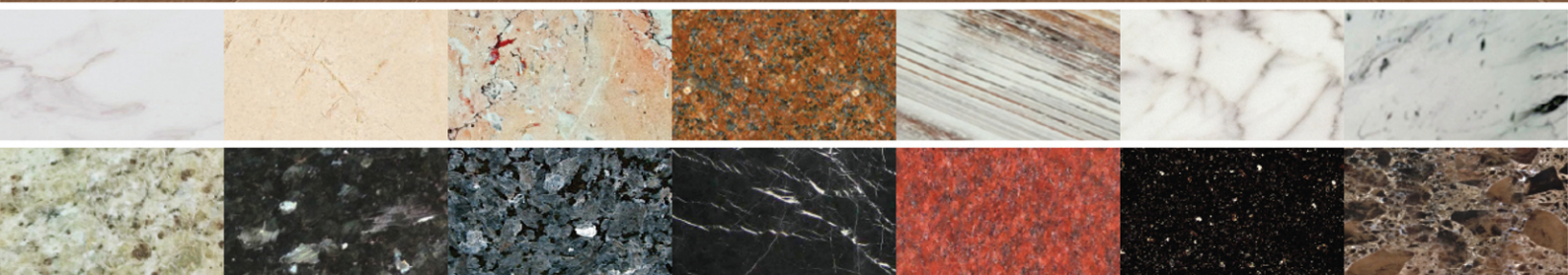


รายงานประจำปี ๒๕๕๗  
ANNUAL REPORT 2014



อีกหนึ่งแรงบันดาลใจสำหรับบ้านคุณ  
แผ่นพื้นและผนังตกแต่งพรีเมียม  
TPI DECORATIVE WALL & FLOOR



มีทั้งแบบ On stock และ Made to order



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



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Investors can access the information of the company that issued security, from the annual report (form 56-1) of the Company through the Company's website at [www.sec.or.th](http://www.sec.or.th)

# The Leading Manufacturer of Renewable Energy from Waste

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*TPI Polene foresees further development to build on business innovation by employing national resources for ultimate benefit. We have invented an alternative fuel, and renewal energy to recover recyclable materials for environmental balance. TPI Polene has become a leading Thai cement manufacturer, which can generate electricity from waste heat recovery.*

*TPI Polene has maintained its position with pride as one of the top leading manufacturers in the country for creativity and keeping a balance in business, public well-being, social and community improvement, while protecting our environmental surroundings, strengthening society and further enhancing sustainability as always.*

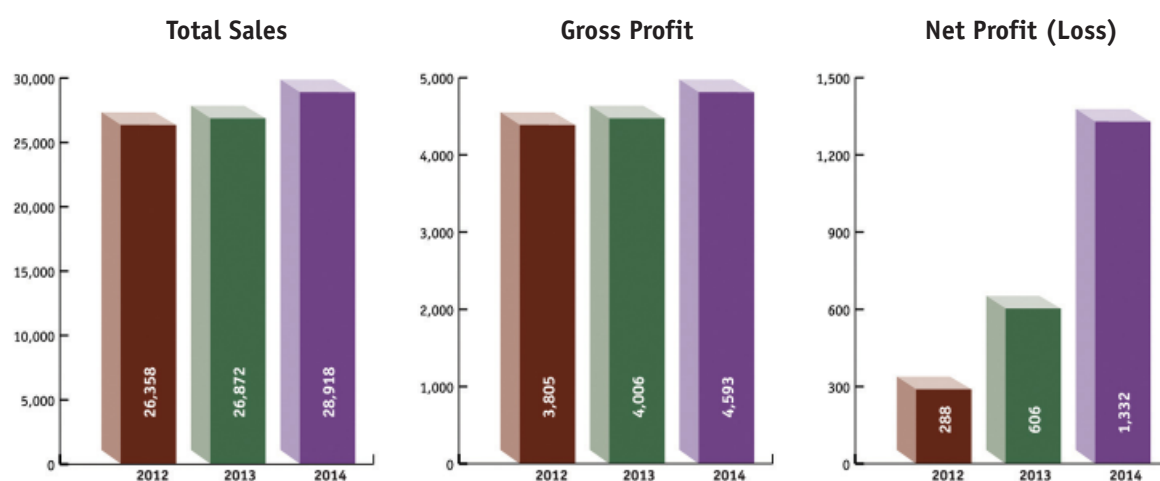


## Financial Highlights

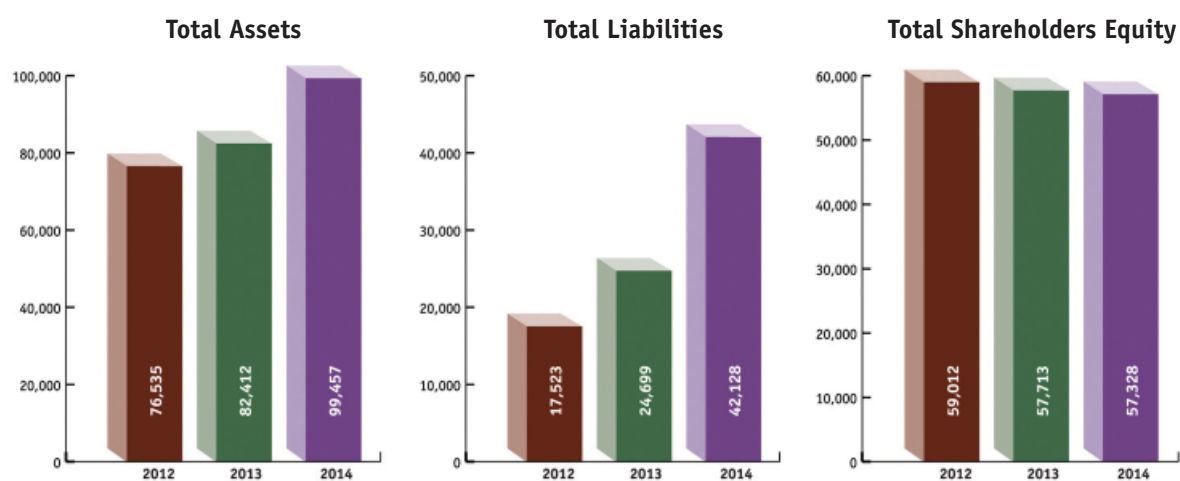
	Unit	2012	2013	2014
<b>Operational Performance</b>				
Total Revenues	(Baht Mil.)	28,424	28,861	31,622
Total Sales	(Baht Mil.)	26,358	26,872	28,918
Gross Profit	(Baht Mil.)	3,805	4,006	4,593
Operating Profit (Loss) before income tax	(Baht Mil.)	548	1,188	749
Net Profit (Loss)	(Baht Mil.)	288	606	1,332
<b>Financial Status</b>				
Total Assets	(Baht Mil.)	76,535	82,412	99,457
Total Current Assets	(Baht Mil.)	10,838	12,601	13,930
Total Liabilities	(Baht Mil.)	17,523	24,699	42,128
Total Financial Debt	(Baht Mil.)	4,594	10,225	27,600
Total Shareholders' Equity	(Baht Mil.)	59,012	57,713	57,328
<b>Shares Detail</b>				
Listed Shares and Paid-up Shares	(Mil. Shares)	2,019	2,019	20,190
Par value per share	(Baht)	10.00	10.00	1.00
Book Value per share	(Baht)	29.55	28.90	2.87
Earnings per Share	(Baht)	0.14	0.30	0.067
Dividend per Share	(Baht)	0.10	0.15	0.02
Dividend payout Ratio	(%)	490.81	82.18	40.94
<b>Key Financial Ratios</b>				
Gross Profit Margin	(%)	14.44	14.91	15.88
Net Profit Margin	(%)	1.01	2.10	4.21
Debt to Equity Ratio	(times)	0.30	0.43	0.73
Financial Debt to Equity Ratio	(times)	0.08	0.18	0.48

