



บริษัท ทีพีโอ โพลีน จำกัด (มหาชน)
TPI POLENE
Public Company Limited

รายงานประจำปี ๒๕๕๖ ANNUAL REPORT 2013





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Investors can access the information of the company that issued security from the Annual Registration Statement (Form 56-1) of the company through the company's website at www.sec.or.th

Ready to Move Steadily Forward

TPI Polene continues to grow vigorously and robustly. We dare to think and foresee further development to build on business innovation by employing national resources for ultimate benefit. TPI Polene has become a leading Thai cement manufacturer, which can generate electricity from waste heat recovery, and process industrial waste to boost its fuel value and recover recyclable materials for environmental balance. TPI Polene is also committed to reducing carbon dioxide emissions to zero.

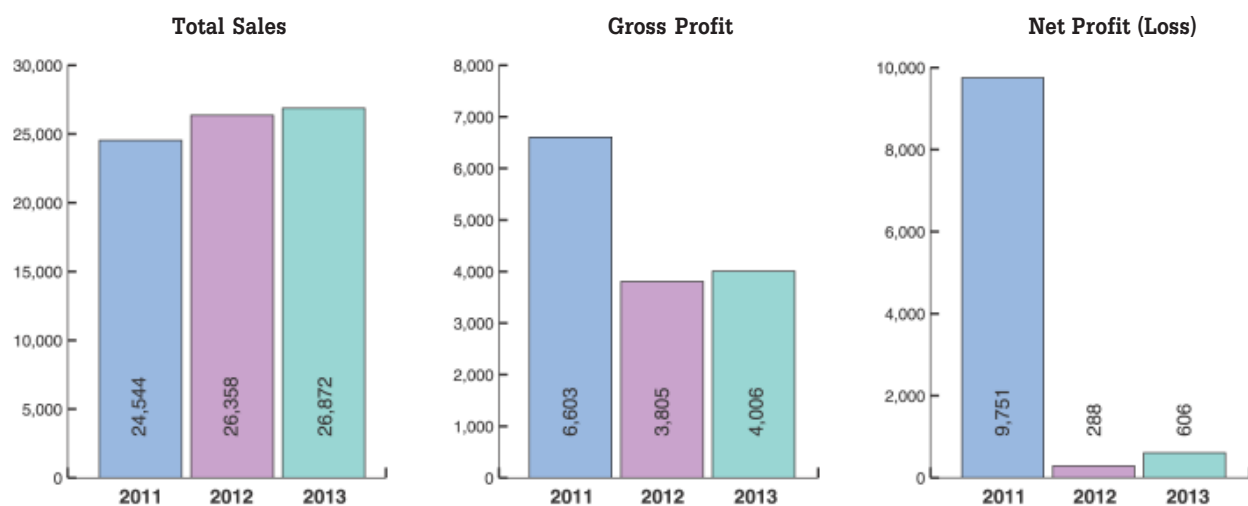
TPI Polene, today, is ready to move forward to build on business success and to step up to progressive challenges in the future. To this end, we have maintained our position to be a sustainable growth corporation in keeping with the growth potential of the public well-being, and the local and global communities.



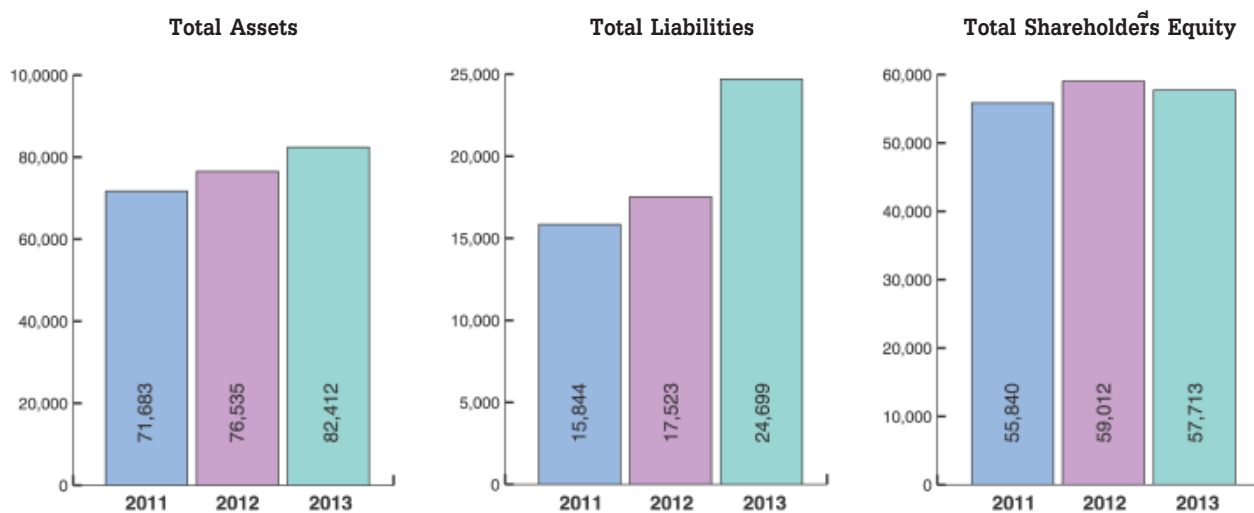
Financial Highlights

	Unit	2011	2012	2013
Operational Performance				
Total Revenues	(Baht Mil.)	33,508	28,424	28,861
Total Sales	(Baht Mil.)	24,544	26,358	26,872
Gross Profit	(Baht Mil.)	6,603	3,805	4,006
Operating Profit (Loss) before income tax	(Baht Mil.)	3,471	548	1,188
Net Profit (Loss)	(Baht Mil.)	9,751	288	606
Financial Status				
Total Assets	(Baht Mil.)	71,683	76,535	82,412
Total Current Assets	(Baht Mil.)	10,773	10,838	12,601
Total Liabilities	(Baht Mil.)	15,844	17,523	24,699
Total Financial Debt	(Baht Mil.)	4,428	4,569	10,225
Total Shareholders' Equity	(Baht Mil.)	55,840	59,012	57,713
Shares Detail				
Listed Shares and Paid-up Shares	(Mil. Shares)	2,019	2,019	2,019
Par value per share	(Baht)	10.00	10.00	10.00
Book Value per share	(Baht)	27.96	29.55	28.90
Earnings per Share	(Baht)	4.88	0.14	0.30
Dividend per Share	(Baht)	0.15	0.10	0.15
Dividend payout Ratio	(%)	3.07	69.43	49.42
Key Financial Ratios				
Gross Profit Margin	(%)	26.90	14.44	14.91
Net Profit Margin	(%)	29.10	1.01	2.10
Debt to Equity Ratio	(times)	0.28	0.30	0.43
Financial Debt to Equity Ratio	(times)	0.08	0.08	0.18

Total Revenues and Net Profit



Financial Status



Corporate Profile

Company's Name	: TPI Polene Public Company Limited
Abbreviation in the SET	: TPIPL
Registration Number	: 01075370000564 (formerly Bor. Mor. Jor. 303)
Nature of Business	: Manufacture and sale of cement, Electricity, ready-mixed concrete and LDPE/EVA plastic resin, CRT, Organic Fertilizer and drinking water
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
Concrete Roof Tiles Plant	: 77 Moo 7, Tambol Ban Kang, Amphur Chaloem Phrakiat, Saraburi 18260
Tel. Number	: +66 (0) 3667-0370-5
Fax Number	: +66 (0) 3667-0377
Investors Relation Unit:	
Tel. Number	: +66 (0) 2213-1039 ext. 12983 and 12985

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

Debentures, Debentures Registrar and Debenture Holders' Representatives

Debenture	
1. TPIPL165A: TPIPL Baht 3,000 million Unsubordinated/Unsecured Debentures in registered form with debenture holders' representatives no. 1/2556 due 2016. The offering for sale was in May 2013.	
2. TPIPL177A :TPIPL Baht 3,000 million Unsubordinated/Unsecured Debentures in registered form with debenture holders' representatives no. 1/2557 due 2017. The offering for sale was in January 2014.	
3. TPIPL187A :TPIPL Baht 2,000 million Unsubordinated/Unsecured Debentures in registered form with debenture holders' representatives no. 2/2557 due 2018. The offering for sale was in January 2014.	
Registrar	: CIMB Thai Bank Plc
Address	: 44, Langsuan Road, Lumpini Subdistrict, Pathumwan District, Bangkok.
Telephone	: +66(0) 2626-7507-8, + 66(0) 2626-7591
Fax	: +66(0) 2657-3390

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 2013 was another successful year for TPI Polene Plc. to be able to expand the potential growth of our business by progressively making additional project investments. This also includes fund raising through the sale offer of a 3-year debenture, unsubordinated/unsecured, in registered form with debenture holders' representatives, in the amount of Baht 3,000 million in May 2013. The response from investors was quite good. TRIS Rating Co., Ltd. affirms the debentures rating at BBB+ (Triple B Plus), with a stable rating outlook. The offering was the very first issuance after the Company's exit from the rehabilitation proceedings under the Central Bankruptcy Court on January 19, 2009 and the Company had paid the entire amount of debt to the major schemed creditors.

In addition, in January 2014, the Company successfully issued a 3.5-year debenture, and a 4.5-year debenture, unsubordinated/unsecured, in registered form with debenture holders' representatives, in the amount of Baht 3,000 million and Baht 2,000 million, respectively, totaling Baht 5,000 million, with the TRIS affirmed rating of such debentures at BBB+, with a stable rating outlook.

Operating Performance

In 2013, the Company and its subsidiaries reported total revenues and normal operating profit (before income tax) of Baht 28,861 million and Baht 1,188 million compared with Baht 28,424 million and Baht 548 million in 2012, an increase of 1.5% and 116.7% respectively. Consolidated net profit increased by 110.7% from Baht 288 million in 2012 to Baht 606 million in 2013.

Entrusted Strong Confidence from Financial Institutions

With the current strengthened financial position, the Company has the confidence of local and foreign financial institutions, which have offered financial support for the Company's investments: i.e. in the cement line 4 with credit facility of approximately Baht 11,500 million; in the alternative fuel power plant, with a capacity of 90 MW output, with credit facility of Baht 4,700 million; and in the Fiber Cement Project with credit facility of Baht 2,520 million.

Cement Line 4 Project with production capacity of 4.5 TPA

On March 15, 2012, the Company entered into supply and engineering contracts for the Fourth Cement Plant Project with two overseas companies. In 2013, additional project investment of Baht 11,500 million was financed from onshore and offshore financial institutions. The credit facility granted by offshore financial institutions was guaranteed by the Export Credit Agency, the Ministry of Finance, the Federal Republic of Germany and the Export Credit Agency, Belgium. Cement line 4 has production capacity of 4.5 TPA. The additional 4.5 TPA of cement line 4, combined with the existing 9 TPA, will increase the Company's total production capacity to 13.5 TPA. It is anticipated that cement line 4 will begin commercial operations in 2015.

The new supply contract and the new engineering contract for the fourth cement plant project became effective March 29, 2013. As a result, the two overseas companies have to comply with the Settlement Agreement by signing the Release Agreement and the Waiver Letter. The Company submitted the petition with the Supreme Court to withdraw the appeal against the orders of the Central Bankruptcy Court. Both overseas companies also counter-signed the petition to acknowledge and consent to the Company's withdrawal of the appeal with the Supreme Court. In addition, the two overseas companies submitted the statements with the Central Bankruptcy Court to waive their rights, to release the Company's obligations, not to proceed with the claim, not to proceed with enforcement against the Company pursuant to the orders of the Central Bankruptcy Court, and to waive their rights to enforce the ICC arbitral award in Switzerland, Singapore, Germany, and other countries, (if any) pursuant to the obligations under the previous supply contract and the previous engineering contract. The Supreme Court granted permission and struck the case off the case list.

As a result of the aforementioned actions, the Company will not have any obligations to make the payment pursuant to the orders of the Central Bankruptcy Court in the above case or the ICC arbitral award in Switzerland, Singapore, Germany, and other countries (if any) anymore.

Waste Heat Recovery Power Plant – 90 MW output

The alternative fuel power plant project, with a capacity of 90 MW output and the total project investment of Baht 4,700 million, is financed by local financial institutions. The 90 MW Power Plant is composed of the refuse derived fuel (RDF) of 60 MW, and the Waste Heat Recovery Power Plant Project of 30 MW. The Electricity Generation Authority of Thailand (EGAT) signed

the Sales-Purchase Electricity Agreement with TPI Polene Power Co., Ltd. on November 19, 2013. The adder obtained from this project is the special margin, on alternative-fuel-generated electricity, from The Power Electricity Authority of Thailand. The Power Plants have been granted BOI promotional privilege certificates and are expected to begin commercial operations in 2015.

“Fiber Cement” Our Most Recent Innovation for Better Quality of Life and Enhanced Environment.

In 2014, TPI Polene anticipates introducing fiber cement products, our most recent innovation, in the market. Fiber cement consists of tile underlay on decks, overlapping horizontal boards and imitating wooden siding. Our fiber cement products have been tested to be environmentally friendly and 100% free from asbestos or harmful material, and were developed in response to expanded and continued demand for reliable green building materials, and can be utilized as a substitute for timber fascia.

To Consistently Increase Business Opportunity

To accommodate the continued expansion in demand for cement mortar and lightweight concrete as prefabricated material popularly used in current construction projects in order to accelerate project completion and save on the cost of labor, TPI Polene is considering making an investment in cement mortar project and concrete lightweight project.

Corporate Social Responsibility

It has been one of our proudest achievements to continue to operate the business by enhancing our strengths and stability, which are considered the fundamental factors in pursuing successful business operations. Other than this, TPI Polene realizes the importance of the clear role of operating the business to achieve excellence. Such pursuit is congruent with an adherence to foster a good governance corporate culture throughout the organization while creating public well-being in surrounding communities, industries, agricultures, communities and consistently protecting the surrounding environment to step forward internationally with an attempt to reduce carbon footprint or reduce greenhouse gas emissions.

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 and their trust that they always have towards the Company to create unswerving progress for the organization. To this end, we strongly pledge our commitment to expand our project investments to create stability for the organization, to enhance economic strengths for the country and for personnel, to further enhance sustainable growth of the Company while supporting the surrounding communities and consistently protecting the surrounding environment in the country to further enhance the sustainable growth of TPI Polene Group.

Sincerely Yours,



A handwritten signature in black ink, consisting of stylized, flowing letters.

Mr. Visith Noiphan
Chairman of the Board



A handwritten signature in black ink, featuring a prominent, bold initial 'P' followed by several strokes.

Mr. Prachai Leophairatana
Chief Executive Officer

Audit Committee's Report for 2013

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, disclosure of Company information, and to review implementation of the provisions of related governing laws, as well as any other important tasks. In 2013, the Audit Committee convened 6 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 has performed in compliance with the principles of good corporate governance and has embraced the Code of Conduct as a policy for all employees to follow, by emphasizing the balanced consideration of all related parties, fair treatment to all parties concerned, including shareholders, suppliers, contractors and the community as a whole. The Company also realizes the importance of public well-being creation and environmental conservation and 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 action, 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 2014.

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. Nirand Lilamethwat, CPA registration no. 2316 or Mr. Vinij Silamonkol, KPMG Phoomchai Audit Limited, CPA registration no. 3378 or Mr. Ekkasit Chuthamsathit, CPA registration no. 4195 to be the statutory auditors of the Company for 2014.

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, internal control and audit systems, and is 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

Corporate Social Responsibility (CSR)



The Company has focused on driving our corporate culture actively in all respects for all levels of staff to study and commit to be role models by putting corporate social responsibility into practice. The Company has embraced the Code of Conduct as well as other related guidelines and set it as its principal guidelines through the Company's website at <http://www.tpiolene.co.th>. Articles of the code of conducts cover 10 principles as follows:

1. Community Development
2. Interaction by Respecting Human Rights Principles
3. Labor Practice
4. Natural Resources and the Environment
5. Fair Business Operations
6. Consumer Issues
7. Transactions with Public Sector Organizations
8. Anti-Corruption Policy
9. Security Control of Area and Assets of the Company
10. Conflicts of Interest

The Company's Directors acknowledge best practice for directors of a listed company as their principal guideline and the Company has embraced the Code of Conduct (as well as other related guidelines), which is constantly reviewed to improve it and set it as a policy for all employees to follow. 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.

The Company still maintains a policy of full commitment to Corporate Social Responsibility (CSR), with the ideal of “clean and transparent Thailand where all citizens live happily”. The Company is committed to pursuing its business operations by carrying out its duties with integrity, transparency and ethics with a clear role as the leader that performs in compliance with the principles of good corporate governance and focuses on fair treatment for all parties concerned, including shareholders, suppliers, contractors, the community, as well as related persons as a whole.

The Company also performs CSR in process, which is recognized to be beneficial to society and the environment, as described in the topic “TPI Polene and Society”. The Company’s role in pursuing its business operations to be responsible to society and create sustainable growth for the Company and the society as a whole is considered as “CSR in process” as shown in the topic “TPI Polene, its Quality, Safety, and Environment”.

The Company is committed to pursuing its business operations by carrying out its duties under the principles of good corporate governance, which forms an integral part of “CSR in process”, which the Company has put into practice and which abides by strict moral guidelines. To this end, the Company also raised the issue on “Community Development” as we played an important role by participating in the community, which includes:

- **Development of good health:** the Company realizes that enhancing lives to promote good health is fundamental, with benefits for people and the country. The Company, therefore, consistently promoted the “Good Health Project” for the people in communities covering the areas in Saraburi and Chaiyaphoom province, by focusing on disease eradication and promoting healthcare service in the community. As for disease eradication, the Company provided mobile medical units for general check-up services for people in the community. The result of health check-ups of those who were found abnormal will be followed up continuously and will receive proper care and medications. As for promoting healthcare activities service in the community, TPI Polene supported anti-drug activities and supported the project “Promoting Public Health Volunteers for the village” in the community.
- **Development of Sustainable Economic:** the Company realizes the importance of sustainable economic growth as a source of sustainable income for the people in the community. So we further promoted an awareness campaign for the community to carry on with the philosophy of His Majesty the King to pursue their own lives under the “Sufficiency Economy” concept, with sustainability and continuity, for the development of skills for students, housewives as well as the elderly, for their careers or part-time jobs. This covered the areas of 12 districts in Saraburi province, and included the projects: “Community career for women and housewives to create wooden flowers and wreath”; “Community career for producing shampoo and dish washing fluid”; “A project to make charcoal ovens from waste material at low cost”; “Macrobiotic agricultural program to plant organic vegetables with TPIPL organic fertilizers”; “Professional Fish Raising Training Project”, etc. In addition, the Company has a policy to recruit the people in the community to work as staff in the Company.
- **Sustainable Academic Development:** TPI Polene foresees the importance of academic development that it is a fundamental factor in people’s lives and creates good opportunities for career, economic development, and contributes to the social and traditional cultures of the people in the community. To this end, the Company held many activities and supported many organizations that performed useful activities for young people. The Company awards a total of 2,500 scholarships per year to those from secondary school level right through to graduation, for those with special qualifications, such as academic talent, but who might have lacked monetary resources. TPI Polene also supported the program “Kids Combating Fire” by advising information relating to all aspects of fire safety.
- **Supporting sustainable growth of society and cultures:** TPI Polene acknowledges the significance of cultural stability as well as local traditional cultures, which are mostly valuable to preserve. TPI Polene has consistently committed to promoting and preserving Thai culture alongside the consistent development of Thai society covering the areas in Saraburi and Charyaphoom province. With a strong commitment to continue developing to strengthen the sustainable growth of the community in peace, the Company has initiated the project “Development of growth potential of the community on the Beloved Fatherland”. As for the preservation of traditional cultures, the Company also supports the “Monks and Novices Summer Ordination Project”. TPI Polene also preserves the “Thai traditional Songkran Festival”, “Loy Kratong Festival”, “Gilding on prototype of the Buddha’s Footprints”, the “Rocket Festival” in Amphur Chalermphrakiat, and “Traditional Merit Thai-Vietnamese”. The Company has a long-established commitment to consistently renovate religious places to maintain the unique Thai identity in the community forever.

The Company still maintains a policy of full commitment to consistently preserve nature and the surrounding environment leading to sustainable growth of the organization, which is an integral part of CSR in process. The Company focused on the importance of environmental conservation by promoting investment in projects that help reduce carbon dioxide emissions at the plants to zero and reduce greenhouse gas emissions that cause global warming. To this end, the Company has driven business implementation, which includes a linked network on production processes of TPI Polene Group to be environmentally friendly in compliance with the full commitment to help reduce emissions of greenhouse gases or carbon dioxide to zero. The Company has made investment in the following projects throughout the year 2010 until present:

1. The Waste Heat Recovery Power Plant, phrase 3, with a capacity of 54 MW output, helps reduce coal energy usage, thereby reducing emissions of greenhouse gases or carbon dioxide to zero.

2. A Renewal Energy business with Alternative Fuel Power Plant, or Refuse Derived Fuel (RDF), which is produced by processing municipal solid waste, landfilled waste and non-hazardous industrial waste, to boost its fuel value and to recover recyclable materials. The boosted solid waste is then co-fired with coal in the cement production process, enabling us to reduce our coal usage, thereby reducing emissions of greenhouse gases or carbon dioxide to zero.

3. The Company has consistently developed 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.

4. Fertilizer Plant: Humic Organic Fertilizer and Grow Organic Fertilizer make use of decomposed organic substances as compost materials. This was also certified to have satisfied organic agriculture standards pursuant to the International Federation of Organic Agricultural Movement (IFOAM). Most importantly, TPIPL organic fertilizers are safe for consumers, users and environment.

5. The Industrial Waste Disposal Business 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 to enhance the environment, thereby reducing emissions of greenhouse gases or carbon dioxide to zero.

6. Our fiber cement products have been tested to be environmentally friendly and 100% free from asbestos or harmful material. The production facility is under construction and is expected to be completed by 2014.

7. The renewal energy business through an alternative fuel power plant, with a capacity of 90 MW output, consists of refuse derived fuel (RDF) - 60MW output and Waste Heat Recovery Power Plant Project - 30 MW output. This project helps reduce emissions of greenhouse gases or carbon dioxide to zero. It is under construction and expected to be completed by 2015.

The projects as above help reduce carbon dioxide emissions to zero and reduce greenhouse gas emissions. In addition, they will further enhance overall long-term benefits to the country by reducing imported fuel energy from overseas. Furthermore, it helps reduce the environmental impact at the source and reduce energy usage, the sources of which are quite limited. The renewal energy business through an alternative fuel power plant as above is considered a sustainable energy source of Thailand, thus creating economic wealth for the country.

Awards that make us proud



“The 2013 Prime Minister’s Industry Award” in the category of Energy Management

On November 14, 2013, our cement plant was awarded “The Prime Minister’s Industry Award” in the category of Energy Management through effective utilization of energy management. It was our privilege and honor to pledge a strong commitment to enhancing energy management, which led us to receive the award from the Department of Industrial Works, Ministry of Industry.

Labor Development Skill Award in compliance with Skill Development Act B.E. 2556

On November 1, 2013, our cement plant received the “Development Skill Award” from the Department of Skill Development, the Ministry of Labor in compliance with Skill Development Act B.E. 2556. This is to certify that the Company realizes the importance of continuous development of our human resources to achieve their fullest potential by providing all our employees with the opportunities to learn and continuously develop their skills.

LDPE Plant and Green Industry Award

The Company participated in the Green Industrial Project, the Department of Industrial Works, Ministry of Industry. The Company surpassed all assessments, which were awarded and certified under the project “Green Industry Level 3: Green System Institute for surpassing industrial and environmental protection standards through continuous assessment and monitoring on September 14, 2012 and June 20, 2013 respectively from the Ministry of Industry.

LDPE Plant and Social Responsibility Standards

In 2012, the Department of Industrial Works extended and promoted the project to manufacturers to perform business with responsibility toward society to further develop to be a “Green Industry”, for the preparation of the industrial sector of Thailand to achieve the development of equilibrium under international standards to comply with social responsibility systems. This will enable the industrial sector in the country to enhance the sustainable economy and further create a fair, competitive system in Thailand to connect with production networks and knowledge base and promote service, innovation, creativity and environmental responsibility in the Asian arena. LDPE plant, Rayong province began to develop a CSR monitoring framework and strengthening measures and policies that benefit the community. Within the matrix of CSR issues established in this framework that have been continuously implemented, the Company received multiple CSR-DIW Awards on September 25, 2011, December 19, 2012 and September 11, 2013 respectively.

Alternative Energy Certification: the “2013 Gold Class Award”

On June 18, 2013, TPI Polene Power Co., Ltd. was awarded an alternative energy certification (“Gold Class Award”) for bringing total cement production capacity to generate electricity, or Waste Heat Recovery Power Plant, using energy management standards from the Department of Renewable Energy and Energy Conservation, Ministry of Energy. This is to certify that TPI Polene has participated in a Preparation Project to economize energy. This certificate was granted by the Foundation of Thai Environmental Institutes together with the Department of Renewable Energy and Energy Conservation, Ministry of Energy, the Electricity Generating Authority of Thailand and Thai Business Council for Sustainable Development.

TPI Concrete and Standard Awarded for CSR-DIW for Beginner Award 2013

In 2013, TPI Concrete was awarded the CSR-DIW for beginner Award 2013 under the standard of “Self Corporate Social Responsibility” from the Department of Industrial Works, Ministry of Industry.

TPI Polene and Social Responsibility

In addition to excellent performance of its business operations, the Company and its subsidiaries have always strived to improve social development and community standards of living by participating in many activities to create public well-being. 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 community and to improve Thai society as partly reported below:

1. Social Activities

- Contribution of blankets in for 2013

2013 was a long year of cold weather. TPI Polene wanted to share and help alleviate the cold for those in need in the remote areas throughout the country. In 2013, 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 1,772,000, together with 2013 calendars depicting photographs of His Majesty the King. As for the areas in the Northeast, TPI Polene distributed 1,000 blankets to local people in Amphur Bankwao, Amphur Chathurat, Amphur Nuensagha, Chaiyaphoom province, and 1,800 blankets to local people in the District of Banhuayforsuen , Amphur Pakchom, Luey province, and 700 blankets to the Department of Disaster Prevention and Mitigation to further distribute to those who suffered in the cold in remote areas. As for the North, TPI Polene distributed blankets to organizations in Chiangmai province, such as: 2,700 blankets to hill tribes and local people in Amphur Mae-Ay, Amphur Chiengdao and Amphur Chaiprakarn, Chiangrai province; 1,000 blankets to hill tribes and local people in Amphur Mae-hod; 300 blankets to Wat Sridonmoon; 300 blankets to Wat Panakham, Amphur Hod; 800 blankets to Banksuanthammasil Thamma Practice Housing to further distribute to the people and the hill tribes, who suffered from the cold weather; 1,400 blankets to elderly and hill tribes in Amphur Mae-Sa-Ruay, Chiangrai province.

- Made a contribution of Baht 13,269,565 to the foundations, non-profit organizations, and government authorities to help support activities that benefit society such as the “Association for the Paralympic of Thailand” under the patronage of His Majesty; the Project “Chula to pay homage to the Father’s Teachings to further follow and implement” under the project of Phra Dabos Foundation, Chulalongkorn University; To help support construction of a dormitory for students of Kwuannieng Wittaya School, Songkha province; Saijai Thai Foundation, under the Patronage of His Majesty the King; The Foundation For the Promotion and Development of Thai Deaf Persons; The Foundation of Thai Handicaps, under the project “Wheelchairs for Handicap and Orthosis and Prosthesis; Association of Alumni of the Blind Teachings School”, Chiangmai province, under the project “Fill in Love, Keep on Dreaming and the Children’s Day for blind kids”.





- Promoted the “Good Health Project” for the people in the community by continuously providing mobile medical units to protect them from overall hazards including seriously infectious illnesses. This also includes general check-up services, a haircut service, and inspection services for electrical apparatus, bicycles and motorcycles to enhance vehicle performance. In addition, TPI Polene also held activities to provide health information to the local people in the community and further promoted an awareness campaign for the people in the community to plant organic vegetables to encourage good health to the local people in the surrounding communities in Amphur Kaengkhohi, Amphur Muaklek, Amphur Chalermprakiat, Saraburi provinces.
- Participated in the activity “Donation of blood for auspiciousness of His Majesty the King” under the coordination of the Center of Saraburi Hospital and Red Cross Saraburi. For the event, employees of TPI Polene, together with the local people in the community, jointly donated 283,200 cc of blood to patients in need in Saraburi province and the surrounding area.
- Distributed TPIPL 600 ml. and 1.5 liter bottled drinking water for a total of 83,076 bottles, with a value of Baht 231,334.24, to the organizations through the provincial governors of Saraburi province and the Thai Red Cross Society to further distribute to the affected people in inundated parts of Thambol Kahard, Thambol Laharn, Lumnamshee district, Chaiyaphoom province; also to the affected people in the flooding in the Philippines. The Company also participated in “Phranang Cham Thewi and Winter Fair”, Lampoon province; Health Care Hospital, Thambol Lungkao, Saraburi province; Mobile Municipality Project, Amphur Muanklek, Saraburi province. TPI Polene supported athletic activities such as Anti-drug Athletics, Amphur Muaklek, Amphur Chalermphrakiat, Saraburi province and supported snooker athletics, Saraburi province; “Clean Streets and Nice-looking Home Project”, Sub-district Administrative Organization, Amphur Muaklek, Saraburi province; 2013 Beloved Trees Fair, The Office of Forest Management no.5 (Saraburi), Intellectual Campaign for Society, Phrabudhabart Temple, Saraburi province, Municipality Tubkwang, Saraburi province; Saohai Hospital Chalermphrakiat 80th Birthday Anniversary, Saraburi province; Chalermphrakiat Police Station. 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.

2. Religious Activities

The Company donated the following: TPIPL cement products of 3,320.98 tons and ready-mixed concrete of 283.5 cubic meters, with a value of Baht 4,662,700.23; as well as cash donations of Baht 7,154,499, making a total value of Baht 11,817,199.23 to more than 42 temples in the country for the purchase of construction materials to build and renovate religious places. These included: kitchens, ordination halls, meditation halls, Dharma study halls, a sermon hall in a monastery, ordination halls, a monk's house, crematory, stupa, Dharma practice hall and surrounding areas around temples for Buddhists and people in general. The Company donated cement to support Buddhism but also distributed cement for the construction of churches and mosques for Roman Catholics and Protestants. The Company also recognizes the importance of Muslim practices by supporting and participating in Islamic rituals. We have also organized projects and activities to support the preparation of the Islamic Religious Holiday Calendar -2014, supported the Changing of Kaba Kiswa HD and we donated the clock for Ramadan (start) in the project "To bring peace to the troubled south of Thailand" with the objective to make clear and understand the Muslim instruction principles and religious context to preach the spirit and to stimulate consciousness of the misled to cooperatively make and bring peace to southern Thailand under the royal philosophy of His Majesty King Bhumibol Adulyadej "To Understand, Access and Develop" for the betterment of religion.

