



TPI POLENE
Public Company Limited





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An Improved Product Quality is Our Premise

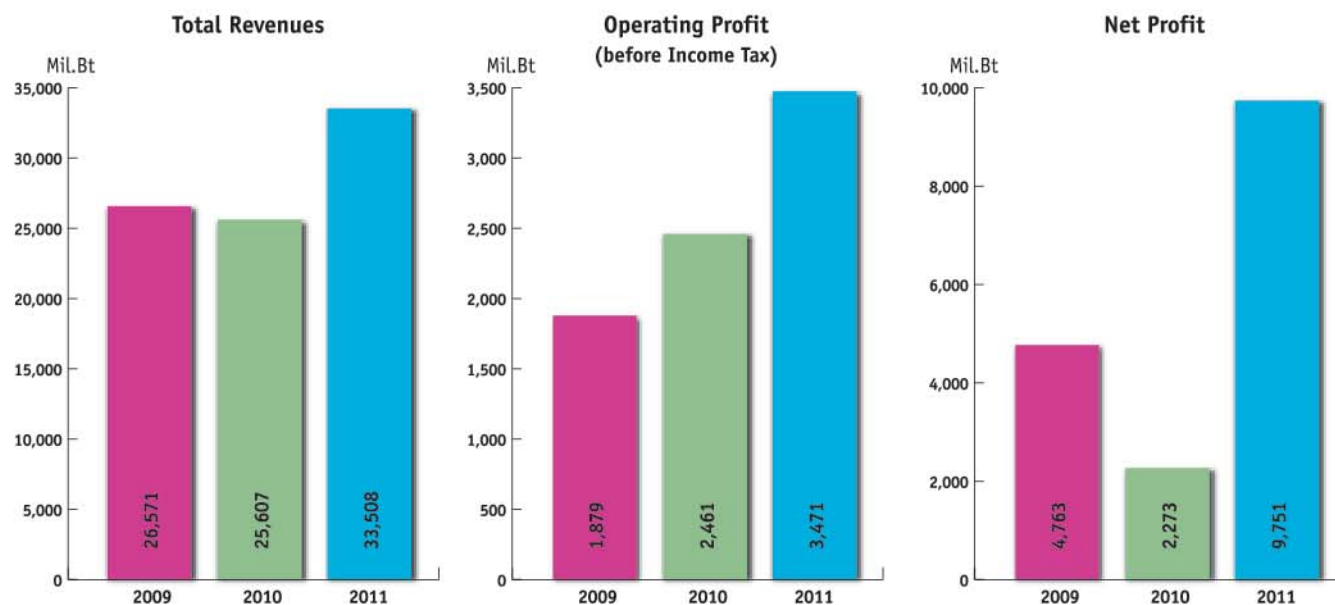
With the Company's long-established commitment to consistently develop production technology and services, TPI Polene has become a leading Thai cement manufacturer and continues to strengthen its competitive advantages in manufacturing high quality products and providing services to clients at a fair price to be able to compete internationally.

We have maintained our position so as to create stability and balance in economic wealth for our country, while participating in many activities to create public well-being, social and community improvement, whilst protecting our environmental surroundings, strengthening society and further enhancing sustainable growth of the Company as always.

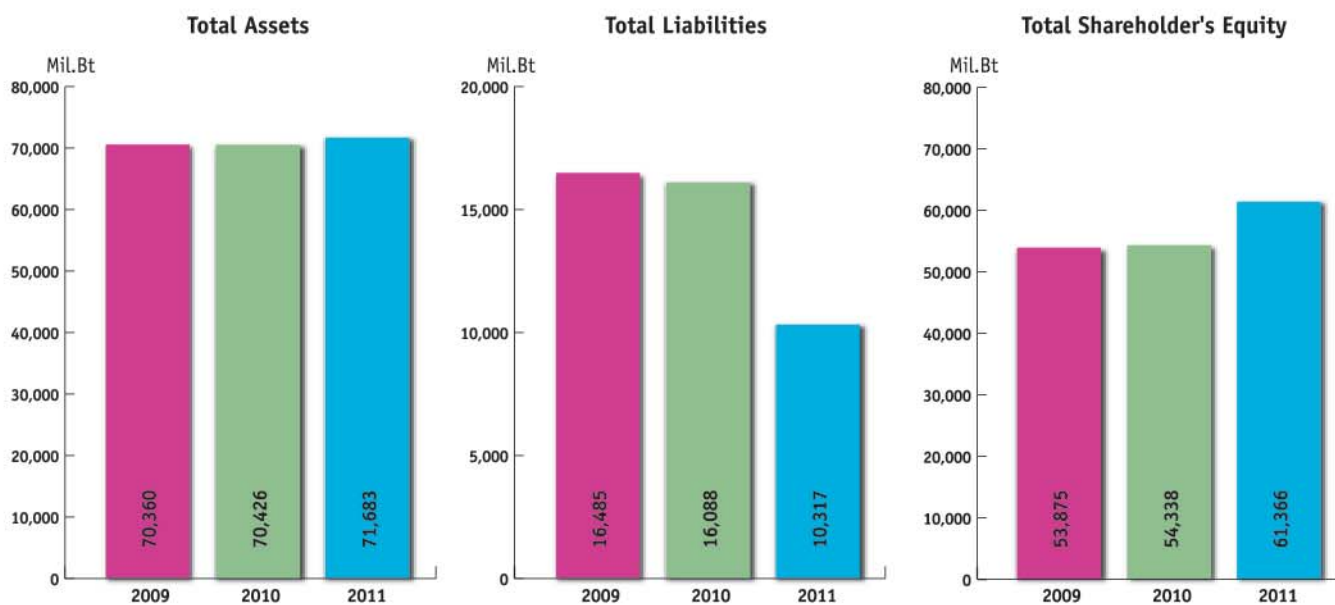
Financial Highlights

	Unit	2009	2010	2011
Operational Performance				
Total Revenues	(Baht Mil.)	26,571	25,607	33,508
Total Sales	(Baht Mil.)	21,860	23,744	24,544
Gross Profit	(Baht Mil.)	4,822	5,348	6,603
Operating Profit (Loss) before income tax	(Baht Mil.)	1,879	2,461	3,471
Net Profit (Loss)	(Baht Mil.)	4,763	2,273	9,751
Financial Status				
Total Assets	(Baht Mil.)	70,360	70,426	71,683
Total Current Assets	(Baht Mil.)	8,303	9,355	10,773
Total Liabilities	(Baht Mil.)	16,485	16,088	10,317
Total Financial Debt	(Baht Mil.)	5,510	4,579	4,428
Total Shareholders' Equity	(Baht Mil.)	53,875	54,338	61,366
Shares Detail				
Listed Shares and Paid-up Shares	(Mil. Shares)	2,019	2,019	2,019
Par value	(Baht/Share)	10.00	10.00	10.00
Book Value	(Baht/Share)	26.98	27.21	30.73
Earnings per Share	(Baht/Share)	2.39	1.14	4.88
Dividend per Share	(Baht/Share)	0.10	0.15	0.15
Dividend payout Ratio	(%)	4.18	13.16	3.07
Key Financial Ratios				
Gross Profit Margin	(%)	22.06	22.52	26.90
Net Profit Margin	(%)	17.93	8.88	29.10
Debt to Equity Ratio	(times)	0.31	0.30	0.17
Financial Debt to Equity Ratio	(times)	0.10	0.08	0.07

Total Revenues and Net Profit



Financial Status



Company's Name	: TPI Polene Public Company Limited
Abbreviation in the SET	: TPIPL
Registration Number	: 0107537000564 (formerly Bor. Mor. Jor. 303)
Nature of Business	: Manufacture and sales of cement, ready-mixed concrete and LDPE/EVA plastic resin
Registered Capital	: Baht 24,815,000,000 Consisting of 2,481,500,000 ordinary shares, at the par value of Baht 10 each.
Paid-up Capital	: Baht 20,190,000,000 Consisting of 2,019,000,000 ordinary shares, at the par value of Baht 10 each.
Accounting Period	: January 1 - December 31

Location

Head Office Location	: 26/56 Chan Tat Mai Road, Thungmahamek, Sathorn, Bangkok 10120
Tel. Number	: +66 (0) 2213-1039 - 49, 285-5090 -9
Fax Number	: +66 (0) 2213-1035, 213-1038
Web Address	: http://www.tpipolene.co.th
Cement Plant Location	: 299 Moo 5, Mittraparp Road, Tambol Tubkwang, Kangkhoy, Saraburi 18260
Tel. Number	: +66 (0) 3633-9111
Fax Number	: +66 (0) 3633-9228-30
LDPE Plant	: 299 Moo 5 Sukhumvit Road, Tambol Chuengnoen, Amphur Muang, Rayong 21000
Tel. Number	: +66 (0) 3861-1333
Fax Number	: +66 (0) 3880-2568
Investors Relation Unit	:
Tel. Number	: +66 (0) 2213-1039 ext. 12983

Other Relevant Information

Share Registrars	: Thailand Securities Depository Company Limited
Office Location	: 4, 6-7 th FL, The Stock Exchange of Thailand, 62 New Rajadapisek Road, Klongtoey, Bangkok 10110.
Tel. Number	: +66 (0) 2229-2800, call center +66 (0) 229-2888
Fax Number	: +66 (0) 2654-5427
Statutory Auditor	: KPMG Phoomchai Audit Limited.
Office Location	: 195 Empire Building 21-22 nd FL., South Sathorn Road, Kwaeng Yannawa, Sathorn, Bangkok 10120
Tel. Number	: +66 (0) 2677-2000
Fax Number	: +66 (0) 2677-2222

Message from the Board of Directors

To: Shareholders

Dear Sirs,

The year 2011 was another successful year for the Company despite several events that impacted business, primarily caused by the severe flood crisis in the country, European sovereign debt crisis and the problems of the U.S. Federal Reserve. However, with the full cooperation of all levels of the Company's staff and the management team to move the business forward, we strengthened our growth potential so as to create sustainability within the group. As a consequence, in 2011, the Company and its subsidiaries reported total revenues of Baht 33,508 million, an increase of 30.86% over the previous year. The profit for the year 2011 of Baht 9,751 million was comprised of: a normal operating profit of Baht 3,471 million (an increase of 41.07% over the previous year), a reversal of the provision for the fine of Baht 6,900 million, and gains on restructured debts under the Business Rehabilitation Plan, as approved by the Central Bankruptcy Court, of Baht 571 million, net foreign exchange losses of Baht 44 million, provisions for the fine of Baht 200 million and income tax expenses of Baht 946 million.

Steady Financial Position

TPI Polene maintains a policy to strengthen its financial position subject to financial discipline. This includes: cash flow management to maintain appropriate liquidity in the Group; monitoring financial debt levels; allocation of appropriate capital investment in projects to be in line with business dynamics and business growth; create investment opportunities to generate high return on investment by managing risks to be at controllable and acceptable levels.

Additionally, the Company is pleased to inform further that the Criminal Court passed the judgment on the case that TPI Polene made the payment for the fine of Baht 6,900 million as they jointly with others disseminated the information, which is against the Office of Securities and Exchange Commission and the Stock Exchange Commission's Act B.E.2535. To this end, The Appeal Court passed the judgment against the Criminal Court to the higher Court. The Court issues its final judgment that the Company did not commit an offence to pay for the fine of Baht 6,900 million.

An Organization, which is easy to manage

The Company has a long-established policy of emphasizing prudence, consistently managing business operations systematically, as well as monitoring and constantly assessing environmental circumstances for business operations. Indeed, the Company has established a policy for business operations to accommodate the economic situation and dynamics in environmental circumstances. The Company has constantly made risk assessment and analysis based on standardized measurements and tools to mitigate risk. To this end, the Company has become one of the few Thai organizations, which are easy to manage.

To Consistently Develop Organic Fertilizers to return back to society

The Company has a clear policy to launch high quality products and service at a reasonable price. All products of TPI Polene Group were developed under the Quality Control System and have been certified with an Industrial Standard Certificate. In the year 2010-2011, TPI Polene Group has expanded its investments under the projects that help reduce greenhouse gas emissions at the plants to zero. Those projects include Waste Heat Recovery Power Plants, Refuse Derived Fuel ("RDF") Plant, Pyrolysis Plant and Fertilizer Plant. Most projects have been accomplished and commenced commercial operation, thereby consistently creating added value and creating considerable economic benefits to TPI Polene Group.

Organic Fertilizers make use of decomposed organic substances as compost materials, reducing greenhouse gas emissions at the plants to zero. Our organic fertilizers have been processed using modern technology to comply with the quality standards of the Department of Agriculture and the Department of Land Development. Most importantly, TPIPL organic fertilizers are safe for consumers, users and environment.

The fertilizer project is another part of TPI Polene Group's proud efforts to enable the company to raise the standard of living of Thai farmers and consumers, as this benefits Thai farmers to reduce cost of production whereby increasing crop yields per Rai. There is many reports on the research and the study of academics all over the world, stating the negative effects of chemical substance in agricultural sector. Hence, when chemical fertilizers are used for prolonged duration, the soil gets damaged, as the trace nutrients are not replenished in the soil. It is extremely harmful to environmental conditions, and also ends up causing an imbalance in the ecosystem. In addition, it destroys the ozone, and the

structure and health of the soil. Repeated use of chemical fertilizers causes toxic chemicals, which can ultimately find their way into the fruits and vegetables that a person grows and can be harmful to humans or plants. This, therefore, has become the main driving force that consequently results in the change of consumer behavior toward agricultural products and thereby causes the increase in demand for organic agricultural products. People also use organic fertilizers because they are perceived as being worthwhile for marketing and investment. To this end, TPI Polene group has taken into consideration that an investment in the fertilizer project represents the full commitment that the Company's pledge to pay back society and to comply with the policy of the Company that we have consistently performed as always.

Investment in Concrete Roof Tiles and Fiber Cement Project

In the year 2012, the Company anticipates that the cement industry will expand, supported by government infrastructure projects, and transportation system development projects. These include the restoration of infrastructure projects and public utility systems, which were damaged by the flood crisis in both the private and public sectors. The Company adheres to the policy to create value added to all products in TPIPL group by making an investment in concrete roof tiles and a fiber cement project, which is expected to be completed by the year 2012 and 2014, respectively.

As for our plastic resins business, it is anticipated that, the export market would start to improve as a result of the slowdown of imported commodities from the countries in the Euro zone and the U.S. stemming from economic problems and the financial crisis in 2011.

To this end, the Company still maintains a policy of full commitment to Corporate Social Responsibility "CSR"; to consistently provide financial assistance to society while focusing on the importance of environmental conservation. In addition, TPIPL promotes investment in projects that help reduce carbon dioxide emissions and reduce greenhouse gas emissions that cause global warming, which is currently big global issue.

Last but not least, on behalf of the Company, the Company's Board of Directors would like to take this opportunity to thank all related parties for a well-coordinated effort to create successful progress in the organization up until now. In every step of success, TPI Polene has passed through a range of challenging circumstances and has proven the high potential of a Thai company to develop the organization and launch high quality products and service at a reasonable price and can compete internationally. We strongly pledge our commitment to develop the organization to be in parallel with an emphasis on social responsibility to improve the quality of life of the Thai people.

Sincerely Yours,



A blue ink signature of Mr. Visith Noiphan, consisting of stylized, flowing letters.

Mr. Visith Noiphan
Chairman of the Board



A blue ink signature of Mr. Prachai Leopairatana, featuring a prominent, stylized 'P' and 'L'.

Mr. Prachai Leopairatana
Chief Executive Officer

Audit Committee's Report for 2011

To: Shareholders:

Dear Sirs,

The Audit Committee of TPI Polene Public Company Limited consists of 3 independent directors, all qualified with knowledge of finance, law and management administration: namely, Dr. Narasri Vaivanijkul as the Chairman of the Audit Committee, Mr. Manas Sooksmarn and Pol.Gen. Charnchit Bhiraueus as the Audit Committee, with Mr. Nitisit Jongphitakratana, the Corporate Secretary, as Secretary to the Audit Committee. All Audit Committee members possess appropriate qualifications and are, in all aspects, in compliance with the rules and regulations imposed by the Stock Exchange of Thailand.

The Audit Committee has fully performed its duties and responsibilities to review and evaluate internal control systems, and disclosure of Company information, and to review implementation of the provisions of related governing laws, as well as any other important tasks. In 2011, the Audit Committee convened 5 meetings.

1. To review and to evaluate internal control systems.

The Company and its subsidiaries have appropriate internal control systems and have operated the business efficiently and effectively under appropriate and sufficient internal controls, as supported by the operational performance report. The Company and its subsidiaries have internal controls and risk management systems that can protect against potential risks to the Company and to all related parties. The systems are in place to ensure that any mistakes and irregularities will be identified in due course; and that financial reports are accurate, adequate and reliable; and the assets used by the Company and its subsidiaries, benefit all parties as well as shareholders. In addition, the Company performs in compliance with the principles of good corporate governance and focuses on fair treatment to all parties concerned, including shareholders, suppliers, contractors and the community as a whole. The Company fosters the development of all our staff to expand their knowledge so as to become a knowledge organization. This will further enhance our long-term development and create sustainable growth for the Company.

2. To review the disclosure of all relevant information for investors.

The Company has a policy of disclosing all relevant information for investors, such as connected transactions and any other transactions that might affect the interests of related parties. The Company always discloses accurate, reliable and relevant information on a timely basis.

3. To review and to ensure that the Company performs in compliance with all regulations and related governing laws.

The Company has a clear policy to comply with all regulations and related governing laws, and codes of conduct, to protect against the use of insider information. As announced in the Company's Rules and Regulations, any misuse of internal information shall be subject to disciplinary actions, including dismissal. The Company supervises submission by the Management of reports of their shareholding in the Company to comply with related governing laws. The Company realizes the importance of information disclosure, including financial statements and other reports, and ensures that they are complete, accurate, reliable and timely.

4. To select, nominate, and propose the remuneration of the statutory auditors of the Company for the year 2012.

The Audit Committee has taken into consideration the independence, performance, experience and an appropriate remuneration of auditors. The Audit Committee has passed a unanimous resolution to propose to the Company's Board of Directors for consideration and to propose to the shareholders' meeting to consider and approve the appointment of Mr. Santi Pongjareanpit, CPA registration no. 4623 or Mr. Nirand Lilamethwat, CPA registration no. 2316 or Mr. Vinij Silamonkol, KPMG Phoomchai Audit Limited, CPA registration no. 3378 to be the statutory auditors of the Company for 2012.

The Audit Committee considers that in the previous year, the Board of Directors as well as the Management of the Company, was in complete compliance with the principles of good corporate governance. They performed their duties and responsibilities ethically, with integrity, and in a professional manner, to achieve the objectives of the Company. In addition, a product quality system, in compliance with international standards and applicable laws, has been developed. The Audit Committee recognizes that the Company is committed to social and environmental responsibility. The Company has also prepared financial reports in compliance with generally accepted accounting principles, with an adequate disclosure of information, and with internal control and audit systems, able to ensure product quality and good corporate governance, without any material deficiencies.

On behalf of the Audit Committee



Dr. Narasri Vaivanijkul

Chairman of the Audit Committee

TPI Polene and Social Responsibility

Alongside our focus on business excellence, the Company has always strived to improve social development, community standards of living and the environment in order to deepen the harmonious coexistence of our Company and our society. In fact, we strongly emphasize Corporate Social Responsibility (“CSR”) as one of our main policies, which we have always strictly adhered to. Throughout the past, in addition to providing support to various government bodies and non-profit organizations, we have also organized projects and activities for the benefit of social development, for the betterment of the environment and for the preservation of the arts, religion, and youth as shall be partly reported below:

Flood Crisis in Thailand 2011

Floodwaters have swamped more than two-thirds of the country and Thailand has been confronted with some of the biggest flooding ever seen in the last fifty years. It has resulted in an immense catastrophe, which has strongly impacted the lives and properties of many. TPI Polene Plc., as part of the Thai corporate world, provided hand-in-hand assistance to people to protect, salvage and alleviate their difficulties by providing essential food, clean water and shelter to displaced people. TPI Polene has considered it as one of its responsibilities to comfort them and stand beside those affected people in and outside the organization. The Company pursues its business operations with a full commitment to corporate social responsibility (“CSR”), which we have consistently adhered to and provided assistance to the affected people as follows:

- Made a contribution of cement mortar TPI M-400 to assist a group of people who were directly affected by the severe flooding and a group of people, who were potentially affected by the floodwaters.

1. Donated 180 tons of M-400 to Siriraj Hospital, about which all Thai people were deeply concerned. M-400 can be used as 1.20 meter flood barrier within the inner fences of the hospital along 200-meters of Prannok road. TPI Polene also distributed anti-fungal soap, which helps prevent skin from becoming aggravated by bacteria and fungi, to the affected people.
2. Donated 5,000 bags of M-400 to Chulalongkorn Hospital and 30 tons of M-400 to Wat Phrasri Mahatart to be used as flood barriers, respectively.
3. Donated 6,400 bags (320 tons) of M-400 to the Ministry of Education to further distribute to the people who were affected by the flood crisis.
4. Donated 30 tons of M-400 to the City Hall, in Saraburi province to further distribute to the affected people for the renovation of the places where the flood had receded.





- Donated TPIPL drinking water, anti-fungal soap to various organizations: 27,984 bottles of drinking water and 8,000 bottles of liquid anti-fungal soap to the Thai Red Cross; made a contribution of Baht 100,000 to the Office of National Police to further distribute to the "Donation & Assistance Center for the affected people from the flood Crisis"; 3,000 bottles of drinking water under the project "Together compiled the Heart to pay homage to the King" to honor His Majesty the King on the auspicious occasion of celebrating the King's 84th Birthday; 12,000 bottles of drinking water and 1,000 bottles of liquid anti-fungal soap to the Revenue House; 4,800 bottles of drinking water to the Tourism Authority of Thailand ("TAT"), Office of Lopburi; 1,080 bottles of drinking water to Amphur Wangnoi, Ayudhaya province; 10,008 bottles of drinking water to Thammasat University, Rangsit Center; 3,000 bottles of drinking water and 3,000 bottles of liquid anti-fungal soap to Tele-Radio Station Broadcasting Network Channel V, Thailand; 12,408, 34,014 and 9,000 bottles of drinking water to The Government's Flood Relief Operations Center ("FROC"), the flood victims in Saraburi province and Chaiyaphoom province, respectively. To this end, the Company donated 18,192 bottles of drinking water to further distribute to the affected people in Pathemthani province, Ayudhaya province, Lopburi province and Nakornsawan province.

- To alleviate the sufferings of the people affected by the sewage-filled floodwaters, TPI Polene donated TPIPL organic fertilizers (humic and grow organic) to the government authorities which were ideal for sanitizing standing floodwaters that threatened to spread disease and infections. TPI Polene donated 10,000 liters of grow organic fertilizers to the Bangkok Metropolitan Administration ("BMA"), 10,000 liters of grow organic-purple to the Ministry of Energy and 10 tons of humic fertilizers to the Ministry of Resources and Environment. etc.

- The Management team and employees donated life-saving packages to those in need through the Nithichaipattana Foundation.

- For employees of TPI Polene who were affected by the flood crisis, TPI Polene pledged support to them and the members of their families by providing essential food, clean water, flood-relief bags and shelter for flood victims. After the flood water had receded, TPI Polene supported the establishment of TPI Polene Volunteers to create the opportunity for the staff of TPI Polene to voluntary take part in assisting cleaning homes so that they would be able to get back to normal lives as soon as possible.

Social Activities

The management team and the staff of the Company, together with the Environment for Better Life Foundation, made a contribution of 10,000 blankets totaling Baht 1,740,000, together with 2012 calendars depicting the photograph of His Majesty the King, to alleviate the cold for those in need in the remote areas throughout the country. As for the areas in the center of the Northeast, TPI Polene distributed 1,960 blankets to local people in Amphur Sinsor, Amphur Poorue, Leuy province, and 100 blankets to Wat Phratat Pranom. As for the North, TPI Polene distributed blankets to organizations in Chiangmai province, such as: 2,000 blankets to hill tribes and local people in Amphur Maechan and Amphur Maefahluang, Chiangrai province; 200 blankets to Wienghaeng hospital; 400 blankets to Hod hospital; 360 blankets to Doitao hospital to further distribute to the patients, their relatives and people in general; 1,000 blankets to Wat Chommok, Amphur Omkoi, Chiangmair province; 396 blankets to Banksuanthammasil Thamma Practice Housing, to further distribute to the people and the hill tribes, who suffered in the cold; and 2,584 blankets to the Mouser hill tribes, who suffered from the cold weather in Moo 4,9,11,12 and Moo 8, Maethor District, Amphur Muange, Tak province. In addition, the Company also distributed 1,000 blankets to Siriraj Hospital to further distribute to the flood victims.

- Made a contribution of Baht 20,000,000 for construction of a school and research and development building (100-year Engineering Building) for Chulalongkorn University to accommodate the expanding requirements in learning and teaching. The encouragement of industrial sector in engineering research will enhance the benefits and the development of the country in the future.
- Made a contribution of Baht 10,000,000 to the Police Housewife Foundation (under the patronage of Her Majesty the Queen) for the purchase of medical appliances for the Police Hospital Foundation (under the patronage of Her Majesty the Queen).
- Made a contribution of Baht 2,500,000 to the Disabled Athletes Association of Thailand Association (under the patronage of His Majesty the King) for the training of Thai disabled athletes to join the competition in the Asian Para Game no. 6 (during 12-22 December 2011) at Solo City, Indonesia.
- Made a contribution of Baht 2,278,300 to the foundations, non-profit organizations, hospitals and government authorities to help support activities that benefit the society but were still short of budget, such as Cruising Fire Vessel Fair, Nakornphranom province, Faculty of Dental Foundation, Mahidol University, Wheelchair Fencing Association, National Youth Buddhism Association (under the Patronage of His Majesty the King) and General Phol Statesman Foundation.





- Promoted the “Good Health Project at Cement Plant” for the people in the community by continuously sending mobile medical units to provide general check-up services, such as lung check-ups to ensure the health of the community. TPI Polene continuously emphasizes health and hygienic aspects as a part of business operations to all employees and all people involved from overall hazards including seriously infectious illnesses. This also includes a haircut service, inspection services for electrical apparatus, bicycles and motorcycles to enhance vehicle performance in Amphur Kangkoi, Amphur Muaklek, Saraburi province. Activities for elderly health care were held at Tubkwang Sub-district, Amphur Kangkoi, Saraburi province.

- Helped promote awareness and create revenue for the community by having the group of the teachers and academic personnel from Thabkwang Kindergarten School, Saraburi province, observe “the Knowledge-Based Agricultural Study”, Nakornrajsirma province, to further convey knowledge to the people in the community to carry on with the philosophy of His Majesty the King to pursue their own living with sustainability and continuity, under the macrobiotic agricultural program by having planted the organic vegetables to further generate revenue for the community people.

- TPI Polene staff at our cement plant took part in “the Regional Moving Program” class seminar to encourage people in the community to refrain from, cease and stop usage of chemical substances in the agricultural sector and change the behavior of using organic fertilizers. It is not only harmful to the environment, but also ends up causing an imbalance in the ecosystem. The program encourages living in a sufficiency economy and is intended to help mitigate the effects of global warming.

- Distributed TPIPL 600 ml. and 1.5 liter bottled drinking water for a total of 41,184 bottles to the temples and various organizations in Saraburi province, such as Wat Phrabudhabart, Moving Smile Amphur Kangkoi Project, Local Administration Tabkwang, the 80 year old Chalermphrakiat Saohai Hospital, and the Office of Public Health. TPI Polene jointly promoted awareness of risk reduction from road accidents during the Songkran Festival to a variety of government authorities, such as, the Provincial Constabulary Station in Saraburi province and the Office of the Tourism Authority of Thailand (“TAT”), Lopburi province.

Religious Activities

The Company realizes the importance of upholding, preserving and succeeding Buddhist culture for the benefits and sustainable prosperity of Buddhism. The Company donated TPIPL cement products of 6,468.82 tons with a value of Baht 9,920,255.28; ready-mixed concrete of 9,279.25 cubic meters with a value of Baht 19,575,825.65, as well as cash donations of Baht 24,302,840 to more than 543 temples in the country for the purchase of construction materials to construct and renovate religious places such as:

- Stupas, accommodation buildings, the Hall of the Holy Scriptures and Pond underneath Ordination Halls at Wat Sirisilsuparam, Phuket province.
- Monastery Halls, for the enshrinement of Maha Muni Buddha reclining Trailokkanat Prophet, at the temple of Papookorn, Udonthani province.
- Memorial Chapel, Wat Panakarm, Nongkhai province.
- Houses for Buddhist priests, Wat Pa Darapirom, Chiangmai province.
- The building of a multipurpose hall at Wat Prayoonthamaram, Prathumthani province.
- Ordination Hall, Wat Kaowong, Pra-Budha Mettra Prachathai, Wat Thipsukontharam, Kanchanaburi province.

In addition, TPI Polene also donated TPIPL cement for “the Project of Buddha Images” all over the country with the aim of salvaging damaged Buddha Images, which are the religious possessions of the country, to put them in good condition again.

The Company made a contribution of Baht 6,000,000 to support Buddhism broadcasting via Buddhist World TV Channel at Wat Yannawa, Bangkok and to support the propagation of Buddhism at Wat Praram IX, Kanjanapisek, Bangkok.

The Company also hosted and co-hosted Katin offerings and made donations together with several temples totaling Baht 4,623,528 in 2011 by supporting the main activities as follows:

- Hosting Royal Katin offering at Wat Pa Darapirom, Chiangmai province.
- Hosting Katin offering at Wat Sridonmoon, Chiangmai province.
- Hosting Katin at Wat Baanhinlub, Saraburi province.
- Hosting Katin at Wat Tumsarika, Nakornnayok province.

In addition, the Company realizes the importance of “Monks and Novices Ordination” annual projects with the goal of honoring His Majesty the King on the auspicious occasion of the King’s 84th Birthday and to honor Her Highness Princess Maha Chakri Sirindhorn on the occasion of her 56th Birthday anniversary. These activities were held for the cultivation of ethics, moral standards as well as the traditional and cultural encouragement for Thai society as always. In 2011, the Company made a contribution of Baht 280,000 to support ordinations as follows:

- Monk Group Ordination at Wat Kaomanthammaram, Wat Kantakian and Wat Pueksamrong, Saraburi province and Wat Padonyaiputtharam, Nakornrajsima province.
- Support the activity “Tham Sangsan” so that the participants could perform Dhramma and meditation practice at Wat Themphotisat, Saraburi province.

