more time to review pertinent information.
4. A meeting notice with date, time, location and agenda is sent to the shareholders. Each agenda is marked clearly whether it is for the shareholders acknowledgment or for their approval. Facts and rationale, as well as opinions of the Board of Directors on each agenda are provided. The company delivers meeting notice with agendas, facts, rationales and opinions of the Board of Directors on April 5<sup>th</sup>, 2013 or seventeen days prior to the meeting shareholders time to review the matters. This was delivered together with supporting documents which include the annual report, financial statements, the profiles of company director candidates, definition of independent directors, profile of Audit Committee members proposed by the company as proxies, map to the meeting venue, description of documents and identification evidence to be produced by the shareholders for admittance into the meeting, the section of Company Regulation which concerns shareholders meetings; and, the "B" proxy form. Announcement was published in a newspaper thirteen days prior to the meeting for three consecutive days from April 9<sup>th</sup> -11<sup>th</sup>, 2013.

In the case of foreign or institutional shareholders, English translation is provided with the Thai original of meeting notice and supporting documents in order to encourage all shareholders and institutional shareholders to take part. Additionally, shareholders can review all details pertaining to the meeting on our website and download the proxy forms, in Thai or English, of the format consistent with the announcement of the Ministry of Commerce. The three types of proxy form are Type A, Type B and Type C. Shareholders can pick one of them.



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In 2013, six foreign shareholders have assigned a person to attend the meeting on their behalf while one institutional investor have assigned the Chairman of the Independent and 3 institutional investors have assigned the Independent Committee.

5. The company gives shareholders the opportunity to be involved in the meetings. Shareholders can submit matters for inclusion as stated on the meeting notice, which has been published on the company website ([www.spi.co.th](http://www.spi.co.th)) 30 days prior to the meeting day.

## On the meeting day

1. The Board of Directors appreciates the significance of shareholders meetings. They are responsible to the shareholders by deeming it a duty to participate in the meeting in order that the shareholders may inquire about matters concerning the Company.

For the 42<sup>nd</sup> annual general meeting of shareholders on April 22<sup>nd</sup>, 2013, all seventeen directors or 94.44% were present at the meeting, one director was absent. The Chairman of the Board of directors and the chairmen of subcommittees were all present, as well as members of the Audit Committee, members of the Nomination and Remuneration Committee. Chairman of the Executive Board and all executive directors were present. The President, the Accounting Manager and the Finance Manager were present. The meeting was also attended by the company's auditors and representative of the company accounts who served as witnesses to the vote counting. The names of directors, executives and auditors present at the recorded in the meeting minute which is subsequently published. In accordance with the details of the 42<sup>nd</sup> annual general meeting of shareholders as published on our website at [www.spi.co.th](http://www.spi.co.th).

2. The company practices an equal treatment of all shareholders. Upon the meeting commencement, the President announces the number and the ratio of attending shareholders. The Chairman of the Board of Directors declares commencement of the meeting, introduces company directors, members of the subcommittees, executives, auditors and representative of the company accounts, then asks the company secretary to explain all rules, including those concerning voting and the counting of the votes of the shareholders on each agenda in accordance with the Company Article of Association. Attending shareholders are given the chance to inquire, opine and make suggestions on all agendas. Questions are answered clearly and precisely. For votes, against votes and abstentions are accounted for using the barcode system. A meeting minute is clearly, correctly and thoroughly produced. These are clearly, fully and correctly recorded in the minutes of the 42<sup>nd</sup> annual general meeting of shareholders.

Questions raised by shareholders in the past year are as follows:

**Agenda 5.2** -Determination of compensation for directors: The Chairman of Board of Directors, the Senior Managing Director and the Company Secretary have responded to the shareholders in detail.

**Agenda 6** - The appointment of the auditor and the determination of an audit fee: The Chairman of Board of Directors and the Auditor have responded to the shareholders in detail.

**Agenda 7** — The amendment of the Memorandum of Association, Article 3: Company Objectives, where item number 6 is amended and one additional item is added, bringing the number of company objectives from 41 to 42: The Chairman of the Board of Directors and the Company Secretary have responded to the shareholders in detail.

**Agenda 8** — Other matters as inquired by the shareholders: The Chairman of Board of Directors and the Senior Managing Director have responded to the shareholders in detail. The particulars of the 42<sup>nd</sup> annual general meeting of shareholders minutes are disclosed on the Company website at [www.spi.co.th](http://www.spi.co.th).

3. At the 42<sup>nd</sup> annual general meeting of shareholders on April 22<sup>nd</sup>, 2013, the barcode system was used for the purpose of registration and voting for the convenience of the participants. The votes for each agenda are counted using the barcode system with the auditor and a representative from the auditing company as witnesses for all agendas for the purpose of transparency, as well as compliance with the laws and the Company regulation. Further, all shareholders and proxies would be able to see immediately, on the screen, how many for, against and null votes are cast for each agenda.

Voting for each agenda is done in an open manner. There is a voting card for the shareholders and the proxies for all agendas. Only the vote-against and null-vote cards are collected, with the exception of the agenda for the election of individual directors where the cards will be collected from all shareholders and proxies. Only against votes and/or null votes are counted and subtracted from all votes present in order to determine the votes for each agenda.

In 2013, the numbers of votes of the shareholders for each agenda are as follows:

Agenda	Number of participants	For votes		Against votes		Null votes	
		Shares	%	Shares	%	Shares	%
1	164	426,458,562	100.00	-	-	-	-
3	171	416,854,652	96.46	15,291,950	3.54	-	-
4	172	417,970,372	96.47	15,291,950	3.53	-	-
5.1.1	173	433,263,322	100.00	-	-	-	-
5.1.2	173	433,263,322	100.00	-	-	-	-
5.1.3	173	433,263,322	100.00	-	-	-	-
5.1.4	173	429,621,422	99.16	3,641,900	0.84	-	-
5.1.5	173	433,263,322	100.00	-	-	-	-
5.1.6	173	433,263,322	100.00	-	-	-	-
5.2	173	433,263,322	100.00	-	-	-	-
6	176	433,271,527	100.00	-	-	-	-
7	178	433,275,767	100.00	-	-	-	-

# ● Good Corporate Governance

The particulars of the 42<sup>nd</sup> annual general meeting of shareholders minutes are disclosed on the Company website at [www.spi.co.th](http://www.spi.co.th).

Additionally, before voting for each agenda, if more shareholders join the meeting, the number of shareholders and the number of shares would be revised for each agenda.

4. The company conducts the meeting in the order of the agendas, without any switching of the agendas or inclusion of additional agendas other than those specified in the meeting notice. Significant information doesn't change without prior notice to the shareholders.
5. The company records a video of the shareholders meeting throughout the duration of it. Shareholders can ask to see it with the company Secretary. The video is published on the company's website as well.
6. Important agendas at shareholders meetings.

(1) **Dividend payment** : The company proposes details pertaining to profit allocation and dividend payment rate together with rationales and supporting information in accordance with the dividend payment policy of the company. Comparisons are made between the paying dividend and the policy, (Offering to pay 0.23 per share for 0.10 shares). and, between the paying dividend of the current year and the paid dividend of the previous year. Dates of dividend entitlement and book- closing date.

(2) **Directorial election**: The company gives shareholders the rights to vote on the election of individuals company directors; and, to nominate individuals for the company director election. Nominated candidates are reviewed by the Nomination and Remuneration Committee. Nominated candidates for independent director position must possess the qualifications as required by the company and the announcement of the Capital Market Supervisory. The shareholders meeting notice lists the name and the brief profile of each director nominated for election. This includes first name, last name, age, educational background, professional experience, the number of listed and non-listed companies for which they serve as director or executive, positions held in a competitive or relevant business, the holding of company shares, and, the criteria and procedure for the selection of personnel, and, the type of directors proposed. In the case of a re-election, information is provided also on the director's meeting attendance in the previous year and the date on which or the year in which he or she was appointed as a director. The particulars of which are described in the meeting notice for the 42<sup>nd</sup> annual general meeting of shareholders and on the Company website at [www.spi.co.th](http://www.spi.co.th).

(3) **Directors' Remuneration**: The company suggests the amount and the form of remuneration to the shareholders meeting for their approval on an annual basis. This is determined by the Nomination and Remuneration Committee and based on operational outcome, performance, remuneration limit approved by the shareholders meeting, remuneration paid in the previous year, the benchmark of other companies in the same sector, and, the duties and the responsibility of the company directors. Policy and criteria for the determination of remuneration for each position of company director is presented. A summary is



provided on approved remuneration limit, the actual amount paid, the form of payment and the exact amount paid to individual company directors and members of the Audit Committee and the Nomination and Remuneration Committee. A summary is provided of the actual amount approved and the form in which payment is made, as well as the amount paid to the individual of the Board of directors and members of the Audit Committee and the Nomination and Remuneration. This can be found in the annual information declaration sheet (56-1) and the annual report (56-2), under the "Remuneration for Directors" section.

- (4) **Appointment of auditors and determination of auditor's fee:** The company proposes the appointment of auditors and an audit office, independence, together with their operational outcome and the number of years they have been in service or the reason for the changing of auditors. The Audit fee of the current year is compared with the previous year. The same is true for other service fees incurred from the use of services provided by the audit office with which the auditors are associated. Comparison is made with the amount of work and the audit fee of other listed companies of the same size as well. Auditors and the audit office are screened by the Audit Committee. The details of these matters can be viewed from the 42<sup>nd</sup> notice of the general meeting of shareholders as published on the company's website at [www.spi.co.th](http://www.spi.co.th).

## After the meeting day

The resolution of the shareholders meeting and the voting results are published in Thai and English via the information system of the Stock Exchange of Thailand within the timeframe required, and, on the Company website at [www.spi.co.th](http://www.spi.co.th) on the following business day. The minutes for a general meeting of shareholders are prepared factually and in detail in Thai and in English for each agenda. Names are provided of the directors, subcommittee members, executive board members, top management from the accounting and financial arm, the auditor and the representative of the auditing company as witnesses to the votes present, voting and counting practice, and, the number of 'for' votes, 'against' votes and 'null' votes for each agenda. There is a record of the inquiries made and the responses provided as well. The minutes are revised by the Legal Department and the Chairman of the Board of Directors in the capacity as the chairman of the meeting assembly. They are delivered to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, as well as published on the Company website at [www.spi.co.th](http://www.spi.co.th) in Thai and English within 14 days from the day on which the meeting is held. This allows the shareholders to review information without having to wait for the next meeting. A copy is delivered as well to the Department of Business Development, Ministry of Commerce, within the statutory timeframe. The details of which are as per the minutes of the 42<sup>nd</sup> annual general meeting of shareholders published on the Company website at [www.spi.co.th](http://www.spi.co.th).



# ● Good Corporate Governance

## 2. Equitable Treatment of Shareholders

- 2.1 The Board of Directors treats all shareholders fairly and equitably. Shares of the same class carry equal voting rights, i.e. one vote per share.
- 2.2 The Board of Directors encourages shareholders who are unable to attend a meeting in person to grant proxies to attend the meeting and vote on their behalves. The proxy form used allows shareholders to determine voting directions and at least 1 independent director will be provided as an alternative for the grant of shareholder's proxy.
- 2.3 The Board of Directors provides an opportunity for minority shareholders to nominate candidates for election to become Company Directors in the annual general meeting of shareholders.
- 2.4 The Board of Directors publishes the shareholders' meeting notice in both Thai and English on the Company website at least 30 days in advance of the shareholders' meeting day.
- 2.5 The Board of Directors encourages all shareholders to exercise their shareholders' rights. Meeting notices as well as supporting documents are sent to shareholders in advance. An English version is also prepared for foreign shareholders.
- 2.6 The Board of Directors pursues a policy to prevent the use of inside information and has implemented measures to prevent the exploitation of inside information for wrongful interests of oneself or of others. Company Directors, Executives and employees who are in units which expose them to inside information are prohibited from trading in the Company shares in the one month period prior to the public disclosure of financial statements.
- 2.7 The Board of Directors has directed Company Directors and Executives to declare their interests and the interests of connected persons, to act prudently in regard to the management of conflicts of interests and to comply with rules of the Office of the Securities and Exchange Commission.

According to the "Equal Treatment of Shareholders" section of the Good Corporate Governance Policy and Good Corporate Governance Principles, we treat all shareholders equally and fairly. All shareholders have the rights and equality as follows:

### 1. Usage of the right to attend the Shareholders meetings

1. Votes are determined by the number of shares held by the shareholders. One share represents one vote and there is only being type of Share which is Ordinary Share.
2. For the shareholders meetings, minority shareholders can submit matters for inclusion as meeting agendas and/or nominate individuals for the company director election prior to the meeting in accordance with the established criteria, channels and timeframe. This is made available in both Thai and English via the channels of the Stock Exchange of Thailand, as well as company website.





3. For the 42<sup>nd</sup> annual general meeting of shareholders on April 22<sup>nd</sup>, 2013, the company has delivered a notice with supporting documents on April 5<sup>th</sup>, 2013 or seventeen days prior to the meeting. It included agendas, the annual report, financial statements, the "B" proxy form, steps of the proxy process, profile of company director candidates and a map to the meeting venue.

Foreign and institutional shareholders are delivered a complete English translation of the meeting notice and the supporting documents, together with the Thai original in order to encourage all types of shareholders including institutional shareholders to participate in the meeting. Further, the Thai and English versions of the meeting notice and the supporting documents are published on the Company website for longer than 30 days prior to the meeting date. They were published on March 21<sup>st</sup>, 2013. This is the same set of information delivered in hardcopy and intended to better facilitate access to information and to ensure Thai and foreign investors have more time to review the information.

4. The company encourages all shareholders to be involved in the review and the voting on important matters of the company in accordance with the meeting agendas. Shareholders who are not able to participate in the meeting on their own may assign another person or a member of the Audit Committee who is an independent director to attend the meeting on their behalf. Names, addresses and interests of all three members of the Audit Committee are declared in the meeting notice. Shareholders can view the information on the three members of the Audit Committee in the annual report, enclosed with the meeting notice or on company's website at [www.spi.co.th](http://www.spi.co.th).

Shareholders who are not able to participate in the meeting on their own may use the "B" proxy form, enclosed with the meeting notice. This allows shareholders to be involved in the voting. Documents and identification evidence required for the proxy process are described. The proxy process is not associated with any inconveniencing criteria. Alternatively, shareholders can download the proxy form, prepared in accordance with the relevant announcement of the Business Development Department, the Ministry of Commerce, from the company's website at [www.spi.co.th](http://www.spi.co.th). The three versions available are "A", "B" and "C" proxy forms. (The latter is used only by foreign investors who have appointed a custodian in Thailand as a depository and manager of their shares.)

The 42<sup>nd</sup> General Meeting of Shareholders for the year 2013 was held on April 22<sup>nd</sup>, 2013.

	Shareholders	Shares	%
Total number of shareholders as per the registration	1,036	494,034,300	100.00
Attending shareholders	178	433,275,767	87.70
Shareholders attending the meeting in person	57	34,930,799	7.07
Proxy attendance	121	398,344,968	80.63
- Audit committee members	4	15,291,950	3.10
- Other individuals	117	383,053,018	77.53

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5. The company provides duty stamps to the shareholders at no cost for the affixation on the proxy form.
6. The company fully facilitates shareholders in their exercise of the right to participate in shareholders meetings and to vote. Shareholders can register for the meeting at least two hours in advance. Shareholders joining the meeting after it has begun are given the right to vote on agendas which have yet to be reviewed. They are accounted as a part of the quorum from the agenda on which they have voted.

Sufficient personnel and technology are provided to facilitate meeting registration and voting on each agenda. A bar code system is used for convenience, timeliness and transparent

## 2. Insider information usage control

Most directors, executives and employees have been with the Company for a long time and have been since become accustomed to the philosophy of Dr. Thiam Chokwatana. They are honest and loyal to the Company in such a way that they would look out for the inappropriate use of company assets. Presently, an authority in this area is prescribed in writing and through discussion among the Management.

We operate in strict compliance with the good corporate governance principle. Measures concerning the use of internal information are prescribed as a code of ethics for everyone to observe in their service to the Company and the shareholders. Employee ethics require that directors, executives and employees perform their duties with great honesty, responsibility, discipline and in good conscience towards themselves and others. They must not use their position to gain benefits for themselves and/or others in an inappropriate way or use company information or assets in such a way that benefits themselves and/or others. Further, they must not engage in any act which constitutes the encouragement of any individual to engage in a business which is competitive with that of the Company. Copies of corporate governance principles, business ethics and employee ethics are handed out to directors, executives and employees. They are published on the Company website at [www.spi.co.th](http://www.spi.co.th) as well for everyone to observe in their performance of duties. The ISO 9001:2008 quality management standard is a principle we also adhere to.

The most serious disciplinary punishment established in the company regulation is the termination of employment. All directors, executives and staff are aware of this and act accordingly.

## 3. Supervision of the company's security trading transaction and report of stockholding

A measure is in place to monitor how our shares are traded. Supervision of the company's security trading transaction, the company have in place a measure for the monitoring of our security trading transactions. Our code of ethics has prescribed a prohibition for directors, executives and staff in possession of insider information from selling or purchasing company shares within one month before disclosing the financial statements to the public. Every quarter, the company secretary sends a letter reminding this to directors, executives and relevant individuals. Additionally, directors and executives, as well as, their spouses and under - aged children are required to report their shareholding. Any transaction must be reported to the Securities and Exchange Commission, with a copy sent to the

company secretary for subsequent notification of the Board of Directors at the next meeting. One mandatory agenda to be present at all Board of Directors meetings involves the holding of company shares by directors and executives. A shareholding report form is enclosed with the invitation to the meeting. Directors and executives are well aware that it is their duty to comply. The company secretary will circulate a letter to all directors and executives of any change in this area, with relevant announcement of the Securities and Exchange Commission enclosed.

In the year 2013, directors and executives have complied strictly with the policy. There has been no incidence of trading during the prohibited period. Changes in shareholding of directors and executives are summarized in the annual information declaration sheet (Document 56-1) and the annual report (Document 56-2) under the "Changes in shareholding of directors and executives" section.

Measures are in place to require directors and executives to report the interests they have in the Management of our businesses on the following occasions:

1. Upon first appointment to the directorial or executive position
2. Upon the instance of change in interests
3. Directors and executives are required to submit their interests report to the Company secretary who would in turn deliver a copy to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven days from the day on which the report is received.

All directors and executives have complied with the established criteria in 2013.

#### 4. Conflict of interests handling :

The Board of Directors has a policy for dealing with **conflict of interest**. The following guidelines have been prescribed.

1. The administration of conflict of interest or connected transactions is undertaken prudently, fairly and rationally. There is a transparent system for approving transactions which primarily takes into account the Company's interests. Interested Company Directors do not have the right to vote and must make a full disclosure in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
2. The Company's interests shall be upheld subject to legality. No action shall be taken that would be a conflict with the Company's interests, and no benefits or privileges will be given to any person.
3. Company Directors and Executives must disclose personal interests and the interests of related persons in accordance with the prescribed rules.
4. Company Directors, Executives and employees who acquire inside information are prohibited from trading in Company shares in the 1-month period prior to public disclosure of financial statements.

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5. Company Directors, Executives as well as their spouses and children who have not yet attained legal age shall have the duty to report Company securities holdings and changes in such holdings to the Board of Directors at the subsequent Board Meeting.

6. Company information or secrecy acquired or acknowledged, shall not be disclosed or transmitted to third parties or unrelated persons.

7. Disclosure shall be made by authorized Company employees. Classes of secrecy may be prescribed in accordance with the significance of the information. Disclosure shall be made within the assigned scope of duties and responsibilities.

From the practical guidelines above, we proceed carefully and rationally with regard to conflict of interests and connected transactions. We have the company's best interest and pricing is consistent with fair trading conditions as if the transactions are those engaged in by members of the general public. Our handling of matters in this area is transparent and consistent with the announcement of the Capital Market Committee. It is established as a good corporate governance policy and an ethical requirement binding upon the company and shareholders. Information is disclosed to ensure equal access by all.

In order to supervise transactions with possible conflict of interest or related transactions to ensure compliance with the announcement of the Equity Market Commission and the Stock Exchange of Thailand, whenever there is a related transaction which must be declared under the requirements of the Stock Exchange of Thailand, the Company will seek the approval of the Board of Directors prior to engaging into such a transaction. The director with interests in any such agenda must leave the meeting room and refrain from voting on that agenda. The decision to engage in such a transaction must take into account the necessity to preserve the benefits of the Company. Upon conclusion of the meeting, that transaction must be disclosed in Thai and in English to the Stock Exchange of Thailand. It must also be published on the Company website at [www.spico.th](http://www.spico.th), detailing the name of the related person, the nature of the relation, the determination of price, the transaction value, the party to the agreement, the necessity to engage in such a transaction, the opinion of the Board of Directors and differing opinions (if any). A minute is taken of the meeting for review. It is also summarized in the annual information declaration sheet (Document 56-1) and annual report (Document 56-2). There were four related transactions involving assets or services, as well as one transaction of financial assistance in 2013. These are detailed under the "related transactions" section.-and has no related transactions or any purchase or sales of assets which is contradictory to or not in compliance with the criteria of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In the case of ordinary related transactions, we require the approval of the use of conventional trading conditions for the transaction between the Company and a director, an executive or a related person on an annual basis at the first Board of Directors meeting after the annual general meeting of shareholders. This is so that new directors can be informed of the matter. A summary must be provided on a quarterly basis to the Board of Directors and

disclosed in the annual information declaration sheet (Document 56-1) and the annual report (Document 56-2) to confirm that the related transactions are carried out in a manner which is fair and consistent with the general conduct of business and trade.

Presently, we have established a policy to mitigate the risks in this area. The Company's measures to control the transaction and limited financial assistance to companies that are not subsidiaries providing loans or loan guarantees in proportion to their shareholders to Tsuruha (Thailand) Co.,Ltd in the amount of 17,750,000 Bht.

### 3. Role of Stakeholders

- 3.1 The Board of Directors appreciates and respects the rights of the various stakeholders by having regard to rights under the law or agreement with the Company. Stakeholders are ensured that their rights are protected and that they are treated fairly and equitably. A policy has been prescribed as a guideline for the treatment of each stakeholder group, which has also taken into consideration the community, society and the environment, to promote sustainable development, suppress dishonest acts and corruption, avoid intellectual property infringements, including giving due respect to human rights.
- 3.2 The Board of Directors supports the corporate social responsibility reporting, which has been an integral part of the Annual Report.
- 3.3 The Board of Directors provides channels and procedures for all stakeholder groups to report or file a complaint on any matter which poses a risk of loss to the Company, the accuracy of financial statements or an unfair treatment.
- 3.4 The Board of Directors has prescribed policies or guidelines for protecting employees or informants of matters which pose a risk of loss to the Company or an unfair treatment.

We adhere strongly to our responsibilities and we have respect for the rights of all interested parties inside and outside of the company. We act responsibly towards the communities, the society and the environment are entitled to their rights and that mutual cooperation leads to a sustainable business. Therefore, we have established a practice guideline in the code of business ethics to ensure that the legal rights of all stakeholders will be honored. In the unfortunate event of any inevitable damage, the company and all interested parties will jointly engage in a discussion in order to arrive at a solution that benefits all parties involved.

### Business ethics

We have prepared a written manual of business ethics. Copies of this manual have been distributed to all directors, executives and employees. It is also disclosed on our website at [www.spi.co.th](http://www.spi.co.th). Directors, executives and staff are required to observe it when interacting with the company, shareholders, customers, creditors, Trading partners, competitors, the community, creditors, community and society, the environment and state sector. The Board of

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Directors is very enthusiastic about business ethics with an aim to ensure a sustainable growth, believing that a business is viable only on the foundation of ethical and moral correctness.

## (1) Shareholders

The Board of Directors performs duties responsibly, prudently, earnestly and honestly in order to generate good returns to shareholders on a continual and sustainable basis. In this regard, the following policies and practice guidelines have been prescribed.

1. The ownership rights of shareholders are equitably and fairly respected.
2. Operations are undertaken in accordance with the principles of good corporate governance, which will foster the trust and confidence of shareholders and eventually lead to sustainable growth.
3. The Company's businesses are continually advanced to ensure proper returns to shareholders.
4. Significant information which affects or potentially affects shareholders' interests shall be disclosed, whether reports made pursuant to the accounting period or situation reports, pursuant to the relevant laws and notifications. However, no action shall be taken to restrict shareholders' access to Company information.
5. A report of the Board of Directors' responsibility for the financial statements in the Annual Report shall be prepared.
6. Minority shareholders shall be given an opportunity to propose matter for inclusion in the meeting agenda and/or to nominate persons for election as Company Directors at the Annual General Meeting of Shareholders.
7. Shareholders are given an opportunity to submit questions relevant to the meeting prior to the shareholders' meeting.
8. Shareholders' meeting notices in both Thai and English are published on the Company website at least 30 days prior to the shareholders' meeting day as information for shareholders and to enable the study of information prior to meetings.
9. Shareholders' meeting shall be facilitated. The date, time, venue and procedure must not pose an obstacle to the shareholders' attendance of the meeting. Shareholders who are not able to attend in person must have the opportunity to grant a proxy to other persons to attend the meeting and vote on their behalves.
10. Conflicts of interests must be dealt with prudently, rationally and information must be fully disclosed.
11. The Company's interests and assets shall be safeguarded as a reasonable person would safeguard his/her property. Wrongful interests, whether obtained by direct or indirect means, shall be eliminated.

The policy and guidelines above have shown that we have the mechanism necessary to assure shareholders of the following: That shareholders will receive fair and appropriate returns in accordance with our dividend payment policy That related transactions are closely monitored .That measures are in place to prevent conflict of interests.



That internal information is securely protected and its misuse is strictly prohibited that Company directors, executives and other personnel — who by duty have access to the Company's internal information — are prevented from exploiting it for the benefit of their own or other individuals. Such Company personnel are also prevented from trading of the Company's securities in the period of one month before the financial statements are disclosed to the public.

In the year 2013 we paid dividends from our 2012 operational performance at the rate of 0.23 Baht per share or 8.71 % of net profit (19.66 % of Net profit from Separate Financial Statements) on May 20<sup>th</sup>, 2013. This rate is higher than that specified in the dividend payment policy of 0.10 Bath per share and contributes to the long-term financial well being of our shareholders. All shareholders are invited to participate in the 2013 shareholders annual general meeting with the right to vote on all agendas. Additionally, we have reported our performance on a quarterly basis and disclosed significant transactions such as investment and related transactions via the information system of the Stock Exchange of Thailand and on company website at [www.spi.co.th](http://www.spi.co.th).

## (2) Customers

The Board of Directors realizes that customer satisfaction and confidence are key factors which contribute to the Company's sustainable success. The following policies and guidelines have been prescribed in this regard:

1. The Company operates the businesses of manufacturing, product distribution and services which are safe for consumers and environmentally friendly.
2. Businesses are operated with a commitment to develop goods and services, introduce new innovations and add value to goods and services in order to continually meet the demands of customers along with the disclosure of necessary information for decision-making without concealment or distortion of facts.
3. Businesses are operated in earnest, honest and fair values and no action is taken that would violate the rights of customers. The confidentiality of customer trade secrets is maintained and not exploited for wrongful personal gains or for the gains of others.
4. The Company does not demand, receive or consent to the direct or indirect receipt of properties or other dishonest benefits from customers.
5. The Company adheres to trade agreements. In the case where adherence is not possible, the customer would be notified in advance in order to jointly find a remedy and prevent loss.
6. The Company provides communication channels to enable customers to file complaints to the Company. Complaints are processed with care and dealt with fairly.

We operate on the basis of integrity and fairness. Clients are provided correct information and quick and efficient services. We treat everyone equally and with a good spirit We quickly act upon any complaint from our customers, and treat everyone in an unbiased manner. Furthermore, we keep our customers' information confidential,

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develop products and services to satisfy the requirements of our clients, and, consistently add value to our products and services. One of our achievements in this area is the successful effort to develop ourselves even further.

The company has worked very hard to improve their environment. Certifications and certificates we have received for our efforts are as follows:

- ISO 9001:2008 certified for the land development of and fundamental public utilities.
- ISO 14001:2004 certified for the central wastewater treatment system.
- Certificate by the Ministry of Industry for compliance Standard for Social Responsibility (CSR-DIW)
- Saha Group Industrial Park — Sriracha is granted a certificate by the Ministry of Industry for their central wastewater management system which has earned the “Gold Medal” level of accreditation as per the industrial waste management standard under the “Waste Management Business Enhancement Program” of the fiscal year 2011.
- Saha Group Industrial Park — Lamphun is granted a certificate by the Ministry of Industry for their compliance with the 2011 Standard for Social Responsibility (CSR-DIW).
- Saha Group Industrial Park — Kabinburi is granted a certificate by the Prachinburi Province Anti-Drug Center to officially recognize them as a “white” or “drug-free” industrial estate in 2011.
- Saha Group Industrial Park — Sriracha has been presented with the Certificate of Achievement by the Department of Industrial Works for the successful evaluation under the energy management system project (EnM S-DIW) where the central wastewater treatment system is concerned, as a part of the ISO 50001 energy management system certification. This unit has managed to use 5% less electricity compared to that used in 2011.
- Saha Group Industrial Park — Sriracha and Saha Group Industrial Park — Kabinburi have participated in the Eco Industrial Complex project of the Department of Industrial Works, the Ministry of Industry. The objective of this project is to enhance the Thai industry in such a manner that all concerned parties are involved. The five aspects listed in the strategy are economy, environment, society, physiology and management
- Saha Group Industrial Park - Lamphun has initiated a mixed use plantation project titled “Dr. Thiam Chokwatana Lampoon Sufficiency Economy Project”. This is a center where relevant parties can study the ecological balance between agriculture and industry. The project serves to educate the communities regarding environmental issues surrounding our industrial park as well.

The certifications and the certificates have clearly lent clients more confidence and convince them to take up space inside of our industrial parks. Further, a client satisfaction survey is conducted annually in June. In the year 2013, the outcome of satisfaction with basic infrastructure has met all targets of the quality management work group. There is a recommendation to improve the security service at the entrance and exit of Saha Group Industrial Park -Sriracha because of concerns that there is a great amount of traffic during the rush hour. The traffic increase this

year is partly due to the first car policy of the government. Our security personnel and the traffic police are not able to manage the vehicles quickly enough as the municipal roads up front and out back are beyond the control of Saha Group Industrial Park. The traffic is very bad and made worse by the presence of shuttle bus transferring passengers between adjacent industrial parks. These buses are large and slow, resulting in blockage during rush hours every day. To this end, we will work with the traffic police and the municipality in order to seek an appropriate solution. The outcome of the survey is better than the requirement of the ISO 9001:2008 standard. Information obtained from the survey is used to implement the changes required by customers. We are attentive and fair in our handling of customer complaints. Therefore, we have established the Customer Relations Department to better interact with customers who wish to make inquiries, share opinions or file complaints. The contact person is [Mr. Amphol Wattanaworaphong, Assistant Manager of the Customer Relations Office who can be contacted at 038-480-444 and \[amphol@spi.co.th\]\(mailto:amphol@spi.co.th\)](#). Alternatively, customers may use the "Contact us" section of the [www.spi.co.th](http://www.spi.co.th) website. We are considerate, as well, of the complaints and the opinions shared with us concerning internal and external units relating to the operation of our Company. Several avenues are also in place for our employees to make suggestions such as the project meetings, the website and the personnel comment box at the project office.

There have been some contacts via the Contact us section of our website in 2013. All were inquiries about Saha Group products. There was no complaint on any matter.

### (3) Trading Partners

The Board of Directors treats trading partners equitably and takes into account mutual interests by prescribing the following policies and guidelines.

1. The Company has a system for screening trading partners in the value chain who operate businesses in compliance with the law, safety and occupational hygiene standards, and friendliness to the environment. Trading partners are treated on the basis of fair competition, equality and mutual respect.
2. The confidentiality of secrets or communications with trading partners are maintained and not exploited for wrongful gains of oneself or of others.
3. Relationships and good understandings are fostered. Knowledge is exchanged. Developments and value adding to goods and services are jointly undertaken to promote mutual growth.
4. The Company adheres to trade agreements and makes proper representations of data. In the event that an agreement cannot be complied with, the Company will expeditiously engage in early negotiations with trading partners in order to reach a mutual remedy and loss prevention solution.
5. The Company does not demand, receive or consent to the receipt of properties or any other benefits outside trade agreements.

The following actions have been taken based on the above policy and guidelines: The Company employs fair practices when selecting its partners. We honour the agreements and conditions we have with our trading partners

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and we strive to maintain positive and understanding relationships with them. We provide trading partners with the correct information and exchange with them knowledge which contributes to the creation of added value for the products and the services. Under no circumstance do we demand or accept other assets or benefits beyond those specified in the trading agreements. There has been no incidence of failure to honor the contract we have with the trading partners in 2013.

### (4) Competitors

The Board of Directors operates businesses in accordance with the provisions of law. In this regard, the following policies and guidelines have been prescribed.

1. The Company shall conduct its businesses within the rules of fair competition with due regard to business ethics and trade competition laws of various countries in which the Company operates.
2. The Company will not damage the reputation of its trade competitors.

The following actions have been taken based on the above policy and guidelines: We operate strictly in good faith on the basis of fair competition and within the boundary of the law. We view competitors as an element that contributes to the enhancement of our strengths and potential. There has been no dispute with any competitor throughout the history of our operation.

### (5) Creditors

The Board of Directors is committed to undertaking business operations in a principled and disciplined manner in order to build the trust of creditors by prescribing the following policies and guidelines.

1. All creditor groups shall be treated equitably and fairly.
2. Contracts and terms will be strictly adhered to.
3. Operations will be administered to ensure the confidence of creditors in the Company's financial standing and credit rating.
4. Financial standings shall be accurately and timely disclosed.
5. In the event of an inability to comply with a particular term, the creditor will be forthwith notified in advance in order to enable a joint solution for remedy and loss prevention.

Our creditors can be classified as follows:

#### Business Creditors

We comply with the conditions we have with our creditors and all due amounts were paid in full when they were due regardless of the economic situation. This is done via the Smart Banking system. Creditors are asked to

submit their invoice between the 1<sup>st</sup> and the 7<sup>th</sup> of every month. Payment is then made to them on the 26<sup>th</sup> of the same month or on the next business day if the 26<sup>th</sup> falls on a holiday.

## Loan Creditors

The Company strictly adheres to the terms and conditions of its loan creditors and always makes due payments for the loan and the interest on time and according terms and conditions agreed upon. This ensures that all the loans to the Company are Clean Loans.

## (6) Employees

The Board of Directors regards employees as valuable resources, and a key factor to the Company's success. The following policies and guidelines have been prescribed in this regard.

1. Human dignity and fundamental rights of employees are respected at work. Employee data or confidential information is not disclosed or transmitted to third parties or unrelated persons.
2. Employees are treated in accordance with the provisions of law, regulations and articles governing the Company's operations.
3. Employment equality is promoted. There is no discrimination on the grounds of gender, skin colour, race, religion, age, disability or other status that is not directly related to the works.
4. Training and knowledge exchange are sponsored and promoted to encourage learning and skill development throughout, strengthen career security and offer opportunities for advancements pursuant to each person's potential.
5. Employee participation in the determination of the Company's direction and development are promoted.
6. Fair compensation is given as suitable for the knowledge, skill, duties, responsibilities and performance.
7. Appropriate welfare and benefits are given to employees, e.g. medical expenses, provident fund and a savings cooperative.
8. Channels are provided for employees to communicate suggestions and complaints pertaining to work. These suggestions are considered and remedies will be determined in the interest of all parties and in view of the creation of good working relations.
9. Facilities necessary for work operations are provided and working conditions are maintained with due regard to safety and occupational hygiene as a means of promoting and raising the quality of lives of employees.
10. Employees of all levels are encouraged to participate in social responsibility activities.



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The following actions have been taken based on the above policy and guidelines:

- **Infirmary:** An infirmary facility is available to provide employees with preliminary medical treatment and provide health advice by certified physicians and nurses.  
Additionally, during the period when the new strain of influenza was widespread, we implemented a preventive and corrective measure by providing all employees with the necessary influenza vaccine, adequate handwash gel dispensers around the company and hygienic masks.
- **Provident fund:** We have established a provident fund to help employees saving and to serve as a security in life of the employees for their future needs. Every employee is required to contribute 8% of his or her monthly salary to the fund and, as an incentive, the company will make the same contribution to add to his or her fund for future use.
- **Saha Group Employee's Saving and Credit Cooperative Limited (SGS)** for the promotion of savings, self-reliance and mutual assistance as per the principle of co-operatives
- **Retirement bonus:** Upon retirement, employees will be paid a retirement bonus to be used in their post-retirement life.
- **Group life insurance:** The company offers group life insurance protection to all employees. When an employee passes away, an appropriate amount of compensation will be paid to his or her pre-determined beneficiaries.
- **Group health insurance** to help reduce medical expenses of employees in the case of sickness or injury which takes place either within and outside of hospitals.
- **Training and seminars:** This includes both internal and external programs which help employees improve their skills and knowledge on work-related matters. and to make clear the potential to be put into actual performance.
- **Uniforms:** Company uniforms are provided to all employees and to demonstrate the unity of the Saha Group.
- **Medical check-up:** Employees are entitled to medical check-up and correctly assess their circumstances, engage in preventive measures and conduct themselves properly.
- **Other facilities:** Other facilities within our industrial parks include leisure parks, sports grounds, aerobic grounds, golf driving ranges and a golf course.

A Welfare Committee is appointed to give employees the opportunity to participate in welfare management and to facilitate exchange of relevant information with all employees.

In the year 2009, Saha Group Industrial Park - Sriracha was certified for total level of Thai Labor Standard Management (TLS 8001-2546) by the Department of Labor Welfare and Protection, the Ministry of Labor. This is a sign that we have complied with the social responsibility standard of Thai businesses.

## Safety and Occupational Hygiene

The Board of Directors attaches importance to safety and occupational hygiene. In this regard, the following guidelines have been prescribed.

1. Business undertakings shall comply with laws, regulations and policies on safety, occupational hygiene and working environment with due regard to the safety of life and properties as well as to the impact on the health of employees, trading partners and stakeholders. Regular monitors and safety assessments must be conducted.
2. Occupational safety shall be promoted. Work regulations, procedures and standards are prescribed to ensure working safety consistent with risks. Working environment and safe work procedures are improved. Tools and equipment for safety protection are also provided to employees.
3. Preparations are made for emergency events. An emergency plan has been devised and regular drills and improvements are carried out. This is to prevent and minimize any loss to life or properties of the Company, employees, trading partners and related persons.
4. A safe working culture has been built for the entire organization to ensure sustainably safe work operations.

## (7) Community and Society

The Board of Directors operates businesses with due regard for the duties and responsibilities owed to the nation, community and society as well as local traditions in order to maintain a desirable society and participation. In this regard, the following policies and guidelines have been prescribed.

1. A business which could lead to a deterioration of society shall not be undertaken and the rights of others in the community and society shall not be violated.
2. Consciousness of responsibilities towards the community and society as a whole shall be instilled continuously for the benefit of the Company and all levels of employees.
3. Measures shall be provided for the prevention and remedy of impact on the community and society as a consequence of the Company's operations.
4. The preservation of local culture and traditions shall be promoted.
5. Cooperation shall be entered into with various agencies for the development of communities.
6. Public benefit activities shall be sponsored.
7. Incomes shall be generated and the community economy shall be promoted through employment of community members and use of community products.
8. Good relations shall be fostered between the Company and the community and society on the basis of propriety, transparency and fairness.

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## Promotion of Events or Participation in Activities Related to Community Development

The Company worked with nearby communities and relevant government agencies to organize various social contribution activities within its Saha Group Industrial Parks. Such activities include safe driving training programs, driving license test, cervical cancer check ups, and blood donations with the Royal Thai Red Cross. Other important activities also include sports competitions between the management of the Company's plants and community representatives, company training programs and seminars, presentations of scholarships, workshops on topics of interest, waste management for communities, and, promoting how to put seemingly wasted materials into good use. Such social contribution activities have always received very warm welcome and cooperation from participating communities. It can be viewed from the 2013 social responsibility ad environment report and our Company website ([www.spi.co.th](http://www.spi.co.th))

The Company has appointed Mr. Kumthorn Rojrungsingkhorn, ASST. R&D PROJECT MANAGER, to handle Community Relations. He can be reached by phone at (038) 480-444 or by e-mail: [kumthorn@spi.co.th](mailto:kumthorn@spi.co.th).

## (8) Environment

The Board of Directors undertakes businesses with due regard for responsibilities to the environment. In this regard, the following policies and guidelines have been prescribed.

1. Businesses shall be undertaken in accordance with laws, regulations and policies on the environment with due regard for the impact on natural resources and the environment and regular revisions and assessments of performance results shall be undertaken.
2. An organizational culture and consciousness of employees at all levels shall be promoted to encourage cooperation and responsibility for the efficient and sustainable management of the environment and utilization of resources.
3. Knowledge promotion and environmental training shall be extended to employees.
4. An Environmental management system shall be promoted, from the economical use of resources to the sustainable treatment and rehabilitation, replacement, monitoring and prevention of impact on natural resources.
5. There is a system for selection of trade partners in the value chain who undertake businesses in an environmentally friendly manner.
6. Environmentally friendly technology are developed and published.

The following actions have been taken based on the above policy and guidelines. We operate with awareness of potential impact on the environment and natural resources. The company believes that quality work and efficient performance are the result of happy personnel so the "Industrial Park" has been created to be a big house of family

members of several ten thousand of lives which are fully equipped with facilities. Therefore, everyone could work happily with a warm life style under the philosophy to build something more than an "industrial zone" where the environment is developed with a warm atmosphere. Every tree has been fully cared with proper attention to ensure that the industrial park is for everybody under the umbrella of Industrial Park. Moreover, Eastern Thai Consulting 1992 Co., Ltd. has been contracted to do the research, develop and control the environment continuously, in terms of quality of air, water, noise and garbage. All three industrial parks have been measured and all of them have performed better than the standard in all aspects.

## Promoting Resource Efficiency

An account of the results of our various social and environmental activities is detailed below.

1. After treatment, industrial waste water is used for watering trees in the green areas of our industrial areas. Amounts of >30%, 100%, and 80% of waste water were treated and used for this purpose in our respective factory areas in Sriracha, Kabin Buri, and Lamphun. The results have been conclusive. It is easy to see the great benefits in the green areas of our industrial areas in Kabin Buri and Lamphun due to the increased watering efficiencies. This has included the cultivation of vegetable plants as well as various other programs. The environment has improved and costs for water have decreased in a positive way for our green areas.
2. The process of using sludge from waste water treatment systems and turning it into interlocking bricks began in 2556. A total of 90,900 kilograms of sludge has been converted into 40,600 bricks for indoor and outdoor use. This resulted in a savings of 272,000 Baht per year, and helps to reduce environmental impact in yet another way.
3. In an effort to increase the quality of life for its communities, employees, and the surrounding environment, Saha Group Industrial Parks in Sriracha, Kabin Buri, and Lamphun conduct data related to the quality of air and treated wastewater. Furthermore, noise pollution and the quality of water of surrounding canals is monitored both before as well as after they leave Saha Group Industrial Parks. This is performed in compliance with waste management criterion at least 1-2 times per year or 1 time per month. All data recorded is provided to the relevant agencies in local government, the Department of Industrial Works, and the Department of Pollution Control.
4. The Project for Sustainable Agriculture by Dr. Thiam (Lamphun) has been allocated green areas of Saha Group Industrial Parks for rice cultivation and animal husbandry. A focus has been placed on using energy conservation methods in these activities to reduce their effects on the environment. Furthermore, these green activities do not include the use of synthetic chemicals and follow environmental conservation protocols, helping to restore the environment and act as a source of agricultural-related knowledge for their surrounding communities.

(View details from Social responsibilities is promotion of quality of life, with sufficiency economy topic)

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## Environmental Awareness Training for Employees

The Company recognizes the importance of environmental preservation. The majority of the problems we have that affect the environment are caused by employees who do not understand how their actions do have negative effects on the environment. For employees whose work causes environmental concern, either directly or indirectly, environmental awareness training has been provided. A summary of the training syllabus is below:

1. Observe Khao Hin Sorn Royal Development Project
2. Restorative Justice in Environmental Reconciliation Commission and Prosecution
3. Safety Management System in workplace ILO-OSH 2001
4. Environmental Quality Monitoring Program
5. Introduction to the event of fire emergencies
6. The process of consideration and opinion in accordance with Factory Act B.E. 1992
7. Refuse Derived Fuel
8. Foster harmonious coexistence between the community and industry
9. Safety operation of the power steam in the industry

## (9) State Sector

The Board of Directors undertakes businesses in compliance with the rules and regulations enacted by the State. In this regard, the following policies and guidelines have been prescribed.

1. Knowledge and understanding of the laws governing operations are acquired and no activities are undertaken which would be inconsistent with the law.
2. Proper action shall be taken when conducting transactions with an official or agency of the State.
3. Good relations are fostered between the Company and the State sector within suitable bounds.
4. Relevant laws and business traditions are observed in each country or locality.



The following actions have been taken based on the above policy and guidelines. The Company makes its tax remittances in an accurate, complete, and timely fashion, according to all related laws. These taxes include the VAT Tax, Specific Business Tax, Withholding Tax, Signboard Tax, House and Building Tax, Customs Duty and Tax, as well as Corporate Tax.

## Non-infringement of Intellectual Property

The Board of Directors pursues a policy of non-infringement of intellectual property by prescribing the following guidelines.

1. Business undertakings shall be consistent with laws, regulations and contractual obligations governing intellectual property rights.
2. Intellectual property works of the Company shall be maintained. Such intellectual properties shall not be used or allowed to be used by others without authorization.
3. The intellectual property rights of others shall be respected. The works of others shall not be infringed or applied to personal use except where a license has been obtained or a fee paid to the owner of the work.
4. Intellectual property of creative works produced by employees shall vest in the Company. Upon termination of employment, such intellectual property works must be returned to the Company regardless of the form which it is stored.

The following actions have been taken based on the above policy and guidelines. The Company maintains a policy to not involve itself in activities related to intellectual property infringement, use of imitation products, or the unlicensed use of the intellectual properties of others.

### 1. Trademark management of the Company is divided into two areas:

- 1.1 **Foreign Trademarks.** The Company has been licensed to use the trademarks of various well-known brand products from overseas. It acts according to related agreements with the affiliates for products like Guy Laroche and Elle, which receive royalties for their use.
- 1.2 **Domestic Trademarks.** The Company is the registered owner of various trademarks through the Department of Intellectual Property, Ministry of Commerce. It has entered into agreements with the affiliates to license the use of different trademarks such as kullastre, Rain Flower, and receives trade make income for the licensing of such trademarks.

Furthermore, the Company, together with its affiliates, encourages and supports its employees to submit their innovations to the Company Chairman Awards. This ceremony is held to recognize and reward employees for their innovations, motivating them to engage in creative innovation at work at all times.

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2. **Software Usage.** The Company mandates that all software used in company operations is properly licensed. Commitment has been made by senior management and employees of all levels to not engage in the piracy of intellectual property. As such, below is a list of guidelines set to govern employee activities on our computer network:

2.1 Employees will not use the computer network for the following purposes:

- To conduct any activities that are against the law, nor that would result in losses for other individuals.
- To act contrary to the public order or the moral values of Thai people.
- To act in a manner which infringes the intellectual property of the organization or of others.
- To access the information of another individual without the consent of information's owner.
- To transmit or receive information that may cause damage towards the organization. This would include the transmission of chain letters, or any unlawful transmission of information that was received from other individuals outside the organization.

2.2 To ensure the overall safety of the computer networks, employees are required to follow the following guidelines:

- Not to install any pirated software.
- Not to install any software that can be used on our computer network without prior approval.
- Not to install any computer software or accessories on the organization's computers on behalf of another individual or on behalf of another user on the organization's network.
- Each employee shall turn their computer off at the end of the day, or if it is expected it won't be in use for over an hour. An exception made is when the computer needs to be operated as a server running 24 hours a day.
- Must perform a virus scan of any information or programs that are introduced to the organization's computers from an outside source. If any sort of infection is found, it must be eradicated as quickly as possible.
- Regularly delete unnecessary files from computer systems to maximize efficiency of computer memory.
- Cooperate with all supervisors and caretakers of the computer network, helping them ensure the safety of each employee's computer as well as the network at large. This includes using computers according to all advice given by the network administrator and caretakers as well.
- Be careful in the use and maintenance of the network and its computers.
- Refrain from accessing other areas of the network without receiving prior approval.
- Return all of the organization's computer-related resources in a timely manner. This includes any information or copies of information, keys, identification cards, security cards, etc. This needs to be done within 7 days of termination of employment.

- 2.3 The Company will not be responsible for any employee who acts in violation to laws set forth by the Computer Crimes Act 2007, which causes or may cause any loss to the organization or any other individuals. Furthermore, the Company will determine the appropriate disciplinary action for any employee who commits any sort of violation.

In the past year, the Company did not find any cases of intellectual property infringement

## Non-violation of Human Rights

The Board of Directors respects human rights. In this regard, the following policies and guidelines have been prescribed.

1. There shall be no activities or support of activities which violate human rights.
2. Employees are provided with knowledge and understanding of human rights which are applied to work operations.
3. There are no limitations to independence or differences in ideology, gender, race, religion, politics or other matters. The expression of opinions which could cause conflicts or divisions should be avoided.
4. Channels shall be provided for employees or persons who believe that their personal rights have been violated or that they have been treated unfairly to file a complaint with the Company. Such complaints shall be given attention and processed fairly.

The following actions have been taken based on the above policy and guidelines. Company emphasize to operate the business with social responsibilities and including the respect to Human Rights of stakeholders as follows

- The Company pay wages/remuneration for work in accordance with a minimum wage as required by the law. We will have equal respect for the civic, political, and basic rights of all interested parties, including the right to basic living, the right to freedom of expression of thoughts, the right to demonstrate or associate in peace, and defense processes prior to passing of disciplinary penalties.
- The Company determines work hours in accordance with law, not exceeding 48 hours and 2 days off a week.
- The Company will not have or allow prejudice in the employment process, wage and remuneration, promotion, disemployment or retirement on the basis of differences in age, race, national origin, religion, language, disability, gender, sexual orientation, trade union membership or political association, and the personal concepts. In the past year, the Company did not find any cases of violation of Human Rights.