- Katin Ceremony

The Company and its subsidiaries acknowledge the significance of promoting and preserving Buddhism and have consistently taken part in Katin ceremonies every year until the present. To this end, the management team, the company's staff, clients and mystic people together made donations for the construction and renovation of religious monasteries and buildings in the temples. In 2013, TPI Polene hosted/co-hosted Katin ceremonies, offerings for the priests, and jointly made donations to temples in the amount of Baht 5,194,776.25. These included hosting a Royal Katin ceremony at Wat Pa Darapirom, Chiangmai province; hosting a Katin offering at Wat Sridonmoon, Chiangmai province; hosting Katin at Wat Baanhinlub, Saraburi province; and hosting Katin at Wat Tumsarika, Nakornnayok province.

TPI Polene also donated Baht 10,000 to support the "186 Monks and Novices annual Ordination Project" at Wat Thartnoi for a celebration on the auspicious occasion of His Majesty the King's birthday anniversary and the occasion of the 86th anniversary of the temple of Thartnoi, Nakornrajsrima province. TPI Polene also made contributions of Baht 20,000 to subsidize "Dhamma Talk" so that laymen/laywomen can practice meditation at the Temple of Thamphraphothisat, Amphur Kangkhohi, Saraburi province.

- TPI Polene and its subsidiaries supported the propagation of Buddhism through "The World Buddhist Television of Thailand (WBTV)" at Wat Yannawara on the Auspicious Occasion of Her Majesty the Queen Sirikit's 72nd Birthday, and to introduce and propagate the teachings of Lord Buddha in the country and to the world community in order to bring about peace and harmony to the lives of the people in the country with various





nationalities and religions. The aim is to cultivate and create consciousness among Thai people to be patriotic to their homeland and sacrifice themselves for the genuine good of the nation, their religion and the monarchy. This also includes the propagation of Buddhism under the program “The Miracles of Wisdom” with a daily monk speaker, Phrarajyannakawee and Phrapornphol Prasanno, at The Temple of the Rama IX Golden, to introduce and propagate the teachings of Lord Buddha.

3. Academic and Youth Activities

TPI Polene knows the importance of academic development and educational support for creating good opportunities for young people to learn hands-on by broadening their skills as well as consistently developing the quality of academic institutions. TPI Polene fully understands that our youth are fundamental to the future of the nation. For events, the Company held many activities and supported many organizations that performed useful activities for young people and granted scholarships to those with special qualifications, such as academic talent, but who might have lacked monetary resources. They are as follows:

Scholarships Awarded

- Consistently supported educational funds in the form of scholarships and fellowships to a total of 8 students in the community of Saraburi province. Scholarships are reserved for students with special qualifications, such as academic talent and good behavioral performance until graduation.
- Supported educational funds in the form of 540 scholarships or a total of Baht 254,500 to students from kindergarten level right through to secondary school or high school in certain areas surrounding the cement plant in Saraburi province.
- TPI Polene Power Co., Ltd. together with the Department of Mineral Fuels, Ministry of Energy awarded 540 scholarships, a total amount of Baht 563,000, to 19 schools for needy students in certain areas of the country such as Amphur Chaturatre, Amphur Nuensagha and Amphur Bankhwao, Chaiyaboom province in concession area, Chaiyaphoom province. In addition, the Company also supported educational funds of Baht 907,800 to Suranaree University of Technology to further purchase educational aids.
- Awarded 45 scholarships of Baht 1,500 each to support needy students with outstanding academically talented qualifications; made a contribution of Baht 25,000 to schools as well as learning and sports materials for a total of Baht 171,179 to students in Bansarmruen School a Warkulchornwachiraram, Petchaburi province, to support the “2013 Walk Rally Save the World” project, with an aim to cultivate awareness of natural resource preservation, environmental conservation and to further support tourism in Thailand.

To Enhance Academic Quality

- Made a contribution of Baht 1,000,000 to Bannonghoi School through the funding of TPI Polene, Khonkaen province to subsidize the funds to support and improve the libraries, computer room, Learning Center, fences besides schools, drainpipes alongside the street to schools and drainpipes in front of the schools. TPI Polene also participated in the activities to arrange “Academic Camp STEMS” by focusing on the quality of learning to take care of the attendants in classes to be happy in schools.
- Made a contribution of TPIPL cement products such as TPIPL cement, Concrete Roof Tiles and other products to CIMB Thai Bank Plc for the construction of a Learning Center and mangrove forest ecosystem under the Project “Forest Preservation”, with an aim to build “The Learning Center” for research of species diversity in the mangrove forest areas. The center will also be used for environmental research and ecological diversity of the mangrove and to cultivate new knowledge outside the classroom and create awareness of environmental protection, partake in environmental and natural conservation in a continuous and sustainable fashion in Tambol Paknampran, Amphur Pranburi, Prajwabkirikhan province.
- Subsidized the funds to organize the “National Children’s Day Celebration” at several schools in Amphur Kangkhohi, Amphur Muaklek, Amphur Wangmuang, Amphur Schalermpkrakiat, Saraburi province and the schools in the reserved concession area in Amphur Nuensagha and Amphur Chaturate, Chaiyaboom province. The aim was for the students to enjoy good musical performances, to play games and receive gifts, which will add value to their childhood and make the Children’s Day special. Such activities should be promoted and undertaken on a large scale to realize the importance of children, and Children’s Day is a good opportunity to involve children in social activities to act creatively and perform with discipline.
- Supported a “Science Museum Project” by taking 119 students from Bansubpruk School, Ban Subborn School, Cow Farming Association School, Saraburi province to join the activity “Science Walk Rally” and have the children answer questions 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 easily understandable way 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 project for educational trips by having a group of 330 management team members, teachers and students from Phraphariyattidhamsamunsuksa Wat Phrathatphanom School visit the “Royal Thought Project” at Thung Makhamyong, the Temple of Chaiwatanaram, the Temple of Phrasisanpetch, the Temple of Prananchuen, the Temple of Choochitwanaram, Bangpa-in Palace and the Support Arts and Crafts International Center of Thailand (“SACICT”), Pranakornsiyayudhaya province. The project was held with the objective to increase the knowledge of attendees inside and outside the classroom; the Learning Center can assist learners in obtaining modern technologies to be used as much as possible and to develop knowledge and the potential of the learners and further convey the knowledge to obtain optimal benefits.

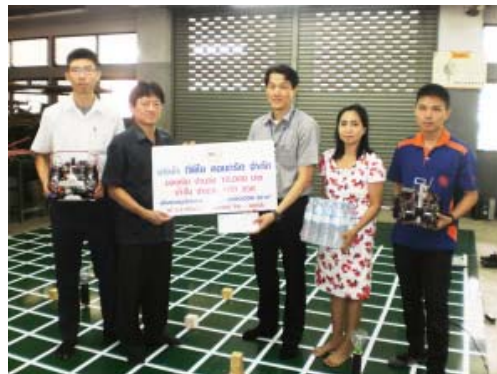




- Supported the project “Walk Rally Agricultural Studies”, for vocational academics by having the students from Ban Subborn, Saraburi province, learn and observe eco-agricultural studies at the Dairy Farming Promotion Organization of Thailand (“DPO”) and the Temple of Pharkao, Amphur Pakchong, Nakornrajsima province; had the students from Tabkwang kindergarten School, Wat Huayhinkao School, Watladkaopoon School, Tambol Bankang and Watmongkol School, Tambol Kaowatana, Amphur Chalermphrakiat take an agricultural education trip at Kao Kheow Open Zoo and Bangsaen Sea, Chonburi province.
- Promoted the project for vocational academics by having the government officers and academic personnel from Sahaviriyasuksaphasadet and Nikomthubkwan Community School 1 to join a seminar held by the Company; supported the arrangement of “Night Light Candles Party for 2013” for the teachers in Amphur Kangkhohi, Saraburi province, Ban Kao Maikwian School and Bank Subborn and arranged “The Teachers’ day” fair, Amphur Kangkhohi and Amphur Muanklek, Saraburi province.
- TPI Polene, Saraburi plant, fully supported activities regarding academic programs in cooperation with a group of professors and students at the level of Bachelor degree, Master’s degree and Ph.D. degrees from various institutions such as:
- The Faculty of Engineering, Chulalongkorn University, King Mongkut’s University of Technology, Electrical Fields, Technic Suksanaree College, The Institute of Vocational Education, Northeast Region 5, Suwannaphoom Environment Care Co., Ltd., the Office of Sathorn district, Sriew Hospital, City Municipality of Saraburi, Food and Agriculture Organization (FAO), Republic of the Union of Myanmar, Long Line Dawwna Trading Co., Ltd., the Office of Regional Environment 7, to observe the process of alternative fuel from renewable energy and a fully-integrated waste management system and to observe the production process of our organic fertilizers project, which is considered the biggest plant in the country.
- Suan Sunandha Rajabhat University, Samutsakhon Technical College, to observe the cement production process and operations of its quality control system.
- Udonrthani Rajabhat School, Vocational College, Burapa University and Suan Sunandha Rajabhat University, to study our Corporate Management System.
- Subsidized and supported the educational work of the universities to further benefit the country’s development, such as the project “AAR, Deterioration of Concrete Infrastructure” regarding the cracking of concrete structures stemming from the problem of alkali aggregate reactions, which accelerate deterioration and weaken the structure, which is directly caused by the uses of aggregate, sand and cement. Cracking of concrete structures was found in infrastructure projects arranged by Civil Engineering, the Faculty of Engineering, Kasetsart University. In addition, the Company helped support “Academic Conference of Academic Metallurgy of Thailand” no. 7 of Mining Engineering, the Faculty of Engineering, Prince of Songkla University; “Industrial Engineering Network Conference 2013”, Industrial Engineering, the Faculty of Engineering, Mahidol University and “, Industrial Engineering, the Faculty of Engineering, Silpakorn University. The conference was held for the purpose of presenting the articles and student research and exchanging academic experiences amongst the participants under the topic “Green

Productivity and Innovation”, the “Project to enhance the growth potential of the pre-engineering Thai-German students” to join the project and compete at Yamo Robocon 2013; the last project was “Open the grandma city to Asians”, Rajamangala University of Technology Northeast.

- Support for the project of “Rural Development Voluntary Camps”. To this end, TPI Polene realizes the importance of the development of skills, knowledge and talent of the students to apply their knowledge to practical use in the work fields and convey the knowledge to people in the community to perform the activities that bring benefits to society. In 2013, the Company made a contribution of 78.034 tons of TPIPL cement products to both governmental institutions and private institutions, totaling Baht 288,451.37, for the construction of multi-purpose buildings, and to repair dilapidated studying rooms, rest rooms and libraries in the academic institutions. These included Chulalongkorn University, Kasetsart University, Thammasat University, King Mongkut’s Institute of Technology Ladkrabang, Mahidol University and Chankasem University., etc. TPI Polene also made contributions of TPIPL cement to the Faculties of Civil Engineering in 25 different institutions in the country for the purpose of a course-training program for masons and to create useful activities for the society.
- Made a contribution of TPI M900 cement bags to support the project “To preserve unique identity of Engineering History over 100 years”, Chulalongkorn University, to be seen as historical artwork around the building. The Faculty of Engineering assumed a leading role as the unique and historic institution in Thailand, to create a knowledge base with academic background, teaching and research to strengthen its traditional role for the knowledge enhancement from generation to generation.
- Made a contribution of 461.153 tons of TPIPL cement products such as TPIPL Super Green cement, TPIPL Red Portland Type 1, TPIPL Mortar 197, and TPIPL Mortar 199, and TPIPL Nano Paint, Clear Coat and ready-mixed concrete, totaling Baht 722,812.41, for the construction of dining halls, study buildings, fences, and roads and to repair dilapidated buildings at several schools. These schools included: Rajaprachanukraw 27 School in Nongkai province, The School of Border Patrol Police, Amphur Bankpao in Luey province, Bank Maeankang School, Chiangmai province and Wat Bannork School, Nakornrajsrima province.
- Made a contribution of 3,767 cement bags to governmental authorities to support construction of a dam, as it creates reservoirs that supply water for utilization during lean periods. Regulated flow of water from reservoirs help in diluting harmful dissolved substances in waters by supplementing low inflows and can be used for irrigating arid lands. It controls the water running through a specific river, keeps moisture on the surface of soil and further creates a balance of nature. Those projects include the construction of a dam at the water source, in Amphur Maefahluang, Chiangrai province.
- Supported the project “Concrete TPI 2U to return back to the Society”. TPI Concrete Co., Ltd. repaired the grounds of Wat Kampang School by painting the walls, the recreational pavilion, the stage, the big pavilion in front of the school, and by pouring concrete pavement with concrete covering and concrete scraps to reduce waste from concrete scraps, thus reducing the utilization of natural resources and create nice-looking scenery for the schools.





4. Environmental Activities

From the outset, TPI Polene has realized the importance and ultimately the benefit of energy management through the effective utilization of natural resources, which has led to the following awards:

- **The Prime Minister's Industry Award**

The Company has been awarded "The Prime Minister's Industry Award" for 2013 from the Ministry of Industry, for the effective utilization of energy management. This is to certify that TPI Polene has been well aware of the environmental friendliness of our product creation. We are privileged and honored to receive the award and encourages our commitment to develop and move the business forward into the international market.

- **Alternative Energy Certification**

On June 18, 2013, the Company was certified, or awarded, an alternative energy certification ("Gold Class Award") for using total cement production capacity to generate electricity, or Waste Heat Recovery Power Plant, using energy management standards together with the Department of Renewable Energy and Energy Conservation, Ministry of Energy. This is to certify that TPI Polene has participated in a preparation project to economize energy and save energy costs to use an alternative energy in lieu of fossil fuel usage, which is both environmentally friendly and reduces our environmental impact at the source.

The Company also fully supports activities regarding the environment by taking part in arranging the exhibition at IMPACT Exhibition and Convention Center on the topic "Energy generated from decomposed organic waste" for the celebration in honor of His Majesty the King on his initiative on alternative energy for renewable energy and energy conservation, arranged by the Ministry of Energy. This activity was to reciprocate the royal thought and virtuosity for the creation of alternative energy usage and promote the suitable knowledge about alternative fuel to apply and create economic value-added for public well-being.

- **Plant trees project to mitigate the adverse effects of global warming in 2013.**

The management team of TPI Polene and its staff, together with community leaders and more than 400 students from Thambol Bangang/Kaodin Pattana/Taopoon/ Pukae/ Songkorn, Saraburi province, jointly planted 2,000 trees on the area in front of CRT (Concrete Roof Tiles) plant, Thambol Bangang, Amphur Chalermphrakiat, Saraburi province. The Company has joined a project to plant trees to mitigate the adverse effects of global warming. 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. The Company has arranged these special activities with an aim to present this to His Majesty the King and Her Majesty the Queen Sirikit as our contribution to alleviate, and to reciprocate the royal thought or idea of his Majesty the King, for the conservation of the environment and promote the development theory under the philosophy "Sufficiency Economy" to create good health and happiness amongst Thai people always.

TPI Polene donated 400 liters of TPIPL organic fertilizer to support quality of life with the Company's strong pledge to help improve the standard of living of the Thai people in society and promote environmental preservation and natural resources sustainably, such as through "the Project to restore the forest and the Project to plant 800 million trees" to celebrate the auspicious occasion of Her Majesty the Queen's 80th Birthday Anniversary, held by the Office of National Resources and Environment, Saraburi province and made a contribution 1,000 liters of TPIPL organic fertilizers to support the activity "National Annual Beloved Trees 2013" of the Office of Forest Resources and Environment 5, Saraburi province.

- TPI Polene promotes and participates in the project "Organic Agriculture on the Move" under the patronage of His Majesty the King in the district of Amphur Chalermphrakiat, Saraburi province by making a contribution of the budget and demonstrating the application of organic fertilizer to offer viable alternatives to the agriculturalists to join the macrobiotic agricultural program by planting safe organic vegetables and garden trees. This allows agriculturalists and consumers to consume agricultural products that are safe.
- Made a contribution of 3,767 cement bags to governmental authority to support construction of the dam, as it create reservoirs that supply water for utilization during lean periods. Regulated flow of water help from reservoirs help in diluting harmful dissolved substances in waters by supplementing low inflows and can be used for irrigating arid lands. It controls the water running through a specific river, keep moisture on the surface of soil and further create balance of nature. Those projects include the construction of reservoirs at water source of Specific Unit, Department of Trooper 3, Amphur Maefahluang, Kongkamrangmuangpha, Chiangrai province. The dam construction project to regulate flow of water, at Tambol Maewin, Amphur Maewang, Chiangmai province, the project to excavate the waterway and the dam construction project to regulate flow of water at Lamhuaykoonnammaetheep, to help keep moisture on the surface of soil in the forest in National Conserved Forest in Maethi-Maetheep-Maesarn and to solve the drought problem of the local people in Thambol Ma-kurjae during lean periods. This also includes the dam construction to regulate flow of water at Lamhuaybongnue, Huaybong Reservoir, the project initiated by His Majesty the King at Ban Thapasak, Amphur Maetha, Lampoon province, the project to construct the dam to regulate flow of water at Lamhuay Mae-ann, Tambol Huaysai, Amphur Maerim, Chiangmai province and the project to construct the reservoir at water source of Mor Tor Bor 3, Gawira Camp at Amphur Samueng, Chiangmai province.

5. Preservation of Traditional Thai Culture

Promoting Artwork by TPIPL Cement Mortar, Preserving Thailand's Unique Identity

TPI Polene acknowledges the significance of art and culture and has consistently committed to supporting cultural activities, promoting and preserving the unique identity of our country as well as Thai art and culture alongside the consistent development of Thai society. The Company realizes that the interest of Thai craftsmen has waned and the art of stucco molding might vanish. With a strong commitment to keep on promoting stucco molding, Thai art and culture, the Company has arranged "The Art of Stucco Molding of Thailand" competition with an aim to stimulate the consciousness of Thai people to conserve and develop the Art of Stucco Molding. TPI Polene intends to keep on promoting Thai art and culture





with the collaboration of the Poh Chang Campus of the Rajamangala University of Technology Ratanakosin, and the Thai Sculptures Association, and arranged "The 13th Art of Stucco Molding" competition, which comprised two levels as follows:

II. General Public Level with three categories:

1. Molding stucco under the title "Mahachat 13 Sermons"
2. Molding cement mortar under the title "Writing of the King Rama II: Play performed by all females" and selected 6 stories as follows:
 1. Santhong 2. Chaiyachet 3. Kraithong 4. Manaeepichai 5. Kawee. 6. Sansilchai
3. Sculpturing of cement mortar under the title, "Warm Hearted Family"

II. Youth level molding premixed cement under the title, "Thai Children's Game". The competition was held on May 8-12, 2013.

We were honored to have Mr. Manoon Mookpradit, Director and Deputy Secretary General to the Chaipatana Foundation, preside at the opening ceremony of the 13th Thailand Art of Stucco Exhibition on October 4, 2013 at the National Museum Art Gallery, Chao-Fah Road, Bangkok. The Company was honored to take part in maintaining the conservation of cultural art and development of the Art of Stucco as a unique Thai identity. The Art of Stucco which appeared in ancient monuments, and valuable national sculptures all over the country, was developed in order to respond and follow in the footsteps of His Majesty the King in maintaining the conservation and development of the Art of Stucco to remain as a valuable national sculpture forever.

• To Sustain Thailand's Traditional Cultures

TPI Polene has understood the significance of surrounding community standards of living at our plants. The Company pursues its business operations with a full commitment to deepen the harmonious coexistence of the activities of the community from time to time by promoting and preserving Thai traditional cultures in local areas, such as providing support for the offerings dedicated to Buddhist monks, and supplying big candles used in the temples on the occasion of the beginning of Buddhist Lent, to more than 70 temples in Saraburi and Chaiyabhoon provinces. TPI Polene also preserves the "Thai traditional Songkran Festival", a traditional way of paying respect to elders and receiving blessings from elders, and the "Loy Kratong Festival" in the community in Amphur Kangkoi, Amphur Muaklek, Amphur Chalermphrakiat, Amphur Wungmuang, Amphur Banmor in Saraburi and AmphurLaharnt, Amphur Nongchim, Amphur Kahard in Charyabhoom province; by participating in the following ceremonies: "Gilding on Prototype of the Buddha's Footprints" and "Raising Pyramidial Roof " at the temple of Suthiwanaram, Amphur Nuensagha, Chaiyabhoom province, "Rocket Festival" in Amphur Chalermphrakiat, and "Traditional Merit Thai-Vietnamese" in Amphur Chalermphrakiat, Saraburi.

All activities that the Company has performed with its long-established commitment are to consistently create public well-being, and social and community improvement. We step forward into a bright future for Thailand while building a future, which will improve the quality of life for Thai people alongside reliable wisdom, ethics and consciousness for society.

TPI Polene, its Quality, Safety, Hygiene and Environment

TPI Polene is well aware that our success and the sustainable growth of the organization at a level of excellence is primarily the result of growth from operational outcome together with the acceptance and trust of the community and society. Consequently, the Company's management has implemented Quality Standard Systems ISO 9001, API Spec.Q1, Environment Standard System ISO14001, Health and Safety Management Standard TIS 18001, OHSAS 18001 as well as ISO/IEC 17025 Standard, certifying the performance evaluation test and calibration laboratories under the certified laboratory system of Thai Industrial Standards Institute. TPI Polene has applied the standardization in all respects to be implemented suitably and properly to enable TPI Polene to operate the business effectively and efficiently.

Quality Management

TPI Polene Group focuses on producing, distributing and delivering quality products to satisfy customers' needs. 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 ISO 9001:2008, API Specification Q1, SPI Specification Q10 and ISO/IEC 17025:2005. In addition, the Company reviews objectives and targets regarding quality 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 18001:2011) 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 employee 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 also extends medical welfare (OPD) to cover the families of employees. In addition, annual medical check-ups are provided for all employees. The Company also prepared for the prevention of seasonal epidemics by supplying flu type B and swine flu vaccines to employees and their families.

Environmental Management

TPI Polene Group is committed to environmental conservation; hence, the Company properly improves and preserves the environment to conform to environmental standards and regulations and continuously prevents pollution in every aspect of work. The Company implemented international Environmental Standard System 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 sector 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 environmental 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, the performance evaluation test and calibration laboratories.

Carbon Label "the Symbol of Environmental-Friendly Production Process"

The Company was the first Thai manufacturer in the country and the Asian region to be awarded the Carbon Label in Thailand and in Asia by the Thailand Greenhouse Gas Management Organization (TGO) in the cement production category in 2008. The 22 types of products passed the evaluation criteria and 9 types were awarded the Carbon Label. To this end, the Company has a strong commitment to consistently develop production processes at environmentally friendly plants.

Energy Management

The Company has participated in a Preparation Project for energy management standards together with the Department of Renewable Energy and Energy Conservation, Ministry of Energy, to be in compliance with Energy Conservation Act B.E 2538 (revised version B.E 2550) for Control Building and Control Factory.

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 employees 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 the potential development of personnel.

Social Responsibility Standards

With the ideal of “Clean and transparent Thailand where all citizens live happily”, the Company is committed to doing 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, economics, public health, and the environment in order to enhance quality of life in the community in line with the Sufficiency Economy concept and ongoing 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 region. TPI Polene is the first plastic resin manufacturer to be awarded Integrated Management Systems (IMS) from ISO Standard Institutions and it is among the top six manufacturers in the country, which all have been awarded the above certificate of Integrated Management Systems.

Overview of Business Operations

TPI Polene group operates its business operations by focusing on further development and building on business innovation by employing national resources for ultimate benefit. TPI Polene; therefore, has become a leading Thai cement manufacturer, which can generate electricity from waste heat recovery, process industrial waste to boost its fuel value and to recover recyclable materials for environmental balance. TPI Polene also has become a leading Thai cement manufacturer committed to reducing carbon dioxide emissions to zero.

Policy of Business Segregation within the Group

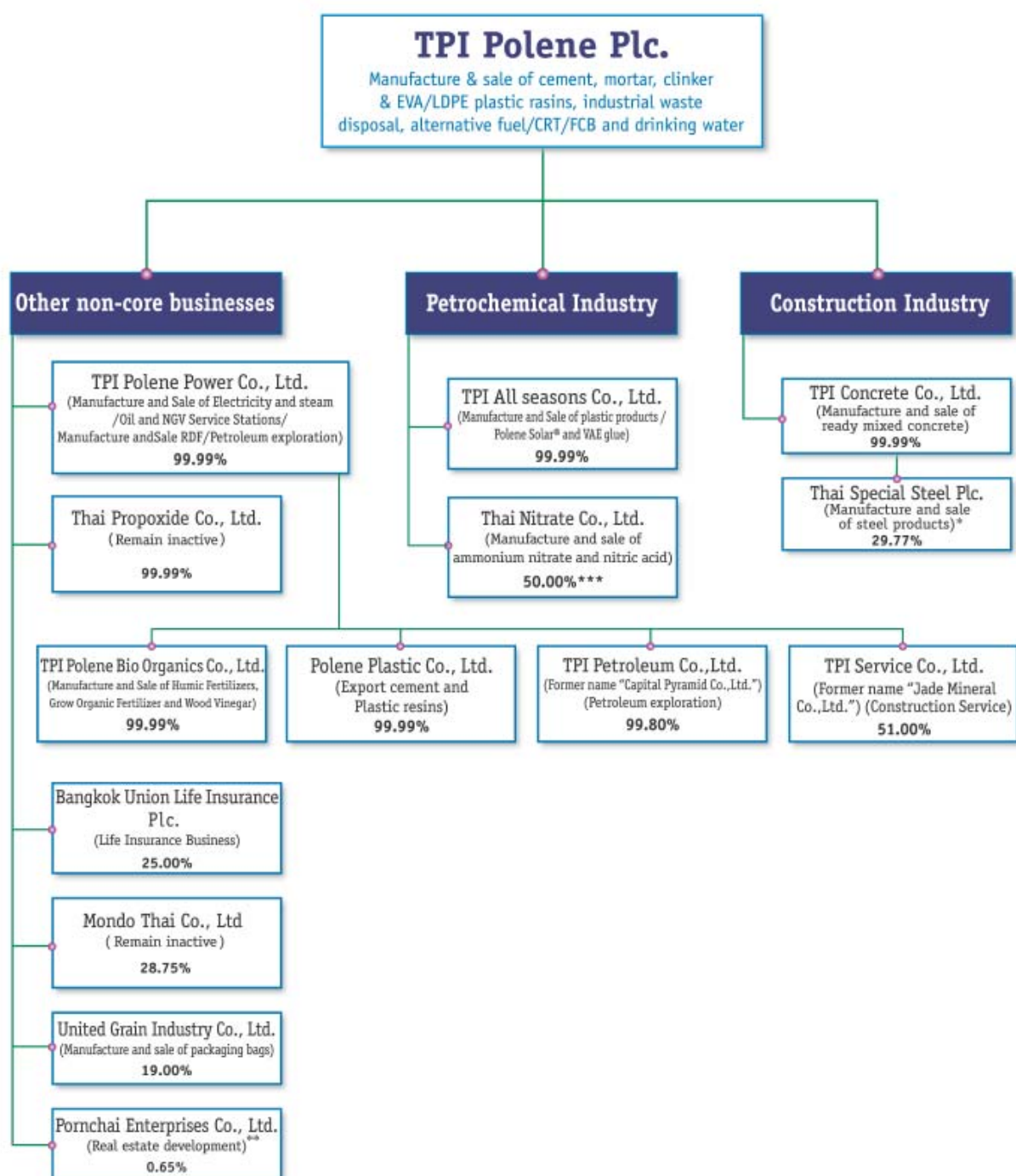
The Company is principally engaged in the manufacture and supply of cement, LDPE/EVA plastic resin, concrete roof tiles, and fiber cement and operates other related businesses through affiliated companies (as detailed in the topic: Structure of the group)

TPI Polene has established affiliate companies to support the core business and to be convenient, easy to manage, efficient to operate and increase its competitive advantages by considering any other factors, such as, relevant governing laws, financial structure, taxes and risk management, etc.

TPI Polene has maintained a policy of managing its affiliated and subsidiary companies to operate their business to be in compliance with the policies of its mother company to ensure that the business administration and the good corporate governance system is controlled in the same way. As for the administration of associated and affiliate companies, the Company has appointed a representative to a position in the executive management team to jointly manage and make decisions on policy and plan implementation by placing great importance on fostering a good governance corporate culture throughout the organization, with an emphasis on transparency to achieve set objectives.

TPI Polene and its subsidiaries have maintained our position as one of the top leading cement manufacturer to create stability and balance in business operations, public well-being, social and community improvement, while protecting our environmental surroundings to strengthen society and further enhance the sustainable growth of the Company to always be in compliance with the policy of TPI Polene's responsibility towards society.

Structure of the Group as at March 31, 2014



Remark : * In the negotiation process of debt restructuring

** As appeared in list of shareholders of the Company (Bor Or Jor 5) at the Department of Business Development, Ministry of Commerce, detailed in the 2013 financial statements, item 45.

Nature of Business

Cement, Clinker and Mortar Cement Business

TPI Polene is the one of the major manufacturers and distributors of cement products and cement mortar under the brand name “TPIPL”. The plants are located in Saraburi province. 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 to be 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.

Presently, TPI Polene is the third largest cement manufacturer in the country with a market share of approximately 18% of total cement demand in the country and it has become the second largest cement mortar manufacturer in the country.

TPI Polene was the first cement manufacturer to be awarded the Carbon Label for both Portland cement and cement mortar products. The Carbon Label demonstrates that the producer has submitted data to show that it has significantly reduced carbon dioxide (greenhouse) emissions, which cause global warming.

The Company currently operates three cement production plants, using technologically advanced machinery, and are 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.

Currently, the Company is constructing a cement line 4 project plant with a production capacity of 4.5 TPA, which is located adjacent to 3 cement production plants. Upon completion, the four cement production lines will have a combined capacity of 13.5 TPA. It is anticipated that the cement line 4 plant will begin commercial operations in 2015.