Academic and Youth Activities

There were many Academic and Youth activities projects that were interesting and of which the Company was proud. As our youth are the future of the nation, TPI Polene encouraged children to create good opportunities to learn hands-on from real life by broadening their horizons through these activities. In 2011, the Company held many activities and supported many organizations that performed useful activities for young people but might have lacked monetary resources. They are as follows:

- Supported the budget to organize “National Children’s Day” which aimed for academic development through school units, districts and surrounding communities nearby TPI Polene plants and TPI Concrete; for instance, Ban Subprik School, Saraburi province, Nikornrajbamroongwit School and Wat Nekkammaram School, Pathumthani province, Borwin Subdistrict Administration Organization Subdistrict, Choburi province, Community nearby Wat Saphan School, Suansai Community, Bueng Phraram IX Community, Justice Center at Suan-Ooy Community, Bangkok and Hongsakul Community, Pathumthani province.
- Supported “Science Museum Project” by taking 108 students from Bankaomaikwan School and Ban Subborn School, Saraburi province to join the activity “Science Walk Rally” and had responses to the queries regarding exhibitions in the museum by contacting, testing, thinking, deciding and searching for the answers by themselves. They also attended the science show “The Change of State”, which was a show regarding nitrogen, the performance of which was applied in an easy way to be understood by the children, who had also joined the experiment in the “Science Show”. The students had a good time joining the above activity, which helped them increase their experience in science and technology.
- Supported the budget for the project “Learning Center for Thai History” by having a group of 230 monks and novices and 25 teachers from Phraphariyattidhamsamunsuksa Wat Phrathatphanom School visit “Somdej Phrabuhacharn (Toh





Promrangsri) Foundation Park", Nakornrajsima province. The Foundation was established so that people can pay their respects to Somdej Phrabuhacharn. The Hall was built for the Learning Center for under-privileged children and is to be used for social support. This includes supporting the wood turned-to-stone museum, Bankronkduenha, which is thought to be the very first stone museum and only stone museum in Asia and one of the seven such museums in the world. The Foundation also supports Nakornrajsima zoo, Thai Safari, the greatest zoo in the north-eastern part of Thailand, which is considered very modern and has good management standards. The group also visited Pimai Historical Hall, which is the location of many important Sacred Places. It was considered as the biggest stone palace in Thailand and the area was wide-ranging, located at the center of Pimai city, Nakornrajsima province that is considered a city in the northeast with a strong Cambodian cultural heritage. The next visit is to attend Sai Gnam, the place that is well known and popular since Her Majesty the Queen Phrasripatcharintra in the reign of King Rama IV, visited Pimai City on January 21, 1911 and named this place "Sai Gnam", which is the name of one of the oldest known trees that has shown to be a tenacious survivor and is thought to be 350 years old.

- Support for Agricultural Project: TPI Polene made cash contributions of Baht 60,000 to support luncheons for the Border Patrol Police School (under the patronage of His Majesty the King), Airports of Thailand, Srithawornphana Housing, Kodthoom District, Amphur Dongluang, Mookdaharn province.

- Made a contribution of Baht 466,000 for scholarships and educational funds to purchase learning and sports materials and built Chaleram Phrakiat library for needy students in Baankaomaikwien School, Kangkoi School, Rajamangala University of Technology Ratanakosin, Tubkwang Kindergarten School, Thairatwitthaya 69 School, Institute of Technology Ladkrabang and supported the project "Patronage Library" of the Thai Environment Institute by circulating the Plibai journal to the libraries of 500 schools all over the country. TPI Polene also supported vocational academics by having the students from Ban Sub Born School, Saraburi learn and observe eco-agricultural studies at Dairy Farming Promotion Organization of Thailand ("DPO"), and supported the athletic activities such as Anti-drug Athletics Saraburi game no.9 of the Student Committee Athletic, Amphur Kangkoi, Saraburi province and supported snooker athletics, Saraburi province to join the competition in Pupil-Students of Thailand Athletics.

- Supported academic programs: TPI Polene, Saraburi plant, fully supported activities regarding academic programs in cooperation with teachers and students from institutions to observe operations in each respective operation unit of the Company such as: "the Organization Management and Production of Alternative Fuel" for a group of PhD. students from North Bangkok University; "Environmental Management and GPS System " for a group of students from King Mongkut's Institute of Technology Ladkrabang; "Energy and Utilization of Alternative Fuel from Community Wastes" for a group of students from Engineering Mine & Petroleum, Faculty of Engineering, Chulalongkorn University; "Cement Production Process", "TPIPL Organic Fertilizers" and "Personnel Management" for a group of students from Saraburi Vocational School, Muaklek Technique College, Saraburi province; "Power and Electricity Generation" for a group of students from the faculty of Engineering (Under the Patronage of His Majesty the King), Vocational Engineering Association; and "Application of Computer Systems in the plant" for a group of students from University of Bangkok Suwanaphoom., etc.

In addition, the Company made a contribution of 452.51 tons of TPIPL cement products such as TPIPL Super Green cement, TPIPL Red Portland Type 1, TPIPL Blue Portland Type 5, TPIPL Mortar 197, TPIPL Mortar 199, and ready-mixed concrete, totaling Baht 587,292, for the construction of dining halls, study buildings, fences, and floors and to repair dilapidated buildings at several schools: for instance, Rajaprachanukraw 27 School in Nongkai province, Baanhwoisompoi School in Chaingmai province, Bansirathong School in Srisaket province, Wat Kanongphranua school in Nakornratchasima province, Bannhnongkradi School in Supanburi, School, Nakornrajsima province., etc and 32 universities all over the country for their Community Development Volunteer Camps for construction of rest rooms, school buildings and providing facilities for communities in rural areas. These included Chulalongkorn University, Kasetsart University, Thammasat University, King Mongkut's Institute of Technology Ladkrabang. In addition, TPI Polene made a contribution of 300 tons of TPIPL cement products to Labor Development Department for the purpose of a course-training program for masons and to create useful activities for the society accordingly.

Environmental Activities

A consequence of development in industrial sector, a tremendous quantity of resources and raw material has been utilized in the production process. In addition to the output that the Company obtains from the production process; it also causes pollution, contaminants and can put hazardous industrial substances into the natural environment and the surrounding communities. To this end, the Department of Industrial Works, Ministry of Industry has founded “Project to raise the Standard Industrial Waste Management Service” with an aim to be one of the major drivers for the industrial sector to step forward to be in parallel with environmental conservation. TPI Polene has been well aware of environmental preservation and has undertaken to develop management standards and the efficiency of waste management services and to build up social awareness and public confidence in waste management practices in Thai society. TPI Polene was awarded the “Gold Class Award” for the year 2011 in the category of Waste Management services from the Department of Industrial Works, Ministry of Industry. TPI Polene was one of the top six manufacturers in the country, who were awarded and selected in the project “Self Corporate Social Responsibility to Step forward to be the Green Industry” from the Ministry of Industry.

In addition, the Company has joined a project to plant trees to mitigate the adverse effects of global warming and to help create green forest areas. In 2011, the management team of TPI Polene and its staff together with community leaders and more than 300 students from Thambol Thabkwang/Muak lek/ Thanklor/ Mitraparb, Muaklek District, Saraburi province, jointly planted 2,000 trees behind the Temple of Hin Lub, Muak Lek District, Saraburi province. The Company has arranged this activity with the hope that it would stimulate participants to cooperatively help conserve the environment and promote sustainable nature conservation as well and to bring back balance to the ecosystem and parts of woodlands which were previously taken for granted and which recognize the role trees play as natural air cleaners, and forests and woodlands, which are the origin and the abundant source of water.

Promoting Art Work by TPIPL Cement, Preserving Thailand's Unique Identity

TPI Polene has realized the importance of art and culture and has consistently taken part in supporting cultural activities. The Company acknowledges the significance of promoting and preserving the unique identity of our country as well as Thai art and culture since Thailand has a long history as a nation with a unique identity that interests people around the world. Thailand has ancient cities with lots of historical places and sculptures. The Company knows that stucco molding is an artwork that requires skill, creativity and art developed over many years which can be seen at historical sites around the country. However, the interest of Thai craftsmen has waned and the art of stucco molding might vanish. TPIPL intends to keep on promoting Thai art and culture, which in 2011 was the 11th year that the Company, with the collaboration of the Ministry of Culture, the Poh Chang Campus of the Rajamangala University of Technology Ratanakosin, and the Thai Sculptures Association arranged “The 11th Art of Stucco Molding” competition comprising two levels as follows:





II. General Public Level with three categories:

1. Molding stucco under the title "Cooperation under the Spirits to conserve the Culture"
2. Molding cement mortar under the title "Thai People with our Beloved Thailand"
3. Sculpturing of cement mortar under the title of "The Seventh Circle Molding Stucco to Commemorate Rajsrima"

II. Youth level molding premixed cement under the title of "Future of the Nation". The competition was held on May 4-8, 2011.

We were honored to have Lady Charungkij Teekara, Secretary to Her Majesty the Queen Sirikit, preside at the opening ceremony of the 11th Thailand Art of Stucco Exhibition on October 14, 2011 at the National Museum Art Gallery, Chao-Fah Road in Bangkok as well as at mobile exhibitions held in Petchburi province, Rajaburi province and Samutsakorn province. The art pieces have also been shown and displayed at the auspicious occasions: the International Horticultural Exposition or know as the 2011 Royal Flora Ratchaphruek Fair, the Royal Park Ratchaphruek, in the provincial town of Chiangmai. The Company intention is to support cultural arts in parallel with the improvement of quality of life in Thai society so as to urge an awareness of Thai artists among the new generation of kids, and among Thai people in order to maintain the conservation and development of the Art of Stucco to remain as a valuable national sculpture forever.



TPI Polene, its Safety, Hygiene and Environment

With strong intentions to develop the organization to a level of excellence parallel with sustainable social development and in compliance with good governance and the ideal of “Clean and Transparent Thailand where all citizens live happily”, TPI Polene Plc. is aware that our success and long-term growth stem from operational growth together with the acceptance from and the trust of the community and society. Consequently, the Company’s management has implemented Quality Standard Systems ISO 9001, Environment Standard System ISO 14001, Health and Safety Management Standard TIS 18001, OHSAS 18001, as well as API Spec 10A Standard and ISO/IEC 17025 standard. This enables us to run our businesses effectively and efficiently.

Quality Management

The Company focuses on producing, distributing and delivering quality products to satisfy customers’ need. The Company consistently improves the effectiveness of quality control and reduces greenhouse-effected gases. All products of TPI Polene Group were developed under the Quality Control System BS EN ISO 9001:2008 and ISO/IEC 17025. In addition, the Company reviews objectives and targets regarding quality of the Company at least once a year.

Health and Safety Management

TPI Polene Group continuously emphasizes health and safety as a part of business operations to prevent all employees and all people involved from overall hazards including work-related injury and illness. The Company has implemented a Health and Safety Management System (OHSAS 18001:2007 /TIS 18001:1999) and has conducted its business according to all the rules and regulations of Thailand regarding health and safety in order to reduce and control moderate to severe risks. The Company believes that health and safety are a responsibility of executives and employees at all levels; therefore, the Company provides sufficient and proper resources such as personnel, time, budget, and training. Additionally, the Company reviews objectives and targets to control the risk of the activities of the company at least once a year and uses work performance in terms of safety as a factor in performance evaluation of employees.

Regarding public and employees’ health, the Company shows its serious concern for public health by continuously sending mobile medical units to offer health services to the public. The Company extends medical welfare to cover the families of employees. In addition, annual medical check-ups are provided for all employees. The Company also responded to prevent seasonal epidemics by supplying flu H1N1, H3N1 and type B vaccines to employees and their family.





Environmental Management

TPI Polene Group is committed to environmental conservation; hence, the Company properly improves and preserves the environment to conform to the environmental standards and regulations and continuously prevents pollution in every aspect of work. The Company implemented international Environmental Standard System BS EN ISO 14001:2004 to reduce waste and environmental impact. The Company reduces the amount of dust as well as controls the quality of wastewater from the production process. In addition, the Company has a policy to economize energy usage and to handle waste properly as well as to utilize resources effectively. The Company fully supports activities regarding the environment in cooperation with the government, private sectors and local communities. The Company promotes sustainable nature conservation by supporting reforestation and rehabilitation of used mine areas. The Company also reviews objectives and targets regarding the environment and provides suitable knowledge and training about the environment for all levels of employees in order to raise awareness.

Laboratory Standard

In addition, the laboratories of our cement plants passed the performance evaluation test under the certified laboratory system of Thai Industrial Standards Institute according to ISO/IEC 17025:2005 and TIS 17025:2548.

Carbon Label “the Symbol of Environmental-Friendly Production Process”

The Company was first awarded the Carbon Label in Thailand and in Asia by Thailand Greenhouse Gas Management Organization (TGO) in the cement production category in 2008, as it decreased carbon dioxide emissions in the overall production process by 24.35%. The 22 kinds of products passed the evaluation criteria and 11 kinds were awarded Carbon Label. To this end, the Company has a strong commitment to consistently develop production processes at the environmentally friendly plant.



Energy Management

The Company has participated in a Preparation Project for energy management standards together with Department of Renewable Energy and Energy Conservation, Ministry of Energy to prepare for ISO 50001 (Energy Management System) for the near future.

Productive Management

The Company has applied the Total Productive Management (TPM) system, creating awareness so that everyone shares in the organizational development movement and the opportunities are given for all levels of employee through the Small Group Activity (SGA) and Project Team. The project team analyzed jobs to alleviate losses throughout the entire production process. TPM could be applied in the production process development, repair and maintenance, quality control, office improvement, job improvement of supporting units, and personnel's potential development.

Social Responsibility Standards

With the ideal of "Clean and transparent Thailand where all citizens live happily", the Company is committed to do business in accordance with good governance, focusing on the rule of law, transparency, fairness, and responsibility toward society, culture and the environment. Together, the Company creates sustainable development for personnel, customers, the community, and all stakeholders in line with good governance.

The Company has implemented social responsibility standards for the organization covering 7 major issues i.e. organization supervision, human rights, labor, the environment, fair operations, consumers, and participation in community development. The Company acts according to 260 standard regulations and 350 provisions. In addition, the Company operates sustainable community development projects in education, economy, public health, and the environment in order to enhance quality of life in the community in line with the sufficient economy concept and unstoppable organizational improvement.

Integrated Management Systems

The Company's LDPE plant has moved forward to be the top leading plastic resin manufacturer in Thailand and in the Asian arena. TPI Polene is the first plastic resin manufacturer that was awarded Integrated Management Systems (IMS) from ISO Standard Institutions and it is among the top six manufacturers in the country, who all have been awarded the above certificate. This clearly indicates important competitive advantages of the Company; the effectiveness of resource utilization and reduction of repetition in operations.



ปูนซีเมนต์ตรา ทิพีโอ
จะซ่อมหรือจะสร้าง
ก็วางใจได้

ผลิตกันที่อินทรี
ตรา ทิพีโอ
นวัตกรรมเพื่อวิวัฒนาการที่ยั่งยืน

TPI PREMIUM
CRYSTAL STAR

อยู่เย็นเป็นสุข...ทุกฤดู

ทิพีโอ โพลีน ก้าวสู่อุตสาหกรรมสีเขียว เพื่อการพัฒนาอย่างยั่งยืน

Corporate Developments in 2011

The year 2011 was another year of success for TPI Polene Group as our Greenhouse Gas Emission Reduction Projects began commercial operations. Additionally, the Company's financial position has continuously strengthened, thereby facilitating business operations and allowing for the creation of added value to the existing assets. Strategically, the Company has been allocating investment capital especially to projects with high growth potential and to projects, which will create value-added integration to the existing business.

Financial Discipline

After the Company exited the Business Rehabilitation Plan on January 19, 2009, the Company had paid the entire amount of debt to the major schemed creditors and had signed with the remaining creditors mutual agreements to extend the date of debt repayment. Therefore, the Company's outstanding financial debts have been significantly reduced and the Company's financial position has become stable and strengthened respectively.

TPI Polene Group strictly adheres to prudent financial management policy with an emphasis on liquidity management, risk management and investment management. Liquidity management places an emphasis on sustainable business operations. Risks associated with foreign exchange and interest are actively managed to streamline financial costs. Investment projects are closely monitored and regularly assessed together with the changing environment to reflect the most current business planning.



Maximizing Resource Management

TPI Polene Group manages our resources to ensure full utilization for the maximum benefit of the Group. Our business units are efficiently integrated to ensure maximum utilization. The Company has a highly competent Information Technology System, which allows for close monitoring and an efficient reporting system, providing valuable support for our Management in their decision-making. To this end, the Company has become one of Thailand's leading business organizations, with a highly versatile and well-managed business administration.

Development of Environmentally-Friendly, High Quality Products

The Company has invested in various environmentally friendly projects, such as a Waste Heat Recovery Power Plant, a Refuse Derived Fuel ("RDF") Plant, a Pyrolysis Plant, which is designed to generate curde oil and liquid fuel from waste plastic and tyre pyrolysis and a Fertilizer Plant, which makes use of decomposed organic substances as compost materials.

TPI Organic Fertilizers: TPI Organic Fertilizers are high quality organic fertilizers, produced through modern technology and careful research and development. Our fertilizers are in compliance with the Department of Agriculture and the Land Development Department standards. As they are entirely composed of organic substances, they are safe for both humans and the environment. Importantly, they allow farmers to reduce chemical fertilizer usage such that they can effectively reduce their costs and detoxify their deeply weathered land.

- **Premium Gold Organic Wood Vinegar**

Wood vinegar makes use of high quality organic substances. The benefits of wood vinegar are as follows:

- Protects plants, and repels aphids, termites and kills insects.
- Stimulates plant growth and helps increase crop yields.

- **TPIPL Green Humic Fertilizer**

Several benefits of Humic Fertilizer are as follows:

- Improves the structure and conditions of the soil, and retains moisture and provides nutrient supplements.
- Detoxifies sewage water and improves water quality.
- Removes or neutralizes undesirable odors from waterlogging.

- **TPIPL Grow Organic Fertilizer**

Several benefits of Grow Organic Fertilizer are as follows:

- Stimulates plant growth, provides nutrient supplements and enhances plant root uptake.
- Provides plant hormones and increases crop yields.

- **Anti-fungal soap**

Anti-fungal soap provides antiseptic properties, which are extracted from organic substances. Anti-fungal soaps offer additional benefits over regular soap as follows:

- Helps protect skin from bacteria and fungi.
- Provides antiseptic properties to eliminate bacteria and fungi that may aggravate skin conditions and athlete's foot.

- **TPIPL Super Armour Plastic Paint**

TPI Super Armour Plastic Paint (the "Super Armour") is the colored cement in powder form mixed with water for use as wall paint. Super Armour Plastic Paint is well developed to apply on cement or concrete surfaces with brushes, rollers or spray paint machines. It is specially designed for decoration on interior and external building surfaces, mortar surfaces, brick walls or concrete blocks. The paint is a cement-base, thus providing an excellent adhesive property.





• TPIPL Super Flow Concrete

With special additives combined with a proportionately designed fine particle size mix, TPIPL Super Flow Concrete applies smoothly and can be easily worked or molded into various shapes without segregating. It can be poured easily in spite of the complexity of reinforcing bars in structural members. The compaction process can be shortened saving time and labor. Moreover, the concrete surface that is obtained is very smooth without pores.

• TPIPL High Strength Concrete

TPIPL High Strength Concrete is specially designed for very high compressive strength above 600 ksc. With high quality cement, well-graded aggregates and development leading to the lowest water-cement ratio, TPIPL High Strength Concrete is so dense that it is able to sustain very high loads while allowing for good workability. TPIPL High Strength Concrete is suitable for high-rise buildings and super structures, especially column members that have to sustain heavy loads from the entire structure.

• Polene Solar® Products

Polene Solar® is our innovative solar encapsulation film used for the production of photovoltaic modules. Polene Solar® was developed through collaboration between Thailand's top solar cell manufacturers and our research and development team, which has over 10 years of experience in polymeric materials. Polene Solar® provides for high adhesive strength, high light transmittance, excellent UV stability and excellent heat and humidity resistance. Its long-term stability has been certified by Rheinland® according to the IEC 61215 standard.

• VAE Copolymer Emulsion

VAE Copolymer Emulsion is a chemical product with high adhesive strength and high elasticity. It offers the advantage of being able to bond difficult-to-bond substrates, such as non-porous surfaces, together where traditional latex fails. VAE copolymer emulsion is widely used as adhesives in industrial packaging, as well as in the wood and gypsum board industries. They are also used as adhesives in insulation, and in the tobacco and construction (as additive in ready-mixed concrete or mortar) industries.

• TPIPL Drinking Water

Through a Reverse Osmosis Technology Filtration System ("RO"), and a UV light sterilization and Ozone Treatment, TPIPL Drinking Water offers the purest quality drinking water that is without any harmful materials or other contaminants. Ozone Treatment provides the following major benefits:

1. Good quality natural drinking water (not producing from common tap water)
2. Effectively eliminates microbiological contaminants such as bacteria and viruses and provides stronger germicidal properties than chlorination.
3. Removes iron, sulfur, and manganese and eliminates a wide variety of inorganic and hazardous materials. At the end of the Ozone Treatment, pure oxygen gas is released to the atmosphere, providing positive impact to the environment. .
4. Effectively eliminates a wide range of organic materials, and removes taste and odors and allows for the precipitation of other soluble contaminants.
5. Easily precipitates.
6. Neutralizes and preserves high water quality.

Awards that make us proud

“Gold Class Award” in the category of Waste Management Services

In 2011, the Department of Industrial Works, Ministry of Industry established a project to raise Operator standards for Industrial Waste Management (“Industrial Waste Management Program”) in order to drive environmental preservation in the industrial sector and to build social awareness and public confidence in waste management practices within Thai society. The Company participates in the Industrial Waste Management Program and received the “Gold Class Award”, in the category of Waste Management Services for the year 2011 from the Department of Industrial Works, Ministry of Industry. The Company was one of the top six manufacturers in the country, who were awarded and selected under the project “Self Corporate Social Responsibility to Step forward to be the Green Industry” from the Ministry of Industry.

“Green Mining Award”

The Company has operated our mining activities under strict responsibilities toward the community, society and the environment with an emphasis on health, safety and the environment (“HSE”). Among our responsibilities include tree planting around mining areas and effective utilization of mining resources, which led us to receive the Green Mining Award from the Department of Primary Industries and Mines on December 23, 2011.

Consistently Develop Potential in our Human Resources

The Company pursues its business operations with a full commitment to good corporate governance, with an emphasis on transparency, social and environmental responsibility, ethics and fairness. Such pursuit is congruent with our commitment to foster development in our human resources and to drive our corporate culture toward excellence in all respects. The Company strongly believes that highly competent employees are the key driver for corporate success. To this end, the Company has focused on continuous development of our human resources in addition to aiming for our employees to perform their duties ethically, responsibly, and with integrity. Furthermore, the Company strongly believes that encouraging our employees to embrace corporate social responsibilities will reinforce the sustainable growth of our organization. Throughout the year 2011, the Company has organized many CSR and personal development activities and has successfully encouraged all levels of our staff to get involved.

In addition to the aforementioned activities, the Company has taken the following initiatives during the year 2011 in order to further enhance our employees’ competency:

Personnel Management System: The Company has installed an improved online personnel management system to provide administrative convenience and to become environmentally friendly through the reduction of our paper dependency. The program provides several services online; for instance, the employee online leave system, installation of finger scan system to record attending performance of employees. This includes job application through the internet and the performance evaluation system to assess and to appraise the performance of the employees by using electronic system to ensure an accuracy, precision and fairness towards employees.





Human Resource Development and Essential Knowledge: The Company encourages our employees to continuously develop and strive to achieve their full-est potential by providing all our employees with the opportunities to learn and acquire the knowledge needed to fully perform their tasks. The Company offers the following programs to our employees:

- **Development courses and training programs:** The Company fosters staff development at all levels. Each year, the Company has scheduled training programs specifically designed for each business unit to educate and to provide employees at different levels with understanding of the tasks and responsibilities at hand.

- **In-house Training:** To foster our employees' growth potential, the Company provides several in-house training programs in the following topics: working proactively, establishing inspirational working environments, creative thinking, strategic planning, leadership training, problem-solving, and decision-making.

- **External Training:** The Company encourages employees to acquire external education by subsidizing for independent courses and seminars. The Company also provides our employees with opportunities to visit international fairs and global companies in order to update our employees with current international occurrences and expand our employees' vision.

- **On-the-Job Training:** To encourage coaching sessions and on-the-job training programs amongst employees to consistently develop the employees to perform their duties efficiently to be in line with Training Road Map in each respective department.

Plant Visiting and Attending course seminar : The course session will be held for employees to educate them in view of cement production process, quality control, packaging process and cement distribution to ensure their confidence and pride in the Company.

Ethics and the Quality of Life: In addition to placing Buddha statues at several significant spots in our factories for employees and visitors to pay their re-

spects, we also encourage our employees and the management to meditate and study the ways of Dharma from notable and well respected monks, from Wat Praram 9, for instance: Phraponpol Visanno, Phrasriyansophon and Phrathambandit., etc.

In addition, the Company is focused on the policy to improve standard of living for employees. The Company strictly prohibits drug related activities; therefore, we have been certified as a "White Factory," which signifies a permanent "Drug-Free" zone. The Company has also been certified to have satisfied the HIV/AIDS workplace standards pursuant to the Occupational Safety and Health Administration ("OSHA"). Additional measures that were put in place pursuant to OSHA include: fire and evacuation drills, emergency action plans, and safety training. Furthermore, during the flooding catastrophe this year, we have alleviated the suffering of our employees through the following programs: allowed the affected employees to take paid time-off during the disaster period in order to protect and manage their belongings, provided donation bags with essentials for survival, provided temporary shelters, and provided free parking to the affected employees. Additionally, the Company formed the "TPI Polene Volunteer Team" to help clean up in the aftermath of the flood at our affected employees' houses.

Traditional and Cultural Aspects: The Company has provided assistance to support the society throughout the year 2011. This included donation of the Company' products and financial assistance. TPI Polene hosted the Royal Kratin Offering at Wat Dharra Phirom Forest, Chiangmai province, made contributions of a set of new robes to Wat Sridonmun, Chiangmai province, Wat Thamsarika, Nakornnayok province, Wat Banhinrab, Saraburi province. The Company made donations of cement for construction and renovation at temples in Saraburi, for a total of 507 temples as well as other temples in the country for the construction of Stupas, Sermon Hall in a monastery, Monk's dwelling, Meditation Halls, Ordination Halls, Dhamma Study Buildings and Dhamma Practice Halls., etc. Besides, TPI Polene made donation of 600 tons of cement for the project to construct The Budha statue: Phrabudhamedta Prachathaitrilokkanaj, Khantharnraj Memorial Hall, the place where Her Majesty Queen Regent Sirikit accepted formal consent to be Patronage Royal Chief Principal and committed to accomplish passed-way Somdej Phramahatheerajaj, Ex-Abbot of Wat Chanasonghkham's willful intension to construct the gigantic Budha statue at an altitude of 32 meters for the purpose to be the center for Buddhists to pay respect and remind of the Buddhas of Bamiyan, the monumental statues of standing buddhas carved into the side of a cliff

in the Bamyan valley in the Hazarajat region of Afghanistan. They were dynamited and destroyed. It is situated within the area of 300 Rai in Wat Theisukhontharam, Karnjanaburi province. Besides, the Company also have pledged support for scholarships as well as a cloths, luncheon and essential appliance for study to the under-privileged children. This included the program to bring the needy students to have filed trip at the Science Museum and the Temple of Emerald Buddha, planted trees to help reduce greenhouse effect, money donation and contribution of blankets to the affected victims from flood crisis and the poverty. All those as mentioned is only partly of the Company's strong pledge to help improve standing of living of the Thai people in the society with the deep realization to pay gratitude to the contry. TPI Polene under founded under the catchphrase "We Build the Future" together with reliable intelligence with integrity and realization of the society as always.

Productivity Enhancement: In addition to our emphasis on HSE, OSHA and CSR as delineated above, we made a full commitment to improve our productivity and to ensure product quality control and assurance. The Company provides various training to our employees on Quality Management System pursuant to ISO 9000, Environmental Management System pursuant to ISO 14001, and Occupational Health and Safety Management System pursuant to TIS 18001. Training programs have been performed to encourage Office Improvement ("OI") to be in line with Total Productive Management ("TPM"), in those departments that support (rather than being directly involved in) production. These "OI" programs focus on improving working processes, reducing waste, and increasing work efficiency, in order to effectively increase productivity.

Efficient Time Management: The Company also encourages employees to participate in social activities during their free time. Available activities include a Buddhism club and athletic clubs, such as: a petanque club, a football club, a golf club and a table tennis club, etc.

Encourage saving program: TPI Polene and TPI Concrete have established a co-operative savings program for employees to encourage saving money. This also includes financial assistance in form of loan offering to employees at the lower interest rate as compared with the financial institutions.

Employee's welfare: The Company also provides educational supports for children of employees by granting scholarships to outstanding students. The Company also provides subsidized healthcare benefits in form of OPD medical expenses in the amount of Baht 20,000 per year (outpatient department) to employees and their family members, including father, mother, marriage couple and legal offspring. In addition, the Company also provides free annual health check-up; life and healthcare benefits are offered in the form of health insurance packages and accident insurance coverage. Financial assistance is also offered in funeral rites of the employees as well as the family's members of employees, who pass away. In addition, the Company offers special care for employees who perform their work in the particular areas by providing free health check-up by medical center and free vaccination against tetanus and hepatitis B (HBV) to all employees.



เป็นเลิศด้านผลิตภัณฑ์

เป็นผู้นำด้านการผลิต

มุ่งเน้นพัฒนาคน

สร้างสังคมให้ยั่งยืน



Nature of Business

The Company and its subsidiary are principally engaged in the manufacture and supply of cement and LDPE/EVA plastic resin and operate other related businesses through a joint venture company. The products can be summarized as follows:

Cement Business

TPI Polene is the one of the major manufacturers and distributors of cement products and mortar cement under the brand name "TPI Polene". All the Company's cement products meet the ISO/TIS certifications of industrial standards, ASTM Industrial Standards and the EU Industrial Standards. TPI Polene was the first cement manufacturer in Thailand awarded ISO 9002 Certification from the International Standard Institute for surpassing industrial and environmental protection standards. This has enabled the Company to export cement to the state of California, where surrounding communities are highly aware of environmental conservation.

In addition, TPI Polene is the first Cement Manufacturer that has been awarded the Carbon Label for both the Portland cement product and the mortar cement. The Carbon Label demonstrates that the producer has submitted data to show that it has significantly reduced carbon dioxide (greenhouse) emissions.