# ● Good Corporate Governance

## Combating Dishonest Acts Corruption

The Board of Directors has a policy of compliance with the law on combating Dishonest Acts Corruption. In this regard, the following guidelines have been prescribed.

1. A consciousness, value and attitude to comply with laws and regulations honestly and in good faith shall be instilled in employees.
2. An internal control system which is efficient and effective shall be in place. There shall be suitable oversight and checks of powers to prevent employee abuses or involvements in combating Dishonest Acts Corruption.
3. Company Directors, Executives and employees are prohibited from performing any act which amounts to a demand or acceptance of properties or other benefits for oneself or for others as an inducement to wrongfully perform or refrain from performing a duty or which could result in a loss of the Company's legitimate benefits.
4. Company Directors, Executives and employees are prohibited from giving or offering to give properties or any other benefits to third parties to induce such person to unlawfully or wrongfully perform or refrain from an act.
5. There shall be a financial reporting system which is transparent and accurate.
6. There shall be a channel for employees and related persons to provide notices of causes for suspicion with confidence of protection. Personnel must be appointed to examine all notices of suspicion given.

## Policies and Procedures Regarding Dishonest Practices and Graft

The Company has established a Code of Conduct for employees to follow to ensure they act in an upright and responsible fashion, with discipline and consciousness towards the effects their actions have on both society as well as themselves. They are not to use their position with the Company for their own personal gain nor the gain of others. The Company operates on the basis of accuracy, transparency, and in accordance with the law. It is policy that each employee shall ensure that all company successes are found through upright business practices and without graft. Violations of this policy will be seen as a serious offense. Furthermore, internal auditing bodies will be responsible for auditing and measuring risks resulting from dishonest practices. An Audit Committee is responsible for making determinations and reviews of the organization's internal control mechanisms, and constantly monitors their findings. Upon discovery of any dishonest practices, the internal audit department will issue a report to the Audit Committee, who will then submit a report to the Company's Board of Directors.

Over the past year, no cases of graft were found within the Company.

In year 2013, Thai Institute of Directors jointly with the Chamber of Commerce, International Chamber of Commerce, Thailand Company Bankers Association, Council FTI Capital Markets Thailand and the Tourism Council of Thailand have shown that corruption in all its forms is a major obstacle to the development of the country. The private sector has established joint alignment private practice in anti -corruption Thailand (Thailand's Private Sector

Collective Action Coalition Against Corruption - CAC) as the registered Company as mentioned. According to the Board of Directors meeting no. 9 ( Board#20 ) on January 14th, 2014, has approved the signing in Declaration of intent Thailand's Private Sector Collective Action Coalition Against Corruption

## Receptions, receipts and grants of gifts

The Board of Directors aspires to undertake the Company's businesses in line with fair competition. Nevertheless, receptions, receipts and grants of gifts or attendance at receptions in accordance with traditions and practices to maintain good relations are necessary and desirable. In this regard, the following guidelines have been prescribed.

1. No receipts or grants of gifts, tokens or receptions which may influence a decision shall be made. If there is a necessity to receive or grant a gift, token or reception in accordance with tradition to a value in excess of normal circumstances, a report shall be filed with the respective supervisors.
2. In the case of an assignment or authorization by a supervisor to assist in an external agency, monies, objects or gifts may be received in accordance with the generally applicable rules or standards prescribed by such an agency, e.g. gifts, tokens or lucky draws.
3. In the case where an agent, contractual party, partner or any other person wishes to grant a gift, token or reception to the Company, prior authorization must be obtained from the Company.
4. Expenses pertaining to these matters shall be maintained within a reasonable budget.

## Fair Operation Policy and Anti-Corruption Manner

A policy has been established to ensure just operation, proper anti-corruption effort, responsible involvement in political activities, fair competition and good corporate social responsibility of agencies under our authority.

In 2013, there is no corruption and bribery case.

## Labor Policy

In order to ensure fair employment and treatment of workers, a guideline has been established as a policy to this end.

- 1) In the case where the company introduces any change with impact on the employees, for example, change of work hours or closure of business, we will give internal notification at the appropriate time and work with representatives of the employees to identify impact mitigation measures. Additionally, representatives of the public sector will be notified in order that relevant individuals may help with the process and minimize negative impacts on the employees.



# ● Good Corporate Governance

- 2) We will keep confidential private information pertaining to the employees with human resources personnel in charge of the matter.
- 3) In the case where operation is established in a foreign country, we will try to increase the number of employees, arrange for occupational development, and promote the individuals working in such foreign country. We have a directive to create work in and distribute work to local businesses as well.
- 4) We will avoid provoking the government to intervene in any matter which may result in restriction of the universal freedom to associate and to enter negotiation. Similarly, we will not participate in or influence any such restriction of rights.
- 5) We acknowledge and respect the rights of employees to refuse the work, by notifying their line supervisor, in the case where it can be reasonably determined to be potentially dangerous or harmful to the life or health of oneself or others.

In the past year, the Company has no hallmarks workers unjustly.

In addition, the Board of Directors has determined code of conduct for company directors, executives and employees as follows;

## Code of Conduct for Company Directors, Executives and Employees

### 1. Formal Responsibilities

The Board of Directors appreciates the importance of good governance. Continual undertakings are implemented to ensure that Company Directors, Executives and employees are aware and comply with standards under the framework of the Code of Conduct and conduct oneself honestly, cautiously and prudently for the greatest benefit of the Company and all related parties. As a consequence, the following Code of Conduct has been prescribed.

#### Company Directors and Executives

1. Duties shall be performed responsibly, prudently, honestly and in good faith in compliance with the law, Company Articles and relevant notifications.
2. Duties shall be performed to the utmost of ability in order to generate the greatest returns to the Company. This includes attendance at all meetings, except where there is an unavoidable necessity.
3. Duties shall be performed impartially. In a Board Meeting, Company Directors and Executives shall not vote on matters which they have interests.
4. Conflicts of interests shall be administered prudently and reasonably, in adherence to the Company's interests, to ensure transparent management of operations.
5. The acquisition or disposal of assets of the Company, Company Directors and Executives, including their spouses and children who have not attained legal age, shall comply with the relevant rules and a disclosure shall be made to the Board Meeting in the subsequent meeting.

6. Company Directors and Executives are prohibited from buying or selling Company shares in the 1-month period prior to the public disclosure of financial statements.
7. Company Directors and Executives must disclose personal interests and those of related persons in accordance with the prescribed rules.
8. There shall be regular appraisals of the Board of Directors' performance every year.

## Employees

1. Employees must support and cooperate in the Company's activities on a regular basis. Assigned tasks must be performed to the best of ability in order to ensure good results and advancement of the Company and employees.
2. Employees must comply with the relevant law, policies, terms of employment, regulations and notifications.
3. Persons contacting the Company must be treated courteously, hospitably and provided with an excellent service in order to preserve the Company's image and reputation.
4. Trade secrets must be kept and the Company's inside information must not be disclosed to third parties.
5. Loans shall not be obtained from customers, persons connected to customers or business counterparts of the Company, except for loans obtained from a bank or financial institution.
6. Lawful orders of supervisors shall be complied.
7. There shall be a commitment to teamwork, mutual assistance, harmony and mutual respect for the benefit of the Company and employees.
8. Co-workers must be treated generously and with good human relations. No groundless allegations shall be made against others. Credit shall not be claimed for the works of others.
9. Duties shall be performed with determination, in earnest and honesty, and the roles and responsibilities in the Company shall not be abused for the purpose of acquiring wrongful benefits for oneself or for others.
10. Duties shall be performed responsibly, cautiously and without neglect in such a manner which could cause a loss to works or properties of the Company.
11. Employees should conduct themselves as good citizens who comply with the Constitution and relevant laws. Political rights shall be exercised appropriately. Employees shall also avoid any involvement in an activity which is unlawful or inconsistent with public order or the good morals of the people.

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## 2. Maintenance of Company Assets

Company Directors, Executives and employees are under a duty and responsibility to efficiently maintain Company assets and assets under the care of the Company. In this regard, the following guidelines have been prescribed.

1. Assets shall be used for business operations and not used for personal gains or for the gains or third parties.
2. Interests shall be protected and assets shall be cared to prevent loss, damage or wrongful use pursuant to the standards of a reasonable man caring for one's property. Direct or indirect wrongful exploitation of benefits shall be eliminated.
3. Sufficient insurance protection from losses shall be obtained for assets.
4. The use of computers to harass, infringe, spy, corrupt other person's personal data or fabricate evidence which could lead to data theft shall be prohibited. An information security system consistent with international standards shall be installed.
5. E-mails and internet access provided shall used for business purposes. They shall be used cautiously and not prejudice the Company's reputation.
6. Passwords for access to the Company's data shall be kept secret and shall not be disclosed to unauthorized persons.
7. The Company's intellectual property works shall not be reproduced, adapted or used for personal benefit or for the benefit of others without authorization from the Company.
8. The supervisor shall be reported of any finding of rights infringement or acts which could lead to a rights infringement or any act which could potentially lead to a dispute relating to the Company's intellectual property.
9. The safekeeping of important documents of the Company shall be overseen to ensure full compliance with the relevant laws and regulations. Upon the lapse of the safekeeping period, the relevant employee must oversee that the documents are destroyed by appropriate means.

## 3. Informants and Complaints

The Board of Directors gives employees and stakeholders an opportunity to give information or file a complaint on a matter which could constitute a violation of the law, dishonest or wrongful act of an employee, including irregular behaviour which could cause a problem or loss to the Company. The Company also receives complaints on cases where the rights of an employee or stakeholder has been infringed or where they have been treated unfairly. Suitable channels and procedures have been provided by the Company in this regard.

The Company will hear and process all complaints impartially, transparently and fairly. Systematic and just measures for the protection of complainants are provided. Information provided by the complainant is kept confidential in the Company.

## Measures for the Protection of Complainants

1. A complainant may choose to remain anonymous if he/she deems that disclosure could lead to insecurity or loss concerns.
2. The Company will keep relevant information secret and take into account the safety of the complainant. Measures have been prescribed for the protection of complainants who are employees, including those who cooperate in the investigation of facts. These persons will be protected from unfair treatment as a consequence of the complaint, e.g. disturbances during work, reassignment or termination of employment.

## 4. Interpretations

A supervisor shall be under a duty to take responsibility and give advice to subordinates to ensure knowledge and understanding as well as compliance with the prescribed Code of Conduct. If the Code of Conduct does not provide for any instance, or if there remains a question which renders performance not possible or that a decision cannot be made, the matter shall be consulted with the respectively higher level superior. In the case of a conflict, the decision of the Managing Director, Executive Board and Board of Directors shall be final.

## Channels of Involvement for Stakeholders

In the case where shareholders or stakeholders has a concern regarding the correctness of the company's financial reports, internal control system or possible violation of the law or business ethics, they are encouraged to contact the following personnel.

- **Miss Sauwanee Numbenjapol** who handles investor relations by telephone at 0-2293-0030 Ext.400, by facsimile at 0-2293-0040 E-Mail address : sauwanee@spi.co.th
- **Mrs. Darunee Soontorntrumong**, the Company Secretary, by telephone at 0-2293-0030 Ext. 300, by facsimile at 0-2293-0040 E-Mail address : darunee@spi.co.th
- **Mrs. Kesara Sumkanjanaluk**, Accounting Manager, by telephone at 0-2293-0030 Ext. 509, by facsimile at 0-2293-0040 E-Mail address : account@spi.co.th
- **Mr. Pirom Thongging** Internal Audit Manager reporting directly to the Audit Committee by telephone at 0-2293-0030 Ext. 510, by facsimile at 0-2293-0040 E-Mail address : pirom@spi.co.th

Findings from the investigation will be reported to the Board of Directors. Informants and the complaints will be kept confidential. There was no complaint from shareholders and stakeholders in 2013.

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## 4. Disclosure of information and transparency

- 4.1 The Board of Directors oversees that there is proper, transparent and timely disclosure of significant information in accordance with the relevant laws and regulations. These disclosures include reports filed in accordance with accounting periods and reports of events having an impact on shareholders' interests, as well as the disclosure of other information pursuant to the principles of good corporate governance prescribed by the Stock Exchange of Thailand. Disclosure is made to the extent that the Company's legitimate interests are not prejudiced. Information is published in both Thai and English on the Company's website, disclosure channels of the Stock Exchange of Thailand and other channels which are comprehensively and equitably accessible.
- 4.2 The Board of Directors has established units or responsible persons to perform investor relations functions to communicate with external persons equitably and fairly.

Adhering to the corporate governance Policy and the Principles of Corporate Governance in disclosure of Information and transparency is one of our top priorities. We comply with the laws, article of association and criteria established by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, by disclosing significant information with effect or possible effect on the price of company share, on the decision of investors, or, on the benefits of the shareholders. This is to keep all shareholders and investors equally well informed of the following important updates.

- (1) Information disseminated by accounting periods: Financial statements, annual disclosure form (56-1) and annual report (56-2)
- (2) Information disseminated occasionally: acquisition and disposal of assets, related transactions, joint ventures, payment or non-payment of dividends, financial assistance, etc.

The said information is disseminated via the information system of the Stock Exchange of Thailand and submitted in printed form to the Stock Exchange of Thailand within the specified timeframe for subsequent dissemination. Our website ([www.spi.co.th](http://www.spi.co.th)) contains information in both Thai and English. This information is updated regularly to reflect current developments. Arrangements have been made for meetings with analysts and investors as well. Over the past year, the Company has not violated any rules or regulations set forth by the Securities and Exchange Commission, nor the Stock Exchange of Thailand.

Information disclosed in Annual Statement (Form 56-1) and the Annual Report (Form 56-2). The information appearing in the annual data sheet and annual report is prepared in accordance with the criteria of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, and, in accordance with the 2012 good corporate governance principal in order to illustrate the transparency of the operation as follows:

- (1) **Shareholding structure:** List of ten major shareholders as of the closing date of shareholder registry for the purpose of the annual general meeting shareholder of and website at [www.spi.co.th](http://www.spi.co.th).





- (2) **Shareholding of Directors and Executives** : The Change of Shareholding is disclosed in Management Structure Section under the Company shares transfers of director and executives.
- (3) **Nature of business**: The nature of our business in of Industrial Situation and Competition are clearly explained
- (4) **The Structure business group** ; the structure of business is disclosed with the fixing of shareholding ratio clearly in Income Structure Section
- (5) **Business risks**: The risks to our operation are disclosed. Explanations are given on their nature, cause, impact, as well as preventive and mitigation measures. In topic of The Risk Factors.
- (6) **Financial status and performance**: Analysis of financial status, performance and significant changes in topic of the Explanation and Analysis of the financial position and Operating Performance of the Management.
- (7) **Director and executive profiles**: Disclosure of a profile on the directors and executives, together with an indication of which directors are independent directors. Roles and duties of the Board of Directors and subcommittees, the number of meetings held, the number of times each director attended the meeting, the shareholding of directors, the number of companies for which the directors serve in the directorial position and the training background of the directors are disclosed. In the Section titled The Management Structure section and Details Information of the Executives and Control Persons
- (8) **Remuneration for company directors and executives** : The remuneration for company directors and executives is detailed in terms of both form and amount. The amount paid to each director for their role as company director and member of the subcommittee is disclosed. More details on this matter can be found in Compensation for directors, whereas that for executives appears in Compensation for executive directors and executives.
- (9) **The number of meetings held by the Company's Board of Directors, various Sub-Committees, and the attendance of each of the Company's Directors.** A disclosure was made of the number of meetings held by the Board of Directors, various Sub-Committees, as well as the attendance record for each of the Company's Directors. This is made in the Management Structure section under the title Meeting Attendance of The Board of Directors.
- (10) **Development and Training for Directors** A disclosure of training given for Directors has been made In the Management Structure Section under the title Training
- (11) **Board of Directors performance evaluation** : The Board of Directors discloses the findings of their self-evaluation publicly. It is the collective opinion of each director on the performance of the entire Board of Directors. The average score is in a positive range with annual increase in the score every year. Our score in the past year is in the good range (80.84%).
- (12) **President Performance Evaluation**: The Board of Directors has opined that there will be an annual performance evaluation for the President.

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(13) **Dividend Payment Policy.** The dividend payment policy states that dividends will be at a minimum 0.10 Baht per share . The exact amount will be based on the operational performance and cash flow of the Company. Dividends are regularly made in excess of this figure.

(14) **Compliance with the Principles of Corporate Governance.** A disclosure of the Company's policy on corporate governance, ethics, 5 categories of the Principle of Corporate Governance and code of conduct has been made in writing and is detailed on the Company's website ([www.spi.co.th](http://www.spi.co.th)).

In 2013, the Company reported that operations were conducted according to the Corporate Governance policy, in accordance with the principles of good corporate governance 2012 by the Stock Exchange of Thailand. This was published in the Annual Statement (Form 56-1), Annual Report (Form 56-2) as well as on the Company's website.

(15) **Corporate Social Responsibility** A disclosure of the Company's social Responsibility policies, as well as the execution of these policies, have been made in the Corporate Social Responsibility Report in Form 56-1 and Form 56-2 under the headings "Corporate Social and Responsibility".

(16) **Internal Controls and Risk Management:** The report of the audit committee, the report of internal control system on accounting by the auditor, and, the evaluation of the five areas of internal control system by the Board of Directors, are all revealed.

(17) **Report on the Company Board of Directors' Responsibilities for Financial Statements :** The Board of Directors is responsible for the reliability and the correctness of financial information, upon which the shareholders and the investors base their decisions. The report is signed by the President and the Chairman of the company. Shown in the Annual Report (Form 56-1) and Annual Report (56-2)

(18) **Related transactions:** We comply with the criteria of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. Clear guidelines have been established to carefully prevent the issue of conflict of interests and to ensure that all transactions are carried in out in the best interest of the company and the shareholders. Related transactions are disclosed to the Stock Exchange of Thailand and on the company's website at [www.spi.co.th](http://www.spi.co.th), and summarized in the Annual Report (Form 56-1) and (Form 56-2) in the section "Related Transaction"

(19) **Important Connected Transactions Require the Approval of the Company's Board of Directors.** The Company's policy for Connected Transactions has been made in accordance to mandates by the Securities and Exchange Commission as well as the Stock Exchange of Thailand. In the event that any notification needs to be given to the Stock Exchange of Thailand due to Connected Transactions, no matter how small the amount of money it concerns, such findings must be submitted to the Board of Directors for their consideration beforehand. This will allow the Audit Committee the opportunity to provide another viewpoint, and allow each Director to obtain a detailed account of the issue before its submission to the Stock Exchange of Thailand.

(20) **Reporting of the Company's Shares Transactions** The Company has listed its restrictions on shares transactions

in the Corporate Governance Manual. It prohibits Company Directors, management, and employees from participating in departments that deal with shares transactions in the time of 1 month before the public disclosure of financial statements. Directors, management, related individuals including family members have the responsibility of reporting any changes of the Company's shareholdings. This must be made to the Securities and Exchange Commission and the Stock Exchange of Thailand. Furthermore, this must be reported to the Board of Directors at its next meeting. Disclosures are also made of changes of shareholdings among Directors and Management throughout the year. This disclosure displays the amount of shares held at both the beginning and the end of the year, as well as any transactions of holdings throughout the year. They are made both in the Annual Report (Form 56-1) and in the Annual Report (Form 56-2) in the Section Sub Committee "Company shares transfers of Director and Executives".

**(21) Company Stakeholder Report** The Company has set a number of criteria governing how Company Directors and management must report on any interests they have upon initially becoming a Director or member of management. Furthermore, any changes in their stakeholder positions must be sent to the Secretary of the Company, who will submit a copy of this report to the Chairman of the Board of Directors as well as the Chairman of the Audit Committee. This must be done within 7 days of initially receiving such a report.

**(22) Auditors** Auditors must maintain independence, credibility, and have received approval from the Office of the Securities and Exchange Commission as well as the Stock Exchange of Thailand. During the 2013 General Shareholders Meeting, MRS. SUVIMOL KRITTAYAKIERN and/or, MRS. VILAIRAT ROJNUCKARIN from DIA International Auditing Co., Ltd. were appointed to be the Company's auditors. Fees for said services totaled 1,320,000 Baht. To cover other services such as licensing fees, 40,000 Baht was paid.

In 2013, the Company's Financial Statements were certified by external auditors and then sent to the Securities and Exchange Commission as well as the Stock Exchange of Thailand. This submission was made on time for each quarterly report as well as the annual report, and was not made subject to any correction by the Securities and Exchange Commission.

**(23) Communication:** We value transparent disclosure of information to the shareholders and investors. Therefore, convenient and equal access of information is ensured with the implementation of various communication channels. We disclose information via the system of the Stock Exchange of Thailand, using the 56-1 and 56-2 templates and via our website at [www.spi.co.th](http://www.spi.co.th). Additionally, we have made efforts to meet with analysts, investors and members of the press; and, to prepare documents which indicate our financial position as well, and conducted Company Visit Activity at Saha Group Industrial Park-Sriracha.

**(24) Disclosure of information on the company's website:** Our website at [www.spi.co.th](http://www.spi.co.th) has been developed specifically as a channel of communication for the dissemination of information and updates concerning the company, shareholders and investors. The following topics are covered in Thai and English:

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- (24.1) Vision, Mission , Policy
- (24.2) The Business Operation
- (24.3) Shareholding Structure
- (24.4) Organization Structure
- (24.5) Business Group Structure
- (24.6) Board of Directors , Executive Board, Company Secretary and Internal Audit Manager
- (24.7) News
- (24.8) Quarterly and Yearly for Financial Statements
- (24.9) Investor Relation
- (24.10) Annual Report which can be download
- (24.11) Notice of the General Meeting which can be download
- (24.12) Corporate Governance policy, Five Categories of the Principles of Corporate Governance, Business ethics, and Code of Conduct for Company directors, executives and employees

(25) **Investor relations:** The company has appointed personnel Khun Sauwanee Numbenjapol, who is responsible for investors relations, Tel: 0-2293-0030 ext.400 Fax: 0-2293-0040 E-Mail address : sauwanee@spi.co.th to assist shareholders and investors in this matter.

In the year 2013, the company and Saha Group of companies in collaboration with the Stock Exchange of Thailand have conducted an event titled "Analysts and Investors Meet Saha Group" Fifth, as a part of the 17<sup>th</sup> Saha Group Fair at Queen Sirikit National Convention Center. The event gave analysts, investors and members of the press the chance to meet with company directors and executives. The President was present to deliver an overview of businesses, operation, the economic and industrial outlook, as well as other important updates. Questions from participants were answered and a profile with information on key operational performance was distributed. This was a chance for participants to experience and purchase products and innovations at the fair at special prices as well. The event was well received. Analysts, investors and members of the press were able to develop a better understanding of the operation of Saha Group as a result. The same information was communicated via the channels of the Stock Exchange of Thailand and Company Website [www.spi.co.th](http://www.spi.co.th) and also to coordinate with the Stock Exchange of Thailand and Thailand Investors Association conducted the Company Visit to give information for investors' making decision.

## 5. Responsibilities of the Board

- 5.1 The Board of Directors has prescribed a structure for the Board of Directors comprising of persons having a diverse range of knowledge, competencies and experiences, without limitation to gender, and having the qualifications required by law. At least one Company Director is a Non-Executive Director who has experience in the Company's business undertaking. There are also Independent Directors as required under the Notification of the Office of the Securities and Exchange Commission.
- 5.2 The Board of Directors has provided a definition for an Independent Director which meets the minimum requirements of the Office of the Securities and Exchange Commission.
- 5.3 The Board of Directors has appointed Committees to screen key matters prior to submission to the Board of Directors.
- 5.4 The Board of Directors has issued a charter for each Company Committee by prescribing the tenure and scope of powers and duties to clearly demarcate the roles, duties and responsibilities of each Company Committee and the management.
- 5.5 The Board of Directors has a policy which requires Company Directors and Executives holding directorial positions in other companies to make a disclosure to the Company Chairman and Chairman of the Audit Committee.
- 5.6 The Board of Directors has provided for a Company Secretary to perform duties prescribed by law and as entrusted. The qualifications of a Company Secretary should be a person possessing knowledge of law or accounting, or who has completed training relating to the performance of company secretarial duties. Continual training and knowledge development are also continually provided.
- 5.7 The Board of Directors has prescribed policies for governance, business ethics and codes of conduct for Company Directors, Executives and employees to ensure a harmonized approach.
- 5.8 The Board of Directors has prescribed a Company vision and mission so that the Company Directors, Executives and employees would strive towards the same goal.
- 5.9 The Board of Directors has a policy of continually promoting and sponsoring the development of knowledge amongst Company Directors, Executives and employees.
- 5.10 The Board of Directors prescribes an annual meeting schedule in advance every year. The determination of agenda takes into account the fair interests of shareholders and all stakeholders. All Company Directors enjoy independence in the expression of opinions. A Company Director having an interest in an agenda shall not have the right to vote in such agenda.
- 5.11 The Board of Directors prescribes a duty for Company Directors to attend all Board Meetings unless there is a necessary cause.



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- 5.12 The Board of Directors has a policy of encouraging senior Executives to attend Board Meetings.
- 5.13 The Board of Directors provides Non-Executive Directors with opportunities to meet among themselves in the absence of the management when necessary. The Managing Director shall be notified of the meeting outcome.
- 5.14 The Board of Directors has a policy of promoting the Company Directors' access to essential additional information from the Managing Director, Company Secretary or other assigned Executives within the scope of the set policies. In the event of necessity, the Board of Directors may obtain independent opinions from advisors or external professionals on the Company's expenses.
- 5.15 The Board of Directors has implemented measures pertaining to conflicts of interest which are prudent, rational and in compliance with the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 5.16 The Board of Directors prohibits Company Directors and Executives from trading in Company shares in the 1-month period prior to the public disclosure of financial statements.
- 5.17 The Board of Directors has directed Company Directors and Executives as well as their spouses and children who have not attained legal age to have the duty to disclose shares holdings and changes in holdings of the Company shares to the Office of the Securities and Exchange Commission, and to submit a copy to the Company Secretary for reporting to the Board of Directors in the subsequent Board Meeting.
- 5.18 The Board of Directors has directed Company Directors and Executives to disclose personal interests and interests of connected persons in accordance with the prescribed rules.
- 5.19 The Board of Directors has established an internal audit unit as an internal agency accountable to the Audit Committee.
- 5.20 The Board of Directors requires an annual assessment of the Board of Directors' performance.
- 5.21 The Board of Directors prepares a report on the responsibilities of the Board of Directors pertaining to the financial statements submitted in the Annual Report.
- 5.22 The Board of Directors oversees and determines the payment of appropriate remuneration to each committee member pursuant to the powers, duties and responsibilities and draws comparison to the operation levels in the same business sector.
- 5.23 The Board of Directors has prescribed a succession plan for employees in various positions in view of their advancement to higher positions.
- 5.24 The Board of Directors provides an orientation for first term Company Directors.
- 5.25 The Board of Directors has established an internal control system and risk management system.
- 5.26 The Board of Directors has provided for the monitoring and assessment of corporate governance by establishing a corporate governance committee.

According to the Good Corporate Governance Policy and Good Corporate Governance Principles for listed under the topic of “Responsibilities of the Board of Directors”, the Board of Directors is to play a major role in the Company’s Corporate Governance initiatives. They proceed responsibly, carefully and honestly in their establishment of Good Corporate Governance within our organization. Corporate Governance Policy, Business Ethics and the Ethics of directors, executives and employees are established in writing and revised on an annual basis. Our Corporate Governance Principles are constantly updated to reflect changing criteria. The Good Corporate Governance Principles (Revision No. 1) was developed in accordance with the “The Principles of Good Corporate Governance for Listed Companies 2012” of the Stock Exchange of Thailand with five new sections added. It was approved by the Board of Directors Meeting No. 9 (Board #20) on January 14<sup>th</sup>, 2014, replacing the previous version. Directors, executives and employees were provided a copy which can also be found online on our website at [www.spi.co.th](http://www.spi.co.th). Directors, executives and employees are required to observe this in order that everyone may have a shared goal and that the corporate governance efforts will be consistent with relevant laws and regulations. This is for the utmost benefit of the Company and shareholders. Implementation is disclosed under the Interested Parties and Business Ethics sections. Additionally, the Board of Directors has approved charters of the various committees and the authority, duties and responsibilities of the President in writing. These are disclosed using the 56-1 and 56-2 templates under the Subcommittee section. We have not had any incidence of violation of regulations of the Office of Securities and Exchange Commission or the Stock Exchange of Thailand in the past year.

## 3.2 Subcommittees

The company’s management structure comprises the Board of Directors and two subcommittees to help supervise important issues of Directors, the Audit Committee, and, the Nomination and Remuneration Committee. Executive authority lies with the Executive Board, President, First Executive Vice President, Administrative Directors and Department Managers. Authority and duties of each committee and those of the President are prescribed in writing in respective charters, and the Authority and Responsibilities of the President document which was approved by Board of Directors meeting No. 8 (BOARD # 15) on December 18<sup>th</sup>, 2008 and have adjusted the authority and responsibilities of the President. The resolution has been approved by the Board of Directors meeting No. 2(Board#20) on June 20<sup>th</sup>, 2013, with the company secretary performing the duties required by the laws and assigned by the Board of Directors.

**3.2.1 The Board of Directors** The Board of Directors is established to oversee the business in the best interest of the company and the shareholders. It ensures that laws, objectives, policies, articles of association and resolutions of the Board of Directors and those of the assembly of shareholders are observed. All directors are required to discharge their duties in an accountable, careful and honest manner as a reasonable person would under the same circumstances and with the authority to engage in trading negotiations without any influence from their status as a director, consisting of person who have various knowledge and experiences, understanding duty and responsibilities of company’s Directors and business characteristic, details are as follows:

# ● Good Corporate Governance

**1. Balance of authority :** The Board of Directors must be comprised of a minimum of five individuals. The required qualifications for each director are as follows:

- (1) An individual of juristic age
- (2) Must not be bankrupt, incompetent or quasi-incompetent
- (3) Must never be imprisoned by a final verdict in connection with a fraudulent act
- (4) Must never be handed punishment or removed from an organization or a government office in connection with a fraudulent act

**As of March 13th, 2014, the Board of Directors comprises of 18 directors:**

- |                             |    |                 |
|-----------------------------|----|-----------------|
| - Executive Directors       | 6  | person          |
| - Non - Executive Directors | 12 | person (66.67%) |

Of the twelve non-executive directors, six of which are independent directors ; **One of six independent directors is Chairman. Three are Audit Committee.** This is consistent with the independent directors ratio criterion which requires that a listed company must have one third of the directors or at least three directors being independent directors. All directors are determined and entrusted by the Board of Directors and the shareholders. They have the freedom to opine on and approve matters with the best interest of the company.

**2. Directorial term :** Directors serve the term specified under the article of association of company. They may be reelected upon the completion of a term. The Nomination and Remuneration Committee screens qualified candidates to ensure that all directors are adequately knowledgeable and experienced before nominating them to the Board of Directors for their consideration.

**3. Serving of term by investment :** number of companies for which the directors serve; age of directors; and number of terms allowed: We have not established requirements relating to the serving of term by investment, number of companies for which the directors serve, age of directors and number of terms allowed. This is because we believe that the ability to manage business and the expertise of each director are not dependent upon their age or the number of companies for which they serve. Directors can remain in office for as long as they are committed to their duties as company directors and trusted by the board of directors and the shareholders.

The Company has announced the composition of its Board of Directors, including who will serve as Independent Directors. This includes their history, experience, share held in the Company, and the date and year that the Director assumed their positions. The Company has no independent Director who has served longer than 9 years and has detailed the information of each of the Company's directors in Forms 56-1 and 56-2. Presently, the Company has only 3 Directors who have been registered as Directors at more than 5 different companies. This gives confidence that the performance of the Directors will not be affected by their outside connections, as these 3 Directors have indicated they will be devoting the necessary time to conduct their duties for the Company, making sure to attend each meeting and create the greatest benefit possible for the Company at all times.

**4. The Aggregation or Separation of Positions** The Chairman of the Board, Chairman of Executive Board, and President are three separate positions occupied by three different individuals. Each of these three positions has separate responsibilities and are independent of each other, with a clear separation of duties. The Chairman of the Board serves as an Independent Director, maintaining independence from Company management. The Chairman provides leadership in the setting of policy and oversight of management. Furthermore, the Chairman is responsible for presiding over Board of Directors' meetings so that Directors may express their opinions freely, as well as make sure that Shareholders are able to raise any questions they feel are important at the General Shareholders Meeting. The Chairman of Board of Directors, the Chairman of Executive Board and the President cannot be the same person. They serve different functions and are independent from one another to create a balance of authority. The Chairman of the Board of Directors has no relationship with the management. He is independent, leads the policy, oversees the operation of the management and conducts Board of Directors and shareholder meetings to ensure efficiency. Directors are given the opportunity to opine freely at Board of Directors meetings. The same is true for shareholders at the shareholder meetings. On the other hand, the Chairman of the Executive Board leads the operation and prepares operational plans which are consistent with the established policies while the President supervises the management to ensure compliance with the operational plans and the policies. Further, the Board of Directors Charter, the Executive Charter, and, the President Authority and Responsibilities have all been clearly written. The authority is clearly compartmentalized for managerial transparency.

5. Company Directors and senior management shall never have been an employee or shareholder of any of the Company's outside audit companies.

6. Among the Board of Directors, no Independent Director shall serve as Director of more than 5 different listed companies.

7. Among the Board of Directors, there shall be at least 6 non-executive Directors that have experience relevant to the Company's operations.

In 2013, no cases of misconduct or corruption were found, nor were any breaches of ethical conduct found as well. Furthermore, no instances were seen in which non-executive Directors resigned due to issues of corporate governance, nor were there any events which tarnished the reputation of the Company due to failure to act according to the responsibilities set forth by the Company's Board of Directors.

## Authority of The Board of Directors

1. To appoint, remove and authorize consultants to the Board of Directors, to committees and/or to other individuals
2. To approve loans of the amount greater than the authority of the Executive Board, to companies with a business relation to the company as shareholders, or to companies with a trading relation or other companies

## ● Good Corporate Governance

3. To approve guarantee of loans of the amount greater than the authority of the Executive Board, to companies with a business relation with the company as shareholders, or to companies with a trading relation or other companies
4. To approve engagement in a legal act, which is not a financial transaction, of the amount greater than the authority of the Executive Board
5. To approve acceptance or cancellation of loans of the amount greater than the authority of the Executive Board
6. To approve investment, sale of investment capital in ordinary shares and/or any other securities of the amount greater than the authority of the Executive Board
7. To approve sourcing and investment in fixed assets of the amount greater than the authority of the Executive Board
8. To approve modification, destruction and disposal of fixed assets and intangible assets which are no longer in use, damaged, lost, destroyed, deteriorated and out of date, which are of the amount greater than the authority of the Executive Board
9. To approve modification, change of price and destruction of raw materials and/or remaining inventories which are deteriorated or out of date, which are of the amount greater than the authority of the Executive Board
10. To approve compromise or settlement of dispute by arbitration, complaint, filing of lawsuits and/or any legal proceeding on behalf of the company on matters which are not/or normal business course with an amount exceeding the authority of the Executive Board
11. To propose to shareholders an increase or a decrease of capital, a change of share value; modification of memorandum, articles of association and/or objectives of the company
12. To approve incorporation, merger or dissolution of subsidiaries
13. To authorize the management, managerial employees of the company, or any other individual to act on their behalf
14. To invite members of the management, executives, or relevant employees to provide explanations, opinions or documents as necessary
15. To consult with specialists or company consultants (if any) or hire third-party consultants or specialists if necessary at the expense of the company
16. To appoint and remove a company secretary



## Duties and Responsibilities

1. To establish directions, goals and business policies of the company
2. To approve plans and annual budgets; to supervise the performance of the management in order to ensure effectiveness and compliance with the laws and established policies and plans
3. To encourage the development of the policy of corporate governance, ethics and business code of ethics in written in order for company directors, executives and employees to observe as guideline in the conduct of the business
4. To arrange for a sufficient internal control system in order to ensure that transactions are approved by authorized individuals, reviewed and recorded accounting reports ; and, to implement systems preventing inappropriate use of company assets
5. Transactions with possible conflict of interests must be carefully reviewed, with a definite guideline to ensure the interests of the company and the shareholders. Individuals with interests may not be involved in the decision-making process. They must observe the requirements on the proper procedure and disclosure of transactions with possible conflict of interests.
6. To approve the reviewed and/or audited financial reports, which have been approved by the Audit Committee
7. To be equally responsible to all shareholders, and, to correctly, basely and transparently disclose information to shareholders and investors
8. To acknowledge business management reports from the Executive Board
9. To convene shareholders meetings by specified date, time, place and agenda as well as dividends (if any); and, to provide shareholders with opinions of the Board of Directors on the matters proposed to the shareholders. During the twenty-one days prior to each shareholder meeting, the company may stop share transfer registration by informing the shareholders at the headquarters and the branch offices at least fourteen days prior to the day of share transfer registration suspension. Alternatively, a record date (RD) may be determined no longer than two months prior to the day of any shareholders meeting, and the share registration book closure date must be one day after the record date. This is to compile a list of names under Section 225 of the Securities and Exchange Act, in order to determine the right to attend shareholders meeting and to receive dividends.
10. To prepare the Report on the Company Board of Directors' Responsibilities for Financial Statements and disclose it in the annual report of the company ( 56-2 Form) and the annual disclosure report ( 56-1 From )
11. To follow up on documents to be submitted to relevant regulatory agencies, in order to ensure that the statements or the items are correct as per the data appearing in the account documents, the registration or any other document of the company
12. To approve the charter of the Board of Directors and/or other committees

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13. To engage in any other action, which is beyond the authority of the Executive Board, or which the Board of Directors deems appropriate

### 3.2.2 Audit Committee

The Board of Directors has appointed three directors as members of the Audit Committee in accordance with the announcement of the Capital Market Supervisory Board to provide assistance to the Good Corporate Governance of the Board of Directors, particularly in the area of financial reporting, internal control and compliance with laws and regulations. Members of the Audit Committee are as below:

Name (Date of Appointment on Audit Committee)	Position	Period
1. Mr. Nophon Bhongsvej - May 13 <sup>th</sup> , 2011	Chairman of Audit Committee With expertise in the areas of accounting and finance	May 2013 - May 2014
2. Mr. Krish Follett - May 14 <sup>th</sup> , 2013	Audit Committee With expertise in the areas of accounting and finance	May 2013 - May 2014
3. POL.IT.GEN. Amarin Niemskul - May 15 <sup>th</sup> , 2007	Audit Committee	May 2013 - May 2014

### Authority

1. To ensure correct understanding among auditors, company directors and internal audit unit
2. To invite executives, members of the management, internal audit unit, or relevant employees to provide explanations, opinions or documents as necessary. The Audit Committee also has the authority to access corporate documents of all levels.
3. To inquire relevant individuals and matters within the extent of authority and duties of the Audit Committee
4. To consult with specialists or company consultants (if any), or hire third-party consultants or specialists, if necessary, at the expense of the company

## Duties and Responsibilities

1. To ensure correct and sufficient financial reporting of the company
2. To ensure availability of appropriate and effective internal control and internal audit systems; to determine the independence of the internal audit unit; and, to opine on appointment, transfer, termination of the head of internal control unit or any other unit responsible for internal audit
3. To ensure that the company complies with the laws on securities and stock exchange, Stock Exchange of Thailand regulations and laws relating to the business of the company
4. To screen and nominate independent individuals as company auditors; propose the compensation for such individuals; and, engage in a meeting with auditors without the presence of members of the management at least once a year
5. To review related transactions or transactions with possible conflict of interests to ensure compliance with the laws and regulations of the Stock Exchange of Thailand, in order to ascertain that such transactions are reasonable and in the best interests of the company
6. To prepare the report of the Audit Committee for disclosure in the annual report of the company. The report must be signed by the Chairman of Audit Committee and contains the following information as a minimum:
  - (A) The opinion on correctness, completeness and credibility of the financial reports of the company
  - (B) The opinion on sufficiency of the internal control system of the company
  - (C) The opinion on compliance with the laws on securities and stock exchange, Stock Exchange of Thailand regulations and laws relating to the business of the company
  - (D) The opinion on suitability of the auditors
  - (E) The opinion on transactions with possible conflict of interests
  - (F) The number of Audit Committee meetings and attendance of each member
  - (G) The overall opinion or observation regarding the Audit Committee performance of duties under this charter
  - (H) Other matters which the Audit Committee believes that shareholders and investors should be aware of that are within the extent of duties and responsibilities assigned by the Board of Directors
7. In the case where the Audit Committee finds or suspects any of the following matters, which may have significant effect on the financial status and the operation of the company, the Audit Committee must report to the Board of Directors for suitable remedy within a timeframe deemed appropriate by the Audit Committee:
  - (A) Transactions with conflict of interests
  - (B) Fraud, irregularity or significant defect of the internal control system
  - (C) Violation of the laws on securities and stock exchange, Stock Exchange of Thailand regulations and laws relating to the business of the company

# ● Good Corporate Governance

In the case where the Board of Directors or the responsible executives do not remedy the matter within the time frame specified by the Audit Committee, a member of the Audit Committee may report such transaction or action to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

8. To encourage the company to have an efficient risk management system and follow up on it
9. To revise the Audit Committee Charter and propose it to the Board of Directors for their approval
10. To engage in any other action as assigned by the Board of Directors at the agreement of the Audit Committee under the authority of company regulations and the laws

The Audit Committee is directly responsible to the Board of Directors for the performance of duties above, while the Board of Directors is directly responsible for actions of the company to third parties.

In year 2013, the Audit Committee was comprised of 3 individuals. Two of these hold a high level of expertise in regards to financial accounting. A total of 8 meetings of the Audit Committee were held, in which all three members attended, representing a 100% attendance rate. Furthermore, a "Report of the Audit Committee" was disclosed in Forms 56-1 and 56-2 and included the following details:

- (1) Disclosure of the number of meetings throughout the year held by the Audit Committee
- (2) An assessment and review of internal controls and risk management systems.
- (3) A review of all Connected Transaction Reports
- (4) Appointment of auditors, as well as a determination of their fees.
- (5) A review of financial reports.
- (6) Details of oversight to ensure adherence to all related policies, laws, rules, and regulations as set forth by the government.
- (7) A general overview of the operations of the Audit Committee.

**2.3 Nomination and Remuneration Committee** The Board of Directors has appointed three directors as members of Nomination and Remuneration Committee to provide assistance to the Good Corporate Governance of the Board of Directors.

**Nomination:** Select and screen qualified individuals to be installed in the directorial positions of the company to ensure that all process is thoroughly transparent.

**Remuneration :** Determine criteria and format of compensation paid to the directors in order to ensure that it is fair and transparent. Members of Nomination and Remuneration Committee are as below:



Name (Date of Appointment and Audit Committee)	Position	Period
1. Mr. Boonsithi Chokwatana - May 14 <sup>th</sup> , 2007	Chairman of Nomination and Remuneration Committee	May 2013 - May 2014
2. Mr. Tanong Srichit - May 15 <sup>th</sup> , 2008	Nomination and Remuneration Committee	May 2013 - May 2014
3. Mr. Somsakdi Dhanasarnsilp - May 14 <sup>th</sup> , 2007	Nomination and Remuneration Committee	May 2013 - May 2014

## Authority

1. To invite members of the management or relevant employees to provide explanations, opinions or documents as necessary.
2. To consult with specialists or company consultants (if any) or hire third-party consultants or specialists if necessary at the expense of the company

## Duties and Responsibilities

### Nomination

1. To identify and screen individuals who are qualified to serve as company directors
2. To review the background of selected individuals to ensure that they are qualified by their knowledge, competence, experience and expertise in accordance with company regulations and relevant laws
3. To provide selection opinions or recommendations for the consideration of the Board of Directors
4. To nominate selected individuals to the Board of Directors for consideration
5. To revise the Nomination and Remuneration Committee Charter, when needed, and propose it to the Board of Directors for their approval
6. To engage in any other action as assigned by the Board of Directors

### Remuneration

1. To evaluate the performance of the Board of Directors each year
2. To determine the remuneration of company directors on the basis of the operational performance of the company, the amount of remuneration approved by a shareholders meeting and the amount paid in the prior year; and, to propose the determined amount to the Board of Directors for their consideration and to the shareholders meeting for approval
3. To determine the remuneration for company directors on the basis of performance, as well as, duties and responsibilities, which is not in excess of the amount approved by the shareholders; and, to propose the determined amount to the Board of Directors for approval



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4. To determine the remuneration for members of the Nomination and Remuneration Committee (those who are not company directors) on the basis of performance as well as duties and responsibilities; and, to propose the determined amount to the Board of Directors for approval
5. To revise the Nomination and Remuneration Committee Charter and propose it to the Board of Directors for approval
6. To engage in any other action as assigned by the Board of Directors

### Meeting Attendance of The Board of Directors in 2013

In 2013, There were 12 Board of Directors meeting , 8 Audit Committee meetings , 3 Nomination and Remuneration Committee meetings and the 42<sup>nd</sup> Annual General Meeting of Shareholders as follow :

Name	Position	Board of Directors 12 /year	Audit Committee 8 / year	Nomination and Remuneration Committee 3 / year	Attendance to the 41st Shareholders meeting 1/1
1. Mr. Somkid Jatusripitak	Chairman and Independent Director	12/12	-	-	1/1
2. Mr. Boonpakorn Chokwatana	Vice Chairman	12/12	-	-	1/1
3. Mr. Boonsithi Chokwatana	Chairman of the Executive Board	12/12	-	3/3	1/1
4. Mrs. Chantra Purnariksha	President	12/12	-	-	1/1
5. Mr. Tanong Srichit	First Executive Vice President	12/12	-	3/3	1/1
6. Mr. Vichai Kulsomphob	Executive Vice President	12/12	-	-	1/1
7. Mr. Samreng Manoonpol	Director	12/12	-	-	1/1
8. Mr. Somsakdi Dhanasarnsilp*	Director	9/12	-	-/1	1/1
9. Mr. Karmthon Punsak-udomsin	Director	12/12	-	-	1/1
10. Mr. Pipat Paniangvait	Director	9/12	-	-	1/1
11. Mr. Boonkiet Chokwatana	Director	12/12	-	-	1/1
12. Mr. Manu Leelanuwatana	Director	12/12	-	-	1/1
13. Mr. Boonchai Chokwatana	Director	12/12	-	-	1/1
14. Mr. Minoru Furusawa	Independent Director	9/12	-	-	-
15. Mr. Nophon Bhongsvej	Chairman of Audit Committee and Independent Director	11/12	8/8	-	1/1
16. POL.LT.GEN. Amarin Niemsukul	Audit committee	12/12	8/8	-	1/1
17. Mr. Krish Follett**	Audit committee	8/8	5/5	-	-

#### Note

\* Being a Nomination and Remuneration Committee May 14<sup>th</sup>, 2013

\*\* Being an Independent Director and Audit Committee May 14<sup>th</sup>, 2013

## Company shares transfers of director and executives as of December 27th , 2013

Name	Possessed by him by spouse/ by under aged children	Increase / Decrease	Total shares held	%
1. Mr Somkid Jatusripitak	-	-	-	-
2. Mr. Boonpakorn Chokwatana	1,552,620	-	1,552,620	0.31
3. Mr. Boonsithi Chokwatana	5,854,680	-	5,854,680	1.19
4. Mrs. Chantra Purnariksha	-	-	-	-
5. Mr. Samrerng Manoonpol	1,488,460	-	1,488,460	0.30
6. Mr. Tanong Srichit	115,000	-	115,000	0.02
7. Mr. Vichai Kulsomphob	50,775	-	50,775	0.01
8. Mr. Somsakdi Dhanasarnsilp	1,630,000	-	1,630,000	0.33
9. Mr. Karmthorn Punsak-udomsin	6,246,550	(1,618,000)	4,628,550	0.94
10. Mr. Pipat Paniangvait	8,260	-	8,260	0.002
11. Mr. Boonkiet Chokwatana	4,178,460	-	4,178,460	0.85
12. Mr. Manu Leelanuwatana	1,329,310	-	1,329,310	0.27
13. Mr. Boonchai Chokwatana	-	-	-	-
14. Mr. Minoru Furusawa	-	-	-	-
15. Mr. Nophon Bhongsvej	-	-	-	-
16. POL.LT.Gen.Amarin Niemskul	-	-	-	-
17. Mr. Krish Follett	-	-	-	-
18. Mrs. Darunee Soontornumrong	4,350	-	4,350	0.0009
19. Mrs.Nisa Chindasompbatcharoen	1,770	-	1,770	0.0004
20. Ms. Suvanee Kittipipathanapong	7,700	-	7,700	0.002
21. Mr. Vichian Aramruang	-	-	-	-
22. Ms. Sauwanee Numbenjapol	1,950	-	1,950	0.0004
23. Mrs. Pimsiri Kuansuwan	15,000	-	15,000	0.003
24. Mr. Chuto Chirakunakorn	-	-	-	-
25. Mr. Sontaya Tabkhan	-	-	-	-
26. Mr. Tinakorn Bunnag	-	-	-	-
27. Mrs.Tasanee Intapura	-	-	-	-
28. Mr. Pirom Thongging	-	-	-	-
29. Mr. Watchara Yaemkaew	-	-	-	-

- Remuneration, Shares, Debentures which company directors receive in 2013

- None -

# ● Good Corporate Governance

Participation in the Training Programs organized by the Thai Institute of Directors (IOD) Company directors participated in the following training programs organized by the Thai Institute of Directors (IOD).