Remarks: \*Calculation based on separate financial statements.

## Total Revenues and Net Profit



## Financial Status



## Corporate Profile

<b>Company's Name</b>	: TPI Polene Public Company Limited
<b>Abbreviation in the SET</b>	: TPIPL
<b>Registration Number</b>	: 01075370000564 (formerly Bor. Mor. Jor. 303)
<b>Nature of Business</b>	: Manufacture and sale of cement, Electricity, Ready-mixed concrete and LDPE / EVA plastic resin, Concrete roof tile, Fiber cement, Light weight Concrete, Organic Fertilizer and drinking water
<b>Registered Capital</b>	: Baht 24,815,000,000 Consisting of 2,481,500,000 ordinary shares, at the par value of Baht 10 each.
<b>Paid-up Capital</b>	: Baht 20,190,000,000 Consisting of 2,019,000,000 ordinary shares, at the par value of Baht 10 each.
<b>Accounting Period</b>	: January 1 - December 31

### Location

<b>Head Office Location</b>	: 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	: <a href="http://www.tpipolene.co.th">http://www.tpipolene.co.th</a>
<b>Cement Plant Location</b>	: 299 Moo 5, Mittraparp Road, Tambol Tubkwang, Kangkhoy, Saraburi 18260
Tel. Number	: +66 (0) 3633-9111
Fax Number	: +66 (0) 3633-9228-30
<b>LDPE Plant</b>	: 299 Moo 5 Sukhumvit Road, Tambol Chuengnoen, Amphur Muang, Rayong 21000
Tel. Number	: +66 (0) 3861-1333
Fax Number	: +66 (0) 3880-2568
<b>Concrete Roof Tiles Plant</b>	: 77 Moo 7, Tambol Ban Kang, Amphur Chaloem Phrakiat, Saraburi 18260
Tel. Number	: +66 (0) 3861-1333
Fax Number	: +66 (0) 3880-2568

### Investors Relation Unit:

Tel. Number	: +66 (0) 2213-1039 ext. 12983 and 12985
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### Other Relevant Information:

<b>Share Registrars</b>	: Thailand Securities Depository Company Limited
<b>Office Location</b>	: 4, 6-7 <sup>th</sup> 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.
4. TPIPL191A: TPIPL Baht 3,000 million Unsubordinated/ Unsecured Debentures in registered form with debenture holders' representatives no. 1/2558 due 2019. The offering for sale was in January 2015.
5. TPIPL201A: TPIPL Baht 3,000 million Unsubordinated/Unsecured Debentures in registered form with debenture holders' representatives no. 1/2558 due 2020. The offering for sale was in January 2015.

#### Registrar, Debenture Holders' Representative: 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 <sup>nd</sup> 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

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## To: Shareholders

Dear Sirs,

The year 2014 was another successful year for TPI Polene Plc., to be able to make progress in the construction of our project investments as planned. The projects include our Cement Line 4 project, 90 MW Waste Heat Recovery Power Plant, Fiber Cement Project, Lightweight Concrete Project and Mortar Cement Project., etc. It is anticipated that all these projects as mentioned will commence commercial operations in 2015 until the first quarter of 2016.

## Operating Performance

In 2014, the Company and its subsidiaries reported total revenues and net profit of Baht 31,622 million and Baht 1,332 million compared with Baht 28,861million and Baht 606 million in 2013, an increase of 9.57% and 119.82% respectively.

## The Offering for Sale of Baht 5,000 million debentures in 2014 and Baht 6,000 million debentures in 2015.

In January 2014, the Company successfully completed its fundraising through the issuance and sale offering of 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. Subsequently, in January 2015, the Company successfully completed the sale offering of a 4-year debenture, and a 5-year debenture, in the amount of Baht 3,000 million and Baht 3,000 million, respectively, totaling Baht 6,000 million, with the TRIS affirmed rating of such debentures at BBB+, with a stable rating outlook. The proceeds from the fundraising through the issuance and sale offering of debentures will be utilized for working capital in business operations and/or to facilitate the current project investment and potential investment projects in the future.

## Settlement of all litigation cases with IRPC Plc.

The Company and Leophairatana group (major shareholders of the Company) signed an MOU with IRPC Public Company Limited (çIRPCé) and its Affiliated/Group of companies, to settle all civil and criminal litigation cases. The settlement of all civil and criminal litigation cases is subject to the consideration of the relevant courts.