The Company currently operates three cement production plants, using technologically advanced machinery, and strategically located, adjacent to both a limestone quarry and an efficient transportation distribution network which reaches throughout the country. This gives the Company its low-cost competitive advantage.

LDPE/EVA plastic resin

TPI Polene is the manufacturer and distributor of LDPE/EVA plastic resin and has strengthened its position as a leading player, with the largest market share for LDPE and EVA in Thailand. We are the sole producer of EVA in Thailand and one of the few producers of EVA in the world who can develop proprietary EVA production technology.

Industrial Waste Disposal Business

Presently, TPI Polene also operates an industrial waste disposal business to dispose of industrial waste from nearby industries in the country under the license to operate a central waste treatment plant. This project helps eliminate industrial waste from industries, enhance recycling opportunities, lower raw material and fossil fuel usage, and develop a recycling economy with considerable economic benefits.

Ready-mixed Concrete

TPI Concrete Co., Ltd. Manufacture (a 99.9% owned subsidiary company) is the manufacturer and distributor of ready mixed concrete under the brand "TPI Polene".

Refuse Derived Fuel ("RDF") Plant

TPI Polene Power Co., Ltd. (99.99% owned by TPI Polene), has made an investment in a Renewal Energy business with Alternative Fuel Power Plant, or Refuse Derived Fuel ("RDF"), since 2011 which is produced by processing municipal solid waste, land filled waste and non-hazardous industrial waste to boost its fuel value and to recover recyclable materials. The RDF Plant for reducing greenhouse gas emissions as above has been granted promotion certificates from the Board of Investment ("BOI"). The boosted solid waste is then co-fired with coal in the cement production process, enabling us to reduce our coal usage.

Pyrolysis Plant

The Company has consistently developed modern, high-efficiency energy recovery technology using a Pyrolysis Plant, which is designed to generate crude oil and liquid fuel from waste plastic and tire pyrolysis. It has commenced commercial operation in 2011. The crude oil and liquid fuel will be used as energy power in the cement production process. The Pyrolysis Plant for reducing greenhouse gas emissions as above has been granted promotion certificates from the Board of Investment (“BOI”).

Fertilizer Plant

TPI Polene Bio Organics Co., Ltd. (99.99% owned by TPI Polene Power Co., Ltd., which is a 99.99% owned subsidiary of the Company), is engaged in the manufacture and supply of Green Humic Fertilizer (which effectively works as a soil enhancer), Purple Grow Organic Fertilizer (which stimulates plant growth) and Organic Wood Vinegar (used to protect and kill insects and Stimulates plant growth) under the brand name “TPI Polene” since 2011. These products make use of decomposed organic substances as compost materials, all the while reducing greenhouse gas emissions at the plants to zero. The above organic fertilizer is produced using modern technology; thus, we obtain quantity products in compliance with the standards of the Department of Agriculture and the Land Development Department, which are humanly and environmentally safe. The by-products from this project have been developed to be anti-fungal soaps that provide antiseptic properties, which help prevent skin from becoming aggravated by bacteria and fungi.

Ammonium Nitrate and Nitric Acid

Thai Nitrate Co., Ltd. (a joint venture company: 50% owned by the Company), is the largest producer of ammonium nitrate and nitric acid in the country and Thai Nitrate is the sole producer of nitric acid in Thailand.

Power Plants

TPI Polene Power Co., Ltd. (a 99.99%-owned subsidiary) made an investment in a Waste Heat Recovery Power Plant Project with a total production capacity to generate electricity to 54 MW output. This power plant has been granted promotion certificates from the BOI and uses energy emitted from cement and clinker production to generate electricity to be used in the cement production process.

Oil Service Stations and NGV gas stations

TPI Polene Power Co., Ltd. also operates oil service stations and NGV gas stations in Bangkok and provincial areas, under the logo “TPIPL”. NGV gas stations have been granted promotion certificates from the Board of Investment. Currently, TPI Polene Power operates a total of 12 oil service stations and NGV gas stations.





TPIPL Drinking Water Business

TPI Polene operates a drinking water business under the brand name “TPIPL” since 2011. It has good quality and it is safe for consumers as it uses high quality reverse osmosis technology filtration systems (“RO”). This process requires that high pressure be exerted on the high concentration side of the membrane and by applying ultra violet treatment to eliminate biological contamination and using the ozone treatment process in the water-bottling step for the production of drinking water. These major benefits have made TPIPL drinking water possess quality characteristics of water from natural resources and made it safe for consumers.

Polene Solar® Products

TPI All Seasons Co., Ltd. (a 99.99%-owned subsidiary) is the manufacturer and distributor of photovoltaic modules, which are ideal for crystalline and amorphous thin film solar panels. This project has been granted promotion certificates from the Board of Investment.



Sales Revenue Structure

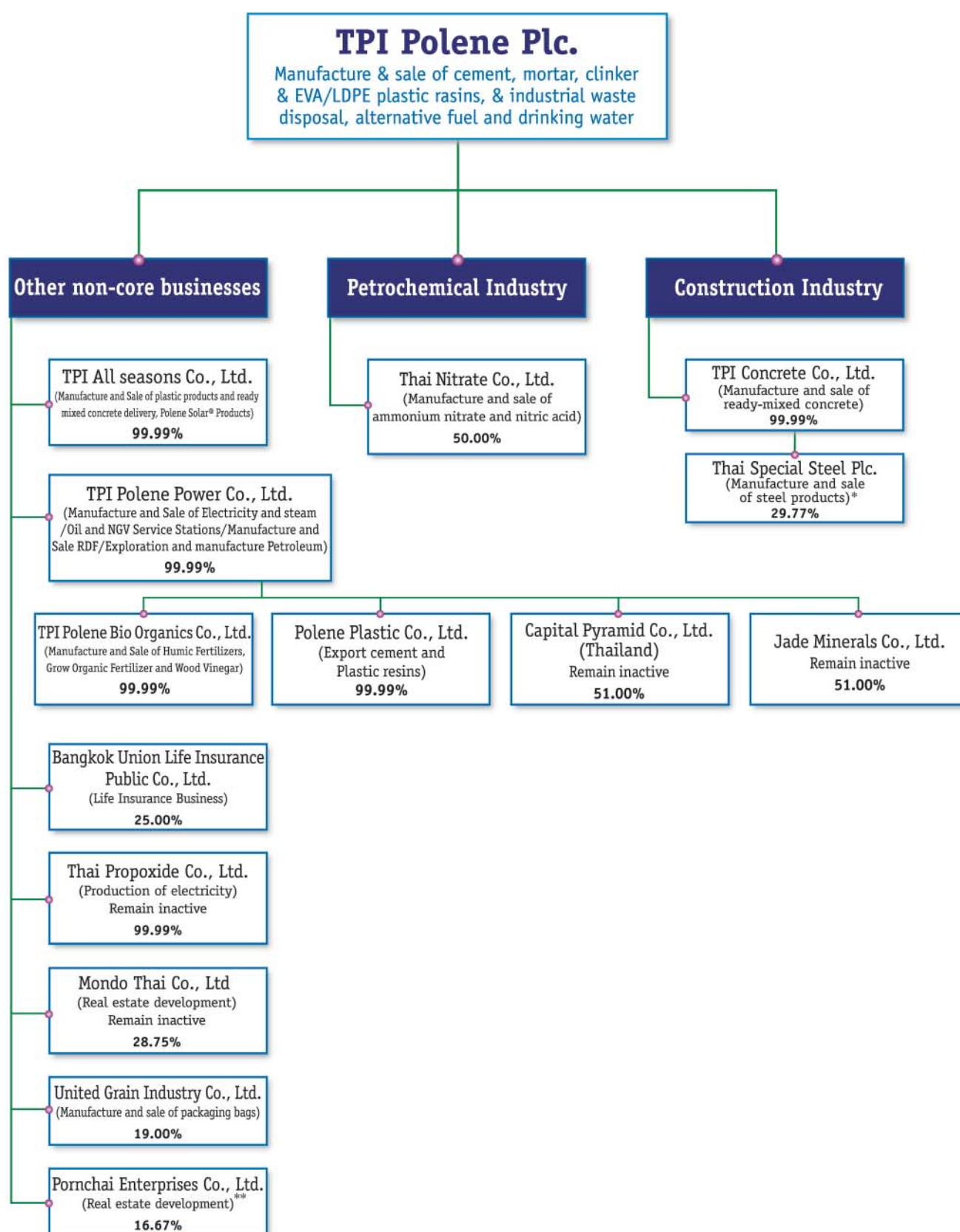
TPI Polene’s investment in reciprocal businesses will generate significant sales revenues and create steady growth for the Group. The sales revenues structure is as follows:

Unit: Baht Million

Product / Service	Operated by	% Of TPIPL's Shareholding	Sales revenues		Inter-company's revenues	
			2011	2010	2011	2010
Cement	TPI Polene Plc.	-	10,981	11,017	2,274	2,460
Plastic Resin	TPI Polene Plc.	-	7,824	7,907	5,606	4,470
Ready-mixed Concrete	TPI Concrete Co.,Ltd.	99.99	3,931	3,306	15	-
Electricity	TPI Polene Power Co., Ltd.	99.99	-	-	618	585
Organic Products	TPI Polene Bio Organics Co., Ltd.1/	-	229	-	825	-
Ammonium Nitrate	Thai Nitrat Co.,Ltd.2/	50.00	818	771	14	12
Oil service stations and NGV gas and Other	TPI Polene Power Co., Ltd.	-	761	743	15	12
Total			24,544	23,744	9,367	7,539

Remarks: 1. A 99.99%-owned subsidiary by TPI Power Co.,Ltd.
2. A joint venture company.

Structure of the Group as at December 31, 2011



Remarks: * Under the negotiation process of debt restructuring

** Under the process of debt restructuring plan

Operating Results and Financial Status for 2011

Increase in Net Profit

In 2011, total consolidated sales revenues and total revenues were Baht 24,544 million and 33,508 million compared with Baht 23,744 million and Baht 25,607 million in 2010. Net profit in 2011 was Baht 9,751 million (an earnings per share of Baht 4.88) compared with a net profit of Baht 2,273 million (a loss per share of Baht 1.14) in 2010. This represents a 329.02% increase in 2011. In 2011, normal operating profit was Baht 3,471 million compared with Baht 2,461 million in 2010, an increase of Baht 2,461 million or 41.07%.

In 2011, the Company and its subsidiaries registered profits for the year of Baht 9,751 million (or basic earnings per share of Baht 4.88) compared with profits for the year of Baht 2,273 million (or basic earnings per share of Baht 1.14) in 2010, an increase of 329.02%. The profit for the year 2011 of Baht 9,751 million was comprised of: a normal operating profit of Baht 3,471 million, a reversal of the provision for the fine of Baht 6,900 million, and gains on restructured debts under the Business Rehabilitation Plan, as approved by the Central Bankruptcy Court, of Baht 571 million, net foreign exchange losses of Baht 44 million, provisions for the fine of Baht 200 million and income tax expenses of Baht 946 million, whereas in 2010 the Company and its subsidiaries registered a normal operating profit of Baht 2,461 million, gains on restructured debts under the Business Rehabilitation Plan, as approved by the Central Bankruptcy Court, of Baht 80 million, net foreign exchange gains of Baht 261 million and income tax expenses of Baht 529 million.

Management of Assets to be in line with Current Liabilities

At year-end 2011, the Company's total consolidated assets were Baht 71,683 million, up from Baht 70,426 million in 2010, an increase of Baht 1,257 million.

At year-end 2011, current assets slightly increased to Baht 10,773 million from Baht 9,355 million at year-end 2010. Inventory accounted for the highest proportion of current assets, representing 72.80% and 61.87% of current assets in 2011 and 2010, respectively. The 2011 figure reflects the Company having increased its stock of coal and finished goods. Account Receivables represented 17.35% and 19.61% of total current assets, which equated to an average collection period of 32 days for both 2010 and 2009. Management of inventory and account receivables were at about the same level as in the previous year.

Trade accounts payable at year-end 2011 and 2010 were Baht 2,035 million and Baht 2,075 million, respectively, equating to an average payment period of 41 days and 39 days, respectively.

Consistent Reduction in Liabilities

Total liabilities of the Company decreased to Baht 10,317 million at the end of 2011, from Baht 16,088 million at the end of 2010, a fall of Baht 5,771 million. This was mainly because the Company recorded a reversal of the provision for the fine of Baht 6,900 million.

Steady Financial Position

As at December 31, 2011 and December 31, 2010, shareholders' equity increased to Baht 61,366 million (book value per share of Baht 30.73) from Baht 54,338 million (book value per share of Baht 27.21), respectively. This represents an increase of Baht 7,028 million as the Company recorded the reversal of the provision for the fine of Baht 6,900 million.

Strengthened Capital Structure

At the end of 2011, the debt to equity ratio and the financial debt to equity ratio were at 0.17 times and 0.07 times respectively. This is considered relatively low compared to other companies in the same industry.

Financial Liquidity for Business Operations

In 2011, consolidated net cash flow decreased by Baht 740 million. This comprises: net cash flows from operating activities of Baht 2,522 million; net cash flows from investing activities of Baht 2,895 million; and net cash flows from financing activities of Baht 367 million. Therefore, net cash flows after financing activities was Baht -740 million. The Company's cash and cash equivalents at the beginning of 2011 were Baht 1,257 million. By year-end 2011, the Company had cash and cash equivalents of Baht 517 million. Overall, the Company had sufficient liquidity to operate its businesses and had the capability to make principal repayments, and interest due payments, to all financial creditors and trade creditors.

Risk Factors

TPI Group has constantly managed risks to be at controllable and acceptable levels. The Company has already implemented a management information system ("MIS"), which covers various areas of management to identify different aspects of risk, in order to ensure that each operation unit operates so as to achieve its targets. Risk management can be classified as follows:

Risks associated with potential foreign currency exchange rate fluctuations

The Company's recent long-term loans are denominated in Baht currencies; therefore, the Company has no impact from risks associated with exchange rate fluctuations. However, the Company's short-term borrowings are denominated in foreign currencies and the sale price of export products is US dollar-based. The Company has a policy to mitigate foreign exchange risk through natural hedging by balancing its foreign currency revenues and expenses. The Company also closely monitors potential adverse currency movements. In addition, after evaluating its net foreign currency positions, revenue structures, and net foreign currency cash flows and current financial situation, the Company enters into forward exchange contracts to hedge its foreign exchange exposure. These measures partly protect the company against currency fluctuations by balancing its foreign currency financial cash flow in foreign currencies, revenue structure and net revenue earned in foreign currencies.

Risk associated with potential coal price fluctuations

Coal is a principle source of kiln fuel in the manufacture of cement. The Company's fundamental approach to managing coal price fluctuation risk is to identify extensive supply sources for coal, and establish import sales contracts throughout the entire year, with an appropriate allocation of short-term and long-term contracts, in order to efficiently manage cement production costs. In addition, our renewal energy business with our Alternative Fuel Power Plant or RDF Plant has commenced commercial operations, thereby reducing our coal usage by 20-30% per annum.

Risk associated with credit provision

To mitigate credit risk stemming from debtors' potential failure to comply with their contracts, the Company sells cement products based on cash and credit terms, usually requiring a bank guarantee for customer credit lines. A Credit Committee has been appointed to consider proper criteria for offering credit lines to customers and to develop a monitoring process for cash collection from customers.

Risk associated with environmental regulatory enforcement issues

The Company's businesses are subject to strict laws and regulatory enforcement relating to protection of the environment and to safety in Thailand. The Company assigns related business units to be responsible for environmental quality assessment, analysis and monitoring. Assessment, analysis and monitoring are based on standardized measurements and subject to continuous improvement. The Company coordinates closely with the relevant governing authorities throughout its operations, to determine measurement principles and to foster mutually positive attitudes within the surrounding communities.

Shareholding Structure Top 10 major shareholders as at January 11, 2012

Shareholders	Number of Shares	Shareholding (%)
1. Thai Petrochemical Industry Co., Ltd. 1/	275,269,816	13.63
2. Leophairatana Enterprises Co., Ltd. 1/	209,413,125	10.37
3. TPI Holding Company Limited 1/	126,271,084	6.25
4. Mr. Prayad Liewphaitana	86,712,274	4.29
5. Mr. Pakorn Leophairatana	86,274,581	4.27
6. Mrs. Orapin Leophairatana	85,106,224	4.22
7. Mrs. Boonsri Leophairatana	82,138,536	4.07
8. Dr. Pramuan Leophairatana	80,890,000	4.01
9. Bangkok Bank Public Company Limited	65,769,324	3.26
10. Miss Pattrapana Leophairut	62,907,722	3.12

Note: 1/ Majority shares held by Leophairatana family

Dividend Payment Policy

Dividend payments are subject to the operational results and financial status of the Company.

In addition, the Board Directors of the Company may from time to time approve to pay interim dividends to shareholders, where it is justified by the profits of the Company. After the payment of dividends, the transaction shall be reported to shareholders at the next meeting.

The Management

Management Structure

As at December 31, 2011, the management structure of the Company consists of three Executive Committees: the Board of Directors, the Executive Management Committee and the Audit Committee. The Board of Directors of the Company had total of 17, consisting of 6 independent directors, which exceeds one third of the total number of directors, details of which are as follows:

The Board of Directors as at December 31, 2011

Name	Position
1. Mr. Visith Noiphan	Chairman and Independent Director
2. Mr. Prachai Leophairatana	Director
3. Mr. Prateep Leopairut	Director
4. Mr. Chainarong Taephaisitphongse	Director
5. Dr. Pramuan Leophairatana	Director
6. Dr. Narasri Vaivanijkul	Independent Director and Chairman of the Audit Committee
7. Mrs. Boonsri Leophairatana	Director
8. Ms. Suchitra Taychanavakul	Director
9. Dr. Chavin Iamsopana	Director
10. Mr. Prayad Liewphairatana	Director
11. Mrs. Orapin Leophairatana	Director
12. Mr. Manas Sooksmarn	Independent Director and Audit Committee
13. Pol.Gen. Charnchit Bhiraleus	Independent Director and Audit Committee
14. Mr. Pisej Iamsakulrat	Director
15. Mr. Thavich Taychanavakul	Independent Director
16. Mr. Tayuth Sriyuksiri	Director
17. Mr. Khantachai Vichakkhana	Independent Director

Remarks: Mr. Nitisit Jongphitakratana is the Corporate Secretary.

Functions and Responsibilities of the Board of Directors

1. To carry out activities prudently and in compliance with related governing laws, the objectives of the Company, and the Articles of Association, in order to protect the Company's interests and for the benefit of shareholders.
2. To consider policy, vision, work plans and key strategies, as well as ethical standards for business operations, and to supervise and monitor Management, to ensure that they perform duties efficiently and are in compliance with the Company's policies.
3. To monitor the operational results of the Company and any other key progress criteria.
4. To determine interim dividends to shareholders.
5. To ensure that financial reports are complete, accurate, reliable and timely, and are prepared in compliance with generally accepted accounting principles.
6. To monitor the implementation of internal control and audit systems; to comply with all regulations and related governing laws; and to ensure appropriate risk management.
7. To ensure that the Company performs in compliance with good corporate governance policies, and focuses on fair treatment for all related parties, and discloses all relevant information that might affect the interests of related parties and the public.
8. To monitor and to prevent conflicts of interest, and ensure that connected transactions and any other transactions that might affect the interests of related parties are in compliance with related rules and regulations.

The Executive Management Committee as at December 31, 2011

Name	Position
1. Mr. Prachai Leophairatana	Chairman of Executive Committee
2. Mr. Prateep Leopairut	Executive Director
3. Dr. Pramuan Leophairatana	Executive Director
4. Mr. Prayad Liewphairatana	Executive Director
5. Mrs. Orapin Leophairatana	Executive Director
6. Mrs. Boonsri Leophairatana	Executive Director
7. Dr. Chavin Iamsopana	Executive Director
8. Mr. Chainarong Taephaisitphongse	Executive Director
9. Mr. Tayuth Sriyuksiri	Executive Director

Nine Directors are authorized to sign on behalf of the Company. Two of the nine directors must jointly sign, together with the affixation of the official company stamp.

Functions and Responsibilities of the Executive Management Committee

1. To govern and determine the operational strategy of the business, in compliance with the policy of the Board of Directors.
2. To monitor operational results of each department.
3. To select and nominate top management of the Company.
4. To nominate and remove officers of the Company, and to determine their rewards.
5. To perform their duties in relation to the general administration of the Company

The Audit Committee as at December 31, 2011

Name	Position
1. Dr. Narasri Vaivanijkul	Chairman of the Audit Committee*
2. Mr. Manas Sooksmarn	Audit Committee
3. Pol.Gen. Charnchit Bhiraueus	Audit Committee

Remarks: Possess background and experience in auditing of financial statements.

Functions and Responsibilities of the Audit Committee

1. To control and monitor the Company's financial reports to ensure that they are complete, adequate and reliable.
2. To monitor the auditing process and internal control systems of the Company to ensure that they are appropriate and efficient.
3. To select and propose the appointment of the statutory auditor of the Company.
4. To supervise and ensure that the Company acts in compliance with the regulations imposed by the SET and the SEC and related governing laws.
5. To consider the disclosure of information regarding connected transactions or transactions that might have conflicts of interest, to ensure it is accurate and complete.
6. To prepare the Audit Committee Report as disclosed in the Company's Annual Report to be in compliance with the provisions imposed by the SET and the SEC.
7. To perform any other tasks that may be stipulated in the Articles of Association of the Company.
8. To perform any other tasks that may be delegated by the Board of Directors.

Name	Position
1. Mr. Prachai Leophairatana	Chief Executive Officer
2. Mr. Prateep Leopairut	President
3. Dr. Pramuan Leophairatana	President
4. Mr. Prayad Liewphairatana	President
5. Mrs. Orapin Leophairatana	Senior Executive Vice President
6. Mr. Prasert Ittimakin	Senior Vice President -Accounting and Finance Division
7. Miss Chularat Danwattanachai	Vice President - Accounting and Finance Division
8. Mr. Anugoon Piyapakorn	Assistant Vice President - Accounting Department
9. Mr. Pongsak Yiengsakun	Assistant Vice President - Finance Department

Functions and Responsibilities of the Chief Executive Officer

1. To carry out activities prudently; to be in compliance with the objectives of the Articles of Association; and to be in line with establishing policy as approved by the Board of Directors of the Company, in order to protect the Company's interests and for the benefit of shareholders.
2. To monitor and manage daily operational results of each department to ensure these are carried out effectively and efficiently.
3. To assign, nominate, remove and punish employees and staff of the Company to comply with Company discipline.
4. To report work progress to be in line with work plans and budgets as approved by the Board of Directors.

Business relationships or professional service relationships between independent directors and the Company, or the parent company, or its affiliates, or subsidiary companies, or associated companies, or juristic persons within the Company, that may impose conflicts of interest in an amount exceeding the restricted amount under the notification of the SEC regarding permission and approval of new shares issuance (if any), as well as the resolution and opinion of the Board of Directors approval (if any).

-None-

Selection of the Directors and the Management

The Board of Directors of the Company is responsible for selection of Directors and Management of the Company. Selection of Directors takes into consideration their background knowledge, experience in related fields of business, ethical behavior, standards of integrity, independence, courage in giving opinions, responsible discharge of duties, precision and honesty, consistent attendance at all Board meetings. Their resumes and their ethical behavior are taken into consideration as well as other appropriate qualifications deemed beneficial to the Company. We also consider other factors that may impose conflicts of interest.

Selection of the directors to replace those retiring by rotation is under the criteria of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

Selection of Management takes into consideration their background knowledge, abilities, professional skills, and experience deemed beneficial to the Company. Management selection is in compliance with recruitment procedures of the Company.

Criteria for selection of the Independent Directors are as follows:

1. Under the criteria of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, Independent Directors:
 - 1.1 Are restricted in the number of shares they may hold to not greater than 1% of the voting shares in the Company, its affiliates, its associated companies, or its juristic persons that may impose conflicts of interest (implicitly including related persons as stated in Section 258 of the SEC's Act B.E. 2535.)
 - 1.2 Have no management participation in the Company, its affiliates, or its associated companies; and are not employees or regularly paid consultants, or persons who have control over the Company, its affiliates, or its associated companies or its juristic persons that may impose conflicts of interest.

- 1.3 Have no business relationship with the Company, its affiliates, or its associated companies; and do not have any loss or gain, directly or indirectly, in the finance or management of the Company, its affiliates, or its associated companies; or its juristic persons that may impose conflicts of interest.
- 1.4 Have no close relatives, or persons related in a way that may lead to a lack of independence from the management or major shareholders of the Company, its affiliates, or its associated companies, or its juristic persons that may impose conflicts of interest; nor may they be appointed to protect the interest of any director or major shareholders.
- 1.5 Maintain consistent attendance at all board meetings, and follow and monitor the business performance and operations of the Company.
2. Independent Directors must be capable, talented and knowledgeable, with backgrounds and experience deemed beneficial to the Company; such as backgrounds in engineering, accounting, finance etc.
3. Independent Directors must detail their qualifications and perform their duties with great care and loyalty in the best interest of the shareholders, without conflict of interest with/for their own businesses or former businesses, or related parties.

Remuneration of the Directors and the management

1. Remuneration in monetary terms

1.1 Remuneration of the Directors

In 2011, remuneration awarded to the Company's 17 directors in the form of meeting allowances and bonuses was Baht 24,766,586 compared to Baht 21,900,426 in 2010 for 17 directors. Details of remuneration in 2011 are as follows:

Unit: Baht

No.	Name	Position	Meeting allowances	Bonus	Total
1.	Mr. Visith Noiphan	Chairman	1,257,288	199,570	1,456,858
2.	Mr. Prachai Leophairatana	Director	1,257,288	199,570	1,456,858
3.	Mr. Prateep Leopairut	Director	1,257,288	199,570	1,456,858
4.	Mr. Chainarong Taephaisitphongse	Director	1,257,288	199,570	1,456,858
5.	Dr. Pramuan Leophairatana	Director	1,257,288	199,570	1,456,858
6.	Dr. Narasri Vaivanijkul	Director	1,257,288	199,570	1,456,858
7.	Mrs. Boonsri Leophairatana	Director	1,257,288	199,570	1,456,858
8.	Ms. Suchitra Taychanavakul	Director	1,257,288	199,570	1,456,858
9.	Dr. Chavin Iamsopana	Director	1,257,288	199,570	1,456,858
10.	Mr. Prayad Liewphairatana	Director	1,257,288	199,570	1,456,858
11.	Mrs. Orapin Leophairatana	Director	1,257,288	199,570	1,456,858
12.	Mr. Manas Sooksmarn	Director	1,257,288	199,570	1,456,858
13.	Pol.Gen. Charnchit Bhiraueus	Director	1,257,288	199,570	1,456,858
14.	Mr. Pisej Iamsakulrat	Director	1,257,288	199,570	1,456,858
15.	Mr. Tayuth Sriyusiri	Director	1,257,288	199,570	1,456,858
16.	Mr. Thavich Taychanakul	Director	1,257,288	199,570	1,456,858
17.	Mr. Khantachai Vichakkhana	Director	1,257,288	199,570	1,456,858
Total			21,373,896	3,392,690	24,766,586

1.2 Remuneration of Management

In 2011, remuneration awarded to the Company's 5 Executives including salaries and bonuses was Baht 202,364,000 compared to Baht 179,524,900 for total of 5 persons in 2010.

2. Other remuneration

Other remuneration to the Management includes company cars for each position.

Audit Fees

1. The Company and its subsidiaries paid audit fees for 2011 to:

1.1 The statutory auditor of the Company for the financial year ended 2011 in the amount of Baht -0-

1.2 The office of the statutory auditor of the Company, or other persons or related enterprises relating to the statutory auditor of the Company for year 2011 in the amount of Baht 7,140,000.

2. TPI Polene and its subsidiaries paid a fee to KPMG Phoomchai Audit Limited to review the report of promotional privileges and benefits of exemption from payment of corporate income tax by virtue of the promotional certificates of the Broad of Investment in 2011 for total of Baht 360,000.

Company Shares Held by the Directors and the Management

Name	Shareholding As at January 11, 2012	Shareholding As at January 11, 2011	Change + (-) in 2011
1. Mr. Visith Noiphan	-	-	-
2. Mr. Prachai Leophairatana	85,116,224	85,116,224	-
3. Mr. Prateep Leopairut	154,000	114,000	40,000
4. Mr. Chainarong Taephaisitphongse	-	-	-
5. Dr. Pramuan Leophairatana	80,900,000	80,890,000	10,000
6. Dr. Narasri Vaivanijkul	-	-	-
7. Mrs. Boonsri Leophairatana	82,138,536	82,138,536	-
8. Ms. Suchitra Taychanavakul	107,778	107,778	-
9. Dr. Chavin Iamsopana	2,191,000	2,191,000	-
10. Mr. Prayad Liewphairatana	88,321,714	88,321,714	-
11. Mrs. Orapin Leophairatana	*	*	*
12. Mr. Manas Sooksmarn	-	-	-
13. Pol.Gen. Charnchit Bhiraueus	215,000	215,000	-
14. Mr. Pisej Iamsakulrat	1,800,042	1,800,042	-
15. Mr. Thavich Taychanavakul	109,118	109,118	-
16. Mr. Tayuth Sriyusiri	16,342,589	17,342,589	(1,000,000)
17. Mr. Khantachai Vichakkhana	2,776	2,776	-
18. Mr. Prasert Ittimakin	1,048	1,048	-
19. Miss Chularat Danwattanachai	-	-	-
20. Mr. Anugoon Piyapakorn	-	-	-
21. Mr. Pongsak Yiengsakun	-	-	-

Note* Included in shareholding changes of Mr. Prachai Leophairatana to comply with the provisions contained in the SEC Act, article 258.

Positions of the Management and Controlling Persons over the Company, its Subsidiaries, the Joint Venture Company, Associated Companies and other related Companies as at 31 December 2010.