1. Director Accreditation Program (DAP)
2. Director Certification Program (DCP)
3. Role of the Chairman Program (RCP)
4. Finance for Non-Finance Director (FND)
5. Audit Committee Program (ACP)
6. Role of Compensation Committee (RCC)
7. Company Secretary Program (CSP)

NAME	DAP Period	DCP Period	RCP Period	FND Period	ACP Period	RCC Period	CSP Period
1. Mr. Boonpakorn Chokwatana	3/2003	68/2005	-	-	-	7/2008	-
2. Mr. Boonsithi Chokwatana	3/2003	68/2005	-	-	-	-	-
3. Mrs. Chantra Purnariksha	47/2005	-	-	-	-	-	-
4. Mr. Tanong Srichit	3/2003	72/2006	-	9/2004	-	-	-
5. Mr. Vichai Kulsompob	-	61/2005	-	-	-	-	18/2006
6. Mr. Samrerng Manoonphol	3/2003	-	-	-	-	-	-
7. Mr. Somsakdi Dhanasarnsilp	-	5/2001	-	-	-	-	-
8. Mr. Karmthon Punsak-udomsin	3/2003	68/2005	-	-	-	-	-
9. Mr. Pipat Paniangvait	3/2003	39/2004	-	-	-	-	-
10. Mr. Boonkiet Chokwatana	3/2003	41/2004	-	-	-	-	-
11. Mr. Manu Leelanuwatana	3/2005	68/2005	-	-	-	-	-
12. Mr. Nophon Bhongsvej	38/2005	71/2006	-	-	12/2006	-	-
13. POL.LT.GEN. Amarin Niemskul	60/2006	-	-	-	-	-	-
14. Mr. Boonchai Chokwatana	3/2003	68/2005	-	-	-	-	-
15. Mr. Krish Follett	-	149/2011	-	-	-	-	-
16. Mr. Surachai Danaitangtrakul	11/2004	-	-	-	-	-	-



**3.2.4 Executive Board** The Board of Directors appoints directors and/or other individuals who are company employees or staff and/or outsiders to the post of a member of the Executive Board , provided that the said individuals have sufficient knowledge and experience to manage matters of the company well. The Executive Board discharges duties assigned by the Board of Directors in an accountable, careful and honest manner as a reasonable person would under the same circumstances and with the authority to engage in trading negotiations without any influence from their status as a member of the Executive Board. The committee is comprised of at least five members as below:

Name		Position	PERIOD
1. Mr. Boonsithi	Chokwatana	Chairman of the Executive Board	May 2013 — May 2014
2. Mrs. Chantra	Purnariksha	Executive Director	May 2013 — May 2014
3. Mr. Tanong	Srichit	Executive Director	May 2013 — May 2014
3. Mr. Vichai	Kulsomphob	Executive Director	May 2013 — May 2014
4. Mr. Samreong	Manoonphon	Executive Director	May 2013 — May 2014
5. Mr.Somsakdi	Dhanasarnsilp	Executive Director	May 2013 — May 2014

## Authority

1. To appoint, remove, transfer, evaluate and determine compensation and welfare of employees of different levels
2. To appoint and remove any other working committee to carry out actions necessary for the management of the company
3. To issue regulations and announcements on performance of duties; to assign authority to members of the Executive Board and/or employees serving managerial posts; and, to execute authorization on company assets
4. To approve loans to companies related to the company as shareholders, trading parties or other companies, provided that the amount does not exceed the limited amount per company
5. To approve guarantee of loans for companies related to the company as shareholders, trading parties or other companies, provided that the amount does not exceed the limited amount per company
6. To approve engagement in non-financial juristic actions, provided that the amount does not exceed the limited amount per case
7. To approve acceptance or cancellation of loans, provided that the amount does not exceed the limited amount per case

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8. To approve investment, sale of investment capital in ordinary shares and/or any other securities, provided that the amount does not exceed the limited amount per case
9. To approve sourcing and investment in fixed assets, provided that the amount does not exceed the limited amount per case
10. To approve modification, destruction and disposal of fixed assets and intangible assets which are no longer in use, damaged, lost, destroyed, deteriorated and out of date, provided that the book value does not exceed the limited amount per case
11. To approve modification, change of price and destruction of raw materials and/or remaining inventory which are deteriorated or out of date, provided that the book value does not exceed the limited amount per case
12. To approve compromise or settlement of dispute by arbitration, complaint, filing of lawsuits and/or any legal proceeding on behalf of the company on matters which are not normal business course of the value not exceeding the specified amount. In such case of a normal business course, the amount must not exceed the limited amount
13. To authorize executives of the company or other individuals to act on their behalf
14. To invite members of the management or relevant employees to provide explanations, opinions or documents as necessary
15. To consult with specialists or company consultants (if any) or hire third-party consultants or specialists if necessary at the expense of the company
16. To stipulate any other regulations as deemed appropriate

### Duties and Responsibilities

1. To propose goals, policies, operational plans and annual budgets to the Board of Directors
2. To manage the business of the company in accordance with directions, goals and business policies of the company
3. To enhance the competitiveness of the company and encourage continuous innovation
4. To ensure that the operation of the company is consistent with the laws, company objectives and regulations, shareholders meeting resolutions, Board of Directors resolutions and relevant regulations
5. Members of the Executive Board may distribute responsibilities among themselves, provided that the Executive Board is kept informed of the progress of the matter each member oversees.
6. To arrange for financial statements to be prepared in order for the auditors to audit and/or review prior to proposal to the Audit Committee and the Board of Directors respectively
7. To review matters to be proposed to the Board of Directors for approval



8. To revise the Executive Board Charter and propose it to the Board of Directors for approval
9. To engage in any other action as assigned by the Board of Directors

## Meeting Attendance of the Executive Board in 2013

The Executive Board convenes in meetings with other members of the management once a month.

These meetings are scheduled in advance throughout the year as follows:

	Name	No. Of Meeting Attendance
1.	Mr. Boonsithi Chokwatana	12/12
2.	Mrs. Chantra Purnariksha*	7/7
3.	Mr. Tanong Srichit	12/12
4.	Mr. Vichai Kulsomphob*	7/7
5.	Mr. Samreong Manoonphol	12/12
5.	Mr. Somsakdi Dhanasarnsilp	8/12

*Note \* Being an Executive Director May 14th , 2013*

### 3.2.5 The Executives consists of

Name	Position
1. Mrs. Chantra Purnariksha	President
2. Mr. Tanong Srichit	First Executive Vice President
3. Mr. Vichai Kulsomphob	Executive Vice President
4. Mrs. Darunee Soontorntrumrong	Central Administrative Manager and Company Secretary
5. Mrs. Nisa Chindasombatcharoen (Contract ended in January 1 <sup>st</sup> , 2014 and appointed Ms. Kessara Sumkanchanaluck January 1 <sup>st</sup> , 2014.)	Accounting Manager
6. Ms. Suvanee Kittipipathanapong	Finance Manager
7. Mr. Vichian Aramruang	Legal Manager
8. Ms. Sauwanee Numbenjapol (Contract ended in January 1 <sup>st</sup> , 2014 and appointed Mr. Paworn Jaramas January 1 <sup>st</sup> , 2014)	Human Resources Manager
9. Mrs. Pimsiri Kuansuwan	Business Promotion Manager
10. Mr. Chuto Chirakunakorn	Planning and Development Manager
11. Mr. Sontaya Tabkhan	Utilities Development Manager
12. Mr. Tinakorn Bunnag	Land Development Manager
13. Mrs. Tasanee Intapura	Administrative Manager
14. Mr. Pirom Thongging	Internal Audit Manager
15. Mr. Watchara Yaemkaew	Architecture Manager

The above personnel serve as the executives as defined by the Securities and Exchange Commission .

# ● Good Corporate Governance

## Authority and Responsibilities of the President

The Board of Directors will appoint the President with authority and responsibilities as follow :

1. To manage the business of the company in accordance with the policies, the laws, the objectives, the company regulations, the shareholders meeting resolutions, the Board of Directors resolutions, the Executive Board resolutions and relevant regulations
2. To authorize any necessary and appropriate action to accomplish the deeds under Item 1, and, in the case of any significant matter, the President needs to report to and/or notify the Board of Directors and/or the Executive Board of the matter
3. To manage, put, remove, transfer, reward, issue disciplinary measures against, or issue compensation and welfare for employees, provided that such actions do not interfere with the authority of the Executive Board
4. To prescribe regulations on the operation of the company, which are not contradictory with any policy, regulation, requirement, order or resolution of the Board of Directors and/or the Executive Board
5. The Senior Managing Director has the authority to procure or invest in permanent assets for an amount not exceeding 500,000 Baht on each occasion.
  - In the case where the amount is in excess of 500,000 Baht but does not exceed 1,000,000 Baht, must sign in conjunction with one Executive Director or the Senior Deputy Managing Director or the First Executive Vice President or Executive Vice President.
  - In the case where the amount is in excess of 1,000,000 Baht but does not exceed 10,000,000 Baht, must sign in conjunction with the First Executive Vice President. A contract or documentary evidence must be prepared for the Legal Department to review.
6. The Senior Managing Director has the authority to offer investment in ordinary shares and/or any other securities by the Company for the amount not exceeding 500,000 Baht on each occasion.
  - In the case where the amount is in excess of 500,000 Baht but does not exceed 1,000,000 Baht, must sign in conjunction with one Executive Director or the First Executive Vice President or Executive Vice President.
  - In the case where the amount is in excess of 1,000,000 Baht but does not exceed 10,000,000 Baht, must sign in conjunction with the First Executive Vice President. A contract or documentary evidence must be prepared for the Legal Department to review.
7. The Senior Managing Director has the authority to enter into a juristic transaction for an amount not exceeding 500,000 Baht on each occasion.
  - In the case where the amount is in excess of 500,000 Baht but does not exceed 1,000,000 Baht, must sign in conjunction with one Executive Director or the First Executive Vice President or Executive Vice President.
  - In the case where the amount is in excess of 1,000,000 Baht but does not exceed 10,000,000 Baht, must sign in conjunction with the First Executive Vice President. A contract or documentary evidence must be prepared for the Legal Department to review.

8. To authorize and/or assign another individual or other individuals to perform certain tasks on behalf of the President
9. The above authority of the President cannot be exercised in the case where the President is a stakeholder or has a conflict of interests in any manner with the company.
10. In case that there is a doubt or an uncertainty regarding the exercise of any of the above authority, the matter is to be presented to the Board of Directors for their consideration.
11. To engage in any other action as assigned by the Board of Directors and/or the Executive Board

## Authority and Responsibilities of Other Key Executives

1. To ensure that the company operation is in compliance with policies, laws, objectives, company regulations, Executive Board resolutions, Board of Directors resolutions and shareholders meeting resolutions in a responsible, cautious and honest manner
2. To observe the good corporate governance principle established by the Board of Directors
3. To engage in other duties as assigned by the President, the Executive Board and the Board of Directors

## 3.3 The Nomination and Appointment Company's Director and Executive Management

### 3.3.1 Independent Directors

It is responsible for the remuneration committee individuals person to selected who are qualified by law as well as various other Article of Association set forth by the Company. Furthermore, such individuals must not be lacking in the trustworthiness necessary to perform duties for a publicly-traded company. Such restrictions have been set forth by the Securities and Exchange Commission, and cover the areas of knowledge, abilities, experience, required expertise, Business's vision and moral perform and be able to express their opinions freely. When selecting independent directors, individuals under consideration must meet criteria as defined by the Company's Independent Directors before having their names submitted to the Company's Board of Directors, and proposed to Shareholders Meeting for consideration.

Independent Directors are individuals fully qualified and able to act as an independent party outside the influence of management or large shareholders. The Company's definitions of "Independent Director" follows an announcement made by the Securities and Exchange Commission, and they are listed as such:

## ● Good Corporate Governance

- (1) Not to hold shares with voting rights larger than a 1% stake of the Company, its subsidiaries, partner companies, major shareholders, or controlling agencies. This includes any shares held by persons related to the Independent Director as well.
- (2) Not be or have ever been a director with a management authority, an employee, a staff member, a consultant with regular salary, or an individual with an administrative power of the Company, its subsidiaries nor joint ventures. An Independent Director is also required not to be a major shareholder with an administrative power of the Company, except he or she have been no longer involved with such position for no less than 2 years on the day he or she is appointed as an Independent Director. However, such restrictions under this item do not prohibit an Independent Director from being a civil servant or a consultant of a civil service agency which may be a major shareholder or a party with an administrative power within the Company.
- (3) Not related by blood or law as father, mother, spouse, sibling or child, spouse of son or daughter of executives, major shareholders, individuals with the authority to control the company or candidates for the position of an executive or an individual with the authority to control the company or an associate.
- (4) Not having or having had a business relationship with the company, the parent company, the subsidiaries, the associates major shareholder, or control person of the company in such a manner that his or her exercise of independent discretion may be obstructed. Further, the individual must not be or have been a significant shareholder, control person of a party with business relationship with the company, the parent company, the subsidiaries, the associates, the major shareholders or the parties with control person of the company, with the exception of the case where the individual has retired from such a position for a minimum of two years prior to the date of appointment as an independent director.

The business relationship as described in the above paragraph is inclusive of normal trading transactions for the conduct of business; lease or letting of immovable ; transactions relating to assets or service; provision or acceptance of financial assistance through acceptance or provision of loans and guarantees, including other similar practices which result in the company or the party to the agreement being under an obligation of debt towards the other party for an amount from three percent of the net tangible assets of the company or from twenty million baht, whichever is lower. The calculation of such debt obligation is to be as per the method for the calculation of connected transaction value of the Announcement of the Capital Market Committee on Related Transaction Criteria with exceptions. Nevertheless, the consideration of such debt obligation should be accumulative of debt obligation arising within the period of one year prior to the day of business relationship with the same person.

- (5) Not serving or having served as an auditor of the company, the parent company, the subsidiaries, the associates, the major shareholders, or a control person of the company; and, not a significant shareholder, nor a control person of or a partner of the auditing office where the auditor of the company, the parent company, the subsidiaries, the associates, the major shareholders or the control person of the company, with the exception of the case where the individual has retired from such a position for a minimum of two years prior to the date of appointment as an independent director.

- (6) Not serving or having served as a professional service provider including a legal or financial consultant who is or has been paid over Two Million Baht per year in service fee by the company, the parent company, the subsidiaries, the associates, the major shareholders or a control person of the company. Not a significant shareholder, a party with the capacity to control or a partner of the said professional service provider, with the exception of the case where the individual has retired from such a position for a minimum of two years prior to the date of appointment as an independent director.
- (7) Must not be a director appointed to represent a director of the company, a major shareholder or a shareholder who is related to a major shareholder.
- (8) Not engaged in a business which is of the same nature as, or in competition with, that of the company or the subsidiaries. Not a significant partner of a partnership or a director with involvement in the administration, nor an employee, a staff member, a consultant with a regular salary, nor a shareholder with more than one percent of all shares with voting rights of another company which is engaged in a business of the same nature as, or in competition with, that of the company or the subsidiaries.
- (9) Not of any other quality which affects the ability to freely opine on the operation of the company.

After having been appointed as an independent director following the qualifications specified under items (1) through (9) above, the independent director may be assigned by the Board of Directors to make decisions on the operation of the company, the parent company, the associates, the major shareholders or the control persons of the company in the manner of a collective decision.

### 3.3.2 Nomination of Directors and Executives

The Nomination and Remuneration Committee will consider the nomination on the basis of individual qualifications and expertise from diverse professional background in order to elect someone who is not prohibited under the laws and regulations of the company. They shall have no manner indicating a lack of suitability to be entrusted with the management of the public company as shareholders. According to the Securities and Exchange Commissions announced the proposed appointment of directors to replace directors who retire by rotation from the Board to consider and propose to the shareholders' meeting to consider the appointment of an individual, unless it's not the case of retirement by rotation, the Nomination and Remuneration Committee will nominate candidates and propose to the Board of Directors in order to elect the directors to fill vacancies in accordance with the company's regulations.

It is also important to note that minor shareholders also have the right to nominate individuals to be elected as directors, at the shareholders annual general meeting in accordance with the prescribed criteria which can be viewed on the company website at [www.spi.co.th](http://www.spi.co.th).

# ● Good Corporate Governance

## 1. Board of Directors

### Composition and Election

According to the Articles of Association, Chapter 3 'Board of Directors', No. 18 and Charter, the shareholders meeting determines the number of desired directors but not fewer than five. The individuals to be appointed as directors must not have prohibited characteristics as specified by the law or company regulations, or must not be described as inappropriate or untrustworthy to manage a business the shares of which are held by the public, as per regulations specified by the Securities and Exchange Commission. At least half of all directors must reside in the Kingdom of Thailand. The number of independent directors and Audit Committee must be in accordance with the announcement of the Capital Market Supervisory Board

### Directorial Election Procedure

According to the Articles of Association Chapter 3, 'The Board of Directors' No. 20, the shareholders meeting is to elect directors in accordance with the following criteria and procedure:

1. A shareholder shall have one vote for one share.
2. Each shareholder must exercise all of the votes he or she has under 1. to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number .
3. The persons having the highest number of votes to the lower number of votes in order shall be elected as the directors equal to the number of directors to be elected by the Shareholders' Meeting in such election. In case where the number of votes for the candidates in descending order are equal which would otherwise cause the number of directors to be elected by the Shareholders' Meeting to be exceeded in such election, the Chairman shall have a casting vote.

### Directorial Term of Service

#### (A) Term Completion Retirement

In accordance with Articles of Association Chapter 3 'Board of Directors' No. 21 and the Company Charter, one-third of the directors have to retire from the post at each annual general meeting. In the case where the number of directors cannot be divided by three, the number of directors to retire is to be closest to one-third. During the first two years after the company's registration, a lottery draw needs to be cast among company directors to identify the one-third directors who have to retire at each annual general meeting. After the first two years, the lottery draw is no longer needed as the longest-serving directors are asked to retire. Directors who retire from the post may be re-elected.



## (B) Non-Term Completion Retirement

1. In accordance with Articles of Association Chapter 3 'Board of Directors' No. 22 and No.24 directors are to be retired from the post (in a case other than completion of term) under the following circumstances:

- (1) Death
- (2) Resignation
- (3) Lack of required qualifications or having a prohibited character as specified by the law or company regulations
- (4.) Being described as inappropriate or untrustworthy to manage a business the shares of which are held by the public, as per regulations specified by the Securities and Exchange Commission
- (5) Removal from office at the resolution of a shareholders meeting
- (6) Removal by court order

Once a post of director becomes vacant due to a reason other than completion of term, and that the remaining term is longer than two months, the Board of Directors is to select a qualified individual who is free of any prohibited characteristics as a replacement at the next Board of Directors meeting. The replacement member is to serve for only the remaining term of the director whom he/she replaces.

2. According to Articles of Association Chapter 3 'Board of Directors' No.25 the shareholders meeting may pass a resolution removing any director prematurely with at least three-fourths of the votes of present and eligible shareholders who have in total the number of shares of at least half of the shares held by present and eligible shareholders.

The Company has not fixed the maximum amount of director term as we believe that the ability to manage business and the expertise of each director are not dependent upon their age. Directors can remain in office for as long as they are committed to their duties as company directors and trusted by the Board of Directors and the shareholders. Ultimately, it is the authority of shareholders to elect individuals as directors to establish policies and act on their behalf.

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## 2. Audit Committee

### Composition and Appointment

The Audit Committee must be comprised of at least three individuals. All individuals must be company directors who are qualified as members of the Audit Committee as per the following Capital Market Supervisory Board requirements:

1. Having been appointed by the Board of Directors or at a shareholders meeting
2. Being an independent director
3. Not having been assigned by the Board of Directors to make decisions concerning the operation of the parent company, a subsidiary, an affiliate, a subsidiary of the same level or a juristic person with any possible conflict of interests
4. Not being a director of the parent company, a subsidiary, a subsidiary of the same level which is a listed company
5. Having sufficient knowledge and experience to perform duties as a member of the Audit Committee.

Provided that at least one member of the Audit Committee has sufficient knowledge and experience to review the credibility of financial statements

In the case where a change of Audit Committee member qualifications is made by the Capital Market Supervisory Board, the above qualifications must be changed to reflect accordingly.

### Directorial Term of Service

#### (A) Term Completion Retirement

In according to the charter, it serves a term of one year from the day on which a resolution is passed for the appointment. Once a term is completed and a replacement Audit Committee has not been appointed by the Board of Directors or a shareholders meeting, the outgoing Audit Committee must continue to serve until a replacement Audit Committee is appointed. An appointment must be completed within two months from the day on which the outgoing Audit Committee completes their term. Members of the Audit Committee who have completed a term may be reappointed.

(B) Non-Term Completion Retirement In accordance with the Company Charter, audit committee are to retire from the post (in a case other than completion of term) under the following circumstances:

- (1) Death
- (2) Resignation
- (3) Termination of the post as a company director
- (4) Premature removal from office at the resolution of the Board of Directors
- (5) Disqualification as pronounced by the Capital Market Supervisory Board

In the case where a position in the Audit Committee becomes vacant due to a reason other than completion of term and where the remaining term is longer than two months, the Board of Directors or the shareholders meeting shall appoint a properly qualified individual to replace the vacant post at the next meeting. The replacement member is to serve for only the remaining term of the member whom he/she replaces.

The Company has not fixed the maximum amount of member of the Audit Committee, depending on the consideration of the Board of Directors.

### 3. Nomination and Remuneration Committee

#### Composition and Appointment

According to the charter, there must be comprised of at least three individuals. The Board of Directors is to appoint company directors and/or other individuals to the posts. The appointees must have sufficient knowledge and experience to nominate company directors and determine their remuneration.

#### Directorial Term of Service

##### (A) Term Completion Retirement

In according to the charter, it serves a term of one year from the day on which a resolution is passed for the appointment. Once a term is completed and a replacement Nomination and Remuneration Committee has not been appointed by the Board of Directors, the outgoing Nomination and Remuneration Committee must continue to serve until a replacement Nomination and Remuneration Committee is appointed. An appointment must be completed within two months from the day on which the outgoing Nomination and Remuneration Committee completes their term. Members of the Nomination and Remuneration Committee who have completed a term may be reappointed.

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(B) Non-Term Completion Retirement In accordance with the Charter, nomination and remuneration committee are to retire from the post (in a case other than completion of term) under the following circumstances:

- (1) Death
- (2) Resignation
- (3) Removal from office at the resolution of the Board of Directors In the case where a position in the Nomination and Remuneration Committee becomes vacant due to a reason other than completion of term and where the remaining term is longer than two months, the Board of Directors shall appoint a properly qualified individual to replace the vacant post at the next meeting. The replacement member is to serve for only the remaining term of the member whom he/she replaces.

The Company has not fixed the maximum amount of member of the Nomination and Remuneration Committee, depending on the consideration of the Board of Directors.

## 4. Executive Board

### Composition and Appointment

According to the charter, there must be comprised of at least five individuals. The Board of Directors is to appoint company directors and/or other individuals (i.e. staff or employees of the company and/or third parties) to the posts. The appointees must have sufficient knowledge and experience to manage the business of the company well.

### Directorial Term of Service

#### (A) Term Completion Retirement

In according to the charter, it serves a term of one year from the day on which a resolution is passed for the appointment. Once a term is completed and a replacement Executive Board has not been appointed by the Board of Directors, the outgoing Executive Board must continue to serve until a replacement Executive Board is appointed. An appointment must be completed within two months from the day on which the outgoing Executive Board completes their term. Members of the Executive Board who have completed a term may be reappointed.

(B) Non-Term Completion Retirement In accordance with the Charter, executive board are to retire from the post (in a case other than completion of term) under the following circumstances:

- (1) Death
- (2) Resignation

- (3) Being described as inappropriate or untrustworthy to manage a business the shares of which is held by the public, as per regulations specified by Capital Market Supervisory Board
- (4) Removal from office at the resolution of the Board of Directors. In the case where a position in the Executive Board becomes vacant due to a reason other than completion of term and where the remaining term is longer than two months, the Board of Directors shall appoint a properly qualified individual to replace the vacant post at the next meeting. The replacement member is to serve for only the remaining term of the member whom he/she replaces.

## 5. Appointment of President, First Executives Vice President and Executive Vice President

Board of Directors meetings considered the knowledge, capability, experience and business operation guideline.

## 6. Appointment of other Executives

The management is responsible for the appointment of other executives in accordance with the Company Regulation. Competent and appropriate employees are considered as candidates.

## 3.4 Corporate Governance of subsidiaries and associates

The Company has no subsidiaries, but associates. The Company considers the potential of the investment and will jointly invest with other companies. The policy of the company to invest and do business primarily with the most invested track the performance of their respective companies to determine the problem and report it to the Company and shareholders. Saha Group is a team of senior management considers the Company's business, knowledge skills and expertise of directors or executives to represent the group as a joint venture or contractual joint venture. They have a responsibility to ensure the best interests of the joint venture that the Company has no control over. Administrative power is up to the board of the company.

## 3.5 Insider information usage control

The company has perform in accordance with good corporate governance in Article "Insider information usage control, which determines in a written character of Business Ethics, Topics of conflict of interests Code of Conduct of company directors, executives, and employee. Most directors, executives and employees have been with the Company for a long time. They are honest and loyal to the Company in such a way that they would look out for the

## ● Good Corporate Governance

inappropriate use of company asset. Presently, authority in this area is prescribed in writing and through discussion among the Management.

We operate in strict compliance with the good corporate governance principle. Measure concerning the use of internal information are prescribed as a code of ethics for everyone to observe in their service to the Company and the shareholders. Employee ethics require that directors, executives, and employees perform their duties with great honesty, responsibility, discipline and in good conscience towards themselves and others. They must not use their position to gain benefits for themselves and/or others in an inappropriate way or use company information or assets in such a way that benefits themselves and/or others. Further, they must not engage in any act which constitutes the encouragement of any individual to engage in a business which is competitive with that of the Company. Copies of corporate governance principles, business ethics and employee ethics are handed out to directors, executives, and employees.

The most serious disciplinary punishment established in the company regulation is the termination of employment. All directors, executives and staff are aware of this and act accordingly.

### 3.6 Auditor's Fee

#### 3.6.1 Audit fee

The Audit Committee considered to select and proposed to appoint [DIA INTERNATIONAL AUDIT CO., LTD.](#) to be the Company's Auditor for the year 2013 and determined the remuneration of auditors fee as following ;

1. Review of the financial statement for 1 <sup>st</sup> , 2 <sup>nd</sup> ,3 <sup>rd</sup> ,4 <sup>th</sup> quarters	Bath 440,000
2. Audit fee for the year ended December 31	Bath 630,000
3. Service fee for review of the work of other auditor	Bath 250,000
<b>Grand Total</b>	<b>Bath 1,320,000</b>

#### 3.6.2 Other services fee

Other services fee from office of auditor is as follows;

Review on royalty income	Bath 40,000
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## 3.7 Compliance with good corporate governance principles in other matters.

The Company's compliance with good corporate governance principles. For companies listed on the Stock Exchange of Thailand on matters other than the matters disclosed above as follows:

**Directors' orientation and manual:** Newly appointed directors are introduced at the Board of Directors meeting. They are given the business policy, the director's manual and the annual report for the purpose of reference. The director's manual has been revised and distributed to all directors and executives for their use. It contains information on the followings:

1. Comparison of company's regulations, Public Company Act, Securities and Exchange Act and Good Corporate Governance Principles on topics concerning the performance of directors and executives such as the Board of Directors meeting, the Board of Directors duties and responsibilities, validity of the Board of Directors actions, and, directorial elections.
2. Charters of each subcommittee
3. Good Corporate Governance Principles including business ethics and employee code of conduct

### Self-Evaluation by Members of the Board of Directors

The Board of Directors arranged for an assessment to be done of its effectiveness during 2013. This represented a series of opinions of each of the Directors towards the overall workings of the Board. Individual scores were given for a variety of different areas, and the averages of these scores were used to rank each area according to how well they performed. These scores are taken each year for historical comparison to better help the Board understand the issues and obstacles it faces. Over the past year, it was found that the effectiveness of the Board of Directors increased to a level of 80.64%. These findings were then reported to the Board of Directors.

### Evaluation of the President.

There will be an annual performance evaluation of the President which the first time with the CEO evaluation form the Stock Exchange of Thailand that each company's Director opinion to the performance of President to improve the performance .

### Report on the Company Board of Directors' Responsibilities for Financial Statements

The Board recognizes the responsibility, reliability and accuracy of financial information for the consideration of shareholders or investors. The Company has prepared the responsibility of the Board of Directors to the Financial Report, which will be signed by the Chairman and the President stated in the annual statement (Form 56-1) and annual reports (Form 56-2) .

### Board of Directors Meetings

The Board of Directors places great importance on their meetings and it is regarded as an important obligation for them to participate in such meetings to acknowledge and decide upon any important matters affecting the

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business operations of the Company. In 2013, there were a total of 12 Board of Directors meetings — the timings of which were pre-determined and notified to concerned individuals in advance. The Company Secretary would deliver a notice to the directors, informing them of the agendas including matters for acknowledgement and matters for consideration, and, minutes of the previous meeting, together with relevant documents in order that the directors may review the matters at the statutorily required timeframe as specified in the relevant laws and company regulations — which is at least 7 days, or 5 working days, before the date of each meeting. The Form 59-2 is enclosed as well to remind directors to report any change in their holding of company shares during the past month. The Chairman of the Board of Directors and the President would jointly determine the agendas and all directors are allowed to submit matters for inclusion as Board of Directors meeting agendas through the Company Secretary. Additional information can be sought from the President and the Company Secretary.

At Board of Directors meetings, the Chairman of the Board of Directors serves as the chairman of the meeting and conducts it in such a manner, as to comply with the agenda as follows:

**Consequential matters**, this is a report to monitor the performance of the previous board meeting.

**Agendas to be informed** include important matters that took place during the past month, such as the operation report on how well the operation team has performed according to the Board of Directors' agreed procedures, the report on the business performance during the past month, or the report on shares transfers of the company directors to show directors, spouse, under-aged children shareholding change.

**Agendas to be considered** Agendas proposed to the Board of Directors for their agreement or approval. Directors with vested interests in the matter must leave the room and refrain from voting on the agenda. The Chairman of the Board of Directors allows and encourages all directors to voice their opinion freely. Directors can discuss and opine openly. The chairman of the meeting compiles the information shared and conducts the meeting by the agendas and in the appropriate time. Decisions are made on the majority vote with one director equaling one vote. In the case of a tie, the chairman of the meeting is to cast the final deciding vote.

Apart from executives who are also company directors, sometimes, the Board of Directors' meetings may be attended by other executives who are directly involved with any particular matter being discussed.

At the end of each meeting, the company secretary is responsible for preparing the meeting minutes in writing and make them ready for any future review. Moreover, if necessary, a separate meeting can also be conducted between company directors who are not executives of the company and inform the Board of Directors .

Further, the Board of Directors offer non-executive directors the chance to attend the meeting among themselves and subsequently report to the Board of Directors.

In 2013, there are 12 Board of Directors meeting. The meeting attendance for each company is disclosed under Management structure. In 18 company's directors, there are directors participate the meeting more than 75% of all year meeting.

## 1. Opinions of the Board of Directors on the adequacy and appropriateness of internal control systems

Our internal control system for the year 2013 was evaluated by the Board of Directors meeting No. 11 (Board #20) on March 13<sup>th</sup>, 2013, where all three Audit Committee members were present. All participants agreed that our internal control system is adequate and suitable for the current operation as detailed below.

### Internal Audit

The organizational structure and the operational environment of our company support the management to perform efficiently. It's help our employees realize the need of an internal control system; by establish clearly and fairly business policies and goals to employees, customers, partners including shareholders, social and environment responsibility. Our activities to achieve these goals are frequently reviewed to ensure consistency and suitability with present situations. Having organizational structure, committee charters, the duties and the responsibilities of the President are established in writing in order to clearly define the authority of different company operations. Additionally, good corporate governance policy, business ethics and employee code of conduct are also established in writing to serve as operational guidelines for directors, executives and employees. All of these written regulations and guidelines contribute to the efficiency of our internal control system, while a written financial transaction review and approval code are in place as well to prevent unjust or unauthorized using of company.

### Evaluation

The nature, the cause, the probability and the consequences of risks are carefully evaluated in order to develop acceptable preventive and remedial measures. An internal audit unit supervised by the Audit Committee is set up to closely monitor the performance of company operations involving possible risks.

### Operational Control by the Management

Clearly established the authority and the transaction values approval by each level of the management in writing, with a distinct separation of authority of each unit in order to create checking and balancing. In such case where a transaction is to take place between the company and a major shareholder, a director, an executive or an individual associated with the aforesaid parties, as well as, any such related transaction, the procedures detailed in the announcements of the Market Committee are observed. These transactions are summarized on a quarterly basis for the information of the Board of Directors in the case where they are a part of normal business conduct. On the other hand, in the case that the transactions are not normal, approval is sought from the Stock Exchange of Thailand in accordance with the established criteria. Reviewing company performance on a monthly basis and

# ● Internal Control and Risk Management

ensure that the operation is consistent with the resolutions of the Board of Directors meetings, the resolutions of shareholders' meetings and all relevant laws. In the case of a transaction with long-term obligations of the company, monitoring is being compliance with the conditions established and review the suitability of the agreement in accordance with present situations. Additionally, in order to ensure our compliance with applicable legal requirements at all times, employees are be required to strictly and closely observe company regulations and relevant laws, especially in the areas of good corporate governance principles, business ethics and employees code of conduct.

## Information Technology and Communication

Efficient internal and external communication protocols are in place. All relevant accounting documents are filed by category and generally accepted accounting principles are used. Current and correct financial and other information are communicated to relevant parties for their decision making. A verifiable data storage system is implemented with adequate security of the information. When presenting matters to the Board of Directors for their consideration, relevant documents are provided to help them with their decisions. Meeting minutes are prepared with all significant details included. Opinions, inquiries and observations of the directors (if any) are noted along with resolutions for subsequent review.

## Monitoring

Operational performance is monitored on a monthly basis; and it is compared with that of the earlier year in order for the management to determine the cause of any significant differences and to make any necessary strategic changes in a timely manner. Additionally, the internal audit unit is tasked with the duty of ensuring adequate internal control at all times by constantly monitoring and evaluating many different internal control systems. Findings are reported directly to the Audit Committee. In the case where any significant defect is detected, the Audit Committee must report to the Board of Directors in order that proper remedies may be implemented.

After having reviewed these five areas of our internal control system, all three members of the Audit Committee agreed that our internal control system is suitable and adequate. It is also important to note that the Board of Directors realizes that, no matter how advanced or sophisticated, no internal control system can guarantee a totally risk-free operation. However, ensure that our system is capable of preventing and minimizing any damages to a reasonable and satisfactory extent.

## 2. Head of Internal Audit and Head of Operational Supervision

The Board of Directors has established the Internal Audit Unit. The company has Mr. Pirom Tongjing as the Manager of the Internal Audit about head of internal audit, graduated with a Bachelor of Accounting and reports directly to the Audit Committee. He was provided training relating to internal audit operation including the Risk Management Course and the Good Governance to Sustainable Development Course. He has a proper understanding of the activities and the businesses of the company. As such, he is deemed fit for this position and the duties involved. The Internal Audit Unit is tasked with the following duties.

1. Develop an annual internal audit plan to correspond with relevant professional standards.
2. Establish procedures, practices and methodologies for the Internal Audit Unit.
3. Ensure consistency with the audit plan.
4. Evaluate audit performance.
5. Present Internal Audit findings to the Audit Committee.
6. Serve as the Secretary of the Audit Committee.
7. Coordinate with all employees including certified auditors.

Any performance review, appointment or removal of the Head of the Internal Audit Unit must first be approved by the Audit Committee before it can be subsequently proposed for the approval. The particulars of the Head of the Internal Audit Unit are disclosed in the 56-1 and 56-2 templates under the sections where the particulars of directors and executives are indicated.

# ● Internal Control and Risk Management

## Head of Internal Audit Unit

Name	Mr. Pirom Tongjing
Age	54 year
Education	A Bachelor's of Accounting, Ramkumhaeng University
Position	Manager of the Internal Audit Office
Period of time / Position	6 <sup>th</sup> year (being an internal audit manger, December 18 <sup>th</sup> , 2010)
Training	<ul style="list-style-type: none"><li>• Risk Management Course</li><li>• Good Governance To Sustainable Development course</li></ul>
Experiences	<ul style="list-style-type: none"><li>• 20<sup>th</sup> May, 1999 - Present Secretary and Internal Audit</li><li>• Manager of the Internal Audit Office, Head of Internal Audit</li></ul>

## 3. Company accountant

Company accountant, in accordance with accounting ACT.B.E : 2543 is [Mrs. Nisa Chindasombatcharoen](#) as an accounting manager. She has Bachelor Degree in Accounting, Ramkhamhaeng University. She has been assigned to prepare the financial statements and disclose the company informations accurately with the qualification of accountant.



# Accounting Internal Control System Report ●

Ref: ADC. 012/2014

March 13<sup>th</sup>, 2014

Re: Accounting Internal Control System Report

Attn: The Board of Directors,  
Saha Pathana Inter-Holding Public Company Limited

With reference to the D I A International Audit Co., Ltd. has audited of the financial statements of Saha Pathana Inter-Holding Public Company Limited for the year ending December 31<sup>st</sup>, 2013 and also reported on March 13<sup>th</sup>, 2014, we would like to inform you that the audit was carried out in accordance with generally accepted auditing standards in order to express opinions if and to what extent these financial statements correctly indicate the financial status or the performance of the Company, we have studied and assessed the efficiency of the accounting internal control of the Company as we deemed it necessary for a compact and appropriate audit. We have not detected any significant deficiency of the accounting internal control system which may have an effect on our opinion of the financial statements as of December 31<sup>st</sup>, 2013.

The management of Saha Pathana Inter-Holding Public Company Limited is responsible for the implementation of an accounting internal control system and for the strict adherence to this system. Estimation and discretion are required to this end, taking into account the expected benefits and the costs to be incurred by the use of this control system. This internal control system provides reasonable assurance to the management.

Nevertheless, we would like to declare that we did not inspect every single transaction. A test method was used instead. Additionally, the accounting internal control system efficiency evaluation and study was carried out with the sole purpose of the above audit. Therefore, it may not be able to determine all deficiencies present in the internal control system of the Company.

We would like to thank the staff for the cooperation they have given during the auditing process.

Sincerely yours,



(Mrs. Suvimol Krittayakiem)

C.P.A. (Thailand) Registration No. 2982

# ● Connected Transactions

In 2013, the company engaged in transactions which might contain some risks regarding a conflict of interest. Details of such transactions have been revealed and explained through the Information Disclosure System of the Stock Exchange of Thailand. Details of these transactions are as follows.

## 1. Buying/Selling shares

1. According to the resolution of the Board of Directors' meeting (No. 9 (Board#19) on January 17, 2013) has approved to waive the rights to reserve 3,445,342 common shares of increasing capital of Siam Samsung Life Insurance Co., Ltd. (the present name is Thai Samsung Life Insurance Public Company Limited) @ Baht 10.- per share, amounting to Baht 34,453,420.- to Park Capital Holding Co., Ltd that Company investing, for the shareholding restructuring of Siam Samsung Life Insurance Co., Ltd. is to comply with Life Insurance Act before the Act shall come into force.

Related persons are Mr. Boonkiet Chokwatana as President of I.C.C. International Public Company and Mr. Boonchai Chokwatana as Chairman of the Executive Board of Saha Pathanapibul Public Company Limited.

2. According to the resolution of the Board of Directors' meeting (No. 5 (Board#20) on September 19, 2013) has approved to buy shares of 3 companies from Chokthanasin Co., Ltd., by trading on the Stock Exchange of Thailand, the purchase price is at the Stock Market Price on the purchasing date, details are as follows:

2.1 Thai President Food Public Company Limited, 45,000 shares @ estimate price Baht 170.00 (closing price as at September 18, 2013), amounting to Baht 7,650,000. The totaling shares that Company will hold 39,520,820 shares.

2.2 People's Garment Public Company Limited, 988,666 shares @ estimate price Baht 11.40 (closing price as at September 18, 2013), amounting to Baht 11,270,792.40. The totaling shares that Company will hold 13,228,666 shares.

2.3 Far East DDB Public Company Limited, 35,700 shares @ estimate price Baht 227. (closing price as at September 18, 2013), amounting to Baht 8,103,900. The totaling shares that Company will hold 1,055,700 shares.

Related persons is Mr. Somsakdi Dhanasarnsilp as Managing Director of Chokthanasin Co., Ltd.

3. According to the resolution of the Board of Directors' meeting (No. 6 (Board#20) on October 15, 2013) has approved to sell all 50,000 shares that Company holds of Sriracha BSC Bowling Co., Ltd. @ Baht 50.-, amounting to Baht 2,500,000.- to Pitakkij Co., Ltd.

Related persons is Mr. Boonsithi Chokwatana as the major shareholder of Pitakkij Co., Ltd.

## 2. Buying Land

1. According to the resolution of the Board of Directors' meeting (No. 11 (Board#19) on March 14, 2013) has approved to buy land as the common condition and the same commercial term, Grow Estimation Co., Ltd. is the appraisal on November 29, 2012., details are as follows;

### 1.1 Pan Asia Footwear Public Company Limited, details as follows;

- 1.1.1 Title Deed No. 39920 Land No. 666 at Non Si District, Kabinburi Area, Prachinburi Province, area about 5 Rai 37 Sq-Var, amounting to Baht 6,706,000.-
- 1.1.2 Title Deed No. 18530 Land No. 53 at Non Si District, Kabinburi Area, Prachinburi Province, area about 26 Rai 3 Ngan 48 Sq-Var with buildings and improvement on the land, amounting to Baht 48,236,000.-
- 1.1.3 Title Deed No. 4207 Land No. 94 at Non Si District, Kabinburi Area, Prachinburi Province, with buildings and improvement on the land, amounting to Baht 60,275,500.-
- 1.1.4 The land with buildings and the improvement on the land at Bang Phra Khru District, Nakorn Luang Area, Phra Nakorn Si Ayuthaya Province, details are as follows;
  1. Title Deed No. 205 Land No. 9, area about 15 Rai 21 Sq-Var.
  2. Title Deed No. 207 Land No. 10, area about 5 Rai 3 Ngan 84 Sq-Var .
  3. Buildings and improvement on the land

The total amount of land with buildings and improvement on the land is Baht 201,870,750.-

### 1.2 Modern Technology Component Co., Ltd., the land with buildings and the improvement on the land at Non Si District, Kabinburi Area, Prachinburi Province, amounting to Baht 58,468,000.-

2. According to the resolution of the Board of Directors' meeting (No. 11 (Board#19) on March 14, 2013) has approved to buy some part of land of Tra Jong No. 1880 at Sriracha District, Sriracha Area, Chonburi Province, area about 93 Rai at the contract price at Baht 100,000,000.- which is lower than the evaluation price of the independent appraisal from Sahapat Properties Co., Ltd. as the common condition and the same commercial term. American Appraisal (Thailand) Ltd., is the independent appraisal on November 19, 2010.

Related person is Mr. Tanong Srichit, as Managing Director of Sahapat Properties Co., Ltd.

3. According to the resolution of the Board of Directors' meeting (No. 1 (Board#20) on May 14, 2013) has approved to buy the land Title Deed No. 7086 Land No. 63 at Ban Phra District, Muang Prachinburi Area, Prachinburi Province, area about 10 Rai 60.70 Sq-Var with buildings and improvement on the land, amounting to Baht 21,070,000.- Grow Estimation Co., Ltd. is the appraisal on November 29, 2012.

Related persons are Mr. Boonkiet Chokwatana and Mr. Boonchai Chokwatana as the major shareholders.

# ● Connected Transactions

## 3. The Guarantee obligation

1. According to the resolution of the Board of Directors' meeting (No. 3 (Board#20) on July 31, 2013) has approved to guarantee obligation for overdraft, Baht 4,590,000.- and promissory note, Baht 13,160,000.-, total amounting to Baht 17,750,000.- to Tsuraha (Thailand) Co., Ltd. with Bangkok Bank Public Company with shareholding proportion as 15%.

Related person, are Mr. Boonchai Chokwatana, Chairman of the Executive Board of Saha Pathanapibul PCL. and Mr. Boonkiet Chokwatana, President of I.C.C. International PCL., which are the major shareholders of Tsuraha (Thailand) Co., Ltd.

2. As of December 31, 2013, the company incurred a guarantee of Baht 152.35 million of which Baht 20.00 million had been utilized by 7 companies under the resolution of the General Meeting of Shareholders on April 21, 2003 from the outstanding amount.