## Signed a Sales-Purchase Electricity Agreement with the Electricity Generation Authority of Thailand (EGAT)

TPI Polene Power Co., Ltd. (a 99.99% owned-subsiidiary company), as Small Power Producer (SPP), signed 2 Sales-Purchase Electricity Agreements with The Electricity Generation Authority of Thailand ("EGAT"), which consist of a capacity of 18 MW output (Sales-Purchase agreement will be effective on January 2015) and a capacity of 55 MW output (Sales-Purchase agreement will be effective on July 2015). The above-mentioned power plants comprise the refuse derived fuel (RDF), and the Waste Heat Recovery Power Plant Project. The adder obtained from this project is the special margin, on alternative-fuel-generated electricity, in addition to the normal rate of Baht 3.50/unit for a period of 7 years from EGAT.

In addition, TPI Polene Power is in the process of signing a Sales-Purchase Electricity Agreement, with 90 MW output, with EGAT and EGAT agreed to purchase electricity from TPI Polene Power on November 21, 2014. It is scheduled to sell electricity to EGAT in early 2017.

## 2014 Asian and National Award in the category of "Energy Preservation and Renewal Energy with Alternative Fuel"

With the Company's long-established commitment to develop renewal energy with alternative fuels to create a balance in energy utilization and increase competitive advantage in TPI Polene Group, the Company has surpassed all assessments and was awarded and certified in the category of Energy Preservation and Renewal Energy with Alternative Fuel for the year 2014 under the Asian and National Standard. This award and certification is through continuous assessment and monitoring on September 23, 2014 from the Department of Renewable Energy and Energy Conservation, Ministry of Energy, for processing waste to recover Renewal Energy with Alternative Fuel Power Plant, or Refuse Derived Fuel (RDF) and co-fired with coal in the cement production process. This project enables us to reduce coal usage.

## Corporate Social Responsibilities

The Company focused on important good corporate governance while maintaining a policy of full commitment to consistently preserve public well-being and the surrounding environment leading to sustainable development of the country, which is an integral part of in-process CSR. 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 helping to reduce emissions of greenhouse gases as follows:

1. The Waste Heat Recovery Power Plants and/or Refuse Derived Fuel (RDF), help reduce coal energy usage, thereby reducing carbon dioxide gases, which cause global warming and reduce emissions of greenhouse gases by diverting waste.
2. A Renewal Energy business with Alternative Fuel Power Plant, or Refuse Derived Fuel (RDF), which is used as a coal substitute, enabling us to reduce our coal usage, thereby reducing emissions of greenhouse gases or carbon dioxide to zero by diverting waste.
3. Our Pyrolysis Plant is designed to generate crude oil and liquid fuel from waste plastic and tire pyrolysis. The Pyrolysis Plant helps eliminate and divert waste plastic, which takes quite a long time to decompose in the environment.
4. Fertilizer Plant: to make use of decomposed organic substances and be free of toxic substances that are harmful to human health and the environment.
5. The Industrial Waste Disposal Business enhances recycling opportunities, lowers raw material and fossil fuel usage, and develops a recycling economy with considerable economic benefits to enhance the environment, thereby reducing emissions of greenhouse gases or carbon dioxide to zero and reducing waste in the country.
6. Our fiber cement products have been tested to be environmentally friendly and 100% free from asbestos or harmful material.

All of these green projects will not only reasonably help reduce energy costs, but effectively create value added to TPI Polene Group and create considerable economic benefits for the country, as well as help reduce imported energy from overseas and emissions of greenhouse gases. Furthermore, it helps reduce the environmental impact at its source and reduce energy usage, the sources of which are quite limited. Also, it also moderates the energy crisis, and helps reduce carbon dioxide emissions and reduce greenhouse gas emissions that cause global warming. 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.

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. In addition, 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, agriculture, communities and consistently protecting the surrounding environment to step forward internationally in an attempt to reduce our 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 the 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,**



**Mr. Visith Noiphan**  
Chairman of the Board



**Mr. Prachai Leopairatana**  
Chief Executive Officer

# Audit Committee's Report for 2014

## 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 2014, the Audit Committee convened 7 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 2015.

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 2015.

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 is committed to pursuing its business operations with ethics and well-managed business administration practices with an adherence to creating a corporate culture in good corporate governance in parallel with social conservation and environmental preservation. The Company also realizes the importance of educational support, public well-being and safety, art and cultural preservation, as well as social development with an aim to respond the needs of the people in the surrounding communities to create sustainable growth of the business as a whole.

In 2014, the Group CSR Committee was set up with an objective to increase overall assessment of TPI Polene Group's CSR activities. This also includes the development of CSR activities with a policy of full commitment to create value and sustainable growth of the CSR implementation. The policies of CSR implementation have been set aside to promote and to monitor CSR activities. The Group CSR committee consists of the Chairman, the Vice-Chairman and the Committee, recruited from the top management in the relevant departments of TPIPL group.

### The Stakeholders of the Company

In 2014, the Company established "corporate governance policies for related parties who have conflicts of interest" by announcing the written publication of "the policies and measurements towards related parties who have conflicts of interest" as a principal guideline for the employees to interact properly with the related parties who have conflicts of interest. The Company still maintains a policy of full commitment to the principles to create value cooperatively with the related parties. The top Management will be responsible for policy affairs treatment for all parties concerned and pass the opinion of the parties concerned through particular departments, who are responsible for all parties concerned. All related parties, who have a direct impact on business operations include employees, shareholders, suppliers, contractors, customers and the community, as well as related persons as a whole. The above policies are a principal guideline for the management and employees of the group that performs in compliance with the principles of good corporate governance by putting corporate social responsibility into clear practice.