Name	TPI	Subsidiaries 2/											
	Polene	1	2	3	4	5	6	7	8	9	10	11	12
1. Mr. Visith Noiphan	X	-	-	-	-	-	-	-	-	-	-	-	-
2. Mr. Prachai Leophairatana	//	//x	//x	//x	//x	//x	//x	//x	//	//	-	//x	//x
3. Mr. Prateep Leopairut	//	//	//	//	//	//	-	//	//	/	-	//	//
4. Mr. Chainarong Taephaisitphongse	//	-	-	-	-	-	-	-	-	-	-	-	-
5. Dr. Pramuan Leophairatana	//	//	//	//	//	//	//	//	//	/	//x	//	//
6. Dr. Narasri Vaivanijkul	/	-	-	-	-	-	-	-	-	-	-	-	-
7. Mrs. Boonsri Leophairatana	//	-	-	-	-	-	-	-	-	-	-	-	-
8. Ms. Suchitra Taychanavakul	/	-	-	-	-	-	-	-	-	-	-	-	-
9. Dr. Chavin Iamsopana	//	-	-	-	-	-	-	-	-	-	//	//	-
10. Mr. Prayad Liewphairatana	//	//	//	//	//	//	//	//	//	//	//	//	//
11. Mrs. Orapin Leophairatana	//	//	-	//	//	//	//	//	-	-	-	//	//
12. Mr. Manas Sooksmarn	/	-	-	-	-	-	-	-	-	-	-	-	-
13. Pol. Gen. Charnchit Bhiraueus	/	-	-	-	-	-	-	-	-	-	-	-	-
14. Mr. Pisej Iamsakulrat	/	-	-	-	-	-	-	-	-	-	-	-	-
15. Mr. Thavich Taychanavakul	/	-	-	-	-	-	-	-	-	-	-	-	-
16. Mr. Tayuth Sriyuksiri	//	-	-	-	-	-	-	-	-	-	-	-	-
17. Mr. Khantachai Vichakkhana	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : 1: / = Director X = Chairman // = Executive Director
2: Names of the Companies

No.	Subsidiaries	Status
1.	TPI Concrete Co.,Ltd.	Subsidiary company
2.	Thai Propoxied Co.,Ltd.	Subsidiary company
3.	TPI Polene Power Co.,Ltd.	Subsidiary company
4.	TPI All Seasons Co., Ltd.	Subsidiary company
5.	Polene Plastic Co., Ltd.	Indirect Subsidiary company
6.	TPI Polene Bio Organics Co., Ltd.	Indirect Subsidiary company
7.	Thai Nitrate Co., Ltd.	Joint Venture Company
8.	Thai Special Steel Plc.	Associated company
9.	Mondo Thai Co., Ltd.	Associated company
10.	Bangkok Union Life Insurance Public Co., Ltd.	Associated company
11.	United Grain Industry Co., Ltd.	Related company
12.	Pornchai Enterprises Co., Ltd.	Related company

The Board of Directors – TPI Concrete Co., Ltd. as at December 31, 2011

Name	Position
1. Mr. Prachai Leophairatana	Chairman and Executive Director
2. Mr. Prateep Leopairut	Executive Director
3. Dr. Pramuan Leophairatana	Executive Director
4. Mr. Prayad Liewphairatana	Executive Director
5. Mrs. Orapin Leophairatana	Executive Director
6. Mr. Panya Tangsingtrong	Executive Director
7. Ms. Niphond Punyaratabandhu	Executive Director

The Board of Directors – TPI Polene Power Co., Ltd. as at December 31, 2011

Name	Position
1. Mr. Prachai Leophairatana	Chairman and Executive Director
2. Mr. Prateep Leopairut	Executive Director
3. Dr. Pramuan Leophairatana	Executive Director
4. Mr. Prayad Liewphairatana	Executive Director
5. Mrs. Orapin Leophairatana	Executive Director
6. Mr. Pakorn Leopairut	Executive Director
7. Miss Pattrapan Leopairut	Executive Director

The Board of Directors – Polene Plastic Co., Ltd. as at December 31, 2011

Name	Position
1. Mr. Prachai Leophairatana	Chairman and Executive Director
2. Mr. Prateep Leopairut	Executive Director
3. Dr. Pramuan Leophairatana	Executive Director
4. Mr. Prayad Liewphairatana	Executive Director
5. Mrs. Orapin Leophairatana	Executive Director

The Board of Directors – TPI Polene Bio Organics Co., Ltd. as at December 31, 2011

Name	Position
1. Mr. Prachai Leophairatana	Chairman and Executive Director
2. Mr. Prateep Leopairut	Executive Director
3. Dr. Pramuan Leophairatana	Executive Director
4. Mr. Prayad Liewphairatana	Executive Director
5. Mrs. Orapin Leophairatana	Executive Director
6. Miss Pattrapan Leopairut	Executive Director
7. Mr. Pakorn Leopairut	Executive Director
8. Mr. Pakkapol Leopairut	Executive Director
9. Mrs. Achira Chatdarong	Executive Director
10. Mrs. Nitawan Leophairatana	Executive Director
11. Mr. Thanakorn Liewphairatana	Executive Director
12. Miss Chutinan Liewphairatana	Executive Director
13. Mr. Vipot Kotbua	Executive Director
14. Mr. Pakpoom Thongsorn	Executive Director

Note : TPI Concrete Co., Ltd., TPI Polene Power Co., Polene Plastic Co., Ltd. TPI Polene Bio Organics Co., Ltd. are wholly-owned subsidiaries, which generate significant sales revenues.

Board of Directors as at January 11, 2012

NAME /AGE / FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/ TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
Mr. Visith Noiphan 79 years of age -no relationship	M.ENG.(Sanitary Engineering) Chulalongkorn University		2005-Present	Chairman and Independent Director	TPI Polene Public Co.,Ltd.
			1982-1984	Department of Industrial Works	Ministry of Industry
	B.E. (Civil Engineering) Chulalongkorn University		1984-1986	Department of Industrial Promotion	Ministry of Industry
			1986-1988	Director General	Ministry of Industry
	Directors Accreditation Program (DAP- No.5/2003) Thai Institute of Directors (IOD)			Secretary General Thai Industrial Standards	
			1988-1992	Director General Department of Mineral Resources	Ministry of Industry
	Role of the Chairman (RCP) No.20/2008 Thai Institute of Directors (IOD)		1992-1993	Advisor	The Office Of Prime Minister
				Acting of Permanent Secretary	Ministry of Industry
				Deputy Permanent Secretary	Ministry of Industry
			1993-2005	Director and member of the Audit Committee	TPI Polene Public Co.,Ltd.
Mr. Prachai Leophairatana 68 years of age Elder brother of Mr. Prateep Leopairut, Dr. Pramuan Leophairatana, and Mr. Prayad Liewphairatana	M.S.E.E. University of California (Berkeley) U.S.A.	4.22	2001-Present	Chief Executive Officer	TPI Polene Public Co., Ltd.
			1969-1997	Chairman	Cathay Finance & Securities Plc.
			1973-Present	Chairman	Leophairatana Enterprises Co., Ltd.
			1978-2006	Chief Executive Officer	Thai Petrochemical Industry Public Co.,Ltd. and TPI Polene Group of Companies.
	B.E. (1 st Class Hons.) University of Canterbury, New Zealand		1981-2006	Chief Executive Officer	International Plastic Trading Co.,Ltd.
			1988-Present	Chairman	Thai Plastic Product Co.,Ltd.
	Directors Accreditation Program (DAP- No.35/2005) Thai Institute of Directors (IOD)		1989-Present	Chairman	Thai Plastic Film Co.,Ltd.
			1989-Present	Chairman	United Grain Industry Co.,Ltd.
			1990-Present	Chairman	Thai Nitrate Co.,Ltd.
			1991-Present	Chairman	TPI Polene Power Co.,Ltd.
			1991-Present	Chairman	TPI Concrete Co.,Ltd.
			2000-2006	Board Executive Director	Bangkok Union Insurance Public Co.,Ltd.
			2002-Present	Chairman	Polene Plastic Co.,Ltd.
			2010-Present	Chairman	TPI Polene Bio Organics Co.,Ltd.
Dr. Narasri Vaivanijkul 79 years of age -no relationship	Ph.D. in Management Science The University of Texas at Austin, Texas.		2005-Present	Chairman of the Audit Committee and Independent Director	TPI Polene Public Co.,Ltd.
			1998-2005	Independent Director and member of the Audit Committee	TPI Polene Public Co.,Ltd.
	Directors Accreditation Program (DAP- No.5/2003) Thai Institute of Directors (IOD)		2002-Present	Chairman of Audit Committee	Assumption University Council
			1999-Present	Director	S.P. Suzuki Public Co.,Ltd.
			2007-2010	Director	Educational & Training centers, Faculty of Commerce and Accountancy, Chulalongkorn University
					Asian University of Science and Technology
			2007-Present	Director	Rajapark College
			2007-Present	Director	
Mrs. Boonsri Leophairatana 90 years of age Mother of Mr. Prachai Leophairatana, Mr. Prateep Leopairut, Dr. Pramuan Leophairatana, and Mr. Prayad Liewphairatana	-	4.07	1987-Present	Executive Director	TPI Polene Public Co.,Ltd.
			1996-2006	Director	Leophairatana Enterprises Co., Ltd.
			2006-Present	Executive Director	Thai Petrochemical Industry Co., Ltd.
Ms. Suchitra Taychanavakul 88 years of age -no relationship	M.6 Sahaiying School, Saraburi	0.01	1994 -Present	Director	TPI Polene Public Co.,Ltd.
			1992 -Present	Director	United Grain Industry Co.,Ltd.
			1992 -Present	Director	Thana Pronchai Co., LTD.
			1992 -Present	Director	Thana Pornchai Enterprise Co., Ltd.
			1999 -Present	Director	Thai Industrial Estate Co., Ltd.
			2000 -Present	Director	SME Estate Co.,Ltd.

NAME /AGE / FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/ TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
Mr. Prateep Leopairut 66 years of age Younger brother of Mr. Prachai Leophairatana, elder brother of Dr. Pramuan Leophairatana, and Mr. Prayad Liewphairatana	M.S. (Engineering) Stanford University U.S.A.	0.01	1987-Present	President	TPI Polene Public Co., Ltd.
			1973-Present	Director	Leophairatana Enterprises Co., Ltd.
	B.E. (Industrial Engineering) Chulalongkorn University		1978-2006	President	Thai Petrochemical Industry Public Co.,Ltd.
			1978-Present	Director	United Grain Industry Co., Ltd.
	Degree Programs, National Defense College		1981-2006	President	International Plastic Trading Co., Ltd.
			1986-present	Executive Director	Pornchai Enterprises Co., Ltd.
	The Political “Leadership in new era” program, 2/2005, King Prajadhipok’s Institute		1987-present	President	Thai Petrochemical Industry and Trade Association
			1987-1993	Director	Bangkok Union Insurance Public Co., Ltd.
	Directors Accreditation Program (DAP) No.28/2004 Thai Institute of Directors (IOD)		1988-Present	Director	Thai Plastic Product Co., Ltd.
			1989-Present	Director	Thai Plastic Film Co., Ltd.
	Directors Certification Program (DCP) No.53/2005 Thai Institute of Directors (IOD)		1991-Present	Executive Director	TPI Concrete Co.,Ltd.
			1991-Present	President	TPI Polene Power Co.,Ltd.
	Audit Committee Program (ACP) No.8/2005 Thai Institute of Directors (IOD)		1994-Present	Vice Chairman	Bangkok Union Insurance Public Co., Ltd.
			2002-Present	Executive Director	Polene Plastic Co.,Ltd.
	Understanding the Fundamen- tal of Financial Statements (UFS) no.1/2006 Thai Institute of Directors (IOD)		2005-2006	President, “The Political Leadership in new era” program	King Prajadhipok’s Institute
			2007-Present	President	Thai Nitrate Co.,Ltd.
	Chartered Director Class (CDC) No.5/2009 Thai Institute of Directors (IOD)		2009-2011	Commission of Central Asia	Thai Chamber of Commerce
			2009-2011	Committee of International Trade	Thai Chamber of Commerce
	Thai Institute of Directors (IOD)		2009-2011	Committee of International Negotiation Trade	Thai Chamber of Commerce
			2009-Present	Specialist on the examination of working professionals with engineering diploma in industrial engineering field	Council of Engineers
	Thai Institute of Directors (IOD)		2009-Present	Expert on the examination of corporate engineering level of working professionals industrial engineering field	Council of Engineers
			2010-2012	Honorary member and Counsel Association	The Thai Packaging Association
	Thai Institute of Directors (IOD)		2011-2012	Advisory committee on Trade and Development Association	Thai Chamber of Commerce
			2011-2013	Commission European and Central Asia	Thai Chamber of Commerce
	Thai Institute of Directors (IOD)		2011-Present	Board of Trade	Thai Chamber of Commerce
Mr.Chainarong Taephaisitphongse 70 years of age -no relationship	Master of Business Administration, Syracuse University, U.S.A. Directors Accreditation Program (DAP- No.19/2004) Thai Institute of Directors (IOD)	-	1990-Present	Executive Director	TPI Polene Public Co.,Ltd.
			1973-Present	Director	Bangkok Union Insurance Public Co.,Ltd.
			1974-Present	Managing Director	International Trading Development Corp,Ltd.
			1980-2006	Director	Thai Petrochemical Industry Public Co.,Ltd.
			1981-2006	Director	International Plastic Trading Co.,Ltd.
1994-Present	Director	TPI Holding Co.,Ltd.			
Dr. Pramuan Leophairatana 63 years of age Younger brother of Mr. Prachai Leophairatana, Mr. Prateep Leopairut, elder brother of Mr. Prayad Liewphairatana	M.S. , SC.D. in Chemical Engineering, Massachusetts Institute of Technology at Cambridge, M.A., U.S.A.	4.01	2001-Present	President	TPI Polene Public Co.,Ltd.
			1973-Present	Director	Leophairatana Enterprises Co.,Ltd.
	B.S. (Honors) in Chemical Engineering, University of California at Berkeley, U.S.A.		1978-Present	President	Thai Petrochemical Industry Public Co.,Ltd.
			1988-Present	Director	Thai Plastic Product Co.,Ltd.
	Directors Accreditation Program (DAP- No.39/2005) Thai Institute of Directors (IOD)		1989-Present	Director	Thai Plastic Film Co.,Ltd.
			1989-Present	Director	United Grain Industry Co.,Ltd.
	Thai Institute of Directors (IOD)		1990-Present	Director	Thai Nitrate Co.,Ltd.
			1991-Present	Executive Director	TPI Polene Power Co.,Ltd.
	Thai Institute of Directors (IOD)		1991-Present	Executive Director	TPI Concrete Co.,Ltd.
			1997-Present	Chairman	BUI Life Insurance Co.,Ltd.
	Thai Institute of Directors (IOD)		2002-Present	Executive Director	Polene Plastic Co.,Ltd.
			2010-Present	Executive Director	TPI Polene Bio Organics Co.,Ltd.

NAME /AGE / FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/ TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
Dr. Chavin Iamsopana 70 years of age Brother-in-law of Mr. Prachai Leophairatana, Mr. Prateep Leopairut, Dr. Pramuan Leophairatana, and Mr. Prayad Liewphairatana	Doctor of Engineering, Osaka City University Japan Directors Accreditation Program (DAP- No.28/2004) Thai Institute of Directors (IOD) Directors Certification Program (DCP-No.28/2004) Thai Institute of Directors (IOD) Audit Committee Program (ACP-No.15/2006) Thai Institute of Directors (IOD)	0.11	1987-Present	Executive Director	TPI Polene Public Co.,Ltd.
			1989-Present	Executive Director	Thai Plastic Film Co.,Ltd.
			1989-Present	Executive Director	Thai Plastic Product Co.,Ltd.
			1989-Present	Executive Director	United Grain Industry Co.,Ltd.
			1997-Present	President	BUI Life Insurance Co.,Ltd.
			2004-Present	Executive Director	Bangkok Union Insurance Public Co.,Ltd.
Mr. Prayad Liewphairatana 61 years of age Younger brother of Mr. Prachai Leophairatana, Mr. Prateep Leopairut, and Dr. Pramuan Leophairatana	M.S.C.E. University of Michigan (ANN ARBOR) U.S.A. Directors Accreditation Program (DAP- No.29/2004) Thai Institute of Directors (IOD)	4.37	1987-Present	President	TPI Polene Public Co.,Ltd.
			1973-Present	Director	Leophairatana Enterprises Co.,Ltd.
			1981-2006	Director	International Plastic Trading Co.,Ltd.
			1988-Present	President	Thai Plastic Product Co.,Ltd.
			1988-Present	President	United Grain Industry Co.,Ltd.
			1989-Present	President	Thai Plastic film Co.,Ltd.
			1991-Present	Executive Director	TPI Polene Power Co.,Ltd.
			1991- Present	Executive Director	TPI Concrete Co.,Ltd.
			1995- Present	Director	TPI Aromatics Public Co.,Ltd.
			1997- Present	Executive	BUI Life Insurance Co.,Ltd.
			2002-Present	Director Executive Director	Polene Plastic Co.,Ltd.
			2009-Present	Director	Thai Nitrate Co.,Ltd.
			2010-Present	Executive Director	TPI Polene Bio Organics Co.,Ltd.
Mrs.Orapin Leophairatana 65 years of age Mr. Prachai Leophairatana's wife	Political Science (2 nd Class Honors) Chulalongkorn University Directors Accreditation Program (DAP- No.35/2005) Thai Institute of Directors (IOD)	4.22	1998-2003,	Senior Executive	TPI Polene Public Co.,Ltd.
			2005-Present	Vice President	
			1977- 1982	Third Secretary	Ministry of Foreign Affairs
			1986-1997	Managing Director	Cathay Finance & Securities Plc.
			1995-1997	Director	Bangkok Stock Trading Center
			1995-1997	Chairman	Association of the Securities Brokerage
			April-Dec 1997	Director	Association of Finance Companies
			1998-Present	Executive Director	TPI Concrete Co., Ltd.
			2001-2011	Director	Thai Listed Company Association
			2002-Present	Executive Director	Polene Plastic Co.,Ltd.
			2007-Present	Executive Director	TPI Polene Power Co., Ltd
			2009-Present	Executive Director	TPI All Season Co., Ltd.
			2009-Present	Director	Thai Nitrate Co.,Ltd.
			2010-Present	Executive Director	United Grain Industry Co.,Ltd.
			2010-Present	Executive Director	Thai Petrochemical Industry Co.,Ltd.
			2010-Present	Executive Director	TPI Polene Bio Organics Co.,Ltd.
Mr.Manas Sooksmarn 77 years of age -no relationship	Master of Science In Industrial Engineering and Management, Oklahoma State University, U.S.A. Post Graduate diploma Industrial Development Programming. (Economics) Institute of Social Studies (ISS), The Hague, Netherlands Studies (ISS),The Hague, Netherlands Master of Political Science, Ramkhamhaeng University B.E. (Industrial Engineering), Chulalongkorn University. National Defense College No.31 Directors Accreditation Program (DAP- No.47/2005) Thai Institute of Directors (IOD)	-	2005-Present	Independent Director and member of the Audit	TPI Polene Public Co.,Ltd.
			1996-2000	Senator	Express Authority of Thailand
			1996-1997	Committee	Ministry of Interior
			1997	Advisor to Deputy Minister	Ministry of Agriculture and Cooperatives
			1997, 2001	Advisor to Deputy Minister	The Constitutional Court
			2006	Honorable Committee	Pol.Gen.Charnchit Bhiraueus

NAME /AGE / FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/ TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
Pol.Gen.Charnchit Bhiraueus 67 years of age -	Master Program of Public and Private Management, National Institute of Development Administration (NIDA) Bachelor of Public Administration (Royal Police Cadet Academy) and Bachelor of Law Directors Accreditation Program (DAP- No.47/2005) Thai Institute of Directors (IOD) Understanding the Fundamental of Financial Statements (UFS) No.11/2007 Thai Institute of Directors (IOD) Finance for Non-finance Director (FND) No.38/2007) Thai Institute of Directors (IOD)	0.01	2005-Present	Independent Director and member of the Audit Committee	TPI Polene Public Co., Ltd
			2000-2004	Deputy Commissioner -General	Royal Thai Police
			2002-2010	Vice Chairman	Asian Crime Prevention Foundation (Thailand)
			2005-2006	Advisor to Deputy Minister	Ministry of Justice
			2006-2007	Advisor to Deputy Prime Minister	
			2006-2010	Committee of National Justice	Ministry of Justice
			2007- 2008	Vice Chairman and CEO	TOT Public Co.,Ltd
			2007-Present	Honorable Committee	Parliamentary Commission
			Jan 2001-Present	Expert	Police Commission
Mr. Pises Iamsakulrat 48 years of age -no relationship	Bachelor Degree, Business Administration, Menlo College, California, U.S.A. Master of International Trade, Golden Gate University, U.S.A.	0.09	2008- Present	Director	TPI Polene Public Co., Ltd
			1987- Present	Managing Director	Iamsakulrat Co., Ltd.
			1990- Present	Managing Director	Lampang Food Products Co., Ltd.
			1995- Present	Vice President	Laos Industrial-Agriculture Co., Ltd.
			1997- Present	Director	K. Cotton & Gloss Co., Ltd.
			1997- Present	Director	TPI Holding Co., Ltd.
			2004- Present	Managing Director	Maekong Inter Trade Co., Ltd.
Mr. Thavich Taychanavakul 63 years of age -	Bachelor Degree, Business Administration Kinki University, Japan National Defense College No. 366 Directors Accreditation Program (DAP- No.(6/2003) Thai Institute of Directors (IOD) Finance for Non-finance Director (FND) No.30/2006 Thai Institute of Directors (IOD)	0.01	2008- Present	Independent Director	TPI Polene Public Co., Ltd
			1988- Present	Board Executive Director	Royal Group of Company
			1990- Present	Managing Director	Thai Industrial Estate Co., Ltd.
			1991- Present	Secretary-General	Thai Industrial Estate Association
			1991- Present	Board Executive Director	Hi-Tech Nittsu (Thailand) Co.,Ltd.
			1999-Present	Chairman of the Audit Committee	Bangkok Union insurance Plc.
			1999-Present	Board Executive Director	Ayutthaya Technology Hi-Tech Center
Mr. Tayuth Sriyusiri 58 years of age -no relationship	Bachelor Degree, Engineering, Mechanic, Worcester University, U.S.A. Master Of Business Administration, Boston University, U.S.A. Director Accreditation Program (DAP- No.29/2005) Thai Institute of Directors (IOD)	0.81	2008-Present	Executive Director	TPI Polene Plc.
			1982- Present	Managing Director	K. Cotton & Gloss Co., Ltd.
			1984-2004	Deputy Managing Director	Hua Thai Manufacturing Plc.
			1994- Present	Director	TPI Holdings Co., Ltd.
			1999- Present	Director	Micro Fiber Industry Co., Ltd.
			2005- Present	Director	Hua Thai Manufacturing Plc.

NAME /AGE / FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/ TRAINING	% SHARE HOLDING*	WORK EXPERIENCE			
			DURATION	POSITION	COMPANY/ BUSINESS	
Mr. Khantachai Vichakkhana 64 years of age -no relationship	Master of Political Science, (Public Administration), Thammasat University	0.81	Oct 2009 - Present	Independent Director	TPI Polene Public Co., Ltd	
			1986	Land Officer- Uttaradit	Department of Lands	
			1986-1988	Land Officer- Nakhornnayok	Department of Lands	
			1988-1989	Land Officer- Nonthaburi and Bangyai District	Department of Lands	
	Bachelor of Law, Thammasat University		1989-1990	Land Officer- Phuket	Department of Lands	
			1990-1992	Land Officer- Chonburi	Department of Lands	
			1992-1995	Department of Important book	Department of Lands	
			1995-1998	Land Management Division	Department of Lands	
	Division Director of Security within the Kingdom Program (Ka.Rmn): Royal Thai Army (1979)		1998-1999	Director of Bureau Authority Land	Department of Lands	
			1999-2000	Inspector-General	Department of Lands	
			2000	Staff Plan & Policy Analysis (Land)	Department of Lands	
			2000-2002	Directors: Land Registration Bureau of Standards	Department of Lands	
	Advance Land Management School Program Class 3 : Department of Lands (1984)		2002-2008	Deputy Director -General	Department of Lands	
				Extracurricular		
				Council Member	Rajamangala University or technology Bangkok	
				Qualified Director	National Council Boy Scouts	
	Advance administration Program: Class 30, Institute of Administration Development, Department of Provincial Administration (1993)			Assets Management Committee Sub-Committee	Thai Red Cross Council Office of the National Anti-Corruption Commission (NACC)	
				School Board Chairman	Triamudomsuksa School Triamudomsuksa Parents and Teachers Association	
				High Level Information Technology Executives (CIO) Seminar (2003)	Vice Chairman of the Executive Committee	Savings and Credit Cooperatives, Department of Lands Office of The Election Commission of Thailand
					Hearing Committee	Office of The Election Commission of Thailand
	Political Development in Demo- cratic Governance, King Prajadhipok’s Institute (2004)				Diagnosis Sub-Committee Committee	Retired Government Officials’ Pension Association of Interior Foundation The Institution of Local Administration, Thailand Islamic bank of Thailand

OTHER EXECUTIVES

Mr.Prasert Ittimakin 53 years of age -	M.B.A. Finance University of St. Thomas, U.S.A. Bachelor of Accounting, Chulalongkorn University	0.00	2001-Present 1998-2001 1990-1998	Senior Vice President Finance and Account Division Vice President Finance and Account Division Vice President Corporate Finance Department	TPI Polene Public Co.,Ltd. TPI Polene Public Co.,Ltd. Asia Credit & Securities Plc.
Miss. Chularat Danwattanachai 51 years of age -	M.B.A. Thammasart University	-	2001-Present 1999-2001 1989-1998	Vice President Finance and Account Division Asst.Vice President Finance and Account Division Asst. Vice President Corpo- rate Finance Department	TPI Polene Public Co.,Ltd. TPI Polene Public Co.,Ltd. Asia Credit & Securities Plc.
Mr. Anugoon Piyapakorn 54 years of age -	M.B.A. Chulalongkorn University	-	2001-Present 1989-2001	Asst. Vice President Accounting Department Manager Accounting Department	TPI Polene Public Co.,Ltd. TPI Polene Public Co.,Ltd.
Mr. Pongsak Yiengsakun 57 years of age -	Bachelor of Accounting, Chulalongkorn University	-	2001-Present 1992-2001	Asst.Vice President Financial Operation Department Manager Finance Department	TPI Polene Public Co.,Ltd. TPI Polene Public Co.,Ltd.

Remarks: * Percentage of shareholding above includes shares held by spouses and offspring.

Corporate Governance

Throughout the year 2011, the Board of Directors of the Company operated in compliance with the principles of good corporate governance by carrying out their duties with transparency, ethics, and responsibility to shareholders, customers, employees, society and others stakeholders. As the Company values ethical business conduct, we issued a Code of Business Conduct, which is constantly reviewed to make it more suitable for changed circumstances. The Company's directors acknowledge best practice for directors of a listed company as their principle guideline. The Directors, the management and all levels of staff carry out their duties with honesty, integrity, and good ethics. All realize that the Company is a long-established, leading, reputable company with a track record of over 20 years. Corporate governance practices of the Company can be divided into 5 sections as follows:

Section 1. Stakeholder Rights

The Company realizes and respects the importance of the rights of all shareholders. The Company has policies to protect shareholders fundamental rights and ensure equitable treatment under the law as follows:

1. Shareholders' Meeting

The Company schedules an annual general meeting of the shareholders ("AGM") within 4 months of the annual closing date of its accounting books. In case there are emergency issues that might affect the interest of the shareholders and/or related to the terms and regulations or any legal issues, to be proposed for approval in the meeting, the extraordinary shareholders' meeting will be held as the case may be. In 2011, the AGM was held on April 27, 2011 at the Conference Room on 9th floor of TPI Tower, 26/56 Chan Tat Mai Rd, Thungmahamek, Sathorn, Bangkok. A total of 16 directors attended the AGM. The Chairman performed his role thoroughly as defined by law and the meeting also gave unanimous approval on all agenda item. In the previous year 2011, there was no extraordinary shareholders' meeting

2. Delivering Meeting Notices

The Company assigned Thailand Securities Depository Co., Ltd., its SEC Securities Registrar, to mail meeting notices together with details of the agenda and accompanying documents(both supplementary and supporting)for the decisions of the board of directors. In addition, the Securities Registrar mails the opinion of the Board, minutes of the previous meeting, the annual report, all meeting documents, and proxy forms designed by the Ministry of Commerce, to shareholders at least 7 days ahead of the meeting date. An invitation to the AGM is also announced in newspapers for three consecutive days in advance of the meeting.

As for the 2011 Annual General Shareholders Meeting, the Company has disclosed the Invitation to the Annual General Shareholders Meeting with all relevant documents on the Company's website at <http://www.tpipolene.co.th>,for shareholders' consideration in advance of the meeting.

3. Facilitating Shareholders

The Company treats all shareholders in a fair manner. The Company always allows registration of shareholders at least one hour before each meeting. A barcode system summarizing details of each shareholder is printed on the registration form, or the proxy form, to facilitate registration and save time. A suitable reception is also extended to all shareholders.

4. Conduct of Shareholders' Meetings

Before the meeting, the Chairman explains clearly the rules on voting and vote counting for individual agenda items. Once information has been disclosed for each item, the chairman allocate sufficient time for each item and facilitates the meeting appropriately. During the meeting, the chairman allows thorough expression of views and queries by shareholders before voting and summarizes the meeting's resolution on each agenda item. Minutes of the meeting must be completely and accurately recorded, with a summary of voting results on each item.

5. After the Shareholders' Meetings

The Company duly submits the resolution of the Shareholders' meeting to the SET one day after the meeting ends. The Company duly submits the minutes of the Shareholders' meeting to the SET, the Securities Registrar of public company, Department of Business Development, the Ministry of Commerce, within 14 days and also discloses the minutes of the Shareholders' meeting on the Company's website at www.tpipolene.co.th.

Section 2. Equitable Treatment of Shareholders

The Company values and treats all shareholders equally and fairly through the following actions:

1. Conducting the meeting in sequence of agenda items as specified in the invitation and not adding agenda items without notifying shareholders in advance, to ensure they have enough time to investigate before making their decisions.

2. Appointing Proxies to maintain the rights of those shareholders who cannot attend in person: they are able to appoint proxies, or to delegate their votes to any independent director in attendance.

In addition, the Company also discloses the format of the proxies together with all details and procedures on the Company's website at <http://www.tpipolene.co.th> in advance of the meeting.

3. Encouraging shareholders to use ballots for every agenda item, voting tickets are provided for each agenda item separately.

4. All groups of shareholders can access the Company information completely, accurately, transparently, and in a timely manner. The Company has established an Investor Relations Office to take responsibility for providing information in both Thai and English to all shareholders, equally and completely, to ensure that shareholders can make appropriate investment decisions. Corporate information is disclosed on the Company's website, as well as on the websites of the SET and the SEC to facilitate access by shareholders and other interested investors.