In 2013, the company had a guarantee income of Baht 0.75 million from 4 companies through the guarantee fee charged at 0.5-1% of the guaranteed amount and the company will collect the fee from the companies which have the consulting fee at 0.5% and from the companies which have no consulting fee at 1% and will not collect the fee from the foreign joint venture companies because there is a guarantee according to the investment proportion and in accordance with the joint venture agreement. The transactions are as follows

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	SAHACHOL FOOD SUPPLIES CO., LTD.	B	464,657.59
2	THAI ITOKIN CO., LTD.	B	25,000.00
3	OSOTH INTER LABORATORIES CO., LTD.	B	100,000.06
4	PITAKKIJ CO., LTD.	B	160,438.44

## 4. Electrical and Steam Income

In 2013, the company incurred the electrical and steam incomes from 29 related companies for a total amount of Baht 640.35 million. Most of the sale and purchase transactions are made under the long-term contracts with contract term of 15 years. The electrical charge of the company is computed at the price not over the charge of the Provincial Electricity Authority while the steam will be charge at the price not lower than that purchased from Sahacogen (Cholburi) Public Company Limited. The transactions with value over Baht 500,000.00 equal to 99.91% are as follows

# Connected Transactions

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	KABIN PATHANAKIJ CO.,LTD.	A,B	5,409,717.76
2	GENERAL GLASS CO., LTD.	B	3,979,872.56
3	SHALDAN (THAILAND) CO.,LTD.	B	749,881.74
4	TOP TREND MANUFACTURING CO., LTD.	B	60,537,725.68
5	TEXTILE PRESTIGE PLC.	B	81,391,140.57
6	TOTAL WAY IMAGE CO., LTD.	B	834,032.09
7	THAI KAMAYA CO., LTD.	B	32,248,012.88
8	THAI SHIKIBO CO., LTD.	B	74,845,152.45
9	THAI TAKAYA CO., LTD.	B	3,830,207.38
10	THAI STAFLEX CO., LTD.	B	5,075,378.26
11	THAI ARAI CO., LTD.	B	24,846,384.53
12	THANULUX PLC.	B,C	7,496,964.31
13	FIRST UNITED INDUSTRY CO.,LTD.	A,B	6,978,136.58
14	RACHA UCHINO CO., LTD.	B	36,853,139.31
15	LION CORPORATION (THAILAND) LTD.	B	113,681,686.28
16	SAHACHOL FOOD SUPPLIES CO., LTD.	B	6,853,150.21
17	SAHA PATHANAPIBUL PLC.		1,724,727.11
18	EASTERN THAI CONSULTING 1992 CO., LTD.	B	2,110,924.74
19	S & J INTERNATIONAL ENTERPRISE PLC.	B,C	52,273,529.68
20	OSOTH INTER LABORATORIES CO., LTD.	B	12,678,916.07
21	THAI CUBIC TECHNOLOGY CO., LTD.	B	8,933,529.90
22	INTERNATIONAL LEATHER FASHION CO., LTD.	B	3,138,550.09
23	PITAKKIJ CO., LTD.	B,C	1,753,831.18
24	BANGKOK TOKYO SOCKS CO.,LTD.	A,B	29,874,176.53
25	INTERNATIONAL CURITY FOOTWEAR CO.,LTD.	B	7,180,511.73
26	PAN ASIA FOOTWEAR PLC.	B	9,229,889.93
27	OTHER COMPANIES		45,843,611.07

# ● Connected Transactions

## 5. Royalty Income

The company has entered into an agreement to allow the related companies to use the trademark with the average contract term of 1-3 years and the remuneration to the company is 3.50-8.00% of the total net sales. In 2013 the company incurred the royalty income of Baht 82.53 million from 11 related companies. The transactions with value over Baht 500,000.00 equal to 99.59% are as follows

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	CHAMP ACE CO., LTD.	B	5,061,979.68
2	TOTAL WAY IMAGE CO., LTD.	B	739,090.77
3	THANULUX PLC.	B,C	39,447,086.42
4	BOUTIQUE NEW CITY PLC.	D	4,989,187.34
5	RACHA UCHINO CO., LTD.	B	2,284,706.02
6	I.C.C. INTERNATIONAL PLC.	A,B	22,474,000.95
7	PATTAYA MANUFACTURING CO., LTD.	B	7,199,939.77
8	OTHER COMPANIES		338,308.63

## 6. Consulting Fee

In 2013, the company incurred the consulting fee of Baht 16.48 million from 20 related companies while the consulting fee is prepared with respect to the service scope. The transactions with value over Baht 500,000.00 equal to 77.81% are as follows

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	THAI ARAI CO., LTD.	B	8,026,514.74
2	LION CORPORATION (THAILAND) LTD.	B	1,800,000.00
3	INTERNATIONAL LABORATORIES CO., LTD.	B	1,200,000.00
4	I.C.C. INTERNATIONAL PLC.	A,B	1,800,000.00
5	OTHER COMPANIES		3,658,000.00



## 7. Immovable Rental Income

The company has entered into an immovable rental agreement with related companies with the average contract term of 1-3 years and the rental income is based on the location and the investment cost of the company. In 2013, the company incurred the immovable rental income of Baht 49.40 million from 28 related companies. The transactions with value over Baht 500,000.00 equal to 94.17% are as follows

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	KABIN PATTHANAKIJ CO.,LTD.	A,B	2,148,300.00
2	TOP TREND MANUFACTURING CO., LTD.	B	2,539,248.48
3	TEXTILE PRESTIGE PLC.	B	815,079.95
4	THAI STAFLEX CO., LTD.	B	623,711.97
5	THAI ARAI CO., LTD.	B	5,552,280.00
6	FIRST UNITED INDUSTRY CO., LTD.	A,B	15,455,769.28
7	LION CORPORATION (THAILAND) LTD.	B	1,596,000.00
8	EASTERN THAI CONSULTING 1992 CO., LTD	B	518,192.70
9	S & J INTERNATIONAL ENTERPRISE PLC.	B	7,204,944.00
10	H & B INTERTEX CO., LTD.	B	1,243,719.00
11	THAI CUBIC TECHNOLOGY CO., LTD.	B	2,861,460.00
12	PITAKKIJ CO., LTD.	B	1,358,050.20
13	PAN ASIA LEATHER FASHION CO.,LTD.	B	4,600,000.00
14	OTHER COMPANIES		2,880,217.42

## 8. Water Income

In 2013, the company incurred the water income of Baht 39.96 million from 50 related companies while the water charge is computed at the price not over the water charge of the Provincial Water Authority. The transactions with value over Baht 500,000.00 equal to 87.94% are as follows

## ● Connected Transactions

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	TOP TREND MANUFACTURING CO., LTD.	B	1,181,174.88
2	TEXTILE PRESTIGE PLC.	B	3,351,544.00
3	THAI GUNZE CO.,LTD		514,685.00
4	THAI SHIKIBO CO., LTD.	B	1,085,784.00
5	THAI TAKEDA LACE CO., LTD.	B	1,376,000.00
6	THAI STAFLEX CO., LTD.	B	510,672.00
7	THAI ARAI CO., LTD.	B	709,440.00
8	THANULUX PLC.	B,C	839,735.00
9	RACHA UCHINO CO., LTD.	B	6,402,576.00
10	LION CORPORATION (THAILAND) LTD.	B	522,600.00
11	SAHACHOL FOOD SUPPLIES CO., LTD.	B	716,096.00
12	S & J INTERNATIONAL ENTERPRISE PLC.	B	5,128,598.80
13	SSDC (TIGERTEX) CO. ,LTD.	B	4,135,785.00
14	OSOTH INTER LABORATORIES CO., LTD.	B	813,480.00
15	THAI CUBIC TECHNOLOGY CO., LTD.	B	1,002,360.00
16	INTERNATIONAL LEATHER FASHION CO., LTD.	B	535,416.00
17	BANGKOK TOKYO SOCKS CO.,LTD.	A,B	1,326,528.00
18	INTERNATIONAL CURITY FOOTWEAR CO.,LTD.	B	1,898,808.00
19	SAHACOGEN GREEN CO.,LTD..		2,547,877.00
20	PAN ASIA FOOTWEAR PLC.	B	541,527.60
21	OTHER COMPANIES		4,817,787.85

## 9. Waste Water Income

In 2013, the company incurred the waste water income of Baht 21.32 million from 43 related companies while the service charge is based on the nature, amount, duration and cost of the service. The transactions with value over Baht 500,000.00 equal to 75.50% are as follows

# Connected Transactions

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	THAI GUNZE CO.,LTD	B	503,936.40
2	THAI TAKEDA LACE CO., LTD.	B	1,541,925.20
3	THANULUX PLC.	B,C	615,738.80
4	RACHA UCHINO CO. , LTD.	B	872,650.40
5	SAHACOGEN (CHONBURI) PLC.	B	4,813,790.64
6	S & J INTERNATIONAL ENTERPRISE PLC.	B	2,792,080.56
7	SSDC (TIGERTEX) CO. , LTD.	B	4,426,760.00
8	BANGKOK TOKYO SOCKS CO.,LTD.	A,B	530,611.20
9	OTHER COMPANIES		5,225,052.06

## 10. Trade Exhibition Income

In 2013, the company incurred the trade exhibition income of Baht 44.09 million from 72 related companies while the service charge is based on the nature, amount, duration and cost of the service. The transactions with value over Baht 500,000.00 equal to 86.41% are as follows

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	CHAMP ACE CO., LTD.	B	892,000.00
2	TEXTILE PRESTIGE PLC.	B	1,093,000.00
3	THANULUX PLC.	B,C	3,326,300.00
4	NEWCITY (BANKOK) PLC.	B	859,000.00
5	PEOPLE'S GARMENT PLC.	B,C	1,402,000.00
6	RACHA UCHINO CO., LTD.	B	678,000.00
7	LION CORPORATION (THAILAND) LTD.	B	1,002,000.00
8	WIEN INTERNATIONAL CO., LTD.	B	1,514,800.00
9	SAHA PATHANAPIBUL PLC.	A,B	1,465,000.00
10	O.C.C. PLC.	B	1,095,000.00
11	I.C.C. INTERNATIONAL PLC.	A,B	21,257,488.89
12	UNIVERSE BEAUTY CO., LTD.	A,B	1,293,000.00
13	PRESIDENT BAKERY PLC.	B	848,000.00

## Connected Transactions

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
14	THAI ITOKIN CO.,LTD.	B	505,000.00
15	PATTAYA MANUFACTURING CO., LTD.	B	873,000.00
16	OTHER COMPANIES		5,993,167.00

### 11. Service Center & Public Utility Income

In 2013, the company incurred the service center & public utility income of Baht 35.85 million from 43 related companies while The service charge is based on the nature, amount, duration and cost of the service. The transactions with value over Baht 500,000.00 equal to 85.57% are as follows

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	KABIN PATTHANAKIJ CO.,LTD.	A,B	2,743,200.00
2	THAI TAKAYA CO., LTD.	B	840,660.00
3	THAI ARAI CO., LTD.	B	9,006,960.00
4	LION CORPORATION (THAILAND) LTD.	B	2,922,072.00
5	S & J INTERNATIONAL ENTERPRISE PLC.	B	9,301,212.00
6	THAI CUBIC TECHNOLOGY CO., LTD.	B	4,563,840.00
7	FIRST UNITED INDUSTRY CO.,LTD.	A,B	563,344.80
8	TSURUHA (THAILAND) CO.,LTD.	B	736,594.69
9	OTHER COMPANIES		5,174,425.00

### 12. Other Service Income

In 2013, the company had other service income of Baht 113.27 million from related companies. The service charge is based on the nature, amount, duration and cost of the service with details as follows

(UNIT : BAHT)

INCOME	Financial statements in which the equity method is applied and Separated Financial statements
1. Sales Real Estate	96,525,000.00
2. Service Income	8,878,071.95
3. Medical Service Income	874,718.15
4. Trademark Income	1,232,641.84
5. Other Income	5,761,191.76

## 13. Cost of Electricity and Steam

The company has entered into a sale/purchase contract, 15 year contract term, with a related company, Sahacogen (Cholburi) Public Company Limited. The payment does not exceed the price made by the Provincial Electricity Authority. In 2013, the company incurred the service cost of electricity and steam as follows

(UNIT : BAHT)

	Financial statements in which the equity method is applied and Separated Financial statements
1. Cost of Electricity	1,438,220,478.62
2. Cost of Steam	427,390,525.14

## 14. Electrical and Electrical Water Filtration

In 2013, the company incurred the electrical charge paid to 3 related companies, which have stipulated the price not over the rate charged by the Provincial Electricity Authority, for a total amount of Baht 15.30 million with details as follows

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	I.C.C. INTERNATIONAL PLC.	A,B	1,041,036.32
2	SAHACOGEN (CHONBURI) PLC.	B	14,250,105.63
3	PAN ASIA FOOTWEAR PLC.	B	9,480.38

## ● Connected Transactions

### 15. Security Expenses

In 2013, the company incurred the security service charge with a related company with consideration on the number of security guards, duration and space for the service with details as follows

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	PTK MULTI SERVICE CO., LTD.	B	22,131,846.75

### 16. Waste Water Treatment

In 2013, the company paid the total water treatment charge to 1 related company according to the contract and the amount of supplies actually used at the market price with details as follows

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	EASTERN THAI CONSULTING 1992 CO., LTD.	B	14,923,685.40

### 17. Rental Fee

In 2013, the company incurred the total rental of Baht 2.48 million to 3 related companies. The remuneration under the contract is based on the rental charge of other landlords with consideration on the location, condition and utility of the property with details as follows

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	THAI SECOM PITAKKIJ CO., LTD.	B	18,361.20
2	I.C.C. INTERNATIONAL PLC.	A,B	1,783,400.00
3	SINPARADORN CO., LTD.	A,D	680,000.00



## 18. Construction Cost and purchase investment properties

In 2013, the company paid the total construction cost and investment properties of Baht 698.60 million to 8 related companies. The remuneration is based on the style, size, construction materials and decorative techniques of the building in comparison with the price of other bidders with details as follows

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	PITAKKIJ CO.LTD.	B	250,380,305.09
2	PAN ASIA FOOTWEAR PLC.	B	340,276,316.00
3	SAHAPAT PROPERTIES CO., LTD.	A,B	100,000,000.00
4	EASTERN THAI CONSULTING 1992 CO., LTD.	B	4,212,117.06
5	PTK MULTI SERVICE CO., LTD.	B	2,089,590.76
6	I.D.F. CO.,LTD.	B	1,335,515.82
7	SAHACOGEN GEEN CO.,LTD.	B	12,500.00
8	TEXTILE PRESTIGE PLC.	B	293,574.56

## 19. Exhibition Expenses

In 2013, the company incurred the total exhibition expenses of Baht 2.74 million with 15 related companies. The remuneration is based on the nature of work, location, volume of work and length of service with details as follows

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	I.C.C. INTERNATIONAL PLC.	A,B	1,170.29
2	PTK MULTI SERVICE CO., LTD.	B	1,226,985.00
3	KABIN PATTHANAKIJ CO.,LTD.	A,B	437,665.42
4	EASTERN THAI CONSULTING 1992 CO., LTD.	B	48,000.00
5	PAN ASIA FOOTWEAR PLC.	B	445,200.00
6	KAI I.T. SERVICES CO.,LTD.	B	160,300.00
7	H&B INTERTEX CO.,LTD.	B	280,000.00
8	OTHER COMPANIES		137,261.53

# ● Connected Transactions

## 20. Other Expenses

In 2013, the company incurred the other expenses of Baht 140.69 million with 22 related companies with the price compared with those of other service providers in the same manner. The transactions with value over Baht 500,000.00 equal to 98.63% of the total other expenses are as follows

(UNIT : BAHT)

ITEM	COMPANY	RELATIONSHIP	Financial statements in which the equity method is applied and Separated Financial statements
1	PITAKKIJ CO. LTD.	B	2,232,494.79
2	PTK MULTI SERVICE CO., LTD.	B	82,537,693.54
3	SRIRACHA AVIATION CO., LTD.	A,B	2,546,600.00
4	EASTERN THAI CONSULTING 1992 CO., LTD.	B	44,225,306.41
5	SAHA PATHANAPIBUL PLC.	A,B	3,855,459.27
6	KABIN PATHANAKIJ CO.,LTD.	A,B	2,355,130.12
7	ENVIRONMENTAL TECHNOLOGY CONSULTANT CO.,LTD.	A	1,010,709.92
8	OTHER COMPANIES		1,931,474.51

As most of the connected transactions with related companies have been conducted under the normal course of business to facilitate the business operation of the companies in the group such as sale or purchase of electricity in the industrial park, business advisory service, trademark service provided. Thus, the approval process for the transactions has been in accordance with the normal business practice of the company. However, the connected transactions which are not the normal business conduct, the company has complied with the notification of the Stock Exchange of Thailand on Disclosure and Practice of the listed companies on the connected transactions, B.E. 2546.

The policy on connected transactions of the company for the normal business transactions with the related companies has a tendency to grow but for the loans, the company has a policy to reduce the loans provided to companies in the group consistently. Besides, its policy is to reduce the guarantee amount which is in excess of necessity and to reduce the guarantee amount provided to the companies in the group. In addition, the companies in the group which are responsible for monitoring such business line will be designated as a guarantor.

### NOTE: RELATIONSHIP

- A DIRECTOR/EXECUTIVE AS MD
- B DIRECTOR/EXECUTIVE AND RELATED PERSON AS A MAJOR SHAREHOLDER
- C DIRECTOR/EXECUTIVE AS A MAJOR SHAREHOLDER
- D CLOSED RELATIVE OF DIRECTOR/EXECUTIVE AS A MAJOR SHAREHOLDER

# Explanation and Analysis of Financial Position and Operating Performance of the Management

## Operating results

### (1) Performance of the major income

The company earns total revenue of Baht 4,177 million in 2013, increase of Baht 121 million or 3% from the preceding year. Total expenses is Baht 2,859 million, increase of Baht 127 million or 5% from the preceding year. Net profit from operating performance is Baht 1,300 million, decrease of Baht 37 million or 3% from the preceding year, result from performance of each business as follow.

#### 1. Revenue from Investments business and others

Investments : the company has profit from investment in associated companies by using equity method Baht 1,121 million decreased of Baht 93 million or 8% from the preceding year, for dividend income Baht 221 million increase of Baht 12 million or 6% from the preceding year, due to slow spending and the uncertainty of the political situation at the end of 2013, this caused profit in the group decrease. While, the company receive more dividend form the performance of the group on year 2012. So, the company receive dividend increasing in 2013.

Others income : In 2013, others income is Baht 62 million decrease comes Baht 116 million or 65% from the preceding year, most of the decreasing from the sale of cotton decreased Baht 152 million.

#### 2. Revenue from rent and service business

The company has total of Baht 2,469 million from rent and service business income in 2013, increasing of Baht 216 million or 10% from the preceding year, consist of increase on services in industrial park, resulting from the facilities income Baht 2,117 million increase of Baht 211 million or 11% from the preceding year.

#### 3. Revenue from industrial park business

The company has the real estate for sale amount Baht 304 million in 2013, increase of Baht 102 million, or 51% from the preceding year, the company recognizes revenue from sale of land and real estate when transferring the land to buyer.

Table compare for revenues

(Unit : Baht million)

Item	2013	2012	2011	% increase (decrease)	
				2013/2012	2012/2011
Investments business and others	1,404	1,601	1,358	(12)	18
Rent and service business	2,469	2,253	1,930	10	17
Industrial park business	304	202	68	51	197
Total 3 businesses	4,177	4,056	3,356	3	21

# Explanation and Analysis of Financial Position and Operating Performance of the Management

## (2) Analysis of the expenses

The company has cost of goods sold and cost of services in 2013, amount Baht 2,295 million, increase of Baht 46 million, or 2% from the preceding year, according to the increase of income. For the common facility amount Baht 412 million, increase of Baht 14 million, or 4% from the preceding year. In 2013, the company recorded impairment loss on investment amount Baht 72 million, the finance cost is Baht 61 million increase of Baht 11 million of 22% from the preceding year, because the increasing of loans from institutions.

Table compare for expenses

(Unit : Baht million)

Item	2013	2012	2011	% increase (decrease)	
				2013/2012	2012/2011
Cost of sale and service	2,295	2,249	1,873	2	20
Common facility	412	398	341	4	17
Loss from investment by equity method	19	16	9	19	78
Impairment loss of securities and assets	72	19	81	279	(77)
Finance costs	61	50	31	22	61
<b>Total expenses</b>	<b>2,859</b>	<b>2,732</b>	<b>2,335</b>	<b>5</b>	<b>17</b>

## Financial position

### (1) Assets

As at December 31, 2013, the company has total assets Baht 19,711 million, increase of Baht 419 million or 2% from the preceding year, consisting of investments 78%, real estate for sale 3%, investment properties 10%, property, plant and equipment 6% and other current assets 1% of total assets, respectively. Most of the increasing is investment properties, result from the construction for lease increasing, and investments in associated companies as increase of profit from investment under the equity method.

### Assets Details

As at December 31, 2013, current assets is Baht 259 Million decrease of Baht 40 Million or 13% from the preceding year, resulting from decreasing of account receivable Baht 49 million or 21% from the preceding year, result from in year 2013 the company has received payment from the debtor cotton maturity. So, account receivable is decreased.

# Explanation and Analysis of Financial Position and Operating Performance of the Management



The investments in share capital is Baht 15,375 million, decrease of Baht 285 million or 2% from the preceding year, most from the investment in related parties available for sale net decrease Baht 720 million, result from unrealized gain of fair value is decreased. While, the investments in associated companies by using equity method increase Baht 435 million.

The real estate for sale and investment properties are Baht 2,628 million, increase of Baht 681 million or 35% from the preceding year, due to extend the lease and service at the J-park Sriracha Nihon Mura. Furthermore, the increase of purchase land and construction of building for lease in the Industrial Park.

Property, plant and equipment is Baht 1,143 million, increase of Baht 70 million or 7% from the preceding year, most from increasing of maintenance on operating assets in industrial park.

Other non-current assets is Baht 84 million, increase of Baht 6 million or 8% from the preceding year. Result from increase of prepaid for withholding income tax.

## (2) Liabilities and source of fund for investments

The total liabilities as of December 31, 2013 are Baht 2,423 million increase of Baht 101 million or 4% from the preceding year. Most from the increase of overdrafts and loans from financial institutions and current portion of long-term debt Baht 1,164 million, increased Baht 213 million or 22% from the preceding year. While, the account payable decreased Baht 129 million, or 33%.

In 2013, the company pays dividend amount Baht 114 million or 9% of net profit from the preceding year.

The debt to equity ratio is 0.14 times, equal to the preceding year. The interest coverage ratio is 15.27 times, compared with the preceding year of 16.15 times. Result from the loans from financial institutions in 2013, is increasing.

As of December 31, 2013, the real estate for sale, investment properties, property, plant and equipment are recognized at cost Baht 3,772 million. They are real estate in the Industrial Park that located at 3 major provinces, Chonburi, Prachinburi and Lamphun which are near to downtown and main highway, the community, convenient for transport and there are Air field with the private license from the Commercial Aviation Department. Every industrial park, there is more than 20% green area, which is suitable for establishment of manufacturing plants. The book value of the assets is much lower than the market value. Thus, the quality of the asset suitably facilitates the business operation. Land sale has been made with proper payment within the payment schedule of contract. Therefore, the company has no risk on business operation.

# Explanation and Analysis of Financial Position and Operating Performance of the Management

## (3) Liquidity

The company's liquidity is improved by receiving net cash from operating activities and from financing activities amount Baht 1,120 million and net used in investment activities amount Baht 1,111 million, when combined with cash at beginning balance Baht 59 million, in 2013 cash and cash equivalence at the end of period was Baht 68 million.

As of December 31, 2013, The Company has no overdue to have trouble paying debts.

For the liquidity ratio is closed at 0.18 times, while the liquidity ratio of its cash flow is 0.68 times. Because the company also improves development procedures continuously such as minimizing the amount of corporate guarantees to eliminate business risks. The company's industrial park are also developed continuously to be fully facilities and good environment. The company is still regarded as satisfactory with improved overall operation performance.

Table for financial ratios

Description		2013	2012	2011
<b>Liquidity Ratios</b>				
Current Ratio	(Time)	0.18	0.22	0.28
Quick Ratio	(Time)	0.18	0.22	0.26
Liquidity of Cash flow from Operation	(Time)	0.68	0.56	0.38
Account Receivable Turnover	(Time)	12.97	9.00	8.12
Average Collection Period	(day)	28	40	44
Account Payable Turnover	(Time)	7.07	5.82	6.44
Average Payment Period	(day)	51	62	56
Cash Cycle	(day)	(23)	(22)	(12)
<b>Profitability Ratios</b>				
Gross Profit Margin	(%)	42.02	41.13	37.75
Net Profit Margin	(%)	31.12	32.97	30.46
Return On Equity (ROE)	(%)	7.52	7.88	6.95
<b>Efficiency Ratios</b>				
Return on Total Assets	(%)	6.67	7.42	6.44
Return on Fixed Assets	(%)	19.14	23.99	21.20
Total Assets Turnover	(Time)	0.21	0.23	0.21



# Explanation and Analysis of Financial Position and Operating Performance of the Management



Description		2013	2012	2011
<b>Financial Policy Ratios</b>				
Debt-Equity Ratio	(Time)	0.14	0.14	0.14
Time Interest Earned	(Time)	15.27	16.15	15.67
Leverage Ratio	(Time)	0.71	0.66	0.55
Dividend Payout Ratio	(%)	n.a.	11.12	11.06
<b>Data per share</b>				
Book Value per share	(Baht)	34.99	34.35	29.77
Net Profit per share	(Baht)	2.63	2.71	2.07
Dividend per share	(Baht)	n.a.	0.23	0.23

## Prospective trend

The government announced the minimum wage to 300 baht per day in 2013, it caused an effect to the costs of production and distribution to be higher in Saha group and the uncertainty of the political situation, slow down spending. So, the operating performance of the company and Saha group in 2014 may be stable. However, the company and companies in the group developed production capabilities, creating innovation, the new distribution and service channel. Also the quality of products and services in the group can meet consumer demand. Since the group has commitment to generate the maximum result. So, the performances are also good though.

For the ASEAN Economic Community (AEC), approaching in 2015. Company, as a lead investor of Saha Group, emphasizes on investment in ASEAN by establishing Human Resource Development Team for international personnel development, Knowledge Center to educate and provide information to companies in the group to operate business with AEC in the business community, New Venture Team, which will continually make return compensation to shareholders.



## Report on the Company Board of Directors' Responsibilities for Financial Statements

The Company's Financial Statements have been complied under the policies of the Board of Directors which are in compliance with the generally accepted accounting principles, and to be cautiously recorded. Due circumspection of estimation has also been given in the preparation of the financial statements to reflect truthfully the Company's performance.

Recognizing the essential of the quality of the financial statements, the Board of Directors then managed to provide reviewing of the financial data and sufficient information in the Notes to the Financial Statements and the Explanation and Analysis Report for the benefits of the shareholders and investors who seek access into the financial statements.

For this respect, the Board has appointed an Audit Committee, consisting of independent and non-executive directors, to directly oversee the quality of the financial statements. The Audit Committee's comments have already been shown in the Report of the Audit Committee in this annual report and form 56-1.

According to the effective administrative structure and internal control systems as well as the audit results of the certified public accountant, the Board is reasonably confident that the Company's financial statements as of December 31, 2013, have shown an essentially accurate picture of its financial status, performance and cash flow statements according to the certified accounting principles.

(Mr. Somkid Jatusripitak)

Chairman

(Mrs. Chantra Purnariksha)

President

## To The Shareholders of

### SAHA PATHANA INTER-HOLDING PUBLIC COMPANY LIMITED

I have audited the accompanying financial statements in which the equity method is applied and separate financial statements of SAHA PATHANA INTER-HOLDING PUBLIC COMPANY LIMITED, which comprise the statements of financial position in which the equity method is applied and separate statements of financial position as at December 31, 2013, and the related statements of comprehensive income in which equity method is applied and separate statements of comprehensive income, statements of changes in shareholders' equity in which equity method is applied and separate statements of changes in shareholders' equity, and statements of cash flows in which equity method is applied and separate statements of cash flows for the year then ended, including notes of summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 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.

# Auditor's Report

## Basis of Qualified Opinion

As stated in notes 8.1 to financial statements, as at December 31, 2013, the Company recorded investments in 15 associated companies of 22 associated companies from the financial statements audited by the other auditors of 9 associated companies equal to 8.33% of total assets and had share of profit of investment equal to 9.34% of net profit and recorded investments in 6 associated companies from the unaudited financial statements equal to 1.36% of total assets and had share of profit equal to 1.75% of net profit. I was unable to apply the other auditing procedures to satisfy as to such transaction. In addition, 17 associated companies did not comply with the accounting policies as the same of the Company since they are Non-Publicly Accountable Entities. Besides, such companies have adopted the Financial Reporting Standards for Non-Publicly Accountable Entities which had the different in measurement, recognition and provisions for some transactions that affected to the valuation of investments in associated companies by using equity method and share of profit from investment in such associated companies. The Company was unable to adjust the effects to investments in those associated companies as if those companies had applied in accordance with all accounting standards and financial reporting standards, since there is inadequate information and I was unable to apply the other reviewing procedures to satisfy in such transactions.

As at December 31, 2012, the Company recorded investments in 16 associated companies of 23 associated companies from the financial statements audited by the other auditors of 13 associated companies equal to 9.16% of total assets and had share of profit of investment equal to 11.01% of net profit and recorded investments in 3 associated companies from the unaudited financial statements equal to 0.40% of total assets and had share of profit equal to 0.36% of net profit. I was unable to apply the other auditing procedures to satisfy as to such transaction. In addition, 18 associated companies did not comply with the accounting policies as the same of the Company since they are Non-Publicly Accountable Entities. My opinion presented on the financial statements for the year ended December 31, 2012 that expressed a qualify in that matter. Accordingly, my opinion on the current financial statements also expressed a qualify in the same matter since the impacts may be raised on the comparative figures.

## Qualified Opinion

In my opinion, except for the effects as might have been to be necessary had I been able to examine sufficiently in financial statements of those associated companies as described in Basis of Qualified Opinion paragraph since the scope limitation by circumstances, the financial statements referred to the above present fairly, in all material respects, the financial position of SAHA PATHANA INTER-HOLDING PUBLIC COMPANY LIMITED as at December 31, 2013, and their financial performance and cash flows for the year then ended in accordance with the financial reporting standards.

## Emphasis of Matter

I draw your attention to notes 3 and 4 to financial statements as explained involving the impacts on the Company from changes in new accounting policy since accounting standard No.12 "Income Taxes" was applied.

D I A International Audit Co., Ltd.



(Mrs. Suvimol Krittayakiern)

C.P.A. (Thailand)

Registration No. 2982

March 13, 2014

AS AT DECEMBER 31, 2013

(Unit : Baht)

Assets	Note	Financial statements in which the equity method is applied			Separate financial statements		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
			(Restated)	(Restated)		(Restated)	(Restated)
<b>Current assets</b>							
Cash and cash equivalents	5	67,611,414.63	58,522,125.41	62,123,427.46	67,611,414.63	58,522,125.41	62,123,427.46
Trade and other receivables - related parties	6	157,351,577.42	203,017,699.58	306,920,042.63	157,351,577.42	203,017,699.58	306,920,042.63
Trade and other receivables - others	7	32,077,932.25	34,775,381.91	34,012,263.71	32,077,932.25	34,775,381.91	34,012,263.71
Inventories		2,220,662.31	2,531,061.70	33,439,845.18	2,220,662.31	2,531,061.70	33,439,845.18
<b>Total current assets</b>		<b>259,261,586.61</b>	<b>298,846,268.60</b>	<b>436,495,578.98</b>	<b>259,261,586.61</b>	<b>298,846,268.60</b>	<b>436,495,578.98</b>
<b>Non-current assets</b>							
Investments in associated companies							
By using equity method	8	11,719,264,913.25	11,358,362,508.52	9,944,177,847.80	0.00	0.00	0.00
By using cost method	8	0.00	0.00	0.00	1,812,292,991.68	1,746,852,367.71	1,535,101,877.71
Investments in related parties							
Available-for-sale investment	9	2,447,369,436.94	3,168,253,512.74	2,453,790,269.18	2,447,369,436.94	3,168,253,512.74	2,453,790,269.18
Other long-term investments	9	1,104,425,171.02	1,028,775,213.40	944,157,321.09	1,104,425,171.02	1,028,775,213.40	944,157,321.09
Other long-term investments							
Available - for - sale investment	10	54,326,257.00	52,679,024.00	34,408,963.50	54,326,257.00	52,679,024.00	34,408,963.50
Other long-term investments	10	50,009,060.30	51,763,765.83	59,354,719.94	50,009,060.30	51,763,765.83	59,354,719.94
Real estate under to buy and to sell contract		46,485,792.06	42,194,074.91	52,427,595.59	46,485,792.06	42,194,074.91	52,427,595.59
Real estate for sale	11	631,051,027.20	622,131,172.28	511,636,668.83	631,051,027.20	622,131,172.28	511,636,668.83
Investment properties	12	1,997,115,578.57	1,324,623,073.11	1,114,135,169.45	1,997,115,578.57	1,324,623,073.11	1,114,135,169.45
Property, plant and equipment	13	1,143,535,236.10	1,072,594,866.09	928,660,331.75	1,143,535,236.10	1,072,594,866.09	928,660,331.75
Intangible assets	14	11,012,455.60	12,248,514.35	2,041,727.83	11,012,455.60	12,248,514.35	2,041,727.83
Deferred tax assets	3, 4, 24	163,482,529.19	181,824,954.21	166,739,442.58	170,664,152.17	189,006,577.19	172,871,065.56
Other non-current assets							
Prepayment-shares subscription		0.00	0.00	17,850,000.00	0.00	0.00	17,850,000.00
Deposit for land	15	42,527,100.00	42,527,100.00	42,527,100.00	42,527,100.00	42,527,100.00	42,527,100.00
Income tax deducted at source		37,124,451.28	31,649,350.97	26,768,940.67	37,124,451.28	31,649,350.97	26,768,940.67
Others		3,838,994.46	3,749,439.63	7,917,235.74	3,838,994.46	3,749,439.63	7,917,235.74
<b>Total other non-current assets</b>		<b>83,490,545.74</b>	<b>77,925,890.60</b>	<b>95,063,276.41</b>	<b>83,490,545.74</b>	<b>77,925,890.60</b>	<b>95,063,276.41</b>
<b>Total non-current assets</b>		<b>19,451,568,002.97</b>	<b>18,993,376,570.04</b>	<b>16,306,593,333.95</b>	<b>9,551,777,704.38</b>	<b>9,389,048,052.21</b>	<b>7,903,648,986.84</b>
<b>Total assets</b>		<b>19,710,829,589.58</b>	<b>19,292,222,838.64</b>	<b>16,743,088,912.93</b>	<b>9,811,039,290.99</b>	<b>9,687,894,320.81</b>	<b>8,340,144,565.82</b>

Notes to financial statements are parts of these financial statements



# STATEMENTS OF FINANCIAL POSITION (CONTINUED)

## Financial Statements

AS AT DECEMBER 31, 2013

(Unit : Baht)

Liabilities and shareholders' equity	Note	Financial statements in which the equity method is applied			Separate financial statements		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
			(Restated)	(Restated)		(Restated)	(Restated)
<b>Current liabilities</b>							
Bank overdrafts and loans from							
financial institutions	16	830,659,043.38	784,143,063.62	1,119,770,295.92	830,659,043.38	784,143,063.62	1,119,770,295.92
Trade and other payables		259,647,020.48	389,340,990.04	382,739,895.13	259,647,020.48	389,340,990.04	382,739,895.13
Current portion of long - term debt	17	333,360,000.00	166,680,000.00	60,000,000.00	333,360,000.00	166,680,000.00	60,000,000.00
<b>Total current liabilities</b>		<b>1,423,666,063.86</b>	<b>1,340,164,053.66</b>	<b>1,562,510,191.05</b>	<b>1,423,666,063.86</b>	<b>1,340,164,053.66</b>	<b>1,562,510,191.05</b>
<b>Non-current liabilities</b>							
Investments payable		599,700.00	15,599,700.00	15,599,700.00	599,700.00	15,599,700.00	15,599,700.00
Amount received in advance		19,572,518.05	13,219,625.97	5,377,309.92	19,572,518.05	13,219,625.97	5,377,309.92
Deposits		65,018,152.51	60,947,786.76	54,491,517.59	65,018,152.51	60,947,786.76	54,491,517.59
Long-term loans	17	499,960,000.00	333,320,000.00	0.00	499,960,000.00	333,320,000.00	0.00
Contingent liabilities from guarantees	18	12,924,272.75	12,924,272.75	12,924,272.75	12,924,272.75	12,924,272.75	12,924,272.75
Employee benefit obligations	19	93,663,265.00	91,066,780.00	80,156,247.00	93,663,265.00	91,066,780.00	80,156,247.00
Deferred tax liabilities	3, 4, 24	307,716,839.26	455,132,699.27	306,120,921.49	307,716,839.26	455,132,699.27	306,120,921.49
<b>Total non-current liabilities</b>		<b>999,454,747.57</b>	<b>982,210,864.75</b>	<b>474,669,968.75</b>	<b>999,454,747.57</b>	<b>982,210,864.75</b>	<b>474,669,968.75</b>
<b>Total liabilities</b>		<b>2,423,120,811.43</b>	<b>2,322,374,918.41</b>	<b>2,037,180,159.80</b>	<b>2,423,120,811.43</b>	<b>2,322,374,918.41</b>	<b>2,037,180,159.80</b>
<b>Shareholders' equity</b>							
Share capital							
Authorized share capital							
800,000,000 common shares of Baht 1 each		800,000,000.00	800,000,000.00	800,000,000.00	800,000,000.00	800,000,000.00	800,000,000.00
Issued and paid-up share capital							
494,034,300 common shares of Baht 1 each		494,034,300.00	494,034,300.00	494,034,300.00	494,034,300.00	494,034,300.00	494,034,300.00
Premium on share capital		1,041,357,580.00	1,041,357,580.00	1,041,357,580.00	1,041,357,580.00	1,041,357,580.00	1,041,357,580.00
Premium on treasury stock of associated companies		6,151,888.73	6,151,888.73	6,151,888.73	0.00	0.00	0.00
Reserve for premium on share- based payment of							
associated companies		11,755,514.00	0.00	0.00	0.00	0.00	0.00
Retained earnings							
Appropriated							
Legal reserve	22	80,000,000.00	80,000,000.00	80,000,000.00	80,000,000.00	80,000,000.00	80,000,000.00
General reserve	23	280,000,000.00	280,000,000.00	280,000,000.00	280,000,000.00	280,000,000.00	280,000,000.00
Unappropriated		12,902,131,341.43	11,702,190,639.01	10,489,512,848.77	4,271,207,223.31	3,659,457,193.18	3,183,088,840.05
Other components of equity		2,472,278,153.99	3,366,113,512.49	2,314,852,135.63	1,221,319,376.25	1,810,670,329.22	1,224,483,685.97
<b>Total shareholders' equity</b>		<b>17,287,708,778.15</b>	<b>16,969,847,920.23</b>	<b>14,705,908,753.13</b>	<b>7,387,918,479.56</b>	<b>7,365,519,402.40</b>	<b>6,302,964,406.02</b>
<b>Total liabilities and shareholders' equity</b>		<b>19,710,829,589.58</b>	<b>19,292,222,838.64</b>	<b>16,743,088,912.93</b>	<b>9,811,039,290.99</b>	<b>9,687,894,320.81</b>	<b>8,340,144,565.82</b>

Notes to financial statements are parts of these financial statements

FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit : Baht)

	NOTE	Financial statements in which the equity method is applied		Separate financial statements	
		2013	2012	2013	2012
			(Restated)		(Restated)
Revenues					
Facility income		2,116,737,090.96	1,906,369,658.97	2,116,737,090.96	1,906,369,658.97
Sales of real estate		303,846,750.00	202,004,750.00	303,846,750.00	202,004,750.00
Consulting and services income		350,693,712.24	342,958,032.06	350,693,712.24	342,958,032.06
Sales of goods		0.00	152,290,748.72	0.00	152,290,748.72
Share of profit from investment in associates by equity method		1,121,007,263.17	1,214,209,939.76	0.00	0.00
Dividend income		221,243,558.76	209,080,238.97	746,179,384.96	664,941,608.35
Other income					
Gain on disposal of assets		1,577,571.65	404,409.01	1,577,571.65	404,409.01
Gain on sales of securities		22,948,390.44	3,030,331.58	22,948,390.44	3,030,331.58
Reversible loss on impairment		19,053,150.00	6,035,800.00	19,053,150.00	6,035,800.00
Gain on exchange rate		1,256,033.10	3,604,524.74	1,256,033.10	3,604,524.74
Interest income		644,106.56	596,781.03	644,106.56	596,781.03
Others		17,683,218.23	15,559,145.56	17,683,218.23	15,559,145.56
Total revenues		4,176,690,845.11	4,056,144,360.40	3,580,619,408.14	3,297,795,790.02
Expenses					
Cost of facility	25	1,969,886,800.26	1,783,123,169.31	1,969,886,800.26	1,783,123,169.31
Cost of sales of real estate		55,923,232.81	25,887,222.29	55,923,232.81	25,887,222.29
Cost of services	25	267,525,961.12	289,357,688.86	267,525,961.12	289,357,688.86
Cost of goods sold	25	0.00	148,944,955.32	0.00	148,944,955.32
Share of loss on investment in associates by equity method		18,916,950.99	15,366,411.54	0.00	0.00
Administrative expenses	25	314,563,707.63	294,861,108.07	314,563,707.63	294,861,108.07
Management benefit expense		83,188,680.50	89,666,401.00	83,188,680.50	89,666,401.00
Directors' remuneration		14,147,666.66	13,436,000.00	14,147,666.66	13,436,000.00
Other expenses					
Loss on exchange rate		660,136.94	814,238.54	660,136.94	814,238.54
Impairment loss of investments		71,875,141.48	18,678,081.08	71,875,141.48	23,928,081.08
Loss on disused of assets		195,446.45	1,091,158.08	195,446.45	1,091,158.08
Loss on sales of securities		1,014,466.91	188,125.00	1,155,111.53	188,125.00
Finance costs		61,232,504.88	50,171,795.00	61,232,504.88	50,171,795.00
Total expenses		2,859,130,696.63	2,731,586,354.09	2,840,354,390.26	2,721,469,942.55
Profit before income tax		1,317,560,148.48	1,324,558,006.31	740,265,017.88	576,325,847.47
Income tax income (expenses)	24	(17,588,862.35)	12,620,394.66	(17,588,862.35)	13,670,394.66
Profit for the year		1,299,971,286.13	1,337,178,400.97	722,676,155.53	589,996,242.13

Notes to financial statements are parts of these financial statements

# STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

## Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit : Baht)

	NOTE	Financial statements in which the equity method is applied		Separate financial statements	
		2013	2012	2013	2012
			(Restated)		(Restated)
Other comprehensive income					
Actuarial gain (loss) on defined employee benefit plan (net of tax)		2,701,763.60	0.00	2,701,763.60	0.00
Actuarial gain (loss) on defined employee benefit plan of associated companies		10,895,541.69	(10,872,721.73)	0.00	0.00
Gain (loss) on re-measuring of available for sale investments (net of tax)		(589,350,952.97)	586,186,643.25	(589,350,952.97)	586,186,643.25
Gain (loss) on re-measuring of available for sale investments - associated companies (net of tax)		(334,377,647.46)	465,074,733.61	0.00	0.00
Exchange differences on translating financial statements of associated companies		9,654,062.64	0.00	0.00	0.00
Other comprehensive income for the year		(900,477,232.50)	1,040,388,655.13	(586,649,189.37)	586,186,643.25
Total comprehensive income for the year		399,494,053.63	2,377,567,056.10	136,026,966.16	1,176,182,885.38
Basic earnings per share		2.63	2.71	1.46	1.19

Notes to financial statements are parts of these financial statements

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2013

Financial Statements

### FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED

(Unit : Baht)

	Note	Issued and paid-up share capital	Premium (Discount) on share capital	Premium on treasury stock of associated companies	Reserve for premium on share-based payment of associated companies	Retained earnings			Other components of equity					Grand Total
						Appropriated		Unappropriated	Gain on re-measuring of available-for-sale investment	Gain on re-measuring of available-for-sale investment of associated companies	Premium on changes in percentage of investment in associated companies	Exchange differences on translating financial statements of associated companies	Total	
						Legal reserve	General reserve							
Balance as at January 1, 2012 (as previously reported)		494,034,300.00	1,041,357,580.00	6,151,888.73	0.00	80,000,000.00	280,000,000.00	10,070,314,575.92	1,530,604,607.46	1,423,111,507.49	0.00	0.00	2,953,716,114.95	14,925,574,459.60
Effects of charges in accounting policy – deferred tax	4							419,198,272.85	(306,120,921.49)	(332,743,057.83)			(638,863,979.32)	(219,665,706.47)
Balance as at January 1, 2012 (after restatement)		494,034,300.00	1,041,357,580.00	6,151,888.73	0.00	80,000,000.00	280,000,000.00	10,489,512,848.77	1,224,483,685.97	1,090,368,449.66	0.00	0.00	2,314,852,135.63	14,705,908,753.13
Dividend paid	20.2							(113,627,889.00)						(113,627,889.00)
Total comprehensive income for the year														
Profit for the year								1,337,178,400.97						1,337,178,400.97
Other comprehensive income								(10,872,721.73)	586,186,643.25	465,074,733.61			1,051,261,376.86	1,040,388,655.13
Balance as at December 31, 2012		494,034,300.00	1,041,357,580.00	6,151,888.73	0.00	80,000,000.00	280,000,000.00	11,702,190,639.01	1,810,670,329.22	1,555,443,183.27	0.00	0.00	3,366,113,512.49	16,969,847,920.23
Balance as at January 1, 2013 (as previously reported)		494,034,300.00	1,041,357,580.00	6,151,888.73	0.00	80,000,000.00	280,000,000.00	11,251,775,939.84	2,263,337,911.52	2,010,967,456.26	0.00	0.00	4,274,305,367.78	17,427,625,076.35
Effects of charges in accounting policy – deferred tax	4							450,414,699.17	(452,667,582.30)	(455,524,272.99)			(908,191,855.29)	(457,777,156.12)
Balance as at January 1, 2013 (after restatement)		494,034,300.00	1,041,357,580.00	6,151,888.73	0.00	80,000,000.00	280,000,000.00	11,702,190,639.01	1,810,670,329.22	1,555,443,183.27	0.00	0.00	3,366,113,512.49	16,969,847,920.23
Dividend paid	20.1							(113,627,889.00)						(113,627,889.00)
Reserve for premium on share-based payment					11,755,514.00									11,755,514.00
Premium on changes in percentage of investment in associated companies											20,239,179.29		20,239,179.29	20,239,179.29
Total comprehensive income for the year														
Profit for the year								1,299,971,286.13						1,299,971,286.13
Other comprehensive income								13,597,305.29	(589,350,952.97)	(334,377,647.46)		9,654,062.64	(914,074,537.79)	(900,477,232.50)
Balance as at December 31, 2013		494,034,300.00	1,041,357,580.00	6,151,888.73	11,755,514.00	80,000,000.00	280,000,000.00	12,902,131,341.43	1,221,319,376.25	1,221,065,535.81	20,239,179.29	9,654,062.64	2,472,278,153.99	17,287,708,778.15

Notes to financial statements are parts of these financial statements

# STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2013

SEPARATE FINANCIAL STATEMENTS								(Unit : Baht)
	Note	Issued and paid-up share capital	Premium (Discount) on share capital	Retained earnings			Other components of equity	Total
				Appropriated		unappropriated	Gain on re-measuring of available-for-sales investment	
				Legal reserve	General reserve			
Balance as at January 1, 2012 (as previously reported)		494,034,300.00	1,041,357,580.00	80,000,000.00	280,000,000.00	3,010,217,774.49	1,530,604,607.46	6,436,214,261.95
Effects of charges in accounting policy - deferred tax	4					172,871,065.56	(306,120,921.49)	(133,249,855.93)
Balance as at January 1, 2012 (after restatement)		494,034,300.00	1,041,357,580.00	80,000,000.00	280,000,000.00	3,183,088,840.05	1,224,483,685.97	6,302,964,406.02
Dividend paid	20.2					(113,627,889.00)		(113,627,889.00)
Total comprehensive income for the year								
Profit for the year						589,996,242.13		589,996,242.13
Other comprehensive income							586,186,643.25	586,186,643.25
Balance as at December 31, 2012		494,034,300.00	1,041,357,580.00	80,000,000.00	280,000,000.00	3,659,457,193.18	1,810,670,329.22	7,365,519,402.40
Balance as at January 1, 2013 (as previously reported)		494,034,300.00	1,041,357,580.00	80,000,000.00	280,000,000.00	3,472,915,732.96	2,263,337,911.52	7,631,645,524.48
Effects of charges in accounting policy - deferred tax	4					186,541,460.22	(452,667,582.30)	(266,126,122.08)
Balance as at January 1, 2013 (after restatement)		494,034,300.00	1,041,357,580.00	80,000,000.00	280,000,000.00	3,659,457,193.18	1,810,670,329.22	7,365,519,402.40
Dividend paid	20.1					(113,627,889.00)		(113,627,889.00)
Total comprehensive income for the year								
Profit for the year						722,676,155.53		722,676,155.53
Other comprehensive income						2,701,763.60	(589,350,952.97)	(586,649,189.37)
Balance as at December 31, 2013		494,034,300.00	1,041,357,580.00	80,000,000.00	280,000,000.00	4,271,207,223.31	1,221,319,376.25	7,387,918,479.56

Notes to financial statements are parts of these financial statements

FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit : Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
<b>Cash flows from operation activities</b>				
Profit before income tax	1,317,560,148.48	1,324,558,006.31	740,265,017.88	576,325,847.47
Add Adjustments to reconcile net profit (loss) to cash receipt				
(disbursement) from operating activities :				
Depreciation and amortization	123,427,756.69	89,127,512.41	123,427,756.69	89,127,512.41
Finance costs	61,232,504.88	50,171,795.00	61,232,504.88	50,171,795.00
Actuarial gain on defined employee benefit plan	3,377,204.50	0.00	3,377,204.50	0.00
Share of (profit) from investment by equity method	(1,121,007,263.17)	(1,214,209,939.76)	0.00	0.00
Share of loss from investment by equity method	18,916,950.99	15,366,411.54	0.00	0.00
Dividend received from investment	524,935,826.20	455,861,369.38	0.00	0.00
Reversible loss on impairment of investment	(19,053,150.00)	(6,035,800.00)	(19,053,150.00)	(6,035,800.00)
Impairment loss on securities	71,875,141.48	18,678,081.08	71,875,141.48	23,928,081.08
(Gain) loss on sales of securities	(21,933,923.53)	(2,842,206.58)	(21,793,278.91)	(2,842,206.58)
Loss on disused of assets	195,446.45	1,091,158.08	195,446.45	1,091,158.08
(Gain) loss on sales of assets	(1,577,571.65)	(404,409.01)	(1,577,571.65)	(404,409.01)
Profit (Loss) from operations before change in operating assets and liabilities	957,949,071.32	731,361,978.45	957,949,071.32	731,361,978.45
(Increase) Decrease of change in operating assets				
Inventories	310,399.39	30,908,783.48	310,399.39	30,908,783.48
Real estate for sale	(5,719,907.67)	(103,817,503.26)	(5,719,907.67)	(103,817,503.26)
Real estate under to buy and to sell contract	36,685,436.74	10,233,520.68	36,685,436.74	10,233,520.68
Intangible assets	(343,592.33)	(11,421,452.10)	(343,592.33)	(11,421,452.10)
Trade and other receivables - related parties	45,666,122.16	103,902,343.05	45,666,122.16	103,902,343.05
Trade and other receivables - other companies	2,697,449.66	(763,118.20)	2,697,449.66	(763,118.20)
Other non-current assets	14,273,054.99	16,511,770.79	14,273,054.99	16,511,770.79
Increase (Decrease) of change in operating liabilities				
Trade and other payables	(129,310,179.00)	8,386,982.28	(129,310,179.00)	8,386,982.28
Unearned revenue	6,352,892.08	7,842,316.05	6,352,892.08	7,842,316.05
Deposits	4,070,365.75	6,456,269.17	4,070,365.75	6,456,269.17
Employee benefit obligations	2,596,485.00	10,910,533.00	2,596,485.00	10,910,533.00
Cash generated (paid) from operation	935,227,598.09	810,512,423.39	935,227,598.09	810,512,423.39
Interest paid	(61,616,295.44)	(51,993,638.54)	(61,616,295.44)	(51,993,638.54)
Income tax paid	(19,900,066.30)	(17,224,384.98)	(19,900,066.30)	(17,224,384.98)
Net cash provided by (used in) operating activities	853,711,236.35	741,294,399.87	853,711,236.35	741,294,399.87

Notes to financial statements are parts of these financial statements



# STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2013

## Financial Statements

(Unit : Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Cash flows from investing activities				
Purchase of securities	(288,796,447.89)	(322,611,735.50)	(288,796,447.89)	(322,611,735.50)
Sales of securities	85,980,010.85	36,634,232.80	85,980,010.85	36,634,232.80
Purchase of property, plant and equipment	(164,996,175.94)	(225,078,842.83)	(164,996,175.94)	(225,078,842.83)
Disposal of vehicles and office equipment	1,819,624.62	1,133,548.59	1,819,624.62	1,133,548.59
Investment properties	(744,837,049.53)	(225,717,783.68)	(744,837,049.53)	(225,717,783.68)
Net cash provided by (used in) investing activities	(1,110,830,037.89)	(735,640,580.62)	(1,110,830,037.89)	(735,640,580.62)
Cash flows from financing activities				
Increase (Decrease) in bank overdrafts and loans from financial institutions	46,515,979.76	(335,627,232.30)	46,515,979.76	(335,627,232.30)
Dividend paid	(113,627,889.00)	(113,627,889.00)	(113,627,889.00)	(113,627,889.00)
Increase (Decrease) in long-term loans	333,320,000.00	440,000,000.00	333,320,000.00	440,000,000.00
Net cash provided by (used in) financing activities	266,208,090.76	(9,255,121.30)	266,208,090.76	(9,255,121.30)
Net increase (decrease) in cash and cash equivalents	9,089,289.22	(3,601,302.05)	9,089,289.22	(3,601,302.05)
Cash and cash equivalents beginning of the year	58,522,125.41	62,123,427.46	58,522,125.41	62,123,427.46
Cash and cash equivalents end of the year	67,611,414.63	58,522,125.41	67,611,414.63	58,522,125.41

Notes to financial statements are parts of these financial statements

# Notes To Financial Statements

As at December 31, 2013

## 1. General information

1.1 Saha Pathana Inter-Holding Public Company Limited was registered as a public company limited on May 9, 1994 with registration No. 0107537001340 which is located at 530 Soi Sathupradit 58, Bangpongpan, Yannawa, Bangkok with 5 branches as follows :

- **Branch 1** Located at 999 Moo 11, Sukhapiban 8 Road, Tambon Nong-Kham, Amphur Sriracha, Choburi Province
- **Branch 2** Located at 1 Moo 5, Suwannasorn Road, Tambon Non-si, Amphur Kabinburi, Prachinburi Province
- **Branch 3** Located at 189 Moo 15, By-Pass Lamphun-Pasang Road, Amphur Mueng, Lamphun Province
- **Branch 4** Located at 196 Moo 11, Tambon Wangdan, Amphur Kabinburi, Prachinburi Province
- **Branch 5** Located at 269 Moo 15, Tambon Maekasa, Amphur Maesot, Tak Province

1.2 The Company operates in business of investment, rental and services , industrial park (real estate business) and Company operates in goods distribution business.