## Guideline and Practices towards the Company's Stakeholders

Stakeholders	Requirements	Procedures	Plan implementation
1. Employees	<ul style="list-style-type: none"> <li>- Work progress in their careers</li> <li>- Employees' welfare and security</li> <li>- Membership of Co-Op</li> <li>- Obtaining courses and training programs for potential development</li> <li>- Good image of the Company</li> <li>- Fair treatment</li> <li>- Safety in the workplace</li> </ul>	<ul style="list-style-type: none"> <li>- The Company schedules training programs and on-the-job training sessions as well as relevant knowledge for employees to perform their duties properly, safely and suitably for employees in each respective position.</li> <li>- The Company provide courses and training sessions to develop growth potential, knowledge and competitive advantages of the employees to keep pace with the future growth of the corporation and work progress in their careers.</li> <li>- The Company encourages on-the-job training program among employees, including in-house and external-training courses in compliance with job descriptions.</li> <li>- The Company provides employees the opportunities to pursue their study and obtain courses training programming in compliance with job descriptions.</li> </ul>	<ul style="list-style-type: none"> <li>- The Company has clear rules and regulations on employment to be strictly applied, which also include equal opportunities for employees to progress in their career regardless of sex, age, generic information, races, religion, educational background. The employment policies and conditions of work are based on job requirements.</li> <li>- The Company shall not hire expatriates, which include contractors and sub-contractors.</li> <li>- Allow expression of views and advice.</li> <li>- Fair practice to employees.</li> <li>- The Company offers salary and wages as well as welfare to be equivalent or comparable to those in the same industry.</li> <li>- The Company provides a safe and healthy working environment.</li> </ul>
2. Shareholders	<ul style="list-style-type: none"> <li>- To create sustainable return on investment.</li> <li>- To conduct the business with transparency.</li> <li>- To take part in decision-making.</li> <li>- Ongoing business operations and low risk.</li> <li>- To obtain information regarding operating results.</li> </ul>	<ul style="list-style-type: none"> <li>- The Company shall protects shareholders' fundamental rights and ensure equitable treatment to all shareholders to facilitate shareholders to access the Company's information .</li> <li>- The Company operates in compliance with the principles of good corporate governance with honesty, prudence and without conflicts of interest to create sustainable value to all shareholders.</li> <li>- Deliver the invitation to the Annual General Shareholders' Meeting with all relevant documents for shareholders in advance of the meeting</li> <li>- Shareholders are able to appoint proxies to delegate their votes to others to act on behalf of them.</li> <li>- Provide shareholders opportunities to add agenda items or propose to the meeting the name of the persons to be elected as the Directors of the Company to be in compliance with the legal Articles of Association of the Company.</li> <li>- Constantly disclose corporate information as well as financial statements and operating results to all shareholders accurately, completely, transparently and in a timely manner to ensure that shareholders obtain adequate corporate operational performance through a network that is easily accessed.</li> <li>- Accept advice and complaints.</li> </ul>	<ul style="list-style-type: none"> <li>- All shareholders have fundamental rights and must have equitable treatment.</li> <li>- To create long-term growth of the business and establish sustainable return on investment to shareholders.</li> </ul>

Stakeholders	Requirements	Procedures	Plan implementation
3. Trade partners	<ul style="list-style-type: none"> <li>- Clear purchasing policy</li> <li>- Fair business operation</li> <li>- Help develop growth potential of the purchasers.</li> <li>- Clear procurement policy.</li> </ul>	<ul style="list-style-type: none"> <li>- TPIPL group has to obtain the best value for materials and goods and to maintain the highest ethical standards in dealing with suppliers. Value includes price, quality and service.</li> <li>- Purchasing personnel are not permitted personal interest in the procurement process.</li> <li>- The Company will not engage with the trade partners who deal with businesses that act against the law.</li> <li>- Employees of TPIPL group shall procure material and goods at the appropriate and fair price and ensure that its trade partners perform in compliance with guideline leading to sustainable growth for both parties.</li> </ul>	<ul style="list-style-type: none"> <li>- Strictly perform in compliance with terms and conditions of the transaction and contracts.</li> <li>- Take into consideration of the corporate benefits of both parties, thus enhancing equitable practices for business operations</li> <li>- All trade partners should be treated equally.</li> </ul>
4. Customers	<ul style="list-style-type: none"> <li>- Good quality and safe merchandise.</li> <li>- Fair prices</li> <li>- Easy and convenient to acquire</li> <li>- Sales promotions and free samples.</li> <li>- Alternative merchandises</li> <li>- Provide products profiles and instruction</li> </ul>	<ul style="list-style-type: none"> <li>- The Company is focused on the importance of quality product development and full-scale service to be delivered to customers in a timely manner and meet the requirements of customers.</li> <li>- The Company shall keep track of records of customers' profiles systematically in a safe place and protect customer information and records against unauthorized access to or misuse of customer records or information.</li> <li>- Offer fair prices for goods and services.</li> <li>- The Company provides a unit or center to be responsible for providing a range of information of products and services as well as submission of a claim or make a complaint.</li> <li>- An arrangement of customers seminars to consistently educate them on the variety of products.</li> </ul>	<ul style="list-style-type: none"> <li>- Satisfy the needs to customers</li> <li>- Do not act or obtain or attempt to offer any goods or service by any means or device with the intent of fraud to the customers, who must believe in the quality of our goods or services and they have to provide customers goods and services which are safe and harmless for them.</li> <li>- Create brand loyalty.</li> </ul>
5. Competitors	<ul style="list-style-type: none"> <li>- Market share</li> <li>- Fair Competition</li> <li>- New innovations</li> </ul>	<ul style="list-style-type: none"> <li>- Under the fair competition circumstances</li> </ul>	<ul style="list-style-type: none"> <li>- Not to violate identifiable information of competitors.</li> <li>- To perform in compliance with good practices for trading.</li> </ul>
6. Communities	<ul style="list-style-type: none"> <li>- Keep the community informed of relevant information</li> <li>- Promoting Thai traditional cultures.</li> <li>- Improved Quality of life.</li> <li>- Participating in activities to develop public well-being</li> <li>- Create good opportunities for careers.</li> </ul>	<ul style="list-style-type: none"> <li>- Survey the Community's needs and opinions.</li> <li>- Consistently provide mobile medical units for local people in the community</li> <li>- Supporting reforestation and rehabilitation of used mine areas.</li> </ul>	<ul style="list-style-type: none"> <li>- Support of community activities</li> <li>- Provide training courses for employees to stimulate them to be conscious of environmental preservation.</li> </ul>

# TPI Polene and Social Responsibility

In addition to the excellent performance of its business operations, the Company and its subsidiaries, as a Thai corporation, have always strived to improve social development and community standards of living by participating in many activities to create public well-being. The Company has focused on development to further enhance the sustainable implementation in all respects, which can be partly reported below:

## 1. Environmental Activities

From the outset, TPI Polene and its subsidiaries have realized the importance and ultimately the benefit of energy management through the effective utilization of natural resources. The Company realizes that industry has increasingly become a social problem and environmental issue; we therefore made an investment in a renewal energy business with an Alternative Fuel Power Plant, or Refuse Derived Fuel (RDF), with an objective to eliminate waste plastic by processing municipal solid waste, landfilled waste and non-hazardous industrial waste, to boost its fuel value and to recover alternative energy to be co-fired with coal in the cement production process, enabling us to reduce our coal usage and to be used as fuel in 60 MWH- Power Plant. From the above project, TPI Polene Power Plc was honored to receive the “Thailand Energy Award 2014” for excellence in energy efficiency and renewal energy under the category of off-grid Connected Renewable Electricity Generation Project” and we won the “2<sup>nd</sup> ASEAN Energy Award 2014” from the Department of Alternative Energy Development and Efficiency under the Ministry of Energy.