5. Ensuring strict supervision of the use of inside information by explicitly defining in writing the misuse of inside information as part of the Code of Conduct. In addition, in order to prevent any conflicts of interest, or misuse of inside information by the Board and Management, the Company has put in place internal information controls to supervise the use of inside information as follows:

1. Directors and Management will be regularly informed of related laws and regulations pertaining to misuse of inside information, through various communication channels
2. The Company discloses in the TPIPL annual report the shareholdings of Directors, Management (and the holdings of management equivalents in Finance and Accounting Division) in compliance with the regulations of the Office of Securities and Exchange Commission.
3. The Directors and Management of the Company are fully responsible for submitting a report of their shareholdings in the Company, and those of their spouses and minors, in accordance with provisions contained in the Securities and Exchange Act B.E. 2535.
4. Any misuse of internal information shall be subject to disciplinary action, including dismissal, as announced in the Company's rules and regulations.

6. Devising practical guidelines for potential conflict of interest in its Good Corporate Governance and Code of Conduct for the Directors. Management and employees must strictly comply with these.

Section 3. Stakeholder Roles

The Company is well aware of the roles of all stakeholders. The Company understands its responsibility to be prudent, fair, and respect the rights of all stakeholders. Hence, the Company has established a Code of Business Conduct emphasizing the balanced consideration of all stakeholders. TPI Polene has embraced the Code of Conduct as a policy for all employees. Management has put the Code into practice and abides by strict moral guidelines. The Code of Conduct establishes best practice principles to be followed by the Company's Directors, Management and staff. It can be summarized as follows:

1. Practice to the group, which has conflicts of interest

- 1. Shareholders:** In its business operations the Company concentrates on establishing the greatest benefit to shareholders. The accounting and financial systems are in place to ensure that any mistakes and irregularities will be identified in due course and that financial reports are accurate, adequate and reliable. The Company's continuously strong financial potential is demonstrated in its ability to make appropriate dividend payments to shareholders.
- 2. Customers:** The Company places a great emphasis on customer satisfaction through the quality of its products and services, provided at reasonable prices. For the manufacturing of cement, plastic resin and ready-mixed concrete, the Company and its subsidiary have also been awarded ISO 9001:2000 certifications from the International Organization for Standardization. In addition, TPI Group have gained recognition for the quality of all cement products from the Thai Industrial Standards Institute and the Office of Customer Protection Board.

In addition, the Company holds seminars for customers to enhance relationships and to educate them about the variety of products offered. We also develop customer interaction via certified agents that welcome all customer suggestions, as these lead to higher efficiency of product development, and maintain customer loyalty.

3. **Management and Employees:** The Company realizes the importance of human resources. Hence, the Company fosters development of all levels of management and staff with internal and external training to enhance their capabilities. The Company applies compensation systems which reward and benefit management and staff appropriately and in line with remunerations in other companies in the same industry.

In addition, the Company also focuses on the safety of its human resources by adopting Health and Safety Management standards. This is reflected in the attainment of the Health and Safety Management standard TIS 18001 certification from the Anglo Japanese American Registrars (AJA) for our cement plant. For our plastic resin and ready-mixed concrete businesses, the Company is also awarded TIS 18001 certifications. These systems have been implemented to reduce accidents in the workplace.

4. **Trade partners:** The Company ethically sets its business operation strategies, thus enhancing relationships with all trade partners through transparent and fair practices. The Company has a policy of benefit sharing and equitable treatment for trade partners and strictly adheres to contractual agreements made. The Company is independent, without strong involvement with any trade partners.
5. **Competitors:** The Company applies equitable treatment and abides by the framework of fair competition.
6. **Community and Society:** The Company, as a Thai Company, continues to be determined to discharge its responsibilities towards the nation, society and communities. Accordingly, the Company is continuously committed to promoting and supporting beneficial activities towards society, religion, education and youth by establishing a full-scale foundation under the name of “the Environment for Better Life Foundation” as detailed in section “TPI Polene and Society”.
7. **Environmental Responsibility:** The Company acts as a good citizen, conscious and aware of being one part of this society. It continues to be determined to discharge its responsibilities towards relevant rules and regulations and support the community surrounding its facilities by eliminating problems and protecting the environment, thus providing better living standards for the communities near its plants. As reflected in its full support for environmental enhancement, the Company has received ISO 14001 certification for Environmental Management System as detailed in section “TPI Polene for Safety and Environment”.

2. Interaction with respect for the principles of human rights

1. Respecting human rights for privacy.
2. Respecting human rights for equal treatment.
3. Performing in a non-partisan and not politically aligned fashion, while supporting and respecting the political rights of employees.
4. Respecting human rights for security: both in terms of privacy and in terms of no brutality or ill treatment.
5. Awareness of the fundamental rights of employees and community members living nearby regarding quality of life, safety, happiness at work, and living together in a society. This includes provision of the necessities of life: trying to prevent or mitigate any drought, health hazards, and natural disasters.
6. Respecting the human right to express opinion and complaints, in goodwill and in accordance with the law, both within and outside the Company and community.
7. Respecting the right to defend against an accusation. When an employee is accused of violating the Company’s rules and regulations, the Company will appoint an independent and fair investigation committee. The accused has the right to defend him or her against the accusation.

In addition, the Company has strictly followed the law of labor to comply with related governing laws. The Company fosters staff development at all levels to provide every employee with all the knowledge needed to perform productively and to develop every employee’s competitive skills, special expertise, and administrative skills. Continuous transactions with government authorities have been conducted transparently under a policy of anti-corruption.

Section 4. Information Disclosure and Transparency

The Company is aware of its duty to conduct business in conformity with relevant rules and regulations as follows:

- 1. Disclosure of Company information including financial reports** is executed accurately, completely and in a timely fashion as reflected in the Annual Report form (Form 56-1), the Company's Annual Report (Form 56-2) and other reports, which are carried out in compliance with the guidelines set by the SEC and the SET.
- 2. A plant visit** is provided for interested institutional investors, shareholders and analysts to access information and have meetings with the Management of the Company. In addition, the Investor Relations Unit has been established to be responsible for communicating information to institutional investors, shareholders, analysts, and relevant authorities in an equitably and fair manner.
- 3. Disclosure of Company information is made through approved communication channels** via the SET, the SEC and the Company's Internet website in Thai and in English.
- 4. The Company pays close attention to the quality of the financial information it provides:** particularly in its accuracy and adequacy. In addition, all financial information conforms to generally accepted accounting principles and is audited by independent auditors. Hence, the Company has provided a report of the Board of Director's responsibility for financial statements in this Annual Report.
- 5. Functions and responsibilities of the Board and Sub-Committees are disclosed:** see above in the section "Management". In addition, the number of meetings and meeting attendance of each member are disclosed in the section "Corporate Governance", clause 5 "Responsibilities of the Board".
- 6. Disclosure of remuneration to Directors and Management Remuneration:** this is detailed above in the section "Management". Remuneration levels are based on the operating results of the Company during the previous fiscal year; reflect duties and responsibilities fairly and reasonably; and are comparable to general practices in the industry.

Section 5. Responsibility of the Board

The Board plays a key role in supervising corporate governance to create maximum benefits for the Company. Each director represents all shareholders, and takes part in promoting good corporate governance within the Company, and in maintaining the rights of, and creating benefits for, all shareholders and other stakeholders. Details as follows:

1. Structure of the Board

(1) Composition

As of December 31, 2011, The Company's Board of Directors consists of 17 directors, of whom 9 were management team members and 8 were non-management, of whom 6 were independent directors. This exceeds one-third of the Board.

(2) Qualifications of the Company's Directors

The Company's Board of Directors comprises qualified members who have skills, experience, honesty, ethics, and independence. They have capabilities in diverse fields, pertinent to the Company's businesses and, accordingly, can safeguard the interests of all shareholders.

In addition, all Directors are aware of their duties, responsibilities and nature of the Company's businesses. They perform their duties with honesty and prudence, and regularly update themselves on new knowledge. Directors attend each Board meeting with full responsibilities.

(3) Definition of the Independent Director Qualification

The Board of Directors has defined the qualification of Independent Directors in line with the requirements of SEC and SET. Details are contained in the section "Management", above.

(4) Segregation of the Power of the Chairman and the Chief Executive Officer

The Company's Board is well organized to ensure there is clear distinction between supervision, policy-making, and day-to-day business administrative roles. The positions of the Chairman of the Board and the Chief Executive Officer are separated. This ensures separation between governing and managing duties.

(5) Independence of the Chairman

The Chairman of the Board, as an independent director, is not a member or chairman of any sub-committee, and is thus able to express his views on business operations independently. This ensures a balance of power.

In addition, the Chairman's leadership plays a key role in ensuring the Board's efficiency and the Shareholder's meeting promoting to be in compliance with good corporate governance.

(6) Corporate Secretary

A knowledgeable and experienced secretary to the Board serves as an advisor to the Board regarding pertinent laws, relevant rules and regulations, and monitors compliance of the Board's actions on a regular basis. In addition, the Secretary is also responsible for assisting in Board activities and coordinating with other relevant functions to comply with the Board's resolutions and good corporate governance principles.

2. Sub-Committee:

The Board of Directors has appointed directors who have knowledge and skills suitable to be members of Sub-Committees to assist in important matters. The Sub-Committees consist of the Executive Management Committee and the Audit Committee.

The Executive Management Committee is composed of 9 members who are knowledgeable, capable, ethical and experienced in diverse fields. Duties and responsibility of the Executive Management Committee are contained in the section "Management"

The Audit Committee consists of 3 Independent Directors. Members' qualifications meet the requirements stipulated in relevant SEC and SET announcements. The Committee is assigned to perform checks on management and secure the balance of power in various business activities to ensure reliability and integrity, and serving the best interests of all stakeholders at all times. Duties and responsibilities of the Audit Committee are contained in the section "Management".

3. Roles, Duties and Responsibilities of the Board

(1) Good Corporate Governance and the Code of Business Conduct. The Board of Directors values good corporate governance and maintains high standards of integrity and ethics. All Directors have responsibilities in carrying out their duties and are held accountable to the Company and its stakeholders. They perform their duties with integrity, in compliance with the governing laws and regulations of the Company, and based on professional standards. The Company conducts business in a transparent, honest and fair manner for the interests of all groups of stakeholders.

The Company also issued a Code of Business Conduct for its Board, Management, staff and all employees. These principles are strictly followed, together with the Company's rules and regulations, as detailed in Section 3: Stakeholder Roles

(2) Conflict of Interest: The Board has a clear policy to execute transactions which have potential conflicts of interest in a manner that is in the best interests of the Company and its shareholders. Transactions between the Company (and its subsidiaries) and anyone, with which a possible conflict of interest might occur, require approval under the rules and regulations imposed by the SEC and the SET concerning information disclosure. In addition, such transactions are subject to an approval process in which only unconnected persons may participate. Details of connected transactions that may involve conflicts of interest (according to criteria of the SET and the SEC) must be disclosed in the Company's Annual Report; in the Annual Report form (Form 56-1) or declared in other reports. This also includes disclosure of information on connected transactions according to the general accepted accounting standard criteria. Details of connected transactions are disclosed in the section "Inter-Company Transactions"

In addition, pursuant to the Articles of Association, Directors shall notify the Company without delay of their interests in any contract executed with the Company or affiliated companies, and of their holding, and its increase or decrease, of shares or debentures of the Company.

(3) Internal Control and Internal Audit: The Board employs an appropriate, and effective, internal control system to ensure Management prevents and mitigates business risks, and produces accurate and reliable financial statements.

To protect the assets of the Company and shareholders' investments from potential loss, an internal audit unit has been set up as a separate division, responsible for auditing and monitoring the Company's operations for efficiency and effectiveness under a sufficient and appropriate internal audit system. The internal audit unit is independent and able to report its resultant audit openly. This allows management to be notified of problems and irregularities in a timely manner and to be able to establish measures to safeguard the Company's assets and shareholders' investments against fraud in the Company or its subsidiaries. This can also be applied to improve and develop the efficiency and effectiveness of the Company's operations.

In addition, an Audit Committee has been appointed to review and evaluate internal control systems, to examine disclosure and assessment of all relevant information for investors, and to ensure that the Company performs in compliance with regulations and governing laws.

At the Board of Directors' meeting no. 1/2555 held on January 27, 2012, attended by the Audit Committee and the Independent Directors, the Board evaluated five aspects of the sufficiency of the internal control systems of the Company and its subsidiaries. These were: the organization and environmental control system; the risk management system; Management control system; the information and communication system; and the monitoring system.

The resultant assessment showed that the internal control systems of the Company and its subsidiaries operated appropriately and sufficiently in all five aspects, thus mitigating business and operational risks and allowing the Company to manage its operations effectively and efficiently.

In addition, the Company and its subsidiaries have policies and measures in place to regulate business transactions with major shareholders, Directors and Management or connected persons so as to avoid conflicts of interest, in order to pursue the best interests of all parties concerned. (See details in the Audit Committee Report)

(4) Meetings of the Board: The Company arranges regular meetings of the Board at least once a month, and may hold special meetings as deemed appropriate, to continuously supervise management operations. The time allowed for each meeting is sufficient for the Board to consider all related matters. The Chairman and the Chief Executive Officer jointly establish and approve meeting agendas to ensure that all material issues are fully considered by the Board. Each Director may independently propose agenda items and freely expresses opinions. At meetings, Directors are encouraged to use discretion to consider all raised issues.

The Company convenes each meeting in compliance with the provisions of the Public Company Act. The minutes of each meeting are properly documented, are certified by the Board, and are systematically filed under tight security. In 2011, the Board of Directors and the Audit Committee convened meetings a total of 13 times and 5 times, respectively, with attendance as detailed below:

Name	Position	Number of Meeting Attendance	
		The Board of Directors 12 Times / Year	The Audit Committee 5 Times / Year
1. Mr. Visith Noiphan	Chairman and Independent Director	12/13	
2. Mr. Prachai Leophairatana	Director	12/13	
3. Mr. Prateep Leopairut	Director	12/13	
4. Mr.Chainarong Taephaisitphongse	Director	11/13	
5. Dr. Pramuan Leophairatana	Director	12/13	
6. Dr. Narasri Vaivanijkul	Independent Director and Audit Committee	11/13	5/5
7. Mrs. Boonsri Leophairatana	Director	11/13	
8. Ms. Suchitra Taychanavakul	Director	11/13	
9. Dr. Chavin Iamsopana	Director	13/13	
10. Mr. Prayad Liewphairatana	Director	12/13	
11. Mrs. Orapin Leophairatana	Director	12/13	
12. Mr. Manas Sooksmarn	Independent Director and Audit Committee	12/13	5/5
13. Pol.Gen. Charnchit Bhiraleus	Independent Director and Audit Committee	13/13	4/5
14. Mr. Pises Iamsakulrat	Director	12/13	
15. Mr. Thavich Taychanavakul	Independent Director	13/13	
16. Mr. Tayuth Sriyuksiri	Director	13/13	
17. Mr. Khantachai Vichakkana	Independent Director	12/13	

4. Remuneration of Directors and Management

The Company rewards its Directors fairly and reasonably, taking into account directors' responsibilities and the Company's operating results. Directors' remuneration has been approved at the shareholders meeting.

The Company fairly remunerates its Management, taking into account their responsibilities, performance, the operating results of the Company, and comparability within the industry. Details of remuneration are disclosed in the section "Management".

5. Training of Directors and the Executive

The Company continuously builds the corporate governance knowledge of its Directors and Management so they may carry out their business operations in compliance with good corporate governance principles. The Company supports all Directors to participate in training courses organized by the Thai Institute of Directors Association ("IOD"), so as to add to their knowledge concerning their roles in the Company, and apply such learning to their job performance.

INTER-COMPANY TRANSACTIONS

Disclosure of information about inter-company transactions, and other transactions that might have the potential to involve conflicts of interest, is in compliance with the rules and regulations imposed by the SET and the SEC.

The Audit Committee has performed its duties and responsibilities to review inter-company transactions. The procedures used in inter-company transactions have always been subject to the normal terms and conditions of business and reflect applicable market prices. The Company established procedures for the above transactions in the same manner as for transactions with general customers and all inter-company transactions reflect applicable market prices to ensure that there are no conflicts of interest.

In 2011, the Company and its subsidiaries had inter-company transactions with related persons, which might have the potential to involve conflicts of interest. The Directors and/or Management have considered the reasonableness of the above inter-company transactions, all were undertaken for the maximum benefit of the Company and were subject to the normal terms and conditions of business to reflect applicable market prices and in compliance with the rules and regulations imposed by the SET and the SEC. Details of the inter-company transactions are contained in Note 5 of the consolidated financial statements for year 2011, which can be summarized as follows:

Company (Description of relationship)	Description of transaction	Baht million	Necessity and reasonableness
1. Pornchai Enterprise Co.,Ltd. (There are some common Directors.)	The Company and its subsidiaries advanced funds for infrastructure expenses to obtain good terms and conditions to Pornchai Enterprise for 90-year lease period.	190.5	Such agreements are regarded as special reciprocal agreements because the advance rent is considered to be a financial support to Pornchai Enterprise for the construction of the building and to ensure that the Company and its subsidiaries pay the total rental expense below that in the market and at the fixed rate for 90-year lease period, free from inflation rate reflection. In addition, the location is suitable for office building in Bangkok Metropolitan and the number of employees. Such agreements are regarded as special reciprocal agreement.
	The Company pays rental advance to Pornchai Enterprise for 3-year lease period.	0.8	Transactions are undertaken to accommodate the necessity to use office buildings of the Company. Therefore, the transaction is to support business operations under the same conditions as other tenants. The rental deposit and service fee are paid as the guarantee pursuant to Rental and Service Agreement
	The Company pays rental and service fee as the deposit to Pornchai Enterprise	7.6	
	The Company and its subsidiaries pay rental fee to Pornchai Enterprise	20.5	
2. United Grain Industry Co., Ltd. (There are some common Directors.)	The Company hires UGI to produce cement bags at the rate of Baht 2.50 to 2.60 per bag. (This rate includes labor cost, rental charges, electricity and other related expenses)	156.8	Transactions are always undertaken at market rates to support normal business operations of the Company.
	The Company purchases pallets from UGI.	47.5	The same as above
	Accounts Payable	98.0	
3. Thai Plastic Film Co., Ltd. (There are some common Directors.)	The Company sells plastic resin to Thai Plastic Film.	3.1	Transactions are always undertaken at market rates to support normal business operations of the Company.
	The Company purchases plastic bags from Thai Plastic Film	3.5	The same as above
	Accounts Receivable	0	

Company (Description of relationship)	Description of transaction	Baht million	Necessity and reasonableness
4. Thai Plastic Product Co.,Ltd. (There are some common Directors.)	The Company purchases cement bags for export from Thai Plastic Product.	37.1	Transactions are always undertaken at market rates to support normal business operations of the Company.
	Accounts Payable	13.4	
5. Bangkok Union Insurance Plc. (BUI) (There are some common Directors.)	The Company and its subsidiaries pay insurance premium to BUI.	136.1	Transactions are always undertaken at market rates to support normal business operations of the Company.
	The Company pays insurance premium to BUI.	40.8	The Company paid insurance premium for the period May 31, 2011 to May 30, 2012
6. Bangkok Union Life Insurance Co., Ltd. (There are some common Directors.)	The Company pays life insurance premium to Bangkok Union Life Insurance.	3.6	Payment of Insurance premium.
	The Company pays life insurance premium to Bangkok Union Life Insurance.	3.2	Transactions are always undertaken at market rates to support normal business operations of the Company.
7. Leopairatana Enterprise Ltd. (There are some common Directors.)	The Company pays share borrowing fees to Leopairatana Enterprise as a consideration to secure its loan with the Creditor's Bank.	5.0	Transactions are always undertaken at market rates to support the borrowings of the Company, until such time as the Company can release security to Leopairatana Enterprise as with other companies that pay share borrowing fees to Leopairatana Enterprise, to be in accordance with the Court's order.

Procedures to approve Related Transactions

Since the Company is a listed company, its practices regarding related transactions are conducted according to the rules and regulations of the SET and the SEC. The Company is highly aware of the sensitivity of this issue and closely monitors any situation in which a potential related transaction could occur. The above inter-company transactions were subject to the normal terms and conditions of business to reflect applicable market prices. Directors of the Company who are not deemed to be connected parties to such transactions are responsible for making decisions in regard to the said connected transactions.

The process for approval of connected transactions will be carried out under the standards of integrity, and be reviewed by, the Audit Committee to be in the best interests of the Company and its shareholders. This complies with SEC's and SET's regulations. The Company will disclose types and values of transactions that might present conflicts of interest accurately and completely. For any transactions that are considered to have potential conflicts of interest, market prices will be used as criteria to consider those transactions.

Potential Future Related Transactions

The Company expects to continue its business transactions with subsidiaries, the Joint Venture Company, affiliated companies, and related companies in the normal course of its business. Inter-company transactions are subject to normal terms and there is no conflict of interest. The Company adheres to practices for the above transactions that comply with the SET's regulation, and regulations of other relevant governmental authorities, with regard to the reasonableness of the conditions and fair prices.

Affiliated Companies as of December 31, 2011

Company's name	Head Office Address	Business	Registered Capital /Paid-up Capital (Baht)	Shareholding (%)
Subsidiaries				
1. TPI Concrete Co., Ltd.	26/56, 5 th Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel. (02) 678-5350-74 Fax: (02) 678-5375-6	Manufacture and sale of ready-mixed concrete	840,000,000 840,000,000	99.99
2. TPI Polene Power Co., Ltd.	26/56, 8 th Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 285-5090-9 Fax: (02) 213-1035	Manufacture and sale of electricity and steam including oil and NGV service stations	4,900,000,000 2,535,250,000	99.99
3. Thai Propoxide Co., Ltd.	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel. (02) 678-5000, 678-5050 Fax: (02) 678-5001-5	Manufacture and sale of electricity (remain inactive)	1,000,000 250,000	99.99
4. TPI All Seasons Co., Ltd.	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel : (02) 285-5090-9 Fax: (02) 213-1035	Manufacture and sale of plastic product and ready-mixed concrete transporting service	86,250,000 86,250,000	99.99
Indirect Subsidiaries				
1. Polene Plastic Co., Ltd.	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel : (02) 285-5090-9 Fax: (02) 213-1035	Manufacture and sale of ammonium nitrate and nitric acid	10,000,000 10,000,000	99.99*
2. TPI Polene Bio Organics Co., Ltd.	26/56, Ground Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel : (02) 285-5090-9 Fax: (02) 213-1035	Manufacture and sale of humic fertilizer and TPI grow organic fertilizer	1,000,000,000 250,000,000	99.99*
3. Capital Pyramid (Thailand) Co., Ltd.	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel : (02) 285-5090-9 Fax: (02) 213-1035	Exploration and manufacture petroleum	1,000,000 1,000,000	51.99*
4. Jade Mineral Ltd.	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel : (02) 285-5090-9 Fax: (02) 213-1035	Exploration and manufacture petroleum	1,000,000 1,000,000	51.99*
Joint Venture Company				
1. Thai Nitrate Co., Ltd.	26/56, 21 th Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 678-5450-2 Fax: (02) 678-5484	Manufacture and sale of ammonium nitrate and nitric acid	468,750,000 468,750,000	50.00
Associated Companies				
1. Bangkok Union Life Insurance Co., Ltd.	175-177 Bangkok Insurance Tower, Surawongse, Bangrak, Bangkok 10500 Tel. (02) 634-7323-30 Fax: (02) 634-7331	Life Insurance	500,000,000 500,000,000	25.00
2. Mondo Thai Co., Ltd.	26/56, 19 th Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel. (02) 678-5470 Fax: (02) 678-6511	Property Development as a residential estate (remain inactive)	36,000,000 36,000,000	28.75
Others				
1. United Grain Industry Co., Ltd.	26/56, 27 th Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel. (02) 678-6988-97 Fax: (02) 678-6988-99	Manufacture and sale of Packaging	550,000,000 550,000,000	19.00
2. Pornchai Enterprise Co., Ltd.	26/56, 22 th Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel. (02) 678-5490-3 Fax: (02) 678-5494	Real estate business and rental service	180,000,000 180,000,000	16.67

Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Directors of the Company are aware of their duties and responsibilities to ensure that the financial reports of the Company and its subsidiaries are accurate, complete, and transparent, and are prepared in compliance with generally accepted accounting principles, and reflect the application of an appropriate and consistent accounting policy. Such reports must be prepared prudently and on a reasonable basis, and must reflect the Company's financial position and operational performance fairly and precisely for the benefit of shareholders and general investors.

In this regard, the Board of Directors have entrusted an Independent Audit Committee to be responsible for the review of accounting policy and financial reports, internal controls, internal audit and risk management systems. Comments on these issues have been included in the Audit Committee Report, which thereby forms a part of this Annual Report.

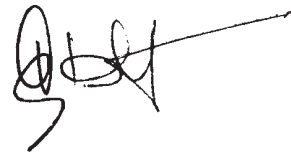
The Board of Directors are of the opinion that the overall internal control systems of the Company and its subsidiaries have functioned satisfactorily and creditably to ensure that the financial statements of the Company and its subsidiaries present financial position, operational results and financial cash flow which accurate and reliable in all material aspects.

Sincerely Yours



Visith Noiphan

Chairman of the Board



Prachai Leopairatana

Chief Executive Officer

Audit Report of Certified Public Accountant

To the Shareholders of TPI Polene Public Company Limited

I have audited the accompanying consolidated and separate statements of financial position as at 31 December 2011 and 2010, and the related statements of comprehensive income, changes in equity and cash flows for the years then ended of TPI Polene Public Company Limited and its subsidiaries, and of TPI Polene Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2011 and 2010 and the results of operations and cash flows for the years then ended of TPI Polene Public Company Limited and its subsidiaries, and of TPI Polene Public Company Limited, respectively, in accordance with Financial Reporting Standards.

Without qualifying my opinion, I draw your attention to the following matters:

As described in note 44 (3) to the financial statements, there continues to be uncertainty about the ultimate outcome of litigation regarding contracts for the supply and engineering of machinery entering into by the Company in 1996 and 1997.

As described in note 23, the Criminal Court passed a judgment on 3 December 2007 that the Company was guilty under the Securities and Exchange Act B.E. 2535 (1992) with the punishment for the offence being a fine against the Company of Baht 6,900 million. The Company has appealed and recorded a provision of Baht 6,900 million for the fine on 30 June 2008. The Appeals Court passed a judgment on 26 May 2011 and the Court of First Instance read a reverse judgment on 19 August 2011 to dismiss the Company's case. In the third quarter of this year, the Company had reversed the provision of Baht 6,900 million which was originally made. Subsequently, the Chief Prosecutor of the higher Court issued an order not to appeal to the Supreme Court. The Director-General of the Department of Special Investigations has not objected to the order not to appeal to the Supreme Court, therefore making the case final on 18 November 2011.

As explained in notes 2 and 3 to the financial statements, with effect from 1 January 2011 the Company has adopted certain new and revised financial reporting standards. The consolidated and separate financial statements for the year ended 31 December 2010 have been restated accordingly.



(Santi Pongjareanpit)
Certified Public Accountant
Registration No. 4623

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2012

Statements of financial position

TPI Polene Public Company Limited and its Subsidiaries

As at 31 December 2011 and 2010

(in thousand baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Related)	2011	2010 (Related)
Assets					
Current assets					
Cash and cash equivalents	6	516,880	1,257,235	51,714	658,906
Current investments	7	51,132	7,025	61	3,025
Trade accounts receivable	5, 8	1,869,252	1,834,844	1,586,601	1,674,421
Other receivables		275,230	280,916	128,438	149,597
Short-term loans to related parties	5	-	-	1,053,064	507,969
Advances to related parties	5	180	46	483,454	72,968
Inventories	9	7,842,457	5,787,908	7,299,656	5,598,878
Other current assets	10	217,963	187,214	144,050	148,414
Total current assets		10,773,094	9,355,188	10,747,038	8,814,178
Non-current assets					
Investments in subsidiaries and joint venture	11	-	-	3,745,907	3,695,907
Investments in associates	12	138,443	141,877	135,350	135,350
Long-term investments in related parties	13	104,717	104,717	104,717	104,717
Other long-term investments	7	498,552	756,791	283,792	540,576
Long-term loans to other party		2,078	2,970	-	-
Receivable from and advance to related parties	5	-	-	723,634	734,961
Investment properties	14	641,646	664,403	381,482	356,636
Property, plant and equipment	15, 16	58,292,006	58,406,730	52,540,839	53,800,402
Land leasehold rights		6,219	7,409	-	-
Intangible assets	17	320,233	339,949	312,666	339,949
Other non-current assets	18	906,310	645,745	714,377	486,931
Total non-current assets		60,910,204	61,070,591	58,942,764	60,195,429
Total assets		71,683,298	70,425,779	69,689,802	69,009,607

The accompanying notes are an integral part of these financial statements.

Statements of financial position

TPI Polene Public Company Limited and its Subsidiaries

As at 31 December 2011 and 2010

(in thousand baht)

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2011	2010 (Related)	2011	2010 (Related)
Liabilities and equity					
<i>Current liabilities</i>					
Bank overdrafts and short-term loans from financial institutions	19	865,967	-	352,905	-
Trade accounts payable	5, 20	2,034,793	2,074,820	2,179,429	1,957,086
Other payables		640,034	495,983	615,566	247,315
Advances from related parties	5	5,234	2,755	126,322	188,923
Current portion of long-term loans from financial institutions	19	1,062,999	2,368,825	1,047,697	2,357,195
Accrued interest payable		1,055	77,856	1,055	77,856
Current portion of finance lease liabilities	19	64,428	21,370	49,445	5,763
Income tax payable		217,681	309,540	167,424	276,583
Provision for fine	23	200,000	6,900,300	200,000	6,900,300
Other current liabilities	21	1,687,963	1,377,895	1,485,491	1,217,993
Total current liabilities		6,780,154	13,629,344	6,225,334	13,229,014
<i>Non-current liabilities</i>					
Long-term loans from financial institutions	19	2,353,877	2,151,041	2,319,600	2,101,463
Finance lease liabilities	19	80,398	38,053	64,569	8,459
Employee benefit obligations	3, 22	956,380	127,502	827,175	127,502
Other non-current liabilities	24	146,434	142,098	275,324	297,353
Total non-current liabilities		3,537,089	2,458,694	3,486,668	2,534,777
Total liabilities		10,317,243	16,088,038	9,712,002	15,763,791
<i>Equity</i>					
Share capital	25				
Authorised share capital		24,815,000	24,815,000	24,815,000	24,815,000
Issued and paid-up share capital		20,190,000	20,190,000	20,190,000	20,190,000
Treasury shares held by a subsidiary	26	(360,140)	(360,140)	-	-
Additional paid-in capital					
Shares premium		60,600	60,600	60,600	60,600
Surplus on treasury shares held by a subsidiary	26	185	185	-	-
Unrealised surpluses (deficits)					
Revaluation differences on assets	16	26,780,394	28,291,592	26,417,526	27,882,124
Shareholding changes in Group		52,943	52,943	-	-
Fair value changes on available-for-sale securities	27				
- Company		(248,815)	(122,828)	(248,815)	(122,828)
- Associated company		914	6,189	-	-
Retained earnings					
Appropriated					
Legal reserve	27	739,634	275,376	739,634	275,376
Unappropriated		14,149,358	5,943,822	12,818,855	4,960,544
Equity attributable to owners of the Company		61,365,073	54,337,739	59,977,800	53,245,816
Non - controlling interests		982	2	-	-
Total equity		61,366,055	54,337,741	59,977,800	53,245,816
Total liabilities and equity		71,683,298	70,425,779	69,689,802	69,009,607

The accompanying notes are an integral part of these financial statements.