## 2. Basis of preparation of financial statements

### 2.1 Financial statements preparation

The financial statements have been prepared in conformity with the financial reporting standards, enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of the Department of Business Development by Ministry of Commerce dated September 28, 2011 regarding the condensed form should be included in the financial statements B.E. 2554 and regulation of the Securities and Exchange Commission regarding the preparation and presentation of financial reporting under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

## 2.2 Adoption of new accounting standards

The Federation of Accounting Professions issued accounting standards, financial reporting standards, standing interpretations and accounting guidance which are expected to be effective for the financial statements beginning on or after January 1, 2013 as detailed below:

### Accounting Standards

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

### Financial Reporting Standards

IFRS 8	Operating Segments
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### Standing Interpretations

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

### Accounting Guidance

Transfers of Financial Assets

Those accounting standards, financial reporting standards, standing interpretations and accounting guidance will have no significantly impacts on these financial statements except for TAS 12 "Income Taxes". (Note 4)

# ● Notes To Financial Statements

## 2.3 New accounting standards in issue not yet effective

The Federation of Accounting Professions issued new and revise accounting standards and financial reporting standards which certain standards have not been effective in year 2013 as following:

	Contents	Effective Date
<b>Accounting Standards</b>		
TAS 1 (Revised 2012)	Presentation of Financial Statements	January 1, 2014
TAS 7 (Revised 2012)	Statement of Cash Flows	January 1, 2014
TAS 12 (Revised 2012)	Income Taxes	January 1, 2014
TAS 17 (Revised 2012)	Leases	January 1, 2014
TAS 18 (Revised 2012)	Revenue	January 1, 2014
TAS 19 (Revised 2012)	Employee Benefits	January 1, 2014
TAS 21 (Revised 2012)	The Effect Changes in Foreign Exchange Rates	January 1, 2014
TAS 24 (Revised 2012)	Related Party Disclosures	January 1, 2014
TAS 28 (Revised 2012)	Investments in Associates	January 1, 2014
TAS 31 (Revised 2012)	Interests in Joins Ventures	January 1, 2014
TAS 34 (Revised 2012)	Interim Financial Reporting	January 1, 2014
TAS 36 (Revised 2012)	Impairment of Assets	January 1, 2014
TAS 38 (Revised 2012)	Intangible Assets	January 1, 2014
<b>Financial Reporting Standards</b>		
TFRS 2 (Revised 2012)	Share-based Payment	January 1, 2014
TFRS 3 (Revised 2012)	Business Combinations	January 1, 2014
TFRS 4	Insurance Contracts	January 1, 2016
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	January 1, 2014
TFRS 8 (Revised 2012)	Operating Segments	January 1, 2014
<b>Standing Interpretations</b>		
TSIC 15	Operating Leases - Incentives	January 1, 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	January 1, 2014
TSIC 29	Service Concession Arrangements: Disclosures	January 1, 2014
TSIC 32	Intangible Assets — Website Costs	January 1, 2014



	Contents	Effective Date
Financial Reporting Interpretations		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	January 1, 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	January 1, 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	January 1, 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	January 1, 2014
TFRIC 10	Interim Financial Reporting and Impairment	January 1, 2014
TFRIC 12	Service Concession Arrangements	January 1, 2014
TFRIC 13	Customer Loyalty Programmes	January 1, 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	January 1, 2014
TFRIC 18	Transfers of Assets from Customers	January 1, 2014

The above Financial reporting standards which are effective on January 1, 2014, the Company is still evaluating the impacts on the financial statements in the year in which they are initially applied.

### 3. Summary of significant accounting policies

3.1 Revenues and expenses are recognized on an accrual basis.

3.2 Revenues from services are recognized as income when the services are rendered to the customers.

3.3 Revenue from sales of real estate is recognized as income when the significant risks and rewards of ownership have been transferred to the buyer.

3.4 Revenue from sales of goods is recognized when the goods are delivered after deduction with goods return and sales discount.

3.5 The Company recognized dividend as income in total whenever the declaration is made.

3.6 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposit at bank with 3 months maturity.

3.7 Allowance for doubtful accounts

The Company provided allowance for doubtful accounts equal to the estimated uncollectable receivable based on the review of current status of each receivable.

# ● Notes To Financial Statements

## 3. Summary of significant accounting policies (continued)

### 3.8 Inventory Valuation

Inventories are valued at the lower of cost or net realizable value. Cost is determined on first-in first-out (FIFO) method.

### 3.9 Investment in associated companies

Investment in associated companies is investment in an enterprise in which the investor has significant influence and has the power to participate in the financial and operating policy decisions of the investment but is not in control over those policies. Investment in associated companies are carried at net cost of provision for impairment of investment in the separate financial statements and included share of profit or loss of associated companies under the equity method in the financial statements in which the equity method is applied and recognized share of loss of associated companies from the investment reported at nil, except the extent that group of company has incurred obligations to satisfy obligations of associated companies.

### 3.10 Investment in equity securities

Long-term investments in marketable was securities available for sales are stated at fair value. The difference of carrying value and fair value are separately shown as unrealized gain (loss) from change in value of investment in shareholders' equity unit such investments were sold. The change in such value is recorded in statements of income.

Long-term investments in foreign marketable was securities available for sales are stated at fair value, converting into Baht by using exchange rate as at the end of the period. The difference of carrying value and fair value are separately shown as gain (loss) from change in value of investment in shareholders' equity unit such investments were sold. The change in such value is recognized in statements of income.

Long-term investments in non marketable securities which are held as general investment, are stated at cost less provision for impairment of investment.

Long-term investments in foreign non marketable securities which are held as general investment, are stated at cost less provision for impairment of investment, converting into Baht by using the exchange rate as at the transaction date.

Cost of long term investments sold during the year is determined by the weighted average method.



## 3. Summary of significant accounting policies (continued)

### 3.11 Investment Properties

Investment properties are properties held to earn rental or for capital appreciation or both, which are not held for sale in the ordinary course of business or in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and provision for impairment loss of assets (if any). Depreciation for investment properties is calculated on a straight-line basis for 20 - 34 years.

### 3.12 Property, plant and equipment

Property, plant equipment are recorded at cost. Cost consist of cost of acquisition, dismantlement, removal and restoration less accumulated depreciation and provision for impairment (if any).

Depreciation is determined separately for each significant part of assets.

Building and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets as follows :

Building and construction	20-34 years
Facility system	10 years
Road and sidewalk	15-25 years
Other assets	5 years

### 3.13 Cost of land development

Cost of land development are stated at cost which including expenses and interest for the project are shown in land development cost.

### 3.14 Provision for impairment of assets

Provision for impairment of assets represented the carrying amount of an asset exceeds its recoverable value, the Company will recognize as impairment loss in the statements of comprehensive income for the period. The Company will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment which is shown in statements of comprehensive income.

### 3.15 Transactions in Foreign Currencies

The Company records its transactions in foreign currencies converting into Thai Baht by using the exchange rates ruling on the transaction dates.

Assets and liabilities in foreign currencies as at the end of the year are converted into Thai Baht by using the exchange rates ruling on the same day prescribed by the Bank of Thailand.

Gain or loss on exchange rates are taken into statement of comprehensive income .

# ● Notes To Financial Statements

## 3. Summary of significant accounting policies (continued)

### 3.16 Leasehold right

Leasehold right is stated at net cost from amortization on a period of the lease.

### 3.17 Intangible assets

Intangible assets consist of trademark and golf membership are amortized within the period of 10 years. Other deferred expenses are amortized within the period of 5 years.

### 3.18 Income tax

#### Income tax

Income tax expense for the period comprises current tax and deferred tax.

#### Current tax

Current tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

#### Deferred tax

Deferred tax is provided on temporary differences between their carrying amounts at the end of each reporting period and the tax bases of assets and liabilities by using the tax rates enacted at the end of the reporting period. The Company recognizes deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Company review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

The Company records income tax directly to be paid in each year as expenses in the fiscal period and calculated income tax on the conditions as prescribed in the Revenue Code.

### 3.19 Basic earnings per share

Earning (Loss) per share presented in the statements of comprehensive income is the basic earnings (loss) per share which is determined by dividing the net profit (loss) for the year by the number of common share outstanding at the end of the period.

## 3. Summary of significant accounting policies (continued)

### 3.20 Related persons and parties

Related persons and parties are persons and enterprise that related with group of companies and the Company through shareholding or common shareholders or co-director. The related transaction is determined on the normal course of business.

Related persons and parties are presented in notes to financial statements No. 6, 9, and 31.

### 3.21 Accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles required the management to make several estimations and assumption which affect to the reported amounts in the financial statements and notes related thereto. Consequent actual results may differ from these estimates.

### 3.22 Provisions

The Company recognized a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company settles the obligation. The amount recognized should not exceed the amount of the provision.

### 3.23 Employee benefits

#### 3.23.1 Provident fund

The Company has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution payment to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

#### 3.23.2 Employment Benefits

The Company provides for post-employment benefits, payable to employees under the Thai Labour Law. The present value of employee benefit liabilities recognized in the financial statements is estimated on an actuarial basis using Projected Unit Credit Method, calculated by the actuary. The calculation was made by utilizing various assumptions about future events. The Company is responsible for the selection of appropriate assumptions.

# ● Notes To Financial Statements

## 3.24 Operating Segments

Operating Segments is presenting the perspective of administrators to segment reporting. The data segments based on internal data reported to the authorities maximum operational decisions of the company regularly.

Changes in presentation and disclosure of segment information has no significant impact on the ever-present segment information in the financial statements of the Company and no effect on the assets, liabilities, earnings per share of the Company.

## 4. Cumulative effect of changes in accounting policy from adoption of new accounting standard

4.1 Amount of adjustments which effected to the transaction in statements of financial position and statements of comprehensive income

(Unit : Baht)

	Financial Statement in which the equity method is applied		
	December 31, 2013	December 31, 2012	January 1, 2012
Statements of financial position			
<u>Assets</u>			
Investments in associates- using equity method, decrease	184,469,411.06	184,469,411.06	80,284,227.56
Deferred tax assets, increase	163,482,529.19	181,824,954.21	166,739,442.58
<u>Liabilities</u>			
Deferred tax liabilities, increase	307,716,839.26	455,132,699.27	306,120,921.49
<u>Shareholders' equity</u>			
Decrease in other component of equity			
- Actuarial gain (loss) on defined employee benefit plan	675,440.90	0.00	0.00
- Gain (loss) on re-measuring of available-for-sale investments	305,329,844.06	452,667,582.30	306,120,921.49
- Gain (loss) on re-measuring of available-for-sale investments associated companies	455,524,272.99	455,524,272.99	332,743,057.83
Unappropriated retained earnings, increase	432,825,836.82	450,414,699.17	419,198,272.85

# Notes To Financial Statements



## 4. Cumulative effect of changes in accounting policy from adoption of new accounting standard (continued)

(Unit : Baht)

	Separate financial statements		
	December 31, 2013	December 31, 2012	January 1, 2012
Statements of financial position			
<u>Assets</u>			
Deferred tax assets, increase	170,664,152.17	189,006,577.19	172,871,065.56
<u>Liabilities</u>			
Deferred tax liabilities, increase	307,716,839.26	455,132,699.27	306,120,921.49
<u>Shareholders' equity</u>			
Actuarial gain (loss) on defined employee benefit plan	675,440.90	0.00	0.00
Decrease in other components of equity	305,329,844.06	452,667,582.30	306,120,921.49
Unappropriated retained earnings, increase	168,952,597.87	186,541,460.22	172,871,065.56

(Unit : Baht)

	Financial statements in which the equity method is applied	
	December 31, 2013	December 31, 2012
Statements of comprehensive income		
Income tax, (increase) decrease	(17,588,862.35)	12,620,394.66
Total comprehensive income, (increase) decrease	(146,662,297.34)	269,327,875.97
Earnings per share, (increase) decrease : Baht	(0.04)	0.03

(Unit : Baht)

	Separate financial statements	
	December 31, 2013	December 31, 2012
Statements of comprehensive income		
Income tax, (increase) decrease	(17,588,862.35)	13,670,394.66
Total comprehensive income, (increase) decrease	(146,662,297.34)	146,546,660.81
Earnings per share, (increase) decrease : Baht	(0.04)	0.03

## ● Notes To Financial Statements

4.2 In the first quarter of 2013, the Company has initially applied accounting standards regarding the income tax, then, deferred tax liabilities derived from temporary difference to be paid income tax between investments value by using equity method and cost of investments in associates were recorded. However, in the second quarter of 2013, the Company found that the holding investments in such associates are investments in type of long-term and not intended to sell. Nevertheless, there is no resulted temporary difference to be paid income tax. Therefore, the Company made retroactively errors correction relating to deferred tax liabilities which were realized in the first quarter of 2013 as if the Company never had recorded such liabilities.

### 5. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposit at financial institution.

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
Cash on hand	2,010,705.48	2,167,279.13
Current accounts	1,664,411.85	1,579,851.51
Savings deposit	63,936,297.30	54,774,994.77
<b>Total</b>	<b>67,611,414.63</b>	<b>58,522,125.41</b>

### 6. Trade and other receivables – related parties

Trade and other receivables – related parties as at December 31, 2013 and 2012 are as follows :

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
Trade accounts receivable – related parties	157,351,577.42	244,700,134.15
Less Allowance for doubtful accounts	0.00	(41,682,434.57)
<b>Total trade and other receivables – related parties</b>	<b>157,351,577.42</b>	<b>203,017,699.58</b>



# Notes To Financial Statements



Trade accounts receivable - related parties which reclassified by aging as at December 31, 2013 and 2012 are as follows :

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
Undue	156,684,290.37	202,340,341.79
From 1 month to 3 months	590,839.93	594,372.03
Over 3 months to 6 months	11,200.00	82,985.76
Over 6 months to 12 months	55,247.12	0.00
Over 12 months	10,000.00	41,682,434.57
Total	157,351,577.42	244,700,134.15
Less Allowance for doubtful accounts	0.00	(41,682,434.57)
Trade accounts receivable - related parties	157,351,577.42	203,017,699.58

## 7. Trade and other receivables – others

Trade and other receivables - others as at December 31, 2013 and 2012 are as follows :

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
Trade accounts receivable - others	29,175,399.71	30,991,266.64
Other receivables	2,902,532.54	3,784,115.27
Total trade and other receivables - others	32,077,932.25	34,775,381.91

Other receivables which reclassified by aging as at December 31, 2013 and 2012 are as follows :

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
Undue	28,519,170.48	30,497,009.61
From 1 month to 3 months	647,479.23	219,575.83
Over 3 months to 6 months	6,350.00	274,681.20
Over 6 months to 12 months	2,400.00	0.00
Other receivables	29,175,399.71	30,991,266.64

## 8. Investments in associated companies

### 8.1 Investments in associated companies - using by equity method

No.	Company names	Type of business	Relationship	Paid-up capital		Percentage of investment		Financial statements in which the equity method is applied		Separate financial statements - cost method		Dividend	
				(Thousand Baht)		(%)		(Baht)		(Baht)		(Baht)	
				2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
1	THANULUX PLC.	Garment	A, B, E, F	120,000	120,000	23.52	23.52	729,701,426.62	745,292,502.49	28,688,920.22	28,688,920.22	33,864,984.00	17,954,085.68
2	THAI PRESIDENT FOODS PLC.	Food processing	A, B, E, F	180,000	180,000	21.96	21.93	2,183,053,583.55	1,962,600,210.27	90,310,095.47	82,651,271.50	136,675,887.20	124,743,591.20
3	THAI WACOAL PLC.	Lingeries	A, B, E, F	120,000	120,000	21.26	21.26	1,058,921,978.19	1,097,863,534.11	63,545,155.00	63,545,155.00	61,230,000.00	53,576,250.00
4	SAHA PATHANAPIBUL PLC.	Consumer products	A, B, E, F	323,380	318,422	20.32	20.63	1,854,544,873.01	1,727,668,627.13	307,112,623.32	307,112,623.32	65,696,365.00	59,126,728.50
5	I.C.C. INTERNATIONAL PLC.	Consumer products	A, B, E, F	290,634	290,634	22.10	22.10	3,253,287,899.47	3,314,864,530.24	659,099,008.89	659,099,008.89	80,289,550.00	70,654,804.00
6	THAI HOOVER INDUSTRY CO., LTD.	Plastic products	A, B, E, F	60,000	60,000	37.73	37.73	490,989,231.59	473,346,755.32	22,639,600.00	22,639,600.00	18,111,680.00	16,979,700.00
7	PITAKIJ CO., LTD.	Service	A, B, C, E, F	20,000	20,000	33.52	33.52	69,337,725.44	42,414,284.75	6,704,000.00	6,704,000.00	1,005,600.00	1,005,600.00
8	THAI ITOKIN CO., LTD.	Garment	A, B, C, E	100,000	100,000	31.00	31.00	18,266,409.29	17,925,411.68	30,252,029.69	30,252,029.69	-	-
9	EASTERN THAI CONSULTING 1992 CO., LTD.	Environment	A, B, E	20,000	20,000	40.00	40.00	22,289,027.26	22,033,898.02	10,000,000.00	10,000,000.00	800,000.00	600,000.00
10	SAHACHOL FOOD SUPPLIES CO., LTD.	Agriculture products	A, B, C, E, F	200,000	100,000	29.73	29.73	56,768,536.52	17,322,709.97	77,791,484.00	33,191,684.00	-	-
11	FIRST UNITED INDUSTRY CO., LTD.	Investment	A, B, E, F	40,000	40,000	28.15	28.15	89,682,197.23	77,271,068.39	11,258,200.00	11,258,200.00	2,251,640.00	1,688,730.00
12	THE LION CORPORATION (THAILAND) CO., LTD.	Detergent	A, B, E, F	300,000	300,000	24.80	24.80	617,428,860.18	550,965,289.12	74,400,000.00	74,400,000.00	63,969,120.00	39,632,880.00
13	SAHAPAT PROPERTIES CO., LTD.	Investment	A, B, E, F	20,000	20,000	26.25	26.25	-	-	5,250,000.00	5,250,000.00	-	-
14	INTERNATIONAL LABORATORIES CORP., LTD.	Cosmetics	A, B, E, F	120,000	120,000	25.00	25.00	817,297,022.28	839,902,159.06	165,000,000.00	165,000,000.00	48,000,000.00	54,750,000.00
15	FAMILY GLOVE CO., LTD.	Rubber glove	A, B, C, E, F	14,200	80,000	23.75	23.75	43,770,665.23	26,788,829.76	33,725,000.00	19,000,000.00	475,000.00	475,000.00
16	CHAMP ACE CO., LTD.	Garment	A, B, E, F	40,000	40,000	22.50	22.50	51,373,251.84	67,005,863.36	9,000,000.00	9,000,000.00	2,250,000.00	2,250,000.00
17	T.U.C ELASTIC CO., LTD.	Power net	A, B, E, F	160,000	160,000	21.00	21.00	69,721,277.47	76,982,171.01	33,600,000.00	33,600,000.00	2,016,000.00	3,360,000.00
18	S. APPAREL CO., LTD.	Garment	A, F	36,000	36,000	20.00	20.00	11,245,855.12	15,307,771.03	7,200,000.00	7,200,000.00	-	864,000.00
19	TOP TREND MANUFACTURING CO., LTD.	Plastic products	A, B, E	60,000	60,000	20.00	20.00	112,948,551.15	113,592,430.26	47,625,000.00	47,625,000.00	4,800,000.00	4,800,000.00
20	SAHAPAT REAL ESTATE CO., LTD.	Property development	A, B, E, F	250,000	250,000	40.00	40.00	95,565,864.63	96,348,797.45	100,000,000.00	100,000,000.00	3,000,000.00	3,000,000.00
21	K.R.S. LOGISTICS CO., LTD.	Logistic	A, B, E, F	10,000	10,000	20.00	20.00	10,169,919.86	8,562,046.91	2,000,000.00	2,000,000.00	500,000.00	400,000.00
22	DAIOHS BKK HOLDINGS CO., LTD.	Investment	A, B	-	6,050	-	25.50	-	1,402,355.38	-	1,543,000.00	-	-
23	BOON CAPITAL HOLDING CO., LTD.	Investment	A, B	175,000	175,000	36.00	36.00	62,900,757.32	62,901,262.81	62,999,990.00	62,999,990.00	-	-
<b>Total</b>								11,719,264,913.25	11,358,362,508.52	1,848,201,106.59	1,782,760,482.62	524,935,826.20	455,861,369.38
(Less) Provision for impairment loss								-	-	(35,908,114.91)	(35,908,114.91)	-	-
<b>Total investments in associated companies</b>								11,719,264,913.25	11,358,362,508.52	1,812,292,991.68	1,746,852,367.71	524,935,826.20	455,861,369.38

## 8. Investments in associated companies (continued)

As at December 31, 2013 and 2012, the Company recorded investments in 22 and 23 associated companies as follows :

### Investments in public company limited

As at December 31, 2013 and 2012, the Company recorded investments and share of profit in 5 public companies limited from the financial statements audited by the other auditors which had investment value amount of Baht 9,079.51 million and Baht 9,032.76 million equal to 46.06% and 46.81% of total assets and had share of profit amount of Baht 821.61 million and Baht 893.94 million equal to 63.20% and 68.45% of net profit of each year respectively

### Investments in company limited

As at December 31, 2013 and 2012, the Company recorded investments and share of profit in 1 associated company from the financial statements audited by the other auditors which had investment value amount of Baht 617.43 million and 550.97 million equal to 3.13% and 2.86% of total assets and had share of profit amount of Baht 132.16 million equal and Baht 127.95 million to 10.17% and 9.80% of net profit respectively

As at December 31, 2013 and 2012, and the Company recorded investments and share of profit in 16 and 17 associated companies from the financial statements audited by the other auditors which 10 and 14 associated companies had investment value amount of Baht 1,754.29 million and Baht 1,881.45 million equal to 8.90% and 9.75% of total assets and share of profit from investments amount of Baht 125.62 million and Baht 153.72 million equal to 9.66% and 11.77% of net profit of each year, and investments in 6 and 3 associated companies were recorded from the management's financial statements, were not audited by the auditors which had the amount of Baht 268.03 million and Baht 77.66 million equal to 1.36% and 0.40% of total assets and share of profit from investments amount of Baht 22.71 million and Baht 4.64 million equal to 1.75% and 0.36% of net profit of each year respectively. In addition, 17 and 18 associated companies have not complied with the same accounting policy of the Company since they are Non-Publicly Accountable Entities. Therefore, such companies have adopted the financial reporting standards for Non-Publicly Accountable Entities that have different in respect of certain measurement, recognition and provisions in which effected to the valuation of investments in associated companies under the equity method and share of profit from those associated companies and the Company was unable to make adjustment the effects to investments in associated companies as if those companies had complied with all accounting standards and financial reporting standards since there is inadequate information.

# ● Notes To Financial Statements

## 8. Investments in associated companies (continued)

### 8.2 Supplemental information of associated companies

Fair value of investment in associated companies (only associated companies in which the equity securities can be traded in the SET, is calculated from the bid price as at the statement of financial position date of the Stock Exchange of Thailand). The details are as follows :

Fair value of investments in associated companies consist of :

Unit : Baht

Associated companies	December 31, 2013	December 31, 2012
THANULUX PLC.	705,520,500.00	674,477,598.00
THAI PRESIDENT FOODS PLC.	6,619,737,350.00	7,145,123,420.00
THAI WACOAL PLC.	1,173,575,000.00	1,199,087,500.00
SAHA PATHANAPIBUL PLC.	2,874,215,968.75	3,613,300,075.00
I.C.C. INTERNATIONAL PLC.	2,472,918,140.00	2,681,670,970.00
<b>Total</b>	<b>13,845,966,958.75</b>	<b>15,313,659,563.00</b>

## 9. Investments in related parties

### 9.1 Investments in securities available for sales

No.	Company names	Type of business	Relationship	Paid - up share capital		Percentage of investment		Cost method		Dividend	
				(Thousand Baht)		(%)		(Baht)		(Baht)	
				2013	2012	2013	2012	2013	2012	2013	2012
1	S&J INTERNATIONAL ENTERPRISE PLC.	Cosmetic	A, B, E, F	149,930	149,930	15.35	15.35	130,042,427.82	130,042,427.82	18,412,856.80	23,016,071.00
2	O.C.C PLC.	Consumer products	A, B, E, F	60,000	60,000	12.73	12.73	12,215,983.30	12,215,983.30	6,108,000.00	5,344,500.00
3	BANGKOK NYLON PLC.	Sock	A, B, E	-	131,700	-	11.10	-	19,053,150.00	-	-
4	BANGKOK RUBBER PLC.	Sport shoes	A, E	1,634,572	1,634,572	4.48	4.48	197,844,509.73	197,844,509.73	-	-
5	BOUTIQUE NEWCITY PLC.	Women's wear	A, E, F	120,000	120,000	8.53	8.53	34,040,231.12	34,040,231.12	512,000.00	512,000.00
6	PAN ASIA FOOTWEAR PLC.	Sport shoes	A, B, E	2,700,000	2,700,000	5.65	5.65	195,978,047.96	195,978,047.96	-	-
7	SAHACOGEN (CHONBURI) PLC.	Electric current	A, B, E	955,000	955,000	15.47	15.47	257,709,680.88	257,709,680.88	26,585,465.40	22,154,554.50
8	LION CORPORATION (JAPAN)	Detergent	A, E	¥34,433	¥34,433	0.11	0.11	92,656,195.00	92,656,195.00	1,058,106.52	1,398,185.25
9	NEW CITY (BANGKOK) PUBLIC CO., LTD.	Consumer products	A, B, E, F	149,510	149,510	15.50	15.50	43,120,478.00	43,120,478.00	1,738,303.50	1,738,303.50
10	PEOPLES GARMENT PUBLIC CO., LTD.	Women's wear	A, B, E, F	96,000	96,000	13.78	12.75	56,886,983.49	45,900,132.60	7,344,000.00	7,344,000.00
11	TEXTILE PRESTIGE PUBLIC CO., LTD.	Embroidery	A, B, E, F	108,000	108,000	12.03	12.03	12,993,750.00	12,993,750.00	7,146,562.50	5,197,500.00
12	FAR EAST DDB PUBLIC CO., LTD.	Advertising	A, B, E, F	75,000	75,000	14.08	13.60	29,154,287.52	21,041,040.00	8,160,000.00	9,180,000.00
13	NEW PLUS KNITTING PUBLIC CO., LTD.	Hose products	A, E, F	100,000	100,000	5.33	5.33	11,199,960.00	11,199,960.00	159,999.60	-



## 9. Investments in related parties (continued)

No.	Company names	Type of business	Relationship	Paid - up share capital		Percentage of investment		Cost method		Dividend	
				(Thousand Baht)		(%)		(Baht)		(Baht)	
				2013	2012	2013	2012	2013	2012	2013	2012
14	PRESIDENT RICE PRODUCT PUBLIC CO., LTD.	Rice products	A, E, F	150,000	120,000	3.00	3.00	28,800,000.00	18,000,000.00	6,228,000.00	6,840,000.00
15	PRESIDENT BAKERY PUBLIC CO., LTD.	Bakery	A, B, E	450,000	450,000	2.82	2.82	38,008,800.00	38,008,800.00	12,289,512.00	12,289,512.00
<b>Total</b>								<b>1,140,651,334.82</b>	<b>1,129,804,386.41</b>	<b>95,742,806.32</b>	<b>95,014,626.25</b>
Add Unrealized gain from adjust fair value								1,504,562,611.85	2,236,293,636.06	-	-
Less Provision for impairment loss								(197,844,509.73)	(197,844,509.73)	-	-
<b>Total investment in securities available for sales - related parties</b>								<b>2,447,369,436.94</b>	<b>3,168,253,512.74</b>	<b>95,742,806.32</b>	<b>95,014,626.25</b>

## 9.2 General investments

No.	Company names	Type of business	Relationship	Paid - up share capital		Percentage of investment		Cost method		Dividend	
				(Thousand Baht)		(%)		(Baht)		(Baht)	
				2013	2012	2013	2012	2013	2012	2013	2012
16	BANGKOK ATHLETIC CO., LTD.	Sport ware	A, E, F	200,000	200,000	18.16	18.16	69,561,939.58	69,561,939.58	-	-
17	SRIRACHA TRANSPORT CO., LTD.	Transportation	A, B, E, F	10,000	10,000	18.00	18.00	2,952,357.50	2,952,357.50	90,000.00	90,000.00
18	THAI TAKEDA LACE CO., LTD.	Product lace	A, B, E	127,000	127,000	8.78	8.78	15,053,034.16	15,053,034.16	1,672,500.00	1,672,500.00
19	GENERAL GLASS CO., LTD.	Glass	A, B, E, F	145,000	145,000	15.00	15.00	34,339,805.49	34,339,805.49	-	-
20	TOTAL WAY IMAGE CO., LTD.	Leather	A, E, F	20,000	20,000	19.50	19.50	6,246,583.44	6,246,583.44	1,559,920.00	1,559,920.00
21	THAI MONSTER CO., LTD.	Garment	A, E, F	20,000	20,000	19.50	19.50	5,906,141.75	5,906,141.75	-	-
22	GRAND STAR INDUSTRY CO., LTD.	Accessories	A, B, E, F	20,000	20,000	18.00	18.00	14,052,348.45	14,052,348.45	1,080,000.00	1,800,000.00
23	INTERNATIONAL COMMERCIAL CO., LTD.	Distributor	A	HK\$ 2,000	HK\$ 2,000	18.00	18.00	2,161,197.26	2,161,197.26	-	-
24	PATTAYA MANUFACTURING CO., LTD.	Lingeries	A, B, E, F	30,000	30,000	16.00	16.00	4,922,582.50	4,922,582.50	2,160,000.00	2,160,000.00
25	THAI SUMSUNG ELECTRONICS CO., LTD.	Electrical appliances	A, B, E	1,200,000	1,200,000	3.00	3.00	36,000,000.00	36,000,000.00	-	-
26	THAI SHIKIBO CO., LTD.	Spinning	A, B, E	237,500	237,500	10.00	10.00	23,760,000.00	23,760,000.00	3,088,800.00	4,276,800.00
27	THAI SECOM PITAKKIJ CO., LTD.	Security system	A, B, E	378,857	378,857	15.00	15.00	94,680,056.00	94,680,056.00	9,000,003.17	4,061,915.48
28	BETTER WAY (THAILAND) CO., LTD.	Direct sale	A, B, E, F	80,000	80,000	11.97	11.97	9,572,050.00	9,572,050.00	57,432,300.00	57,432,300.00
29	JANOME (THAILAND) CO., LTD.	Sewing machine	A, B, E	97,400	88,000	9.00	9.00	12,416,490.00	7,920,000.00	1,980,000.00	1,980,000.00
30	BANGKOK TOKYO SOCKS CO., LTD.	Socks	A, B, E	143,220	143,220	19.55	19.55	26,764,312.50	26,764,312.50	1,680,000.00	1,400,000.00
31	THAI SPORT GARMENT CO., LTD.	Garment	A, B, E, F	10,000	10,000	15.00	15.00	1,500,000.00	1,500,000.00	750,000.00	1,500,000.00
32	THAI Q. P. CO., LTD.	Food processing	A	-	-	-	-	-	-	-	76,500.00
33	RACHA UCHINO CO., LTD.	Cotton towels	A, B, E	1,215,000	81,000	12.41	12.41	10,080,960.00	5,053,360.00	1,508,280.00	2,513,800.00
34	THAI STAFLEX CO., LTD.	Woven lining	A, B, E	60,000	60,000	10.00	10.00	6,000,000.00	6,000,000.00	900,000.00	720,000.00
35	THAI ARAI CO., LTD.	Motorcycle	A, B, E	126,000	126,000	14.75	14.75	19,202,504.36	19,202,504.36	-	557,550.00
36	SSDC (TIGERTEX) CO., LTD.	Dyeing Embroidered	A, B, E	324,000	324,000	19.71	19.71	76,609,202.82	76,609,202.82	2,554,068.00	1,915,551.00
37	VALUE ADDED TEXTILE CO., LTD.	Clothes	A, E	16,500	16,500	6.00	6.00	3,000,000.00	3,000,000.00	-	59,400.00
38	THAI CUBIC TECHNOLOGY CO., LTD.	Cubic Printing	A, B, E, F	40,000	40,000	10.00	10.00	4,000,000.00	4,000,000.00	2,000,000.00	880,000.00
39	THAI LOTTE CO., LTD.	Grewing gum	A, E	3,013,000	3,013,000	0.37	0.37	11,000,000.00	11,000,000.00	-	-
40	ADVANCE MICRO TECH CO., LTD.	Electronic parts	A	60,000	60,000	5.00	5.00	3,000,000.00	3,000,000.00	-	-

# Notes To Financial Statements

## 9. Investments in related parties (continued)

No.	Company names	Type of business	Relationship	Paid - up share capital		Percentage of investment		Cost method		Dividend	
				(Thousand Baht)		(%)		(Baht)		(Baht)	
				2013	2012	2013	2012	2013	2012	2013	2012
41	THAI KAMAYA CO., LTD.	Cosmetic products	A, E, F	100,000	100,000	12.80	12.80	14,528,000.00	14,528,000.00	768,000.00	640,000.00
42	OSOTH INTER. LABORATORIES CO., LTD.	Medicines	A, C, E, F	600,000	600,000	9.00	9.00	54,937,500.00	54,937,500.00	-	-
43	P.C.B.CENTER CO., LTD.	Electronics circuit	A, E	-	604,500	-	15.26	-	57,918,551.00	-	-
44	TREASURE HILLS CO., LTD.	Golf course	A, B, E, F	200,000	200,000	6.00	6.00	10,000,000.00	10,000,000.00	-	-
45	THAI SAMSUNG ASSURANCE CO., LTD. (formerly named Siam Samsung Assurance Co.,Ltd.)	Insurance	A, B, E	1,300,000	950,000	3.73	9.95	47,123,280.00	91,845,000.00	-	-
46	HWATOR (THAILAND) CO., LTD.	Medical service	A	12,000	12,000	4.75	4.75	570,000.00	570,000.00	-	-
47	KEWPIE (THAILAND) CO., LTD.	Sauce	A, B, E, F	260,000	260,000	10.00	10.00	26,000,000.00	26,000,000.00	2,834,000.00	1,820,000.00
48	MORGAN DE TOI (THAILAND) CO., LTD.	Garment	A, E, F	40,000	25,000	12.00	12.00	4,800,000.00	3,000,000.00	240,000.00	300,000.00
49	OTSUKA SAHA ASIA CO., LTD.	Goods research and development	A, B	80,000	80,000	16.33	16.33	13,066,600.00	13,066,600.00	-	-
50	THAI ASAHI KASEI SPANDEX CO., LTD.	Spandex	A, E	1,350,000	1,350,000	6.00	6.00	81,000,000.00	81,000,000.00	-	1,671,990.31
51	SHISEIDO PROFESSIONAL (THAILAND) CO., LTD.	Beauty Service Center	A, B, E	70,000	70,000	15.00	15.00	10,500,000.00	10,500,000.00	1,677,900.00	852,600.00
52	THAI BUNKA FASHION CO., LTD.	School	A, F	25,000	25,000	8.00	8.00	2,000,000.00	2,000,000.00	-	-
53	FIVE STAR PLUS CO., LTD.	Leather cloth	A	50,000	50,000	19.50	19.50	9,750,000.00	9,750,000.00	-	-
54	SRIRACHA BSC BOWLING CO., LTD.	Bowling	A, B, F	-	47,000	-	10.64	-	5,000,000.00	-	-
55	CARBON MAGIC (THAILAND) CO., LTD. (formerly named Dome Composites (Thailand) Co.,Ltd.)	Cars Composite	A, B, E	90,000	90,000	8.33	8.33	7,500,000.00	7,500,000.00	-	-
56	SUN 108 CO., LTD.	Logistic	A, B, E, F	100,000	100,000	10.00	10.00	10,000,000.00	10,000,000.00	-	-
57	ERAWAN TEXTILE CO., LTD.	String, weave	A, B, E	465,094	181,832	16.02	15.18	110,768,762.91	63,853,562.91	-	827,916.00
58	SHALDAN (THAILAND) CO.,LTD.	Air refresher	A, C, E, F	-	40,000	-	18.00	-	7,200,000.00	-	-
59	SAHA UBOL NAKORN CO., LTD.	Industrial Park	A	7,813	125,000	19.50	19.50	6,998,437.50	24,375,000.00	-	-
60	TOYO TEXTILE THAI CO., LTD.	Sock	A, B, E	30,000	30,000	15.00	15.00	4,500,000.00	4,500,000.00	-	-
61	PAN LAND CO., LTD.	Land development	A, B, F	300,000	300,000	19.33	19.33	58,000,000.00	58,000,000.00	-	-
62	EASTERN RUBBER CO., LTD.	Sole	A, B, F	30,000	30,000	15.00	15.00	4,500,000.00	4,500,000.00	-	-
63	K.T.Y INDUSTRY CO., LTD.	Spinning, Dyeing	A, B, E	28,000	28,000	9.00	9.00	2,521,000.00	2,521,000.00	378,150.00	378,150.00
64	INTERNATIONAL LEATHER FASHION CO., LTD.	Leather shoes	A, E, F	50,000	50,000	14.00	14.00	7,000,000.00	7,000,000.00	1,750,000.00	1,540,000.00
65	SAHA RATTANA NAKORN CO., LTD.	Industrial Project	A	180,000	180,000	12.50	12.50	22,500,000.00	22,500,000.00	-	-
66	THAI GUNZE CO., LTD.	Men's inner	A, B, E	180,000	180,000	11.00	11.00	19,800,000.00	19,800,000.00	-	-
67	K.COMMERCIAL & CONSTRUCTION CO., LTD.	Construction	A, B, E, F	50,000	50,000	10.00	10.00	5,150,406.14	5,150,406.14	500,000.00	500,000.00
68	UNILEASE CO., LTD.	Leasing	A, F	30,000	30,000	1.67	1.67	500,000.00	500,000.00	-	-
69	THAI TAKAYA CO., LTD.	Garment	A, B, E, F	30,000	30,000	10.00	10.00	3,000,000.00	3,000,000.00	120,000.00	180,000.00
70	DAIRY THAI CO., LTD.	Milk	A, B	18,125	18,125	9.00	9.00	13,050,000.00	13,050,000.00	-	-
71	THAI NAXIS CO., LTD.	Label	A, B, E, F	20,000	20,000	3.38	3.38	2,700,000.00	2,700,000.00	111,375.00	40,500.00
72	MOLTEN ASIA POLYMER PRODUCTS CO., LTD.	Auto part	A, E, F	120,000	120,000	15.60	15.60	18,720,000.00	18,720,000.00	3,744,000.00	1,872,000.00
73	UNITED UTILITY CO., LTD.	Investment	A, B, E	350,000	350,000	9.24	9.24	39,574,300.00	39,574,300.00	1,617,845.00	1,582,250.00
74	MOLTEN (THAILAND) CO., LTD.	Ball	A, E, F	100,000	100,000	12.00	12.00	12,000,000.00	11,999,900.00	4,799,960.00	1,199,990.00
75	SAMPAN TRAMITR CO., LTD.	Consumer Products	A, B, F	5,000	20,000	5.42	5.42	270,800.00	1,083,200.00	-	216,640.00
76	H&B INTERTEX CO., LTD.	Cloth toy Products	A, B, E, F	40,000	40,000	19.00	19.00	7,600,000.00	7,600,000.00	1,064,000.00	760,000.00
77	WIEN INTERNATIONAL CO., LTD.	Direct sale	A, B, E, F	30,000	30,000	12.00	12.00	3,600,000.00	3,600,000.00	900,000.00	720,000.00



# Notes To Financial Statements



## 9. Investments in related parties (continued)

No.	Company names	Type of business	Relationship	Paid - up share capital		Percentage of investment		Cost method		Dividend	
				(Thousand Baht)		(%)		(Baht)		(Baht)	
				2013	2012	2013	2012	2013	2012	2013	2012
78	SAHA SEHWA CO., LTD.	Plastic	A, B, E	145,000	145,000	10.52	10.52	15,250,000.00	15,250,000.00	-	-
79	U.C.C. UESHIMA COFFEE (THAILAND) CO., LTD.	Coffee can	A, B, E	15,000	15,000	10.00	10.00	1,500,000.00	1,500,000.00	-	-
80	THAI FLYING MAINTENANCE CO., LTD.	Maintenance Airplane	A, B, F	2,000	2,000	15.00	15.00	300,000.00	300,000.00	-	-
81	KENMIN FOOD (THAILAND) CO., LTD.	Rice Noodle	A, B, E	30,000	30,000	6.67	6.67	2,000,000.00	2,000,000.00	400,000.00	300,000.00
82	M B T S BROKING SERVICE CO., LTD.	Broker	A, E, F	5,000	5,000	19.99	19.99	999,500.00	999,500.00	1,599,200.00	799,600.00
83	RATCHASIMA SHOPPING COMPLEX CO., LTD.	Shopping center	A, B	350,000	350,000	2.00	2.00	7,000,000.00	7,000,000.00	1,001,000.00	1,225,000.00
84	THE MALL RATCHASIMA CO., LTD.	Department Store	A, B	50,000	50,000	2.00	2.00	1,000,000.00	1,000,000.00	3,000,000.00	1,250,000.00
85	SRIRACHA AVEATION CO., LTD.	Logistic	A, B, E, F	55,000	55,000	5.45	5.45	3,000,000.00	3,000,000.00	-	-
86	WASEDA EDUCATION (THAILAND) CO., LTD.	School	A, B, E, F	56,000	56,000	7.14	7.14	4,000,000.00	4,000,000.00	-	-
87	TIGER DISTRIBUTION AND LOGISTICS CO., LTD.	Distributor and logistic	A, B, E, F	20,000	20,000	15.00	15.00	8,427,000.00	8,427,000.00	1,125,000.00	1,875,000.00
88	MCT HOLDING CO., LTD.	Investment	A, B	100,000	100,000	3.50	3.50	3,500,000.00	3,500,000.00	105,000.00	105,000.00
89	PENS MARKETING AND DISTRIBUTION CO., LTD.	Consumer Products	A, F	50,000	50,000	7.00	7.00	3,500,000.00	2,100,000.00	-	175,000.00
90	THAI KOBASHI CO., LTD.	Box	A, E, F	100,000	100,000	15.00	15.00	15,000,000.00	15,000,000.00	-	-
91	FUJIX INTERNATIONAL CO., LTD.	String	A	100,000	30,000	9.00	17.00	9,000,000.00	5,100,000.00	-	-
92	THAI TOMADO CO., LTD.	Window frame	A, E	10,000	10,000	10.00	10.00	1,000,000.00	1,000,000.00	-	-
93	KYOSHUN CO., LTD.	Trading	A	Y 30,000	Y 30,000	18.33	18.33	1,997,600.00	1,997,600.00	-	-
94	SIAM AUTOBACS CO., LTD.	Car accessories	A, E	39,900	39,900	12.53	12.53	5,000,000.00	5,000,000.00	-	62,655.00
95	BOONRAVEE CO., LTD.	Service	A, F	20,000	20,000	10.00	10.00	2,000,000.00	2,000,000.00	-	-
96	ASAHI KASEI SPUNBOND (THAILAND) CO., LTD.	Fiber manufacturing	A, B, E	900,000	900,000	4.00	4.00	36,009,900.00	36,009,900.00	-	-
97	TSURUHA (THAILAND) CO., LTD.	Drug Store	A, B, C, E, F	200,000	100,000	15.00	15.00	30,000,000.00	15,000,000.00	-	-
98	KALLOL THAI PRESIDENT FOODS (DB) CO., LTD.	Food processing	A	TAKA 530,000	TAKA 530,000	3.75	3.75	7,655,579.46	6,606,995.50	-	-
99	SAHA LAWSON CO., LTD.	Retail Shop	A, B, E, F	697,000	70,000	9.00	9.00	62,730,000.00	6,300,000.00	-	-
100	J&P (THAILAND) CO., LTD.	Investment	A, B	54,000	-	9.00	-	4,860,000.00	-	-	-
101	BNC MAESOT CO., LTD.	Sock	A	50,000	-	9.00	-	4,500,000.00	-	-	-
102	SAHA NUM TEXTILES CO., LTD.	Textiles	A	36,000	-	18.00	-	7,747,488.00	-	-	-
103	THAI PRESIDENT FOODS (Hungary) Kft.	Instant noodle	A	HUF 2,350,000	-	10.00	-	32,182,363.55	-	-	-
Total								1,397,470,083.37	1,345,191,491.36	115,191,301.17	105,550,527.79
(Less) Provision for loss on decrease of investment								-	(4,500,000.00)	-	-
(Less) Provision for impairment loss								(293,044,912.35)	(311,916,277.96)	-	-
Total general investment - related parties								1,104,425,171.02	1,028,775,213.40	115,191,301.17	105,550,527.79
Total investment - related parties								3,551,794,607.96	4,197,028,726.14	210,934,107.49	200,565,154.04

### Note : Relationship

A Shareholding by the Company/common shareholding

B Directorship

C Guaranteed by the Company

D Loan given by the Company

E Inter - company trading

F Shareholders or directors are intimate of the Company's directors

# Notes To Financial Statements

## 10. Other long term investments

### 10.1 Investment in securities available for sales

#### Other companies

No.	Company names	Paid - up share capital		Percentage of investment		Cost method		Dividend	
		(Thousand Baht)		(%)		(Baht)		(Baht)	
		2013	2012	2013	2012	2013	2012	2013	2012
1	THAI TORE TEXTILEMILLED PLC.	60,000	60,000	0.50	0.50	265,320.00	265,320.00	180,000.00	90,000.00
2	SAHA UNION PLC.	3,000,000	3,000,000	0.30	0.30	16,727,150.00	16,727,150.00	1,368,585.00	1,368,585.00
3	UNION PIONEER PLC.	75,000	75,000	0.03	0.03	32,940.00	32,940.00	10,800.00	8,640.00
4	NATION MULTIMEDIA GROUP PLC.	1,746,605	1,647,740	0.40	0.40	15,214,238.54	8,609,338.54	-	-
Total						32,239,648.54	25,634,748.54	1,559,385.00	1,467,225.00
Add Unrealized gain (loss) from adjust fair value						22,086,608.46	27,044,275.46	-	-
Total investment in securities available for sales - other companies						54,326,257.00	52,679,024.00	1,559,385.00	1,467,225.00

### 10.2 General investment

#### Other companies

No.	Company names	Paid - up share capital		Percentage of investment		Cost method		Dividend	
		(Thousand Baht)		(%)		(Baht)		(Baht)	
		2013	2012	2013	2012	2013	2012	2013	2012
5	THAI SANWA FOODS INDUSTRIAL CO., LTD.	-	80,000	-	9.75	-	7,800,000.00	-	-
6	SUNRISE GARMENT CO., LTD.	10,000	10,000	3.50	3.50	1,435,000.00	1,435,000.00	87,500.00	77,000.00
7	SUNLOTS ENTERPRISE (THAILAND) CO., LTD.	130,000	130,000	3.85	3.85	5,000,000.00	5,000,000.00	-	-
8	THE GRAND U.B. CO., LTD.	60,000	60,000	0.004	0.004	16,251,010.00	16,251,010.00	-	-
9	SAHA SEREN CO., LTD.	780,000	780,000	0.58	0.58	4,500,000.00	4,500,000.00	675,000.00	540,000.00
10	HIRAISEIMITSU (THAILAND) CO., LTD.	200,000	200,000	0.98	0.98	1,950,000.00	1,950,000.00	-	-
11	SIAM TREE DEVELOPMENT CO., LTD.	35,000	35,000	9.79	9.79	3,427,500.00	3,427,500.00	-	980,265.00
12	SIAM COMMERCIAL FACTORING PLC.	18,000	18,000	3.78	3.78	680,000.00	680,000.00	-	-
13	NUBOON CO., LTD.	35,000	35,000	3.83	3.83	1,340,000.00	1,340,000.00	670,000.00	402,000.00
14	UNION FROST CO., LTD.	220,000	220,000	3.07	3.07	6,495,300.00	6,495,300.00	-	-
15	THAI MEDICAL CENTER PLC.	200,539	200,539	0.002	0.002	4,100,000.00	4,100,000.00	-	-
16	BANGKOK CLUB CO., LTD.	450,000	450,000	0.44	0.44	3,000,000.00	3,000,000.00	-	-



## 10. Other long term investments (continued)

No.	Company names	Paid - up share capital		Percentage of investment		Cost method		Dividend	
		(Thousand Baht)		(%)		(Baht)		(Baht)	
		2013	2012	2013	2012	2013	2012	2013	2012
17	THAI OZUKA CO., LTD.	35,000	35,000	4.00	4.00	8,400,000.00	8,400,000.00	3,220,000.00	2,366,000.00
18	NOBLE PLACE CO., LTD.	296,250	296,250	0.08	0.08	1,500,000.00	1,500,000.00	-	-
19	WINSOR PARK AND GOLF CLUB CO., LTD.	320,325	320,325	0.02	0.02	520,000.00	520,000.00	-	-
20	THAI HERBAL PRODUCTS CO., LTD.	80,000	80,000	1.50	1.50	1,200,000.00	1,200,000.00	141,600.00	126,000.00
21	AMATA CITY CO., LTD.	450,000	450,000	0.67	0.67	3,000,000.00	3,000,000.00	3,000,000.00	1,800,000.00
22	AMATA (VIETNAM) CO., LTD.	-	VND 365,996,400	-	0.70	-	-	-	351,489.65
23	IMPERIAL TECHNOLOGY MANAGEMENT SERVICE PLC.	887,350	887,350	0.70	0.70	6,250,000.00	6,250,000.00	-	-
24	KHON KAEN VITHES SUKSA CO., LTD.	60,000	60,000	1.67	1.67	1,000,000.00	1,000,000.00	125,000.00	75,000.00
25	WINSTORE CO., LTD.	142,000	142,000	1.76	1.76	2,500,000.00	2,500,000.00	-	-
26	SIAM I - LOGISTICS CO., LTD.	15,000	15,000	7.00	7.00	1,050,000.00	1,050,000.00	-	-
27	DEEHON FARMACUTICAL (THAILAND) CO., LTD.	-	6,000	-	7.50	-	450,000.00	-	-
28	DAI SO SUNGKEAW (THAILAND) CO., LTD.	280,000	160,000	6.45	6.45	18,052,630.00	18,052,630.00	523,526.27	330,105.28
29	TAKE HI-TECH CO., LTD.	50,000	50,000	10.00	10.00	5,000,000.00	5,000,000.00	-	-
30	SIAM DCM CO., LTD.	82,500	82,500	1.52	1.52	5,000,000.00	5,000,000.00	-	-
31	AMATA VN PLC.	384,315	384,315	1.00	1.00	3,010,800.00	3,010,800.00	307,440.00	-
Total						104,662,240.00	112,912,240.00	8,750,066.27	7,047,859.93
(Less) Provision for impairment loss						(54,653,179.70)	(61,148,474.17)	-	-
Total general investment - other companies						50,009,060.30	51,763,765.83	8,750,066.27	7,047,859.93
Total investment - other companies						104,335,317.30	104,442,789.83	10,309,451.27	8,515,084.93



# ● Notes To Financial Statements

## 11. Real estate for sale

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
Real estate for sale - Lumpoon	175,733,454.11	176,645,618.24
Real estate for sale - Kabinburi	101,933,491.01	113,274,181.35
Real estate for sales - Sriracha	353,384,082.08	332,211,372.69
<b>Total real estate for sales</b>	<b>631,051,027.20</b>	<b>622,131,172.28</b>

## 12. Investment properties

12.1 Investment properties - other land shown as financial statements as at December 31, 2013 and 2012 are details as follows :

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements					
	2013			2012		
	Land	Development	Total	Land	Development	Total
Retchaburi	64,565,160.44	12,641,516.27	77,206,676.71	64,565,160.44	12,641,516.27	77,206,676.71
Sriracha	279,756,022.87	5,094,352.73	284,850,375.60	279,756,022.87	3,193,374.72	282,949,397.59
Lopburi	4,028,000.00	0.00	4,028,000.00	4,028,000.00	0.00	4,028,000.00
Chainat	2,825,500.00	0.00	2,825,500.00	2,825,500.00	0.00	2,825,500.00
Maesot	5,550,000.00	3,993,125.78	9,543,125.78	5,550,000.00	3,993,125.78	9,543,125.78
<b>Total</b>	<b>356,724,683.31</b>	<b>21,728,994.78</b>	<b>378,453,678.09</b>	<b>356,724,683.31</b>	<b>19,828,016.77</b>	<b>376,552,700.08</b>
Less Provision for impairment loss			(5,805,140.73)			(5,805,140.73)
<b>Net</b>			<b>372,648,537.36</b>			<b>370,747,559.35</b>

Fair value of investment properties - other lands as at December 31, 2013 and 2012 which were appraised by the independent appraiser amounted to Baht 433.05 million. and Baht 408.74 respectively.