The Company fully expects that the above renewal energy business with an Alternative Fuel Power Plant, or Refuse Derived Fuel (RDF), will enable us to help relieve the waste crisis in the community, which has become the top priority environmental issue. In addition, the renewal energy project as above also helps create job opportunities within the community with less harmful effects to the environment.

### • Plant trees project for the Royal Auspiciousness to mitigate the adverse effects of global warming in 2014.

The management team of TPI Polene and its staff together with the head of the governmental authority in Saraburi province, community leaders and a group of students from Amphur Muanglek, Amphur Kankhoi Saraburi province, jointly planted 2,000 trees in Plang Ban Tham, Saraburi province. The Company arranged this activity to help conserve the environment and promote sustainable nature conservation as well as to bring back balance to the ecosystem.

• TPI Polene donated 10 tons of TPIPL organic fertilizers and 200 tons of pellet fertilizers to promote and support environmental preservation and sustainable natural resources, through “the Project to restore the forest and the Project to plant 6 million young plants” to celebrate the auspicious occasion of Her Royal Highness Princess Maha Chakri Sirindhorn’s 60<sup>th</sup> Birthday Anniversary, to mitigate the adverse effects of global warming, held by the Department of National Parks, Wildlife and Plant Conservation.



- TPI Polene promoted and participated in the project, “Mobile Organic Agricultural Project”, under the patronage of His Majesty the King, in the district of Amphur Banmor, Saraburi province and “ Mobile Organic Agricultural Project”, under the patronage of His Royal Highness Crown Prince Maha Vajiralongkorn, in the district of Amphur Nongsang, Saraburi province by joining “the Project for Knowledge Based Center” to increase the crop yields of Riceberry Rice at Amphur Kangkhohi and participated in the “Demonstration Day for Production Cost Reduction” at the Office of Agriculture, Amphur Nongdone, Saraburi province. The Project, “Forces of Agriculture Housewives” was done in the district of Amphur Jaturat, Chaiyaphoom province and we joined the Mobile District of Tabkwang, Saraburi province in the project, “to Display and Demonstrate the application of Organic Fertilizers”, which are chemical free and safe for agriculturists and consumers.

- Made a contribution of 175 tons of cement to the governmental authority to support construction of the dam, as it create reservoirs that supply water for utilization during lean periods. Regulated flow of water helps form reservoirs to 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 reservoirs to regulate flow of water at Huay Yai Morn, under the cooperation with the Internal Security Operations Command, Pitsanulok province and the local people in the community of Moo 7, the District of Wan Nok Ann, Amphur Wangthong, Pitsanulok province to construct the reservoir at water source with 2-3 meter width, 15 meters length and excavation depths of average 2-4 meters to regulate the flow of water, the dam construction project to regulate flow of water at Ing River, on the Auspicious Occasion of 90<sup>th</sup> Birthday Anniversary of His Majesty King Bhumibol Adulyadej and 85<sup>th</sup> Birthday Anniversary of Her Majesty the Queen Sirikit to carry on the Royal wish to conserve water and preserve forests, together with the sub-District of Wieng, Pha Muang Task Force and the Internal Security Operations Command Region 3, Chiangrai province; the construction project of 15 reservoirs to regulate the flow of water at in Taphraya National Conserved Forest, in the areas of Ban Pangsrida, Sakaew province, together with 12 Infantry Regiments, King’s Royal Guard, Paireerat Yordej Military Camp, Sakaew Province, for the local people in Bankmai Thaithavorn, Banknamsai, Bankokarn, Ban Nongbua, the District of Ban Nongbua, Amphur Taphraya, Sakaew province, Kongkamrangmuangpha, Chiangrai province; the Project “the Construction of the dam under Royal patronage to keep moisture on the surface of the soil”, together with Army Troopers in Tak province, Wachiraprakarn Military Camp with an aim to regulate the flow of water for the local people in the District of Koh Prubpha, together with 1 Engineer Royal Guard Regiment, Burachat Camp, Rajburi province.



## 2. Social Activities

- Contribution of blankets in 2014

The management team and the staff of the Company, together with the Environment for Better Life Foundation, made a contribution totaling Baht 1,772,000, together with 2014 calendars depicting photographs of His Majesty the King to local people, who suffer in the cold in the remote areas. TPI Polene wanted to share and help alleviate the cold for those in need in the remote areas. As for the areas in the Northeast, TPI Polene distributed 1,500 blankets to local people in Amphur Bankwao, Amphur Chathurat, Amphur Nuensa-gha, Chaiyaphoom province, and 3,400 blankets to local people in the Amphur Mae-Ay, Amphur Chiangdao and Amphur Chaiprakarn, and 1,000 blankets to Amphur Maejam, 500 blankets to the temple of Sridonmoonand, 500 blankets to the Meditation Center, Amphur Samaeng, Chiangmai province, to further distribute to the hill tribes and the elderly who suffered in the cold in remote areas, and 3,000 blankets to Banksuanthammasil Thamma Practice Housing to further distribute to the people and the hill tribes, who suffer from the cold weather; 3,000 blankets to local people who suffer in the cold in Amphur Muang, Amphur Chiangsaen and Amphur Mae-Sai, Chiangrai province.