Cement Industry

In 2013, cement demand in the country grew over the previous year. However, the problem of labor shortages in the construction sector had a direct impact on cement demand, which was lower than anticipated. High cement demand growth continued in the export market, fuelled by stable Asian economies, and particularly by the development of massive infrastructure projects in those countries.

In 2013, the cement business of TPI Polene grew in parallel with continued growth of cement demand in the domestic and export market. High growth of cement demand continued in the export market, fuelled by stable Asian economies and particularly by the development of large-scale investment in infrastructure construction in those countries. TPIPL cement is considered a high quality product that is able to compete internationally.

In 2014, the Company anticipates that cement demand will increase slightly, supported by investment in public utilities and telecommunication development systems in both the public infrastructure and state enterprises’ on-going investment schemes. However, the current political uncertainty will have a negative impact on the delayed income. Other factors include the higher Baht 300 minimum labor wage, First-House Scheme, First-Car Scheme and the Government’s Rice Pledging Policy, as financial institutions tend to cease cash injections into the system as a result of the tentative defaults on loan payments of low-income buyers in the household sector. All those factors have a direct impact on the overall economic growth and demand for cement in the domestic market.





LDPE/EVA plastic resins

TPI Polene is the manufacturer and distributor of LDPE Homopolymer (LDPE) and LDPE Copolymer (EVA) plastic resin. TPI Polene operates this business in Rayong province. The LDPE is the output to be used as a main raw material for many types of plastic products, while EVA plastic resin will be used to produce athletic shoes. Low-density polyethylene (LDPE) and Ethyl Vinyl Acetate (EVA) account for TPI Polene's strengthened position as a leading player, with the largest market share for LDPE and EVA in Thailand, representing 20% and 90% of total domestic sales volume in the country. 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.

LDPE/EVA Industry

In 2013, competitive conditions for LDPE/EVA plastic resins was intense due to the economic slowdown causing weaker demand in both the domestic and international markets, particularly a slowdown of imported

commodities from the countries in the Euro zone and the United States of America. Simultaneously, there were several manufacturers brought on stream with additional capacity from Korea and China, which caused supply to exceed demand, thereby resulting in a drastic reduction in plastic resin prices. However, the Company has developed a differentiated product to create value-added to the business by producing copolymer resin, the properties of which are the basis of many hot melt adhesives. The Company also successfully developed a hot melt that uses EVA as the main raw material. This product was launched in the market in 2013.

In 2014, the Company anticipates that the plastic resin price will stabilize to be in line with supply in the market, which is projected to increase to be equivalent to demand in the market as there is a sign of economic recovery in the United States of America and in Euro zone countries. It is anticipated that growth in plastic demand in the athletic shoes industry and the installation of solar cells is set to become more robust in 2014.



Ready-mixed Concrete

TPI Concrete Co., Ltd. Manufacture (a 99.9% owned subsidiary company) is the second largest manufacturer and distributor of ready mixed concrete with a market share of 13% of ready-mixed concrete demand in the country. Product quality and consistent improvement of service is our prominent feature.

Ready-mixed Concrete Industry

In 2013, the ready-mixed concrete industry grew at a lower rate as compared to the year 2012, partly due to the economic slowdown in the country for the first half of 2013, especially private consumption and investment that grew more slowly after having sharply accelerated in project construction in the fourth quarter of last year.

A large portion of ready-mixed cement consumption is directly related to government-funded projects. Demand for ready-mixed cement for infrastructure development is expected to increase as the government seeks to further develop the country's infrastructure. These include government-funded projects, which seem to be the major drive for the investment in infrastructure projects and industrial projects, primarily causing the constant growth in the overall construction business; the construction of residential housing, condominiums, commercial buildings and department stores alongside the sky train and at nearby locations. This also reflects expansion in demand consumption for ready-mixed concrete in the market, thereby, driving the ready-mixed concrete business of the Company in 2013 to grow to be in line with the growth in the construction industry as mentioned above.

In 2014, the Company anticipates that the ready-mixed concrete industry is projected to grow consistently, driven by the government's infrastructure spending, which will tend to expand to be in line with the budget disbursement and which follows the economic plan of measures for the promotion of sustainable economic growth and the higher disbursements of the water resource management plan. This also includes high-speed rail projects and the disbursement of the infrastructure investment plan, which will commence in 2014 onwards. This seems to be the key growth of private spending, which is projected to expand faster, such as, real production from private sector, higher household non-farm income, construction of high rise buildings, housing, and condominiums. All those factors are the main driver that boosts consistent demand consumption for ready-mixed concrete. However, the development of economic plan might not be as planned as a result of political unrest.

Concrete Roof Tile and Fiber Cement Business

The Company has made investments in a concrete roof tiles and a fiber cement projects, with total project investment of Baht 500 million and Baht 3,300 million for concrete roof tiles and fiber cement projects respectively. These projects have been granted promotional certificates from the Board of Investment (“BOI”). The Company commenced partial commercial operations of the concrete roof tiles project in 2012 and planned to become fully operational in 2014. The Company also plans to commence the partial commercial operations of the fiber cement project by the end of 2013 and plans to be fully operational in 2014.



The Company also provides a comprehensive range of design for concrete roof tiles in professional style. Our superior-quality tiles are available with roofing system, heat-resistant coating and also the budget for installation can be quickly estimated. Our tiles are ideal to complete sustainable building construction, assuring efficient installation work by the professional team under the standardization of roofing material and efficient production process, which can be tested. Our roof system has a large variety of quality products with an attractive appearance and has a comparatively long lifecycle, as well as a highly efficient product development team.

Fiber cement Industry

Presently, fiber cement products play an important role in large-scale construction and industrial sector projects and have come to be widely used. Presently, the Thai Government regulates the rules that prohibit the use of asbestos in any construction materials. The regulation imposed for asbestos cement sheeting includes the prohibition to import, process, or distribute asbestos since April 2013 onwards. As a consequence, fiber cement products came about as replacement in response to the policy of the government and further produce fiber cement that is 100% free from asbestos or other harmful material within 2014.

Therefore, fiber cements products, which are a substitute for timber fascia, are widely used with high growth potential as high quality timber is quite scarce and costly. Besides, the market for fiber cement has significant growth potential as the denser fiber cement has excellent impact resistance compared with gypsum board, plywood and hard compressed paper. Also fiber cement is not susceptible to termites or rot. However, the market for fiber cement roof tiles will tend to grow at a lower rate as price of other kinds of roof tiles remain competitive as compared with fiber cement roof tiles.

Power Plants

TPI Polene Power Co., Ltd. (a 99.99%-owned by TPI Polene) made an investment in a Waste Heat Recovery Power Plant with a total production capacity to generate electricity of 54 MW output. These power plants are located within the area of our cement plant, in Saraburi province and have been granted promotion certificates from the BOI. They use energy emitted from cement and clinker production to generate electricity to be used in the cement production process.

In 2013, TPI Polene Power expanded a Waste Heat Recovery Power Plant Project, with total project investment of Baht 4,700 million and total production capacity to generate electricity to 90 MW output, 30 MW output of which uses energy emitted from the cement and clinker production line 4 to generate electricity, and the remaining 60 MW output uses energy generated from our renewal energy business with our Alternative Fuel Power Plant. The Power Plant for reducing greenhouse gas emissions as above has been granted promotional certificates from the Board of Investment (“BOI”). The project plan is to complete construction by 2015.

Refuse Derived Fuel (“RDF”) Plant

TPI Polene Power Co., Ltd. (99.99% owned by TPI Polene), made an investment in a renewal energy business with an Alternative Fuel Power Plant, or Refuse Derived Fuel (RDF), with a total project investment of Baht 1,200 million. The plant is located within the area of our cement plant in Saraburi province. The RDF project enables the Company to reduce our coal usage. The RDF Plant for reducing greenhouse gas emissions as above has been granted promotion certificates from the Board of Investment (“BOI”).

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 a license to operate a central waste treatment plant, granted by Department of Industrial Works. 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.

Pyrolysis Plant

The Company has consistently developed modern, high-efficiency energy recovery technology using a Pyrolysis Plant, with total project investment of Baht 652 million. Pyrolysis plant is designed to generate crude oil and liquid fuel from waste plastic and tire pyrolysis. The project is operated adjacent to the RDF plant, which is located within the area of our cement plant in Saraburi province. The Pyrolysis Plant has been granted promotion certificates from the Board of Investment (“BOI”). The crude oil and liquid fuel will be used as energy power in the cement production process, which enables the Company to reduce energy cost.



Oil Service Stations and NGV gas stations

TPI Polene Power Co., Ltd. (99.99% owned by TPI Polene), 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 in Bangkok and provincial areas.

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). The project is operated adjacent to the RDF Plant, with total project investment of Baht 1,011 million. The plant is located within the area of our cement plant in Saraburi province. The Pyrolysis Plant has been granted promotion certificates from the Board of Investment (“BOI”). TPI Polene Bio Organics Co., Ltd. obtained quality products in compliance with the standards of IFOAM for liquid fertilizer on September 5, 2011.



Ammonium Nitrate and Nitric Acid

Thai Nitrate Co., Ltd. (50% owned by TPI Polene, as it appears in the list of shareholders of the Company - Bor Or Jor 5 - at the Department of Business Development, Ministry of Commerce, detailed in the 2013 financial statements, item 45), 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.

TPIPL Drinking Water Business

TPI Polene has operated a drinking water business under the brand name “TPIPL” since 2011. It has good quality products 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 ultraviolet light and 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; thus, we obtained a certificate approved from the Food and Drug Administration (FDA) in compliance with the standards from natural resources. TPIPL drinking water is consumed at the plants and head office and is distributed to consumers.



Polene Solar® Products and VAECopolymer Emulsion

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. The Company has also developed VAE copolymer emulsion, which is widely used as adhesives for distribution in 2013. These two projects has been granted promotion certificates from the Board of Investment (“BOI”).



Petroleum Exploration and Production Technology

TPI Polene Power Co., Ltd. (a 99.99%-owned subsidiary) entered into the Petroleum Concession no. 2/2554/110 for concession block no. L29/50 with the Ministry of Energy on February 8, 2011, as the concessionaire for Petroleum Exploration and Production Technology. Presently, the company is under the process of petroleum exploration on the concession reserve.

In addition, the Company has invested in other businesses through its subsidiaries and affiliated companies, and is involved in real estate development, the provision of life insurance services, and the manufacture and sale of packaging bags. etc.



Affiliated Companies as of December 31, 2013

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, RDF/exploration and manufacture petroleum including oil and NGV service stations)	4,900,000,000 4,060,250,000	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	236,250,000 146,250,000	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	Export cement and plastic resins	10,000,000 10,000,000	99.99*
2. TPI Polene Bio Organics Co., Ltd.*	26/56, G 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 1,000,000,000	99.99*
3. TPI Petroleum Co.,Ltd. (Former name "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	99.80*
4. TPI Service Co., Ltd.* (Former name "Jade Mineral Co.,Ltd.)	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 285-5090-9 Fax: (02) 213-1035	Construction business	1,000,000 1,000,000	51.00*
Joint venture company				
5. 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, 19th 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
Other				
1. United Grain Industry Co.,Ltd.	26/56, 27th 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, 22th 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	4,599,919,000 4,599,919,000	0.65

Remark : * Held by TPI Polene Power Co., Ltd. and TPI Service Co., Ltd. has changed the name from the former "Jade Mineral Co., Ltd."

** As appeared in list of shareholders of the Company (Bor Or Jor 5) at the Department of Business Development,
Ministry of Commerce, details in the 2013 financial statements, item 45

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		Total Sales revenues	
			2013	2012	2013	2012	2013	2012
Construction material	TPI Polene Plc.	-						
	TPI Concrete Co.,Ltd.Co.,Ltd.	99.99	18,699	17,942	4,755	4,580	23,454	22,521
Petrochemical and Chemical Products	TPI Polene Plc.	-						
	Thai Nitrate Co., Ltd 2/	50.00 2/	7,252	7,512	4,758	5,305	12,010	12,817
Electricity and utility	TPI Polene Power Co.,Ltd.	99.99	840	835	1,064	891	1,904	1,726
Organic Products	TPI Polene Bio Organics Co.,Ltd. 1/	-	81	69	247	646	328	716
Total			26,872	26,358	10,824	11,422	37,696	37,780

Remarks: 1. 99.99%-owned subsidiary by TPI Polene Power Co.,Ltd.
 2. Shareholding structure as stated in the Consolidated Financial Statements for 2013, shown in Notes to Financial Statements, item 45 .

Corporate Developments in 2013

2013 was another year of success for TPI Polene Group as the Company has invested in projects to build up business operations and consistently reduce energy. TPI Polene has moved forward to ceaselessly create high growth potential for the business by further making investments in the projects as follows:

Concrete Roof Tiles Project and A complete range of service for CRT installation

In 2012, the Company made an investment in a Concrete Roof Tiles project, with a capacity of 966,000 TPA and a total project investment of Baht 500 million. The project has been granted promotion certificates from the Board of Investment ("BOI"). The Company commenced partial commercial operations of the concrete roof tiles project in 2012 and plans to be fully operational in 2014.

Fiber Cement Business

The Company made investments in a fiber cement project in 2013, with a capacity of 342,000 TPA and the total project investment of Baht 3,300 million. Our fiber cement products have been tested to be environmentally friendly and 100% free from asbestos or harmful material. The project has been granted promotion certificates from the Board of Investment ("BOI"). The Company commenced partial commercial operations of the fiber cement project in 2013 and plans to be fully operation in 2014.

Cement Line 4 Project

In 1996, the Company began construction of cement line 4 while construction of buildings and initial infrastructure has been completed, with total investment of Baht 3,000 million. But the project was suspended due to the recession of the Thai economy in 1997. Construction of Cement Line 4 was fairly advanced at the time it was suspended. Consequently, the economic situation in the country improved, and the Company made additional investments in this project, making total project investment of Baht 3,700 million at the end of 2012.

On March 15, 2012, the Company entered into the supply and engineering contracts for the Fourth Cement Plant Project with two overseas companies. In 2013, the additional project investment of Baht 11,500 million was financed by onshore and offshore financial institutions. The credit facility granted by offshore financial institutions was guaranteed by Export Credit Agency, the Ministry of Finance, the Federal Republic of Germany and the Export Credit Agency, Belgium. Cement Line 4 has production capacity of 4.5 TPA. The additional 4.5 TPA of Cement Line 4, combined with the existing 9 TPA, means the Company's total production capacity will be 13.5 TPA. It is anticipated that Cement Line 4 will begin commercial operations in 2015.

The new supply contract and the new engineering contract in relation to the fourth cement plant project became effective March 29, 2013. As a result, the two overseas companies have to comply with the Settlement Agreement by signing the Release Agreement and the Waiver Letter. The Company submitted the petition with the Supreme Court to withdraw the appeal against the orders of the Central Bankruptcy Court. Both overseas companies also countersigned the petition to acknowledge and consent to the Company's withdrawal of the appeal with the Supreme Court. In addition, the two overseas companies submitted statements with the Central Bankruptcy Court to waive their rights, to release the Company's obligations, not to proceed with the claim, not to proceed with enforcement against the Company pursuant to the orders of the Central Bankruptcy Court, and to waive their rights to enforce the ICC arbitral award in Switzerland, Singapore, Germany, and other countries (if any) pursuant to the obligations under the previous supply contract and the previous engineering contract. The Supreme Court granted permission and struck the case off the case list.

As a result of the aforementioned actions, the Company will not have any obligations to make the payment pursuant to the orders of the Central Bankruptcy Court in the above case or the ICC arbitral award in Switzerland, Singapore, Germany, and other countries (if any) anymore.

The Company believes that production cost of cement will be relatively low based on the following:

1. The Company can utilize the existing construction of buildings and infrastructure that have already been invested.
2. Cement Line 4 has been designed to utilize low alkaline coal, which is a primary source of energy, thereby resulting in a more efficient production process.
3. Cement Line 4 has been designed to utilize an alternative fuel power plant or refuse derived fuel (RDF), at higher quantity.
4. Cement Line 4 has been designed to generate electricity through a Waste Heat Recovery Power Plant with a capacity of 30-40 MW output while the existing cement line 1-3 can generate renewal energy through Waste Heat Recovery Power Plant with a capacity of 20 MW output per production unit.
5. Obtain a higher quality of cement.

Waste Heat Recovery Power Plant – 90 MW output

In 2013, the Company made an investment in the Alternative Fuel Power Plant project, with a capacity of 90 MW output. The total project investment of Baht 4,700 million, is financed by local financial institutions. The 90 MW- Power Plant is composed of the refuse derived fuel (RDF) of 60 MW, and the Waste Heat Recovery Power Plant Project of 30 MW. The Electricity Generation Authority of Thailand (EGAT) signed the Sales-Purchase Electricity Agreement with TPI Polene Power Co., Ltd. on November 19, 2013. The adder obtained from this project is the special margin, on alternative-fuel-generated electricity, from The Power Electricity Authority of Thailand. The Power Plants have been granted BOI promotional privilege certificates and are expected to begin commercial operations in 2015.

Mortar Cement line No. 4

Mortar cement is an “instant” cement product providing an alternative to customers and respond to the needs of customers as it is a prefabricated material used to quickly complete projects. In addition, it can increase the standardization of project monitoring by reducing a complex procedure to be more streamlined. Therefore, TPI Polene invested in a cement mortar project, with total investment project of Baht 390 million. The Company anticipates that it will begin commercial operations of Mortar Cement Line 4 in 2014.

Lightweight concrete

The Company invested in a lightweight concrete project, with total investment of Baht 800 million. This project is accommodate the continued expansion in demand for lightweight concrete, which is now being used in an ever-increasing number of applications and it is a material suitable for a wide range of purposes, as well as achieving cost savings through construction speed and lower labor costs. Therefore, lightweight concrete can respond to the demand in the construction market, driving the market for lightweight concrete to expand rapidly.

The Projects under Investment Consideration

- To purchase additional hydraulic locomotives

TPI Polene is considering purchasing hydraulic locomotives, with a total investment of Baht 750 million in order to develop a product distribution and logistics system to be more efficient to be able to distribute products to customers quickly and enable the Company to reduce its transportation expenses.

Continual Development of Mortar Cement Products

To accommodate the diversified demand in the construction sector as well as for the purpose of labor cost savings, the Company has developed and modified instant cement mortar to meet the specific needs of customers and to provide viable alternatives to them. The Company has developed and launched a variety of cement mortar to facilitate the customers’ requirements for product diversification. Therefore, TPI Polene has become the leading mortar cement manufacturer. Presently, the Company has developed and launched new mortar cement and new products as follows:

High Quality Adhesive Mortar “TPI M502”

“TPI M502”, special type High-Bond Adhesive Mortar with extremely high adhesive strength, which is specifically developed for laying all types of fiber cement, ceramic tiles and corrugated sheets and is to be used as a lightweight board, with excellent thermal and sound insulating properties.

It has a long open time with unsurpassed adhesion and workability. The package is sold in 5 kg and 1 kg bags.



Specially-formulated Adhesive Mortar “TPI M 503”

The ultimate one-step, fortified and thin-set mortar for interior and exterior installation of immensetiles, stone and granite. Its high adhesive strength enables it to be used on difficult surfaces, for instance, glossy-surfaced concrete. TPI M 503 can make adhesive installation go faster, and it’s easier and more convenient to use. The package is sold in 5 kg and 1 kg bags.





Mortar Cement for Lightweight Concrete M 220B (Non-Steamed Type)

M220B is a cement-based mortar mixed with volume air and water to produce lightweight concrete. The package is sold in 5 kg bags.



Cement Base Tile Grout

TPIPL tile grout in 1 kg bags is cement material that is used to fill in the spaces between tiles, such as concrete tiles, ceramic tiles, glass mosaic, marble and granite, for both internal and external use for laying on floors and walls. It was blended with special substance which enables it to have high adhesive properties to be used on difficult surfaces. In addition, it can be used as adhesive glue for concrete with waterproof properties. It has added anti-fungal and mildew resistance additives, which will lower the water absorption, reduce absorbency and diminish the problem of erosion. The grout additive contains hydrophobic protection to inhibit the discoloration or stain ingress and it is easy to clean. It is designed to mix with water at recommended proportion.



Cement Mortar for concrete surface M 601

M601", an ideal type of fast-setting adhesive cement mortar, has extremely high adhesive strength with non-shrink grout. It is specifically developed for cured concrete surfaces or to virtually smooth or coat concrete veneer. M 601 also creates a strong, durable and reinforced seal of the pole concrete. It has a 3-hour open time with unsurpassed adhesion and workability. The package is sold in 50 kg bags.



Cement Mortar Non-shrink Grout: M 710

Non-shrink grout cement mortar is specially designed for industrial work, civil and general engineering work such as foundation work and to completely fill the space/holes to strengthen the floor or foundation work that require highly compressive strength as well as repairmen work., etc. The package is sold in 50 kg bags.



TPI Super Armour Nano Paint

TPI Super Armour Nano Paint is the colored cement in powder form, designed to simply mix with water for use as wall paints that require printed patterns and enable it to create a pigment appearance. Nano paint is well developed to apply on concrete or fiber cement surfaces and ceilings as nano paint is virtually perceived as an innovation, specially designed for decoration on interior and external building surfaces, mortar surfaces or brick walls. The paint is a cement-base blended with nano substance, thus providing an excellent adhesive property. The bucket is sold in 1 kg, 4 kg and 25 kg pails.



TPI Super Armour Nano Paint : Water Absorption Coating

TPI Super Armour Nano Paint, water absorption coated, is well developed to fix or paint the surfaces of pond decks, general wall surfaces, floor decks and concrete roof tiles that crack or leak. It is suitable for fair-face concrete, enhances surface appearance and water resistant. The bucket is sold in 1 kg, 4 kgs and 25 kgs pails.



TPI Super Armour Nano Paint : Water Base

TPI Super Armour Nano Paint (water base) is designed to use instantly on the desired mosary surfaces after having been painted with TPI super Armour Nano Paint and super skim coat to shield an existing slab of cable wire and the pinholes, gouges or uneven surfaces on a wall, etc. Shading of water base Nano paint should be the same as TPI Super Armour Nano Paint. The bucket is sold in 1 kg, 4 kg and 25 kg pails.



TPI Super Armour Nano Paint : Surfaces on floor : NP 300

TPI Super Armour Nano Paint is the colored cement in powder form, designed to simply mix with water for use on surfaces of the mosary floor. It is mixed with water in the appropriate proportion and is well developed to apply on cement or concrete surfaces with brushes and rollers. The paint is a cement-base, thus providing an excellent adhesive property. The bucket is sold in 1 kg, 4 kg and 25 kg pails.

Super Skim Coat M 650

Super Skim Coat M 650 is a specially-formulated skim coat for very thin application thickness and has a perfect silky smooth finish. It corrects surface unevenness on raw concrete, covers pinholes and plastered surfaces on walls and ceiling. Skim coat is resistant hairline cracks and perfectly smooth out concrete. The bucket is sold in 20 kg pails.

Super Skim Coat Hardening M 651

M 651 is ideal for very thin applications with 1-3 mm thickness. It covers surface unevenness on raw concrete, smooths out imperfections, corrects and plasters surfaces on walls and floors. Super skim coat will remain usable for curing time of 4 hours. The bucket is sold in 20 kg pails.

Ready-mixed Concrete Manufacturer to conserve the environmental surroundings

TPI Concrete mixture is designed suitably by the selection of fine raw material, such as TPIPL high quality cement, which has been awarded the Carbon Label. The mixture consists of special chemical substances mixed with fly ash, which is the industrial byproduct material or waste products from coal burning power plants. It helps improve concrete's workability, reduce heat catalyzed by hydration reaction, pumpability, and cohesiveness, as well as meets many requirements of customers. This type of concrete is suitable for organization and institutes that are committed to preserving their environmental surroundings to be in compliance with "Thailand Greenhouse Gas Management Organization" and safeguard the environment to mitigate the adverse effects of environmental impact at the source.



Consistently Develop Potential in our Human Resources

As at December 31, 2013, the Company and its subsidiaries employed 8,605 persons. Of these, 134 were management personnel. Total remuneration in form of salary, overtime and welfare was total of Baht 4,416 million.

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. In addition to the aforementioned activities, the Company has taken the following initiatives in order to further enhance our employees' competency:

Personnel Management System: The personnel management system at our cement plant is an online system. The program provides several services online; for instance, employee online attendance system and compensation leave system. This includes online personnel management system linkage through our concrete roof tile plant to provide administrative convenience to employees and to become environmentally friendly through the reduction of our paper dependency.

Human Resource Development and Essential Knowledge: The Company acknowledges the importance of human resources; therefore, we encourage our employees to continuously develop and strive to achieve their fullest potential by providing all our employees with the opportunities to learn and acquire the knowledge equally among employees. 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 schedules training programs specifically designed for each business unit to educate and to provide employees at different levels with understanding of their tasks and responsibilities.





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

In-house Training: To develop our employees' ways of thinking, potential and knowledge to perform their duties to be in line with the corporate objectives and competitive circumstances, the Company provides several in-house training programs in the following topics:

New Employees Orientation: To enroll the employees in the new employee welcome and orientation class through the Employee Development & Training Unit to foster an understanding of integrity and ethics as well as their roles and functions to perform their duties. The course session is held for employees to educate them in view of the cement production process, types, and quality of our products such as cement, concrete roof tiles, Nano paints and organic fertilizers. New employees are trained to know functions of each department and we also encourage our employees to meditate and study the ways of Dharma from notable and well-respected monks, and engage in Dharma practice, mediation practice and meditation walking during a 3-day course at Wat Rama IX Golden to ensure their confidence and pride in the Company, to encourage ethics and integrity, as well as to build positive working attitudes and relations with colleagues.

- **Ongoing Courses Training Program:** The Company also provides our employees with opportunities to develop knowledge, skills and experience to perform their jobs. A re-orientation program is arranged for a group of new employees who have worked for a while. These programs include cement production process, CRT, Nano Paints and Organic Fertilizers, quality control, repair and maintenance of machineries and equipment, power of negotiation for sales, talent sales, "Happy Workplace", and Dharma for work and daily life. The Company encourages our employees to continuously develop and strive to achieve their fullest potential by providing them with the opportunities to learn and acquire the knowledge needed to fully perform their tasks.

- **Courses Training Program for Management:** The courses training includes production and operation management, project analysis and statistics, goal setting, time management and advanced motivation skill: understanding and getting input/feedback from different individuals. These provide a much-needed opportunity to focus on strategic skills, to lead and manage to be in line with management systems and the ongoing business operations of the organization.

- **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 the "Training Road Map" in each respective department.

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 respects, 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. These programs include the Dharma course arranged for children to cultivate the knowledge of Dharma through the practice of “self-consciousness, concentration and wisdom/study” with an aim to motivate the young students to concentrate on study (free of charge) at Wat Rama IX Golden, Bangkok.

In addition, the Company is focused on a policy to improve standards of living for employees, to be safe in both their lives and possessions as follows:

- The Company strictly prohibits drug 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 hygiene 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. Awareness campaigns promote the strict rule that all levels of staff at the plant wear safety uniforms to reduce accidents in the workplace. Random alcohol breath tests are regularly set up. Any employee who is found to have a preliminary reading of alcohol, will not be allowed to perform their duties and will face disciplinary punishment.

- For environmental and social responsibilities, the Company’s businesses are subject to the enforcement of protecting the environment and the safety of the green areas and deploying the natural resources to be in line with the green industry. The Company has an appropriate systematic management for environmental quality assessment, analysis and monitoring. Assessment, analysis and monitoring are based on standardized measurements and subject to continuous improvement. The Company has been awarded a certification under the project “Green System” Institute for surpassing industrial and environmental protection standards through continuous assessment and monitoring from the Ministry of Industry.

Traditional and Cultural Aspects: The Company has provided assistance to support society throughout 2013. This included donations of the Company’s products and financial assistance to a variety of organizations in Thailand. The Company made donations of cement for the construction and renovation of stupas, a sermon hall in a monastery, a monk’s dwelling, meditation halls, Ordination Halls, Dharma Study Buildings and Dharma Practice Halls., etc. TPI Polene hosted the Royal Katin Offering at Wat Dharra Phirom Forest, Chiangmai province; The Company made contributions of sets of new robes to Wat Sridonmun, Chiangmai Province, Wat Thamsarika, Nakornnayok province, Wat Banhinrab Saraburi province.

The Company also pledged support for scholarships as well as clothes, luncheons and essential appliances to under-privileged children while studying. The Company made donations of cement to deprived schools all over the country for the construction of food courts, school buildings, fences, floor building and roads etc., to provide convenient transportation for students. This includes renovation of the school building at Rajprachanugra 27 School in Nongkai, Ban Huaysompoi School in Chiangmai, Banksilathong School in Srisakej, Wat Muaklek School in





Saraburi, Bank Lumghen School in Nakoranrajsima and 32 other universities in the country; to further support the Rural Development Voluntary Camps for construction of rest rooms, study rooms, school buildings and to provide facilities to people in the wilderness areas. These included Chulalongkorn University, Kasetsart University, Thammasat University, King Mongkut's Institute of Technology Lardkrabang., etc. TPI Polene also cooperatively grew plants to reduce greenhouse emissions and made donations and belongings or blankets to the needy. All those activities as mentioned were part of the company's full commitment to help raise the standards of living of people in society with the realization of the deepest commitment as Thai citizens. TPI Polene made a strong determination to create prosperity and enhance the future of the country with everlasting gratitude toward our homeland and with adherence to the highest standards of integrity, ethics, conscience and consciousness at all levels.

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 Mor.Or.Kor. 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 saving program for employees to encourage saving money. This also includes financial assistance in the form of loan offerings to employees at a lower interest rate as compared with financial institutions.

Employee's welfare: The Company also provides educational support for children of employees by granting scholarships to outstanding students. The Company also provides subsidized healthcare benefits in the form of OPD medical expenses (outpatient department) to employees and their family members, including father, mother, spouses and legal offspring. In addition, the Company also provides free annual health check-ups; life and healthcare benefits are offered in the form of health insurance packages and accident insurance coverage. Financial assistance is also offered for funeral rites of the employees, as well as the family members of employees who pass away. In addition, the Company offers special care for employees who perform their work in particular areas by providing free health check-ups at medical centers and free vaccination against tetanus and hepatitis B (HBV) [10] to all employees and to ensure that all levels of the Company's staff have received annual healthcare check-ups. Any employees found ill or with other physical impairments will be sent for repeated healthcare check-ups and put on other job rotations.