## 12. Investment properties (continued)

12.2 Investment properties – lease shown as financial statements as at December 31, 2013 and 2012 are details as follows :

(Unit : Baht)

	Land and land development	Construction	Assets under construction	Total
<b>Cost</b>				
As at December 31, 2012	734,728,902.89	314,481,301.23	196,809,511.50	1,246,019,715.62
Purchase	296,736,911.00	229,268,970.02	218,256,394.85	744,262,275.87
Transfer	(28,445,500.00)	254,630,900.66	(292,203,196.31)	(66,017,795.65)
As at December 31, 2013	1,003,020,313.89	798,381,171.91	122,862,710.04	1,924,264,195.84
<b>Accumulated depreciation</b>				
As at December 31, 2012	0.00	176,095,136.16	0.00	176,095,136.16
Depreciation	0.00	28,104,647.13	0.00	28,104,647.13
Disposal/write-off	0.00	1,389,000.15	0.00	1,389,000.15
Transfer	0.00	(21,840,694.51)	0.00	(21,840,694.51)
As at December 31, 2013	0.00	183,748,088.93	0.00	183,748,088.93
<b>Provision for impairment</b>				
As at December 31, 2012	116,049,065.70	0.00	0.00	116,049,065.70
Increase	0.00	0.00	0.00	0.00
As at December 31, 2013	116,049,065.70	0.00	0.00	116,049,065.70
<b>Net book value</b>				
As at December 31, 2012	618,679,837.19	138,386,165.07	196,809,511.50	953,875,513.76
As at December 31, 2013	886,971,248.19	614,633,082.98	122,862,710.04	1,624,467,041.21



## ● Notes To Financial Statements

### 12. Investment properties (continued)

Depreciation for the year ended December 31, 2013 and 2012 was Baht 28.10 million and Baht 10.05 million respectively.

Fair value of investment properties - for rent as at December 31, 2013 which were appraised by the independent appraiser amounted to Baht 1,684.87 million.

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
Investment properties - other land (net)	372,648,537.36	370,747,559.35
Investment properties - lease (net)	1,624,467,041.21	953,875,513.76
<b>Total investment properties</b>	<b>1,997,115,578.57</b>	<b>1,324,623,073.11</b>

The significant amount recognized in statements of comprehensive income of the Company from investment properties for the year ended December 31, 2013 and 2012 are as follows :

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
<b>Revenues</b>		
Rental	135,419,567.36	110,530,527.91
Service	97,257,851.39	70,970,810.00
<b>Total revenues</b>	<b>232,677,418.75</b>	<b>181,501,337.91</b>
<b>Directly operating expense which incurred rental and service income</b>		
Cost of service	84,477,482.39	90,175,966.19
Depreciation of construction	28,104,647.13	10,048,771.11
<b>Total directly operating expenses</b>	<b>112,582,129.52</b>	<b>100,224,737.30</b>



### 13. Property, plant and equipment

Property, plant and equipment shown in financial statements as at December 31, 2013 and 2012 consist of :

(Unit : Baht)

	Land	Construction	Vehicles	Equipment	Office equipment and others	Work in progress	Total
<b>Cost:</b>							
As at December 31, 2012	237,476,659.30	1,202,002,318.24	152,193,932.09	83,223,910.03	443,282,630.16	91,563,485.19	2,209,742,935.01
Acquisition	0.00	19,844,385.55	10,472,105.32	8,978,654.26	17,880,308.22	107,820,722.59	164,996,175.94
Transfer	0.00	99,398,091.37	0.00	0.00	29,268,050.69	(129,992,346.41)	(1,326,204.35)
Disposal or amortization	0.00	(154,000.00)	(10,746,800.00)	(21,479.87)	(3,229,731.14)	0.00	(14,152,011.01)
As at December 31, 2013	237,476,659.30	1,321,090,795.16	151,919,237.41	92,181,084.42	487,201,257.93	69,391,861.37	2,359,260,895.59
<b>Accumulated depreciation</b>							
As at December 31, 2012	0.00	564,975,590.33	102,172,313.46	64,332,031.41	405,668,133.72	0.00	1,137,148,068.92
Depreciation	0.00	52,196,230.67	16,854,887.28	6,690,049.77	16,577,334.44	0.00	92,318,502.16
Disposal	0.00	(28,838.08)	(10,740,585.02)	(6,491.78)	(2,964,996.71)	0.00	(13,740,911.59)
As at December 31, 2013	0.00	617,142,982.92	108,286,615.72	71,015,589.40	419,280,471.45	0.00	1,215,725,659.49
<b>Net book value</b>							
As at December 31, 2012	237,476,659.30	637,026,727.91	50,021,618.63	18,891,878.62	37,614,496.44	91,563,485.19	1,072,594,866.09
As at December 31, 2013	237,476,659.30	703,947,812.24	43,632,621.69	21,165,495.02	67,920,786.48	69,391,861.37	1,143,535,236.10

Depreciation for the year ended December 31, 2013 and 2012 was Baht 92.32 million and Baht 76.90 million respectively.

The company has fixed assets which were fully depreciated but are still in use as at December 31, 2013 as cost Baht 400.15 million (2012 as cost Baht 382.43 million)

### 13. Property, plant and equipment (continued)

	Land	Construction	Vehicles	Equipment	Office equipment and others	Work in progress	Total
<b>Cost:</b>							
As at December 31, 2011	240,098,748.64	978,921,054.21	138,359,278.59	73,751,839.37	428,682,981.20	135,804,353.45	1,995,618,255.46
Acquisition	251,097.16	14,630,140.84	16,545,521.00	9,932,130.53	15,608,051.13	168,351,587.44	225,318,528.10
Transfer	(2,873,186.50)	208,451,123.19	0.00	2,720,707.50	0.00	(211,976,523.27)	(3,677,879.08)
Disposal or amortization	0.00	0.00	(2,710,867.50)	(3,180,767.37)	(1,008,402.17)	(615,932.43)	(7,515,969.47)
As at December 31, 2012	237,476,659.30	1,202,002,318.24	152,193,932.09	83,223,910.03	443,282,630.16	91,563,485.19	2,209,742,935.01
<b>Accumulated depreciation</b>							
As at December 31, 2011	0.00	521,309,161.30	89,601,172.03	61,570,579.96	394,477,010.42	0.00	1,066,957,923.71
Depreciation	0.00	43,666,429.03	15,116,823.20	5,940,269.27	12,179,633.96	0.00	76,903,155.46
Disposal	0.00	0.00	(2,545,681.77)	(3,178,817.82)	(988,510.66)	0.00	(6,713,010.25)
As at December 31, 2012	0.00	564,975,590.33	102,172,313.46	64,332,031.41	405,668,133.72	0.00	1,137,148,068.92
<b>Net book value</b>							
As at December 31, 2011	240,098,748.64	457,611,892.91	48,758,106.56	12,181,259.41	34,205,970.78	135,804,353.45	928,660,331.75
As at December 31, 2012	237,476,659.30	637,026,727.91	50,021,618.63	18,891,878.62	37,614,496.44	91,563,485.19	1,072,594,866.09

# Notes To Financial Statements



## 14. Intangible assets

(Unit : Baht)

	Computer software	Trademark	Total
<b>Cost :</b>			
As at December 31, 2011	15,774,897.11	1,440,320.89	17,215,218.00
Acquisition	11,412,710.10	8,742.00	11,421,452.10
Disposal	0.00	(1,449,062.89)	(1,449,062.89)
As at December 31, 2012	27,187,607.21	0.00	27,187,607.21
Acquisition	343,592.33	0.00	343,592.33
As at December 31, 2013	27,531,199.54	0.00	27,531,199.54
<b>Accumulated amortization expenses</b>			
As at December 31, 2011	14,303,449.83	870,040.34	15,173,490.17
Amortization	635,643.03	114,985.57	750,628.60
Disposal	0.00	(985,025.91)	(985,025.91)
As at December 31, 2012	14,939,092.86	0.00	14,939,092.86
Amortization	1,579,651.08	0.00	1,579,651.08
As at December 31, 2013	16,518,743.94	0.00	16,518,743.94
<b>Net book value</b>			
As at December 31, 2012	12,248,514.35	0.00	12,248,514.35
As at December 31, 2013	11,012,455.60	0.00	11,012,455.60

## 15. Deposit for land

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
Deposit for land - Nort Park Project	60,753,000.00	60,753,000.00
Less Provision for impairment loss	(18,225,900.00)	(18,225,900.00)
<b>Net</b>	<b>42,527,100.00</b>	<b>42,527,100.00</b>

## ● Notes To Financial Statements

The Company has entered into the contract to buy and to sell of land in Nort Park Project with Nort Park Real estate Company Limited for the area of 2 rais 1 Ngan and 20.5 square wah in the amount of Baht 60,753,000.00 The Company has fully paid for land under such contract. The Company will be received the transfer of land ownership whenever the building construction is completed (within 54 months from the contract date).

The Company has not proceeded the construction of building to be conformed to the contract, may incur loss amount of Baht 18,225,900.00 which was recorded as provision for impairment loss.

### 16. Bank overdrafts and loans from financial institutions

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
Bank overdrafts	659,043.38	793,063.62
Loans from banks	830,000,000.00	783,350,000.00
Total	830,659,043.38	784,143,063.62

#### 16.1 Bank overdrafts

As at December 31, 2013 and 2012, the company has overdraft facilities with 10 banks total amount of Baht 200 million at the interest rate at MOR, MOR - 3% to MOR - 0.5% per annum.

#### 16.2 Loans from banks

As at December 31, 2013 and 2012, the Company has loans from 6 and 7 local banks and financial institutions amount of Baht 1,950 million and Baht 2,000 million respectively and from 3 foreign banks amount of Baht 790 million at the interest rate of 2.50 - 3.33 % per annum (as at December 31, 2012 interest rate of 2.90 - 3.50 % per annum).



## 17. Long-term loans

The Company has long term loans with banks as follows :

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
Long-term loans	833,320,000.00	500,000,000.00
Less Current portion of long-term debt	(333,360,000.00)	(166,680,000.00)
Long-term loans	499,960,000.00	333,320,000.00

In 2013, the Company has loans from a commercial bank amount of Baht 500 million by making the first repayment under agreement amount of Baht 83.34 million within March 31, 2014. The remaining is repayable every six months through 5 installments of Baht 83.34 million each. The agreement is terminated on March 31, 2017 (interest at rate of FDR (six months)+2.50% per annum, is payable on a monthly basis).

In 2012, the Company has loans from a commercial bank amount of Baht 500 million by making the first repayment under agreement amount of Baht 83.34 million within January 31, 2013. The remaining is repayable every six months through 5 installments of Baht 83.34 million each. The agreement is terminated on July 31, 2015 (interest at rate of MLR-1.75% per annum, is payable on a monthly basis).

## 18. Contingent liabilities on guarantee

As at December 31, 2013 and 2012, the Company has contingent liabilities on guarantee loans of 2 related companies in the amount of Baht 12.92 million.

# ● Notes To Financial Statements

## 19. Employee benefits obligation

The Company paid post-employment benefits, retirement benefits and pensions in accordance with Labor Protection Act B.E. 2541. Employee is entitled the retirement benefits and other long-term benefits based on right and length of service.

### Changes in present value of employee benefit obligations

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
Employee benefit obligations as at January 1	91,066,780.00	80,156,247.00
Current cost of services and interest	10,590,957.50	10,910,533.00
Employee benefit paid	(4,617,268.00)	0.00
Actuarial gain (loss) on defined employee benefit plan	(3,377,204.50)	0.00
Employee benefit obligations as at December 31	93,663,265.00	91,066,780.00

The principal actuarial assumptions as at reporting date :

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
For the year ended December 31, 2013 and 2012	(%)	(%)
Discount rate	3.94	4.00
Salary increase rate	6.00	6.00
Employee turnover	0-13*	0-13*
Mortality	TMO2008**	TMO1997***
* Age-related scale		
** Thailand TMO1997		
*** Thailand TMO2008		



## 20. Dividend

20.1 According to the resolution of the General Meeting of the shareholders for the year 2013 No. 42 held on April 22, 2013 passed to pay dividend from the results of operation for the year 2012 at Baht 0.23 per share for 494,034,300 shares, amounting to Baht 113,627,889.00 which was paid on May 20, 2013.

20.2 According to the resolution of the General Meeting of the shareholders for the year 2012 No. 41 held on April 23, 2012 passed to pay dividend from the results of operation for the year 2011 at Baht 0.23 per share for 494,034,300 shares, amounting to Baht 113,627,889.00 which was paid on May 18, 2012.

## 21. Provident fund

The Company and its employees have jointly established a provident fund on May 30, 1990 in accordance with the provident fund Act B.E. 2530 and assigned the authorized manager to manage this fund by deducting the employee's and the Company's contribution to the fund. The benefits will be entitled to the employees on their resignation in accordance with the fund regulation. For the year ended December 31, 2013 and 2012, the Company paid a contribution to the fund in the amount of Baht 7.82 million and Baht 7.61 million respectively.

## 22. Legal reserve

As at December 31, 2013 and 2012, the Company has provided a legal reserve of Baht 80 million equal to 10% of authorized share capital.

This reserve is set up in accordance with the Public Company Limited Act. Such legal reserve is not available for dividend distribution.

## 23. General reserve

As at December 31, 2013 and 2012, the Company has appropriated a part of profit amount of Baht 280 million as general reserve without the objectives indication.

# Notes To Financial Statements

## 24. Income tax

(Unit : Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	December 31, 2013	December 31, 2012 (Restated)	December 31, 2013	December 31, 2012 (Restated)
<b>Assets</b>				
Provision for impairment of investments in associated companies	0.00	0.00	7,181,622.98	7,181,622.98
Provision for impairment of investments in related parties				
- available-for-sale securities	39,568,901.95	39,568,901.95	39,568,901.95	39,568,901.95
Provision for impairment of investments in related parties				
- general investment	58,608,982.46	63,283,255.59	58,608,982.46	63,283,255.59
Provision for impairment of other long-term investment				
- general investment	10,930,635.94	12,229,694.83	10,930,635.94	12,229,694.83
Provision for impairment of investment properties				
- other land	1,161,028.15	1,161,028.15	1,161,028.15	1,161,028.15
Provision for impairment of investment properties				
- land for lease	23,209,813.14	23,209,813.14	23,209,813.14	23,209,813.14
Provision for impairment - land deposits	3,645,180.00	3,645,180.00	3,645,180.00	3,645,180.00
Amount received in advance	5,040,480.00	17,928,870.00	5,040,480.00	17,928,870.00
Contingent liabilities from guarantees	2,584,854.55	2,584,854.55	2,584,854.55	2,584,854.55
Employee benefit obligations	19,408,093.90	18,213,356.00	19,408,093.90	18,213,356.00
Actuarial gain (loss) on defined employee benefit plan	(675,440.90)	0.00	(675,440.90)	0.00
<b>Total</b>	<b>163,482,529.19</b>	<b>181,824,954.21</b>	<b>170,664,152.17</b>	<b>189,006,577.19</b>
<b>Liabilities</b>				
Unrealized gain on changes in fair value of investments in related parties - available-for-sale securities	(300,912,522.37)	(447,258,727.21)	(300,912,522.37)	(447,258,727.21)
Unrealized gain on changes in fair value of other long-term investments - available-for-sale securities	(4,417,321.69)	(5,408,855.09)	(4,417,321.69)	(5,408,855.09)
Real estate under to buy and to sell contract (Differences of accounting base and tax base)	(2,386,995.20)	(2,465,116.97)	(2,386,995.20)	(2,465,116.97)
<b>Total</b>	<b>(307,716,839.26)</b>	<b>(455,132,699.27)</b>	<b>(307,716,839.26)</b>	<b>(455,132,699.27)</b>
<b>Net</b>	<b>(144,234,310.07)</b>	<b>(273,307,745.06)</b>	<b>(137,052,687.09)</b>	<b>(266,126,122.08)</b>



## 24. Income tax (continued)

Income tax expenses for the year ended December 31, 2013 and 2012 are summarized as follows :

(Unit : Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	December 31, 2013	December 31, 2012 (Restated)	December 31, 2013	December 31, 2012 (Restated)
Current tax :				
Income tax for the year	0.00	0.00	0.00	0.00
Deferred tax :				
Deferred tax resulted from temporary differences and reversal of temporary differences	(17,588,862.35)	12,620,394.66	(17,588,862.35)	13,670,394.66
Income tax expenses presented in statement of income	(17,588,862.35)	12,620,394.66	(17,588,862.35)	13,670,394.66

Reconciliation between income tax expenses and multiplication of taxable profit and tax rate for the year ended December 31, 2013 and 2012 can be presented as follow :

(Unit : Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	December 31, 2013	December 31, 2012 (Restated)	December 31, 2013	December 31, 2012 (Restated)
Profit before income tax	1,317,560,148.48	1,324,558,006.31	740,265,017.88	576,325,847.47
Income tax rate	20%	20%	20%	20%
Taxable profit before income tax multiply with tax rate	263,512,029.70	264,911,601.26	148,053,003.58	115,265,169.49
Taxable effects for :				
Prohibited expenses	3,937,802.46	6,724,041.86	3,937,802.46	6,724,041.86
Other income which accounting base differ from tax base	(264,465,371.80)	(279,269,518.47)	(149,006,345.69)	(130,673,086.70)
Taxable exemption				
Deficit for the year with unutilized	14,604,402.00	(4,986,519.31)	14,604,402.00	(4,986,519.31)
Total	(245,923,167.34)	(277,531,995.92)	(130,464,141.23)	(128,935,564.15)
Income tax expenses (income) presented in statements of comprehensive income	17,588,862.35	(12,620,394.66)	17,588,862.35	(13,670,394.66)
Effective income tax rate	1.33%	(0.95)%	2.38%	(2.37)%

# ● Notes To Financial Statements

## 25. Expenses analyzed by nature

The significant expenses analyzed by nature are as follows:

(Unit : Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
Cost of electricity	1,438,220,478.62	1,247,883,440.35
Cost of water and steam	479,072,451.77	492,503,922.89
Cost of rental	83,088,482.24	88,824,570.46
Cost of goods sold	0.00	148,944,955.32
Cost of exhibition	43,297,871.83	54,788,120.95
Cost of royalties	67,001,236.94	77,767,892.20
Employees benefit expenses	99,679,909.39	92,584,295.10
Depreciation and amortization	123,427,756.69	89,127,495.39
Premises and equipment expenses	41,810,902.03	43,003,753.80

## 26. Capital management

The objective of financial management of the Company are to preserve the ability to continue its operation and capital structure to be properly appropriated.

## 27. Directors' remuneration

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Company Act, excluding salaries and related benefits payable to executive director.

## 28. Management benefit expense

Benefit expenses paid to chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels consist of salaries, bonus, retirement benefit and meeting allowance.

## 29. Commitment and contingent liabilities

29.1 The Company has commitment which presented in the financial statements in which the equity method is applied and separate financial statements as at December 31, 2013 and 2012 as follows :

29.1.1 The Company has commitment for letter of guarantee issuance by a commercial bank for electricity usage to Metropolitan Electricity Authority and Provincial Electricity Authority in the amount of Baht 4,237,400.00 and Baht 3,836,100.00 respectively, guarantee against the unfiltered water usage with East - Water Resources Development and Management Public Company Limited in the amount of Baht 1,900,000.00 and Baht 1,100,000.00 respectively.

29.1.2 The Company entered into an agreement for using trademark for consumer products with a foreign company. This agreement is the reciprocal contract which either of parties has to perform according to the condition in agreement at the agreed rate per sales price.

29.1.3 The Company made an agreement to purchase electricity current from an affiliated company for 15 years in order to distribute to the user in Industrial Park Project-Sriracha. The Company has to pay electricity expense according to the contract and the users have to guarantee to the Company for electricity usage according to the size of transformer, charging in amount of Baht 400.00 per 1 KVA.

As at December 31, 2013, there are 60 electricity users of which 49 users guaranteed their electricity usage by commercial bank amount of Baht 125,953,500.00, 6 users guaranteed by cash amount of Baht 1,022,000.00, 1 user guaranteed by bond of Bank of Thailand amount of Baht 6,220,000.00 and the remaining 4 users guaranteed by commercial bank and cash total amount of Baht 10,194,000.00

As at December 31, 2012, there were 57 electricity users of which 46 users guaranteed their electricity usage by commercial bank amount of Baht 124,823,500.00, 6 users guaranteed by cash amount of Baht 822,000.00, 1 user guaranteed by bond of Bank of Thailand amount of Baht 6,220,000.00 and the remaining 4 users guaranteed by commercial bank and cash total amount of Baht 10,194,000.00.

29.2 As at December 31, 2013 and 2012, the Company has commitment on agreement in respect of construction in Saha Group Industrial Park for 17 and 9 agreement with the remaining amount under the agreement of Baht 40.07 million and Baht 38.06 million respectively.

29.3 As at December 31, 2013, the Company led the bank to issue letter of guarantee as guarantee against jointly bidding by auction a plot of land to which respect to real estate development project with a group of real estate company in the amount of Baht 13.34 million.

29.4 The Company has commitment lines with banks, financial institutions and other companies for its related parties as presented in the

# ● Notes To Financial Statements

financial statements in which the equity method is applied and separate financial statements as follows:

(Unit : Baht)

Associated companies	Relationship	December 31, 2013	December 31, 2012
- SAHACHOL FOOD SUPPLIES CO., LTD.	A, B, C, E, F	88,000,000.00	108,000,000.00
- PITAKKIJ CO., LTD.	A, B, C, E, F	16,000,000.00	16,000,000.00
- FAMILY GLOVE CO., LTD.	A, B, C, E, F	12,000,000.00	12,000,000.00
- THAI ITOKIN CO., LTD.	A, B, C, E, F	5,000,000.00	5,000,000.00
Total		121,000,000.00	141,000,000.00

(Unit : Baht)

Related companies	Relationship	December 31, 2013	December 31, 2012
- SHALDAN (THAILAND) CO., LTD.	A, C, E, F	3,600,000.00	3,600,000.00
- OSOTH INTER LABORATORIES CO., LTD.	A,C, E	10,000,000.00	10,000,000.00
- TSURUHA (THAILAND) CO., LTD.	A, B, C, E, F	17,750,000.00	0.00
Total		31,350,000.00	13,600,000.00
Total commitment		152,350,000.00	154,600,000.00

As at December 31, 2013 and 2012, the Company has commitment lines amount of Baht 152.35 million and Baht 154.60 million respectively, has spent in amount of Baht 20.00 million and Baht 21.58 million respectively.

The Company will charge the fees from guarantee at the rate of 0.5 - 1% of credit lines by collecting at the rate of 0.5% from the company who has paid the business advisory fee and at 1% from the company who has not paid business advisory fee except for the company who has jointly invested with foreigner will not be collected the guarantee fee.

## Note : Relationship

- A Shareholding by the Company/common shareholding
- B Directorship
- C Guaranteed by the Company
- D Loan given by the Company
- E Inter - company trading
- F Shareholders or directors are intimate of the Company's directors



## 30. Segment financial information

Operating Segments is presenting the perspective of administrators to segment reporting. The data segments based on internal data reported to the authorities maximum operational decisions of the company regularly.

The Company in the investment business, rent and services, industrial park and goods distribution which operates in the geographic area in Thailand. Therefore, the performance of each segment of the report are summarized as follows :

30.1 Financial information is classified in the financial statements in which the equity method is applied for the year ended December 31, 2013 and 2012 as follows :

(Baht : Thousand)

	Investment and others		Rent and services		Industrial park		Goods distribution		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Revenues	1,404,157	1,448,916	2,468,687	2,252,932	303,847	202,005	0	152,291	4,176,691	4,056,144
Expenses	(92,002)	(35,323)	(2,238,073)	(2,073,295)	(55,923)	(25,887)	0	(148,945)	(2,385,998)	(2,283,450)
Profit from operation	1,312,155	1,413,593	230,614	179,637	247,924	176,118	0	3,346	1,790,693	1,772,694
Common facilities									(411,900)	(397,964)
Interest expenses									(61,233)	(50,172)
Income tax									(17,589)	12,620
Net profit									1,299,971	1,337,178
Property, plant and equipment	139,210	112,799	743,212	697,333	261,113	262,463	0	0	1,143,535	1,072,595
Other assets									18,567,294	18,219,628
Total assets									19,710,829	19,292,223
Segment liabilities	600	15,600	263,819	262,498	25,202	89,644	0	939	289,621	368,681
Non-segment liabilities									2,133,500	1,953,694
Total liabilities									2,423,121	2,322,375

# Notes To Financial Statements

30.2 Financial information is classified in the separate financial statements for the year ended December 31, 2013 and 2012 as follows :

(Baht : Thousand)

	Investment and others		Rent and services		Industrial park		Goods distribution		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Revenues	808,086	690,568	2,468,686	2,252,932	303,847	202,005	0	152,291	3,580,619	3,297,796
Expenses	(73,226)	(25,207)	(2,238,072)	(2,073,295)	(55,923)	(25,887)	0	(148,945)	(2,367,221)	(2,273,334)
Profit from operation	734,860	665,361	230,614	179,637	247,924	176,118	0	3,346	1,213,398	1,024,462
Common facilities									(411,900)	(397,964)
Interest expenses									(61,233)	(50,172)
Income tax									(17,589)	13,670
Net profit									722,676	589,996
Property, plant and equipment	139,210	112,799	743,212	697,333	261,113	262,463	0	0	1,143,535	1,072,595
Other assets									8,667,504	8,615,299
Total assets									9,811,039	9,687,894
Segment liabilities	600	15,600	263,819	262,497	25,202	89,644	0	939	289,621	368,680
Non-segment liabilities									2,133,500	1,953,694
Total liabilities									2,423,121	2,322,374

## 31. Transaction with related parties

The Company has significant transaction with related companies. These companies are related through common shareholding or co-shareholders or directorship. Those transaction are determined in the normal course of business as similar to other parties.

For the year ended December 31, 2013 and 2012 the significant transaction with related parties are as follows:

(Unit : Baht)

Assets/Liabilities	Financial statements in which the equity method is applied and separate financial statements	
	2013	2012
Trade and other receivables	157,351,577.42	244,700,134.15
Trade and other payables	180,102,434.79	238,641,938.05
Cash received in advance and guarantees	36,961,270.45	36,102,163.30

# Notes To Financial Statements



## 31. Transaction with related parties (continued)

(Unit : Baht)

	Financial statements in which the equity method is applied and Separate financial statements		Pricing policy
	2013	2012	
Revenues			
Guarantee income	750,096.09	847,213.68	0.5 - 1% of guarantee
Electricity and steam income	1,592,251,514.44	1,443,704,866.38	Electricity price not exceed selling price of Provincial Electricity Authority Steam price not less than purchasing price from Saha Cogen (Chonburi) Plc.
Royalties income	82,595,554.37	96,019,359.30	At rate 3.5-8% of net sale volume
Consulting income	18,464,514.74	21,562,996.64	At agreed rate reference to service nature
Rental income	85,795,370.65	71,102,080.22	Based on location and cost of investment
Water income	58,888,147.46	58,204,354.17	Not exceed selling price of Provincial Waterworks Authority
Other income	35,279,510.82	29,182,178.09	At the rate in agreement by considering from service nature, amount, periods and cost of service
Waste water treatment income	25,367,351.86	25,126,396.65	At the rate in agreement depend on and waste water quantity
Facility income	57,203,467.12	36,933,880.00	At the rate in agreement applicable to other customers
Exhibition income	48,114,055.89	47,421,833.00	Cost plus margin
Sale of real estate under contract to buy and to sell	96,525,000.00	126,779,000.00	At the rate indicated in agreement
Sales of goods	0.00	152,290,748.72	Cost plus increment not over than 3%

(Unit : Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2013	2012	2013	2012
Dividend income	210,934,107.49	200,565,154.04	735,869,933.69	656,426,523.42

For the year ended December 31, 2013 and 2012 electricity and steam income were received from related companies of Baht 1,592.25 million and Baht 1,449.28 million, and received from other companies of Baht 280.44 million and Baht 248.30 million, totaling Baht 1,872.69 million and Baht 1,697.58 million respectively.

## ● Notes To Financial Statements

### 31. Transaction with related parties (continued)

(Unit : Baht)

	Financial statements in which the equity method is applied and Separate financial statements		Pricing policy
	2013	2012	
Expenses			
Cost of electricity and steam	1,865,611,003.76	1,691,270,226.23	Electricity cost at the rate of Provincial Electricity Authority less discount rate Steam cost at the rate in agreement
Electricity for Water filtration and water treatment	15,300,622.33	10,102,842.94	Based on the servant determined
Security expense	22,131,846.75	17,204,265.60	At the rate in agreement reference to number of security guards, time and area of service
Waste water treatment	14,923,685.40	13,216,803.13	At the rate in agreement and actual quantity used of equipment, normal market price
Land development expenses	69,412,064.10	55,144,010.66	Based on market price closed to other servants in the same services line
Water filtration expenses	18,978,398.00	18,962,255.83	
Analysis water expenses	7,063,768.00	6,702,725.56	
Construction	257,144,093.47	251,567,238.25	Based on plan, size of building, materials and decoration technical
Exhibition expenses	2,389,416.98	3,845,974.37	Based on nature of work, quantity and periods of services
Other expenses	46,411,555.30	53,549,952.83	Based on market price closed to other servants in the same services line
Insurance premium	2,319,977.56	1,986,912.32	

For the year ended December 31, 2013 and 2012, cost of electricity and steam of Baht 1,865.61 million and Baht 1,691.27 million respectively were paid to Saha Cogen (Chonburi) Public Company Limited, a related company and sold to related and other companies.

# Notes To Financial Statements

## 31.1 Trade and other receivables

As at December 31, 2013 and 2012, the Company has accrued income from 79 related parties totaling Baht 157,351,577.42 and 72 related parties of Baht 244,700,134.15 respectively as detailed following :

(Unit : Baht)

		Relationship	Financial statements in which the equity method is applied and separate financial statements	
			2013	2012
1	THANULUX PLC.	A,B,E,F	5,534,940.43	10,078,722.43
2	THAI PRESIDENT FOOD PLC.	A,B,E,F	18,573,058.05	18,561,474.29
3	SAHACHOL FOOD SUPPLIES CO., LTD.	A,B,C,E,F	917,745.66	636,239.13
4	LION COPORATION (THAILAND) CO., LTD.	A,B,E,F	8,494,419.34	8,891,143.66
5	CHAMP ACE CO., LTD.	A,B,E,F	345,202.00	1,320,820.21
6	TOP TREND MANUFACTURING CO., LTD.	A,B,E	5,266,900.93	5,235,840.15
7	S & J INTERNATIONAL ENTERPRISE PLC.	A,B,E,F	4,583,466.81	5,187,366.28
8	BUTIQUE NEWCITY PLC.	A,E,F	1,105,827.39	1,424,888.14
9	PAN ASIA FOOTWEAR PLC.	A,B,E	196,939.67	2,605,562.37
10	SAHACOGEN (CHONBURI) PLC.	A,B,E	333,480.48	272,229.66
11	PATTAYA MANUFACTURING CO., LTD.	A,B,E,F	1,292,700.53	1,640,415.59
12	THAI SAMSUNG ELECTRONICS CO., LTD.	A,B,E	20,258,449.50	19,293,559.51
13	THAI SHIKIBO CO., LTD.	A,B,E	6,011,934.09	5,792,069.72
14	JANOME (THAILAND) CO., LTD.	A,B,E,F	1,422,459.07	1,625,641.47
15	BANGKOK TOKYO SOCKS CO., LTD.	A,B,E	2,917,280.71	3,038,872.65
16	NISSIN FOODS (THAILAND) CO., LTD.	A,E	0.00	965,355.70
17	RACHA UCHINO CO., LTD.	A,B,E	4,494,432.85	3,818,358.55
18	THAI ARAI CO., LTD.	A,B,E,F	5,843,582.95	7,397,820.79
19	SSDC (TIGERTEX) CO., LTD.	A,B,E	352,777.86	694,109.39
20	THAI CUBIC TECHNOLOGY CO., LTD.	A,B,E,F	777,370.01	974,684.97
21	THAI LOTTE CO., LTD.	A,E	817,228.77	871,485.01
22	THAI KAMAYA CO., LTD.	A,E,F	2,620,076.18	2,547,783.94
23	OSOTH INTER LABORATORIES CO., LTD.	A,B,C,E	1,090,764.78	1,186,339.07
24	PCB CENTER CO., LTD.	A,E	0.00	41,682,434.57
25	THAI ASAHI KASEI SPANDEX CO., LTD.	A,E	16,720,661.61	16,485,735.13
26	I.C.C. INTERNATIONAL PLC.	A,B,E,F	6,201,222.50	6,068,810.63
27	THAI STAFLEX CO., LTD.	A,B,E	414,084.36	506,994.52
28	KABIN PHATTHANAKIJ CO., LTD.	B,E	507,682.62	532,151.76

## Notes To Financial Statements

### 31.1 Trade and other receivable (continued)

(Unit : Baht)

		Relationship	Financial statements in which the equity method is applied and separate financial statements	
			2013	2012
29	KENMIN FOOD (THAILAND) CO., LTD.	A,B,E	2,707,779.15	2,675,558.16
30	TOYO TEXTILE THAI CO., LTD.	A,B,E	910,609.66	691,681.03
31	TEXTILE PRESTIGE PLC.	A,B,E,F	6,685,262.34	7,225,986.65
32	MOLTEN (THAILAND) CO., LTD.	A,E,F	3,256,328.02	3,026,117.95
33	MOLTEN ASIA POLYMER PRODUCTS CO., LTD.	A,E,F	4,928,989.53	4,634,738.19
34	SAHA SEHWA CO., LTD.	A,B,E	3,458,453.51	3,097,128.21
35	FAMILY GLOVE CO., LTD.	A,B,C,E,F	722,612.25	554,423.11
36	FIRST UNITED INDUSTRY CO., LTD.	A,B,E,F	731,536.05	898,873.44
37	THAI WACOAL PLC.	A,B,E,F	26,311.38	565,179.78
38	INTERNATIONAL CURITY FOOTWARE CO., LTD.	B,E	658,168.36	1,153,669.86
39	ERAWAN TEXTILE CO., LTD.	A,B,E	0.00	37,552,543.53
40	ASAHI KASEI SPUNBOND (THAILAND) CO., LTD.	A,B,E	10,624,326.76	7,870,451.31
41	TREASURE HILLS CO., LTD.	A,B,E,F	0.00	642,000.00
42	Other related companies		5,546,511.26	4,774,873.64
Total			157,351,577.42	244,700,134.15

### 31.2 Trade and other payables

As at December 31, 2013 and 2012, the Company has other payables from 14 related companies amount of Baht 180,102,434.79 and 15 related companies amount of Baht 238,643,240.85 respectively as detailed following:

(Unit : Baht)

		Relationship	Financial statements in which the equity method is applied and separate financial statements	
			2013	2012
1	SAHA PATHANAPIBUL PLC.	A,B,E,F	304,086.36	591,632.38
2	TOP TREND MANUFACTURING CO., LTD.	A,B,E	0.00	28,957,500.00
3	PITAKKIJ CO., LTD.	A,B,C,E,F	1,460,383.72	53,180,532.68
4	SAHACOGEN (CHONBURI) PLC.	A,B,E	143,548,404.62	145,430,082.26
5	EASTERN THAI CONSULTING 1992 CO., LTD.	A,B,E	7,829,285.76	4,671,321.37
6	PTK MULTI SERVICE CO., LTD.	A,B,E	8,334,054.49	5,059,119.86
7	NEW PLUS KNITTING PUBLIC	A,E,F	18,000,000.00	0.00
8	Other related companies		626,219.84	753,052.30
Total			180,102,434.79	238,643,240.85



# Notes To Financial Statements

## 31.3 Cash received in advance and guarantees

As at December 31, 2013 and 2012, the Company has accrued expenses and received in advance from 41 related parties totaling Baht 36,961,270.45 and 41 related parties of Baht 36,102,163.30 respectively as detailed following :

(Unit : Baht)

		Relationship	Financial statements in which the equity method is applied and separate financial statements	
			2013	2012
1	BANGKOK NYLON PLC.	A,E	424,200.00	571,600.00
2	S & J INTERNATIONAL ENTERPRISE PLC.	A,B,E,F	4,326,880.00	4,326,880.00
3	TOP TREND MANUFACTURING CO., LTD.	A,B,E	625,242.18	642,824.85
4	TAKE HI-TECH CO.,LTD.	A	534,600.00	534,600.00
5	THAI CUBIC TECHNOLOGY CO., LTD.	A,B,E,F	1,778,760.00	1,778,760.00
6	THAI SAMSUNG ELECTRONICS CO., LTD.	A,B,E	9,681,142.45	10,179,392.45
7	THAI LOTTE CO., LTD.	A,E	656,100.00	1,312,200.00
8	THAI ARAI CO., LTD.	A,B,E,F	5,396,260.00	5,396,260.00
9	NISSIN FOODS (THAILAND) CO., LTD.	A,E	0.00	1,404,000.00
10	PITAKKIJ CO., LTD.	A,B,C,E,F	2,260,900.00	555,900.00
11	FIRST UNITED INDUSTRY CO., LTD.	A,B,E,F	3,002,511.38	3,040,761.38
12	LION COPORATION (THAILAND) CO., LTD.	A,B,E,F	729,800.00	800.00
13	FAMILY GLOVE CO., LTD.	A,B,C,E,F	1,208,196.00	479,196.00
14	KABIN PHATTHANAKIJ CO., LTD.	A,B,E,F	519,000.00	519,000.00
15	THAI KOBASHI CO.,LTD.	A,E,F	1,603,800.00	1,749,600.00
16	SAHA SEHWA CO., LTD.	A,B,E	600,052.20	300,026.10
17	TSURUHA (THAILAND) CO., LTD.	A,B,C,E,F	548,520.00	0.00
18	Other related companies		3,065,306.24	3,310,362.52
Total			36,961,270.45	36,102,163.30

## 31.4 Revenues

In 2013 the Company had revenues of companies and individuals in the financial statements related to the equity method. The consolidated financial statements amount 114 related parties totaling of Baht 2,315,094,511.12 and Baht 2,840,045,217.32 respectively and in 2012 amount 116 related parties totaling of Baht 2,309,740,060.89 and Baht 2,765,601,430.27 respectively as detailed following :

# Notes To Financial Statements

## 31.4 Revenues (Continued)

(Unit : Baht)

		Relationship	Financial statements in which the equity method is applied		Separate Financial statements	
			2013	2012	2013	2012
1	THANULUX PLC.	A,B,E,F	45,074,422.22	57,104,380.07	78,939,406.22	75,058,465.75
2	THAI PRESIDENT FOOD PLC.	A,B,E,F	238,106,964.68	232,879,222.91	374,782,851.88	357,622,814.11
3	THAI WACOAL PLC.	A,B,E,F	5,880,189.19	10,528,358.93	67,110,189.19	64,104,608.93
4	SAHA PATHANAPIBUL PLC.	A,B,E,F	4,203,680.16	4,321,607.13	69,900,045.16	63,448,335.63
5	I.C.C. INTERNATIONAL PLC.	A,B,E,F	45,887,293.76	43,667,535.56	126,176,843.76	114,322,339.56
6	HOOVER INDUSTRY (THAILAND) CO., LTD.	A,B,E,F	286,124.50	282,731.50	18,397,804.50	17,262,431.50
7	PITAKKIJ CO., LTD.	A,B,C,E,F	3,830,585.67	7,262,343.77	4,836,185.67	8,267,943.77
8	THAI ITOKIN CO., LTD.	A,B,C,E	663,565.26	630,805.13	663,565.26	630,805.13
9	EASTERN THAI CONSULTING 1992 CO., LTD.	A,B,E	3,350,229.95	7,923,200.59	4,150,229.95	8,523,200.59
10	SAHACHOL FOOD SUPPLIES CO., LTD.	A,B,C,E,F	8,993,096.10	6,874,284.92	8,993,096.10	6,874,284.92
11	FIRST UNITED INDUSTRY CO., LTD.	A,B,E,F	23,912,398.16	23,857,943.20	26,164,038.16	25,546,673.20
12	LION COPORATION (THAILAND) CO., LTD.	A,B,E,F	122,406,904.17	122,100,635.48	186,390,904.17	161,733,515.48
13	INTERNATIONAL LABORATORIES CO., LTD.	A,B,E,F	1,500,200.00	1,523,285.93	49,500,200.00	56,273,285.93
14	SHALDAN (THAILAND) CO., LTD.	A,C,E,F	1,076,407.24	388,440.00	1,076,407.24	388,440.00
15	FAMILY GLOVE CO., LTD.	A,B,C,E,F	13,658,552.75	9,126,571.75	14,133,552.75	9,601,571.75
16	CHAMP ACE CO., LTD.	A,B,E,F	6,036,903.51	2,656,471.91	8,286,903.51	4,906,471.91
17	T.U.C. ELASTIC CO., LTD.	A,B,E,F	276,174.80	282,306.67	2,292,174.80	3,642,306.67
18	S. APPAREL CO., LTD.	A,E,F	0.00	0.00	0.00	864,000.00
19	TOP TREND MANUFACTURING CO., LTD.	A,B,E	161,649,451.04	61,224,137.83	166,449,451.04	66,024,137.83
20	SAHAPAT REAL ESTATE CO., LTD.	A,B,E,F	4,197.00	2,698.50	3,004,197.00	3,002,698.50
21	K.R.S. LOGISTICS CO., LTD.	A,B,E,F	373,470.09	427,990.76	873,470.09	827,990.76
22	S & J INTERNATIONAL ENTERPRISE PLC.	A,B,E,F	95,882,782.92	106,258,820.69	95,882,782.92	106,258,820.69
23	O.C.C. PLC.	A,B,E,F	7,617,000.00	6,851,500.00	7,617,000.00	6,851,500.00
24	BANGKOK NYLON PLC.	A,E	417,500.00	1,406,311.45	417,500.00	1,406,311.45
25	BANGKOK RUBBER PLC.	A,E	1,840,792.00	1,846,792.00	1,840,792.00	1,846,792.00
26	BUTIQUE NEWCITY PLC.	A,E,F	6,965,187.34	6,793,651.45	6,965,187.34	6,793,651.45
27	PAN ASIA FOOTWEAR PLC.	A,B,E	10,237,658.33	20,279,678.75	10,237,658.33	20,279,678.75
28	SAHACOGEN (CHONBURI) PLC.	A,B,E	38,050,196.38	32,469,963.82	38,050,196.38	32,469,963.82
29	BANGKOK ATHLETIC CO., LTD.	A,E,F	1,759,000.00	1,912,200.00	1,759,000.00	1,912,200.00
30	THAI TAKEDA LACE CO., LTD.	A,B,E	5,013,755.70	4,997,867.17	5,013,755.70	4,997,867.17
31	GENERAL GLASS CO., LTD.	A,B,E,F	4,152,114.16	3,078,027.94	4,152,114.16	3,078,027.94
32	TOTAL WAY IMAGE CO., LTD.	A,E,F	3,383,390.57	4,126,307.15	3,383,390.57	4,126,307.15

# Notes To Financial Statements

## 31.4 Revenues (Continued)

(Unit : Baht)

		Relationship	Financial statements in which the equity method is applied		Separate Financial statements	
			2013	2012	2013	2012
33	THAI MONSTER CO., LTD.	A,E,F	655,922.47	6,088,509.82	655,922.47	6,088,509.82
34	GRAND STAR INDUSTRY CO., LTD.	A,B,E,F	1,959,941.27	2,760,839.04	1,959,941.27	2,760,839.04
35	PATTAYA MANUFACTURING CO., LTD.	A,B,E,F	11,084,548.90	10,865,860.55	11,084,548.90	10,865,860.55
36	THAI SUMSUNG ELECTRONICS CO., LTD.	A,B,E	327,081,960.04	234,508,890.80	327,081,960.04	234,508,890.80
37	THAI SHIKIBO CO., LTD.	A,B,E	79,877,340.70	76,693,405.69	79,877,340.70	76,693,405.69
38	THAISECOM PITAKIJ CO., LTD.	A,B,E	9,220,121.58	4,275,172.52	9,220,121.58	4,275,172.52
39	BETTER WAY (THAILAND) CO., LTD.	A,B,E,F	57,506,611.60	57,472,300.00	57,506,611.60	57,472,300.00
40	JANOME (THAILAND) CO., LTD.	A,B,E,F	21,304,852.61	19,008,145.77	21,304,852.61	19,008,145.77
41	BANGKOK TOKYO SOCKS CO., LTD.	A,B,E	33,661,018.71	32,874,609.15	33,661,018.71	32,874,609.15
42	THAI SPORT GARMENT CO., LTD.	A,B,E,F	760,000.00	1,500,000.00	760,000.00	1,500,000.00
43	NISSIN FOODS (THAILAND) CO., LTD.	A,E	11,777,774.03	18,147,804.56	11,777,774.03	18,147,804.56
44	RACHA UCHINO CO., LTD.	A,B,E	49,065,642.86	41,600,233.19	49,065,642.86	41,600,233.19
45	THAI STAFLEX CO., LTD.	A,B,E	7,353,618.00	7,846,535.46	7,353,618.00	7,846,535.46
46	THAI ARAI CO., LTD.	A,B,E,F	48,740,495.55	52,076,586.44	48,740,495.55	52,076,586.44
47	SSDC (TIGERTEX) CO., LTD.	A,B,E	11,781,411.06	11,726,087.98	11,781,411.06	11,726,087.98
48	THAI CUBIC TECHNOLOGY CO., LTD.	A,B,E,F	19,746,546.70	18,451,309.16	19,746,546.70	18,451,309.16
49	THAI LOTTE CO., LTD.	A,E	12,309,846.67	12,059,847.83	12,309,846.67	12,059,847.83
50	THAI KAMAYA CO., LTD.	A,B,E,F	33,301,736.83	32,033,916.88	33,301,736.83	32,033,916.88
51	OSOTH INTER LABORATORIES CO., LTD.	A,C,E	13,974,793.08	12,624,237.43	13,974,793.08	12,624,237.43
52	KEWPIE (THAILAND) CO., LTD.	A,B,E,F	3,011,000.00	1,917,000.00	3,011,000.00	1,917,000.00
53	THAI ASAHI KASEI SPANDEX CO., LTD.	A,E	184,911,696.17	183,775,785.80	184,911,696.17	183,775,785.80
54	SHISEDO PROFESSIONAL (THAILAND) CO., LTD.	A,B,E	1,677,900.00	852,600.00	1,677,900.00	852,600.00
55	H & B INTERTEX CO., LTD.	A,B,E,F	6,429,157.79	5,185,198.92	6,429,157.79	5,185,198.92
56	M B T S BROKING SERVICE CO., LTD.	A,E,F	1,639,200.00	839,600.00	1,639,200.00	839,600.00
57	SAHACOGEN GREEN CO., LTD.	B,E	5,327,831.00	4,562,558.58	5,327,831.00	4,562,558.58
58	LION CORPORATION (JAPAN)	A,E	1,058,106.52	1,398,185.25	1,058,106.52	1,398,185.25
59	MOLTEN ASIA POLYMER PRODUCTS CO.,LTD.	A,E,F	58,863,192.80	53,088,314.68	58,863,192.80	53,088,314.68
60	THAI OZUKA CO., LTD.	A,E	3,220,000.00	0.00	3,220,000.00	0.00
61	INTERNATIONAL LEATHER FASHION CO., LTD.	A,E,F	5,901,353.65	5,600,067.31	5,901,353.65	5,600,067.31
62	NEW CITY (BANGKOK) PUBLIC COMPANY LIMITED	A,B,E,F	2,837,303.50	2,861,303.50	2,837,303.50	2,861,303.50
63	PEOPLES GARMENT PUBLIC COMPANY LIMITED	A,B,E,F	9,871,810.05	10,150,136.67	9,871,810.05	10,150,136.67