- Made a contribution of Baht 12,150,000 to the foundations, non-profit organizations, and government authorities to help support activities that benefit society such as the “Sai Jai Thai Foundation under the Royal Patronage to provide assistance to the dead or those with disabilities suffered discharging their duties to defend the country; “Professional Careers Promotional Program Kai Kang Wong Fund Center”, under the Project “the Kind Spirit to the Youngsters: Sufficiency Economy Series”, “Cerebral Palsy Association of Thailand” (BOCCIA athletes); the athletes with severe disabilities being sent to join BISFFed World Championships 2014, Peking city, the Republic of China. The Foundation For the Promotion and Development of visually impaired “under the Royal Patronage to promote and develop the disabled archery being practiced to be able to be competitive for the national team to be successful in the international tournament, and help support the project “Heroes to Make Dreams Come True for the youths in 5 Provinces in the South for the 13<sup>th</sup> Year” to provide them academic development and educational support for exchanging Thai traditional cultures and creating good opportunities for young people to play sports to keep them away from drugs; help support for Camillion Social Center Pracheenburi for the care of the elderly who are poor and to provide services to adapt to the needs of a broader range of homeless elderly; and supporting “Royal Society for the Prevention of Cruelty to Animals ( RSPCA) for an arrangement of the books “King In My Heart” and “To be Goodman foundation”, with aims to improve the quality of life of the youths and Thai people in the communities and support the anti-drug activities and all other vices by supporting a futsal game arrangement for people in general.

- 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 promote 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 Kaengkhoi, 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 162,800 cc of blood to patients in need in Saraburi province and the surrounding area.
- Support the project "Good Health Project and the Sound Mind to Overcome the Senility", to take the retired governmental personnel, the Office of Primary Academic Saraburi Zone 2, the elderly in Ban Sabborn, Amphur Kangkhohi, the members of the Elderly Association, Tambol Salangphan, Amphur Wangmuang, a group of the elderly in the District of Muaklek and Mittraphrab, Saraburi province to pay homage of holy Statue and to have a field trip to historic sites and ancient remains in Uthaithani province, Chainart province, Nakhonratchasima province, and Buriram province. The Company supported these projects for the better quality of life of the elderly in both physical and mental health to alleviate liabilities of the elderly and their families and so they can be happy in society.
- Help develop the potential of the community leaders by having a group of sheriffs, the management group, local leaders from the Sub-district Administrative Organization of Mittaparb, The Public Health Voluntary Group, Amphur Kangkhohi, Saraburi province, the Management team and officers, the Sub-district of Songkorn, Saraburi province, Community Leaders in the District of Muaklek, Amphur Muanklek, Saraburi province and the management team, the officers and local leaders in Tambol Laharn, Amphur Chaturat, Chaiyaboom province to join the seminar for the presentation of TPIPL products and also have a site visit in different places to enhance work creation, develop knowledge and the potential of the learners and further convey knowledge to obtain optimal benefits.
- Made a contribution of 638.52 tons of cement and concrete roof tiles to the governmental authority for the renovation of office buildings, athletic grounds, construction of flag poles of the governmental authorities, such as the National Museum Art Gallery, Royal Safeguard Signal Battalion 1, Safeguard Unit in Kaoyai National Park, Waterfall Samlan National Park, District Police Station in Saraburi province, Prachanughra foundation in Chiangmai province, Nakhonsrithammaraj province, Nongkai province, Mhasarakam province, Lamphoom province, Yasothorn province and Sakolnakorn province and the Office of Force Support, Nonthaburi province.
- Distributed TPIPL 600 mL and 1.5 liter bottled drinking water for a total of 384,240 bottles to the organizations to support activities such as the International Academic Fair Project, 3<sup>rd</sup> International Committee on Allergic Diseases of Animals (the third ICDA) no. 3, held by the National Institute of Development Administration, Mobile Municipality



Project, Amphur Muanklek, Saraburi province. TPI Polene supported athletic activities such as Anti-drug Athletics in District of Tambol Salangphan, Amphur Wangmuang, the sub-District of Thakor and Taopoon, Amphur Kangkhai Saraburi and Quality of Life Development Fund, Amphur Kangkhai, Saraburi province; TPI Polene jointly promoted awareness of risk reduction from road accidents during New Year's holiday and the Songkran Festival to a variety of government authorities, such as the Provincial Constabulary Station in Saraburi province and Muaklek Police Station and subsidized the funds to organize the "National Children's Day Celebration" which is given utmost importance in the schools at Amphur Kangkhai, Amphur Muaklek, Amphur Wangmuang, Amphur Chalermphrakiat, Saraburi province as well as the schools in concession areas in Amphur Nuensagha and Amphur Chaturat, Chaiyabhoon province and Youths Center in Suan-Ooy, Bangkok and the Alumni Association of Chiangmai School for Blind, Chiangmai province.

### 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 734 scholarships or a total of Baht 420,500 to students from kindergarten level right through to secondary school or high school in certain areas surrounding the cement plant, in Saraburi province, students in the community of Tabkwang Songkrua 1, Ban Subborn School, Kindergarten Tabkwang School, Ban Sub Prik School, Kao Mai Kwian School, Muakle Nai School, Had Song Kwai School, Tao Poon School and Wat Song Korn Klang School.
- TPI Polene Power Co., Ltd. together with the Department of Mineral Fuels, Ministry of Energy awarded 335 scholarships, a total amount of Baht 300,000, to 19 schools for needy students in certain areas of the country such as Amphur Chaturatre, Amphur Nuensagha and Amphur Bankhwao, Chaiyabhoon province in concession reserved area, Chaiyaphoom province.
- Awarded 20 scholarships to support needy students with outstanding academic qualifications and supported educational funds of 1 scholarship to schools as well as learning and sports materials for a



total of Baht 80,278.75 to students in Bantakolang School, Rajburi province, to support the “2014 Walk Rally Save the World” project, under the support of, “the Environment for Better Life Foundation, established foundation of TPI Polene, which was founded 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 2,000,000 to Huachiew Chalermprakiet School through the funding of TPI Polene to create good opportunities for young people to learn hands-on by broadening their skills as well as consistently to reinforce academic fundamentals to those with special qualifications, such as academic talent, but who might have lacked monetary resources.
- Subsidized funds of Baht 500,000 to support and assist “Local Academic Foundation” under the program “Got Talent Project in the local school”, “Outstanding Teachers Project”, “Outstanding School Management” to enhance and promote the best practices for academic management in schools under the administration of Local Administration Organization.
- Supported a “Science Museum Project” by taking 120 students from Bansubprik School and Ban Subborn School, Saraburi province to join the activity “Science Walk Rally” and had the children get responses to queries regarding exhibitions in the museum by contacting, testing, thinking, deciding and searching for the answers by themselves. They also attended the science show “Nitrogen”, the performance of which was applied in an easy way to be understood by the children, who had also joined the experiment in the “Science Show”. The students had a good time joining the above activity, which helped them increase their experience in science and technology.
- Supported the project for educational trips by having a group of 330 management team members, teachers and students from Phraphariyattidhamsamunsuksa Wat Phrathatphanom School visit “The Temple of Emerald Buddha”, Monument to the Victory Gate, The Temple of Srisaket, and to pay homage to priest “Phra Sai”, the Temple of Pohchai, Nongkai province, 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 applied as much as possible and to develop knowledge and the potential of the learners and further convey the knowledge to obtain the 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”), Amphur Pakchong, Nakornrajsima province and the students from Tabkwang kindergarten School to join an agricultural education trip at Kao Kheow Open Zoo and Bangsaen Sea, Chonburi province.