Operating Results and Financial Status for 2013

Analysis on Operating Results for 2011, 2012 and 2013

Revenues

Total consolidated revenues from sales in 2013, 2012 and 2011 were Baht 26,872 million, Baht 26,358 million and Baht 24,544 million, respectively. A consistent increase in sales revenues was primarily caused by the improved sales revenues in the construction materials sector, which accounted for 69.6%, 68.1% and 60.8% of total sales in 2013, 2012 and 2011 respectively. In addition, sales revenues of the petrochemical & chemicals sector represented 27.0%, 28.5% and 35.2% of total sales in 2013, 2012 and 2011 respectively, while the sales revenue proportion of energy & utilities represented 3.1%, 3.2% and 3.1% of total sales respectively.

It can be clearly seen that sales revenues generated from the construction material sector tended to increase to be in line with the expanded construction industry, supported by government infrastructure projects, and private sector projects, where demand for residence, dwelling and commercial building also increased consistently.

Other revenues, which were comprised of revenues from transportation, rental, interest receipts and others in 2013, 2012 and 2011 were Baht 1,988 million, Baht 2,066 million and Baht 8,964 million respectively. Other consolidated revenues in 2011 were higher due to the fact that the Company registered a reversal of the provision for the fine of Baht 6,900 million and registered gain on restructured debts under the Business Rehabilitation Plan, as approved by the Central Bankruptcy Court, of Baht 571 million.

Total consolidated revenues in 2013, 2012 and 2011 were Baht 28,861 million, Baht 28,424 million and Baht 33,508 million, respectively.

Cost of Goods Sold

Consolidated cost of goods sold in 2013, 2012 and 2011 were Baht 22,866 million, Baht 22,553 million and Baht 17,941 million, which accounted for of 85.1%, 85.6% and 73.1% of sales revenues, respectively. As a result, gross profit margin in 2013, 2012 and 2011 represented 14.9%, 14.4% and 26.9% of sales revenues. Gross profit margin reduced considerably as compared with the same in 2012 as a result of the drastic decrease in gross profit margin in the petrochemical & chemicals sector.

Selling and Administration Expenses

Consolidated selling and administration expenses in 2013, 2012 and 2011 were Baht 4,242 million, Baht 4,991 million and Baht 4,081 million, which accounted for 15.8%, 18.9% and 16.6% of total sales revenues respectively. Total selling and administration expenses in 2013 decreased as compared with the same in 2012 due to the decrease in transportation expenses, which was in line with the decrease in export cement sales during the period. In addition, the Company had losses from the disposal of an investment of Baht 272 million in 2012.

Other Expenses

The Company realized gain (loss) on foreign exchange stemming from debt principles in 2013, 2012 and 2011 for total of Baht (168) million, Baht 89 million and Baht (44) million respectively. In 2013, the company realized loss on foreign exchange as a result of the rapid pace of Baht depreciation against EUR.

Interest Expense (Financial Cost)

In 2013, 2012 and 2011, the Company and its subsidiaries had interest expenses of Baht 252 million, Baht 220 million and Baht 233 million respectively. Interest expenses in 2013 increased as compared with the same in 2012 due to the company's borrowing for the increasing of capital expenditure.

Net Profit

In 2013, 2012 and 2011, the Company and its subsidiaries registered net profits of Baht 606 million, Baht 288 million and Baht 9,751 million (or basic earnings per share of Baht 0.30, Baht 0.14 and Baht 4.88 respectively). The Company and its subsidiaries recorded normal operating profits (losses) of Baht 1,188 million, Baht 548 million and Baht 3,471 million in 2013, 2012 and 2011, respectively. Net profit in 2011 was relatively high as the Company recorded a reversal of the provision for the fine of Baht 6,900 million, gain on restructured debts under the Business Rehabilitation Plan, as approved by the Central Bankruptcy Court, of Baht 571 million. Normal operating profits in 2013 increased as compared with the same in 2012 due to the increasing price of cement and concrete.

Financial Position and Financial Ratios

Assets

At year-end 2013, the Company's total consolidated assets were Baht 82,412 million, up from Baht 76,535 million in 2012 and Baht 71,683 million in 2011 as the Company has made additional investments, and the increase in value of assets was reappraised by an independent appraiser to be in accordance with the accounting standard.

At year-end 2013, the Company's total consolidated current assets slightly increased to Baht 12,601 million from Baht 10,838 million at year-end 2012 and Baht 10,773 million at year-end 2011. The increase in total current assets was due to an increase in inventory and receivable accounts, which was in line with the Company's business expansion.

Inventory accounted for the highest proportion of current assets, representing 65.6%, 66.6% and 72.8% of current assets in 2013, 2012 and 2011 respectively, equating to average inventory of 122 days, 120 days, and 137 days, respectively.

Account Payables (after the provision of doubtful debts) represented 20.7%, 22.6% and 17.4% of total current assets, which equated to an average collection period of 36 days, 32 days and 30 days in 2013, 2012 and 2011, respectively.

As at December 31, 2013, December 31, 2012 and December 31, 2011, the property, plants and equipment of the Company and its subsidiaries were Baht 67,012 million, Baht 63,274 million and Baht 58,300 million, respectively.

Liabilities

Total liabilities of the Company and its subsidiaries increased to Baht 24,699 million at the end of 2013, from Baht 17,523 million at the end of 2012 and Baht 15,844 million at the end of 2011. This was mainly due to the increase in the company's borrowings to support additional investments for cement plant and power plant project and issuance and offers for sale of debentures.

Trade payable accounts at year-end 2013, 2012 and 2011 were Baht 3,471 million, Baht 2,562 million and Baht 2,035 million equating to an average payment period of 47 days, 37 days and 41 days, respectively. The increase in trade payable account reflected the increase in cost of goods sold and sales revenues.

As at December 31, 2013, December 31, 2012, and December 31, 2011, the Company and its subsidiaries had a bank overdraft and short-term loan from financial institutions of Baht 1,577 million, Baht 1,629 million and Baht 866 million, respectively.

Long-term loans from financial institutions at year-end 2013, 2012 and 2011 were Baht 4,897 million, Baht 2,676 million and Baht 3,417 million, respectively. The utilization of overdraft and short-term loans from financial institutions is for financing of the Company's working capital, while the increase in long-term loans from financial institutions is for financing of additional project investments.

Shareholders' Equity

As at December 31, 2013, December 31, 2012 and December 31, 2011, shareholders' equity was Baht 57,713 million, Baht 59,012 million from Baht 55,840 million, respectively, which mainly resulted from the decrease in the account of revaluation difference on assets due to the method of depreciation to be in accordance with the accounting standard.

Capital Structure

At the end of 2013, 2012 and 2011, the debt-to-equity ratios were at 0.43 times, 0.30 times and 0.28 times, respectively. This is considered relatively low compared to other companies in the same industry.

Financial Liquidity for Business Operations

In 2013, consolidated net cash flow from operating activities was Baht 2,569 million, net cash flows from investing activities of Baht (6,678) million, net cash flows from financing activities of Baht 4,437 million; the resulted net increases in cash and cash equivalent of Baht was Baht 328 million. The Company's cash and cash equivalents at the beginning of 2013 were Baht 517 million. By year-end 2013, the Company had cash and cash equivalents of Baht 845 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.

In 2012, consolidated net cash flow from operating activities was Baht 3,222 million, net cash flows from investing activities of Baht (2,638) million, net cash flows from financing activities of Baht (584) million; the resulted net increases in cash and cash equivalent of Baht was Baht 0 million. The Company's cash and cash equivalents at the beginning of 2012 was Baht 517 million. By year-end 2012, the Company had cash and cash equivalents of Baht 517 million.

In 2011, consolidated net cash flow from operating activities was Baht 2,522 million, net cash flows from investing activities of Baht (2,895) million, net cash flows from financing activities of Baht (367) million; the resulted net decreases in cash and cash equivalent of Baht was Baht (740) million. The Company's cash and cash equivalents at the beginning of 2011 was Baht 1,257 million. By year-end 2011, the Company had cash and cash equivalents of Baht 517 million.

Operational Results classified by Business Sector

Cement Business

In 2013, the average cement selling price in the domestic market increased by approximately Baht 200 per ton, supported by increased cement demand in the domestic market, compared with the same in 2012. However, domestic cement sales volumes were maintained at the same level over the year 2012 whereas export clinker sales volumes decreased.

In 2012, cement sales volumes in the domestic market increased, supported by growth in demand in the industry. The average domestic cement selling price decreased as compared to the same in 2011 due to intense competition in the domestic market. However, the domestic cement selling prices in late 2012 increased to be in line with an increase in cement demand in the country.

Plastic resin Business

In 2013, the average selling price decreased by approximately USD 100 per ton compared with the same in the previous year, whereas sales volumes of plastic resin slightly decreased. However, the plastic resin price in 2014 will tend to improve accordingly.

In 2012, sales volumes of plastic resin increased substantially, compared with the same in the previous year, while its selling price dropped considerably mainly due to reduction in demand in consumer products that principally use plastic resins as raw material, as a result of the European sovereign debt crisis and the economic crisis in the United States of America.

Ready-mixed Concrete Business

In 2013, demand for ready-mixed concrete still increased, supported by the emerging construction projects in the country. Sales volume increased by 13% whereas the concrete price increased by Baht 170 per cubic meter.

In 2012, demand for ready-mixed concrete increased to accommodate the expansion of the emerging infrastructure projects in the country. As a result, sales volume and its selling price increased consistently. Sales volume increased by 15% whereas the concrete price increased by Baht 100 per cubic meter.

Consolidated financial statements of TPI Polene Plc. For the year 2011, 2012 and 2013

Statements of financial position (Consolidated)

	As at December 31					
	2011		2012		2013	
	(Thousand Baht)	Ratio	(Thousand Baht)	Ratio	(Thousand Baht)	Ratio
Current assets	10,773,094	15.03	10,838,400	14.16	12,601,130	15.29
Property, plant and equipment	58,229,573	81.23	63,274,415	82.67	67,011,791	81.31
Other non-current assets	2,680,631	3.74	2,422,535	3.17	2,798,900	3.40
Total Assets	71,683,298	100.00	76,535,350	100.00	82,411,821	100.00
Current liabilities	6,780,154	9.46	8,261,093	10.79	9,923,524	12.04
Long-term loans from financial institutions	2,353,877	3.28	1,391,263	1.82	3,690,326	4.48
Other non-current liabilities	6,709,659	9.36	7,870,950	10.28	11,084,804	13.45
Total liabilities	15,843,690	22.10	17,523,306	22.90	24,698,654	29.97
Equity						
Authorized share capital	24,815,000	34.62	24,815,000	32.42	24,815,000	30.11
Issued and paid-up share capital	20,190,000	28.17	20,190,000	26.38	20,190,000	24.50
Treasury shares held by subsidiaries	(360,140)	(0.50)	(359,235)	(0.47)	-359,235	-0.44
Revaluation differences on assets	21,405,913	29.86	24,372,172	31.84	22,781,723	27.64
Retained earnings	14,687,263	20.49	14,691,379	19.20	14,990,456	18.19
Others	(83,428)	(0.12)	117,728	0.15	110,223	0.13
Total Equity	55,839,608	77.90	59,012,044	77.10	57,713,167	70.03
Total liabilities and equity	71,683,298	100.00	76,535,350	100.00	82,411,821	100.00

Statements of comprehensive income (Consolidated)

	As at December 31					
	2011		2012		2013	
Income	(Thousand Baht)	Ratio	(Thousand Baht)	Ratio	(Thousand Baht)	Ratio
- Revenue from sales of goods	24,544,210	100.00	26,357,797	100.00	26,872,174	100.00
- Delivery income	1,156,179	4.71	1,491,166	5.66	1,441,839	5.37
- Reversal of provision for fine	6,900,300	28.11	-	-	0	0.00
- Other income	907,525	3.70	575,202	2.18	546,544	2.03
Total income	33,508,214	136.52	28,424,165	107.84	28,860,557	107.40
Expenses						
- Cost of sales of goods	17,940,987	73.10	22,552,765	85.56	22,866,044	85.09
- Selling expenses	3,150,131	12.83	3,850,384	14.61	3,307,764	12.31
- Administrative expenses	930,974	3.79	1,140,450	4.33	934,185	3.48
- Management benefit expenses	312,519	1.27	298,001	1.13	315,081	1.17
- Finance costs	233,331	0.95	219,784	0.83	251,799	0.94
- Other expenses	244,358	1.00	-	-	423,065	1.57
Total expenses	22,812,300	92.94	28,061,384	106.46	28,097,938	104.56
Share of profit of associates	1,841	0.01	2,879	0.01	2,608	0.01
Profit before income tax expense	10,697,755	43.59	365,660	1.39	765,227	2.85
Income tax (expense) benefit	(946,413)	(3.86)	(78,051)	(0.30)	(159,214)	(0.59)
Profit for the year	9,751,342	39.73	287,609	1.09	606,013	2.26
Total Comprehensive income (loss) for the year	8,108,882	33.04	3,472,003	13.17	(1,099,199)	(4.09)

Revenues from sales of goods

	2011		As at December 31		2012		2013	
	(Thousand Baht)	Ratio	(Thousand Baht)	Ratio	(Thousand Baht)	Ratio	(Thousand Baht)	Ratio
Construction Materials	14,912,244	60.76%	17,941,615	68.07	18,699,529	69.59%		
Petrochemical & Chemical	8,642,294	35.21%	7,512,558	28.50	7,252,117	26.99%		
Energy & Utilities	760,746	3.10%	834,447	3.17	839,710	3.12%		
Agriculture	228,926	0.93%	69,177	0.26	80,818	0.30%		
Total	24,544,210	100.00%	26,357,797	100.00	26,872,174	100.00%		

Statements of cash flows (Consolidated)

	As at December 31		
	2011 (Thousand Baht)	2012 (Thousand Baht)	2013 (Thousand Baht)
Net cash provided by operating activities	2,521,764	3,222,454	2,569,145
Net cash used in investing activities	(2,895,338)	(2,638,421)	(6,677,617)
Net cash from (used in) financing activities	(366,772)	(583,931)	4,436,515
Net increase (decrease) in cash and cash equivalents	(740,346)	102	328,043
Cash and cash equivalents at 1 January	1,257,235	516,880	517,000
Effect of exchange rate changes on balances held in foreign currencies	(9)	18	(110)
Cash and cash equivalents at 31 December	516,880	517,000	844,933

Financial Ratio

	As at December 31		
	2011	2012	2013
Liquidity Ratio			
1.Current Ratio (times)	1.59	1.31	1.27
2.Quick Ratio(times)	0.38	0.38	0.36
3.Cash Ratio (times)	0.25	0.43	0.28
4.Receivable Turnover (times)	12.16	11.42	10.13
5.Collection Period (days)	29.61	31.54	35.55
6.Inventory Turnover (times)	2.63	2.99	2.95
7.Inventory TurnoverPeriod (days)	136.75	120.22	121.97
8.Account Payable Turnover (times)	8.73	9.81	7.58
9.Payment Period (days)	41.23	36.69	47.49
10.Cash Cycle (days)	125.13	115.07	110.03
Profitability Ratio			
11.Gross Profit Margin (%)	26.90	14.44	14.91
12.Operating Profit Margin (%)	17.37	3.00	6.06
13.Other Profit Margin (%)	24.99	5.45	3.46
14.Cash to Net Profit Ratio (times)	0.59	4.08	1.58
15.Net Profit Margin (%)	29.10	1.01	2.10
16.Return on Equity (%)	17.70	0.50	1.04
Efficiency Ratio			
17.Return on Assets (%)	13.72	0.39	0.76
18.Return on Fixed Assets (%)	19.70	3.72	3.79
19.Assets Turnover (times)	0.47	0.38	0.36
Financial Policy Ratio			
20.Debt to Equity Ratio (times)	0.28	0.30	0.43
21.Financial Debt to Equity Ratio (times)	0.08	0.08	0.18
22.Interest Coverage Ratio (times)	21.66	12.97	12.71
23.Debt Service Coverage Ratio (times)	5.40	1.99	1.81
24.Dividend Payout Ratio (%)	3.07	69.43	49.42
Per Share			
25.Book Value per Share (Baht)	27.96	29.55	28.90
26.Net Profit per Share (Baht)	4.88	0.14	0.30
27.Dividend per Share (Baht)	0.15	0.10	0.15
Growth Rate			
28.Total Assets (%)	1.79	6.77	7.68
29.Total Liabilities (%)	(1.52)	10.60	40.95
30.Sales Revenue (%)	3.37	7.39	1.95
31.Operating Expenses (%)	2.59	22.29	(15.01)
32.Net Profit (%)	329.02	(97.05)	110.71

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.

As at December 31, 2013, 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, and 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 as at December 31, 2013, 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.	185.34	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.	0.4	
	The Company pays rental and service fee as the deposit to Pornchai Enterprise	8.7	
	The Company and its subsidiaries pay rental fee to Pornchai Enterprise	19.4	
2. United Grain Industry Co., Ltd. ("UGI") (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)	130.65	Transactions are always undertaken at market rates to support normal business operations of the Company.
	Accounts Payable	92.54	
3. Thai Plastic Film Co.,Ltd. (There are some common Directors.)	The Company sells plastic resin to Thai Plastic Film.	37.52	Transactions are always undertaken at market rates to support normal business operations of the Company.
	Accounts Payable	20.58	
	Accounts Payable	25.52	
4. Thai Plastic Product Co.,Ltd. (There are some common Directors.)	The Company purchases cement bags for export from Thai Plastic Product.	230.4	Transactions are always undertaken at market rates to support normal business operations of the Company.
	Accounts Payable	8.01	
5. Bangkok Union Insurance Plc. (BUI) (There are some common Directors.)	The Company and its subsidiaries pay insurance premium to BUI.	178.09	Transactions are always undertaken market rates to support normal business operations of the Company.
6. Bangkok Union Life Insurance Plc. (There are some common Directors.)	The Company pays life insurance premium to Bangkok Union Life Insurance Plc.	2.85	Transactions are always undertaken at market rates to support normal business operations of the Company.

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 and SET 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 regulations, and regulations of other relevant governmental authorities, with regard to the reasonableness of the conditions and fair prices.

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

Currently, the Company's major long-term loans are mainly denominated in Baht currencies. Therefore, the Company has no impact from risks associated with the exchange rate fluctuation. However, in the future, the Company will enter into risks associated with the exchange rate fluctuation due to long-term borrowings and payment obligations to foreign suppliers in foreign currencies, for project investments in Cement Line 4, 90 MW-power plant and fiber cement project with partially denominated in foreign currencies. The Company is considering entering into forward exchange contracts and/or crossing currency swap contracts to hedge its foreign exchange exposure for long-term borrowings.

The Company also has debt liability in the form of working capital, part of which is denominated in a foreign currency. However, 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. These measures will partly protect the company against currency fluctuations, by balancing its cash flow in foreign currencies, revenue structure and net revenue earned in foreign currencies.

In addition, after evaluating the net foreign currency positions, revenue structures, and current financial situation, the Company enters/will enter into forward exchange contracts and/or crossing currency swap contracts, as considered appropriate, to hedge its foreign exchange exposure, and will closely monitors potential adverse currency movements.

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.

As at December 31, 2013 and December 31, 2012, Allowance for Doubtful Debt percentage to Total Account Receivable of the Company were 4.43 % and 5.03 %, respectively.

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.

Financial Structure

Ordinary Share

As at December 31, 2013, the registered capital of the company is Baht 24,815 million consisting of 2,481,500,000 ordinary shares, at the par value of Baht 10 each. Paid-up capital is Baht 20,190 million consisting of 2,019,000,000 ordinary shares, at the par value of Baht 10 each.

Debentures

As at January 31, 2014, the Company issued unsubordinated/unsecured onshore Debentures, in registered form with debenture holders' representatives. Details of Debenture are summarized as follows:

Debenture Series	Total Amount (Baht)	Interest rate(%)	Term and redemption period	Credit Rating	Rating Outlook
TPIPL165A	3,000,000,000	5.20%p.a	3 Years,	BBB+ matured in 2016	Stable
TPIPL177A	3,000,000,000	5.00%p.a	3.5 Years,	BBB+ mature in 2017	Stable
TPIPL187A	2,000,000,000	5.30%p.a	4.5 Years,	BBB+ mature in 2018	Stable
Total	8,000,000,000				

Shareholding Structure

Top 10 major shareholders as at January 2, 2014

Shareholders	Number of Shares	Shareholding (%)
1. Leophairatana Enterprises Co., Ltd. 1/	342,121,009	16.95
2. Thai Petrochemical Industry Co., Ltd. 1/	275,269,816	13.63
3. Mr. Prayad Liewphaitana	86,712,274	4.29
4. Mr. Pakorn Leophairatana	86,274,581	4.27
5. Mrs. Orapin Leophairatana	85,809,624	4.25
6. Mrs. Boonsri Leophairatana	82,138,536	4.07
7. Dr. Pramuan Leophairatana	80,890,000	4.01
8. Bangkok Bank Public Company Limited	65,769,324	3.26
9. Miss Pattrapan Leophairut	62,907,722	3.12
10. Thai NVDR Company Limited	45,489,800	2.25

Note: 1/ Majority shares held by the Leophairatana family

Dividend Payment Policy

The dividend payout policy of the Company is subject to the operational results of single financial statements of the Company. Dividend payment will be paid to shareholders on the next accounting period by taking into consideration other factors such as liquidity, cash flow and financial status of the Company. Such dividend payments shall be subject to the shareholders' approval or the Board of the Directors' approval.

In addition, the Board of Directors of the Company may from time to time approve the payment of 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.

	2011	2012	2013
Net Profit per share (Baht)	4.88	0.14	0.30
Dividend per share (Baht)	0.15	0.10	0.15
Dividend Payout Ratio (%)	3.07	69.43	49.42

The Management

Management Structure

As at December 31, 2013, 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 a total of 17 directors, 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, 2013

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

Remarks: 1. Mr. Nitisit Jongphitakratana is the Corporate Secretary.
2. Mr. Chainarong Taephaisitphongse resigned from the position of the Director on December 26, 2013.

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.
To ensure that financial reports are complete, accurate, reliable and timely, and are prepared in compliance with generally accepted accounting principles.
5. 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.
6. 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.
7. 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, 2013

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. Tayuth Sriyuksiri	Executive Director

Remarks: Mr. Chainarong Taephisitphongse resigned from the position of Director on December 26, 2013.

Eight Directors are authorized to sign on behalf of the Company. Two of the eight 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, 2013

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.

The Management as at December 31, 2013

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, and 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 2013, remuneration awarded to the Company's 17 directors in the form of meeting allowances and bonuses was Baht 25,319,563 compared to Baht 24,223,810 in 2012 for 17 directors. Details of remuneration in 2013 are as follows:

Unit: Baht					
No.	Name	Position	Meeting allowances	Bonus	Total
1.	Mr. Visith Noiphan	Chairman	1,386,168	110,013	1,496,181
2.	Mr. Prachai Leophairatana	Director	1,386,168	110,013	1,496,181
3.	Mr. Prateep Leopairut	Director	1,386,168	110,013	1,496,181
4.	Mr. Chainarong Taephaisitphongse*	Director	1,270,654	110,013	1,380,667
5.	Dr. Pramuan Leophairatana	Director	1,386,168	110,013	1,496,181
6.	Dr. Narasri Vaivanijskul	Director	1,386,168	110,013	1,496,181
7.	Mrs. Boonsri Leophairatana	Director	1,386,168	110,013	1,496,181
8.	Ms. Suchitra Taychanavakul	Director	1,386,168	110,013	1,496,181
9.	Dr. Chavin Iamsopana	Director	1,386,168	110,013	1,496,181
10.	Mr. Prayad Liewphairatana	Director	1,386,168	110,013	1,496,181
11.	Mrs. Orapin Leophairatana	Director	1,386,168	110,013	1,496,181
12.	Mr. Manas Sooksmarn	Director	1,386,168	110,013	1,496,181
13.	Pol.Gen. Charnchit Bhiraleus	Director.	1,386,168	110,013	1,496,181
14.	Mr. Pisej Iamsakulrat	Director	1,386,168	110,013	1,496,181
15.	Mr. Tayuth Sriyuksiri	Director	1,386,168	110,013	1,496,181
16.	Mr.Thavich Taychanakul	Director	1,386,168	110,013	1,496,181
17.	Mr. Khantachai Vichakkhana	Director	1,386,168	110,013	1,496,181
Total			23,449,342	1,870,221	25,319,563

Note : * Mr. Chainarong Taephaisitphongse resigned from the position of Director on December 26, 2013.

1.2 Remuneration of Management

In 2013, remuneration awarded to the Company's 5 Executives including salaries and bonuses was Baht 207,832,300 compared to Baht 212,485,200 for total of 5 persons in 2012.

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 2013 to:

- 1.1 The statutory auditor of the Company for the financial year ended 2013 in the amount of Baht -0-
- 2.2 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 2013 in the amount of Baht 8,100,000.

2. Non-Audit Fees

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 Board of Investment in 2013 for a total of Baht 300,000.

Company shares held by the Directors and the Management (including couple marriage and their offspring)

Name	Shareholding As at January 2, 2014	Shareholding + (-) December 14, 2012	Change in 2013
1. Mr. Visith Noiphan	-	-	-
2. Mr. Prachai Leophairatana	85,819,624	85,779,624	40,000
3. Mr. Prateep Leopairut	164,000	154,000	10,000
4. Mr. Chainarong Taephaisitphongse **	-	-	-
5. Dr. Pramuan Leophairatana	80,900,000	80,890,000	-
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	900,000	1,800,000	(900,000)
15. Mr. Thavich Taychanavakul	109,118	109,118	-
16. Mr. Tayuth Sriyuksiri	16,532,589	16,342,589	190,000
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.

** Mr. Chainarong Taephaisitphongse resigned from the position of Director on December 26, 2013.

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 2013.

Name	TPI Polene	Subsidiaries 2/											
		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. Dr. Pramuan Leophairatana	//	//	//	//	//	//	//	//	//	/	//x	//	//
5. Dr. Narasri Vaivanijkul	/	-	-	-	-	-	-	-	-	-	-	-	-
6. Mrs. Boonsri Leophairatana	//	-	-	-	-	-	-	-	-	-	-	-	-
7. Ms. Suchitra Taychanavakul	/	-	-	-	-	-	-	-	-	-	-	-	-
8. Dr. Chavin Iamsopana	//	-	-	-	-	-	-	-	-	-	//	//	-
9. Mr. Prayad Liewphairatana	//	//	//	//	//	//	//	//	//	//	//	//	//
10. Mrs. Orapin Leophairatana	//	//	-	//	//	//	//	//	-	-	-	//	//
11. Mr. Manas Sooksmarn	/	-	-	-	-	-	-	-	-	-	-	-	-
12. Pol. Gen. Charnchit Bhiraueus	/	-	-	-	-	-	-	-	-	-	-	-	-
13. Mr. Pisej Iamsakulrat	/	-	-	-	-	-	-	-	-	-	-	-	-
14. Mr. Thavich Taychanavakul	/	-	-	-	-	-	-	-	-	-	-	-	-
15. Mr. Tayuth Sriyuksiri	//	-	-	-	-	-	-	-	-	-	-	-	-
16. 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 PropoxiedCo.,Ltd.	Subsidiary company
3	TPI Polene Power Co.,Ltd.	Subsidiary company
4	TPI All Seasons Co., Ltd.	Subsidiary company
5	Polene Plastic Co., Ltd.	Subsidiary company
6	TPI Polene Bio Organics Co., Ltd.	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, 2013

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, 2013

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 Pattrapana Leopairut	Executive Director

The Board of Directors - Polene Plastic Co., Ltd. as at December 31, 2013

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, 2013

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 2, 2014

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
Mr.Visith Noiphan 81 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
			1984-1986	Department of Industrial Promotion	Ministry of Industry
	B.E. (Civil Engineering) Chulalongkorn University		1986-1988	Director General Secretary General	Ministry of Industry
				Thai Industrial Standards	
			1988-1992	Director General Department of Mineral Resources	Ministry of Industry
	Directors Accreditation Program (DAP- No.5/2003) 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
	Role of the Chairman (RCP) No.20/2008 Thai Institute of Directors (IOD)		1993-2005	Director and member of the Audit Committee	TPI Polene Public Co.,Ltd.
			2001-Present	Chairman and Independent Director	Sahaviriya Plate Mill Co., Ltd.
			2004-Present	Independent Director	BangsaphanBarmill Plc.
			2006-Present	Chairman and Independent Director	Thai Agro Energy Plc.
Mr. Prachai Leophairatana 70 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.	4.25	2001-Present	Chief Executive Officer	TPI Polene Public Co., Ltd.
			1969-1997	Chairman	Cathay Finance & Securities Plc.
			1978-2006	Chief Executive Officer	Thai Petrochemical Industry Public Co.,Ltd. and TPI Polene Group of Companies.
	2000-2006		Board Executive Director	Bangkok Union Insurance Public Co.,Ltd.	
	April 2012-Present		Director	Bangkok Union Insurance Public Co.,Ltd.	
	1992-2000		Senator	Parliamentary Commission	
Dr. Narasri Vaivanijkul 81 years of age -no relationship	Ph.D. in Management Science The University of Texas at Austin, Texas. USA	-	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)		2009-Present	Chairman of Audit Committee	Assumption University Council
			Present	Director	Asian University of Science and Technology Council
	Thai Institute of Directors (IOD)		Present	Chairman of Audit Committee	Rajapark College Council
Mrs. Boonsri Leophairatana 92 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.