Statements of comprehensive income

TPI Polene Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

(in thousand baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Related)	2011	2010 (Related)
Income	5, 29				
Revenue from sales of goods		24,544,210	23,744,266	20,178,608	19,945,098
Delivery income		1,156,179	1,092,248	1,239,653	1,124,584
Gain on the master restructuring agreement	30	570,519	80,154	570,519	80,154
Net foreign exchange gain		-	261,433	-	263,866
Investment income	31	49,252	33,264	201,800	229,504
Reversal of provision for fine	23	6,900,300	-	6,900,300	-
Other income	32	287,754	395,681	348,281	437,073
Total income		33,508,214	25,607,046	29,439,161	22,080,279
Expenses	5, 36				
Cost of sales of goods		17,940,987	18,395,984	14,682,193	15,797,981
Selling expenses	33	3,150,131	3,078,987	3,079,469	2,756,855
Administrative expenses	34	930,974	899,217	748,823	707,479
Fine expense	23	200,000	-	200,000	-
Management benefit expenses	5, 35	312,519	272,738	295,695	257,544
Net foreign exchange loss		44,358	-	80,511	-
Finance costs	37	233,331	158,080	217,047	158,825
Total expenses		22,812,300	22,805,006	19,303,738	19,678,684
Share of profit of associates	12	1,841	160	-	-
Profit before income tax expense		10,697,755	2,802,200	10,135,423	2,401,595
Income tax expense	38	(946,413)	(529,242)	(850,260)	(456,922)
Profit for the year		9,751,342	2,272,958	9,285,163	1,944,673
Other comprehensive income	28				
Net change in fair value of available-for-sale investments		(125,987)	110,369	(125,987)	110,369
Revaluation of property, plant and equipment		(1,511,198)	(1,656,379)	(1,464,598)	(1,609,780)
Share of other comprehensive income/(loss) of associates		(5,275)	3,804	-	-
Other comprehensive income for the year		(1,642,460)	(1,542,206)	(1,590,585)	(1,499,411)
Total comprehensive income for the year		8,108,882	730,752	7,694,578	445,262
Basic earnings per share (in Baht)	40	4.88	1.14	4.60	0.96

The accompanying notes are an integral part of these financial statements.

(in thousand Baht)

TPI Polene Public Company Limited and its Subsidiaries

Consolidated financial statements (Restated)

For the years ended 31 December 2011 and 2010

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The accompanying notes are an integral part of these financial statements.

Statements of changes in equity

(in thousand Baht)

TPI Polene Public Company Limited and its Subsidiaries

For the years ended 31 December 2011 and 2010

		Separate financial statements (Restated)					
		Retained earnings (Deficit)		Other components of equity			
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (Deficit)	Fair value changes in available-for-sale investments	Revaluation surplus	Total other components of equity
							Total equity
	20,190,000	60,600	177,868	3,379,488	(233,197)	29,491,904	29,258,707
	-	-	-	(64,209)	-	-	-
3 (a)	20,190,000	60,600	177,868	3,315,279	(233,197)	29,491,904	29,258,707
							53,066,663
							(64,209)
							53,002,454
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
41	-	-	-	(201,900)	-	-	-
	-	-	-	(201,900)	-	-	-
	-	-	-	(201,900)	-	-	-
							(201,900)
Comprehensive income for the year							
	-	-	-	1,944,673	-	-	-
28	-	-	-	-	110,369	(1,609,780)	(1,499,411)
	-	-	-	1,944,673	110,369	(1,609,780)	(1,499,411)
							445,262
Transfer to legal reserve							
27	-	-	97,508	(97,508)	-	-	-
	20,190,000	60,600	275,376	4,960,544	(122,828)	27,882,124	27,759,296
							53,245,816
Balance at 31 December 2010							
	20,190,000	60,600	275,376	5,030,242	(122,828)	27,882,124	27,759,296
3 (a)	-	-	-	(69,698)	-	-	-
	20,190,000	60,600	275,376	4,960,544	(122,828)	27,882,124	27,759,296
3 (a)	-	-	-	(659,744)	-	-	-
	20,190,000	60,600	275,376	4,300,800	(122,828)	27,882,124	27,759,296
							52,586,072
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners of the Company</i>							
41	-	-	-	(302,850)	-	-	-
	-	-	-	(302,850)	-	-	-
	-	-	-	(302,850)	-	-	-
							(302,850)
Comprehensive income for the year							
	-	-	-	9,285,163	-	-	-
28	-	-	-	-	(125,987)	(1,464,598)	(1,590,585)
	-	-	-	9,285,163	(125,987)	(1,464,598)	(1,590,585)
							7,694,578
Transfer to legal reserve							
27	-	-	464,258	(464,258)	-	-	-
	20,190,000	60,600	739,634	12,818,855	(246,815)	26,417,526	26,166,711
							59,977,800

The accompanying notes are an integral part of these financial statements.

Statements of cash flows

TPI Polene Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

(in thousand baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010 (Related)	2011	2010 (Related)
<i>Cash flows from operating activities</i>				
Profit for the year	9,751,342	2,272,958	9,285,163	1,944,673
<i>Adjustments for</i>				
Depreciation and amortisation	1,742,255	1,191,947	1,460,193	1,001,055
Interest income	(34,698)	(23,893)	(55,777)	(20,212)
Finance costs	233,331	158,080	217,047	158,825
Dividend income	(9,371)	(9,371)	(144,371)	(209,292)
Unrealised loss (gain) on foreign exchange	20,150	(203,674)	11,573	(217,610)
Doubtful accounts and bad debts (reversal)	(4,665)	(3,372)	(60,521)	(74,681)
Provision for staff retirement benefits	50,654	21,161	42,054	21,161
Provision for reinstatement	4,868	4,641	4,576	4,380
Loss (gain) on disposal of property and equipment	22,933	(4,247)	(3,671)	(4,512)
Loss on impairment of equipment (reversal)	(9,534)	(6,251)	-	-
Loss on impairment of investment properties	7,943	-	-	-
Loss on write-down to net relisable value	19,238	-	-	-
Gain on the master restructuring agreement	(570,519)	(80,154)	(570,519)	(80,154)
Gain on sale of held to maturity debt instruments	(1,801)	-	(1,653)	-
Share of profit of associates, net of income tax	(1,841)	(160)	-	-
Reversal of provision for fine	(6,900,300)	-	(6,900,300)	-
Provision for fine	200,000	-	200,000	-
Income tax expense	946,413	529,242	850,260	456,922
	5,466,398	3,846,907	4,334,054	2,980,555
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(25,973)	(122,801)	92,755	(313,633)
Other receivables	5,686	-	21,159	-
Advances to related parties	(134)	23	(410,486)	(59,812)
Inventories	(2,073,787)	(288,641)	(1,700,778)	(290,336)
Other current assets	(29,208)	(46,992)	5,057	(17,828)
Other non-current assets	(35,139)	(60,210)	(30,490)	(54,072)
Trade accounts payable	(52,154)	133,128	215,153	160,302
Other payables	(2,840)	-	289,176	-
Advances from related parties	2,479	(2,748)	(62,601)	184,130
Employee benefit paid by the plan	(3,798)	(10,396)	(2,119)	(10,396)
Other current liabilities	310,068	271,691	267,498	39,891
Other non-current liabilities	(1,562)	23,888	-	-
Cash generated from operating activities	3,560,036	3,743,849	3,018,378	2,618,801
Income tax paid	(1,038,272)	(394,711)	(959,419)	(328,803)
Net cash provided by operating activities	2,521,764	3,349,138	2,058,959	2,289,998

The accompanying notes are an integral part of these financial statements.

Statements of cash flows

TPI Polene Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

(in thousand baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010 (Related)	2011	2010 (Related)
<i>Cash flows from investing activities</i>				
Interest received	38,231	20,267	21,767	19,492
Dividend received	9,371	9,371	144,371	209,292
Purchase of property, plant and equipment	(2,633,224)	(2,036,716)	(1,447,129)	(550,643)
Purchase of Investment properties	(34,229)	-	(24,846)	-
Sale of held to maturity debt instruments	149,209	-	141,396	-
Sale of property and equipment	17,922	18,034	152,460	17,518
Advance payment for machine	(369,518)	(277,801)	(249,465)	(83,372)
Short-term loans to related parties	-	-	(980,600)	(433,000)
Proceeds from short-term loans to related parties	-	-	470,000	-
Long-term loans to other party	-	(3,000)	-	-
Proceeds from long-term loans to other party	892	30	-	-
Purchase of current investments	(50,000)	-	-	-
Sale of current investments	5,893	(1,025)	2,964	(25)
Purchase of held-to-maturity debt instruments	(20,207)	(178,828)	(10,104)	-
Purchase of intangible assets	(9,678)	(4,616)	(2,111)	(4,616)
Cash outflow on addition investment in subsidiary	-	-	(50,000)	(797,000)
Net cash used in investing activities	(2,895,338)	(2,454,284)	(1,831,297)	(1,622,354)
<i>Cash flows from financing activities</i>				
Interest paid	(219,838)	(222,965)	(203,554)	(223,710)
Dividend paid	(299,518)	(199,680)	(302,850)	(201,900)
Finance lease payments	(78,943)	(3,935)	(64,553)	(3,935)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	853,312	(283,061)	347,337	(257,041)
Proceeds from short-term loans from related party	-	-	-	520,000
Repayment of short-term loans from related party	-	-	-	(521,250)
Proceeds from long-term loans from financial institution	1,506,948	-	1,506,948	-
Repayment of long-term loans from financial institutions	(2,129,713)	(362,730)	(2,118,084)	(309,492)
Proceeds from issuance of share capital	980	-	-	-
Net cash used in financing activities	(366,772)	(1,072,371)	(834,756)	(997,328)
Net decrease in cash and cash equivalents	(740,346)	(177,517)	(607,094)	(329,684)
Cash and cash equivalents at beginning of 1 January	1,257,235	1,436,414	658,906	990,175
Effect of exchange rate changes on balances held in foreign currencies	(9)	(1,662)	(98)	(1,585)
Cash and cash equivalents at end of year	516,880	1,257,235	51,714	658,906

The accompanying notes are an integral part of these financial statements.

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the the Thai language statutory financial statements, and were authorised for issue by the audit committee, as appointed by the Board of Directors of the Company, on 24 February 2012.

1 General information

TPI Polene Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 26/56, TPI Tower, Chan Tat Mai Road, Tungmahamek, Sathorn, Bangkok.

The Company was listed on the Stock Exchange of Thailand in November 1990.

The Company operates in 2 major industries and has 10 distribution terminals around the country. It operates in the cement industry at Kang-Khoi, Saraburi and has 6 plants consisting of 3 cement manufacturing plants and 3 dry mortar manufacturing plants. It operates in the plastic industry at Amphur Muang, Rayong and has 2 LDPE and EVA plastic manufacturing plants. Details of the Company’s subsidiaries and a jointly controlled entity, “joint venture” as at 31 December 2011 and 2010 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2011	2010
Direct subsidiaries				
Prosper Delta Ltd.	Negotiating and entering into a debt repurchase at discount agreement with foreign creditor	Hong Kong	100.00	100.00
TPI Concrete Co., Ltd.	Manufacturing and distributing ready mixed concrete	Thailand	99.99	99.99
TPI Polene Power Co., Ltd.	Distributing gasoline, diesel and natural gas/Manufacturing and distributing electricity and refuse derived fuel (RDF)	Thailand	99.99	99.99
TPI All Seasons Co., Ltd.	Manufacturing and distributing melt sheets	Thailand	99.99	99.99
Thai Proproxide Co., Ltd.	Manufacturing and distributing electricity (dormant)	Thailand	99.99	99.99
Indirect subsidiary				
Polene Plastic Co., Ltd.	Export cement and plastic	Thailand	99.99	99.99
TPI Polene Bio Organics Co., Ltd.	Manufacturing and distributing organic fertilizer	Thailand	99.99	99.99
Capital Pyramid (Thailand) Co., Ltd.	Petroleum exploration (dormant)	Thailand	51.00	51.00
Jade Minerals Co., Ltd.	Petroleum exploration (dormant)	Thailand	51.00	51.00
Joint venture (proportionate consolidation)				
Thai Nitrate Co., Ltd.	Manufacturing and distributing nitric acids and ammonium nitrate	Thailand	50.00	50.00

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS) and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Thai Securities and Exchange Commission.

During 2010 and 2011, the FAP issued the following new and revised Thai Financial Reporting Standards (TFRS) relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2011:

TFRS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 6	Exploration for and Evaluation of Mineral Resources
FAP's announcement no. 17/2554	Transitional Procedures for Other Long-term Employee Benefits
FAP's announcement no. 18/2554	Accounting Guidance on Revaluation of Assets

The adoption of these new and revised TFRS has resulted in changes in the Group's accounting policies. The effects of these changes are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these interim financial statements. These new and revised TFRS are disclosed in note 45.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value;
- available-for-sale financial assets are measured at fair value;
- the defined benefit asset is recognised as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation.

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

3 Changes in accounting policies

(a) Overview

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for property, plant and equipment
- Accounting for investment properties
- Accounting for employee benefits

Detail of the new accounting policies adopted by the Group and the impact of the changes on the financial statements are included in notes 3(b) to 3(e) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group. The impact of the changes on the financial statements for the years ended 31 December 2011 and 2010 is summarised as follows:

		(in thousand baht)	
		Consolidated financial statements 2010	Separate financial statements 2010
For the year ended 31 December 2010			
	Note		
Statement of financial position			
Equity at 1 January 2010 - as reported		53,875,232	53,066,663
Changes as a result of the adoption retrospectively of:			
TAS 16 Property, plant and equipment	3(c)	(68,563)	(64,209)
Equity at 1 January 2010 - restated		53,806,669	53,002,454
Equity at 31 December 2010 - as reported		54,413,892	53,315,514
Changes as a result of the adoption retrospectively of:			
TAS 16 Property, plant and equipment	3(c)	(76,151)	(69,698)
Equity at 31 December 2010 - restated		54,337,741	53,245,816
Statement of comprehensive income for the year ended 31 December 2010			
Profit - as reported		2,280,546	1,950,162
Changes as a result of the adoption retrospectively of:			
TAS 16 Property, plant and equipment	3(c)	(7,588)	(5,489)
Profit - restated		2,272,958	1,944,673
Increase (decrease) in earnings per share:			
- Basic earnings per share (in Baht)		-	-
		(in thousand baht)	
For the year ended 31 December 2011		Consolidated financial statements 2010	Separate financial statements 2010
	Note		
Statement of financial position			
Equity at 31 December 2010 - restated		54,337,741	53,245,816
Impact of the adoption prospectively of:			
TAS 19 Employee benefits	3(e)	(782,030)	(659,744)
Equity at 1 January 2011		53,555,711	52,586,072
Statement of comprehensive income for the year ended 31 December 2011			
Increase (decrease) in profit as a result of the adoption of:			
TAS 16 Property, plant and equipment	3(c)	(7,831)	(5,689)
TAS 19 Employee benefits	3(e)	(50,654)	(42,054)
Increase (decrease) in profit		(58,485)	(47,743)
Increase (decrease) in earnings per share:			
- Basic earnings per share (in Baht)		(0.03)	(0.02)

(b) Presentation of financial statements

From 1 January 2011, the Group has adopted TAS 1 Presentation of Financial Statements (Revised 2009). Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Group presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

(c) Accounting for property, plant and equipment

From 1 January 2011, the Group has adopted TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

The principal changes introduced by the revised TAS 16 and affecting the Group are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. The changes have had the following impact on the 2011 and 2010 financial statements:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>(in thousand baht)</i>				
Statement of financial position as at 31 December				
Increase in cost of property, plant and equipment	59,977	58,947	49,912	49,912
Increase in accumulated depreciation	(25,835)	(22,873)	(18,505)	(17,393)
Increase (decrease) in carrying amount of property, plant and equipment	34,142	36,074	31,407	32,519
(Increase) in provision for reinstatement costs	(118,124)	(112,225)	(106,794)	(102,217)
Increase (decrease) in retained earnings	(83,982)	(76,151)	(75,387)	(69,698)
Statement of comprehensive income for the year ended 31 December				
Increase in depreciation and interest charge resulting in				
Cost of sales	(7,831)	(7,588)	(5,689)	(5,489)
Decrease in profit	(7,831)	(7,588)	(5,689)	(5,489)
Increase (decrease) in earnings per share:				
- Basic earnings per share (in Baht)	-	-	-	-

(d) Accounting for investment properties

From 1 January 2011, the Group has adopted TAS 40 (revised 2009) Investment Property.

Under the revised standard, investment property, defined as property owned to earn rentals; capital appreciation; or both, is disclosed in the financial statements separately from other property, plant and equipment and measured using the cost model.

Previously, investment properties were included in property, plant and equipment and other non-current assets and measured using the cost model.

The Group has selected the cost model for accounting for its investment properties under the revised standard. The change in accounting policy has been applied retrospectively and the financial statements for the year ended 31 December 2010, which are included in the Group's 2011 financial statements for comparative purposes, have been adjusted to reclassify investment properties from "Property, plant and equipment and other non-current assets" to a separate account, "Investment property". The cost and accumulated depreciation as at 1 January 2010 and 31 December 2010 of the Group's investment property previously included in property, plant and equipment and other non-current assets, have been reclassified to a separate account, "Investment property". Apart from this reclassification, the change in policy has no material impact on the 2010 financial statements. From 1 January 2011, the depreciable amount and useful life of the investment property have been reassessed in accordance with the requirements of TAS 16 (Revised 2009) - see note 3(c). These changes in accounting policy in this regard have been applied prospectively in accordance with the transitional provisions of TAS 16 (Revised 2009), except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. The changes have had no material impact on profit and earnings per share for the year ended 31 December 2011 and 2010.

(e) Accounting for employee benefits

From 1 January 2011, the Group has adopted TAS 19 Employee Benefits.

Under the new policy, the Group liability for post-employment benefits is recognised in the financial statements based on calculations performed annually using the projected unit credit method. Previously, this liability was recognised as and when payments were made.

The Group's and the Company's liability for post-employment benefits as at 1 January 2011 total Baht 127 million and Baht 127 million, respectively using the former method of calculation and has been determined to be Baht 909 million and Baht 787 million, respectively, using the actuarial method. The Group and the Company have opted to record the difference of Baht 782 million and Baht 660 million, respectively, as an adjustment to retained earnings as at 1 January 2011, in accordance with the transitional provisions of TAS 19. The impact on the 2011 financial statements was as follows:

	Consolidated financial statements 2011	<i>(in thousand baht)</i> Separate financial statements 2011
Statement of financial position		
Retained earnings at 31 December 2010 - as reported	6,019,973	5,030,242
Increase in employee benefit obligations	(782,030)	(659,744)
Retained earnings at 1 January 2011	5,237,943	4,370,498
Statement of comprehensive income for the year ended 31 December 2011		
Increase in employee expenses resulting in:		
(Increase) in cost of sales	(31,279)	(26,150)
(Increase) in selling expenses	(3,095)	(2,976)
(Increase) in administrative expenses	(16,280)	(12,928)
(Decrease) in profit	(50,654)	(42,054)
(Decrease) in earnings per share:		
- Basic earnings per share (in Baht)	(0.03)	(0.02)

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

(a) Basis of consolidation

The consolidated financial statements relate to the Company, its subsidiaries and joint venture (together referred to as the "Group") and the Group's interests in associates.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Jointly-controlled entities

A jointly-controlled entity is an entity over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The consolidated financial statements include the Group's proportionate share of the entity's assets, liabilities, revenue and expenses combined with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint venture are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates that fair value was determined.

Foreign entities

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in a in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange arising from operational activity. Derivative financial instruments are not used for trading purposes.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit and loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit and loss.

The fair value of forward exchange contracts is based on their listed market price at the reporting date.

(d) Hedging

Fair value hedges

Where a derivative hedges the changes in fair value of a recognised asset, liability or unrecognised firm commitment (or an identified portion of such asset, liability or firm commitment), any gain or loss on remeasuring the fair value or foreign currency component of the hedging instrument is recognised in profit or loss. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in profit or loss.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Investments

Investments in subsidiaries, jointly-controlled entity and associates

Investments in subsidiaries, joint controlled entity and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Marketable equity securities are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses on available-for-sale monetary items, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(i) Investment properties

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of condominium which is 20 years.

Reclassification to property, plant and equipment

When the use of a property changes such that it is reclassified as property, plant and equipment, its historical cost becomes its cost for subsequent accounting.

(j) Property, plant and equipment*Recognition and measurement**Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except for certain buildings, machinery and equipment which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred from other comprehensive income to profit or loss and is taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Leasehold improvements	Per lease period
Buildings and structures	20 - 40 years
Machinery and equipment of pipe (for LDPE)	Per estimated production units:
- For the first plastic plant	2,100,000 tons
- For the second plastic plant	2,400,000 tons
Machinery (for concrete)	5, 8 and 10 years
Other machinery and major spare parts	15 - 40 years
Others	5 - 10 years

No depreciation is provided on freehold land, assets under construction and major spare parts have not been issued.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Intangible assets

Cost of concessions on mining limestone and shale, include acquisition, exploration and development costs.

Other intangible assets that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Concessions	Life of concessions :	13 - 25 years
Software licenses		3 - 12 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the assets is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Interest-bearing liabilities

Interest-bearing liabilities are recognised at cost.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions to some group of their employees into a separate entity (provident funds) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Legal severance pay plan (An unfunded plan based on Thai labour law)

A legal severance pay plan is a post-employment benefit plan. The Group's net obligation in respect of defined benefit legal severance pay plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(q) Treasury shares held by a subsidiary

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares held by a subsidiary and recognised as a deduction from equity. When treasury shares held by a subsidiary are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares held by a subsidiary sold, calculated using the weighted average method, to the treasury shares account. Surpluses on the sale of treasury shares held by a subsidiary are taken directly to a separate category within equity, 'Surplus on treasury shares held by a subsidiary'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares held by a subsidiary.

(r) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs, the probable return of goods. Service income is recognised as services are provided.

Investments

Revenue from investments comprises rental income from investment properties and dividend and interest income from investments and bank deposits.

Rental income

Rental income from investment property is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income

Dividend income is recognised in the statement of comprehensive income on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in the statement of comprehensive income as it accrues.

(s) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(t) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(u) Income tax

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

In determining the amount of current tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(v) Earnings pre share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows.

Name of entities	Country of incorporation/ nationality	Nature of relationships
Peosper Delta Ltd.	Hong Kong	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company
TPI Concrete Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Company
TPI Polene Power Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Company
TPI All Seasons Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Company
Thai Propoxide Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Company

Name of entities	Country of incorporation/ nationality	Nature of relationships
Polene Plastic Co., Ltd.	Thailand	Indirect subsidiary, 99.99% held by TPI Polene Power Co., Ltd., more than 50% of directors are representatives of the Company
TPI Polene Bio Organics Co.,Ltd	Thailand	Indirect subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Company
Capital Pyramid (Thailand) Co.,Ltd	Thailand	Indirect subsidiary, 51% held by TPI Polene Power Co., Ltd., more than 50% of directors are representatives of the Company
Jade Minerals Co.,Ltd	Thailand	Indirect subsidiary, 51% held by TPI Polene Power Co., Ltd., more than 50% of directors are representatives of the Company
Thai Nitrate Co., Ltd.	Thailand	Jointly controlled entity, 50% shareholding, a half of directors are representatives of the Company
Thai Special Steel Public Co., Ltd.	Thailand	Associate, 29.77% shareholding, more than 20% of directors are representatives of the Company
BUI Life Insurance Co., Ltd.	Thailand	Associate, 25% shareholding, more than 20% of directors are representatives of the Company
Mondo Thai Co., Ltd.	Thailand	Associate, 28.75% shareholding, more than 20% of directors are representatives of the Company
United Grain Industry Co., Ltd.	Thailand	Co-director
Pornchai Enterprise Co., Ltd.	Thailand	Co-director
TPI Holding Co., Ltd.	Thailand	Co-director
Thai Plastic Film Co., Ltd.	Thailand	Co-director
Thai Plastic Product Co., Ltd.	Thailand	Co-director
Leophairatana Enterprise Co., Ltd.	Thailand	Co-director
Bangkok Union Insurance Public Co., Ltd.	Thailand	Co-director
TPI Commercial Co.,Ltd.	Thailand	Co-director
Lampang Food Products Co.,Ltd.	Thailand	Co-director
Hong Yiah Seng Co., Ltd.	Thailand	Co-director
Saraburi Ginning Mill Co., Ltd.	Thailand	Co-director
Thai Petrochemical Industry Co., Ltd.	Thailand	Co-director
Rayong Forest Co., Ltd.	Thailand	Co-director

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of goods	Market price
Energy service for electrical manufacturing income	Agreed price
Purchase of raw materials	Market price
Purchase of electricity	Market price
Purchase of RDF	Market price
Delivery income	Market price
Interest income	MLR-1%-2%
Insurance premium	Market price
Paper bag service charge	2.50 - 2.60 Baht per bag
Interest expense	4% and MLR-1%

Significant transactions for the years ended 31 December 2011 and 2010 with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2011	2010	2011	2010
<i>(in thousand baht)</i>				
Subsidiaries				
Sales of goods	-	-	1,366,783	1,019,786
Delivery income	-	-	197,986	159,564
Purchase of electricity	-	-	617,953	585,361
Purchase of RDF	-	-	43,125	-
Interest income	-	-	37,823	4,381
Interest expense	-	-	-	6,288
Other income	-	-	58,474	72,597
Administrative expenses	-	-	30,710	12,048
Indirect subsidiaries				
Sales of goods	-	-	6,461,345	5,877,000
Purchase of raw materials	-	-	51,587	32,271
Purchase of goods for sales promotion	-	-	288,432	-
Interest income	-	-	211	-
Other income	-	-	1,172	406
Joint venture				
Purchase of raw materials	13,720	11,773	27,440	23,546
Other income	379	383	758	766
Associate				
Sales of goods	126	91	-	-
Insurance premium	4,389	3,123	3,194	2,195
Other related parties				
Sales of goods	6,612	162,195	3,970	161,884
Purchases of raw materials and spare parts	164,170	262,739	156,807	248,689
Other income	96	113	96	112
Insurance premium	137,040	116,317	120,544	103,691
Administrative expenses	37,638	30,893	27,209	21,432
Key management personnel compensation				
Short-term employee benefits	300,609	271,839	284,372	257,544
Post-employment benefits	11,910	899	11,323	-
Total key management personnel compensation	312,519	272,738	295,695	257,544

Balances as at 31 December 2011 and 2010 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2011	2010	2011	2010
<i>(in thousand baht)</i>				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	95,698	321,593
TPI Polene Power Co., Ltd.	-	-	1,003	41
TPI All Seasons Co., Ltd.	-	-	29	1
Indirect subsidiary				
Polene Plastic Co., Ltd.	-	-	493,703	456,077
Associate				
BUI Life Insurance Co., Ltd.	8	14	-	-

(in thousand baht)

Trade accounts receivable - related parties

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Other related parties				
United Grain Industry Co., Ltd.	146	65	103	-
Bangkok Union Insurance Public Co., Ltd.	9	7	-	-
Thai Plastic Film Co., Ltd.	-	8,269	-	8,269
Pornchai Enterprise Co., Ltd.	18	1	4	1
Leophairatana Enterprise Co., Ltd.	43	-	-	-
Rayong Forest Co., Ltd.	283	-	-	-
Total	507	8,356	590,540	785,982

Short-term loans to related parties**Subsidiaries**

TPI Concrete Co., Ltd.	-	-	73,602	73,602
TPI Polene Power Co., Ltd.	-	-	943,600	433,000
	-	-	1,017,202	506,602
Accrued interest received	-	-	35,862	1,367
Total	-	-	1,053,064	507,969

Advances to related parties - current**Subsidiaries**

Prosper Delta Ltd.	-	-	141	141
TPI Concrete Co., Ltd.	-	-	2,139	1,843
TPI Polene Power Co., Ltd.	-	-	238,537	67,897
TPI All Seasons Co., Ltd.	-	-	2,159	2,760

Indirect subsidiaries

Polene Plastic Co., Ltd.	-	-	202,405	236
TPI Polene Bio Organics Co., Ltd.	-	-	37,863	-

Joint venture

Thai Nitrate Co., Ltd.	30	45	60	90
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Other related parties

Bangkok Union Insurance Public Co., Ltd.	3	-	3	-
Pornchai Enterprise Co., Ltd.	8	1	8	1
Rayong Forest Co., Ltd.	139	-	139	-
Total	180	46	483,454	72,968

Movements during the years ended 31 December 2011 and 2010 of short-term loans to related parties were as follows:

(in thousand baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Subsidiaries				
At 1 January	-	-	506,602	73,602
Increase	-	-	980,600	433,000
Decrease	-	-	(470,000)	-
At 31 December	-	-	1,017,202	506,602

Receivable from and advances to related parties - non-current**Subsidiaries**

TPI Polene Power Co., Ltd. (see note 26)	-	-	333,248	333,248
Thai Propoxide Co., Ltd.	-	-	421,634	488,961
	-	-	754,882	822,209
Less allowance for doubtful accounts	-	-	(31,248)	(87,248)
Net	-	-	723,634	734,961
Doubtful debts expense for the year (reversal)	-	-	(56,000)	(69,000)

In 1997, the Company entered into an agreement to sell land to Thai Propoxide Co., Ltd, (a subsidiary) at the price of Baht 477 million, in consideration for a loan payable by August 2000, with interest of 16%. No payments of principal or interest were subsequently made by the subsidiary and consequently the Company deferred recording the gain on the sale of Baht 40 million and interest income of Baht 155 million in income, and ceased accrued interest. The deferred gain and interest income are disclosed as non-current liabilities in the statement of financial position of the Separate Company.