- Promoted the project for vocational academics by supporting teaching potential as a professional career to create the highest benefits for academic development by supporting the arrangement of “Night Light Candles Party for 2014” for the teachers in Amphur Kangkhoh and Amphur Muanklek Saraburi province and arranged “The Teachers’ Day” fair, Ban Nonhchim (Sighchan-Bumrung), Chaiyabhoom province Kao Maikwian School and Bank Subborn Amphur Kangkhoh and Amphur Muanklek, Saraburi province.
- To be a host to support the organization of the 8<sup>th</sup> Light Weith Concrete Completion, under the cooperation of the Faculty of Engineering, Rajamangala University of Technology Rattanakorn, Klai Kangwon Palace and Concrete Association of Thailand, in “the Her Royal Highness Princess Maha Chakri Sirindhorn’s Trophy” with the scholarship worth Baht 100,000. In 2014, the total number of teams to compete in the competition was 21 teams, recruited from academic institutions throughout the country. The competition was held for the purpose of presenting new innovation for lightweight concrete development, to promote new technology for lightweight concrete work for the students of the Faculty of Engineering, Rajamangala University of Technology Rattanakorn, Klai Kangwon Palace
- Support for the project of “Rural Development Voluntary Camps. The Company made a contribution of TPIPL cement products and dry concrete of 169 tons and TPIPL concrete roof tiles, totaling Bath 315,422.24 to both governmental institutions and private institutions, for the construction of multi-purpose buildings, and to repair dilapidated study rooms, dining rooms and ground floors in the academic institutions. These included Chulalongkorn University, Ramkhamhaeng University, Technology Rajmongkol, Nakornrajsrima, Kasetsat University, Thammasat University, King Mongkut’s University of Technology, North Bangkok, King Mongkut’s Institute of Technology Thonburi, and Bangkok University etc, to encourage the students to join useful activities during their free time and promote 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. Also, TPI Polene made contributions of TPIPL cement to the Faculties of Civil Engineering in 25 institutions throughout the country for the purpose of a course-training program for masons and to create useful activities for the society.



- Made a contribution of 1,910.30 tons of TPIPL cement products, dry concrete and ready-mixed concrete as well as TPIPL Nano Super Armour and concrete roof tiles, totaling Baht 3,086,524 to governmental authorities and academic institutions, for the renovation, repair and construction of buildings, such as the project under cooperation with TISCO Bank Plc., for the construction of dilapidated study rooms for Banthadindum School, Lopburi province, under the supervision of “the Office of Fundamental Academic Committee” in replacement of the old decay one-storey building, which was not safe for studying and teaching. This included 22 schools under the Royal Patronage all over the country, Civil Boy Scout Operation Center, Bangkok, Sueksa Songkrau School, Chiangmai province, etc. Also, the Company donated TPIPL organic fertilizers to support the agricultural Lunch Project of Ban Klong Song School, Chumporn province under the “New Theory of Agriculture Chemical Free Project”.
- TPI Polene, Saraburi plant, was a host to welcome and fully support 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:

Department of Defense Energy Department, Defense Industry and Energy Center, the Faculty of Engineering, Chulalongkorn University, King Mongkut’s University of Technology, Thonburi, the Office of Industry, Ayudhaya province, Faculty of Agricultural Technology, Rajabhat Nakornsawan University, Phrayao University, the Faculty of Mechanic Engineering, the Sub-district of Nakorn Luang, Ayudhaya province, the Office of Industry, the Group of OR Sor Mor Soydao Chanthaburi province, Technology Suranaree University, Nakorn Sawan Rajabhat University, the Office of Industry and the Office of Amata Industrial Estate to observe operations in each respective operation unit of the Company such as “Renewal Energy Operations”, “Full Cycle of Municipal Wastes Management” and “the Largest Organic Fertilizers Plant in the country”, the Faculty of Technology Management, Lampang Commerce and Technology School, University of Technology Rajmonkol, Northeast, Rajabhat Moo Jom Bueng University, Rajburr, Pakchong Vocational College, Nakornrajsima province, Vocational Phothong College, Angthong province, Ormnoi School under the patronage of the Queen, to visit the control and management of the pollution. The waste diversion through recycle and reuse will be refused in lieu of coal usage in the cement production process, organic fertilizer production process, the products of which help reduce greenhouse gas emissions in the community, and are environmentally friendly.



#### 4. Religious Activities

##### • Katin Ceremony

TPI Polene Plc 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 worth Baht 5,570,333. TPI Polene hosted/co-hosted Katin ceremonies, offerings for the priests, and jointly made donations to a Royal Katin ceremony at Wat Sridonmoon, Chiangmai province, hosting Katin at Wat Baanhinlub, Saraburi province, hosting Katin at Wat Tumsarika, Nakornnayok province, hosting Katin Watsuandok, Lampoon province, Wat Pradoo, Songkha province and Royal Katin at Wat Chonglom, Rajburi province and Wat Pathamwisuthimongkol, Udornthani province.

TPI Polene also supported the "Novices Propagation Ordination Project" at The Temple of the Rama IX Golden, to introduce and propagate the teachings of Lord Buddha to the youth and kids by selecting 9 youngsters out of 199 applicants from 7-12 years old to volunteer to stay in the project for 1 month. The event was broadcast "Live" for 24 hours through Suwannaphoom channel and introduced and propagated the teachings of Lord Buddha to the youths and to the world community in order to bring about peace and harmony to the lives of the people in the country. The aim is to cultivate and create consciousness among Thai people. This also includes the propagation of Buddhism under the program "The Annual Novice Ordination in summer", Wat Kaoman Thammaram, Saraburi province, "the Novice and Buddhist nun Ordination Project" generation 5, Wat Ornoi (Stupa of Father Klao Wajasi), Nakornsrithammaraj province and supporting "Dhamma Talk" so that laymen/laywomen can practice meditation at the Temple of Thampraphothisat, Amphur Kangkhai, Saraburi province.