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
Mr. Prateep Leopairut 68 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.
			1991-Present	Executive Director	TPI Concrete Co.,Ltd.
			1991-Present	President	TPI Polene Power Co.,Ltd.
	B.E. (Industrial Engineering) Chulalongkorn University		2002-Present	Executive Director	Polene Plastic Co.,Ltd.
			2007-Present	President	Thai Nitrate Co.,Ltd.
			2011-Present	President	TPI Polene Bio Organics Co.;Ltd.
	Degree Programs, National Defense College		1978-Present	Director	United Grain Industry Co., Ltd.
			1989-Present	Director	Thai Plastic Film Co., Ltd.
			1988-Present	Director	Thai Plastic Product Co., Ltd.
			1994-Present	Vice Chairman	Bangkok Union Insurance Public Co., Ltd.
	The Political "Leadership in new era" program, 2/2005, King Prajadhipok's Institute		1981-2006	President	International Plastic Trading Co., Ltd.
			1978-2006	President	Thai Petrochemical Industry Public Co.,Ltd.
			1973-Present	Director	Leophairatana Enterprises Co., Ltd.
			1996-present	Executive Director	Pornchai Enterprises Co., Ltd.
	Directors Accreditation Program (DAP)		1987-present	President	Thai Petrochemical Industry and Trade Association
			1987-1993	Director	Bangkok Union Insurance Public Co., Ltd.
	No.28/2004 Thai Institute of Directors (IOD)		1990-1992	President	The Thai Packaging Association
			2009-2011	Commission of Central Asia	Thai Chamber of Commerce
			2009-2011	Committee of International Trade	Thai Chamber of Commerce
	Directors Certification Program (DCP) No.53/2005		2009-2011	Committee of International Negotiation Trade	Thai Chamber of Commerce
	Thai Institute of Directors (IOD)		2009-Present	Specialist on the examination of working professionals with engineering diploma in industrial engineering field	Council of Engineers
	Audit Committee Program (ACP) No.8/2005		2009-Present	Expert on the examination of corporate engineering level of working professionals industrial engineering field	Council of Engineers
	Thai Institute of Directors (IOD)		2010-2012	Honorary Member and Council Association	Thai Chamber of Commerce
			2011-Present	Advisory committee on Trade and Development Association	Thai Chamber of Commerce
	Understanding the Fundamental of Financial Statements (UFS) no.1/2006 Thai Institute of Directors (IOD)		2011-Present	Committee of International Negotiation Trade	Thai Chamber of Commerce
			2011-2013	Commission European and Central Asia	Thai Chamber of Commerce
			2011-2013	Board of Trade	Thai Chamber of Commerce
			2011-2013	Committee to monitor the impact of FTA	Thai Chamber of Commerce
	Chartered Director Class (CDC) No.5/2009		2011-2013	Committee of Industrial Trade Association	Thai Chamber of Commerce
	Thai Institute of Directors (IOD)		2012-Present	Chairman	ASEAN Federation of Cement Manufacturers (AFCM)
			2012-Present	Committee of the Examination of Working professionals with Engineering diploma in industrial engineering field	Council of Engineers
			2012-2014	President	Thai Cement Manufacturers Association (TCMA)
			-	President	Thai Recycling Group, EPS Foam
			2012-2014	Committee of the Federation of Thai Industries	The Federation of Thai Industries
			2012-2014	Executive Committee of Logistics Economic Division	The Federation of Thai Industries
			2012-2014	Committee of Logistics Economic and Infrastructure Development	The Federation of Thai Industries
			2012-2014	Committee of Logistics Trade	The Federation of Thai Industries
			2012-2014	Committee of Development of the economic cooperation of neighboring countries, the Mae-kong sub region (GMS/ACMECS/MJ/Business council of Burma-Loas-Cambodian-Vietnam)	The Federation of Thai Industries
			2012-2014	Committee of Facilitate on Trade, Import-Export and Custom Practices	The Federation of Thai Industries
			2012-2014	Committee of The Institute of Industrial Environment	The Federation of Thai Industries
			2012-2014	Committee of the Institute of Industrial Energy	The Federation of Thai Industries
			2012-Present	President of construction Materials Cluster	The Federation of Thai Industries
			2012-2014	Honorary Member and Council Association	The Thai Packaging Association
			2013-Present	Committee of the Examination of License for professional Engineer in industrial engineering field	The Federation of Thai Industries
			2013	Committee Council of the study system rice industry	Committee on Economics, commerce and Industrial of the Senate
			2013-Present	Honorary Council	Committee on Economics, commerce and Industrial of the Senate

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
Dr. Pramuan Leophairatana 65 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. B.S. (Honors) in Chemical Engineering, University of California at Berkeley, U.S.A. Directors Accreditation Program (DAP- No.39/2005) Thai Institute of Directors (IOD)	4.01	2001-Present	President	TPI Polene Public Co.,Ltd.
			1973-Present	Director	Leophairatana Enterprises Co.,Ltd.
			1978-2006	President	Thai Petrochemical Industry Public Co.,Ltd.
			1988-Present	Director	Thai Plastic Product Co.,Ltd.
			1989-Present	Director	Thai Plastic Film Co.,Ltd.
			1989-Present	Director	United Grain Industry Co.,Ltd.
			1990-Present	Director	Thai Nitrate Co.,Ltd.
			1991-Present	Executive Director	TPI Polene Power Co.,Ltd.
			1991-Present	Executive Director	TPI Concrete Co.,Ltd.
			1997-Present	Chairman	BUI Life Insurance Co.,Ltd.
			2002-Present	Executive Director	Polene Plastic Co.,Ltd.
			2010-Present	Executive Director	TPI Polene Bio Organics Co.,Ltd.
Ms. Suchitra Taychanavakul 90 years of age -no relationship	M.6 Sahaiying School, Saraburi	0.01	1994 -Present	Director	TPI Polene Public Co.,Ltd.
			1999 -Present	Director	Thai Industrial Estate Co., Ltd.
			2000 -Present	Director	SME Estate Co., Ltd.
Dr. Chavin Iamsopana 72 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 63 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.
			1997- Present	Executive	BUI Life Insurance Co.,Ltd.
			2002-Present	Director Executive Director	Polene Plastic Co.,Ltd.
			Oct.2013-Present	Director	Thai Nitrate Co.,Ltd.
			1990-Aug.2013	Director	Thai Nitrate 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
Mrs. Orapin Leophairatana 67 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)	4.25	1998-2003, 2005-Present	Senior Executive Vice President	TPI Polene Public Co.,Ltd.
			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.
			Oct.2013-Present	Director	Thai Nitrate Co.,Ltd.
			1990-Aug.2013	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 79 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 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	
			1996-1997	Committee	Express Authority of Thailand
			1997	Advisor to Deputy Minister	Ministry of Interior
			1997, 2001	Advisor to Deputy Minister	Ministry of Agriculture and Cooperatives
			2006	Honorable Committee	The Constitutional Court
Mr. Pises Iamsakulrat 50 years of age -no relationship	Master of International Trade, Golden Gate University, U.S.A. Bachelor Degree, Business Administration, Menlo College, California, U.S.A	0.09	2008- Present	Director Managing	TPI Polene Public Co., Ltd
			1987- Present	Director Managing	Iamsakulrat Co., Ltd.
			1990- Present	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 Managing	TPI Holding Co., Ltd.
			2004- Present	Director	Maekong Inter Trade Co., Ltd.

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE			
			DURATION	POSITION	COMPANY/ BUSINESS	
Pol.Gen.Charnchit Bhiraleus 70 years of age -no relationship	Master Program of Public and Private Management, National Institute of Development Administration (NIDA)	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	
	Bachelor of Public Administration (Royal Police Cadet Academy) and Bachelor of Law		2002-2010	Vice Chairman	Asian Crime Prevention Foundation (Thailand)	
			2005-2006	Advisor to Deputy Minister	Ministry of Justice	
	Directors Accreditation Program (DAP- No.47/2005) Thai Institute of Directors (IOD)		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	
	Understanding the Fundamental of Financial Statements (UFS) No.11/2007 Thai Institute of Directors (IOD)		2007-Present	Honorable Committee	Parliamentary Commission	
			Jan 2001-Present	Expert	Police Commission	
	Finance for Non-finance Director (FND) No.38/2007 Thai Institute of Directors (IOD)					
Mr. Thavich Taychanavakul 65 years of age -no relationship	Bachelor Degree, Business Administration Kinki University, Japan	0.01	2008- Present	Independent Director	TPI Polene Public Co., Ltd	
			1988- Present	Board Executive Director	Royal Group of CompanyCo.,Ltd.	
	National Defense College No. 366		1990- Present	Managing Director	Thai Industrial Estate Co., Ltd.	
			1991- Present	Secretary-General	Thai Industrial Estate Association	
	Directors Accreditation Program (DAP- No. (6/2003) Thai Institute of Directors (IOD)		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 CenterCo.,Ltd.	
	Finance for Non-finance Director (FND) No.30/2006 Thai Institute of Directors (IOD)					
Mr.Tayuth Sriyuksiri 60 years of age -no relationship	Master Of Business Administration, Boston University, U.S.A.	0.81	2008-Present	Executive Director	TPI Polene Public Co., Ltd	
			1982- Present	Managing Director	K. Cotton & Gloss Co., Ltd.	
	Bachelor's Degree, Engineering, Mechanic, Worcester University, U.S.A.		1994- Present	Director	TPI Holdings Co., Ltd.	
			1999- Present	Director	Micro Fiber Industry Co., Ltd.	
			2005- Present	Director	Hua Thai Manufacturing Plc.	
	Director Accreditation Program (DAP- No.29/2004) Thai Institute of Directors (IOD)					

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
Mr. Khantachai Vichakkhana 66 years of age -no relationship	Master of Political Science, (Public Administration), Thammasat University Bachelor of Law, Thammasat University Guest Speaker Training Program- Land Class 2: Department of Land (1979) Division Director of Security within the Kingdom Program (Ka.Rmn): Royal Thai Army (1979) Advance Land Management School Program Class 3: Department of Lands (1984) Advance administration Program: Class 30, Institute of Administration Development, Department of Provincial Administration (1993) High Level Information Technology Executives (CIO) Seminar (2003) Political Development in Demo- cratic Governance for Executives Program Class 8, King P rajadhipok's Institute (2004)	-	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
			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
			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	Department of Lands
			2002-2008	Bureau of Standards	Department of Lands
				Deputy Director -General	
				Extracurricular	
				Council Member	Rajamangala University or technology Bangkok
				Qualified Director	National Council Boy Scouts
				Assets Management Committee	Thai Red Cross Council
				Sub-Committee	Office of the National Anti- Corruption Commission (NACC)
				School Board	Triamudomsuksa School
				Chairman	Triamudomsuksa Parents and Teachers Association
				Hearing Committee	Office of The Election Commission of Thailand
				Diagnosis Sub-Committee	Office of The Election Commission of Thailand
				Committee	Retired Government Officials' Pension Association of Interior Foundation
				Counselor	The Institution of Local Administration, Thailand
				Committee	Islamic bank of Thailand
				Committee	Executive Public Administration Foundation (EPAF) TriamudomsuksaAlumni Foundation
				Committee	Anan Anantakool Foundation
				Advisor	Dr.Suk Phukyaphon, Foundation Hospital & phrapiya school Foundation
Mr. Nitisit Jongphitakratana 44 years of age -no relationship	Master of Law, Thammasat University	2006-Present		Secretary	TPI Polene Public Co., Ltd
			2011-Present	Asst.Vice President Department	TPI Polene Public Co., Ltd
			2006-2011	Manager Department	TPI Polene Public Co., Ltd

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS

OTHER EXECUTIVES

Mr. Prasert Ittimakin 55 years of age -no relationship	M.B.A. Finance University of St. Thomas, U.S.A.	-	2001-Present	Senior Vice President Finance and Account Division	TPI Polene Public Co.,Ltd.
			1998-2001	Vice President Finance and Account Division	TPI Polene Public Co.,Ltd.
	Bachelor of Accounting, Chulalongkorn University		1990-1998	Vice President Corporate Finance Department	Asia Credit & Securities Plc.
Miss Chularat Danwattanachai 53 years of age -no relationship	M.B.A. Thammasart University	-	2001-Present	Vice President Finance and Account Division	TPI Polene Public Co.,Ltd.
			1999-2001	Asst.Vice President Finance and Account Division	TPI Polene Public Co.,Ltd.
			1989-1998	Asst. Vice President Corporate Finance Department	Asia Credit & Securities Plc.
Mr. Anugoon Piyapakorn 56 years of age -no relationship	M.B.A. Chulalongkorn University	-	2012-Present	Vice President Accounting Department	TPI Polene Public Co.,Ltd.
			2001-2012	Asst. Vice President Accounting Department	TPI Polene Public Co.,Ltd.
			1989-2001	Manager Accounting Department	TPI Polene Public Co.,Ltd.
Mr. Pongsak Yiengsakun 59 years of age -no relationship	Bachelor of Accounting, Chulalongkorn University	-	2012-Present	Vice President Financial Operation Departmen	TPI Polene Public Co.,Ltd.
			2001-2012	Asst.Vice President Financial Operation Department	TPI Polene Public Co.,Ltd.
			1992-2001	Manager Finance Department	TPI Polene Public Co.,Ltd.

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

Corporate Governance

Throughout 2013, 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 2013, the AGM was held on April 25, 2013 at the Conference Room on the 9th floor of TPI Tower, 26/56 Chan Tat Mai Rd, Thungmahamek, Sathorn, Bangkok. A total of 17 directors attended the AGM. The Chairman performed his role thoroughly as defined by law and the meeting also gave unanimous approval on all agenda items. In the previous year 2013, there was no extraordinary shareholders' meeting

2. Delivering Meeting Notices

After the Company's Board of Directors approved and resolved the Annual General Shareholders Meeting, the Company will disclose 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.

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. 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 3 consecutive days 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 allocates 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.
5. 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 sets precise responsibilities to be prudent, fair, and respect the rights of all stakeholders, in operating its business. Hence, the Company has established a Code of Business Conduct emphasizing the balanced consideration of all stakeholders, which has been disclosed via <http://www.tpipolene.co.th>.

TPI Polene has embraced the Code of Conduct as a policy for Directors, Management and all employees to put the Code into practice and to abide by strict moral guidelines.

All management levels have to strictly follow the Code of Conduct as best practice principles, and it is a strict policy to ensure that all employees under each relevant organization line will acknowledge, understand, and follow the Code of Conduct.

The Company has a strict policy to treat all stakeholders fairly as follows:

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 subsidiaries have also been awarded ISO 9001:2000 certifications from the International Organization for Standardization. In addition, TPI Group has 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 was 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".

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 equitable 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, 2013, the Company's Board of Directors consists of 16 directors, of whom 8 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. 2/2556 held on March 1, 2013, 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 2013, the Board of Directors and the Audit Committee convened meetings a total of 12 times and 6 times, respectively, with attendance as detailed below:

Name	Position	Number of Meeting Attendance	
		The Board of Directors 12 Times / Year 2013	The Audit Committee 6 Times / Year 2013
1. Mr. Visith Noiphan	Chairman and Independent Director	12/12	
2. Mr. Prachai Leophairatana	Director	12/12	
3. Mr. Prateep Leopairut	Director	12/12	
4. Mr. Chainarong Taephaisitphongse*	Director	11/12	
5. Dr. Pramuan Leophairatana	Director	11/12	
6. Dr. Narasri Vaivanijskul	Independent Director and Audit Committee	11/12	6/6
7. Mrs. Boonsri Leophairatana	Director	10/12	
8. Ms. Suchitra Taychanavakul	Director	11/12	
9. Dr. Chavin Iamsopana	Director	12/12	
10. Mr. Prayad Liewphairatana	Director	6/12	
11. Mrs. Orapin Leophairatana	Director	12/12	
12. Mr. Manas Sooksmarn	Independent Director and Audit Committee	12/12	6/6
13. Pol.Gen. Charnchit Bhiraless	Independent Director and Audit Committee	12/12	3/6
14. Mr. Pises Iamsakulrat	Director	11/12	
15. Mr. Thavich Taychanavakul	Independent Director	10/12	
16. Mr. Tayuth Sriyusiri	Director	12/12	
17. Mr. Khantachai Vichakkana	Independent Director	9/12	

Remark * Mr. Chainarong Taephaisitphongse resigned from the position of Director on December 26, 2013.

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 same field of business. 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.

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.

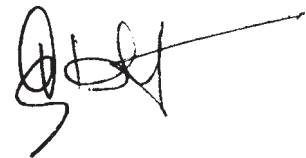
In this regard, the Board of Directors have entrusted an Independent Audit Committee to be responsible for the review of accounting policy and financial reports, internal controls, internal audit and risk management systems. Comments on these issues have been included in the Audit Committee Report, which 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 creditability to ensure that the financial statements of the Company and its subsidiaries present financial position, operational results and financial cash flow which are accurate and reliable in all material aspects.

Sincerely Yours,



Visith Noiphan
Chairman of the Board



Prachai Leopairatana
Chief Executive Officer

Independent Auditor's Report

To the Shareholders of TPI Polene Public Company Limited

I have audited the accompanying consolidated and separate financial statements of TPI Polene Public Company Limited and its subsidiaries (the "Group"), and of TPI Polene Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2013, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matters

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

As described in note 45 (4) to the financial statements, the transfer of shares of the joint venture is currently being considered by the Supreme Court and the outcome is uncertain. Pending resolution of this matter the Company has therefore prepared consolidated financial statement as at 31 December 2013 using the former proportionate shareholding of 50% in accordance with the joint venture's shareholders list.

As described in note 3 to the financial statements, describing the effect of the Company's adoption from 1 January 2013 of certain new accounting policies. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2012 after making the adjustments described in note 3.



(Santi Pongjareanpit)
Certified Public Accountant
Registration No. 4623

KPMG Phoomchai Audit Ltd.
Bangkok
28 February 2014

Statements of financial position

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

		Consolidated financial statements			Separate financial statements		
Assets		31 December	31 December	1 January	31 December	31 December	1 January
	Note	2013	2012 (Restated)	2012 (Restated)	2013	2012 (Restated)	2012 (Restated)
Current assets							
Cash and cash equivalents	6	844,933	517,000	516,880	421,186	131,392	51,714
Current investments		-	-	51,132	-	-	61
Trade accounts receivable	5, 8	2,603,331	2,452,678	1,869,252	2,722,372	2,038,861	1,586,601
Other receivables	9	477,844	280,810	275,230	437,571	242,895	194,952
Short-term loans to related parties	5	-	-	-	32,071	313,304	1,053,064
Receivable and advances to related parties	5	76,211	103,930	180	212,488	415,767	527,816
Inventories	10	8,273,975	7,220,254	7,842,457	6,713,605	5,950,140	7,299,656
Other current assets		324,836	263,728	217,963	68,109	36,990	33,174
Total current assets		12,601,130	10,838,400	10,773,094	10,607,402	9,129,349	10,747,038
Non-current assets							
Investments in subsidiaries and joint venture	11	-	-	-	5,330,907	5,330,907	3,745,907
Investments in associates	12	138,987	143,809	138,443	135,350	135,350	135,350
Long-term investments in related parties	13	150,370	104,717	104,717	150,370	104,717	104,717
Other long-term investments	7	192,063	280,722	498,552	18,917	71,699	283,792
Long-term loans to other parties		-	1,087	2,078	-	-	-
Receivable and advances to related parties	5	-	-	-	422,044	421,984	723,634
Investment properties	14	597,131	597,831	641,646	447,528	447,528	381,482
Property, plant and equipment	15, 16	67,011,791	63,274,415	58,299,573	59,667,077	56,739,579	52,540,839
Land leasehold rights		3,838	5,029	6,219	-	-	-
Intangible assets	17	255,988	284,005	312,666	255,988	284,005	312,666
Other non-current assets	5, 19, 25, 45	1,460,523	1,005,335	906,310	1,241,388	850,654	714,377
Total non-current assets		69,810,691	65,696,950	60,910,204	67,669,569	64,386,423	58,942,764
Total assets		82,411,821	76,535,350	71,683,298	78,276,971	73,515,772	69,689,802

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

Statements of financial position

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

		Consolidated financial statements			Separate financial statements		
Liabilities and equity	Note	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
Current liabilities							
Bank overdrafts and short-term loans from financial institutions	20	1,577,461	1,628,834	865,967	845,119	1,057,437	352,905
Trade accounts payable	5, 21	3,470,859	2,561,767	2,034,793	3,216,571	2,362,463	2,179,429
Other payables	22	2,998,364	2,272,146	2,252,727	2,591,087	1,751,813	1,745,894
Payable and advances from related parties	5	53,836	62,938	6,502	148,986	213,115	421,859
Current portion of long-term loans from financial institutions	20	1,207,003	1,284,702	1,062,999	1,207,003	1,250,425	1,047,697
Accrued interest payable		22,977	2,619	1,055	21,605	2,619	1,055
Current portion of finance lease liabilities	20	237,885	130,371	64,428	108,173	70,234	49,445
Income tax payable		113,790	48,887	217,681	108,860	-	167,424
Provision for fine	25	200,000	200,000	200,000	200,000	200,000	200,000
Other current liabilities		41,349	68,829	74,002	29,743	43,065	59,626
Total current liabilities		9,923,524	8,261,093	6,780,154	8,477,147	6,951,171	6,225,334
Non-current liabilities							
Long-term loans from financial institutions	20	3,690,326	1,391,263	2,353,877	3,078,634	1,391,263	2,319,600
Debentures	20,23	3,000,000	-	-	3,000,000	-	-
Finance lease liabilities	20	512,555	158,905	80,398	246,917	74,909	64,569
Deferred tax liabilities	3,18	5,871,221	6,282,555	5,526,447	5,919,283	6,273,419	5,492,515
Employee benefit obligations	24	1,343,791	1,082,079	956,380	1,082,755	928,790	827,175
Other non-current liabilities	26	357,237	347,411	146,434	480,102	475,106	275,324
Total non-current liabilities		14,775,130	9,262,213	9,063,536	13,807,691	9,143,487	8,979,183
Total liabilities		24,698,654	17,523,306	15,843,690	22,284,838	16,094,658	15,204,517

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

Statements of financial position

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
Equity							
Share capital	27						
Authorised share capital		24,815,000	24,815,000	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	20,190,000	20,190,000
Treasury shares held by subsidiaries	28	(359,235)	(359,235)	(360,140)	-	-	-
Additional paid-in capital							
Shares premium		60,600	60,600	60,600	60,600	60,600	60,600
Surplus on treasury shares held by subsidiaries	28	-	-	185	-	-	-
Unrealised surpluses (deficits)							
Revaluation differences on assets	16	22,781,723	24,372,172	21,405,913	22,584,389	24,137,558	21,134,021
Shareholding changes in Group		52,943	52,943	52,943	-	-	-
Fair value changes on available-for-sale securities	29						
- Company		(273)	(198)	(199,052)	(273)	(198)	(199,052)
- Associated company		(4,029)	3,401	914	-	-	-
Retained earnings							
Appropriated							
Legal reserve	29	759,193	740,767	739,634	759,193	740,767	739,634
Unappropriated	3,24	14,231,263	13,950,612	13,947,629	12,398,224	12,292,387	12,560,082
Equity attributable to owners of the Company		57,712,185	59,011,062	55,838,626	55,992,133	57,421,114	54,485,285
Non - controlling interests		982	982	982	-	-	-
Total equity		57,713,167	59,012,044	55,839,608	55,992,133	57,421,114	54,485,285
Total liabilities and equity		82,411,821	76,535,350	71,683,298	78,276,971	73,515,772	69,689,802

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

Statements of comprehensive income

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Note	Consolidate financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012 (Restated)	2013	2012 (Restated)
Income	5,30				
Revenue from sales of goods	31,40	26,872,174	26,357,797	21,420,272	21,520,602
Delivery income		1,441,839	1,491,166	1,603,351	1,601,403
Net foreign exchange gain		-	89,067	-	20,139
Investment income	32	28,435	29,617	39,565	305,124
Other income	33	518,109	456,518	574,967	493,413
Total income		28,860,557	28,424,165	23,638,155	23,940,681
Expenses	5,37				
Cost of sales of goods	10	22,866,044	22,552,765	18,529,655	19,007,089
Selling expenses	34	3,307,764	3,850,384	2,904,356	3,438,741
Administrative expenses	35	934,185	1,140,450	785,968	985,782
Management benefit expenses	5,36	315,081	298,001	296,768	280,686
Penalty and surcharge tax expenses	25	255,234	-	255,234	-
Net foreign exchange loss		167,831	-	114,362	-
Finance costs	38	251,799	219,784	208,637	194,769
Total expenses		28,097,938	28,061,384	23,094,980	23,907,067
Share of profit of associates	12	2,608	2,879	-	-
Profit before income tax expense		765,227	365,660	543,175	33,614
Income tax (expense) benefit	39	(159,214)	(78,051)	(174,646)	7,522
Profit for the year		606,013	287,609	368,529	41,136
Other comprehensive income					
Net change in fair value of available-for-sale investments		(94)	248,567	(94)	248,567
Revaluation of property, plant and equipment		(1,988,061)	3,707,824	(1,941,462)	3,754,422
Defined benefit plan actuarial gains (losses)	24	(134,073)	20,993	(52,957)	(6,067)
Share of other comprehensive income (loss) of associates	12	(7,430)	2,487	-	-
Income tax on other comprehensive income	18,39	424,446	(795,477)	398,903	(799,385)
Other comprehensive income (loss) for the year, net of income tax		(1,705,212)	3,184,394	(1,595,610)	3,197,537
Total comprehensive income (loss) for the year		(1,099,199)	3,472,003	(1,227,081)	3,238,673
Basic earnings per share (in Baht)	41	0.30	0.14	0.18	0.02

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

Statements of changes in equity

TPI Polene Public Company Limited and its Subsidiaries

Consolidated financial statements													(in thousand Baht)		
Note		Retained earnings		Other components of equity								Equity attributable to owners of the Company	Non-controlling interests	Total equity	
		Issued and paid-up share capital	Treasury shares held by subsidiaries	Share premium	Surplus on treasury shares held by subsidiaries	Shareholding changes in Group	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	Revaluation surplus	Share of other comprehensive income / (expense) of associates				Total other components of equity
Year ended 31 December 2012															
	Balance at 1 January 2012 - as reported	20,190,000	(360,140)	60,600	185	52,943	739,634	14,149,368	(248,815)	26,780,394	914	26,532,493	61,365,073	982	61,366,055
3	Impact of change in accounting policy	-	-	-	-	-	-	(201,729)	49,763	(5,374,481)	-	(5,324,718)	(5,526,447)	-	(5,526,447)
	Balance at 1 January 2012 - restated	20,190,000	(360,140)	60,600	185	52,943	739,634	13,947,629	(199,052)	21,405,913	914	21,207,775	55,839,626	982	55,839,608
Transactions with owners, recorded directly in equity															
Contributions by and distributions to owners of the Company															
28	Sale of treasury shares by a subsidiary	-	26,693	-	(185)	-	-	(769)	-	-	-	-	25,739	-	25,739
28	Purchases of treasury shares by a indirect subsidiary	-	(25,788)	-	-	-	-	-	-	-	-	-	(25,788)	-	(25,788)
42	Dividends to owners of the Company	-	-	-	-	-	-	(299,518)	-	-	-	-	(299,518)	-	(299,518)
	Total contributions by and distributions to owners of the Company	-	905	-	(185)	-	-	(300,287)	-	-	-	-	(299,567)	-	(299,567)
	Total transactions with owners, recorded directly in equity	-	905	-	(185)	-	-	(300,287)	-	-	-	-	(299,567)	-	(299,567)
Comprehensive income for the year															
	Profit	-	-	-	-	-	-	287,609	-	-	-	-	287,609	-	287,609
	Other comprehensive income	-	-	-	-	-	16,794	198,854	198,854	2,966,259	2,487	3,167,600	3,184,394	-	3,184,394
	Total comprehensive income for the year	-	-	-	-	-	-	304,403	198,854	2,966,259	2,487	3,167,600	3,472,003	-	3,472,003
29	Transfer to legal reserve	-	-	-	-	-	1,133	(1,133)	-	-	-	-	-	-	-
	Balance at 31 December 2012	20,190,000	(359,235)	60,600	-	52,943	740,767	13,950,612	(198)	24,372,172	3,401	24,375,375	59,011,062	982	59,012,044
Year ended 31 December 2013															
	Balance at 31 January 2013 - as reported	20,190,000	(359,235)	60,600	-	52,943	740,767	14,117,171	(248)	30,488,218	3,401	30,491,371	65,293,617	982	65,294,599
3	Impact of change in accounting policy	-	-	-	-	-	-	(166,559)	50	(6,116,046)	-	(6,115,996)	(6,282,555)	-	(6,282,555)
	Balance at 1 January 2013	20,190,000	(359,235)	60,600	-	52,943	740,767	13,950,612	(198)	24,372,172	3,401	24,375,375	59,011,062	982	59,012,044
Transactions with owners, recorded directly in equity															
Contributions by and distributions to owners of the Company															
42	Dividends to owners of the Company	-	-	-	-	-	-	(199,678)	-	-	-	-	(199,678)	-	(199,678)
	Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	(199,678)	-	-	-	-	(199,678)	-	(199,678)
	Total Transactions with owners, recorded directly in equity	-	-	-	-	-	-	(199,678)	-	-	-	-	(199,678)	-	(199,678)
Comprehensive income for the year															
	Profit	-	-	-	-	-	-	606,013	-	-	-	-	606,013	-	606,013
	Other comprehensive income	-	-	-	-	-	-	(107,258)	(75)	(1,590,449)	(7,430)	(1,597,954)	(1,705,212)	-	(1,705,212)
	Total comprehensive income for the year	-	-	-	-	-	-	498,755	(75)	(1,590,449)	(7,430)	(1,597,954)	(1,099,199)	-	(1,099,199)
29	Transfer to legal reserve	-	-	-	-	-	18,426	(18,426)	-	-	-	-	-	-	-
	Balance at 31 December 2013	20,190,000	(359,235)	60,600	-	52,943	759,193	14,231,263	(273)	22,781,723	(4,029)	22,777,421	57,712,185	982	57,713,167

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

Statements of changes in equity

TPI Polene Public Company Limited and its Subsidiaries

		Separate financial statements						(in thousand Baht)	
		Retained earnings			Other components of equity			Total equity	
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	Revaluation surplus	Total other components of equity	
Year ended 31 December 2012									
	Balance at 1 January 2012 - as reported	20,190,000	60,600	739,634	12,818,855	(248,815)	26,417,526	26,168,711	59,977,800
3	Impact of change in accounting policy	-	-	-	(258,773)	49,763	(5,293,505)	(5,233,742)	(5,492,515)
	Balance at 1 January 2012 - restated	20,190,000	60,600	739,634	12,560,082	(199,052)	21,134,021	20,934,969	54,485,285
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the Company</i>									
42	Dividends to owners of the Company	-	-	-	(302,844)	-	-	-	(302,844)
	<i>Total contributions by and distributions to owners of the Company</i>	-	-	-	(302,844)	-	-	-	(302,844)
	Total transactions with owners, recorded directly in equity	-	-	-	(302,844)	-	-	-	(302,844)
Comprehensive income for the year									
	Profit	-	-	-	41,136	-	-	-	41,136
	Other comprehensive income	-	-	-	(4,854)	198,854	3,003,537	3,202,391	3,197,537
	Total comprehensive income for the year	-	-	-	36,282	198,854	3,003,537	3,202,391	3,238,673
29	Transfer to legal reserve	-	-	1,133	(1,133)	-	-	-	-
	Balance at 31 December 2012	20,190,000	60,600	740,767	12,292,387	(198)	24,137,558	24,137,360	57,421,114
Year ended 31 December 2013									
	Balance at 31 December 2012 - as reported	20,190,000	60,600	740,767	12,531,466	(248)	30,171,948	30,171,700	63,694,533
3	Impact of change in accounting policy	-	-	-	(239,079)	50	(6,034,390)	(6,034,390)	(6,273,419)
	Balance at 1 January 2013	20,190,000	60,600	740,767	12,292,387	(198)	24,137,558	24,137,360	57,421,114
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the Company</i>									
42	Dividends to owners of the Company	-	-	-	(201,900)	-	-	-	(201,900)
	<i>Total contributions by and distributions to owners of the Company</i>	-	-	-	(201,900)	-	-	-	(201,900)
	Total transactions with owners, recorded directly in equity	-	-	-	(201,900)	-	-	-	(201,900)
Comprehensive income for the year									
	Profit	-	-	-	368,529	-	-	-	368,529
	Other comprehensive income	-	-	-	(42,366)	(75)	(1,533,169)	(1,533,244)	(1,595,610)
	Total comprehensive income for the year	-	-	-	326,163	(75)	(1,533,169)	(1,533,244)	(1,227,081)
29	Transfer to legal reserve	-	-	18,426	(18,426)	-	-	-	-
	Balance at 31 December 2013	20,190,000	60,600	759,193	12,398,224	(273)	22,584,369	22,584,116	55,992,133