# Notes To Financial Statements

(Unit : Baht)

## 31.4 Revenues (Continued)

		Relationship	Financial statements in which the equity method is applied		Separate Financial statements	
			2013	2012	2013	2012
64	TEXTILE PRESTIGE PUBLIC COMPANY LIMITED	A,B,E,F	95,286,092.81	95,234,211.75	95,286,092.81	95,234,211.75
65	NEW PLUS KNITTING PUBLIC COMPANY LIMITED	A,E,F	639,999.60	1,959,426.02	639,999.60	1,959,426.02
66	K.COMMERCIAL & CONSTRUCTION CO., LTD.	A,B,E,F	500,000.00	500,000.00	500,000.00	500,000.00
67	THAI TAKAYA CO., LTD.	A,B,E,F	5,684,789.38	5,168,885.40	5,684,789.38	5,168,885.40
68	MOLTEN (THAILAND) CO., LTD.	A,E,F	44,184,642.02	40,012,878.72	44,184,642.02	40,012,878.72
69	WIEN INTERNATIONAL CO., LTD.	A,B,E,F	2,414,800.00	2,102,000.00	2,414,800.00	2,102,000.00
70	SAHA SEHWA CO., LTD.	A,B,E	44,697,890.77	39,449,139.62	44,697,890.77	39,449,139.62
71	KENMIN FOOD (THAILAND) CO., LTD.	A,B,E	32,938,604.99	66,701,953.81	32,938,604.99	66,701,953.81
72	KABIN PHATTHANAKIJ CO.,LTD.	B,E	11,620,711.07	10,965,347.86	11,620,711.07	10,965,347.86
73	INTERNATIONAL CURITY FOOTWARE CO., LTD.	B,E	9,499,018.93	16,017,801.86	9,499,018.93	16,017,801.86
74	TOYO TEXTILE THAI CO., LTD.	A,B,E	9,951,236.45	8,716,513.16	9,951,236.45	8,716,513.16
75	FAR EAST DDB PUBLIC COMPANY LIMITED	A,B,E,F	8,160,000.00	9,180,000.00	8,160,000.00	9,180,000.00
76	PRESIDENT RICE PRODUCT PUBLIC COMPANY LIMITED	A,B,E,F	6,228,000.00	6,840,000.00	6,228,000.00	6,840,000.00
77	PRESIDENT BAKERY PUBLIC COMPANY LIMITED	A,B,E	13,137,512.00	13,216,512.00	13,137,512.00	13,216,512.00
78	DOME COMPOSITES (THAILAND) CO., LTD.	A,B,E	3,847,265.96	3,880,541.28	3,847,265.96	3,880,541.28
79	THAI GUNZE CO., LTD.	A,B,E	1,662,619.00	1,522,323.87	1,662,619.00	1,522,323.87
80	TIGER DISTRIBUTION AND LOGISTICS CO., LTD.	A,B,E,F	1,125,000.00	1,875,240.00	1,125,000.00	1,875,240.00
81	THAI TOMADO CO., LTD.	A,E	1,191,631.06	1,348,891.47	1,191,631.06	1,348,891.47
82	ERAWAN TEXTILE CO., LTD.	A,B,E	195,400.00	153,332,682.08	195,400.00	153,332,682.08
83	RATCHASRIMA SHOPPING COMPLEX CO., LTD.	A,B	1,001,000.00	1,225,000.00	1,001,000.00	1,225,000.00
84	THE MALL RATCHASIMA CO., LTD.	A,B	3,000,000.00	1,250,000.00	3,000,000.00	1,250,000.00
85	THAI KOBASHI CO.,LTD.	A,E,F	4,841,837.91	4,873,760.11	4,841,837.91	4,873,760.11
86	TREASURE HILLS CO., LTD.	A,B,E,F	830,240.00	780,000.00	830,240.00	780,000.00
87	UNITED UTILITY CO., LTD.	A,B	1,617,845.00	1,582,250.00	1,617,845.00	1,582,250.00
88	ASAHI KASEI SPUNBOND (THAILAND) CO., LTD.	A,B,E	99,823,680.60	110,601,721.35	99,823,680.60	110,601,721.35

# Notes To Financial Statements

(Unit : Baht)

## 31.4 Revenues (Continued)

		Relationship	Financial statements in which the equity method is applied		Separate Financial statements	
			2013	2012	2013	2012
89	PEN MARKETING AND DISTRIBUTION CO., LTD.	A,E,F	521,000.00	628,000.00	521,000.00	628,000.00
90	CHOKCHAIPIBUL CO., LTD.	E,F	953,666.40	945,265.40	953,666.40	945,265.40
91	PAN ASIA LEATHER CO., LTD.	B	4,610,494.00	20,912.00	4,610,494.00	20,912.00
92	SAHA LAWSON CO., LTD.	A,B,E,F	1,299,911.94	240.00	1,299,911.94	240.00
93	TSURUHA (THAILAND) CO., LTD.	A,B,C,E,F	1,981,149.55	0.00	1,981,149.55	0.00
94	Other related companies		3,245,549.89	3,877,447.19	3,245,549.89	3,877,447.19
Total			2,315,094,511.12	2,309,740,060.89	2,840,045,217.32	2,765,601,430.27

## 31.5 Cost of facility and services

As at December 31, 2013 and 2012, the Company has cost of facility and service from 14 related parties totaling of Baht 2,015,817,573.73 and 13 related parties totaling of Baht 1,816,449,104.32 respectively as detailed following :

(Unit : Baht)

		Relationship	Financial statements in which the equity method is applied and separate financial statements	
			2013	2012
1	I.C.C. INTERNATIONAL PLC.	A,B,E,F	1,042,206.61	1,821,823.41
2	PITAKKIJ CO., LTD.	A,B,C,E,F	548,091.50	3,548,105.40
3	EASTERN THAI CONSULTING 1992 CO., LTD.	A,B,E	52,737,640.61	45,666,126.94
4	SAHACOGEN (CHONBURI) PLC.	A,B,E	1,879,861,109.39	1,700,439,264.74
5	PTK MULTISERVICE CO., LTD.	A,B,E	80,322,115.14	63,853,007.21
6	Other related companies		1,306,410.48	1,120,776.62
Total			2,015,817,573.73	1,816,449,104.32

# ● Notes To Financial Statements

## 31.6 Construction expenses

As at December 31, 2013 and 2012, the Company has construction expenses from 6 related parties totaling of Baht 257,144,093.47 and 3 related parties totaling of Baht 251,567,238.25 respectively as detailed following :

(Unit : Baht)

		Relationship	Financial statements in which the equity method is applied and separate financial statements	
			2013	2012
1	PITAKKIJ CO., LTD.	A,B,C,E,F	250,380,305.09	242,695,350.55
2	EASTERN THAI CONSULTING 1992 CO., LTD.	A,B,E	4,212,117.06	8,848,129.42
3	PTK MULTISERVICE CO., LTD.	A,B,E	2,089,590.76	23,758.28
4	Other related companies		462,080.56	0.00
Total			257,144,093.47	251,567,238.25

## 31.7 Other expenses

As at December 31, 2013 and 2012, the Company has other expenses from 24 related parties totaling of Baht 48,786,532.86 and 26 related parties totaling of Baht 55,536,865.15 respectively as detailed following :

(Unit : Baht)

		Relationship	Financial statements in which the equity method is applied and separate financial statements	
			2013	2012
1	SAHA PATHANAPIBUL PLC.	A,B,E,F	3,855,459.27	3,803,750.29
2	I.C.C. INTERNATIONAL PLC.	A,B,E,F	2,140,880.85	2,338,111.77
3	PITAKKIJ CO., LTD.	A,B,C,E,F	1,451,186.09	7,172,793.69
4	EASTERN THAI CONSULTING 1992 CO., LTD.	A,B,E	6,459,351.20	8,727,043.28
5	TREASURE HILLS CO., LTD.	A,B,E,F	455,835.00	852,577.00
6	SIN PARADORN CO., LTD.	A,B,E,F	680,000.00	510,000.00
7	M B T S BROKING SERVICE CO., LTD.	A,E,F	1,081,060.09	675,449.25
8	THAI ARUSU CO., LTD.	A,B,E,F	348,309.95	678,511.05
9	PTK MULTISERVICE CO., LTD.	A,B,E	25,397,510.15	23,521,311.20
10	SRIRACHA AVEATION CO., LTD.	A,B,E,F	2,546,600.00	2,225,600.00
11	SOMPHO JAPAN INSURANCE (THAILAND) CO., LTD.	A,B,E	1,205,207.05	1,155,436.41
12	KABIN PHATTHANAKIJ CO.,LTD.	A,E	2,355,130.12	2,388,055.89
13	Other related companies		810,003.09	1,488,225.32
Total			48,786,532.86	55,536,865.15



# Notes To Financial Statements

## 31.8 Assets acquisition

In 2013 and 2012, the Company has acquired assets from 5 and 1 related companies and persons total amount of Baht 502,923,825.82 and Baht 17,670,000.00 respectively as detailed following :

(Unit : Baht)

		Relationship	Financial statements in which the equity method is applied and separate financial statements	
			2013	2012
1	INTERNATIONAL LABORATORIES CO., LTD.	A, B, E, F	0.00	17,670,000.00
2	SAHAPAT PROPERTIES CO., LTD.	A, B, E, F	100,000,000.00	0.00
3	BANGKOK NYLON PLC.	A, B, E	3,000,000.00	0.00
4	PAN ASIA FOOTWEAR PLC.	A, B, E	340,276,316.00	0.00
5	MODERN TECHNOLOGY COMPONENT CO., LTD.	B, E	58,468,000.00	0.00
6	I.D.F. CO., LTD.	B, E	1,179,509.82	0.00
Total			502,923,825.82	17,670,000.00

## 31.9 Assets disposal

In 2013 and 2012, the Company has disposed assets to 1 and 4 related companies and persons total amount of Baht 96,525,000.00 and Baht 126,779,000.00 respectively as detailed following :

(Unit : Baht)

		Relationship	Financial statements in which the equity method is applied and separate financial statements	
			2013	2012
1	TOP TREND MANUFACTURING CO., LTD.	A,B,E	96,525,000.00	0.00
2	KENMIN FOOD (THAILAND) CO., LTD.	A,B,E	0.00	28,940,000.00
3	EASTERN THAI CONSULTING 1992 CO., LTD.	A,B,E	0.00	4,950,000.00
4	PITAKKIJ CO., LTD.	A,B,C,E,F	0.00	3,744,000.00
5	ASAHI KAEI SPUNBON (THAILAND) CO., LTD.	A,B,E	0.00	89,145,000.00
Total			96,525,000.00	126,779,000.00

\* In 2013, the Company is not relevant to such company since the shareholding were already sold, and also have no common directors, any guarantees, borrowings and near relative of directors as shareholder or director of such company.

### Note : Relationship

- |                               |   |
|-------------------------------|---|
| A Shareholding by the Company | D Loans given by the Company  |
| B Directorship                | E Inter - company trading   |
| C Guaranteed by the Company   | F Shareholders or directors are intimate of the Company's directors |

# ● Notes To Financial Statements

## 32. Financial instruments disclosure

### 32.1 Accounting policies

Significant accounting policies, recognition of measurement of each items of assets and liabilities are disclosed in note No. 3.

### 32.2 Management Risk

The Company has no policy to hold financial instruments for speculation and trading.

### 32.3 Interest Rate Risk

The Company may have interest rate risk arises from the fluctuation of the market rate which affected the results of operation and cash flows.

### 32.4 Credit Risk

The Company exposed to credit risk relating to trade accounts receivable which has a policy for providing credit since most of trade accounts receivable connected with the company for a long time except a related company trade accounts receivable which starts trading in the third quarter of 2011. The Company gives credit term at 180 days to this receivable which more than other receivable. However, the Company's management believes that there is no risk from debt payment of trade accounts receivable.

### 32.5 Exchange rate Risk

The Company may have a risk from the fluctuation in foreign currencies exchange rate in its business of royalties, purchase of goods, loans from oversea in which the company has not made the forward exchange contracts for hedging such exchange rate risk since the risk is minimum.

### 32.6 Fair value of Financial instruments

Most of financial assets are short term assets and loans bear the market interest rate. The book value of financial assets and liabilities are close to their fair value. The management believes that there is no material risk financial instruments.

## 32. Financial instruments disclosure (continued)

### 32.6 Fair value of Financial instruments (continued)

As at December 31, 2013 and 2012, the Company has financial assets and liabilities which have interest rate risk as follows:

(Unit : Million Baht)

	2013				2012			
	Floating rate	Fixed rate	Non-interest rate	Total	Floating rate	Fixed rate	Non-interest rate	Total
Financial assets								
Cash and cash equivalents	65.60	-	2.01	67.61	54.77	-	3.75	58.52
Financial liabilities								
Bank overdrafts and loans from financial institutions	830.66	-	-	830.66	784.14	-	-	784.14
Current portion of long-term debts	-	333.36	-	333.36	-	166.68	-	166.68
Long-term loans	-	499.96	-	499.96	-	333.32	-	333.32

Interest rate and maturity of financial instruments in the statements of financial position date as at December 31, 2013 and 2012 are as follows:

(Unit : Million Baht)

	2013					2012				
	At call	Within 12 months	Over 12 months	Total	Interest rate	At call	Within 12 months	Over 12 months	Total	Interest rate
Financial assets										
Cash and cash equivalents	65.60	-	-	65.60	0.25%	54.77	-	-	54.77	0.25%
Financial liabilities										
Bank overdrafts and loans from financial institutions	0.66	830.00	-	830.66	2.00-10.75%	145.79	638.35	-	784.14	2.90 - 10.75%
Current portion of long-term debts	-	333.36	-	333.36	4.60-5.50%	-	166.68	-	166.68	5.625%
Long-term loans	-	-	499.96	499.96	4.60-5.50%	-	-	333.32	333.32	5.625%

# ● Notes To Financial Statements

## 33. Events after the reporting period

According to the Board of directors' meeting No.11 (Board #20) held on March 13, 2014, passed to propose the approval for dividend payment to the shareholders at Baht 0.23 each for 494,034,300 shares, totaling Baht 113,627,889.00 to the shareholders' meeting.

## 34. Financial statements approval

These financial statements were approved and authorized for issue by the Board of directors on March 13, 2014.

# Financial Statistics And Financial Ratios



## Financial Statistics and Financial Ratios 2011–2013

	2013	%	2012	%	2011	%
<b>Transactions Operating Results</b>						
Revenues	4,176,691	100.00	4,056,144	100.00	3,355,793	100.00
Major Revenues	4,114,785	98.52	3,878,227	95.61	3,151,195	93.90
Other Revenues	61,906	1.48	177,917	4.39	204,597	6.10
Gross Profit	1,729,997	41.42	1,763,679	43.48	1,402,028	41.78
Revenue from investment by equity	1,102,090	26.39	1,198,844	29.56	953,367	28.41
Expenses	546,218	13.08	617,037	15.21	595,768	17.75
Earning before income tax and interest	1,378,793	33.01	1,374,730	33.89	1,053,010	31.38
Earning before income tax	1,317,560	31.55	1,324,558	32.66	1,022,042	30.46
Net earnings	1,299,971	31.12	1,337,178	32.97	1,022,042	30.46
* Income per capital (Baht / headcount)	32,377,448.41		32,191,621.91		29,180,807.57	
* Net earnings per capital (Baht / headcount)	10,077,296.79		10,612,526.99		8,887,324.59	
* Interest coverage (Times)	22.52		27.40		34.00	
* Degree of financial Leverage (Times)	1.05		1.04		1.03	
<b>Financial Position</b>						
Current assets	259,262	1.32	298,846	1.55	436,496	2.62
Investments	15,375,395	78.00	15,659,834	81.17	13,516,173	81.15
Real estate for sale	631,051	3.20	622,131	3.22	511,637	3.07
Real estate under to buy and to sell contract	46,486	0.24	42,194	0.22	52,428	0.31
Investments properties	1,997,116	10.13	1,324,623	6.87	1,114,135	6.69
Property, Plant and equipment	1,143,535	5.80	1,072,595	5.56	928,660	5.58
Other non-current assets	83,491	0.42	77,926	0.40	95,063	0.57
Total liabilities & Stockholders' equity	19,710,830	100.00	19,292,223	100.00	16,656,634	100.00
Current liabilities	1,423,666	7.22	1,340,164	6.95	1,562,510	9.38
Other liability	999,455	5.07	982,211	5.09	168,549	1.01
Stockholders' equity	17,287,709	87.71	16,969,848	87.96	14,925,574	89.61
* Number of shares	494,034,300		494,034,300		494,034,300	
* Par value per share	1.00		1.00		1.00	

# ● Financial Statistics And Financial Ratios

## Financial Statistics and Financial Ratios 2011–2013 (continued)

	2013	2012	2011
<b>Financial Ratios</b>			
* Current ratio (Times)	0.18	0.22	0.28
* Quick ratio (Times)	0.18	0.22	0.26
* Debt to equity ratio (Times)	0.14	0.14	0.14
* Collection period ( Days)	28	40	44
* Cash flow current ratio (Times)	0.68	0.56	0.38
* Return total revenues (%)	31.12	32.97	30.46
* return on equity (%)	7.52	7.88	6.95
* Return on total assets (%)	6.67	7.42	6.44
* Earning per share (Baht)	2.63	2.71	2.07
* Dividend per share (Baht)	NOT YET DECLARED	0.23	0.23
* Book value per share (Baht)	34.99	34.35	29.77

Unit : 1,000 Baht except percentage in bracket and items in \*



No.	SELECTED DATA	DETAILS	(Unit : 1,000 Baht)		Percentage Increase (Decrease)
			2013	2012	
1	Revenues	Total income in 2013, company earned revenues totaling Baht 4,177 million, increase of Baht 121 million or 3% from last year, resulting from in the year 2013 the company earned from investment business amount Baht 1,342 million decrease of Baht 81 million or 6%, rent and service business amount Baht 2,469 million increase of Baht 215 million or 10%, industrial park business amount Baht 304 million increase of Baht 102 million or 51% and other income amount Baht 61 million decrease of Baht 116 million or 66%	4,176,691	4,056,144	3
2	Net Profit after tax	The net profit in 2013 is Baht 1,300 million, representing an decrease of Baht 37 million or 3% from 2012 net profit figure of Baht 1,337 million, resulting from decrease of Bath 93 million or 8% from share of profit from investment by equity method amount Baht 1,121 million.	1,299,971	1,337,178	(3)
3	Total Assets	Total assets in 2013 increased from 2012 Baht 419 million or 2% most from the increase of real estate under to buy and to sell contract and investment properties total increased Baht 681 million or 35%, as a result of extend the lease and service at the J-park Sriracha Nihon Mura. Furthermore, the increrasing of land purchase and construction for lease in the Industrial Park.	19,710,830	19,292,223	2
4	Current Assets	Current assets decreased Baht 40 million or 13% as a result of the decrease of account receivable Baht 49 million or 21%, resualting from the company has received payment from the debtor cotton maturity. Caused the account receivable is decreased in year 2013.	259,262	298,846	(13)
5	Current Liabilities	Current liabilities increased Baht 84 million or 6%, mostly the overdrafts and loans from financial institutions and current portion of long - term debt increased Baht 213 million or 22%	1,423,666	1,340,164	6
6	Shareholders' Equity	Shareholders' equity increased Baht 318 million or 2% mostly the net profit increased Baht 1,300 million and decrease from dividend payment Baht 114 million and the unrealized gain from adjust fair value of investments in securities of company and associated companies decreased total Baht 924 million	17,287,709	16,969,848	2

# ● Corporate Profile and Any Other Matters

## 1. Corporate Profile

### **NAME AND OFFICE LOCATION**

<b>NAME</b>	: SAHA PATHANA INTER-HOLDING PUBLIC COMPANY LIMITED	
<b>HEAD OFFICE</b>	: 530 SOI SATHUPRADIT 58, BANGPONGPANG AREA, YANNAWA DISTRICT, BANGKOK 10120	
<b>TYPE OF BUSINESS</b>	: OPERATES IN 3 CATEGORIES: INVESTMENT IN SHARE CAPITAL, RENT AND SERVICE, AND INDUSTRIAL PARK	
<b>REGISTRATION NO.</b>	: 0107537001340	
<b>TEL.</b>	: 0-2293-0030	
<b>FAX.</b>	: 0-2293-0040	
<b>HOMEPAGE</b>	: <a href="http://www.spi.co.th">http://www.spi.co.th</a>	
<b>E-MAIL ADDRESS</b>	: COMPANY SECRETARY	<a href="mailto:darunee@spi.co.th">darunee@spi.co.th</a>
	INTERNAL AUDIT MANAGER	<a href="mailto:pirom@spi.co.th">pirom@spi.co.th</a>
	PERSON IN CHARGE OF INVESTOR RELATIONS	<a href="mailto:sauwanee@spi.co.th">sauwanee@spi.co.th</a>
	PERSON IN CHARGE OF CUSTOMER RELATIONS	<a href="mailto:amphol@spi.co.th">amphol@spi.co.th</a>
	ASST. R&D PROJECT MANAGER	<a href="mailto:kumthon@spi.co.th">kumthon@spi.co.th</a>
<b>REGISTERED CAPITAL</b>	: 800,000,000 BAHT OF REGISTERED CAPITAL CONSIST OF 800,000,000 ORDINARY SHARES AT PAR VALUE 1 BAHT	
<b>ISSUED AND PAID UP CAPITAL</b>	: 494,034,300 BAHT CONSIST OF 494,034,300 SHARES AT PAR VALUE 1 BAHT	

### **BRANCH OFFICE**

<b>BRANCH 1</b>	: 999 MOO 11, TAMBON NONG-KHAM , SRIRACHA DISTRICT, CHON BURI PROVINCE 20230 TEL. : (038) 480-444 FAX : (038) 480-505
<b>BRANCH 2</b>	: 1 MOO 5, TAMBON NONG - SI , KABINBURI DISTRICT, PRACHINBURI PROVINCE 25110 TEL. : (037) 205-203-7 FAX : (037) 205-202
<b>BRANCH 3</b>	: 189 MOO 15, TAMBON PASAK , MUENG DISTRICT, LAMPHUN PROVINCE 51000 TEL. : (053) 584-072-4 FAX : (053) 584-080

# Corporate Profile and Any Other Matters

## BRANCH 4

: 196 MOO 11, TAMBON WANG — DAAN , KABINBURI DISTRICT,  
PRACHINBURI PROVINCE 25110  
TEL. : (037) 290-345 FAX : (037) 290-345

## BRANCH 5

: 269 MOO 15, TAMBON MAEKASA, MAE SOT DISTRICT,  
TAK PROVINCE 63110  
TEL. : (055) 546-634 FAX : (055) 546-634

## OTHER REFERENCES

### SHARE REGISTRAR

: THAILAND SECURITIES DEPOSITORY CO.,LTD.  
THE STOCK EXCHANGE OF THAILAND BUILDING  
62 RATCHADAPHISEK ROAD, KLONGTOEY, BANGKOK 10110  
TEL.0-2229-2800

### AUDITOR

: MRS. SUVIMOL KRITAYAKIERN C.P.A. ( THAILAND) REGISTRATION  
NO.2982 AND/OR, MRS. VILAIRAT ROJNUCKARIN, C.P.A. ( THAILAND)  
REGISTRATION NO.3104, D I A INTERNATIONAL AUDIT CO., LTD.  
16/32 SUKHUMVIT SOI 22, SUKHUMVIT ROAD, KLONGTOEY AREA,  
KLONGTOEY DISTRICT, BANGKOK 10110  
TEL.0-2259-5300 FAX. 0-2260-1553

## 2. Any Other Matters

-None-

## ● Share Hold of More Than 10% of Issued Shares

INVESTMENT IN OTHER COMPANIES IN 2013. SHARE HOLD OF MORE THAN 10% OF ISSUED SHARES.

NO.	COMPANY NAME	LOCATION	TYPE OF BUSINESS	TYPE OF SHARE	AMOUNT (BAHT)
<b>DISTRIBUTING COMPANIES</b>					
1	I.C.C. INTERNATIONAL PUBLIC COMPANY LIMITED	BANGKOK	CONSUMER PRODUCTS	ORDINARY	659,099,008.89
2	SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED	BANGKOK	CONSUMER PRODUCTS	ORDINARY	307,112,623.32
3	KYOSHUN CO., LTD.	BANGKOK	AGENT	ORDINARY	1,997,600.00
4	BANGKOK ATHLETIC CO., LTD.	BANGKOK	SPORT WARE	ORDINARY	69,561,939.58
5	INTERNATIONAL COMMERCIAL CORDINATION LTD. (H.K)	HONGKONG	AGENT	ORDINARY	2,161,197.26
6	NEW CITY (BANGKOK) PUBLIC COMPANY LIMITED	BANGKOK	CONSUMER PRODUCTS	ORDINARY	43,120,478.00
7	TSURUHA (THAILAND) CO., LTD.	BANGKOK	RETAILS STORE	ORDINARY	30,000,000.00
8	O.C.C. PUBLIC COMPANY LIMITED	BANGKOK	CONSUMER PRODUCTS	ORDINARY	12,215,983.30
9	MORGAN DE TOI (THAILAND) CO., LTD.	BANGKOK	DISTRIBUTOR	ORDINARY	4,800,000.00
10	WIEN INTERNATIONAL CO., LTD.	BANGKOK	DIRECT SALE	ORDINARY	3,600,000.00
11	BETTER WAY (THAILAND) CO., LTD.	BANGKOK	DIRECT SALE	ORDINARY	9,572,050.00
12	SUN 108 CO., LTD.	BANGKOK	DISTRIBUTOR	ORDINARY	10,000,000.00
<b>Total</b>					<b>1,153,240,880.35</b>

### MANUFACTURING COMPANIES

1	THAI HOOVER INDUSTRY CO., LTD.	SAMUTPRAKARN	PLASTIC PRODUCTS	ORDINARY	22,639,600.00
2	THAI ITOKIN CO., LTD.	BANGKOK	GARMENT	ORDINARY	30,252,029.69
3	SAHACHOL FOOD SUPPLIES CO., LTD.	CHOLBURI	AGRICULTURE PRODUCTS	ORDINARY	77,791,484.00
4	INTERNATIONAL LABORATORIES CORP LTD.	BANGKOK	COSMETICS	ORDINARY	165,000,000.00
5	LION CORPORATION (THAILAND) LTD.	BANGKOK	DETERGENT	ORDINARY	74,400,000.00
6	FAMILY GLOVE CO., LTD.	CHOLBURI	RUBBER GLOVE	ORDINARY	33,725,000.00
7	THANULUX PUBLIC COMPANY LIMITED	BANGKOK	GARMENT	ORDINARY	28,688,920.22
8	CHAMP ACE CO., LTD.	BANGKOK	GARMENT	ORDINARY	9,000,000.00
9	THAI PRESIDENT FOODS PUBLIC COMPANY LIMITED	BANGKOK	FOOD PROCESSING	ORDINARY	90,310,095.47
10	THAI WACOAL PUBLIC COMPANY LIMITED	BANGKOK	LINGERIES	ORDINARY	63,545,155.00
11	T.U.C. ELASTIC CO., LTD.	BANGKOK	POWER NET	ORDINARY	33,600,000.00
12	TOP TREND MANUFACTURING CO., LTD.	CHOLBURI	PLASTIC PRODUCTS	ORDINARY	47,625,000.00
13	S. APPAREAL CO., LTD.	SAMUTPRAKARN	GARMENT	ORDINARY	7,200,000.00
14	SSDC (TIGERTEX) CO., LTD.	PRACHINBURI	SPINING	ORDINARY	76,609,202.82
15	BANGKOK TOKYO SOCKS CO., LTD.	BANGKOK	SOCKS	ORDINARY	26,764,312.50

## Share Hold of More Than 10% of Issued Shares

INVESTMENT IN OTHER COMPANIES IN 2013. SHARE HOLD OF MORE THAN 10% OF ISSUED SHARES.

NO.	COMPANY NAME	LOCATION	TYPE OF BUSINESS	TYPE OF SHARE	AMOUNT (BAHT)
16	TOTAL WAY IMAGE CO., LTD.	BANGKOK	ARTIFECIAL LEATHER	ORDINARY	6,246,583.44
17	THAI MONSTER CO., LTD.	BANGKOK	GARMENT	ORDINARY	5,906,141.75
18	FIVE STAR PLUS CO., LTD.	BANGKOK	LEATHER SUIT	ORDINARY	9,750,000.00
19	H&B INTERTEX CO., LTD.	BANGKOK	TOYS	ORDINARY	7,600,000.00
20	GRAND STAR INDUSTRY CO., LTD.	BANGKOK	ACCESSORIES	ORDINARY	14,052,348.45
21	SAHA NAM TEXTILE CO., TLD.	BANGKOK	TEXTILES	ORDINARY	7,747,488.00
22	ERAWAN TEXTILES CO., LTD.	SAMUTPRAKARN	TEXTILES	ORDINARY	110,768,762.91
23	PATTAYA MANUFACTURING CO., LTD.	BANGKOK	LINGERIES	ORDINARY	4,922,582.50
24	MOLTEN ASIA POLYMER PRODUCTS CO., LTD.	CHOLBURI	RUBBER PART FOR CAR	ORDINARY	18,720,000.00
25	SAHACOGEN (CHONBURI) PUBLIC COMPANY LIMITED	CHOLBURI	ELECTRIC CURRENT	ORDINARY	257,709,680.88
26	S&J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED	BANGKOK	COSMETICS	ORDINARY	130,042,427.82
27	GENERAL GLASS CO., LTD.	CHOLBURI	GLASS	ORDINARY	34,339,805.49
28	TOYO TEXTILE THAI CO., LTD.	BANGKOK	SOCKS	ORDINARY	4,500,000.00
29	THAI KOBASHI CO., LTD.	CHOLBURI	PAPER BOXES	ORDINARY	15,000,000.00
30	THAI SPORT GARMENT CO., LTD.	BANGKOK	GARMENT	ORDINARY	1,500,000.00
31	EASTERN RUBBER CO., LTD.	CHOLBURI	RUBBER PRODUCTS	ORDINARY	4,500,000.00
32	THAI ARAI CO., LTD.	CHOLBURI	CAR ACCESSORIES	ORDINARY	19,202,504.36
33	INTERNATIONAL LEATHER FASHION CO., LTD.	BANGKOK	LEATHER	ORDINARY	7,000,000.00
34	PEOPLE'S GARMENT PUBLIC COMPANY LIMITED	BANGKOK	GARMENT	ORDINARY	56,886,983.49
35	THAI KAMAYA CO., LTD.	BANGKOK	PACKAGING	ORDINARY	14,528,000.00
36	RACHA UCHINO CO., LTD.	SAMUTPRAKARN	COTTON TOWELS	ORDINARY	10,080,960.00
37	TEXTILE PRESTIGE PUBLIC COMPANY LIMITED	BANGKOK	LACE	ORDINARY	12,993,750.00
38	MOLTEN (THAILAND) CO., LTD.	CHOLBURI	SPORTS (BALL)	ORDINARY	12,000,000.00
39	THAI GUNZE CO., LTD.	PRACHINBURI	MEN'S UNDERWARE	ORDINARY	19,800,000.00
40	SAHA SEHWA CO., LTD.	CHOLBURI	PLASTIC PRODUCTS	ORDINARY	15,250,000.00
41	KEWPIE (THAILAND) CO., LTD.	BANGKOK	SEASONING	ORDINARY	26,000,000.00
42	THAI SHIKIBO CO., LTD.	CHOLBURI	SPINING	ORDINARY	23,760,000.00
43	THAI TAKAYA CO., LTD.	BANGKOK	GARMENT	ORDINARY	3,000,000.00
44	THAI TOMADO CO., LTD.	CHOLBURI	ALUMINIUM SASH	ORDINARY	1,000,000.00
45	THAI STAFLEX CO., LTD.	BANGKOK	LINING	ORDINARY	6,000,000.00

## ● Share Hold of More Than 10% of Issued Shares

INVESTMENT IN OTHER COMPANIES IN 2013. SHARE HOLD OF MORE THAN 10% OF ISSUED SHARES.

NO.	COMPANY NAME	LOCATION	TYPE OF BUSINESS	TYPE OF SHARE	AMOUNT (BAHT)
46	U.C.C. UESHIMA COFFEE (THAILAND) CO., LTD.	BANGKOK	CANNED BEVERAGE	ORDINARY	1,500,000.00
47	THAI PRESIDENT FOODS (Hungary) Kft.	HUNGARY	FOOD PROCESSING	ORDINARY	32,182,363.55
48	TAKE HI-TECH CO., LTD.	CHOLBURI	PLASTIC INJECTION	ORDINARY	5,000,000.00
Total					1,686,641,182.34

### OTHERS COMPANIES

1	SAHAPAT REAL ESTATE CO. LTD.	BANGKOK	INVESTMENT	ORDINARY	100,000,000.00
2	EASTERN THAI CONSULTING 1992 CO., LTD.	CHOLBURI	ENVIRONMENT	ORDINARY	10,000,000.00
3	BOON CAPITAL HOLDING CO., LTD.	BANGKOK	INVESTMENT	ORDINARY	62,999,990.00
4	PITAKKIJ CO., LTD.	CHOLBURI	SERVICE	ORDINARY	6,704,000.00
5	FIRST UNITED INDUSTRY CO., LTD.	BANGKOK	RENTAL SERVICES	ORDINARY	11,258,200.00
6	SAHAPAT PROPERTIES CO., LTD.	BANGKOK	INVESTMENT	ORDINARY	5,250,000.00
7	K.R.S. LOGISTIC CO., LTD.	CHOLBURI	LOGISTIC	ORDINARY	2,000,000.00
8	MBTS BROKING SERVICE CO., LTD.	BANGKOK	INSURANCE	ORDINARY	999,500.00
9	SAHA UBON NAKORN CO., LTD.	BANGKOK	INDUSTRIAL PARK	ORDINARY	6,998,437.50
10	PAN LAND CO., LTD.	BANGKOK	LAND DEVELOPMENT	ORDINARY	58,000,000.00
11	SRIRACHA TRANSPORT CO., LTD.	CHOLBURI	LOGISTIC	ORDINARY	2,952,357.50
12	RESEARCH AND DEVELOPMENT OSUKA ASIA CO., LTD.	BANGKOK	RESEARCH	ORDINARY	13,066,600.00
13	SHISEIDO PROFESSIONAL (THAILAND) CO., LTD.	BANGKOK	BEAUTY SHOP	ORDINARY	10,500,000.00
14	TIGER DISTRIBUTION AND LOGISTICS CO., LTD.	BANGKOK	LOGISTIC	ORDINARY	8,427,000.00
15	THAI SECOM PITAKKIJ CO., LTD.	BANGKOK	SECURITY	ORDINARY	94,680,056.00
16	THAI FLYING MAINTENANCE CO., LTD.	CHOLBURI	MAINTENANCE AERO PLANE	ORDINARY	300,000.00
17	FAR EAST DDB PUBLIC COMPANY LIMITED	BANGKOK	ADVERTISING	ORDINARY	29,154,287.52
18	SIAM AUTO BACKS CO., LTD.	BANGKOK	AUTO PARTS	ORDINARY	5,000,000.00
19	SAHA RATTANA NAKORN CO., LTD.	BANGKOK	INDUSTRIAL PARK	ORDINARY	22,500,000.00
20	K.COMMERCIAL & CONSTRUCTION CO., LTD.	BANGKOK	CONSTRUCTION	ORDINARY	5,150,406.14
21	THAI CUBIC TECHNOLOGY CO., LTD.	BANGKOK	CUBIC PRINTING	ORDINARY	4,000,000.00
22	BOONRAVEE CO., LTD.	BANGKOK	SERVICE	ORDINARY	2,000,000.00
Total					461,940,834.66



## Information of the Directors, Executives, Control Persons and Company Secretary

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>1. **Mr. Somkid Jatusripitak</b> <ul style="list-style-type: none"> <li>Chairman</li> <li>Independent Director</li> <li>25 April 2011</li> </ul>	60	<ul style="list-style-type: none"> <li>Bachelor Degree in Economics, Thammasat University</li> <li>MBA (Finance), National Institute of Development Administration (NIDA)</li> <li>Ph.d in Business Administration J.L. Kellogg Graduate School of Management, Northwestern University, U.S.A.</li> </ul>	-	-	2012-Present	Honorary Council Member	National Institute of Development Administration (NIDA)
					2007-Present	Distinguished Professor	National Institute of Development Administration (NIDA)
					2012-Present	Chairman	Thammasat University Hospital
					2011-Present	Honorary Council Member	Prince of Songkla University Councils
					2009-Present	Chairman of the Board of Trustees	Bangkok University
					Jun2009-Jun2011	Honorary Council Member	Thammasat University
					Aug2005-Sep2006	Ministry of Commerce	Ministry of Commerce
					Mar2005-Sep2006	Deputy Prime Minister	
					Feb2003-Mar2004	Deputy Prime Minister	
					Oct2001-Oct2002	Deputy Prime Minister	
					Mar2004-Aug2005	Ministry of Finance	Ministry of Finance
					Feb2001-Feb2003	Ministry of Finance	Ministry of Finance
						<u>Other Listed Companies</u>	-None-
						<u>Other Companies (Non-Listed Companies)</u>	-None-
						<u>Competitive Business related to Company's Business</u>	-None-

## Information of the Directors, Executives, Control Persons and Company Secretary

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>2. Mr. Boonpakorn Chokwatana</b> <ul style="list-style-type: none"> <li>Vice Chairman</li> <li>Director with authority to sign on behalf of the company</li> <li>23 March 1972</li> </ul>	78	<ul style="list-style-type: none"> <li>Assumption Commercial College</li> <li>Bachelor's Degree in Economics, THE UNIVERSITY OF NOTTINGHAM, United Kingdom</li> <li>Director Accreditation Program (DAP) 3/2003</li> <li>Director Certification Program (DCP) 68/2005</li> <li>Role of Compensation Committee (RCC) 7/2008</li> <li>Thai Institute of Directors Association</li> </ul>	0.31	3,10,16	1992-Present	Chairman	Dr. Thiam Chokwatana's Foundation
						<u>Other Listed Companies</u>	
					2002-Present	Director	IT City Public Company Limited
					1994-Present	Vice Chairman	Saha Pathanapibul Public Company Limited
					1962-1993	Director	Saha Pathanapibul Public Company Limited
					1969-Present	Chairman and President	New City (Bangkok) Public Company Limited
					2008-May 2011	Chairman of Nomination and Remuneration Committee	Bumrungrad Hospital Public Company Limited
					2003-May 2011	Audit Committee	Bumrungrad Hospital Public Company Limited
						<u>Other Companies (Non-Listed Companies)</u>	6 Companies
						<u>Competitive Business related to Company's Business</u>	5 Companies from 6 Companies
					2009-Present	Director	United Utility Company Limited
					1996-Present	Director	Saipin Wattana Company Limited
					1990-Present	Director	Chokthanasin Company Limited
					1989-Present	Director	Seri Control Company Limited
					1972-Present	Director	Chokwatana Company Limited

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>3. Mr. Boonsithi Chokwatana</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Chairman of the Executive Board</li> <li>• Chairman of Nomination and Remuneration Committee</li> <li>• Director with authority to sign on behalf of the company</li> <li>• 20 March 1973</li> </ul>	76	<ul style="list-style-type: none"> <li>• The Honorary Doctorate Degree in Business Administration               <ul style="list-style-type: none"> <li>- Burapha University</li> <li>- Thammasat University</li> <li>- National Institute of Development Administration</li> <li>- University of the Thai Chamber of Commerce</li> </ul> </li> <li>• Engineering               <ul style="list-style-type: none"> <li>- Khon Kaen University</li> </ul> </li> <li>• Law               <ul style="list-style-type: none"> <li>- Waseda University</li> </ul> </li> <li>• Science (Textile and Garments)               <ul style="list-style-type: none"> <li>- Rajamangala University of Technology Krungthep</li> </ul> </li> <li>• Director Accreditation Program (DAP) 3/2003</li> <li>• Director Certification Program (DCP) 68/2005</li> <li>Thai Institute of Directors Association</li> </ul>	1.19	2,10,16,17,19	May2010-Present	<u>Other Listed Companies</u>	Saha Pathanapibul Public Company Limited
					May2010-Present	Advisory Director	Thanulux Public Company Limited
					2002-Present	Director	Sahacogen (Chonburi) Public Company Limited
					1991-Present	Vice Chairman	I.C.C. International Public Company Limited
					1972-Present	Chairman	Thai President Food Public Company Limited
					1980-Apr2010	Advising Director	Textile Prestige Public Company Limited
					1990-Apr2010	Advising Director	Thai Wacoal Public Company Limited
						<u>Other Companies (Non-Listed Companies)</u>	33 Companies
						<u>Competitive Business related to Company's Business</u>	11 Companies from 33 Companies
					2011-Present	Director	United Utility Company Limited
					2009-Present	Director	BSTD 109 Company Limited
					2008-Present	Director	BSTR 408 Company Limited
					2007-Present	Director	BTN 1207 Company Limited
					1997-Present	Chairman	Pan Land Company Limited
					1996-Present	Director	Saipin Wattana Company Limited
					1995-Present	Chairman	Sahapat Real Estate Company Limited
					1984-Present	Chairman	Sahamanoonpol Company Limited
					1981-Present	Director	President Holding Company Limited
					1978-Present	Managing Director	Watsadoramai Company Limited
					1972-Present	Director	Chokwatana Company Limited

Information of the Directors,  
Executives, Control Persons and Company Secretary

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
4. Mrs. Chantra Purnariksha  • President  • Executive Director  • Director with authority to sign on behalf of the company  • 23 April 2012	66	<ul style="list-style-type: none"><li>• MA Comparative Economics, University of Kentucky, Lexington</li><li>• BA (Honors) Political Science, University of California, Berkeley, California</li><li>• Effective Management Program, University of Southern California</li><li>• Top Executive Program 1 Class 12, Office of the Civil Service Commission</li><li>• The Joint State Private Sectors Regular Course, National Defence College</li><li>• Advance Security Management Program, The National Defence College Association of Thailand</li><li>• Director Accreditation Program (DAP) 47/2005 Thai Institute of Directors Association</li></ul>	–	–	2001-2011  2006-2007   2003-2006  2002-2003  2001-2003   2012-Present 2012-Present  2012-19 Jul  2004-2008	Secretary – General  Director  Director  Acting Director — General  Spokesman/Chief Inspector General 10  <u>Other Listed Companies</u>  Independent Director Independent Director and Audit Committee Independent Director and Audit Committee Independent Director  <u>Other Companies (Non-Listed Companies)</u>  <u>Competitive Business related to Company’s Business</u>	Office of Insurance Commission  Department of Insurance, Ministry of Commerce  Department of Export Promotion, Ministry of Commerce  Public Warehouse Organization, Ministry of Commerce  Office of Permanent Secretary, Ministry of Commerce   Phatra Leasing Public Company Limited Jasmine International Public Company Limited Kasikorn Bank Public Company Limited  TMB Bank Public Company Limited  -None  -None-

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>5. Mr. Tanong Srichit</b> <ul style="list-style-type: none"> <li>First Executive Vice President</li> <li>Executive Director</li> <li>Nomination and Remuneration Committee</li> <li>Director with authority to sign on behalf of the company</li> <li>14 March 1996</li> </ul>	58	<ul style="list-style-type: none"> <li>Bachelor Degree in Political Science, Chulalongkorn University</li> <li>Director Accreditation Program (DAP) 3/2003</li> <li>Director Certification Program (DCP) 72/2006</li> <li>Finance for Non - Finance Director (FND) 9/2004</li> <li>Thai Institute of Directors Association</li> </ul>	0.02	-	Mar 2012-Present 2006-Present  2002-Present    2004-Present 2002-Present 2000-Present 2000-Present 1988-Present	Advisor Advisor <u>Other Listed Companies</u> Director  <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u> Director Managing Director Director Managing Director Managing Director	Provincial Police Region 2 Baan Nong Kham Community  Sahacogen (Chonburi) Public Company Limited 26 Companies 5 Companies from 26 Companies  Sinparadon Company Limited Sahapat Properties Company Limited Treasure Hill Company Limited Pan Land Company Limited First United Industry Company Limited
<b>6. Mr. Vichai Kulsomphob</b> <ul style="list-style-type: none"> <li>Executive Vice President</li> <li>Executive Director</li> <li>Director with authority to sign on behalf of the company</li> <li>23 April 2012</li> </ul>	36	<ul style="list-style-type: none"> <li>Bachelor's Degree of Business Administration, Chulalongkorn University</li> <li>Master of Advanced Business Practice, University of South Australia</li> <li>Master of Marketing (English Program) Thammasat University</li> <li>Master of International Business (Exchange Program), Norwegian School of Economics and Business Administration, Norway</li> <li>OIC Advanced Insurance Institute (Class1), Office of Insurance Commission</li> </ul>	0.01	3	2007-Present  2006-2013  2007-Dec 2011	<u>Other Listed Companies</u> Director  Executive Vice President  Independent Director and Audit Committee <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	Thai Samsung Life Insurance Public Company Limited Bangkok First Investment & Trust Public Company Limited Castle Peak Holding Public Company Limited  10 Companies 5 Companies from 10 Companies

## Information of the Directors, Executives, Control Persons and Company Secretary

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
		<ul style="list-style-type: none"> <li>Executive Leadership Program (Class2)</li> <li>Wharton Business School, University of Pennsylvania, U.S.A. &amp; NIDA, Thailand</li> <li>Real Estate Management Program for Executive (RE-CU26)</li> </ul>			2013-Present 8 Jan 2013-Present 7 Jan 2013-Present 2012-Present 2009-Present	Director Director Managing Director Director Director	IDF Company Limited Park Capital Holding Company Limited SSI Holding Company Limited Boon Capital Holding Company Limited Pan Land Company Limited
<b>7. Mr. Samreng Manoonpol</b> <ul style="list-style-type: none"> <li>Director</li> <li>Executive Director</li> <li>Director with authority to sign on behalf of the company</li> <li>23 March 1972</li> </ul>	77	<ul style="list-style-type: none"> <li>High School, Wat Rajabopit School</li> <li>Director Accreditation Program (DAP) 3/2003</li> <li>Thai Institute of Directors Association</li> </ul>	0.30	-	2008-Present 1990-Present  1984-Present 1983-Present 1978-Present	<u>Other Listed Companies</u> Advisor Advisor <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u> Vice Chairman Chairman Chairman	Saha Pathanapibul Public Company Limited I.C.C. International Public Company Limited 5 Companies 3 Companies from 5 Companies Sahamanoonpol Company Limited Sahapat Properties Company Limited Watsadoramai Company Limited



Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>8. Mr. Somsakdi Dhanasarnsilp</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Executive Director</li> <li>• Nomination and Remuneration Committee</li> <li>• Director with authority to sign on behalf of the company</li> <li>• 23 March 1972</li> </ul>	70	<ul style="list-style-type: none"> <li>• Bachelor's Degree of Business Administration, Sukhothai Thammathirat University</li> <li>• Bachelor's Degree of Arts (Political Science), Ramkhamhaeng University</li> <li>• Director Certification Program (DCP) 5/2001</li> <li>Thai Institute of Directors Association</li> </ul>	0.11	-	1987-April 2007	Director and Treasurer	Thai Listed Companies Association
					1987-Present	<u>Other Listed Companies</u> Vice Chairman	O.C.C. Public Company Limited
					1972-Present	Director	Saha Pathanapibul Public Company Limited
					May 2010-July 2012	Vice Chairman and Independent Director	Boutique New City Public Company Limited
					2004-May 2010	Vice Chairman	Boutique New City Public Company Limited
					1984-April 2010	Director	Thai President Foods Public Company Limited
					1983-April 2010	Director	Textile Prestige Public Company Limited
						<u>Director Other Companies</u>	23 Companies
						<u>(Non-Listed Companies)</u>	
						<u>Competitive Business related to Company's Business</u>	10 Companies from 23 Companies
					2013-Present	Director	Park Capital Holding Company Limited
					2013-Present	Director	S.S.I Holding Company Limited
					2002-Present	Chairman	Sinparadon Company Limited
					1998-Present	Director	Pan land Company Limited
					1995-Present	Managing Director	Sahapat Real Estate Company Limited
					1990-Present	Managing Director	Chokthanasin Company Limited
					1988-Present	Chairman	First United Industry Company Limited
					1981-Present	Director	United Utility Company Limited
					1981-Present	Director	President Holding Company Limited
					1980-Present	Chairman and Managing Director	Sombatthana Company Limited

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>9. Mr. Pipat Paniangvait</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Director with authority to sign on behalf of the company</li> <li>• 27 June 2003</li> </ul>	74	<ul style="list-style-type: none"> <li>• Bachelor's Degree in Education Science, Quanzhou Physical Culture Institute People's Republic of China</li> <li>• Master of Business Administration, Thammasat University</li> <li>• Stanford Executive Program at Stanford University, California, U.S.A.</li> <li>• The Joint State Private Sectors Regular Course (class 2) from the National Defence College</li> <li>• Director Accreditation Program (DAP) 3/2003</li> <li>• Directors Certification Program (DCP) 39/2004</li> <li>• Thai Institute of Directors Association</li> </ul>	0.002	-	2013-Present	Honorary Director	The Thai Chamber of Commerce
					2007-2013	Vice Chairman	The Thai Chamber of Commerce
					2009-2013	Treasurer	Federation Internationale de Natation
					1994-2009	Director	Federation Internationale de Natation
					2007-Present	Expertise	National Olympic Committee of Thailand
					<u>Other Listed Companies</u>		
					Apr 2010-Present	Vice Chairman and Chief Executive Officer	Thai President Foods Public Company Limited
					1972-April 2010	President	Thai President Foods Public Company Limited
					1995-Present	Chairman	Thai O.P.P. Public Company Limited
					1980-Present	Chairman	President Bakery Public Company Limited
					1983-Apr 2013	Chairman	President Rice Products Public Company Limited
					<u>Other Companies (Non-Listed Companies)</u>		
					<u>Competitive Business related to Company's Business</u>		
					2000-Present	Director	Thai-Myanmar Success Venture Company Limited
					1981-Present	Director	President Holding Company Limited