The subsidiary used the land as collateral for a bank loan, the proceeds of which were subsequently loaned to the Company. In 2000 the subsidiary's bank loan was assigned to the Company. Subsequently, in 2011, the land has been released by the bank as collateral and the subsidiary has sold a part of land to the Company and repaid a part of the land loan to the Company of Baht 68 million.

At 31 December 2011, the outstanding amount of accounts receivable from the subsidiary from the sale of land totalled Baht 421 million and the deferred gain on the sale of Baht 35 million and interest income of Baht 134 million were disclosed in the statement of financial position of the Separate Company.

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>(in thousand baht)</i>				
Trade accounts payable - related parties				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	610	257
TPI Polene Power Co., Ltd.	-	-	4,430	-
Indirect subsidiaries				
Polene Plastic Co., Ltd.	-	-	763,723	33,973
TPI Polene Bio Organics Co., Ltd.	-	-	10	-
Joint venture				
Thai Nitrate Co., Ltd.	2,996	2,547	5,992	5,093
Other related parties				
United Grain Industry Co., Ltd.	98,125	109,337	98,046	109,337
Thai Plastic Film Co., Ltd.	90,913	4,332	90,875	4,332
Bangkok Union Insurance Public Co., Ltd.	991	123	643	123
Thai Plastic Product Co., Ltd.	16,082	4,362	13,415	3,799
Pornchai Enterprise Co., Ltd.	54	-	48	-
Total	209,161	120,701	977,792	156,914
Advances from related parties				
Subsidiary				
TPI Concrete Co., Ltd.	-	-	171	331
Indirect Subsidiary				
Polene Plastic Co., Ltd.	-	-	122,268	187,543
Other related parties				
Pornchai Enterprise Co., Ltd.	3,293	1,468	2,577	1,049
Bangkok Union Insurance Public Co., Ltd.	621	382	57	-
TPI Holding Co., Ltd.	239	-	239	-
Leophairatana Enterprise Co., Ltd.	338	2	338	-
Thai Plastic Product Co., Ltd.	4	9	-	-
United Grain Industry Co., Ltd.	67	234	-	-
Saraburi Ginning Mill Co., Ltd.	-	660	-	-
Thai Plastic Film Co., Ltd.	672	-	672	-
Total	5,234	2,755	126,322	188,923

Movements during the years ended 31 December 2011 and 2010 of short-term loans from related parties were as follows:

		(in thousand baht)
	2011	2010
Subsidiaries		
At 1 January	-	1,250
Increase	-	520,000
Decrease	-	(521,250)
At 31 December	-	-

Significant agreements with related parties

(a) Office building lease agreements

The Company and its subsidiary have long-term office building lease agreements with a related company. Previously, the initial lease term for each lease agreement was for 3 years, with the lease being renewable. In July 1999, the Company and a subsidiary entered into a 90 years office building lease agreement with a related company to replace the expired original office building lease agreements in which the Company and a subsidiary made one payment for the whole lease period (the total rental for the 90 years term of the lease is Baht 40,000 per square meter, equivalent to a monthly rental, before discounting cash flows, of Baht 37 per square meter). The annual rental is deducted from the prepaid rentals. Subsequently, on 24 July 2001, the Company and its subsidiary agreed to sign the amendments in addition to the existing office building lease agreements with a related company. The initial period of the lease is for 30 years, commencing from the original date on which the rentals of each respective agreement were prepaid. The related party warranted that the lease would be renewable for another 2 subsequent periods of 30 years under the same conditions, including rental fee as set out in the original agreements.

On 25 August 2006, the Company and its subsidiary registered the lease with the Land Department.

Significant details of long-term office building lease agreements with a related company as at 31 December 2011 and 2010 were as follows:

		(in thousand baht)
Type of agreement	Prepaid rentals	Remaining prepaid rentals
		2011 2010
The Company		
30 years lease agreement		
(3 years for original agreement)	143,517	116,970 118,564
30 years lease agreement		
(90 years for original agreement)	29,669	25,383 25,713
	173,186	142,353 144,277
Subsidiary		
30 years lease agreement		
(3 years for original agreement)	47,000	38,160 38,680
30 years lease agreement		
(90 years for original agreement)	11,659	9,975 10,105
	58,659	48,135 48,785
Total	231,845	190,488 193,062

Should either party terminate the lease agreement, the unused prepaid rentals are refundable to the Companies. The Companies agreed in principle to execute a mortgage on the office building as security for the unused prepaid rentals. As at 31 December 2011, there was no mortgage agreement as security for the unused prepaid rentals, so the recoverability of prepaid rentals depends on the ability of the related company to repay.

(b) Electricity supply agreement

On 12 December 2007, the Company entered into an electricity supply contract with a subsidiary company, to provide the waste heat to the subsidiary that will be used in the manufacturing process for electricity. The Company shall render invoice to the subsidiary company to pay a service fee as specified in the agreement. In addition, the subsidiary company shall supply the electricity solely to the Company based on certain percentage as specified in the agreement. The agreement shall remain in full force and effect so long as, unless it is terminated by mutual agreement in writing of both parties here to.

(c) Land lease agreement

The Company and its subsidiaries entered into several land and office building space lease agreements with related parties for 3 years as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Non-cancellable operating lease commitments				
Within one year	34,950	36,186	23,552	25,785
After one year but within five years	11,565	42,856	5,726	29,278
Total	46,515	79,042	29,278	55,063

As at 31 December 2011, the Company had contingent liabilities in respect of guarantees issued on behalf of a subsidiary of Baht 563 million (31 December 2010: Baht 65 million).

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash on hand	4,920	6,124	1,540	2,303
Cash at banks - current accounts	(200,288)	41,331	(215,036)	22,084
Cash at banks - savings accounts	495,673	1,109,778	265,153	634,463
Cash at banks - fixed accounts (3 months)	216,575	74	57	56
Government bonds (maturity periods less than 3 months from the acquisition date)	-	99,928	-	-
Total	516,880	1,257,235	51,714	658,906

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Thai Baht (THB)	422,729	1,121,058	51,176	548,185
United States Dollar (USD)	93,676	134,818	142	109,362
EURO (EUR)	219	994	141	994
Others	256	365	255	365
Total	516,880	1,257,235	51,714	658,906

7 Other investments

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Current investments				
Short term deposits at financial institutions	51,132	7,025	61	3,025
	51,132	7,025	61	3,025
Other long-term investments				
Long term deposits at financial institutions	15,500	15,500	-	-
Equity securities available-for-sale	212,409	338,396	212,409	338,396
Other non marketable equity securities	1,596	1,596	1,596	1,596
Other debt securities held-to-maturity	269,047	401,299	69,787	200,584
	498,552	756,791	283,792	540,576
Total	549,684	763,816	283,853	543,601

Other investments of the Group as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

Deposits at financial institutions and other debt securities held-to-maturity of Baht 260 million (2010: Baht 275 million) in the consolidated financial statements and of Baht 67 million (2010: Baht 100 million) in the separate financial statements are pledged as collateral. Equity securities available-for-sale are pledged to a bank as collateral for loans.

8 Trade accounts receivable

		(in thousand baht)			
		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2011	2010	2011	2010
Related parties	5	507	8,356	590,540	785,982
Other parties		2,034,763	1,993,849	1,112,518	1,010,792
		2,035,270	2,002,205	1,703,058	1,796,774
Less allowance for doubtful accounts		(166,018)	(167,361)	(116,457)	(122,353)
Net		1,869,252	1,834,844	1,586,601	1,674,421
Bad and doubtful debts expenses for the year (reversal)		(4,665)	(3,372)	(4,521)	(5,681)

Aging analyses for trade accounts receivable were as follows:

Related parties

Within credit terms	507	8,356	588,585	524,740
Overdue:				
Less than 3 months	-	-	1,955	261,242
	507	8,356	590,540	785,982

Other parties

Within credit terms	1,775,215	1,715,571	930,516	821,814
Overdue:				
Less than 3 months	91,877	107,343	57,492	63,416
3-6 months	9,135	2,777	8,528	2,777
6-12 months	152	1,623	152	1,623
Over 12 months	158,384	166,535	115,830	121,162
	2,034,763	1,993,849	1,112,518	1,010,792
Less allowance for doubtful accounts	(166,018)	(167,361)	(116,457)	(122,353)
	1,868,745	1,826,488	996,061	888,439
Net	1,869,252	1,834,844	1,586,601	1,674,421

The Group requires various customers to provide cash, bank or personal guarantees as collateral.

The normal credit term granted by the Group ranges from 30 days to 90 days.

The currency denomination of trade accounts receivable as at 31 December was as follows:

		(in thousand baht)			
		Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Thai Baht (THB)		1,583,965	1,561,546	1,586,601	1,674,421
United States Dollars (USD)		285,287	273,298	-	-
Total		1,869,252	1,834,844	1,586,601	1,674,421

9 Inventories

(in thousand baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Finished goods	1,292,204	725,351	1,166,120	704,103
Work in process	2,237,078	852,056	2,236,720	851,580
Raw materials and chemicals	1,234,419	977,125	1,060,894	931,028
Packages	305,202	228,017	268,581	226,565
Oil and coal	988,420	1,183,991	953,109	1,154,905
Spare parts and general supplies	1,628,463	1,555,634	1,477,721	1,464,975
Goods in transit	156,671	265,734	136,511	265,722
Total	7,842,457	5,787,908	7,299,656	5,598,878
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	17,921,749	18,395,984	14,682,193	15,797,981
- Write-down to net realisable value	19,238	-	-	-
Net	17,940,987	18,395,984	14,682,193	15,797,981

10 Other current assets

(in thousand baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Prepaid expenses	72,644	89,239	60,249	70,819
Advances	48,939	45,199	25,102	40,679
Refundable value added tax	4,136	3,732	-	-
Others	92,244	49,044	58,699	36,916
Total	217,963	187,214	144,050	148,414

11 Investments in subsidiaries and joint venture

(in thousand baht)

	Separate financial statements	
	2011	2010
Subsidiaries		
At 1 January	3,411,498	2,614,498
Acquisitions	50,000	797,000
At 31 December	3,461,498	3,411,498
Joint venture		
At 1 January	284,409	284,409
At 31 December	284,409	284,409
Total		
At 1 January	3,695,907	2,898,907
Acquisitions	50,000	797,000
At 31 December	3,745,907	3,695,907

Investments in subsidiaries and joint controlled entities as at 31 December 2011 and 2010, and dividend income from those investments for the years then ended were as follows:

	Separate financial statements							
	Ownership interest		Paid-up Capital		Cost method		Dividend income	
	2011	2010	2011	2010	2011	2010	2011	2010
	(%)		(in thousand Baht)					
Subsidiaries								
TPI Concrete Co., Ltd.	99.99	99.99	840,000	840,000	839,999	839,999	-	-
TPI Polene Power Co., Ltd.	99.99	99.99	2,535,250	2,535,250	2,535,249	2,535,249	-	-
TPI All Seasons Co., Ltd.	99.99	99.99	86,250	36,250	86,250	36,250	-	-
Thai Propoxide Co., Ltd.	99.99	99.99	250	250	250	250	-	-
Less allowance for impairment					(250)	(250)	-	-
					3,461,498	3,411,498	-	-
Joint venture								
Thai Nitrate Co., Ltd.	50.00	50.00	468,750	468,750	284,409	284,409	135,000	199,921
					284,409	284,409	135,000	199,921
Total					3,745,907	3,695,907	135,000	199,921

The following summarised financial information on interests in joint controlled entities which has been proportionately consolidated in the consolidated financial statements represents the Group's share:

	Ownership	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit
	(%)	(in thousand Baht)								
2011										
Thai Nitrate Co., Ltd.	50.00	511,225	798,884	1,310,109	125,153	16,000	141,153	843,616	698,081	145,535
2010										
Thai Nitrate Co., Ltd.	50.00	435,920	869,167	1,305,087	84,837	5,639	90,476	786,631	613,631	173,000

12 Investments in associates

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
At 1 January	141,877	137,913	135,350	135,350
Share of net profits of equity- accounted associates	1,841	160	-	-
Fair value changes on available-for-sale securities	(5,275)	3,804	-	-
At 31 December	138,443	141,877	135,350	135,350

The Group has not recognised losses relating to certain investment accounted for using the equity method in cases where its share of loss exceeds the carrying amount of those investments. As at 31 December 2011, the Group's cumulative share of unrecognised loss was Baht 689 million (2010: Baht 536 million), of which Baht 153 million was the Group's share of the current year's loss (2010: Baht 138 million). The Group has no obligation in respect of this loss.

Investments in associates as at 31 December 2011 and 2010 were as follows:

	Consolidate financial statements							
	Ownership interest		Paid-up Capital		Cost method		Dividend income	
	2011	2010	2011	2010	2011	2010	2011	2010
	(%)				(in thousand Baht)			
Thai Special Steel Industry Public Co., Ltd.	29.77	29.77	4,220,000	4,220,000	1,256,200	1,256,200	-	-
BUI Life Insurance Co., Ltd.	25.00	25.00	500,000	500,000	125,000	125,000	128,696	132,128
Mondo Thai Co., Ltd.	28.75	28.75	36,000	36,000	10,350	10,350	9,747	9,749
Total					1,391,550	1,391,550	138,443	141,877

	Separate financial statements					
	Ownership interest		Paid-up capital		Cost method	
	2011	2010	2011	2010	2011	2010
	(%)				(in thousand Baht)	
BUI Life Insurance Co., Ltd.	25.00	25.00	500,000	500,000	125,000	125,000
Mondo Thai Co., Ltd.	28.75	28.75	36,000	36,000	10,350	10,350
Total					135,350	135,350

The following summarised financial information on associated companies which have been accounted for using the equity method is not adjusted for the percentage of ownership held by the Group:

	Reporting date	Ownership	Total assets	Total liabilities	Total revenues	Net porfit/ (loss)
		(%)		(in thousand Baht)		
2011						
Thai Special Steel Industry Public Co., Ltd.	31 December	29.77	2,733,984	5,745,127	8,176	(512,598)
BUI Life Insurance Co., Ltd.	31 December	25.00	658,345	144,324	45,309	7,374
Mondo Thai Co., Ltd.	31 December	28.75	33,939	6	1	(7)
Total			3,426,268	5,889,457	53,486	(505,231)
2010						
Thai Special Steel Industry Public Co., Ltd.	31 December	29.77	2,913,485	5,412,623	1,517	(463,592)
BUI Life Insurance Co., Ltd.	31 December	25.00	675,547	147,033	139,369	31
Mondo Thai Co., Ltd.	31 December	28.75	33,936	5	-	(9)
Total			3,622,968	5,559,661	140,886	(463,570)

13 Long-term investments in related parties

	Type of business	Relationship	Paid-up capital	Ownership interest		Consolidated and Separate	
				2011	2010	2011	2010
			(in thousand Baht)	%		(in thousand Baht)	
Related parties							
United Grain Industry Co., Ltd.	Manufacturing and distributing packages	Shareholder	550,000	19.00	19.00	104,500	104,500
Pornchai Enterprise Co., Ltd.	Real estate	Shareholder	180,000	16.67	16.67	45,653	45,653
TPI Holding Co., Ltd.	Holding Company	Shareholder	5,000	0.87	0.87	217	217
Total						150,370	150,370
Less Allowance for impairment						(45,653)	(45,653)
Net						104,717	104,717

14 Investment properties

(in thousand baht)

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2011	2010	2011	2010
Cost					
At 1 January		673,109	673,109	356,636	356,636
Additions		34,229	-	72,889	-
Transfer to property, plant and equipment	15	(48,043)	-	(48,043)	-
At 31 December		659,295	673,109	381,482	356,636
Depreciation and impairment losses					
At 1 January		8,706	7,706	-	-
Depreciation charge for the year		1,000	1,000	-	-
Impairment losses		7,943	-	-	-
At 31 December		17,649	8,706	-	-
Net book value					
At 1 January 2010		-	665,403	-	356,636
At 31 December 2010 and 1 January 2011		664,403	664,403	356,636	356,636
At 31 December 2011		641,646	-	381,482	-

Investment properties were revalued as at 31 December 2011 and 2010 by the treasury department (B.E.2551). The appraised value was Baht 1,151 million (2010: Baht 1,239 million) in the consolidated financial statement and of Baht 556 million (2010: Baht 481 million) in the separate financial statement.

Investment property include land for rent, freehold land and condominiums.

15 Property, plant and equipment

Changes in property, plant and equipment for the year ended 31 December 2011, are summarised as follows:

(in thousand baht)

Consolidated financial statements		Cost/revaluation		Accumulated depreciation		Allowance for impairment		Book value	
At 1 January 2011	Additions	Disposals/ Write off	Transfers, net	At 31 December 2011	Depreciation	Disposals/ Write off	Transfers, net	At 31 December 2011	At 1 January 2011
Land and land improvement	2,493,095	-	48,168	2,741,172	(2,119)	(4)	-	2,490,976	2,739,049
Leasehold improvement	49,186	-	(1,830)	47,356	(7)	-	-	1,700	-
Buildings and structures	7,966,597	-	89,964	8,085,245	(3,732,422)	2,571	-	4,234,175	4,140,292
- Cost	7,966,597	(2,571)	-	7,594,447	(3,732,422)	-	-	6,579,229	6,272,171
- Increment appraisal	7,594,447	-	-	7,594,447	(1,015,218)	(307,058)	-	-	-
Machinery and pipes	29,983,835	(78,713)	2,721,970	32,871,227	(14,275,840)	42,661	-	15,707,995	17,245,417
- Cost	25,535,292	-	-	25,535,292	(4,397,371)	(1,126,911)	-	21,137,921	20,011,010
- Increment appraisal	-	-	-	-	-	-	-	-	-
Tools and factory equipment	4,452,833	(34,469)	127,344	4,737,602	(3,866,298)	34,495	-	596,535	805,592
Furniture, fixtures and office equipment	343,752	(4,325)	12,801	370,652	(299,826)	3,996	-	43,926	59,085
Vehicles	1,002,517	(68,466)	53,178	1,169,894	(953,733)	63,978	-	48,784	261,475
Increment appraisal - Other	1,023,216	-	-	1,023,216	(356,763)	(77,229)	-	666,453	589,224
Major spare parts	173,215	-	11,805	185,020	-	-	-	173,215	185,020
Construction in progress	4,790,806	-	(1,982,001)	4,381,565	-	-	-	4,790,806	4,381,565
Machinery under installation	1,975,566	-	(992,938)	1,623,123	-	-	-	1,945,015	1,602,106
Total	87,394,357	(188,574)	88,461	90,365,801	(28,947,076)	(3,253,540)	147,701	(30,551)	58,406,730
									58,292,006

Changes in property, plant and equipment for the year ended 31 December 2010, are summarised as follows:

(in thousand baht)

Consolidated financial statements		Cost/revaluation		Accumulated depreciation		Allowance for impairment		Book value	
At 1 January 2010	Additions	Disposals/ Write off	Transfers, net	At 31 December 2010	Depreciation	Disposals/ Write off	Transfers, net	At 31 December 2010	At 1 January 2010
Land and land improvement	2,477,427	15,668	-	2,493,095	(2,119)	-	-	2,475,308	2,490,976
Leasehold improvement	47,837	-	1,349	49,186	(47,284)	(518)	316	553	1,700
Buildings and structures	7,939,103	-	17,800	7,966,597	(3,542,462)	2,892	-	4,396,641	4,234,175
- Cost	7,606,842	(4,424)	-	7,594,447	(709,761)	2,780	-	6,897,081	6,579,229
- Increment appraisal	-	(12,395)	-	-	(308,237)	-	-	-	-
Machinery and pipes	29,835,761	(2,319)	142,839	29,983,835	(13,395,009)	2,054	-	16,440,752	15,707,995
- Cost	25,538,514	(3,222)	-	25,535,292	(3,196,720)	1,855	-	22,341,794	21,137,921
- Increment appraisal	-	-	-	-	(1,202,506)	-	-	-	-
Tools and factory equipment	4,400,287	51,328	5,033	4,452,833	(3,803,103)	2,506	-	597,184	596,535
Furniture, fixtures and office equipment	338,643	17,637	1,552	343,752	(295,714)	13,852	(316)	42,929	43,926
Vehicles	1,004,918	12,976	-	1,002,517	(960,374)	14,596	-	44,544	48,784
Increment appraisal - Other	1,124,265	(101,049)	-	1,023,216	(323,158)	104,836	-	801,107	666,453
Major spare parts	514,155	-	(340,940)	173,215	-	-	-	514,155	173,215
Construction in progress	3,629,021	1,377,162	(198,693)	4,790,806	-	-	-	3,629,021	4,790,806
Machinery under installation	938,434	1,132,161	(95,029)	1,975,566	-	-	-	901,632	1,945,015
Total	85,395,207	2,628,604	(466,089)	87,394,357	(26,275,704)	145,371	-	(36,802)	59,082,701
									58,406,730

(in thousand Baht)

(in thousand Baht)

(in thousand Baht)

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	Consolidated financial statements			Separate financial statements		
	31 December 2011	31 December 2010	1 January 2010	31 December 2011	31 December 2010	1 January 2010
<i>(in thousand Baht)</i>						
Net book value						
Land and land improvement	2,739,049	2,490,976	2,475,308	2,440,600	2,199,939	2,184,271
Leasehold improvement	-	1,700	553	-	-	-
Buildings and structures						
- Cost	4,140,292	4,234,175	4,396,641	3,984,398	4,089,954	4,246,881
- Increment appraisal	6,272,171	6,579,229	6,897,081	6,272,171	6,579,229	6,897,081
Machinery and pipes						
- Cost	17,245,417	15,707,995	16,440,752	13,011,106	13,880,071	14,526,888
- Increment appraisal	20,011,010	21,137,921	22,341,794	19,556,131	20,636,442	21,793,716
Tools and factory equipment	805,592	586,535	597,184	760,089	517,091	518,720
Furniture, fixtures and office equipment	59,085	43,491	41,915	47,527	33,294	32,941
Vehicles	42,640	35,809	38,237	35,580	35,166	37,251
Increment appraisal - Other	589,224	666,453	801,107	589,224	666,453	801,107
Major spare parts	185,020	173,215	514,155	167,676	155,722	514,155
Construction in progress	4,381,565	4,737,628	3,629,021	4,295,450	4,043,455	3,588,987
Machinery under installation	<u>1,602,106</u>	<u>1,945,015</u>	<u>901,632</u>	<u>1,210,427</u>	<u>950,176</u>	<u>864,394</u>
Owned assets	58,073,171	58,340,142	59,075,380	52,370,379	53,786,992	56,006,392
Assets under finance leases						
- Furniture, fixtures and office equipment	-	435	1,014	-	435	1,014
- Vehicle	218,835	12,975	6,307	170,460	12,975	6,307
- Construction in progress	<u>-</u>	<u>53,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>58,292,006</u>	<u>58,406,730</u>	<u>59,082,701</u>	<u>52,540,839</u>	<u>53,800,402</u>	<u>56,013,713</u>

In 2011, the Company has acted in accordance with the Federation of Accounting Professions Announcement No.18/2554, regarding the recognition of revalued assets. The aforesaid announcement has deferred the recognition of accounting method for reappraisal of existing assets. As a result, the Company continues to apply the accounting policy in 2010 until the end of periods starting prior to 1 January 2016. The impact as a result of the change in TAS 16 (revised 2009) Property, Plant and Equipment is as follow:

	Consolidated financial statements 2011	Separate financial statements 2011
	<i>(in thousand baht)</i>	
For the year ended 31 December 2011		
Decrease in inventories	(127,756)	(127,756)
Decrease in cost of sales of goods	(1,383,442)	(1,336,842)
Increase in profit for the year	(1,383,442)	(1,336,842)
Increase in basic earnings per shares (Baht)	0.69	0.66

The gross amount of the Group's fully depreciated buildings and equipment that was still in use as at 31 December 2011, amounted to Baht 5,132 million (2010: Baht 5,029 million) in the consolidated financial statements and of Baht 3,415 million (2010: Baht 3,465 million) in the separate financial statements.

Most of the land, buildings, machinery and equipment are mortgaged or pledged as collateral for the long-term loans. The book value of such assets used as collateral as at 31 December 2011 is approximately Baht 38,561 million (2010: Baht 40,980 million) in the consolidated financial statements and the separate financial statements.

16 Surplus on fixed assets revaluation

In the manufacturing process of LDPE & EVA plastic and Cement, the Company has to perform an annually maintenance and overhaul of the machinery, for the period of 2 weeks to one month, in order to replace all defect parts so that the machinery is always in good condition and able to function efficiently and continuously every day for 24 hours without being shut down.

In August 2007, Company hired a foreign independent appraiser, SELECTRADE AG, to appraise the value of certain items of its manufacturing plant, machinery and factory equipment of cement and dry mortar including distribution terminals. The value of these assets, the original cost of which was Baht 29,140 million (book value of Baht 17,280 million), was appraised at USD 1,320 million, equivalent to reappraisal book value of Baht 45,497 million, calculated using the rate of Baht 34.4560 to USD 1 at the appraisal date. The appraised value is based on the Replacement Time Value, taking into consideration the replacement value and the remaining life of an asset which is the current acquisition cost of assets with the same layout, capacity and technological standard as the assets valued, including capitalised interest costs. As a result of this reappraisal, the carrying amounts of total assets and equity at that date increased by Baht 28,217 million in the consolidated and the separate financial statements (compared with the original cost). As at 31 December 2011, the remaining portion of surplus on assets revaluation amounted to Baht 23,318 million in the consolidated and the separate financial statements (2010: Baht 24,400 million).

However, buildings, machinery and other related equipment with book value of Baht 1,503 million have not been revalued by independent appraisers as the nature and use in the Company's operations is different from the revalued assets.

In addition, in October 2007, the Company hired a foreign independent appraiser, JOHN FOORD (ASIA) PTE LIMITED, to appraise the value of its LDPE and EVA plastic manufacturing plant and machinery. The value of these assets, the original cost of which was Baht 3,594 million (book value of Baht 1,515 million), was appraised at USD 188 million, equivalent to reappraisal book value of Baht 6,405 million, calculated using the rate of Baht 34.1228 to USD 1 at the appraisal date. The appraised value is based on the Fair Market Value which is the current acquisition cost of assets with the same layout, capacity and technological standard as the assets valued, including capitalized interest costs. As a result of this reappraisal, the carrying amounts of total assets and equity at that date increased by Baht 4,890 million in the consolidated and the separate financial statements (compared with the original cost). As at 31 December 2011, the remaining portion of surplus on assets revaluation amounted to Baht 3,100 million in the consolidated and the separate financial statements (2010: Baht 3,482 million).

In 2009, Thai Nitrate Co., Ltd. (joint venture) hired independent appraisers to appraise the value of its machinery based on the replacement value, which was the current acquisition cost of assets with the same layout, capacity and technological standard as the assets to be valued, which resulted in the increment of the machinery's value. On the appraisal date, the joint venture adjusted unrealised increment for asset appraisal by the increment of revaluation and adjusted accumulated depreciation in proportion to the increase in such unrealised increment. As a result of this reappraisal, the carrying amounts of total assets at that date increased by Baht 176 million (proportion in the consolidated financial statement amounted to Baht 88 million). As at 31 December 2011, the remaining portion of surplus on assets revaluation amounted to Baht 363 million in the consolidated financial statements (2010: Baht 409 million)

Details of changing in surplus on fixed assets revaluation

(in thousand Baht)

	Change during the Year		
	At 1 January 2011	Increase/ (Decrease)	At 31 December 2011
Company			
Building	7,594,447	-	7,594,447
Machinery	24,370,313	-	24,370,313
Other	1,023,216	-	1,023,216
	32,987,976	-	32,987,976
<i>Less accumulated depreciation</i>			
Building	(1,015,218)	(307,058)	(1,322,276)
Machinery	(3,733,871)	(1,080,311)	(4,814,182)
Other	(356,763)	(77,229)	(433,992)
	(5,105,852)	(1,464,598)	(6,570,450)
Separate financial statements	27,882,124	(1,464,598)	26,417,526
Joint venture			
Machinery	1,029,402	-	1,029,402
<i>Less accumulated depreciation</i>	(619,934)	(46,600)	(666,534)
	409,468	(46,600)	362,868
Consolidated financial statements	28,291,592	(1,511,198)	26,780,394

17 Intangible assets

(in thousand Baht)

	Consolidated financial statements			
	Cost of raw material resources and cost of concessions	Software licenses	Others	Total
Cost				
At 1 January 2010	700,353	26,836	-	727,189
Additions	-	4,627	-	4,627
At 31 December 2010 and 1 January 2011	700,353	31,463	-	731,816
Additions	-	2,111	7,567	9,678
At 31 December 2011	700,353	33,574	7,567	741,494
Accumulated amortisation				
At 1 January 2010	(343,231)	(19,222)	-	(362,453)
Amortisation charge for the year	(26,317)	(3,097)	-	(29,414)
At 31 December 2010 and 1 January 2011	(369,548)	(22,319)	-	(391,867)
Amortisation charge for the year	(26,317)	(3,077)	-	(29,394)
At 31 December 2011	(395,865)	(25,396)	-	(421,261)
Net book value				
At 1 January 2010	357,122	7,614	-	364,736
At 31 December 2010 and 1 January 2011	330,805	9,144	-	339,949
At 31 December 2011	304,488	8,178	7,567	320,233

	Separate financial statements		
	Cost of raw material resources and cost of concessions	Software licenses	Total
Cost			
At 1 January 2010	700,353	26,836	727,189
Additions	-	4,627	4,627
At 31 December 2010 and 1 January 2011	700,353	31,463	731,816
Additions	-	2,111	2,111
At 31 December 2011	700,353	33,574	733,927
Accumulated amortisation			
At 1 January 2010	(343,231)	(19,222)	(362,453)
Amortisation charge for the year	(26,317)	(3,097)	(29,414)
At 31 December 2010 and 1 January 2011	(369,548)	(22,319)	(391,867)
Amortisation charge for the year	(26,317)	(3,077)	(29,394)
At 31 December 2011	(395,865)	(25,396)	(421,261)
Net book value			
At 1 January 2010	357,122	7,614	364,736
At 31 December 2010 and 1 January 2011	330,805	9,144	339,949
At 31 December 2011	304,488	8,178	312,666

18 Other non-current assets

(in thousand baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Prepaid rental	5	190,488	193,062	142,353	144,277
Advance payments for machinery	44	640,903	415,478	509,127	312,171
Deposits		45,171	22,805	40,933	22,477
Other receivables		451	1,586	851	1,586
Others		29,297	12,814	21,113	6,420
Total		906,310	645,745	714,377	486,931

19 Interest-bearing liabilities

Interest-bearing liabilities are summarized as follow:

(in thousand baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Current				
Bank overdrafts				
secured	29,758	-	752	-
unsecured	48,813	-	40,963	-
	78,571	-	41,715	-
Short-term loans from financial institutions				
unsecured	787,396	-	311,190	-
Bank overdrafts and short-term loans from financial institutions	865,967	-	352,905	-
Current portion of long-term loans				
secured	1,017,729	2,062,443	1,002,427	2,050,813
unsecured	45,270	306,382	45,270	306,382
Current portion of long-term loans	1,062,999	2,368,825	1,047,697	2,357,195
Current portion of finance lease liabilities	64,428	21,370	49,445	5,763
Total current interest-bearing liabilities	1,993,394	2,390,195	1,450,047	2,362,958

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>(in thousand baht)</i>				
Non-current				
Long-term loans from financial institutions				
secured	2,294,897	2,046,790	2,260,620	1,997,212
unsecured	58,980	104,251	58,980	104,251
Long-term loans	2,353,877	2,151,041	2,319,600	2,101,463
Finance lease liabilities	80,398	38,053	64,569	8,459
Total non-current interest-bearing liabilities	2,434,275	2,189,094	2,384,169	2,109,922

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as following:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>(in thousand baht)</i>				
With one year	1,928,966	2,368,825	1,400,602	2,357,195
After one year but within five years	2,353,877	2,151,041	2,319,600	2,101,463
Total	4,282,843	4,519,866	3,720,202	4,458,658

Secured interest-bearing liabilities as at 31 December were secured on the following net book value assets:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>(in thousand baht)</i>				
Land and buildings	9,865,726	10,527,230	9,865,726	10,527,230
Machinery and equipment	28,482,447	30,114,821	28,482,447	30,114,821
Equity securities	212,408	338,397	212,408	338,397
Total	38,560,581	40,980,448	38,560,581	40,980,448

Bank overdrafts are charged interest at MOR - MOR + 2% per annum in 2011 and 2010.