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

Statements of cash flows

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from operating activities					
Profit for the year		606,013	287,609	368,529	41,136
<i>Adjustments for</i>					
Depreciation and amortisation	15,17	1,864,979	1,975,803	1,336,602	1,537,002
Interest income	32	(24,389)	(23,221)	(28,836)	(50,786)
Finance costs	38	251,799	219,784	208,637	194,769
Dividend income	32	(5)	(2,082)	(5)	(252,066)
Unrealised (gain) loss on foreign exchange		53,919	2,061	73,419	(2,020)
Doubtful accounts and bad debts (reversal)		(49)	(20,794)	(60)	(45,028)
Provision for staff retirement benefits	24	140,906	163,914	111,140	111,140
Provision for reinstatement	26	9,134	5,103	4,996	4,794
Loss on disposal of property and equipment		49,432	23,121	46,038	25,446
Loss (gain) on sale of investment properties		-	(2,334)	-	29
Loss on impairment of equipment (reversal)	15	(7,413)	(6,917)	-	-
Loss on impairment of investment properties (reversal)	14	(300)	(6,185)	-	-
Gain on sale of investment in associated company		(40)	-	-	-
Loss on impairment of investment (reversal)	13	(45,663)	-	(45,653)	-
Loss on sale of other long-term investments	35	-	271,813	-	271,813
Share of profit of associates, net of income tax	12	(2,608)	(2,879)	-	-
Penalty and surcharge tax expenses		255,234	-	255,234	-
Income tax expense (benefit)	39	159,214	78,051	174,646	(7,522)
		3,310,163	2,962,847	2,504,687	1,828,707
Changes in operating assets and liabilities					
Trade accounts receivable		(144,349)	(556,198)	(683,293)	(430,321)
Other receivables		(199,671)	(142,418)	(194,934)	(61,856)
Receivable and advances to related parties		27,719	(103,750)	203,219	112,049
Inventories		(1,053,721)	622,203	(763,465)	1,349,515
Other current assets		(57,648)	96,334	(31,119)	3,816
Receivable and advances to related parties		-	-	-	333,248
Other non-current assets		16,714	(168,893)	(6,351)	(163,707)
Trade accounts payable		897,310	550,085	853,330	183,048
Other payables		155,529	80,601	271,816	(26,718)
Payable and advances from related parties		(9,102)	56,436	(64,129)	(208,743)
Other current liabilities		(27,480)	(51,607)	(13,320)	(16,561)
Employee benefit paid by the plan	24	(13,267)	(17,222)	(10,132)	(15,592)
Other non-current liabilities		693	192,978	-	194,988
Cash generated from operating activities		2,902,890	3,521,396	2,066,309	3,081,873
Penalty and surcharge tax paid		(255,234)	-	(255,234)	-
Income tax paid		(78,511)	(298,942)	(21,018)	(178,383)
Net cash provided by operating activities		2,569,145	3,222,454	1,790,057	2,903,490

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

Statements of cash flows

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Note	Consolidate financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from investing activities					
Interest received		29,081	30,088	27,966	85,960
Dividend received		5	2,082	5	252,066
Purchase of property, plant and equipment		(5,380,137)	(2,637,800)	(4,801,947)	(1,691,535)
Purchase of investment properties	14	-	(10,000)	-	-
Sale of investment properties		-	9,890	-	10,579
Sale of property and equipment		31,286	74,870	20,297	62,536
Advance payment for machine		(1,436,338)	(348,585)	(889,163)	(251,448)
Short-term loans to related parties	5	-	-	(680,500)	(1,094,614)
Proceeds from short-term loans to related parties	5	-	-	962,805	1,799,177
Long-term loans to other parties		(622)	(550)	-	-
Proceeds from long-term loans to other parties		1,709	1,541	-	-
Sale of current investments		-	51,132	-	61
Sale of investment in associated company		50	-	-	-
Purchase of other long-term investments		(118,407)	-	52,832	-
Sale of other long-term investments		203,139	188,911	-	188,871
Purchase of intangible assets	17	(7,383)	-	(7,383)	-
Cash outflow on addition investment in subsidiaries	11	-	-	-	(1,585,000)
Net cash used in investing activities		(6,677,617)	(2,638,421)	(5,315,088)	(2,223,347)
Cash flows from financing activities					
Interest paid		(269,788)	(218,219)	(226,950)	(240,517)
Dividend paid	42	(199,678)	(299,512)	(201,900)	(302,844)
Finance lease payments		(212,823)	(62,545)	(112,028)	(36,372)
(Decrease) increase in bank overdrafts and short-term loans from financial institutions		(28,477)	737,304	(214,985)	704,872
Proceeds from short-term loans from related parties	5	510,000	350,000	510,000	1,306,432
Repayment of short-term loans from related parties	5	(510,000)	(350,000)	(510,000)	(1,306,432)
Proceeds from long-term loans from financial institutions		3,450,155	406,088	2,838,464	406,088
Repayment of long-term loans from financial institutions		(1,302,874)	(1,146,999)	(1,268,598)	(1,131,697)
Proceeds from sale of debentures	23	3,000,000	-	3,000,000	-
Proceeds from sale of treasury shares		-	25,740	-	-
Purchase of treasury shares		-	(25,788)	-	-
Net cash from (used in) financing activities		4,436,515	(583,931)	3,814,003	(600,470)
Net increase in cash and cash equivalents		328,043	102	288,972	79,673
Cash and cash equivalents at 1 January		517,000	516,880	131,392	51,714
Effect of exchange rate changes on balances held in foreign currencies		(110)	18	822	5
Cash and cash equivalents at 31 December	6	844,933	517,000	421,186	131,392

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

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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 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 28 February 2014.

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 3 major industries and has 17 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 concrete roof tile industry at Amphur Chalermprakit, Saraburi. 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 2013 and 2012 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2013	2012
<i>Direct subsidiaries</i>				
Prosper Delta Ltd.	Negotiating and entering into a debt repurchase at discount agreement with foreign creditor (dormant)	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) and organics waste / Petroleum exploration	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
<i>Indirect subsidiaries</i>				
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
TPI Service Co., Ltd.	Construcion service	Thailand	51.00	51.00
<i>Joint venture (proportionate consolidation)</i>				
Thai Nitrate Co., Ltd. (see note 45(4))	Manufacturing and distributing nitric acids and ammonium nitrate	Thailand	50.00	89.00

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); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 12	Income Taxes
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

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 a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 47.

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

(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;

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the note to the financial statements 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 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.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 16	Surplus on fixed assets revaluation
Note 18	Deferred tax
Note 24	Employee benefit obligations
Note 25	Provision for fine
Note 45	Contingent liabilities

3 Changes in accounting policies

(a) Overview

From 1 January 2013, 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:

- Accounting for income tax
- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Group are included in notes 3(b) to 3(d) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group.

(b) Accounting for income tax

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carryforward of unused tax losses. The accounting policy for deferred tax is described in note 4 (u).

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

The Group adopted TAS 12 with effect from 1 January 2013. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

(in thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
Statement of financial position as at						
Increase (decrease) in deferred tax assets	388,468	343,515	396,854	309,890	298,071	350,063
Increase (decrease) in deferred tax liabilities	6,259,689	6,626,070	5,923,301	6,229,173	6,571,490	5,842,578
Increase (decrease) in revaluation surplus	(5,718,433)	(6,116,046)	(5,374,481)	(5,646,097)	(6,034,390)	(5,283,505)
Increase (decrease) in fair value	68	50	49,763	68	50	49,763
Increase (decrease) in retained earnings	(152,856)	(166,559)	(201,729)	(273,254)	(239,079)	(258,773)
Increase (decrease) in shareholders' equity	(5,871,221)	(6,282,555)	(5,526,447)	(5,919,283)	(6,273,419)	(5,492,515)

(in thousand Baht)

Statement of comprehensive income for the year ended 31 December	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
(Increase) decrease in income tax expense	(13,112)	39,369	(44,767)	18,481
Increase (decrease) in profit for the period	(13,112)	39,369	(44,767)	18,481
Increase (decrease) in basic earnings per share (in Baht)	(0.01)	0.02	(0.02)	0.01

(c) Accounting for the effects of changes in foreign exchange rates

From 1 January 2013, the Group has adopted TAS 21 (revised 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21(revised 2009) is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21(revised 2009) requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21(revised 2009). Foreign currencies are defined by TAS 21(revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21(revised 2009) from 1 January 2013 has not had a significant impact on the Group's reported assets, liabilities or retained earnings.

(d) Presentation of information on operating segments

From 1 January 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The new policy has been applied retrospectively and segment information included in the financial statements for the year ended 31 December 2012, which are included in the Group's 2013 financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Group's reported assets, liabilities, results or earnings per share.

TFRS 8 introduces the "management approach" to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. Previously the Group presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Group's financial statements.

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.

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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 of equity accounted investees, 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 equity accounted investees, the Group's carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

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 the functional currency at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency 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 the functional currency 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 the functional currency at the foreign exchange rates ruling at the dates that fair value was determined.

Foreign operations

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

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

The revenues and expenses of foreign operations 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 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

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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 investment

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. 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

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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. In addition, the Company has acted in accordance with the Federation of Accounting Professions Announcement No.18/2554, regarding the recognition of revalued assets until the end of periods starting prior to 1 January 2016. The aforesaid announcement has deferred the recognition of accounting method for reappraisal of existing assets and therefore, the revaluation surplus is not charged to profit or loss.

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.

Oil and Gas Properties

The Company follows the Successful Efforts Method in accounting for its assets used for oil and gas exploration and production activities as follows:

Costs of properties comprise total acquisition costs of petroleum rights or the portion of costs applicable to properties as well as the decommissioning costs.

Exploratory drilling costs are capitalized and will be classified as assets of the projects if their exploratory wells have identified proved reserves that have been found to be commercially producible. If, however, the exploratory wells have not identified proved reserves or have identified proved reserves but have not been found to be commercially producible, such drilling costs will be expensed in the statement of income.

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	3,120,000 tons
- For the second plastic plant	3,200,000 tons
Machinery (for concrete)	5, 8 and 10 years
Other machinery and major spare parts	15 - 40 years
Others	3 - 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 based on 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:

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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.

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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 profit or loss 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.

Loyalty programme

The Company has a customer loyalty programme whereby customers are awarded points entitling customers to the right to purchase products from the Company at a discount. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of the sale. The amount allocated to the Points is estimated by reference to the fair value of the right to purchase products at a discount. The fair value is estimated based on the amount of the discount adjusted to take into account the expected forfeiture rate. Such amount is deferred and revenue is recognised only when the Points are redeemed and the Company has fulfilled its obligations to supply the products. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed in exchange for discounted products, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to profit or loss when it is no longer considered probable that the Points will be redeemed.

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 profit or loss 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 profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

(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 expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred 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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

(v) Earnings per 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.

(w) Segment reporting

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets.

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
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% held by TPI Polene Power Co., Ltd., 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
TPI Service 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, 89% shareholding, a half of directors are representatives of the Company (see note 45)
Thai Special Steel Public Co., Ltd.	Thailand	Associate, 29.77% shareholding, more than 20% of directors are representatives of the Company
BUI Life Insurance Public 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

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Name of entities	Country of incorporation/nationality	Nature of relationships
Lampang Food Products Co., Ltd.	Thailand	Co-director
Thai Agriculture 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 - 2%
Insurance premium	Market price
Paper bag service charge	2.00 - 2.60 Baht per bag
Interest expense	4.25% - 4.50%

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
Year ended 31 December	2013	2012	2013	2012
Subsidiaries				
Sales of goods	-	-	2,194,799	1,694,853
Delivery income	-	-	290,107	247,774
Purchase of electricity	-	-	981,757	685,913
Purchase of RDF	-	-	39,458	167,736
Interest income	-	-	15,219	41,415
Interest expense	-	-	-	2,919
Other income	-	-	89,576	79,062
Administrative expenses	-	-	39,136	32,052
Indirect subsidiaries				
Sales of goods	-	-	5,156,887	8,101,317
Purchase of raw materials and spare parts	-	-	2,135,202	3,209,819
Purchase of goods for sales promotion	-	-	916	632
Interest income	-	-	-	779
Interest expense	-	-	-	5,243
Other income	-	-	36,002	18,308
Administrative expenses	-	-	3,375	3,360
Joint venture				
Sales of goods	56	38	111	76
Purchase of raw materials	18,920	14,000	37,840	28,000
Interest expense	-	288	-	575
Other income	427	2,923	854	5,846
Associate				
Sales of goods	194	104	-	-
Insurance premium	2,853	4,304	1,664	2,932

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Other related parties				
Sales of goods	52,591	51,510	49,248	48,879
Delivery income	1,308	-	1,308	-
Purchases of raw materials and spare parts	133,346	167,921	130,651	163,542
Interest expense	2,620	1,095	2,620	1,033
Other income	1,086	80	1,086	80
Insurance premium	178,098	182,460	152,984	156,294
Administrative expenses	32,673	35,184	19,351	16,428
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	301,290	284,820	284,060	268,568
Post-employment benefits	13,791	13,181	12,708	12,118
Total key management personnel compensation	315,081	298,001	296,768	280,686

Balances as at 31 December with related parties were as follows:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts receivable - related parties				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	732,489	390,363
TPI Polene Power Co., Ltd.	-	-	369	624
TPI All Seasons Co., Ltd.	-	-	9,997	1,762
Indirect subsidiaries				
Polene Plastic Co., Ltd.	-	-	1,017,452	522,228
TPI Polene Bio Organics Co., Ltd.	-	-	527	876
Joint venture				
Thai Nitrate Co., Ltd.	11	6	22	12
Associate				
BUI Life Insurance Public Co., Ltd.	19	11	-	-
Other related parties				
United Grain Industry Co., Ltd.	202	138	202	133
Bangkok Union Insurance Public Co., Ltd.	10	7	-	-
Thai Plastic Film Co., Ltd.	25,515	31,319	25,515	31,319
Pornchai Enterprise Co., Ltd.	58	53	10	5
Rayong Forest Co., Ltd.	1,637	682	-	-
Total	27,452	32,216	1,786,583	947,322

(in thousand Baht)

	Interest rate		Consolidated financial statements		Separate financial statements	
<i>Short-term loans to related parties</i>	<i>(% per annum)</i>		2013	2012	2013	2012
Subsidiaries						
TPI Polene Power Co., Ltd.	MLR-2%	MLR-2%	-	-	5,625	287,930
TPI All Seasons Co., Ltd.	MLR-2%	MLR-2%	-	-	24,709	24,709
			-	-	30,334	312,639
Accrued interest receivable			-	-	1,737	665
Total			-	-	32,071	313,304

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Receivable and advances to related parties - current				
Subsidiaries				
Prosper Delta Ltd.	-	-	141	141
TPI Concrete Co., Ltd.	-	-	3,452	8,099
TPI Polene Power Co., Ltd.	-	-	37,662	40,614
TPI All Seasons Co., Ltd.	-	-	793	793
Indirect subsidiaries				
Polene Plastic Co., Ltd.	-	-	13,502	246,538
TPI Polene Bio Organics Co., Ltd.	-	-	96,962	21,756
TPI Service Co., Ltd.	-	-	1,060	-
Joint venture				
Thai Nitrate Co., Ltd.	67	51	133	102
Associate				
BUI Life Insurance Public Co., Ltd.	2,740	3,916	2,568	3,496
Other related parties				
United Grain Industry Co., Ltd.	1,346	1,923	-	-
Bangkok Union Insurance Public Co., Ltd.	71,105	97,033	55,775	93,735
Pornchai Enterprise Co., Ltd.	886	866	373	353
Rayong Forest Co., Ltd.	7	141	7	140
Thai Petrochemical Industry Co., Ltd.	60	-	60	-
Total	76,211	103,930	212,488	415,767

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Subsidiary				
At 1 January	-	-	312,639	1,017,202
Increase	-	-	680,500	1,010,114
Decrease	-	-	(962,805)	(1,714,677)
At 31 December	-	-	30,334	312,639
Indirect subsidiary				
At 1 January	-	-	-	-
Increase	-	-	-	84,500
Decrease	-	-	-	(84,500)
At 31 December	-	-	-	-
Total short-term loans to related parties				
At 1 January	-	-	312,639	1,017,202
Increase	-	-	680,500	1,094,614
Decrease	-	-	(962,805)	(1,799,177)
At 31 December	-	-	30,334	312,639
Receivable and advances to related parties - non-current				
Subsidiary				
Thai Propoxide Co., Ltd.	-	-	422,044	421,984
Total	-	-	422,044	421,984

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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 2013, the outstanding amount of accounts receivable from the subsidiary from the sale of land totalled Baht 422 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.

(in thousand Baht)

<i>Trade accounts payable - related parties</i>	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	315	361
TPI Polene Power Co., Ltd.	-	-	8,474	10,069
Indirect subsidiaries				
Polene Plastic Co., Ltd.	-	-	345,218	551,330
TPI Polene Bio Organics Co., Ltd.	-	-	22	169
Joint venture				
Thai Nitrate Co., Ltd.	2,547	2,547	5,094	5,094
Other related parties				
United Grain Industry Co., Ltd.	95,763	125,911	92,537	125,315
Thai Plastic Film Co., Ltd.	21,416	214,494	20,584	212,168
Bangkok Union Insurance Public Co., Ltd.	523	912	521	563
Thai Plastic Product Co., Ltd.	11,155	66,454	8,014	63,882
Pornchai Enterprise Co., Ltd.	148	55	-	48
Leophairatana Enterprise Co., Ltd.	2	2	-	-
Total	131,554	410,375	480,779	968,999
Payable and advances from related parties				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	5,454	5,726
TPI Polene Power Co., Ltd.	-	-	82,899	126,453
Indirect Subsidiaries				
Polene Plastic Co., Ltd.	-	-	9,565	17,545
TPI Polene Bio Organics Co., Ltd.	-	-	2,513	3,515
Indirect associate				
Thai Special Steel Public Co., Ltd.	893	181	893	181
Other related parties				
Pornchai Enterprise Co., Ltd.	29,700	18,238	29,190	17,820
Bangkok Union Insurance Public Co., Ltd.	20,164	42,076	18,472	41,625
Thai Plastic Product Co., Ltd.	74	96	-	1
United Grain Industry Co., Ltd.	3,005	2,283	-	185
Thai Plastic Film Co., Ltd.	-	64	-	64
Total	53,836	62,938	148,986	213,115

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Subsidiary				
At 1 January	-	-	-	-
Increase	-	-	-	186,000
Decrease	-	-	-	(186,000)
At 31 December	-	-	-	-
Indirect subsidiary				
At 1 January	-	-	-	-
Increase	-	-	-	670,432
Decrease	-	-	-	(670,432)
At 31 December	-	-	-	-
Joint venture				
At 1 January	-	-	-	-
Increase	-	100,000	-	200,000
Decrease	-	(100,000)	-	(200,000)
At 31 December	-	-	-	-
Other related parties				
At 1 January	-	-	-	-
Increase	510,000	250,000	510,000	250,000
Decrease	(510,000)	(250,000)	(510,000)	(250,000)
At 31 December	-	-	-	-
Total short-term loans from related parties				
At 1 January	-	-	-	-
Increase	510,000	350,000	510,000	1,306,432
Decrease	(510,000)	(350,000)	(510,000)	(1,306,432)
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 were as follows:

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

Type of agreement	Prepaid rentals	Remaining prepaid rentals	
		2013	2012
		(in thousand Baht)	
The Company			
30 years lease agreement			
(3 years for original agreement)	143,517	113,781	115,376
30 years lease agreement			
(90 years for original agreement)	29,669	24,724	25,053
	173,186	138,505	140,429
Subsidiary			
30 years lease agreement			
(3 years for original agreement)	47,000	37,120	37,640
30 years lease agreement			
(90 years for original agreement)	11,659	9,716	9,845
	58,659	46,836	47,485
Total	231,845	185,341	187,914

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 2013, 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 hereto.

(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:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Non-cancellable operating lease commitments				
Within one year	48,239	29,378	37,764	22,235
After one year but within five years	<u>54,374</u>	<u>18,696</u>	<u>40,711</u>	<u>15,213</u>
Total	<u>102,613</u>	<u>48,074</u>	<u>78,475</u>	<u>37,448</u>

As at 31 December 2013, the Company had contingent liabilities in respect of guarantees issued on behalf of a subsidiary of Baht 1,343 million (2012: Baht 546 million).

6 Cash and cash equivalents

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash on hand	9,366	7,371	3,102	1,890
Cash at banks - current accounts	332,804	95,792	169,677	58,869
Cash at banks - savings accounts	340,484	311,960	246,544	68,771
Cash at banks - fixed accounts (3 months)	1,879	1,877	1,863	1,862
Highly liquid short-term investments	<u>160,400</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Total	<u>844,933</u>	<u>517,000</u>	<u>421,186</u>	<u>131,392</u>

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Thai Baht (THB)	722,939	422,898	377,559	130,310
United States Dollar (USD)	120,571	93,759	42,443	782
EURO (EUR)	1,017	62	825	48
Others	406	281	359	252
Total	844,933	517,000	421,186	131,392

7 Other investments

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Other long-term investments				
Long-term deposits at financial institutions	-	15,500	-	-
Equity securities available-for-sale	199	293	199	293
Other non-marketable equity securities	1,596	1,596	1,596	1,596
Other debt securities held-to-maturity	190,268	263,333	17,122	69,810
Total	192,063	280,722	18,917	71,699

Other investments of the Group as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

Deposits at financial institutions and other debt securities held-to-maturity of Baht 176 million (2012: Baht 262 million) in the consolidated financial statements and of Baht 16 million (2012: Baht 70 million) in the separate financial statements are pledged as collateral.

8 Trade accounts receivable

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
Related parties	5	27,452	32,216	1,786,583	947,322
Other parties		2,696,689	2,550,532	1,023,173	1,187,944
		2,724,141	2,582,748	2,809,756	2,135,266
Less allowance for doubtful accounts		(120,810)	(130,070)	(87,384)	(96,405)
Net		2,603,331	2,452,678	2,722,372	2,038,861
Bad and doubtful debts expenses for the year (reversal)		(56)	(36,940)	(60)	(20,052)

Aging analyses for trade accounts receivable were as follows:

Related parties

Within credit terms	27,452	32,216	849,278	847,225
Overdue:				
Less than 3 months	-	-	937,300	100,090
3-6 months	-	-	-	2
Over 12 months	-	-	5	5
	27,452	32,216	1,786,583	947,322

Other parties

Within credit terms	2,290,502	2,248,116	834,762	1,007,835
Overdue:				
Less than 3 months	245,086	137,166	67,146	52,865
3-6 months	542	15,356	99	10,148
6-12 months	11,256	5,731	7,701	5,617
Over 12 months	149,303	144,163	113,465	111,479
	2,696,689	2,550,532	1,023,173	1,187,944
Less allowance for doubtful accounts	(120,810)	(130,070)	(87,384)	(96,405)
	2,575,879	2,420,462	935,789	1,091,539
Net	2,603,331	2,452,678	2,722,372	2,038,861

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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	
	2013	2012	2013	2012
Thai Baht (THB)	2,211,322	2,094,378	2,722,372	2,038,861
United States Dollars (USD)	392,009	358,300	-	-
Total	2,603,331	2,452,678	2,722,372	2,038,861

9 Other receivables

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Other receivables - trailer rental	304,502	133,780	304,502	133,780
Deferred income	21,962	5,832	17,187	567
Prepaid expenses	30,902	32,147	15,106	17,580
Advances	27,452	30,938	23,195	23,228
Others	93,026	78,113	77,581	67,740
Total	477,844	280,810	437,571	242,895

10 Inventories

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Finished goods	2,077,669	1,798,036	1,404,669	1,172,890
Work in process	1,060,062	1,248,637	806,616	1,199,384
Raw materials and chemicals	1,500,151	1,217,760	1,343,084	1,063,371
Packages	308,095	255,881	243,169	200,770
Oil and coal	1,119,851	766,352	1,110,253	733,446
Spare parts and general supplies	2,000,418	1,706,248	1,690,281	1,501,673
Goods in transit	207,729	227,340	115,533	78,606
Total	8,273,975	7,220,254	6,713,605	5,950,140
Inventories recognised as an expense				
in 'cost of sales of goods':	22,866,044	22,552,765	18,529,655	19,007,089

11 Investments in subsidiaries and joint venture

(in thousand Baht)

	Separate financial statements	
	2013	2012
Subsidiaries		
At 1 January	5,046,498	3,461,498
Acquisitions	-	1,585,000
At 31 December	5,046,498	5,046,498
Joint venture		
At 1 January	284,409	284,409
At 31 December	284,409	284,409
Total		
At 1 January	5,330,907	3,745,907
Acquisitions	-	1,585,000
At 31 December	5,330,907	5,330,907

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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

	Separate financial statements							
	Ownership interest		Paid-up Capital		Cost method		Equity method	
	2013	2012	2013	2012	2013	2012	2013	2012
	(%)		(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	4,060,250	4,060,250	4,060,249	4,060,249	-	-
TPI All Seasons Co., Ltd.	99.99	99.99	146,250	146,250	146,250	146,250	-	-
Thai Propoxide Co., Ltd.	99.99	99.99	250	250	250	250	-	-
Less allowance for impairment					(250)	(250)	-	-
					5,046,498	5,046,498	-	-
Joint venture								
Thai Nitrate Co., Ltd. (see note 45 (4))	50.00	89.00	468,750	468,750	284,409	284,409	-	249,984
					284,409	284,409	-	249,984
Total					5,330,907	5,330,907	-	249,984

the consolidated financial statements represents the Group's share:

	Owner- ship (%)	Current assets	Non- current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit
(in thousand Baht)										
2013										
Thai Nitrate Co., Ltd. (see note 45 (4))	50.00	375,655	648,647	1,024,302	29,945	85,259	115,204	508,003	477,427	30,576
2012										
Thai Nitrate Co., Ltd. (see note 45 (4))	89.00	420,711	732,402	1,153,113	132,090	95,902	227,992	815,752	684,293	131,459

12 Investments in associates

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
At 1 January	143,809	138,443	135,350	135,350
Share of net profits of equity-accounted associates	2,608	2,879	-	-
Fair value changes on available-for-sale securities	(7,430)	2,487	-	-
At 31 December	138,987	143,809	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 2013, the Group's cumulative share of unrecognised loss was Baht 837 million (2012: Baht 793 million), of which Baht 44 million was the Group's share of the current year's loss (2012: Baht 104 million). The Group has no obligation in respect of this loss.

Investments in associates as at 31 December were as follows:

	Consolidated financial statements							
	Ownership interest		Paid-up Capital		Cost method		Equity method	
	2013	2012	2013	2012	2013	2012	2013	2012
	(%)				(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 Public Co., Ltd.	25.00	25.00	500,000	500,000	125,000	125,000	129,244	134,064
Mondo Thai Co., Ltd.	28.75	28.75	36,000	36,000	10,350	10,350	9,743	9,745
Total					1,391,550	1,391,550	138,987	143,809
	Separate financial statements							
	Ownership interest		Paid-up Capital		Cost method			
	2013	2012	2013	2012	2013	2012		
	(%)				(in thousand Baht)			
BUI Life Insurance Public 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		

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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 profit / (loss)
				(in thousand Baht)		
2013						
Thai Special Steel Industry Public Co., Ltd.	31 December	29.77	4,574,550	6,412,471	322,988	(148,528)
BUI Life Insurance Public Co., Ltd.	31 December	25.00	659,966	143,155	43,221	12,188
Mondo Thai Co., Ltd.	31 December	28.75	33,986	5	1	(7)
Total			5,268,502	6,555,631	366,210	(136,347)
2012						
Thai Special Steel Industry Public Co., Ltd.	31 December	29.77	4,392,836	6,078,148	124,325	(349,588)
BUI Life Insurance Public Co., Ltd.	31 December	25.00	681,775	143,439	48,174	11,523
Mondo Thai Co., Ltd.	31 December	28.75	33,970	5	1	(7)
Total			5,108,581	6,221,592	172,500	(338,072)

13 Long-term investments in related parties

	Type of business	Relationship	Paid-up capital	Ownership interest		Consolidated and Separate financial statements	
				2013	2012	2013	2012
			(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 and service rental	Shareholder	4,599,920	0.65	0.65	45,653	45,653
TPI Holding Co., Ltd.	Holding Company	Shareholder	4,044,573	0.001	0.001	217	217
Total						150,370	150,370
Less allowance for impairment						-	(45,653)
Net						150,370	104,717

14 Investment properties

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
Cost					
At 1 January		610,294	659,295	447,528	381,482
Additions		-	10,000	-	-
Reclassification from property, plant and equipment	15	-	-	-	76,654
Disposals		-	(18,163)	-	(10,608)
Transfer to property, plant and equipment	15	-	(40,838)	-	-
At 31 December		610,294	610,294	447,528	447,528
Depreciation and impairment losses					
At 1 January		12,463	17,649	-	-
Depreciation charge for the year		1,000	999	-	-
Impairment losses (reversal)		(300)	(6,185)	-	-
At 31 December		13,163	12,463	-	-
Net book value					
At 1 January 2012		-	641,646	-	381,482
At 31 December 2012 and 1 January 2013		597,831	597,831	447,528	447,528
At 31 December 2013		597,131	-	447,528	-

Investment properties were revalued as at 31 December 2013 and 2012 by the treasury department (B.E.2554). The appraised value was Baht 1,216 million (2012: Baht 1,203 million) in respect to the assets in the consolidated financial statement and of Baht 562 million (2012: Baht 562 million) in respect to the assets in the separate financial statement.