## Information of the Directors, Executives, Control Persons and Company Secretary

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>10. Mr. Manu Leelanuwatana</b> <ul style="list-style-type: none"> <li>Director</li> <li>Director with authority to sign on behalf of the company</li> <li>23 April 2007</li> </ul>	68	<ul style="list-style-type: none"> <li>Bachelor's Degree in Mechanical Engineering, Chiba University, Japan</li> <li>Director Accreditation Program (DAP) 3/2003</li> <li>Director Certification Program (DCP) 68/2005</li> <li>Thai Institute of Directors Association</li> </ul>	0.27	-	2004-Present 1990-Present 1987-Present 1980-Present May 2010-23Apr 2013 1998-May 2010	<u>Other Listed Companies</u> Director Chairman Director Chairman Director Vice Chairman <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	I.C.C. International Public Company Limited Thai Wacoal Public Company Limited O.C.C. Public Company Limited Textile Prestige Public Company Limited Thanulux Public Company Limited Thanulux Public Company Limited 28 Companies -None-
<b>11.Mr.Karmthon Punsak-Udomsin</b> <ul style="list-style-type: none"> <li>Director</li> <li>Director with authority to sign on behalf of the company</li> <li>26 April 1999</li> </ul>	78	<ul style="list-style-type: none"> <li>High School</li> <li>Director Accreditation Program (DAP) 3/2003</li> <li>Director Certification Program (DCP) 68/2005</li> <li>Thai Institute of Directors Association</li> </ul>	0.94	-	2004-Present 1995-Present  1989-Present 1989-Present 1984-Present 1981-Present 1980-Present	<u>Other Listed Companies</u> Director Chairman <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u> Chairman and CEO Chairman and CEO Chairman and CEO Director Chairman and CEO	IT City Public Company Limited Thai President Foods Public Company Limited 8 Companies 5 Companies from 8 Companies Uni Wealth Company Limited Uni Champ Company Limited Uni Funds Company Limited President Holding Company Limited Uni Central Company Limited

Information of the Directors,  
Executives, Control Persons and Company Secretary

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>12. Mr. Boonkiet Chokwatana</b> <ul style="list-style-type: none"> <li>Director</li> <li>Director with authority to sign on behalf of the company</li> <li>21 April 1986</li> </ul>	66	<ul style="list-style-type: none"> <li>B.S. Mechanical Engineering, Worcester Polytechnic Institute, Massachusetts, U.S.A.</li> <li>The Honorary Doctorate Degree in Business Administration (management), Sripatum University</li> <li>The Honorary Doctorate Degree in Business Graduate School of Commerce, Burapha University</li> <li>The Honorary Doctorate Degree in Business Administration, Naresuan University</li> <li>Director Accreditation Program (DAP) 3/2003</li> <li>Director Certification Program (DCP) 41/2004</li> <li>Thai Institute of Directors Association</li> </ul>	0.85	2, 3, 16	2010-Present	Advisor	Thai Listed Companies Association
					2007-Apr 2009	Vice President	Thai Listed Companies Association
					2005-2007	Director	Thai Listed Companies Association
					2007-2008	Director	Thailand Securities Depository Company Limited
						<u>Other Listed Companies</u>	
					12 Dec 2012 -Present	Chairman	Pan Asia Footwear Public Company Limited
					2011-11 Dec 2012	Director and Executive Director	Pan Asia Footwear Public Company Limited
					2008-Present	President and Chairman of the Executive Board	I.C.C. International Public Company Limited
					1980-2007	President	I.C.C. International Public Company Limited
					2008-Present	Chairman	Sahacogen (Chonburi) Public Company Limited
					1996-2007	Director	Sahacogen (Chonburi) Public Company Limited
					1994-Present	Chairman	People's Garment Public Company Limited
					1993-Present	Chairman	S&J International Enterprises Public Company Limited
					1973-Apr 2010	Director	O.C.C. Public Company Limited
						<u>Other Companies (Non-Listed Companies)</u>	50 Companies
						<u>Competitive Business related to Company's Business</u>	7 Companies from 50 Companies
					Dec 2011-Present	Chairman	Torfun Property Company Limited
					2011-Present	Chairman and Managing	United Utility Company Limited
					2000-Present	Director	Treasure Hill Company Limited
					1996-Present	Director	Saipin Wattana Company Limited
					1989-Present	Director	Pan Land Company Limited
					1979-Present	Director	Chailadadol Company Limited
					1972-Present	Director	Chokwatana Company Limited

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>13. Mr. Boonchai Chokwatana</b> <ul style="list-style-type: none"> <li>Director</li> <li>Director with authority to sign on behalf of the company</li> <li>23 April 2012</li> </ul>	67	<ul style="list-style-type: none"> <li>The Honorary Doctorate Degree in Communication, Naresuan University</li> <li>Bachelor Degree of Arts (Political Science), Ramkhamhaeng University</li> <li>Bachelor Degree of Business Administration, Wisconsin State University At Superior, U.S.A</li> <li>Director Accreditation Program (DAP) 3/2003</li> <li>Director Certification Program (DCP) 68/2005</li> <li>Thai Institute of Directors Association</li> </ul>	-	2, 3, 10	2008-Present	Member of Parliament	
						<u>Other Listed Companies</u>	
					12 Dec 2012-Present	Director	Pan Asia Footwear Public Company Limited
					2011-11 Dec 2012	Chairman	Pan Asia Footwear Public Company Limited
					2012-Present	Director	Thai President Foods Public Company Limited
					May 2011-Present	Chairman and Chairman of	Saha Pathanapibul Public Company Limited
					1972-May 2010	Executive Board	Saha Pathanapibul Public Company Limited
					2007-Present	Independent Director	MFC Asset Management Public Company Limited
							Far East DDB Public Company Limited
					1970-Present	Chairman	23 Companies
						<u>Other Companies (Non-Listed Companies)</u>	
						<u>Competitive Business related to Company's Business</u>	
					2011-Present	Director	8 Companies form 23 Companies
					1995-Present	Director	Ek Pakorn Company Limited
					1992-Present	Director	Sahapat Real Estate Company Limited
					1990-Present	Director	Saipin Wattana Company Limited
					1989-Present	Director	Chokthanasin Company Limited
					1986-Present	Director	Pan Land Company Limited
					1979-Present	Director	United Utility Company Limited
					1972-Present	Managing Director	Chailadadol Company Limited
							Chokwatana Company Limited

Information of the Directors,  
Executives, Control Persons and Company Secretary

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>14.**Mr. Minoru Furusawa</b> <ul style="list-style-type: none"> <li>Independent Director</li> <li>13 May2011</li> </ul>	54	<ul style="list-style-type: none"> <li>Keio University, B.A. in Law, March 1981</li> </ul>	-	-	April 2013 - Present 2012 - April 2013 2012 - Present 2012 - Present April 2010	Vice President President Vice President Director Unit General Manager, Fuel Ethanol Project Unit (Concurrfernt) <u>Other Listed Companies</u> <u>Other Companies (Non Litsted Companies)</u> <u>Competitive Business related to Company's Business</u>	Japanese Chamber of Commerce Japanese Chamber of Commerce Thai - Japanese Association Japanese Association Mitsubishi Corporation, Tokyo  -None- 5 Companies  -None-
<b>15. **Mr. Nopporn Bhongsvej</b> <ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of Audit Committee</li> <li>26 April 2010</li> </ul>	66	<ul style="list-style-type: none"> <li>Bachelor Degree in Economics, University of Oregon, USA</li> <li>Master Degree in Economics, Oregon State University , USA</li> <li>Director Accreditation Program (DAP) 38/2005</li> <li>Director Certification Program (DCP) 71/2006</li> <li>Audit Committee Program (ACP) 12/2006</li> <li>Thai Institute of Directors Association</li> </ul>			2005 - Present	<u>Other Listed Companies</u> Independent Director, Audit Committee, Nomination and Remuneration Committee <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	Sahacogen (Chonburi) Public Company Limited  -None-  -None-



## Information of the Directors, Executives, Control Persons and Company Secretary

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>16.** POL.LT.GEN. Amarin Niemskul</b> <ul style="list-style-type: none"> <li>Independent Director</li> <li>Audit Committee</li> <li>24 April 2006</li> </ul>	66	<ul style="list-style-type: none"> <li>Bachelor Degree of Public Administration (Police Science), Royal Police Cadet Academy</li> <li>Master of Public Administration, The National Institute of Development Administration</li> <li>Master of Art, University of Kansas, U.S.A</li> <li>Director Accreditation Program (DAP) 60/2006</li> <li>Thai Institute of Directors Association</li> </ul>	-	-	2006-Sep 2007	Assistant Commissioner - General (Retired in 2007)	
					2005	Commissioner, Office of Forensic Science	
					Apr 2013-Present	<u>Other Listed Companies</u> Independent Director and Audit Committee	Thanulux Public Company Limited
					2011-Present	Independent Director and Chairman of Audit Committee	Teera-Mongkol Industry Public Company Limited
					May 2011-Apr 2013	Independent Director and Audit Committee	Saha Pathanapibul Public Company Limited
					May 2011-May 2012	Independent Director and Chairman of Audit Committee	Saha Pathanapibul Public Company Limited
					2007-May 2011	Independent Director and Audit Committee	Saha Pathanapibul Public Company Limited
					2006-Apr 2011	Independent Director and Audit Committee	I.C.C. International Public Company Limited
						<u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	1 Company -None-

Information of the Directors,  
Executives, Control Persons and Company Secretary

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>17. **Mr. Krish Follett</b> <ul style="list-style-type: none"> <li>Independent Director</li> <li>Audit Committee</li> <li>22 April 2013</li> </ul>	64	<ul style="list-style-type: none"> <li>Bachelor of Economics Thammasat University</li> <li>Master of Accounting (MBA) Thammasat University</li> <li>Director Certification Program (DCP) 149/2011 Thai Institute of Directors Association</li> </ul>	-	-	2008-2009	Assistant Governor, Operational Group	Bank of Thailand
					2004-2008	Senior Director, Internal Audit	Bank of Thailand
					2002-2004	Senior Director, Onsite Examination Department 1	Bank of Thailand
						<u>Other Listed Companies</u>	
					Apr 2012-Present	Independent Director and Audit Committee	Thoresen Thai Agencies Public Company Limited
					Apr 2012-Present	Independent Director and Chairman of Risk Management Committee	Thai Wacoal Public Company Limited
					2011-Present	Independent Director and Audit Committee	Thanulux Public Company Limited
					2010-Present	Independent Director and Audit Committee	Property Perfect Public Company Limited
						<u>Other Companies (Non-Listed Companies)</u>	1 Company
						<u>Competitive Business related to Company's Business</u>	-None-

## Information of the Directors, Executives, Control Persons and Company Secretary

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
18. Mr. Surachai Danaitangtrakul • Independent Director • 13 March 2013	60	<ul style="list-style-type: none"> <li>Bachelor of Laws Thammasat University</li> <li>Master of Political Science Sukhothai Thammathirat Open University</li> <li>Thammasat Leadership Program (Class1)</li> <li>Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives. Certification Program (DCP) Class 4 college politics. King Prajadhipok's Institute</li> <li>Courses Defence public, private and political (Wpm.) version 3/2548 Defence College. Kingdom</li> <li>Accreditation Program (DAP) 11/2004 Thai Institute of Directors Association</li> </ul>	-	-	2006	President of the Senate Affair	The Senate
					2005	President of the Senate Affairs on Budget	The Senate
					2004-2006	President on Monetary Affairs, Finance, Banking and Financial Institutions	The Senate
					2000-2006		The Senate
						<u>Other Listed Companies</u>	
					Aug 2013-Present	Director	Thai Samsung Life Insurance Public Company Limited
					2006-2009	Director and Audit Committee	Finansia Syrus Asset Public Company Limited
						<u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	6 Companies  -None-

Information of the Directors,  
Executives, Control Persons and Company Secretary

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>19. Mrs. Darunee Soontomtumrong</b> <ul style="list-style-type: none"> <li>Administrative Manager</li> <li>Company Secretary</li> <li>1 August 2003</li> <li>28 April 1994</li> </ul>	59	<ul style="list-style-type: none"> <li>Bachelor Degree in finance and Banking (HONS), Ramkhamhaeng University</li> <li>Course of Law and Practice for Company Secretary, Chulalongkorn University</li> <li>Corporate Secretary Development Program, Chulalongkorn University managed by Thai Listed Companies Association</li> <li>Fundamental Practice for Corporate Secretary (FPCS 19) Thai Listed Companies Association</li> <li>Effective Minute Taking 14/2009 Thai Institute of Directors Association</li> </ul>	0.0009	-		<u>Other Listed Companies</u> <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	-None- 6 Companies
					1996 - Present	Director	Sahapat Real Estate Company Limited
					2002 - Present	Managing Director	Sinparadon Company Limited
					1996 - Present	Director	Sahapat Properties Company Limited
					1988 - Present	Director	First United Industry Company Limited
<b>20. Mrs. Nisa Chindasombatcharoen</b> <ul style="list-style-type: none"> <li>Accounting Manager</li> <li>1 August 2003</li> <li>(Employee contract ended in January 1, 2014)</li> </ul>	62	<ul style="list-style-type: none"> <li>Bachelor Degree in Accounting Ramkhamhaeng University</li> <li>MINI MBA, (class 1) Business Economy and Management, Faculty of Economics, Chulalongkorn University</li> </ul>	0.0004	-		<u>Other Listed Companies</u> <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	-None- 4 Companies
					2005 - Present	Director	Sahapat Properties Company Limited
					2002 - Present	Director	Sahapat Real Estate Company Limited
					1999 - Present	Director	Sinparadon Company Limited

## Information of the Directors, Executives, Control Persons and Company Secretary

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>21. Ms. Suvanee Kittipipathanapong</b> <ul style="list-style-type: none"> <li>Finance Manager</li> <li>1 April 2011</li> </ul>	56	<ul style="list-style-type: none"> <li>Secretary YWCA Secretary School</li> </ul>	0.002	-	2002 - Present	<u>Other Listed Companies</u> <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u> Director	-None- 2 Companies 1 Company from 2 Companies Sinparadon Company Limited
<b>22. Mr. Vichian Aramruang</b> <ul style="list-style-type: none"> <li>Legal Manager</li> <li>6 November 2009</li> </ul>	50	<ul style="list-style-type: none"> <li>Bachelor Degree in Law Ramkhamhaeng University</li> <li>Bachelor Degree in Accounting Chulalongkorn University</li> <li>Master of Public and Private Management National Institute of Development Administration</li> </ul>	-	-		<u>Other Listed Companies</u> <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	- None- - None- - None-
<b>23. Ms. Sauwanee Numbenjapol</b> <ul style="list-style-type: none"> <li>Human Resources Manager</li> <li>1 August 2003</li> <li>(Terminated on January 1<sup>st</sup>, 2014)</li> </ul>	60	<ul style="list-style-type: none"> <li>Bachelor of Arts Chulalongkorn University</li> </ul>	0.0004	-		<u>Other Listed Companies</u> <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	-None- -None- -None-
<b>24. Mrs. Pimsiri Kuansuwan</b> <ul style="list-style-type: none"> <li>Business Promotion Manager</li> <li>1 August 2003</li> </ul>	58	<ul style="list-style-type: none"> <li>Certificate Bophit Phimuk College</li> </ul>	0.003	-	1996 - Present	<u>Other Listed Companies</u> <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u> Director	-None- 1 company 1 company from 1 company First United Industry Company Limited

Information of the Directors,  
Executives, Control Persons and Company Secretary

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>25. Mr. Pirom Thongging</b> <ul style="list-style-type: none"> <li>Internal Audit Manager</li> <li>18 December 2008</li> </ul>	53	<ul style="list-style-type: none"> <li>Bachelor Degree in Accounting Ramkhamhaeng University</li> </ul>	-	-		<u>Other Listed Companies</u> <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u>	-None- 2 Companies -None-
<b>26. Mr. Chuto Chirakunakorn</b> <ul style="list-style-type: none"> <li>Project Manager</li> <li>1 August 2003</li> </ul>	54	<ul style="list-style-type: none"> <li>Bachelor Degree in Architecture</li> <li>Silpakorn University</li> </ul>	-	-	2000 - Present 2002 - Present 2004 - Present	<u>Other Listed Companies</u> <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u> Director Director Director	-None- 11 Companies 3 Companies from 11 Companies Treasure Hill Company Limited Sahapat Properties Company Limited First United Industry Company Limited
<b>27. Mr. Watchara Yaemkaew</b> <ul style="list-style-type: none"> <li>Landscape Manager</li> <li>1 May 2010</li> </ul>	49	<ul style="list-style-type: none"> <li>Bachelor Degree in Landscape Technology, Maejo University</li> </ul>	-	-	2011 - Present	<u>Other Listed Companies</u> <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u> Director	-None - 2 Companies 1 Company from 2 Companies Treasure Hill Company Limited
<b>28. Mr. Tinakorn Bunnag</b> <ul style="list-style-type: none"> <li>Land Development Manager</li> <li>1 March 2007</li> </ul>	49	<ul style="list-style-type: none"> <li>Bachelor Degree in Architecture Silpakorn University</li> </ul>	-	-	2004 - May 2011 May 2011 - Present	<u>Other Listed Companies</u> <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u> Director Managing Director	- None - 3 Companies 1 Company from 3 Companies Treasure Hill Company Limited Treasure Hill Company Limited

Name/Position/ Date of Appointment	Age	Education	*Shares Hold (%)	Family Relationship between Executives	Past 5 Years Experiences		
					Period	Position	Company Name
<b>29. Mr. Sontaya Tabkhan</b> <ul style="list-style-type: none"> <li>Technical and Engineering Manager</li> <li>11 October 2006</li> </ul>	50	<ul style="list-style-type: none"> <li>Bachelor Degree in Electrical Engineering, Chiang Mai University</li> </ul>	-	-	2004- Present	<u>Other Listed Companies</u> <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u> Director	-None - 8 companies  1 company from 8 companies  Treasure Hill Company Limited
<b>30. Mrs. Tasanee Intapura</b> <ul style="list-style-type: none"> <li>Project Administrative Manager</li> <li>1 March 2007</li> </ul>	56	<ul style="list-style-type: none"> <li>Diploma Phra Nakhon College</li> </ul>	-	-	2004- Present	<u>Other Listed Companies</u> <u>Other Companies (Non-Listed Companies)</u> <u>Competitive Business related to Company's Business</u> Director	-None - 5 companies  1 company from 5 companies  First United Industry Company Limited

**Note :**

\* Including shareholding of spouse and under-aged children

\*\* Independent director does not have any transaction concerning business relationship or providing professional service with the company, the parent company, the associates, the affiliates, major shareholder or control person.





X = CHAIRMAN

// = EXECUTIVE BOARD

/ = DIRECTOR

NAME	COMPANY	ASSOCIATED COMPANIES *												
		1	2	3	4	5	6	7	8	9	10	11	12	13
1. Mr.Somkid Jatusripitak	X													
2. Mr.Boonpakorn Chokwatana	/												/	
3. Mr.Boonsithi Chokwatana	//								X	/	/		/	
4. Mrs.Chantra Purnariksha	//													
5. Mr.Tanong Srichit	//	X	X			//		//						
6. Mr.Vichai Kulsomphob	//													
7. Mr.Samrerng Manoonpol	/							X						
8. Mr.Somsakdi Dhanasarnsilp	/	/	/		/	X							/	
9. Mr.Pipat Paniangvait	/													
10.Mr.Manu Leelanuwatana	/										/			
11.Mr.Karmthon Punsak-Udomsin	/													
12.Mr.Boonkiet Chokwatana	//			X							//	X		X
13.Mr.Boonchai Chokwatana	/						/						X	
14.Mr.Minoru Furusawa	/													
15.Mr.Nophorn Bhongsvej	/													
16.Mr.Krish Follett	/									/				
17.POL.LT.GEN.Amarin Niemskul	/									/				

\* REMARK : THE NAME OF ASSOCIATED COMPANIES WITH VALUE OVER THAN BAHT 0.5 MILLION ARE AS FOLLOW

1. EASTERN THAI CONSULTING 1992 CO.,LTD.
2. PITAKKIJ CO.,LTD.
3. THAI ITOKIN CO.,LTD.
4. SAHACHOL FOOD SUPPLIES CO.,LTD.
5. FIRST UNITED INDUSTRY CO.,LTD.
6. LION COPORATION (THAILAND) CO.,LTD.
7. SAHAPAT PROPERTIES CO.,LTD.

8. INTERNATIONAL LABORATORIES CO.,LTD.
9. THANULUX PLC.
10. I.C.C. INTERANTIONAL PLC.
11. CHAMP ACE CO.,LTD.
12. SAHA PATHANAPIBUL PLC.
13. TOP TREND MANUFACTURING CO.,LTD.

Company directors who seats in related companies as follow

NAME	RELATED COMPANIES **																								
	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35			
1. Mr.Somkid Jatusripitak																									
2. Mr.Boonpakorn Chokwatana									X																
3. Mr.Boonsithi Chokwatana	/						/			X							/								
4. Mrs.Chantra Purnariksha																									
5. Mr.Tanong Srichit							/				/	/													
6. Mr.Vichai Kulsomphob																									
7. Mr.Samreng Manoonpol																									
8. Mr.Somsakdi Dhanasarnsilp						/										/									
9. Mr.Pipat Paniangvait																									
10.Mr.Manu Leelanuwatana	X	X			X	X										/	X	X	X	X	/	X			
11.Mr.Karmthon Punsak-Udomsin																									
12.Mr.Boonkiet Chokwatana				X			/	X			/			X											
13.Mr.Boonchai Chokwatana																									
14.Mr.Minoru Furusawa																									
15.Mr.Nophorn Bhongsvej							/																		
16.Mr.Krish Follett																									
17.POL.IT.GEN.Amarin Niemskul																									

\*\* REMARK : THE NAME OF RELATED COMPANIES WITH VALUE OVER THAN BAHT 0.5 MILLION ARE AS FOLLOW

14.SSDC (TIGERTEX) CO.,LTD.  
 15.BANGKOK TOKYO SOCKS CO.,LTD.  
 16.TOTAL WAY IMAGE CO.,LTD.  
 17.H & B INTERTEX CO.,LTD.  
 18.GRAND STAR INDUSTRY CO.,LTD.  
 19.PATTAYA MANUFACTURING CO.,LTD.

20.SAHACOGEN (CHONBURI) PLC.  
 21.S & J INTERNATIONAL ENTERPRISE PLC.  
 22.NEW CITY (BANGKOK) PLC.  
 23.TSURUHA (THAILAND) CO.,LTD.  
 24.GENERAL GLASS CO.,LTD.  
 25.THAI ARAI CO.,LTD.

26.INTERNATIONAL LEATHER FASHION CO.,LTD.  
 27.PEOPLE'S GARMENT PLC.  
 28.THAI KAMAYA CO.,LTD.  
 29.O.C.C. PLC.  
 30.RACHA UCHINO CO.,LTD.

31.TEXTILE PRESTIGE PLC.  
 32.WIEN INTERNATIONAL CO.,LTD.  
 33.TAHI GUNZE CO.,LTD.  
 34.THAI SHIKIBO CO.,LTD.  
 35.THAI TAKAYA CO.,LTD.

Company directors  
 who seats in related companies as follow

X = CHAIRMAN // = EXECUTIVE BOARD / = DIRECTOR

NAME	RELATED COMPANIES **																										
	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60		
1. Mr.Somkid Jatusripitak																											
2. Mr.Boonpakorn Chokwatana																											
3. Mr.Boonsithi Chokwatana						/					/							/									
4. Mrs.Chantra Pumariksha																											
5. Mr.Tanong Srichit							/			X		X							/		/		/	X			
6. Mr.Vichai Kulsomphob																						/					
7. Mr.Samreng Manoonpol																											
8. Mr.Somsakdi Dhanasarnsilp			/										/								X		X				
9. Mr.Pipat Paniangvait												X															
10.Mr.Manu Leelanuwatana		X				/																					
11.Mr.Karmthon Punsak-Udomsin																X											
12.Mr.Boonkiet Chokwatana			X	/				/		X					/			/	/								
13.Mr.Boonchai Chokwatana					X					/																	
14.Mr.Minoru Furusawa																											
15.Mr.Nophorn Bhongsvej																											
16.Mr.Krish Follett																											
17.POL.IT.GEN.Amarin Niemskul																											

\*\* REMARK : THE NAME OF RELATED COMPANIES WITH VALUE OVER THAN BAHT 0.5 MILLION ARE AS FOLLOW

36.THAI TOMADO CO.,LTD.	42.BUTIQUE NEWCITY PLC.	48.KABIN PHATTHANAKIJ CO.,LTD.	54.SAHACOGEN GREEN CO.,LTD.
37.THAI STAFLEX CO.,LTD.	43.TREASURE HILL CO.,LTD.	49.SHALDAN (THAILAND) CO.,LTD.	55.PAN ASIA LEATHER CO.,LTD.
38.THAI CUBIC TECHNOLOGY CO.,LTD.	44.THAI ASAHI KASEI SPANDEX CO.,LTD.	50.CHAMP KABIN CO.,LTD.	56.SIN PARADORN CO.,LTD.
39.OSOTH INTER LABORATORIES CO.,LTD.	45.PAN ASIA FOOTWEAR PLC.	51.UNIVERSE BEAUTY CO.,LTD.	57.I.D.F.CO.,LTD.
40.SAHA LAWSON CO.,LTD.	46.SRIRACHA AVIATION CO.,LTD.	52.CHOKCHAIPIBUL CO.,LTD.	58.PTK MULTISERVICE CO.,LTD.
41.THAI TAKEDA LACE CO.,LTD.	47.PRESIDENT BAKERY PLC.	53.INTERNATIONAL CURITY FOOTWAR CO.,LTD.	59.ENVIRONMENTAL TECHNOLOGY CONSULTANT CO.,LTD.

Company directors  
who seats in related companies as follow





# Corporate Social Responsibility





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## Message from the President

The policy of the Company and its subsidiaries is to operate by placing no less emphasis on social and environmental responsibilities than on the core business of the Company. Both of the CSR-in-process and the CSR-after-process that the Company uses have integrated the social and environmental responsibilities for the Company.

In the case of social responsibility, the Company does not concern only about its readiness, performance, available resources, and the importance of the views of stakeholders, it has also participated in the development of society as one of the stakeholders in various ways. One of them is the Dr. Thiam Agricultural Sufficiency Economy Project in Saha Group Industrial Park - Lamphun. This project was established to be a center of a learning community. It aims to put agriculture and eco-industry in balance with a principle of energy efficiency keeping its impact on society and the environment in mind. This project also implements the use of treated industrial wastewater from the central water treatment system in organic agriculture. According to the project, the Company can manage to discharge less wastewater into the public water supply continuously and sustainably.

The Company takes into account the environmental impact of its business operation in terms of resource use, energy consumption and pollution by considering direct and indirect economic, environmental, and social factors. By doing so, Saha Group Industrial Park has therefore been certified Multisite ISO 14001:2008, an environmental management standard, by the Office of Certification Body (OCB) under the Thailand Institute of Scientific and Technological Research (TISTR), in Sriracha,

Kabinburi, and Lamphun sites in 2013. Saha Group Industrial Park - Sriracha is also Thailand's first industrial estate that has been certified an energy management standard,

ISO 50001:2011, by the Management System Certification Institute and awarded "Great Cooperation in River Conservation and Restoration" for the year 2013 by the Ministry of Industry.

The Company is fully aware that the communication, dissemination, and disclosure of information regarding economic, social, and environmental performance to the public and its stakeholders with transparency and accountability is something that reflects its social and environmental responsibilities. This practice will always lead the Company to sustainable business development.



Mrs. Chantra Purnariksha  
President



## The policy and Overview

Message from the President have the policy of the Company and its subsidiaries is to operate by placing no less emphasis on social and environmental responsibilities than on the core business of the Company. Both of the CSR-in-process and the CSR-after-process that the Company uses have integrated the social and environmental responsibilities for the Company.

## Operation and Report Preparation

We develop our businesses along with having sustainable social and environmental responsibilities according to the philosophy of sufficiency economy. The Company operates and makes reports on social and environmental responsibilities in compliance with the following. The Company adheres to international standard principles, the rules and terms of legal norms, government regulations for business-related operation control, together with any other existing practices or measures that are recognized internationally, as well as The Principles of Good Corporate Governance (1<sup>st</sup> Revision)

under The Principles of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand. These reports were approved by the Board of Directors in the 9<sup>th</sup> meeting (Series 20) on January 14, 2014 and have been effective from January 15, 2014. As a result, our management shows that the operation on social and environmental responsibilities can increase overall acceptance from shareholders, customers, partners, competitors, creditors, employees, communities and society, as well as other stakeholders.

The Company encourages its employees to cultivate a good conscience and to understand and continually participate in company activities regarding social and environmental responsibilities, as well as to be capable of being a link between business targets of the company and economic, social, and environmental impacts that occur in daily operations. The concrete operation on social and environmental matters eventually lead to innovation and create new operation methods for the company. We also conduct an internal control adequacy assessment based on the COSO concept to set up a practice guideline. As a result, we manage to reduce risks from data indicators and create water, air, and ecosystem impact forms. The assessment results showed us issues that need to be addressed or require an act of responsibility. The Company always discloses its operation-affected information in a quality and transparent manner.



## Fair conduct of Business

The Company is fair in its conduct of business. All of its activities are in compliance with applicable laws and regulations to ensure free and fair competition. Employees are encouraged to recognize the importance of fair operation: to disclose any methods and measures against unfair competition through formal regulations governing the procurement, hiring, and sales of company properties and leftover materials in a transparent and accountable manner; to be responsible in their participation in political activities; to observe the Law; to be fair in any competition; to be responsible towards society in their actions on behalf of the Company ; and to respect the rights of properties according to the international charter on human rights, physical property and intellectual property. Our policy guides us away from violating intellectual property, the imitation or unauthorized use of intellectual property belonging to a third party such as domestic and international trademarks. The software we use is properly licensed as well in Business Ethics, Non-infringement of Intellectual Property Topic.

## Anti-corruption Initiatives

The Company sets a policy to comply with the Anti-corruption law. In January, 2014, the Board of Directors approved the signing of the Collective Action Coalition. This Declaration of Intention demonstrates the cooperation among Thailand's private sector to fight against corruption according

to an international framework and procedures regarding anti-corruption. The attempt is to set up a transparent business operation standard. According to the policy, measures have been implemented to mitigate the risks of corruption and bribery both within the business and among interested parties. We help reinforce the awareness of honesty among executives, employees and interested parties who in fact develop an affection for the organization they belong to and help secure and refrain from using company assets in an inappropriate manner. The Company conducts business on the basis of appropriateness, transparency and compliance with the law. Every employee must not achieve any task in their line of duty through corrupt means or bribery. Any such violation will be deemed a serious offense. The employee ethics explicitly require employees to perform their duties with honesty, responsibility, discipline, and good sense towards the public and themselves. Employees must not use their position to seek benefits for themselves or for others in a wrongful manner. Employees are prohibited from accepting money or any other benefit in connection with the work they perform

for the Company . Presently, authority is defined in writing in the Company regulations. The most serious disciplinary penalty prescribed for any violation in this matter is termination of employment. The directors, executives and employees of the Company have complied well with these requirements. Additionally, we have the Internal Audit Office whose responsibility is to audit and assess corruption related risks. There is also the Audit Committee which reviews and evaluates internal control systems and monitors the internal audit operation. The internal audit unit will report any corruption directly to the Audit Committee who will in turn report it to the Board of Directors in Business Ethics, Combating Dishonest Acts Corruption Topic.

## Respect for Human Rights

The Company is committed to operate its business on a basis of responsibility without limitation on freedom or differences of opinions, gender, race, religion, political stance or any other matter. We shall not only avoid making comments that might cause conflict or schism but also respect the human rights of interested parties. The Company has defined the roles and responsibility where human rights are concerned in order to achieve cohesive practices with its business ethics in the topic of human rights non-violation. in Business Ethics, Non-violation of Human Rights Topic.

In 2013, we held several activities that contributed to the quality of life, health and family planning for employees and the adjacent communities as follows:

- Training course on quality pregnancy and delivery preparation for Saha Group employees to prepare themselves during and after pregnancy.
- Free cervical cancer screening every month which has received attention from the employees and surrounding communities.
- Annual blood donation program which received great co-operation from Saha Group employees and the general public.
- Annual Influenza vaccine for employees.
- Annual health check for employees.







starting from the welfare and benefits selection, potential and competency development, to appropriate compensation. As a result, the Company's staff turnover rate has been maintained continuously at a very low level and there has never been any labor dispute.

In 2013, we have contributed to the promotion of health and safety of our workforce with the following activities:

- Traffic law and safety training with the Lamphun Provincial Transportation Office and Pa Sak Subdistrict Administration Organization (with mobile units) for Saha Group employees and surrounding communities. There were approximately 200 participants.



## Fair Treatment of the Workforce

The Company has a clear labor-related policy and has defined roles and responsibilities where company labor is concerned in Fair Operation Policy and Labor Policy Topic. Each and every employee is treated fairly on the basis of the law, their rights, and the Company's regulations no matter where they are in our workforce process. This value is found in every process of the Company,



## Responsibility towards Consumers

The Company has defined practical guidance for the support and the advisory of consumers where our products and services are concerned. We have, as well, established guidance on how to resolve complaints and disputes or how to provide compensation on the same level as national or international standards. We do not charge expenses to consumers and we do not obstruct their legal rights to claim. A survey of consumer satisfaction with the Company was conducted as well as the procedure established to settle disputes between the companies within our Industrial Parks and the surrounding communities.

In 2013, the activities we have implemented for consumers are as follows:

- The 17<sup>th</sup> Saha Group Fair (Trade, Export, Exhibition) was held at the Queen Sirikit National Convention Center with a showcase of product innovations and sales of discounted products at special prices to benefit consumers.
- Saha Group Fair at Saha Group Industrial Park - Sriracha, Kabinburi, and Lamphun are held during November and December annually to return profit to customers. These fairs are very well received by consumers.
- Saha Group Lamphun Industrial Park, in cooperation with Pa Sak Subdistrict Administration Organization, organized Pa Sak Fair to promote local products and provide support to the empowerment of women in Pa Sak subdistrict. There were local products exhibition for sale and folk art contests in this fair as well.





## Community and Social Development

The Company encourages its employees to cultivate a public service mind to help people and do good deeds for society as regularly as they can. This sense of responsibility and being a part of society are essential to creating beneficial mutual assistance and harmonious co-existence. In 2013, we have developed the community and society with regard to the local community, local hiring, mutual obligations compliance, maintaining dialogue with the community, and impact assessment through many activities as follows:

### Promotion of Quality of Life with Sufficiency Economy

The Dr.Thiam Chokwatana Sufficiency Agricultural project was established in Saha Group Industrial Park - Lamphun with the collaboration of local communities around industrial park and governmental agencies and community schools. This project helps generate income, promote

community economy, and create more jobs in the surrounding communities. It also helps stimulate diversity of economic activities within the community. The area inside Saha Group Industrial Park - Lamphun is used for the growing of rice, plants, and the raising of cattle, to provide a learning center of balance between agriculture and eco-industry. This project serves to transfer knowledge of various valuable principles to the adjacent communities, for example, energy efficiency, environmental impact consideration, the non-use of synthetic chemicals, conservative guidelines compliance, and agricultural ecology restoration. This place is also a community learning hub with a variety of interesting programs such as the Oyster Mushroom Project and many other experimental crops: Khao Dok Mali 105 rice, Hom Nil rice, Pathum Thani rice, Sangyod Phatthalung rice, Pah Tong 1 sticky rice, as well as, guava, mango,





dragon fruit, banana, and other agricultural produce. Some of the products of the project are used for reproduction, and some are then shared among interested community members. Any useful offshoots of the project are also processed into various kinds of products.

From past operations, the average yields of rice of this project are shown in the table:

Source	Average yield (Kilogram per Rai)				
	Khao Dok Mali 105	San Pah Tong 1	Pathum Thani	Hom Nil	Sangyod Phatthalung
Sufficiency Agriculture Project	526	806	842	225	289.5
Bureau of Rice Research and Development, Rice Department	363	630	650 - 774	400 - 700	330

Note: the product of the Sufficiency Agriculture Project is organic.

The project, which is located in the same area as the wastewater treatment plant of Saha Group Industrial Park - Lamphun, covers an area of about 60 rai and currently is divided into areas of operations, such as rice fields, orchards, nursery houses, and activity buildings, etc. It aims to reuse treated wastewater of an average of 1,000 cubic meters per day in its agricultural activities. This treated wastewater has been examined for quality according to all required procedures and the result shows that its quality is usable. In order to reduce the cost of supplying water within the project, the environment project was therefore conducted and continuously audited according to the environmental management standard of ISO 14001: 2008. As a result, the project is able to reduce wastewater by more than 80 percent. In 2011, when the flooding crisis hit the central region of the country, many industrial plants were seriously affected and they then planned to move their plants to northern industrial parks. Some were interested in buying land in Saha Group Industrial Park - Lamphun. Consequently, factories increased in their number and production capacity. The quantity of wastewater then increased to 1,500 cubic meters per day. The Dr. Thiam Chokwatana Sufficiency Agricultural Project was established to accommodate the increased volume of wastewater. This project can handle such an amount of water without releasing all of it into the public water supply and so reduces environmental problems in a continued and sustainable manner. This project is a good demonstration in regard to showing that treated industrial wastewater according to the





Industry Department standard can be used in agricultural areas without impacting productivity and the environment.

Apart from being a chemical-free agricultural project, it is also an educational training hub for those who are interested in utilizing the project area, for example, to study Hom Nil rice, or to make herbal drinks. Students from any institutions who want to do research work can apply and request the use of the space and join the research team with our staff. In the near future, the project hopes to provide an organic product center which will allow the surrounding communities to participate and gain more income. This will lead to mutual cooperation and sustainable community development in the long run.

## Community Relations

- National Children's Day event for the children of employees and other children within local communities.
- Mobile driving license issuance unit for the convenience of employees and community members .
- Sahapat Family Day activity for group company employees and the community with the aim to build unity and to allow local communities to participate in our activities
- Sporting activities such as the Football tournament "Saha Group Premier League No.1".
- Donated RO water strainer and renovated drinking water facility for Wat Namphu School in Lamphun providing clean drinking water for the better health of the students.
- Grant visiting access to students and members of public and private agencies who wish to study the operation of Saha Group Industrial Parks.
- Offering of relief to flood victims in Kabinburi, Prachinburi Province.







## Culture

Activities and traditions are preserved each year through programs such as the offering of robes to monks and other items of necessity to temples in local communities, merit making ceremonies during Songkran festival, the pouring of water to seek blessings from elders and community leaders, as well as the celebration of Loy Kratong festivities.





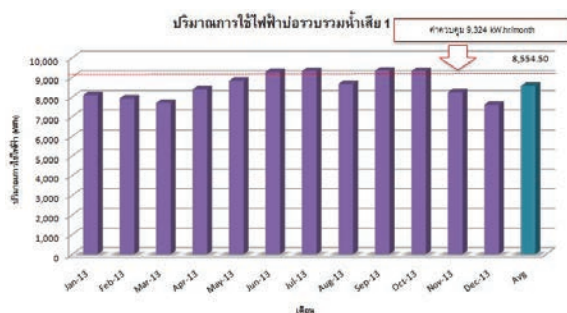
## Environmental Management

In conducting business, the Company is genuinely concerned about the impact we create on the environment. Therefore, we have made sure that our water and pollution management is effective both by monitoring air quality and also by creating green space inside and outside of our industrial parks to help absorb carbon dioxide and restore the ecology and its biological diversity. We aim to constantly improve and maintain the environment.

Our environmental initiatives in 2013 can be summarized as follows:

### 1. Working time improvement project of the sewage pump in Wastewater Pond 1.

The central wastewater treatment system can reduce electricity consumption to 9,324 KWH/month, down from 11,088 KWH/month or by 16%. After the project operation, the actual amount of power being used has reduced by an average of 5,554.50 KWH/month or 23%. The company can save on electricity costs by 106,712 Baht per year.



### 2. Electricity Consumption reduction project in the Aerated Lagoon 2

The Central wastewater treatment system can reduce electricity consumption to 4,372.46 KWH/month, down from 7,819.78 KWH/month or by 44%.

After the project operation, the actual amount of power being used has reduced by an average of 3,427.07 KWH/month or 56%. Results showed that the company can save on electricity costs by 186,775 Baht per year.



### 3. Electricity consumption reduction project in the Aerated Lagoon 3

The Central wastewater treatment system can reduce electricity consumption to 6,885.17 KWH/month, down from 10,327.75 KWH/month or by 33%. After the project operation, the actual amount of power being used has reduced by an average of 6,476.14 KWH/month or 37%. Results showed that the Company can save on electricity costs by 122,606 Baht per year.





#### 4. Water recycling project.

In 2013, the amount of treated water that was reused within Saha Group Industrial Park - Sriracha could reduce the wastewater discharged into the environment by as much as 25% of the wastewater in the system. As a result, the Company can save water costs used in industrial parks by more than 5,000,000 Baht per year.



The implementation of all the projects mentioned resulted in the Company reducing its energy costs by the total sum of 5,416,095 Baht in the year 2013.

- Treated wastewater from the centralized wastewater treatment system is used to water the trees in the green area of Saha Group Industrial Parks - Sriracha, Kabinburi and Lamphun. Utilization targets are set at >30%, 100% and >80% of all wastewater. This water is also used to its maximum benefit in our industrial parks because our industrial parks have been improved to be more water-efficient. Cultivation and implementation of various projects is ongoing. These

activities resulted in improving both environmental quality and in effectively lowering water supply costs being used in the green space.

- We encourage employees to obtain knowledge concerning the Standard of environmental management systems. Employees are also encouraged to be trained in courses related to environmental management in order to understand how to perform the process correctly, such as:
  - CSR Thailand 2013 "CSR Roadmap for ASEAN", a social responsibility report writing course
  - Administration of Restorative Justice in Environmental Dispute Mediation (outside the court) and Case Proceeding
  - Workplace Safety Management System (ILO-OSH 2001)
  - Environmental Quality Monitoring
  - Waste Fuel Technology
  - Tri-harmonious Coexistence Between Communities and Industries
  - Safe Operation of the Power System in Industrial Plants
  - Tour to Khao Hin Sorn Royal Development Project.





## Innovations and their Promotion through CSR Activities

The Company has contributed to the development of new knowledge to advance the economy and systematically improve the well-being of society and the environment. This is evident in the company's support of the Saha Group Innovation Contest which is an even which has been held continuously. Interlocking compressive earth block bricks have been developed from wastewater sediment. From 90,900 kilograms of sediment, we have produced 40,600 bricks which can be used for a variety of purposes, for example, pedestrian roads, wastewater pond fences, manufacturing plants of interlocking bricks, and a golf driving range in Saha Group Industrial Park - Sriracha. As a result, the Company can reduce sediment treatment costs up to 272,700 Baht annually.





## The Business Impact of Social and Environmental Responsibility

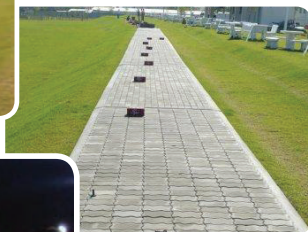
-None-

## Corporate Social Responsibility after process

The Company disclosed the information details in Corporate Social Responsibility, Operation and Report Preparation Topic such as Dr. Thiam Chokwatana Sufficiency Agricultural Project, Saha Group Industrial Park — Lamphun, Blood Donation Project.

## Prevention of the involvement of corruption

The Company disclosed the information details in Business Ethics, Combating Dishonest Acts Corruption Topic.





# Board of Directors

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## Executive Board





# Board of Directors



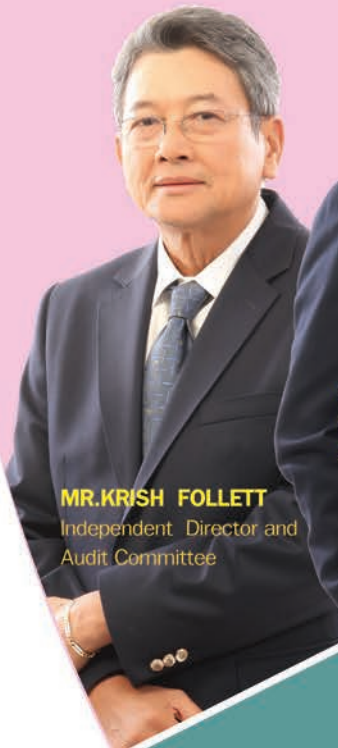
**MR. SOMKID JATUSRIPITAK**  
Chairman and Independent Director



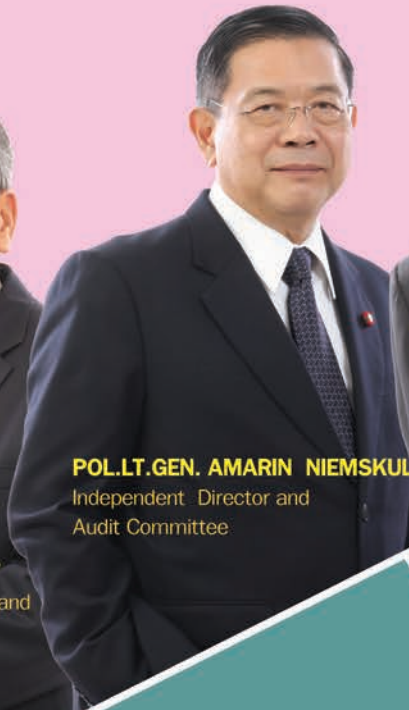
**MR. BOONPAKORN  
CHOKWATANA**  
Vice Chairman



**MR. TANONG SRICHIT**  
First Executive Vice President,  
Executive Director and Nomination  
and Remuneration Committee



**MR. KRISH FOLLETT**  
Independent Director and  
Audit Committee



**POL. LT. GEN. AMARIN NIEMSKUL**  
Independent Director and  
Audit Committee



**MR. NOPHORN BHONGSVEJ**  
Independent Director and  
Chairman of Audit Committee



**MR. MINORU FURUSAWA**  
Independent Director



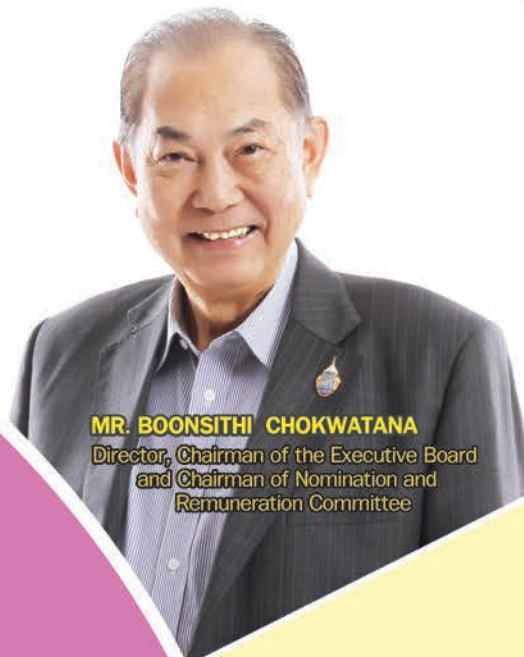
**MR. KARMTHON  
PUNSAK-UDOMSIN**  
Director



**MR. PIPAT PANIANGVAIT**  
Director







**MR. BOONSITHI CHOKWATANA**  
Director, Chairman of the Executive Board  
and Chairman of Nomination and  
Remuneration Committee



**MRS. CHANTIRA PURNARIKSHA**  
President and Executive Director



**MR. SOMSAKDI DHANASARNILP**  
Director, Executive Director and Nomination  
and Remuneration Committee



**MR. VICHAI KULSOMPFOB**  
Executive Vice President and  
Executive Director



**MR. MANU LEELANUWATANA**  
Director



**MR. BOONKIAT CHOKWATANA**  
Director



**MR. BOONCHAI CHOKWATANA**  
Director



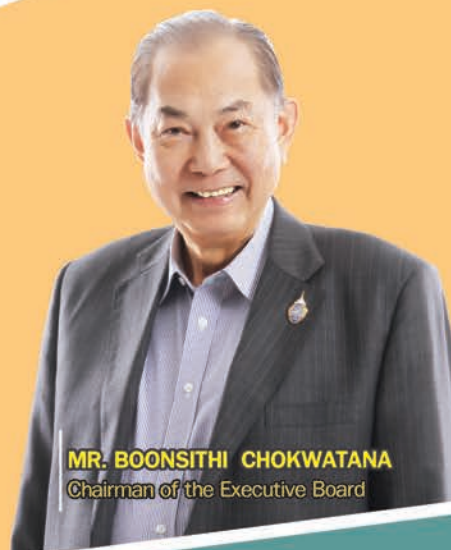
**MR. SURACHAI  
DANAITANGTRAKUL**  
Independent Director



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# Executive Board



**MR. BOONSITHI CHOKWATANA**  
Chairman of the Executive Board



**MR. TANONG SRICHIT**  
Executive Director

**MRS. CHANTIRA PURNARIKSHA**  
Executive Director

**MR. VICHAI KULSOMPJOB**  
Executive Director



**MR. SAMRERENG MANOONPOL**  
Executive Director

**MR. SOMSAKDI DHANASARNILP**  
Executive Director

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