In 2011, short-term loans from financial institutions are charged interest at 6-month LIBOR+2.0% - 3.0% per annum for loans denominated in foreign currency.

As at 31 December 2011 the Group and the Company had unutilised credit facilities totalling Baht 95 million (2010: Baht 119 million).

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2011			2010		
	Future minimum lease payment	Interest	Present value of minimum lease payment	Future minimum lease payment	Interest	Present value of minimum lease payment
<i>(in thousand Baht)</i>						
Within one year	70,793	6,365	64,428	24,213	2,843	21,370
After one year but within five years	83,791	3,393	80,398	40,380	2,327	38,053
Total	154,584	9,758	144,826	64,593	5,170	59,423

Separate financial statements

	2011		2010	
	Future minimum lease payment	Interest	Future minimum lease payment	Interest
Within one year	54,489	5,044	6,550	787
After one year but within five years	67,487	2,918	9,131	672
Total	121,976	7,962	15,681	1,459

The currency denomination of interest-bearing liabilities as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Thai Baht (THB)	3,640,271	2,810,965	3,523,026	2,704,556
United States Dollars (USD)	668,772	1,001,460	192,564	1,001,460
EURO (EUR)	118,626	766,864	118,626	766,864
Total	4,427,669	4,579,289	3,834,216	4,472,880

20 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Related parties	5	209,161	120,701	977,792	156,914
Other parties		1,825,632	1,954,119	1,201,637	1,800,172
Total		2,034,793	2,074,820	2,179,429	1,957,086

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Thai Baht (THB)	1,606,191	1,656,594	2,055,908	1,538,860
United States Dollars (USD)	368,293	385,743	63,212	385,743
EURO (EUR)	60,309	29,604	60,309	29,604
Danish Krone (DKK)	-	2,879	-	2,879
Total	2,034,793	2,074,820	2,179,429	1,957,086

21 Other current liabilities

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Accrued expenses	869,611	733,294	727,269	658,735
Deposit from sales	293,772	231,589	277,772	165,727
Accrued value added tax	57,167	17,207	50,642	12,954
Accrued withholding tax	18,103	17,422	15,755	14,738
Guarantee and deposits	190,264	172,660	185,571	170,601
Retention payable	81,305	58,091	56,493	47,527
Others	177,741	147,632	171,989	147,711
Total	1,687,963	1,377,895	1,485,491	1,217,993

22 Employee benefit obligations

The Group adopted TAS 19 - Employee Benefits with effect from 1 January 2011; the effect on the financial statements is discussed in note 3 (e). As stated in note 3 (e), the Group has opted to record the entire amount of the transitional obligation as at 1 January 2011, totaling Baht 782 million for the Group and Baht 660 million for the Company, as an adjustment to retained earnings as at 1 January 2011.

Legal severance pay plan (An unfunded plan based on Thai Labour law)

The Group and the Company operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Statement of financial position obligations for:				
Post-employment benefits	956,380	127,502	827,175	127,502
	956,380	127,502	827,175	127,502
Year ended 31 December				
Statement of comprehensive income:				
Recongnised in profit or loss				
Post-employment benefits	50,654	21,161	42,054	21,161
	50,654	21,161	42,054	21,161

Movement in the present value of the defined benefit obligations:

	Consolidated	Separate
	financial statements	financial statements
	2011	2011
Defined benefit obligations at 1 January	909,500	787,215
Benefits paid by the plan	(3,774)	(2,094)
Current service costs and interest	50,654	42,054
Defined benefit obligations at 31 December	956,380	827,175

Expense recognised in profit or loss:

	Consolidated financial statements 2011	Separate financial statements 2011
Current service costs	18,656	13,732
Interest on obligation	31,998	28,322
Total	50,654	42,054

The expense is recognised in the following line items in the statement of comprehensive income:

	Consolidated financial statements 2011	2010	Separate financial statements 2011	2010
Cost of sales	31,279	-	26,150	-
Selling expenses	3,095	-	2,976	-
Administrative expenses	16,280	21,161	12,928	21,161
Total	50,654	21,161	42,054	21,161

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements 2011	Separate financial statements 2011
Discount rate	3.00 - 4.15	3.59 - 3.65
Future salary increases	5.00 - 7.07	6.80 - 7.07

Assumptions regarding future mortality are based on published statistics and mortality tables.

23 Provision for fine

In 2007, the Company was assessed a fine of Baht 6,900 million by the Criminal Court on a ground of offences under the Securities and Exchange Act in 2006. The Company has undertaken a series of appeals to the Criminal Court and the Appeal Court to have the judgment reversed and the fine repealed. The Company recorded a provision for fine of Baht 6,900 million in the financial statements in 2008.

On 19 August 2011, the judgment of Appeal Court dated 26 May 2011 was read by the Criminal Court that the judgment of the Criminal Court was reversed and the complaint of the Plaintiff was dismissed.

Based on the judgment of the Appeal Court, the Company therefore recorded the account by reversing the provision for fine in the total of Baht 6,900 million for the year ended 31 December 2011.

As the Attorney-in-General of the Department of Appellate Litigation decided not to appeal this case to the Supreme Court and the Chief of the Department of Special Investigations did not contest such decision not to appeal to the Supreme Court on 18 November 2011, the case is therefore final.

In addition, on 2 April 2010, with respect to the sale of goods to the third party, Court ordered the Company to pay to the third party the amount of USD 2,964,151 together with interest at the annual rate of 5% until the payment has been fully made and a related arbitration, legal and interest expenses of USD 932,755 with default interest.

The Company filed the appeal with the Supreme Court on 1 June 2010 and the third party filed an answer to the appeal with the Supreme Court on 17 August 2010. This case is in the process of consideration by the Supreme Court. The Company recorded a provision for fine of Baht 200 million for the year ended 31 December 2011 in the consolidated and the separate financial statements.

24 Other non-current liabilities

Other non-current liabilities			(in thousand baht)		
			Consolidated financial statements	Separate financial statements	
	Note	2011	2010	2011	2010
Provision for reinstatement costs		118,124	112,225	106,794	102,217
Unearned gain from sale of land	5	-	-	168,530	195,204
Guarantee		23,174	24,301	-	-
Others		5,136	5,572	-	(68)
Total		146,434	142,098	275,324	297,353

25 Share capital

		2009		2008	
	Par value per share (in Baht)	Number	Baht	Number	Baht
(thousand shares/thousand Baht)					
Authorised					
At 1 January					
- ordinary shares	10	2,481,500	24,815,000	2,481,500	24,815,000
At 31 December					
- ordinary shares	10	2,481,500	24,815,000	2,481,500	24,815,000
Issued and paid-up					
At 1 January					
- ordinary shares	10	2,019,000	20,190,000	2,019,000	20,190,000
At 31 December					
- ordinary shares	10	2,019,000	20,190,000	2,019,000	20,190,000

26 Treasury shares held by a subsidiary

The meeting of the Plan Administrator held on 3 March 2003 approved the donation of 20 million ordinary shares of the Company by assigning a subsidiary company to purchase shares of the Company on the Stock Exchange of Thailand at a price per share not exceeding Baht 17 and paid advances to the subsidiary company of Baht 393 million. In the first quarter of 2003, the subsidiary made purchases of the Company's shares on the Stock Exchange of Thailand totalling Baht 411 million. Of these, 20 million shares purchased by the subsidiary for Baht 333 million are intended to be donated.

As at 31 December 2011, the remaining balance of the treasury shares held by a subsidiary of shares 22 million at cost of Baht 360 million was presented as a separate category within equity and recognised as a deduction from equity in the consolidated financial statements.

27 Reserves

Reserves comprise:

Appropriations of profit**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity**Fair value changes in available-for-sale investments**

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Valuation surplus

The valuation surplus account within equity comprises the cumulative net change in the valuation of property, plant and equipment included in the financial statements at valuation until such property, plant and equipment is sold or otherwise disposed of.

Movements in reserves

Movements in reserves are shown in the statement of changes in equity.

28 Other comprehensive income

(in thousand baht)

Consolidated financial statements				
Attributable to owners of the Company				
	Fair value changes in available-for- sale investments	Revaluation surplus	Share of other comprehensive income/(expense) of associates	Total other comprehensive income
Year ended 31 December 2011				
Available-for-sale investments				
Net change in fair value recognised in equity	(125,987)	-	-	(125,987)
Revaluation of property, plant and equipment				
Net change in fair value recognised in equity	-	(1,511,198)	-	(1,511,198)
Share of other comprehensive expense of associates	-	-	(5,275)	(5,275)
Total other comprehensive income	(125,987)	(1,511,198)	(5,275)	(1,642,460)
Year ended 31 December 2010				
Available-for-sale investments				
Net change in fair value recognised in equity	110,369	-	-	110,369
Revaluation of property, plant and equipment				
Net change in fair value recognised in equity	-	(1,656,379)	-	(1,656,379)
Share of other comprehensive expense of associates	-	-	3,804	3,804
Total other comprehensive income	110,369	(1,656,379)	3,804	(1,542,206)

(in thousand baht)

Separate financial statements			
	Fair value changes in available-for- sale investments	Revaluation surplus	Total other comprehensive income
Year ended 31 December 2011			
Available-for-sale investments			
Net change in fair value recognised in equity	(125,987)	-	(125,987)
Revaluation of property, plant and equipment			
Net change in fair value recognised in equity	-	(1,464,598)	(1,464,598)
Total other comprehensive income	(125,987)	(1,464,598)	(1,590,585)
Year ended 31 December 2010			
Available-for-sale investments			
Net change in fair value recognised in equity	110,369	-	110,369
Revaluation of property, plant and equipment			
Net change in fair value recognised in equity	-	(1,609,780)	(1,609,780)
Total other comprehensive income	110,369	(1,609,780)	(1,499,411)

29 Segment information

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

Segment revenue and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group comprises the following main business segments:

- Cement
- Plastic
- Concrete
- Electricity
- Biological products
- Ammonium nitrate and nitric acids
- Fuel oil, gas and others

(a) Business segment results

	Revenue from external customers		Inter-segment revenue		Reportable segment profit (loss) before income tax	
	2011	2010	2011	2010	2011	2010
	(in thousand baht)					
Cement	10,980,931	11,016,947	2,274,108	2,459,676	7,217,250	205,531
Plastic	7,823,629	7,906,740	5,605,605	4,470,140	2,982,826	2,120,117
Concrete	3,931,313	3,305,975	15,444	-	82,924	10,953
Electricity	-	-	617,953	585,361	372,989	428,817
Biological products	228,926	-	824,891	-	235,856	-
Ammonium nitrate and nitric acids	818,665	771,293	13,720	11,773	209,754	244,055
Fuel oil, gas and others	760,746	743,311	15,300	12,048	(24,363)	(1,691)
Total	24,544,210	23,744,266	9,367,021	7,538,998	11,077,236	3,007,782
Elimination of inter-segment profits					(379,481)	(205,582)
Profit before income tax expense for the year					10,697,755	2,802,200

(b) Business segment financial position

	Segment assets	
	2011	2010
	(in thousand baht)	
Cement	63,574,520	62,757,847
Plastic	7,093,443	6,646,527
Concrete	1,342,711	1,442,760
Electricity	2,096,306	1,861,809
Biological products	3,320,135	1,273,498
Ammonium nitrate and nitric acids	1,310,109	1,304,297
Fuel oil, gas and others	664,807	638,951
	79,402,031	75,925,689
Unallocated assets	546,943	1,036,100
Total	79,948,974	76,961,789
Elimination of inter-segment assets	(8,265,676)	(6,536,010)
Total assets	71,683,298	70,425,779

30 Gain on the master restructuring agreement

(in thousand baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>For the year ended 31 December</i>				
Debt repurchased				
Principal	2,026,834	215,387	2,026,834	215,387
Accrued interest	89,516	5,563	89,516	5,563
Payment methods				
Cash	(38,883)	(140,796)	(38,883)	(140,796)
Loans from financial institution	(1,506,948)	-	(1,506,948)	-
Total gain on the master restructuring agreement for the year	570,519	80,154	570,519	80,154

The Company repurchased debt at a discount price from financial institution creditors. The Company discharged its principal debts outstanding and accrued interest payable, respectively for payment. Discount on debt repurchase has been recognised as gain on the master restructuring agreement.

31 Investment income

(in thousand baht)

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
<i>Dividend income</i>					
Jointly-controlled entity	11	-	-	135,000	199,921
Other party		9,371	9,371	9,371	9,371
		9,371	9,371	144,371	209,292
<i>Interest income</i>					
Subsidiaries		-	-	38,034	4,381
Other parties		34,909	23,893	17,742	15,831
		34,909	23,893	55,776	20,212
<i>Other investment income</i>					
Others parties		4,972	-	1,653	-
		4,972	-	1,653	-
Total		49,252	33,264	201,800	229,504

32 Other income

(in thousand baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Sale stream	30,961	122,816	30,961	122,816
Rental income for mixer trucks	112,324	128,651	112,324	122,499
Services income	-	-	53,718	64,667
Income from sale of spare parts	22,265	28,227	22,265	28,227
Others	122,204	115,987	129,013	98,864
Total	287,754	395,681	348,281	437,073

33 Selling expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Personnel expenses	429,536	367,495	332,057	309,723
Depreciation and amortization	63,384	36,903	40,003	12,813
Maintenance expenses	6,778	10,160	5,398	7,672
Delivery expenses	1,868,519	2,031,238	1,784,533	1,891,429
Other selling expenses	781,914	633,191	917,478	535,218
Total	3,150,131	3,078,987	3,079,469	2,756,855

34 Administrative expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Personnel expenses	679,323	412,682	596,772	336,881
Depreciation and amortization	26,722	27,313	25,163	31,350
Maintenance expenses	104,505	122,789	102,156	119,851
Loss on impairment of assets (reversal)	(1,591)	(6,251)	-	-
Bad and doubtful debt expenses (reversal)	(5,859)	(3,372)	(61,714)	(74,681)
Other administrative expenses	127,874	346,056	86,446	294,078
Total	930,974	899,217	748,823	707,479

35 Employee benefit expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Management				
Wages and salaries	277,645	245,641	262,998	231,969
Others	34,874	27,097	32,697	25,575
	312,519	272,738	295,695	257,544
Other employees				
Wages and salaries	2,592,685	2,486,966	2,208,808	2,114,034
Others	254,759	265,654	195,641	225,855
	2,847,444	2,752,620	2,404,449	2,339,889
Total employee benefit expense	3,159,963	3,025,358	2,700,144	2,597,433

The defined contribution plans comprise provident funds established by some companies of the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the company at from 3% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

36 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
(in thousand baht)					
Included in cost of sales of goods:					
Changes in inventories of finished goods and work in progress		(1,951,875)	(113,104)	(1,847,157)	(135,442)
Raw materials and consumables used		10,348,529	10,341,466	5,951,234	7,689,109
Depreciation of property, plant and equipment	15	1,659,131	1,110,258	1,372,525	941,428
Amortisation of intangible assets	17	22,499	22,499	22,499	22,499
Included in selling expenses:					
Depreciation of property, plant and equipment	33	63,384	36,903	40,003	12,813
Included in administrative expenses:					
Depreciation of property, plant and equipment	34	19,827	20,398	18,268	24,435
Amortisation of intangible assets	34	6,895	6,915	6,895	6,915

37 Finance costs

Finance costs		(in thousand baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Interest expense :					
Related party	5	-	-	-	6,288
Bank loan and overdrafts		228,183	158,080	217,047	152,537
Other finance cost		5,148	-	-	-
Total interest expense		233,331	158,080	217,047	158,825

38 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>(in thousand baht)</i>				
Current tax expense				
Current year	921,523	530,432	825,370	458,112
Adjustment for prior years	24,890	(1,190)	24,890	(1,190)
Total income tax expense	946,413	529,242	850,260	456,922

The current tax expense in the consolidated and separate statements of income is less than the amount determined by applying the Thai corporation tax rate to the accounting profit (loss) for the year principally because of the different treatment for accounting and taxation purposes of certain items of income and expense, in particular, the reversal of provision for fine, the gain on the master restructuring agreement, the dividend income, the difference of depreciation from extension of useful life of building and equipment.

39 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to chemical products, natural gas stations power plants, plastic film products and organic fertilizer. The privileges granted include:

- exemption from payment of import duty on machinery and equipment approved by the Board;
- exemption from payment of corporate income tax for certain operations for a period of 8 years from the dates on which the income is first derived from such operations;
- a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of 5 years, commencing from the expiry date in (b) above; and

(d) a deduction of twice the actual transportation, electrical and water supply expenses for a period of 10 years from the respective revenues and a 25% reduction of the capital expenditure for the installation or the construction of the facilities in addition to the normal depreciation.

As a promoted company, the Company and its subsidiaries must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

(in thousand Baht)

	Consolidated financial statements					
	2011			2010		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
Export sales	1,937	7,073,627	7,075,564	-	6,635,119	6,635,119
Local sales	1,672,689	25,162,978	26,835,667	667,958	23,980,187	24,648,145
Eliminations	(1,573,962)	(7,793,059)	(9,367,021)	(616,611)	(6,922,387)	(7,538,998)
Total Revenue	100,664	24,443,546	24,544,210	51,347	23,692,919	23,744,266

(in thousand Baht)

	Separate financial statements					
	2011			2010		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
Export sales	-	198,821	198,821	-	408,323	408,323
Local sales	51,726	19,928,061	19,979,787	31,250	19,505,525	19,536,775
Total Revenue	51,726,726	20,126,882	20,178,608	31,250	19,913,848	19,945,098

40 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2011 and 2010 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year as follows:

(in thousand baht/thousand shares)

	Consolidated financial statements		Separate financial statements	
	2011	2010 (Related)	2011	2010 (Related)
Profit attributable to ordinary shareholders of the Company (basic)	9,751,342	2,272,958	9,285,163	1,944,673
Number of ordinary shares outstanding at 1 January	2,019,000	2,019,000	2,019,000	2,019,000
Effect of own shares held by a subsidiary	(22,216)	(22,216)	-	-
Weighted average number of ordinary shares outstanding (basic)	1,996,784	1,996,784	2,019,000	2,019,000
Earnings per share (basic) (in Baht)	4.88	1.14	4.60	0.96

41 Dividends

At the annual general meeting of the shareholders of the Company held on 27 April 2011, the shareholders approved the appropriation of dividend of Baht 0.15 per share, amounting to Baht 302.85 million. The dividend was paid to shareholders during 2011.

At the annual general meeting of the shareholders of the Company held on 30 April 2010, the shareholders approved the appropriation of dividend of Baht 0.10 per share, amounting to Baht 201.90 million. The dividend was paid to shareholders during 2010.

42 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly floating. The Group is primarily exposed to interest rate risk from its borrowings (Note 19). The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective Interest rate (% per annum)	Consolidated financial statements		
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2011				
Current				
Bank overdraft and short-term loans from financial institutions	MOR - MOR+1	865,967	-	865,967
Current portion of long-term loans	MLR - 2 - MLR	1, 062,999	-	1,062,999
Non-current				
Long-term loans from financial institutions	MLR - 2 - MLR	-	2,353,877	2,353,877
Total		1,928,966	2,353,877	4,282,843
2010				
Current				
Current portion of long-term loans	MLR - 2 - MLR, 3 - month LIBOR + 1%*	2,368,825	-	2,368,825
Non-current				
Long-term loans from financial institutions	MLR - 2 - MLR	-	2,151,041	2,151,041
Total		2,368,825	2,151,041	4,519,866

*The Company and its subsidiary are in the process of negotiating with the financial institutions on the above mentioned interest rate.

	Effective Interest rate (% per annum)	Consolidated financial statements		
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2011				
Current				
Bank overdraft and short-term loans from financial institutions	MOR - MOR+1	352,905	-	352,905
Current portion of long-term loans	MLR - 2 - MLR	1,047,697	-	1,047,697
Non-current				
Long-term loans from financial institutions	MLR - 2 - MLR	-	2,319,600	2,319,600
Total		1,400,602	2,319,600	3,720,202
2010				
Current				
Current portion of long-term loans 3 - month LIBOR + 1%*	MLR - 2 - MLR, 2,357,195	-	2,357,195	
Non-current				
Long-term loans from financial institutions	MLR - 2 - MLR	-	2,101,463	2,101,463
Total		2,357,195	2,101,463	4,458,658

*The Company and its subsidiary are in the process of negotiating with the financial institutions on the above mentioned interest rate.

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

(in thousand baht)

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
United State Dollars					
Cash and cash equivalents	6	93,676	134,818	142	109,362
Trade accounts receivable	8	285,287	273,298	-	-
Interest-bearing liabilities	19	(668,772)	(1,001,460)	(192,564)	(1,001,460)
Trade accounts payable	20	(368,293)	(385,743)	(63,212)	(385,743)
Gross financial position exposure		(658,102)	(979,087)	(255,634)	(1,277,841)
EURO					
Cash and cash equivalents	6	219	994	141	994
Interest-bearing liabilities	19	(118,626)	(766,864)	(118,626)	(766,864)
Trade accounts payable	20	(60,309)	(29,604)	(60,309)	(29,604)
Gross financial position exposure		(178,716)	(795,474)	(178,794)	(795,474)
Others					
Cash and cash equivalents	6	256	365	255	365
Trade accounts payable	20	-	(2,879)	-	(2,879)
Gross financial position exposure		256	(2,514)	255	(2,514)
Currency forwards - sold		314,416	65,346	-	-

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on obtaining sufficient collateral from customers before commencing trading. The collateral include bank guarantees, bill of exchange aval by banks, cash guarantees, or the personal guarantee by a creditworthy person. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity and debt securities, held to maturity and available for sales, is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

The fair value of forward exchange contracts is based on their listed market price.

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair values of financial assets and liabilities, together with the carrying values shown in the statement of financial position at 31 December were as follows:

	<i>(in thousand Baht)</i>			
	Consolidated financial statements			
	2011		2010	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Prepaid rentals	111,283	190,488	122,428	193,062
	<i>(in thousand Baht)</i>			
	Separate financial statements			
	2011		2010	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Prepaid rentals	82,508	142,353	91,332	144,277

Forward foreign exchange contracts

At 31 December the outstanding forward foreign exchange contracts are summarised as follows:

Currency	Consolidated financial statements							
	2011				2010			
	Amount	Average	Contract	Fair value	Amount	Average	Contract	Fair value
	(in thousand USD)	contract rate	(in thousand Baht)	(in thousand USD)	(in thousand USD)	contract rate	(in thousand Baht)	(in thousand USD)
Forward contracts sold								
US Dollar	10,013	31.40	314,416	319,564	2,183	29.93	65,346	66,135
Total			<u>314,416</u>	<u>319,564</u>			<u>65,346</u>	<u>66,135</u>

The fair values of forward foreign exchange contracts have been calculated using market rates quoted by the Group's bankers to terminate the contracts at the reporting date.

43 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Capital commitments				
Contracted but not provided for				
Agreements for construction, machine and equipment	945,823	1,572,834	774,892	1,364,059
Non-cancellable operating lease commitments				
Within one year	69,436	62,601	29,579	26,316
After one year but within five years	103,686	100,636	46,461	42,827
After five years	4,352	8,128	4,352	7,253
Total	<u>177,474</u>	<u>171,365</u>	<u>80,392</u>	<u>76,396</u>
Other commitments				
Unused letters of credit	341,255	371,459	341,255	371,459
Purchase agreement for raw material	387,500	81,800	387,500	81,800
Forward contracts - sold (See Note 42)	314,416	65,346	-	-
Bank guarantees	228,269	251,535	193,547	189,520
Total	<u>1,271,440</u>	<u>770,140</u>	<u>922,302</u>	<u>642,779</u>

44 Contingent liabilities

As at 31 December 2011, the Company had the major lawsuits as follows:

- 1) In 2011, an overseas company as the plaintiff filed its complaint against the Company with the Central Intellectual Property and International Trade. On 30 December 2011, the Court issued its judgment of dismissal of the complaint of the overseas company.
- 2) On 26 May 2009, IRPC Public Company Limited, as the plaintiff, filed a lawsuit against the Company and others in the total of 6 persons to the Southern Bangkok Criminal Court on the charges in relation to Sections 5, 307, 308, 311, 313 and 315 of the Securities and Exchange Act B.E. 2535. On 25 November 2011, the Court issued its judgment of dismissal of the complaint of the plaintiff.

On 23 December 2008, IRPC Public Company Limited, as the plaintiff, filed a lawsuit against the Company with the Rayong Provincial Court on the grounds of breach of contract and claim for damages of approximately Baht 228 million. The Company disputed these charges and filed a defence that these matters were not true and that the management of IRPC has no power to submit the contesting that lawsuit against the Company. This case is under the Court's consideration.

As at 31 December 2011, the outstanding recorded balances totalled Baht 1,110 million in the consolidated and the separate financial statements.

3) In 1996 and 1997, the Company entered into supply and engineering contracts for the Fourth Cement Plant Project with two overseas companies totalling DM 298 million (or EUR 151 million equivalent) which as at 31 December 2011 were equivalent to Baht 6,224 million (2010: Baht 6,059 million). The Company's legal adviser has an opinion that these contracts have not been completed as the Company's banker has withdrawn finance for the project under the conditions of the borrowings from the bank. As at 31 December 2011, the Company had made advance payments for machinery of Baht 274 million (2010: Baht 267 million), shown as other non-current assets in the consolidated and the separate financial statements. No allowance has been made for any impairment in value of these advance payments or for any other matters relating to the supply and engineering contracts. Management believes that finally the Company would receive such machinery after finance is made available. In May 2001, the Official Receiver ordered payments to be made to two creditors totalling DM 132 million (or EUR 68 million equivalent), including interest. On 4 July 2001, the Company filed petitions with the Central Bankruptcy Court appealing against the decision of the Official Receiver. The Central Bankruptcy Court's decision dated 27 December 2001, ordered the Company to make payments to 2 such creditors totalling DM 93 million (or EUR 47 million equivalent), which as at 31 December 2011 are equivalent to a total of Baht 1,943 million (2010: Baht 1,892 million) including interest charged at the rate of 7.5% per annum. The Company disagreed with the Central Bankruptcy Court's decision and appealed to the Supreme Court on 25 January 2002. Currently, the Supreme Court is considering its decision. The outcome of this matter is presently uncertain and, therefore, the Company has not recorded such liabilities in the financial statements.

4) As at 31 December 2011, the Company and its subsidiaries had contingent liabilities arising from certain claims filed by certain creditors with the Official Receiver in the amount of Baht 65 million. Consequently, the Official Receiver and/or the Central Bankruptcy Court issued an order to the Company and the subsidiaries to pay such creditors in the amount of Baht 16 million. Currently, both the Company and the creditors have appealed against such order to the Central Bankruptcy Court and the Supreme Court. The Company has not recorded any liability in the financial statements for these claims as the outcome is uncertain.

45 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 12	Income Taxes	2013
TFRS 8	Operating Segments	2013

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made preliminary assessment of the potential initial impact on the consolidated and separate financial statements.

46 Reclassification of accounts

Certain accounts in the 2010 financial statements have been reclassified to conform to the presentation in the 2011 financial statements. These reclassifications have principally been made following changes in accounting policies consequent to the adoption of new or revised TFRS as disclosed in note 3. Other significant reclassifications were as follows:

(in thousand Baht)

	2010 (Restated)					
	Consolidated financial statements			Separate financial statements		
	Before reclass	Reclass	After reclass	Before Reclass	Reclass	After reclass
Statement of financial position						
Cash and cash equivalents	1,261,411	(4,176)	1,257,235	663,082	(4,176)	658,906
Bank overdrafts and short-term loans from financial institutions	(4,176)	4,176	-	(4,176)	4,176	-
Other current assets	468,130	(280,916)	187,214	298,011	(149,597)	148,414
Other receivables	-	280,916	280,916	-	149,597	149,597
Property, plant and equipment	59,173,341	(766,611)	58,406,730	54,559,604	(759,202)	53,800,402
Inventories	5,028,706	759,202	5,787,908	4,839,676	759,202	5,598,878
Land leasehold rights	-	7,409	7,409	-	-	-
Other current liabilities	1,873,878	(495,983)	1,377,895	1,465,308	(247,315)	1,217,993
Other payables	-	495,983	495,983	-	247,315	247,315
		<u>-</u>			<u>-</u>	
Statement of comprehensive income						
Other income	267,030	128,651	395,681	314,574	122,499	437,073
Investment income	161,915	(128,651)	33,264	352,003	(122,499)	229,504
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the option of management, the new classification is more appropriate to the Group's business.



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