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

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

15 Property, plant and equipment

Changes in property, plant and equipment for the year ended 31 December 2013, are summarised as follows:

Consolidated financial statements												(in thousand Baht)
	Cost/revaluation			Accumulated depreciation			Allowance for impairment			Book value		
	At 1 January 2013	Additions	Disposals/ Transfers, Write off net	At 31 December 2013	At 1 January 2013	Depreciation Write off net	At 31 December 2013	At 1 January 2013	At 31 December 2013	At 1 January 2013	At 31 December 2013	
Land and land improvement	2,792,589	73,950	-	2,866,539	(2,148)	(25)	(2,173)	-	-	2,790,441	2,864,366	
Leasehold improvement	1,180	-	-	1,180	(1,180)	-	(1,180)	-	-	-	-	
Buildings and structures												
- Cost	8,269,289	27,021	(91,705)	9,102,666	(4,169,408)	(242,178)	(4,341,053)	-	-	4,099,881	4,761,613	
- Increment appraisal	6,830,454	-	(22,125)	6,808,329	-	(312,855)	(311,433)	-	-	6,830,454	6,496,896	
Machinery and pipes												
- Cost	33,888,854	312,271	(115,113)	35,643,281	(17,115,829)	(1,360,183)	(18,390,385)	(514)	-	16,752,511	17,252,896	
- Increment appraisal	23,869,054	-	-	23,869,054	(756,699)	(1,591,822)	(2,348,521)	-	-	23,112,355	21,520,533	
Tools and factory equipment	5,003,191	303,587	(1,038)	56,632	(4,062,218)	(161,061)	(4,221,919)	-	-	940,973	1,140,453	
Furniture, fixtures and office equipment	391,834	49,094	(13,879)	16,966	(321,892)	(28,624)	(336,964)	-	-	69,942	107,041	
Vehicles	1,259,640	331,124	(6,939)	12,636	(924,620)	(34,371)	(954,928)	-	-	335,020	641,533	
Increment appraisal - Other	637,419	-	-	637,419	-	(62,682)	(62,682)	-	-	637,419	574,737	
Major spare parts	207,822	31,864	-	1,899	-	-	-	-	-	207,822	241,585	
Construction in progress	5,828,224	4,616,336	-	(2,023,830)	-	-	-	-	-	5,828,224	8,420,730	
Oil and gas properties	102,294	34,472	-	(10)	-	-	-	-	-	102,294	136,756	
Machinery under installation	1,580,665	1,800,422	-	(521,749)	-	-	-	(13,586)	(6,686)	1,567,079	2,852,652	
Total	90,642,509	7,580,131	(250,799)	97,989,715	(27,353,994)	(3,793,801)	(30,971,238)	(14,100)	(6,686)	63,274,415	67,011,791	

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

Changes in property, plant and equipment for the year ended 31 December 2012, are summarised as follows:

Consolidated financial statements													(in thousand Baht)	
	Cost/revaluation				Accumulated depreciation				Allowance for impairment			Book value		
	At 1 January 2012	Additions	Surplus on revaluation	Disposals/ Write off	Transfers, net	At 31 December 2012	At 1 January 2012	Depreciation	Reversal of accumulated depreciation on revaluation surplus	Disposals/ Write off	Transfers, net	At 31 December 2012	At 1 January 2012	At 31 December 2012
Land and land improvement	2,741,172	10,579	-	-	40,838	2,792,589	(2,123)	(25)	-	-	-	(2,148)	-	2,739,049
Leasehold improvement	1,180	-	-	-	-	1,180	(1,180)	-	-	-	-	(1,180)	-	-
Buildings and structures														
- Cost	8,085,245	15,520	-	-	168,524	8,269,289	(3,944,953)	(224,455)	-	-	-	(4,169,408)	-	4,140,292
- Increment appraisal	7,594,447	-	6,830,454	-	(7,594,447)	6,830,454	(1,322,276)	(307,900)	1,630,176	-	-	-	-	6,272,171
Machinery and pipes														
- Cost	32,871,227	153,548	-	(100,160)	944,239	33,868,854	(15,625,810)	(1,553,885)	-	63,866	-	(17,115,829)	-	17,245,417
- Increment appraisal	25,535,292	-	22,704,075	-	(24,370,313)	23,869,054	(5,524,282)	(1,120,343)	5,887,926	-	-	(756,689)	-	20,011,010
Tools and factory equipment	4,737,602	256,760	-	(576)	9,405	5,003,191	(3,932,010)	(130,742)	-	534	-	(4,062,218)	-	805,592
Furniture, fixtures and office equipment	370,652	24,248	-	(10,516)	7,450	391,834	(311,567)	(20,406)	-	10,081	-	(321,892)	-	59,085
Vehicles	1,169,884	93,683	-	(3,927)	-	1,259,640	(908,409)	(20,138)	-	3,927	-	(924,620)	-	261,475
Increment appraisal - Other	1,023,216	-	637,419	-	(1,023,216)	637,419	(433,992)	(65,254)	499,246	-	-	-	-	589,224
Major spare parts	185,020	32,892	-	-	(10,090)	207,822	-	-	-	-	-	-	-	185,020
Construction in progress	4,379,083	1,847,943	-	(784)	(397,918)	5,828,224	-	-	-	-	-	-	-	4,379,083
Oil and gas properties	10,049	92,245	-	-	-	102,294	-	-	-	-	-	-	-	10,049
Machinery under installation	1,623,123	698,067	-	-	(740,525)	1,580,665	-	-	-	-	-	(21,017)	(13,586)	1,602,106
Total	90,327,192	3,225,385	30,171,948	(115,963)	(32,966,053)	90,642,509	(32,006,602)	(3,443,148)	8,017,348	78,408	-	(27,353,994)	(14,100)	58,299,573
														63,274,415

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

Changes in property, plant and equipment for the year ended 31 December 2013, are summarised as follows:

	Separate financial statements						
	Cost/revaluation			Accumulated depreciation			(in thousand Baht)
	At 1 January 2013	Additions	Disposals/ Write off	Transfers, net	At 31 December 2013	Depreciation Write off	Disposals/ Write off
Land and land improvement	2,363,946	73,950	-	-	-	-	-
Buildings and structures							
- Cost	7,664,928	1,063	(77,408)	835,578	8,424,161	(197,751)	59,623
- Increment appraisal	6,830,454	-	(22,125)	-	6,808,329	(312,855)	1,422
Machinery and pipes							
- Cost	26,640,713	900	(115,113)	822,489	27,348,989	(14,371,657)	86,627
- Increment appraisal	22,704,075	-	-	-	22,704,075	(1,545,222)	-
Tools and factory equipment	4,837,489	270,461	(870)	46,736	5,153,816	(3,936,685)	857
Furniture, fixtures and office equipment	303,384	39,860	(10,984)	14,439	346,699	(244,961)	10,546
Vehicles	1,196,686	331,121	(6,939)	12,635	1,533,503	(912,339)	(337)
Increment appraisal - Other	637,419	-	-	-	637,419	(62,682)	-
Major spare parts	181,282	-	-	27,926	209,208	-	-
Construction in progress	5,155,428	3,754,637	(32,485)	(1,282,915)	7,594,665	-	-
Machinery under installation	1,452,712	1,764,894	-	(460,129)	2,757,477	-	-
Total	79,966,516	6,236,886	(265,924)	16,759	85,956,237	(23,228,937)	110
							162,475
							(3,222,808)
							56,739,579
							59,667,077

Changes in property, plant and equipment for the year ended 31 December 2012, are summarised as follows:

	Separate financial statements						
	Cost/revaluation			Accumulated depreciation			(in thousand Baht)
	At 1 January 2012	Additions	Surplus on revaluation	Disposals/ Write off	Transfers, net	At 31 December 2012	At 31 December 2012
Land and land improvement	2,440,600	-	-	-	(76,654)	2,363,946	2,363,946
Buildings and structures							
- Cost	7,555,722	-	-	-	109,206	7,664,928	3,984,398
- Increment appraisal	7,594,447	-	6,830,454	-	(7,594,447)	6,830,454	6,272,171
Machinery and pipes							
- Cost	26,278,507	4,212	-	(100,160)	458,154	26,640,713	13,011,106
- Increment appraisal	24,370,313	-	22,704,075	-	(24,370,313)	22,704,075	19,556,131
Tools and factory equipment	4,576,663	252,171	-	(540)	9,195	4,837,489	760,089
Furniture, fixtures and office equipment	285,898	20,963	-	(9,692)	6,215	303,384	47,527
Vehicles	1,106,165	93,683	-	(3,162)	-	1,196,686	284,347
Increment appraisal - Other	1,023,216	-	637,419	-	(1,023,216)	637,419	589,224
Major spare parts	167,676	-	-	-	13,606	181,282	167,676
Construction in progress	4,295,450	1,320,895	-	(51,971)	(408,946)	5,155,428	4,295,450
Machinery under installation	1,210,427	446,435	-	-	(204,150)	1,452,712	1,210,427
Total	80,905,084	2,138,359	30,171,948	(165,525)	(33,081,350)	79,966,516	52,540,839
							(23,228,937)
							56,739,579

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
Net book value						
Land and land improvement	2,864,366	2,790,441	2,739,049	2,437,896	2,363,946	2,440,600
Buildings and structures						
- Cost	4,761,613	4,099,881	4,140,292	4,522,738	3,901,633	3,984,398
- Increment appraisal	6,496,896	6,830,454	6,272,171	6,496,896	6,830,454	6,272,171
Machinery and pipes						
- Cost	16,743,721	16,581,816	17,245,417	12,162,338	12,269,056	13,011,106
- Increment appraisal	21,520,533	23,112,355	20,011,010	21,158,853	22,704,075	19,556,131
Tools and factory equipment	1,140,453	940,973	805,592	1,067,239	900,804	760,089
Furniture, fixtures and office equipment	93,098	69,942	59,085	75,501	58,423	47,527
Vehicles	45,745	52,342	42,640	27,720	33,578	35,580
Increment appraisal - Other	574,737	637,419	589,224	574,737	637,419	589,224
Major spare parts	241,585	207,822	185,020	209,208	181,282	167,676
Construction in progress	8,420,730	5,828,224	4,379,083	7,594,665	5,155,428	4,295,450
Oil and gas properties	136,756	102,294	10,049	-	-	-
Machinery under installation	2,852,652	1,567,079	1,602,106	2,757,477	1,452,712	1,210,427
Owned assets	65,892,885	62,821,042	58,080,738	59,085,268	56,488,810	52,370,379
Assets under finance leases						
- Machinery and pipes	509,175	170,695	-	-	-	-
- Furniture, fixtures and office equipment	13,943	-	-	13,943	-	-
- Vehicle	595,788	282,678	218,835	567,866	250,769	170,460
	67,011,791	63,274,415	58,299,573	59,667,077	56,739,579	52,540,839

The gross amount of the Group's fully depreciated buildings and equipment that was still in use as at 31 December 2013, amounted to Baht 5,496 million (2012: Baht 5,342 million) in the consolidated financial statements and of Baht 3,445 million (2012: Baht 3,430 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 2013 is approximately Baht 27,375 million (2012: Baht 37,180 million) in the consolidated financial statements and the separate financial statements.

Capitalised borrowing costs relating to the acquisition of the construction of new factory as at 31 December 2013 is Baht 135 million (2012: Baht 71 million) in the consolidated financial statements and of Baht 126 million (2012: Baht 71 million) in the separate financial statements, with capitalization in the consolidated financial statements and the separate financial statements of MLR-1.5% to MLR-1% and 6M EURIBOR+1.1% (2012: MLR-2% to MLR).

16 Surplus on fixed assets revaluation

In the manufacturing process of LDPE & EVA plastic and Cement, the Company has to perform an annual maintenance and overhaul of the machinery, for the period of 2 weeks to one month, in order to replace all defective 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 December 2012, the Company hired a foreign independent appraiser, 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 30,365 million (book value of Baht 13,973 million), was appraised at USD 1,280 million, equivalent to reappraisal book value of Baht 39,402 million, calculated using the rate of Baht 30.7775 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 25,429 million in the consolidated and the separate financial statements (compared with the original cost). As at 31 December 2013, the remaining portion of surplus on assets revaluation amounted to Baht 23,725 million in the consolidated and the separate financial statements (2012: Baht 25,429 million).

However, buildings, machinery and other related equipment as of appraisal date with book value of Baht 2,145 million have not been revalued by independent appraisers as the nature and use in the Company's operations is different from the revalued assets.

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

In addition, in December 2012, the Company hired a foreign independent appraiser, 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 3,897 million (book value of Baht 1,258 million), was appraised at USD 195 million, equivalent to reappraisal book value of Baht 6,001 million, calculated using the rate of Baht 30.7775 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 4,743 million in the consolidated and the separate financial statements (compared with the original cost). As at 31 December 2013, the remaining portion of surplus on assets revaluation amounted to Baht 4,506 million in the consolidated and the separate financial statements (2012: Baht 4,743 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 2013, the remaining portion of surplus on assets revaluation amounted to Baht 270 million in the consolidated financial statements (2012: Baht 316 million)

Details of changing in surplus on fixed assets revaluation

	At 1 January 2013	Change during the Year		At 31 December 2013
		Increase	Decrease	
Company				
Building	6,830,454	-	(22,125)	6,808,329
Machinery	22,704,075	-	-	22,704,075
Other	637,419	-	-	637,419
	<u>30,171,948</u>	<u>-</u>	<u>(22,125)</u>	<u>30,149,823</u>
<i>Less accumulated depreciation</i>				
Building	-	(312,855)	1,422	(311,433)
Machinery	-	(1,545,222)	-	(1,545,222)
Other	-	(62,682)	-	(62,682)
	<u>-</u>	<u>(1,920,759)</u>	<u>1,422</u>	<u>(1,919,337)</u>
Separate financial statements	<u>30,171,948</u>	<u>(1,920,759)</u>	<u>(20,703)</u>	<u>28,230,486</u>
Joint venture				
Machinery	1,029,402	-	-	1,029,402
<i>Less accumulated depreciation</i>	(713,132)	(46,599)	-	(759,731)
	<u>316,270</u>	<u>(46,599)</u>	<u>-</u>	<u>269,671</u>
Consolidated financial statements	<u>30,488,218</u>	<u>(1,967,358)</u>	<u>(20,703)</u>	<u>28,500,157</u>

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

17 Intangible assets

(in thousand Baht)

	Consolidated and Separate financial statements		
	Cost of raw material resources and cost of concessions	licenses Software	Total
Cost			
At 1 January 2012	700,353	33,574	733,927
At 31 December 2012 and 1 January 2013	700,353	33,574	733,927
Additions	-	7,383	7,383
At 31 December 2013	700,353	40,957	741,310
Accumulated amortisation			
At 1 January 2012	(395,865)	(25,396)	(421,261)
Amortisation charge for the year	(26,317)	(2,344)	(28,661)
At 31 December 2012 and 1 January 2013	(422,182)	(27,740)	(449,922)
Amortisation charge for the year	(26,317)	(9,083)	(35,400)
At 31 December 2013	(448,499)	(36,823)	(485,322)
Net book value			
At 1 January 2012	304,488	8,178	312,666
At 31 December 2012 and 1 January 2013	278,171	5,834	284,005
At 31 December 2013	251,854	4,134	255,988

18 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

(in thousand Baht)

	Consolidated financial statements			
	Assets		Liabilities	
	2013	2012	2013	2012
Total	388,468	343,515	(6,259,689)	(6,626,070)
Set off of tax	(388,468)	(343,515)	388,468	343,515
Net deferred tax assets (liabilities)	-	-	(5,871,221)	(6,282,555)

	Separate financial statements			
	Assets		Liabilities	
	2013	2012	2013	2012
Total	309,890	298,071	(6,229,173)	(6,571,490)
Set off of tax	(309,890)	(298,071)	309,890	298,071
Net deferred tax assets (liabilities)	-	-	(5,919,283)	(6,273,419)

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

Movements in total deferred tax assets and liabilities during the year were as follows:

(in thousand Baht)

	Consolidated financial statements		
	(charged) / credited to:		
	(Note 39)		
	At 1 January 2013	Profit or loss	Other comprehensive income
			At 31 December 2013
Deferred tax assets			
Allowance for doubtful account receivables	35,835	(1,854)	-
Allowance for impairment of assets	13,301	(10,673)	19
Provision for sales discount and sales promotional	77,963	(8,303)	-
Employee benefit obligations	216,416	25,523	26,815
Loss carry forward	-	12,995	-
Others	-	431	-
Total	343,515	18,119	26,834
Deferred tax liabilities			
Amortisation gap of concessions	(7,916)	424	-
Vehicles financial lease	(19,246)	(29,688)	-
Depreciation gap of assets	(482,862)	(1,967)	-
Revaluation on assets	(6,116,046)	-	397,612
Total	(6,626,070)	(31,231)	397,612
Net	(6,282,555)	(13,112)	424,446

(in thousand Baht)

	Consolidated financial statements		
	(charged) / credited to:		
	(Note 39)		
	At 1 January 2012	Profit or loss	Other comprehensive income
			At 31 December 2012
Deferred tax assets			
Allowance for doubtful account receivables	48,218	(12,383)	-
Allowance for impairment of assets	65,636	(2,621)	(49,714)
Provision for sales discount and sales promotional	90,694	(12,731)	-
Employee benefit obligations	191,276	29,338	(4,198)
Remeasurement to fair value of financial instrument	1,030	(1,030)	-
Total	396,854	573	(53,912)
Deferred tax liabilities			
Amortisation gap of concessions	(8,341)	425	-
Vehicles financial lease	(7,951)	(11,295)	-
Depreciation gap of assets	(532,528)	49,666	-
Revaluation on assets	(5,374,481)	-	(741,565)
Total	(5,923,301)	38,796	(741,565)
Net	(5,526,447)	39,369	(795,477)

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Separate financial statements			
		(charged) / credited to:		
		(Note 39)		
	At 1 January 2013	Profit or loss	Other comprehensive income	At 31 December 2013
Deferred tax assets				
Allowance for doubtful account receivables	25,086	(1,804)	-	23,282
Allowance for impairment of assets	10,130	(9,131)	19	1,018
Provision for sales discount and sales promotional	77,097	(7,917)	-	69,180
Employee benefit obligations	185,758	20,202	10,591	216,551
Others	-	(141)	-	(141)
Total	298,071	1,209	10,610	309,890
Deferred tax liabilities				
Amortisation gap of concessions	(7,916)	424	-	(7,492)
Vehicles financial lease	(14,070)	(17,390)	-	(31,460)
Depreciation gap of assets	(515,115)	(29,010)	-	(544,125)
Revaluation on assets	(6,034,389)	-	388,293	(5,646,096)
Total	(6,571,490)	(45,976)	388,293	(6,229,173)
Net	(6,273,419)	(44,767)	398,903	(5,919,283)

(in thousand Baht)

	Separate financial statements			
	(charged) / credited to:			
	(Note 39)			
	At 1 January 2012	Profit or loss	Other comprehensive income	At 31 December 2012
<i>Deferred tax assets</i>				
Allowance for doubtful account receivables	34,092	(9,006)	-	25,086
Allowance for impairment of assets	59,844	-	(49,714)	10,130
Provision for sales discount and sales promotional	90,692	(13,595)	-	77,097
Employee benefit obligations	165,435	19,110	1,213	185,758
Total	350,063	(3,491)	(48,501)	298,071
<i>Deferred tax liabilities</i>				
Amortisation gap of concessions	(8,340)	424	-	(7,916)
Vehicles financial lease	(6,034)	(8,036)	-	(14,070)
Depreciation gap of assets	(544,699)	29,584	-	(515,115)
Revaluation on assets	(5,283,505)	-	(750,884)	(6,034,389)
Total	(5,842,578)	21,972	(750,884)	(6,571,490)
Net	(5,492,515)	18,481	(799,385)	(6,273,419)

Deferred tax assets arising from unused tax losses that has not been recognised in the consolidated financial statements as at 31 December 2013 amounted to Baht 11 million (2012: Baht 3 million).

The tax losses expire in 2015 to 2017. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

19 Other non-current assets

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
Prepaid rental	5	185,341	187,914	138,505	140,429
Advance payments for machinery	45(3)	1,031,419	571,035	866,081	481,697
Deposits	25	223,498	221,251	218,569	220,778
Other receivables		160	384	160	384
Others		20,105	24,751	18,073	7,366
Total		1,460,523	1,005,335	1,241,388	850,654

20 Interest-bearing liabilities

Interest-bearing liabilities are summarized as follow:

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
		2013	2012	2013	2012
Current					
Bank overdrafts					
secured		23,118	80,945	-	51,273
unsecured		23,953	71,171	-	46,437
		47,071	152,116	-	97,710
Short-term loans from financial institutions					
unsecured		1,530,390	1,476,718	845,119	959,727
Bank overdrafts and short-term loans from financial institutions		1,577,461	1,628,834	845,119	1,057,437
Current portion of long-term loans from financial institutions					
secured		1,207,003	1,243,895	1,207,003	1,209,618
unsecured		-	40,807	-	40,807
Current portion of long-term loans from financial institutions		1,207,003	1,284,702	1,207,003	1,250,425
Current portion of finance lease liabilities		237,885	130,371	108,173	70,234
Total current interest-bearing liabilities		3,022,349	3,043,907	2,160,295	2,378,096
Non-current					
Long-term loans from financial institutions					
secured		3,690,326	1,373,091	3,078,634	1,373,091
unsecured		-	18,172	-	18,172
Long-term loans from financial institutions		3,690,326	1,391,263	3,078,634	1,391,263
Debenture		3,000,000	-	3,000,000	-
Finance lease liabilities		512,555	158,905	246,917	74,909
Total non-current interest-bearing liabilities		7,202,881	1,550,168	6,325,551	1,466,172

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

(in thousand Baht)

	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Within one year	2,784,464	2,913,536	2,052,122	2,307,862
After one year but within five years	5,005,399	1,355,263	4,577,215	1,355,263
After five years	1,684,927	36,000	1,501,419	36,000
Total	9,474,790	4,304,799	8,130,756	3,699,125

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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

(in thousand Baht)

	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Land and buildings	9,327,189	10,708,534	9,326,841	10,708,534
Machinery and equipment	17,487,318	26,470,989	17,487,318	26,470,989
Vehicles	560,766	-	560,766	-
Total	27,375,273	37,179,523	27,374,925	37,179,523

Bank overdrafts are charged interest at MOR - MOR + 2% per annum in 2013 and 2012.

In 2013 and 2012, short-term loans from financial institutions are charged interest rate at 6-month LIBOR+2.0% - 3.0% per annum for loans denominated in foreign currency.

As at 31 December 2013 the Group had unutilised credit facilities totalling Baht 15,551 million (2012: Baht 1,797 million) in the consolidated financial statements and Baht 11,453 million (2012: Baht 1,795 million) in the separate financial statements.

Finance lease liabilities

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

(in thousand Baht)

	Consolidated financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	279,158	41,273	237,885	144,870	14,499	130,371
After one year but within five years	554,525	41,970	512,555	170,839	11,934	158,905
Total	833,683	83,243	750,440	315,709	26,433	289,276

(in thousand Baht)

	Separate financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	128,050	19,877	108,173	77,353	7,119	70,234
After one year but within five years	268,457	21,540	246,917	81,862	6,953	74,909
Total	396,507	41,417	355,090	159,215	14,072	145,143

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

(in thousand Baht)

	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Thai Baht (THB)	8,828,592	3,709,658	7,774,478	3,476,841
United States Dollars (USD)	716,341	750,336	62,955	246,943
EURO (EUR)	680,297	134,081	648,413	120,484
Total	10,225,230	4,594,075	8,485,846	3,844,268

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

21 Trade accounts payable

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
Related parties	5	131,554	410,375	480,779	968,999
Other parties		3,339,305	2,151,392	2,735,792	1,393,464
Total		3,470,859	2,561,767	3,216,571	2,362,463

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

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
		2013	2012	2013	2012
Thai Baht (THB)		3,217,393	2,134,555	3,215,587	2,361,544
United States Dollars (USD)		242,113	418,945	984	919
EURO (EUR)		10,876	7,994	-	-
Other		477	273	-	-
Total		3,470,859	2,561,767	3,216,571	2,362,463

22 Other payables

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
		2013	2012	2013	2012
Accrued expenses		831,038	600,086	667,044	467,847
Deposit from sales		373,218	235,453	333,841	222,415
Guarantee and deposits		243,727	220,579	233,500	213,464
Retention payable		89,748	73,424	76,338	48,118
Machine Payable		731,436	163,978	731,436	163,978
Others		729,197	978,626	548,928	635,991
Total		2,998,364	2,272,146	2,591,087	1,751,813

23 Debentures

During 2013, the Company issued the unsecured, unsubordinated debentures in registered form with debenture holders' representative with the term to maturity of 3 years together with fixed interest rate at 5.20% p.a., payable quarterly in the amount of Baht 3,000 million.

24 Employee benefit obligations

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.

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
		2013	2012	2013	2012
Statement of financial position obligations for:					
Post-employment benefits		1,343,791	1,082,079	1,082,755	928,790
		1,343,791	1,082,079	1,082,755	928,790

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
		2013	2012	2013	2012
Year ended 31 December					
Statement of comprehensive income:					
Recongnised in profit or loss					
Post-employment benefits		140,906	163,914	111,140	111,140
Total		140,906	163,914	111,140	111,140

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

Movement in the present value of the defined benefit obligations:

(in thousand Baht)

	Consolidate financial statements		Separate financial statements	
Year ended 31 December	2013	2012	2013	2012
Defined benefit obligations at 1 January	1,082,079	956,380	928,790	827,175
Benefits paid by the plan	(13,267)	(17,222)	(10,132)	(15,592)
Current service costs and interest	140,906	163,914	111,140	111,140
Actuarial (gains) losses in other comprehensive income	134,073	(20,993)	52,957	6,067
Defined benefit obligations at 31 December	1,343,791	1,082,079	1,082,755	928,790

Expense recognised in profit or loss:

(in thousand Baht)

	Consolidate financial statements		Separate financial statements	
Year ended 31 December	2013	2012	2013	2012
Current service costs	92,856	125,450	69,832	76,899
Interest on obligation	48,050	38,464	41,308	34,241
Total	140,906	163,914	111,140	111,140

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

(in thousand Baht)

	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Cost of sales	96,989	93,339	75,967	54,568
Selling expenses	11,778	7,048	11,581	6,953
Administrative expenses	32,139	63,527	23,592	49,619
Total	140,906	163,914	111,140	111,140

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

(%)

	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Discount rate	3.00 - 4.64	3.00 - 4.27	4.44 - 4.64	4.10 - 4.24
Future salary increases	2.55 - 7.27	5.00 - 7.27	5.35 - 6.89	6.55 - 6.87

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

25 Provision for fine

- 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, which as at 31 December 2013 are equivalent to a total of Baht 98 million 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, which as at 31 December 2013 are equivalent to a total of Baht 31 million 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 in the financial statements in 2011.

On 24 February 2012, the Company made the payment in accordance with the Court of the First Instance's order by way of depositing cashier cheques to be payable under the name of "Finance Section, Legal Execution Department" with the official receiver, totaling Baht 180.3 million, which is recognized as deposit for such payment under other non-current assets in the consolidated and the separate's financial statements for the period ended 31 December 2013.

On 31 July 2012, the Court issued its order for the stay of execution of the judgment by suspension of the payment of the money placed by the Company with an executing officer until the Court will have an otherwise order.

The foreign company filed an appeal against the order of the Court of the First Instant. The Company submitted an answer to the Appeal on 10 October 2012.

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

- 2) On 24 July 2009, the Revenue Department issued the value added tax assessment letter stating that there was input tax which was not related to the Company's business in the tax months of July, September, October, December 2004, January and February 2005 (7 months) in the total amount of tax, penalty and surcharge of Baht 53 million. On 25 August 2009, the Company appealed against the assessment of the Revenue Department and requested the stay of execution.

On 14 May 2013, the Revenue Department issued the letter to notify the change in the net loss for the years 2004 and 2005 because there were prohibited expense in the amount of Baht 110 million and Baht 143 million, respectively. On 14 June 2013, the Company appealed against the said letter.

As result of the letter to notify the change in the net loss, on 15 August 2013, the Revenue Department issued the assessment letter to the Company for additional payment in the total amount of income tax, penalty and surcharge for year 2006 of Baht 125 million. On 10 September 2013, the Company appealed against the assessment of the Revenue Department and requested the stay of execution.

Subsequently, the management had changed its decision to appeal its cases to the Revenue Department and had withdrawn the appeals. The decision was based on legal counsel that advised that the chance of winning the case of corporate income tax and value added tax for the years 2004 to 2006 was remote. Therefore, the Company paid corporate income tax, value added tax, fines and surcharges for the years 2004 to 2010, totalling Baht 255 million, to the Revenue Department on the 15, 19 and 29 November 2013.

26 Other non-current liabilities

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
Provision for reinstatement costs		135,256	126,122	116,584	111,588
Unearned gain from sale of land	5	-	-	168,530	168,530
Unearned dividend	45(4)	194,988	194,988	194,988	194,988
Guarantee		22,864	21,668	-	-
Others		4,129	4,633	-	-
Total		357,237	347,411	480,102	475,106

27 Share capital

	Par value per share (in Baht)	2013		2012	
		Number	Baht (thousand shares /thousand Baht)	Number	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

28 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.

In the second quarter of 2012, the subsidiary sold 2.2 million of the Company's shares to an indirect subsidiary with total cost of Baht 26.7 million. Loss on sale of the said investments of Baht 0.9 million was recognized as a deduction surplus on treasury shares held by a subsidiary and retained earnings, respectively. As a result, as at 31 December 2012, the remaining balance of the treasury shares held by a subsidiary of shares 22 million at cost of Baht 359.2 million is presented as a separate category within equity and recognised as a deduction from equity in the consolidated financial statements.

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

29 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.

30 Segment information

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Construction Materials
- Petrochemical & Chemicals
- Energy & Utilities
- Agriculture

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

(a) Reportable segment results

	Revenue from external customers		Inter-segment revenue		Total segment revenue		Reportable segment profit (loss) before income tax	
	2013	2012	2013	2012	2013	2012	2013	2012
	<i>(in thousand Baht)</i>							
Construction Materials	18,699,529	17,941,615	4,754,947	4,579,578	23,454,476	22,521,193	732,927	(463,887)
Petrochemical & Chemicals	7,252,117	7,512,558	4,758,237	5,304,648	12,010,354	12,817,206	(150,483)	876,190
Energy & Utilities	839,710	834,447	1,064,363	891,193	1,904,073	1,725,640	258,587	229,969
Agriculture	80,818	69,177	247,247	646,552	328,065	715,729	(123,303)	275,291
Total	26,872,174	26,357,797	10,824,794	11,421,971	37,696,968	37,779,768	717,728	917,563
Other loss							(36)	(295)
							717,692	917,268
Elimination of inter-segment profits							47,535	(551,608)
Profit before income tax expense for the year							765,227	365,660

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

(b) Reportable segment financial position

(in thousand Baht)

	Separate financial statements	
	2013	2012
Construction Materials	71,872,086	67,822,250
Petrochemical & Chemicals	10,922,147	10,051,255
Energy & Utilities	4,392,666	3,936,122
Agriculture	4,023,493	3,410,197
Others	423,784	424,808
	<u>91,634,176</u>	<u>85,644,632</u>
Unallocated assets	3,640,504	2,907,308
Total	95,274,680	88,551,940
Elimination of inter-segment assets	(12,862,859)	(12,016,590)
Total assets	82,411,821	76,535,350

31 Revenue

In July 2013, the Company introduced a customer loyalty programme to stimulate the sale of certain products used in the construction materials industry.

At 31 December 2013 the Company has recorded deferred revenue of Baht 31 million, which represents the fair value of the consideration received or receivable in respect of initial sales, but which has not yet been redeemed.

32 Investment income

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
Dividend income					
Jointly-controlled entities	11	-	-	-	249,984
Other parties		5	2,082	5	2,082
		<u>5</u>	<u>2,082</u>	<u>5</u>	<u>252,066</u>
Interest income					
Subsidiaries		-	-	15,219	42,194
Other parties		24,389	23,221	13,617	8,592
		<u>24,389</u>	<u>23,221</u>	<u>28,836</u>	<u>50,786</u>
Other investment income					
Others parties		4,041	4,314	10,724	2,272
		<u>4,041</u>	<u>4,314</u>	<u>10,724</u>	<u>2,272</u>
Total		28,435	29,617	39,565	305,124

33 Other income

(in thousand Baht)

	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Sale stream	16,967	8,920	16,967	8,920
Rental trucks income	288,557	204,125	288,557	204,125
Services income	-	-	80,939	79,703
Income from sale of spare parts	36,972	46,464	36,972	46,464
Others	175,613	197,009	151,532	154,201
Total	<u>518,109</u>	<u>456,518</u>	<u>574,967</u>	<u>493,413</u>

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

34 Selling expenses

(in thousand Baht)

	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Personnel expenses	551,312	465,912	451,798	368,027
Depreciation and amortization	84,125	69,816	64,646	47,509
Maintenance expenses	26,114	26,370	24,488	15,229
Delivery expenses	2,002,183	2,473,670	1,907,369	2,360,257
Other selling expenses	644,030	814,616	456,055	647,719
Total	3,307,764	3,850,384	2,904,356	3,438,741

35 Administrative expenses

(in thousand Baht)

	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Personnel expenses	533,321	469,865	408,798	377,232
Depreciation and amortization	31,410	35,884	28,642	33,430
Maintenance expenses	18,571	27,283	17,805	26,462
Loss on impairment of assets (reversal)	(7,723)	(13,103)	-	-
Bad and doubtful debt expenses (reversal)	(56)	(52,026)	(60)	(45,019)
Loss on sale investments	-	271,813	-	271,813
Other administrative expenses	358,662	400,734	330,783	321,864
Total	934,185	1,140,450	785,968	985,782

36 Employee benefit expenses

(in thousand Baht)

	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Management				
Wages and salaries	277,216	261,753	260,610	246,125
Others	37,865	36,248	36,158	34,561
	315,081	298,001	296,768	280,686
Other employees				
Wages and salaries	3,787,944	3,255,398	3,002,996	2,544,601
Others	312,933	460,628	220,407	346,144
	4,100,877	3,716,026	3,223,403	2,890,745
Total	4,415,958	4,014,027	3,520,171	3,171,431

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.

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

37 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:

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
<i>Included in cost of sales of goods:</i>					
Changes in inventories of finished goods and work in progress		(91,058)	482,609	160,989	1,030,566
Raw materials and consumables used		12,895,786	12,560,862	7,695,313	6,957,428
Depreciation of property, plant and equipment	15	1,725,267	1,855,653	1,221,698	1,443,097
Amortisation of intangible assets		23,643	16,959	22,463	16,959
<i>Included in selling expenses:</i>					
Depreciation of property, plant and equipment	34	84,123	69,720	64,644	47,413
Amortisation of intangible assets	34	2	96	2	96
<i>Included in administrative expenses:</i>					
Depreciation of property, plant and equipment	35	18,465	24,278	15,707	21,824
Amortisation of intangible assets	35	12,945	11,606	12,935	11,606

38 Finance costs

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
Interest expense :					
Related party	5	2,620	1,383	2,620	9,770
Bank loan and overdrafts		383,803	289,455	332,462	256,053
Total interest expense		386,423	290,838	335,082	265,823
Less: amounts included in the cost of qualifying assets:					
- Construction contracts work in progress		(134,624)	(71,054)	(126,445)	(71,054)
Net		251,799	219,784	208,637	194,769

39 Income tax expense

(in thousand Baht)

		Consolidate financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
Current tax expense					
Current year		144,557	89,905	129,879	-
Adjustment for prior years		1,545	27,515	-	10,959
		<u>146,102</u>	<u>117,420</u>	<u>129,879</u>	<u>10,959</u>
Deferred tax expense					
Movements in temporary differences		13,112	(46,438)	44,767	(25,499)
Income tax deduction - deferred		-	7,069	-	7,018
	18	<u>13,112</u>	<u>(39,369)</u>	<u>44,767</u>	<u>(18,481)</u>
Total income tax expense (benefit)		159,214	78,051	174,646	(7,522)

Income tax recognised in other comprehensive income

(in thousand Baht)

	Consolidated financial statements					
	2013			2012		
	Before tax	2013 Tax (expense) benefit	Net of tax	Before tax	2013 Tax (expense) benefit	Net of tax
Net change in fair value of available-for-sale investment	(94)	19	(75)	248,567	(49,713)	198,854
Revaluation of property, plant and equipment	(1,988,061)	397,612	(1,590,449)	3,707,824	(741,565)	2,966,259
Defined benefit plan actuarial gains (losses)	(134,073)	26,815	(107,258)	20,993	(4,199)	16,794
Total	(2,122,228)	424,446	(1,697,782)	3,977,384	(795,477)	3,181,907

Notes to the financial statements

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(in thousand Baht)

	Separate financial statements					
	2013			2012		
	Before tax	2013 Tax (expense) benefit	Net of tax	Before tax	2013 Tax (expense) benefit	Net of tax
Net change in fair value of available-for-sale investment	(94)	19	(75)	248,567	(49,713)	198,854
Revaluation of property, plant and equipment	(1,941,462)	388,293	(1,553,169)	3,754,422	(750,885)	3,003,537
Defined benefit plan actuarial gains (losses)	(52,957)	10,591	(42,366)	(6,067)	1,213	(4,854)
Total	(1,994,513)	398,903	(1,595,610)	3,996,922	(799,385)	3,197,537

Income tax recognised directly in equity

	Consolidated financial statements			
	2013		2012	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		765,227		365,660
Income tax using the Thai corporation tax rate	20	153,045	23	84,102
Income tax reduction - deferred		-		7,069
Income not subject to tax		(9,098)		(59,651)
Profit was derived from promoted activities		(71,961)		(120,048)
Expenses not deductible for tax purposes		108,520		129,469
Recognition of previously unrecognised tax losses		(24,452)		-
Current year losses for which no deferred tax asset was recognised		1,615		9,595
Under provided in prior years		1,545		27,515
Total	21	159,214	21	78,051

	Separate financial statements			
	2013		2012	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		543,175		33,614
Income tax using the Thai corporation tax rate	20	108,635	23	7,731
Income tax reduction - deferred		-		7,018
Income not subject to tax		(6,780)		(58,738)
Profit was derived from promoted activities		180		(5,699)
Expenses not deductible for tax purposes		96,473		31,207
Recognition of previously unrecognised tax losses		(23,862)		-
Under provided in prior years		-		10,959
Total	32	174,646	(22)	(7,522)

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

40 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, organic fertilizer, concrete roof tile, masterbatch, compound plastic and compound rubber. 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 3-8 years from the dates on which the income is first derived from such operations;

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- (c) 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					
	2013			2012		
	Promoted business	Non Promoted business	Total	Promoted business	Non Promoted business	Total
Export sales	1,524	687,125	688,649	2,179	8,896,370	8,898,549
Local sales	1,487,588	35,520,732	37,008,320	1,741,245	27,139,974	28,881,219
Eliminations	(1,283,878)	(9,540,917)	(10,824,795)	(1,538,871)	(9,883,100)	(11,421,971)
Total Revenue	205,234	26,666,940	26,872,174	204,553	26,153,244	26,357,797

(in thousand Baht)

	Separate financial statements					
	2013			2012		
	Promoted business	Non Promoted business	Total	Promoted business	Non Promoted business	Total
Export sales	-	674,245	674,245	-	405,316	405,316
Local sales	64,772	20,681,255	20,746,027	65,656	21,049,630	21,115,286
Total Revenue	64,772	21,355,500	21,420,272	65,656	21,454,946	21,520,602

41 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2013 and 2012 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows:

(in thousand Baht/thousand shares)

	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit attributable to ordinary shareholders of the Company (basic)	606,013	287,609	368,529	41,136
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)	0.30	0.14	0.18	0.02

42 Dividends

At the annual general meeting of the shareholders of the Company held on 25 April 2013, 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 2013.

At the annual general meeting of the shareholders of the Company held on 26 April 2012, the shareholders approved the appropriation of dividend of Baht 0.15 per share, amounting to Baht 302.84 million. The dividend was paid to shareholders during 2012.

43 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.

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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 (see note 20).

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:

Consolidated financial statements					
	Effective Interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)	(in thousand Baht)			
2013					
Current					
Bank overdraft and short-term loans					
from financial institutions	MOR - MOR+2	1,577,461	-	-	1,577,461
Current portion of long-term loans from financial institutions	MLR-1.5 - MLR-1	1,207,003	-	-	1,207,003
Non-current					
Long-term loans from financial institutions	MLR-1.5 - MLR-1, 6M EURIBOR+1.1	-	2,005,399	1,684,927	3,690,326
Debentures	5.20	-	3,000,000	-	3,000,000
Total		2,784,464	5,005,399	1,684,927	9,474,790
2012					
Current					
Bank overdraft and short-term loans					
from financial institutions	MOR - MOR+2	1,628,834	-	-	1,628,834
Current portion of long-term loans from financial institutions	MLR-2 - MLR	1,284,702	-	-	1,284,702
Non-current					
Long-term loans from financial institutions	MLR-2 - MLR	-	1,355,263	36,000	1,391,263
Total		2,913,536	1,355,263	36,000	4,304,799
Separate financial statements					
	Effective Interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)	(in thousand Baht)			
2013					
Current					
Bank overdraft and short-term loans from financial institutions	MOR - MOR+2	845,119	-	-	845,119
Current portion of long-term loans from financial institutions	MLR-1.5 - MLR-1	1,207,003	-	-	1,207,003
Non-current					
Long-term loans from financial institutions	MLR-1.5 - MLR-1, 6M EURIBOR+1.1	-	1,577,215	1,501,419	3,078,634
Debentures	5.20	-	3,000,000	-	3,000,000
Total		2,052,122	4,577,215	1,501,419	8,130,756
2012					
Current					
Bank overdraft and short-term loans from financial institutions	MOR - MOR+2	1,057,437	-	-	1,057,437
Current portion of long-term loans from financial institutions	MLR-2 - MLR	1,250,425	-	-	1,250,425
Non-current					
Long-term loans from financial institutions	MLR-2 - MLR	-	1,355,263	36,000	1,391,263
Total		2,307,862	1,355,263	36,000	3,699,125

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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)

		Consolidate financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
United States Dollars					
Cash and cash equivalents	6	120,571	93,759	48,443	782
Trade accounts receivable	8	392,009	358,300	-	-
Interest-bearing liabilities	20	(716,341)	(750,336)	(62,955)	(246,943)
Trade accounts payable	21	(242,113)	(418,945)	(984)	(919)
Gross financial position exposure		(445,874)	(717,222)	(15,496)	(247,080)
EURO					
Cash and cash equivalents	6	1,017	62	825	48
Interest-bearing liabilities	20	(680,297)	(134,081)	(648,413)	(120,484)
Trade accounts payable	21	(10,876)	(7,994)	-	-
Gross financial position exposure		(690,156)	(142,013)	(647,588)	(120,436)
Others					
Cash and cash equivalents	6	406	281	359	252
Trade accounts payable	21	(477)	(273)	-	-
Gross financial position exposure		(71)	8	359	252

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.

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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:

(in thousand Baht)				
Consolidated financial statements				
	2013		2012	
	Fair value	Carrying value	Fair value	Carrying value
Financial assets:				
Prepaid rentals	107,296	185,341	100,527	187,914
(in thousand Baht)				
Separate financial statements				
	2013		2012	
	Fair value	Carrying value	Fair value	Carrying value
Financial assets:				
Prepaid rentals	79,988	138,505	74,878	140,429

44 Commitments with non-related parties

(in thousand Baht)				
	Consolidate financial statements		Separate financial statements	
	2013	2012	2013	2012
Capital commitments				
<i>Contracted but not provided for</i>				
Agreements for construction, machine and equipment	14,611,102	1,028,110	11,182,309	1,000,276
Non-cancellable operating lease commitments				
Within one year	84,616	85,722	41,592	42,893
After one year but within five years	85,500	113,479	46,922	67,649
After five years	1,596	2,901	1,596	2,901
Total	171,712	202,102	90,110	113,443
Other commitments				
Unused letters of credit	4,500,131	325,433	4,190,429	324,318
Purchase agreement for raw material	2,354,201	2,828,394	15,225	-
Bank guarantees	293,949	306,053	211,333	245,206
Total	7,148,281	3,459,880	4,416,987	569,524

45 Contingent liabilities

As at 31 December 2013, 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 for sea freight and interest in the amount of Baht 5,394,078. On 30 December 2011, the Court issued its judgment of dismissal of the complaint of the overseas company. The overseas company, subsequently, appealed to the Supreme Court on 23 April 2012. This case is in the process of consideration by the Supreme Court.
- 2) On 26 May 2009, a Thai company, 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. The Appeal Court finds that there are grounds for considering this case and the complaint was accepted for future consideration.
- 3) In 1996 and 1997, the Company entered into the supply and engineering contracts for the Fourth Cement Plant Project with two overseas companies totaling DM 298 million (or EUR 151 million equivalent) which as at 31 December 2013 were equivalent to Baht 6,844 million (2012: Baht 6,170 million), individually the "Previous Supply Contract" and the "Previous Engineering Contract". 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 2012 the Company had made advance payments for machinery of Baht 271 million, shown as other non-current assets in the consolidated and the separate

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financial statements. No allowance has been made for any impairment in value of these advance payments or for any other matters relating to the Previous Supply Contract and the Previous Engineering Contract. The 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 the 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 2013 are equivalent to a total of Baht 2,130 million (2012: Baht 1,920 million) including interest charged at the rate of 7.5% per annum ("the Potential Liability of the Company"). The Company disagreed with the Central Bankruptcy Court's decision and appealed to the Supreme Court on 25 January 2002.

On 15 March 2012, the Company entered into the New Supply Contract with the same overseas supplier company, the New Engineering Contract with the wholly owned subsidiary of one of the overseas companies and the Settlement Agreement with the two overseas companies under which the overseas companies agreed that, upon effectiveness of the New Supply Contract and the New Engineering Contract, both overseas companies shall waive their rights under the Potential Liability of the Company, waive their rights under the orders of the Central Bankruptcy Court dated 27 December 2001, and waive their rights to enforce the ICC arbitral award in Switzerland, Singapore, Germany, and other countries (if any) pursuant to the obligations under the Previous Supply Contract and the Previous Engineering Contract.

On 28 March 2013, the New Supply Contract and the New Engineering Contract in relation to the Forth Cement Plant Project became effective. As a result, the two overseas companies have to comply with the Settlement Agreement by signing the Release Agreement and the Waiver Letter. On 29 March 2013, the Company submitted the petition to withdraw the appeal against the orders of the Central Bankruptcy Court. Both overseas companies also countersigned the petition to acknowledge and consent to the Company's withdrawal of the appeal with the Supreme Court. In addition, the two overseas companies submitted the statements with the Central Bankruptcy Court to waive their rights, to release the Company's obligations, not to proceed with the claim, not to proceed with enforcement against the Company pursuant to the orders of the Central Bankruptcy Court, and to waive their rights to enforce the ICC arbitral award in Switzerland, Singapore, Germany, and other countries (if any) pursuant to the obligations under the Previous Supply Contract and the Previous Engineering Contract. On 16 December 2013, the Supreme Court granted permission and struck the case off the case list.

As a result of the aforementioned actions, the Company will not have any obligations to make the payment pursuant to the orders of the Central Bankruptcy Court in the above case or the ICC arbitral award in Switzerland, Singapore, Germany, and other countries (if any) anymore.

In the second quarter of 2013, the Company had transferred the advance payments for machinery of Baht 271 million to construction in progress, shown as property, plant and equipment in the consolidated and the separate financial statements.

- 4) As of 23 July 2010, there was a case in which a foreign company (Plaintiff) sued a joint venture of the Company (1st Defendant) and others (2nd to 5th Defendants) at the South Bangkok Civil Court ("the Court"). The Court has since ruled that the five Defendants shall record the name and address of the office of the Plaintiff in the shareholders registry, and list the shareholders of the 1st Defendant. These five Defendants had testified that the Plaintiff is not a shareholder of the 1st Defendant and without authorisation to pursue such matter. It was requested that such claim be dismissed. The Company (co-defendant) is one of the shareholders of the 1st Defendant that joined the case to be a co-defendant and to counterclaim, asking the Court to rule that the Plaintiff and/or another foreign company (a shareholder of the 1st Defendant) could act jointly or on behalf of the other, in transferring 1.8 million shares, which were held by one of the shareholders of the 1st Defendant, at the price of Baht 191.7 million, to the co-defendant or a designated person of the co-defendant. This is because one of the shareholders of the 1st Defendant breached the terms and conditions of the joint venture agreement between the 1st Defendant and the co-defendant, and a shareholder of a 1st Defendant.

On 5 October 2011, such claim was dismissed by the Court, who ruled that the Plaintiff shall transfer 1.8 million shares to the co-defendant or a designated person of the co-defendant at a price not exceeding the net asset value, calculated based on the date of transfer, deducted by the amount of dividend, Baht 887.1 million. If the Plaintiff fails to carry out such transfer, the judgement of the Court shall represent the intention of the Plaintiff. The 1st Defendant shall record such shares in the name of the co-defendant, or a designated person of the co-defendant, in the shareholders registry, and list the shareholders of the 1st Defendant. The co-defendant shall be responsible for effectuating the payment of the share price to the Plaintiff. Also, the Court has read the judgement to the parties and the Plaintiff shall, within 30 days, comply with the judgement. If the Plaintiff fails to comply, there could be a confiscation, arrest or imprisonment, pursuant to the Civil Procedure Code. The Plaintiff, the five Defendants, and the co-defendant,

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have been informed of such order since 5 October 2011. All parties shall comply with the judgement and complete their actions by Friday, 4 November 2011.

On 21 October 2011, the Plaintiff filed an appeal, a petition for a stay of execution and a petition for a stay of execution in an emergency case. Subsequently, on 25 October 2011, the judge in charge of the case considered the petition for a stay of execution and the petition for a stay of execution in an emergency case. The Court decided that these petitions were not for an emergency case and therefore dismissed them. On the same day, the Plaintiff filed a petition to the Chief Judge of the South Bangkok Civil Court to return the case file and record. Such petition of the Plaintiff caused the judge in charge of the case to withdraw from such case. In fact, the Chief Judge of the South Bangkok Civil Court subsequently distributed the case to another judge. However, as for the case in which the Plaintiff filed an appeal and a petition for a stay of execution, the five Defendants and the co-defendant filed an appeal and an objection to the petition for a stay of execution. The Court of Appeal is currently considering such case, and the parties have the duty to comply with the judgement and the order of the Court of First Instance, until a contrary order or judgement of the Court of Appeal is granted.

All parties shall comply with the judgement and complete their actions by Friday, 4 November 2011. However, the Plaintiff has thus far failed to receive payment for the outstanding share price that the co-defendant has to pay to the Plaintiff before the Plaintiff can transfer the shares to the Defendant in accordance with the judgement. Therefore, on Monday, 7 November 2011, the Company (co-defendant) brought the share price which was to be paid to the Plaintiff in accordance with the judgement; such share price did not exceed the net asset value calculated on the date of transfer, deducted by the dividend amount of Baht 887.1 million. Therefore, the outstanding share price which the co-defendant has to pay the Plaintiff in accordance with the judgement is Baht 19.6 million. The co-defendant prepared a cashier's cheque to pay the outstanding share price, after deduction of dividends, for collection by the Plaintiff on Friday, 4 November 2011. The Plaintiff defaulted and the co-defendant had to pay the Plaintiff to settle the co-defendant's liability under the law by placing such money at the Office of Property Deposit, Legal Execution Department, on Monday, 7 November 2011. The judgement of the Court shall reflect the intention of the Plaintiff, and once the co-defendant paid the full and complete share price to the Plaintiff according to the judgement of the defendant, the 1st Defendant recorded 1.8 million shares held by one of the 1st Defendant's shareholders, in the name of the Company (co-defendant), in the shareholders registry, and the list of shareholders of the 1st Defendant; and submitted a copy of the list of shareholders (BOJ. 5) of the 1st Defendant to the Registrar of Partnership and Company, Bangkok Department of Business Development, Ministry of Commerce. After the Plaintiff had defaulted and the co-defendant had paid the share price to the Plaintiff according to the judgment and the order of the Court, on the same day, which was on 7 November 2011, resulting in the Company (Co-defendant) increases its shareholding in the 1st Defendant from 50% to 89%. The co-defendant had to place its payment of the outstanding share price to the Plaintiff at the Office of Property Deposit. This was as a result of the Plaintiff's default of its obligation to comply with the judgement and order by Friday, 4 November 2011. The Legal Execution Department issued a receipt as evidence to the co-defendant on 10 November 2011.

Later, on 15 November 2011, the Plaintiff filed a petition for temporary protection and asked the Court to prohibit the 1st Defendant from making changes to the list of the shareholders of the 1st Defendant until the case is finalised. The five Defendants and the co-defendant collectively objected. Afterwards, on 7 February 2012, the Court, under a new judge in charge of the case, ordered the withdrawal of the shares transfer from the 1st Defendant to the co-defendant. Also, there was an order to inform the Registrar of Partnership and Company, Bangkok Department of Business Development, Ministry of Commerce, of such order; and the Registrar was thusly informed of such order. The 1st Defendant filed an appeal against such Court order on 2 March 2012. The Court's order of 7 February 2012 does not repeal the Court of First Instance's decision of 5 October 2011.

The 1st Defendant relies on the shareholders registry of the 1st Defendant, with names and addresses as appeared in the shareholders registry and the list of shareholders of the 1st Defendant as of 7 November 2011; of which the 1st Defendant has submitted such list of shareholders to the Registrar of Partnership and Company, Bangkok Department of Business Development, Ministry of Commerce. Such shareholders registry and the list of shareholders of the 1st Defendant are correct.

On 11 July 2013, the Appeal Court rendered the judgment in the lawsuit filed by the foreign company for recordal of its name and address in the joint venture's shareholders registry. The Court found that the foreign company is the existing shareholder of the joint venture and is thus entitled to record the name and address of the foreign company in the shareholders registry of the joint venture and dismissed the counterclaim of the Company. On 13 August 2013, the Company appealed against the Appeal Court's decision to the Supreme Court. The case is now pending in the Supreme Court.

On 27 August 2013, the foreign company submitted the judgment of the Appeal Court to register its name and address in the book record and the list of shareholders of the joint venture. As a result, the Company's share ratio is diluted from 89% to 50%.

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As mentioned above, the Company has therefore prepared consolidated financial statement as at 31 December 2013 using the former proportionate shareholding of 50% in accordance with the joint venture's shareholders list.

On 26 December 2012, the foreign company filed a complaint with the South Bangkok Civil Court against the Company and other 13 defendants on the grounds of tort, director's liability, return of properties and request for damages. The Plaintiff claimed inter alia that the extraordinary general meeting no 1/2555 of the joint venture approving payment of dividends in the amount of approximately Baht 445 million to the Company is illegal and that the Company returns the said dividends together with the interest thereon at the rate of 7.5% per annum to the foreign company. This case is pending in the Court. Thereafter, the Court ordered the temporary protection, but the Company appealed against such order on 26 April 2013. The Appeal Court reversed the order in relation to the temporary protection. The Court ordered temporary dismissal of the case awaiting the decision in the Black Case No. 1367/2533 of the Bangkok South Civil Court.

On 7 August 2013, the foreign company filed a lawsuit against the joint venture to invalidate the resolution of the extraordinary general meeting no. 1/2013 of the joint venture claiming that the meeting was held by the directors who have been removed and that the meeting was against the temporary protection ordered by the Bangkok South Civil Court.

Thereafter on 2 October 2013, the Company as a major shareholder of the joint venture who has attended and cast the votes in the said meeting interpleaded as a third party in order to protect and enforce the Company's rights. The Company requested the Court to rule that the calling of the meeting, the meeting, and the voting in the said meeting is in accordance with the provisions of the articles of association and the law.

The Court rejected the company's interpleading. The Company appealed with the Appeal Court on 14 November 2013, and the appeal has been accepted by the Appeal Court for consideration.

On 22 October 2013, the foreign company as a plaintiff filed a lawsuit against the Company, the joint venture and other parties, totally 14 persons for invalidation the resolution of the extraordinary general meeting of the joint venture claiming that the meeting was illegal. The Plaintiff requested temporary protection prohibiting the defendants from registering such resolution or using the resolution for any purposes. The Court rejected such request on 24 January 2014. The Defendant requested the Court to temporarily dismiss this case awaiting the decision in the Black Case No. 1367/2553 Red Case No. 1856/2554 of the Bangkok South Civil Court. The Plaintiff objected to such request. The Court's order will be read on 26 March 2014.

On 11 December 2013, the Company as a plaintiff filed a lawsuit against the foreign company for invalidation of the invitation letter for the extraordinary general meeting no. 4/2556 of the joint venture which called the meeting on 11 December 2013 in Oslo, Norway. The plaintiff claimed that the invitation letter was illegally issued and the persons issuing such letter are not the directors of the joint venture. The Court scheduled the pretrial conference or hearing on 3 April 2013.

In addition, the Company as a plaintiff filed a lawsuit against the foreign company for invalidation of the extraordinary general meeting no. 4/2013 of the joint venture on 11 December 2013 in Oslo, Norway. The pretrial conference will be on 17 March 2014.

- 5) The Company, the government authority and a government officer were sued by the Claimant that the Claimant processed of 8 plots of land under utilization certificates. Issuance of concession by the government authority was not legitimate and overlapped 8 plots of land of the Claimant.

The Central Administrative Court had considered and adjudged on 5 July 2012 that Issuance of concession by the government authority was legitimate and did not overlap 8 plots of land of the Claimant. The Complaint was therefore dismissed.

The Claimant filed an appeal to the Supreme Administrative Court. This case is in the process of consideration for acceptant of the appeal by the Central Administrative Court.

- 6) As at 31 December 2013, 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.

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46 Event after the reporting period

- 1) On 17 January 2014, the Company issued the unsecured, unsubordinated debentures in registered form with debenture holders' representatives in the total amount of Baht 5,000 million, which was comprises of Tranche 1, with the maturity term of 3.5 years together with a fixed interest rate at 5.00% p.a., payable quarterly in the amount of Baht 3,000 million and Tranche 2, with the maturity term of 4.5 years together with a fixed interest rate at 5.30% p.a., payable quarterly in the amount of Baht 2,000 million.
- 2) On 22 January 2014, there was a fire of used tires that the Company purchased for the pyrolysis project that had the approximate carrying amount of Baht 50 million.
- 3) At the board of directors' meeting of the Company held on 28 February 2014, the board of director had significant agendas as following;
 - (a) To propose to the 2014 annual general shareholders' meeting for an approval of the appropriation of dividend payment for the Company's 2013 operating results at Baht 0.15 per share, amounting to Baht 302.85 million and the dividend payment is scheduled on 23 May 2014.
 - (b) To propose to the 2014 annual general shareholders' meeting for an approval to issue and offer for sale of debentures up to Baht 10,000 million.

47 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the new and revised TFRS that have been issued but are not yet effective. The new and revised TFRS that are applicable to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 31 (revised 2012)	Interests in Joint Ventures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

48 Reclassification of accounts

Certain accounts in the 2012 financial statements have been reclassified to conform to the presentation in the 2013 financial statements. Other significant reclassifications were as follows:

(in thousand Baht)

	2012					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Total	After reclass.	Before reclass.	Total	After reclass.
Statement of financial position						
Cash and cash equivalents	417,000	100,000	517,000	131,392	-	131,392
Current investment	100,000	(100,000)	-	-	-	-
Other receivables	417,648	(136,838)	280,810	193,881	49,014	242,895
Other current asset	126,890	136,838	263,728	86,004	(49,014)	36,990
Trade account payable	2,587,330	(25,563)	2,561,767	2,362,463	-	2,362,463
Bank overdraft and short-term loan from financial institutions	1,603,271	25,563	1,628,834	1,057,437	-	1,057,437
Other payable	705,887	1,566,259	2,272,146	380,470	1,371,343	1,751,813
Other current liabilities	1,635,088	(1,566,259)	68,829	1,414,408	(1,371,343)	43,065
Selling expense	3,838,446	11,938	3,850,384	3,438,741	-	3,438,741
Administrative expense	1,152,388	(11,938)	1,140,450	985,782	-	985,782
		-			-	

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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TPI POLENE Public Company Limited

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ธุรกิจปูนซีเมนต์
Cement Business



ธุรกิจคอนกรีตผสมเสร็จ
Ready-mixed Concrete Business



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Plastic Resin Business



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Organic Fertilizer Business