• TPI Polene and its subsidiaries supported the propagation of Buddhism through "The World Buddhist Television of Thailand (WBTV)" at Wat Yannawara 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.



- The Company donated TPIPL cement products and dry concrete of 4,930.83 tons and ready-mixed concrete of 1,182.50 cubic meters, with a value of Baht 7,487,788.78, to more than 41 temples in the country for the purchase of construction materials to build and renovate religious places. These included: 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 such as the construction project of ordinary hall, Phrabhudasrisappanyoo in the Nakornsawan Buddhism Park, construction of Great Stupa, Wat Thammakai, construction of general purpose hall on Monastery of Phrabhuddasaiyart Lokkanartsartsadamunee to support Buddhism, Wat Paphookorn, Udornthani province. The Company donated cement to support Buddhism but also distributed cement for the construction of female meditation halls, Congregation of the Most Holy Redeemer, mosques for Roman Catholics and Kiew Ong Taitae Shrine, Surajthani province.

In addition, 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 2015, to celebrate the auspicious occasion of His Majesty the King's 87<sup>th</sup> Birthday Anniversary and support 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 stimulate and preach the spirit and awareness 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.



## 5. Preservation of Traditional Thai Culture

### • Sustaining Artwork by TPIPL Cement Mortar and Preserving Thailand's Unique Identity

On the auspicious occasion of Her Royal Highness Princess Maha Chakri Sirindhorn's 60<sup>th</sup> Birthday Anniversary, in 2014, the Committee organized "The Art of Stucco Molding of Thailand" competition with the collaboration of the Poh Chang Campus of the Rajamangala University of Technology Ratanakosin, and the Thai Sculptures Association. The Company arranged "The 14<sup>th</sup> Art of Stucco Molding of Thailand" competition to celebrate occasion of Her Royal Highness Princess Maha Chakri Sirindhorn's 60<sup>th</sup> Birthday Anniversary with an aim to stimulate the consciousness of Thai people to conserve and develop the Art of Stucco Molding 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 and 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 14<sup>th</sup> Art of Stucco Molding" competition, which comprised two levels as follows:

II. General Public Level with three categories:

1. Molding stucco under the title "Samutsakorn"
2. Molding cement mortar under the title "Royal duties of Her Royal Highness Princess Maha Chakri Sirindhorn"
3. Sculpturing of cement mortar under the title, "Sculpture in Hinduism"

II. Youth level molding premixed cement under the title, "ASEAN Cultures". The competition was held on May 7-11, 2014.

Her Royal Highness Princess Maha Chakri Sirindhorn honored us by presiding at the opening ceremony of the 14<sup>th</sup> Thailand Art of Stucco Exhibition on October 4, 2014 at the National Museum Art Gallery, Chao-Fah Road, Bangkok. The Princess bestowed the prize to the selected winners in "The Art of Stucco Molding of Thailand" competition, which further enhance highest spiritual kindness for the Art of Stucco Molding and the related persons for the further creation of the Art of Stucco Molding as the unique identity of our country. 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 to 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 37 temples in Saraburi and Chaiyabhum provinces. TPI Polene also preserves the “Thai traditional Songkran Festival”, a traditional way of paying respect to elders and receiving blessings from elders in 72 communities in Amphur Kangkoi, Amphur Muaklek, Amphur Wungmuang, Saraburi province, Amphur Chaturatre and Amphur Nuensagha in Charyabhoom province; by participating in the following ceremonies: Rocket Festival” in Watkokpae, Amphur Chalermphrakiat, Saraburi province, supporting the festival “6<sup>th</sup> Trace Back to World War” in the sub-district of Kangkhoi, Saraburi province; To encourage Thai people take part in maintaining the conservation of Thai historical culture with an aim to stimulate the harmony of Thai people and to protect Royal institutions and “Traditional Merit Thai-Vietnamese” in Amphur Chalermphrakiat, Saraburi and upholding the Thai Traditional Loy Krathong Festival in Amphur Kangkhoi and Amphur Muaklek, Saraburi province as well as Amphur Chatirat and Amphur Nuensagha, Chaiyabhum province. The Company has participated in traditional Loy Kratong Festival with local people in the community for over 20 years.

*“ TPI Polene: we create the future alongside reliable wisdom, ethics and consciousness towards society.”*



# TPI Polene, its Quality, Safety, Hygiene and Environment

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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.

The Company also prepares for the health check-ups precaution for all employees such as Lung Function Test and Autography.

**Public Well Being and Employee Healthcare:** the Company shows its serious concern for public health in the surrounding community by continuously sending mobile medical units to offer health services to the public. The Company also extends medical welfare (OPD) for employees and covers the families of employees such as parents, couple marriages and their offspring. In addition, annual medical check-ups are provided for all employees. The Company also prepared for the prevention of seasonal epidemics by supplying tetanus from Clostridium tetani vaccines, 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.

TPI Polene Group has operated The Waste Heat Recovery Power Plant business for bringing total cement production capacity to generate electricity; this enables the Company to reduce electricity energy usage and electricity generating of the PEA, thereby reducing our environmental impact at the source, as fuel is not required to be utilized for power generation in the above mentioned project.

## 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 to take part in the activities through the Small Group Activity (SGA) and prepare One Point Lesson (OPL) for staff coaching in the departments. An arrangement of machineries and equipment inspection has been made regularly with Visual Control to promote cooperation and group activities amongst all employees and to motivate them by offering award “Improvement Sheets” for the purpose of problem solutions. The project teamwork has been set up to analyze causes of the problems to alleviate losses throughout the entire production process. TPM could be applied in the entire production process development starting from repair and maintenance as scheduled as well as quality control, customers services, new products design, office improvement, job improvement of supporting units, and the potential development of personnel through Work Flow Analysis methods, leading to excellence in operation and management.

### **Social Responsibility Standards**

The Company has implemented social responsibility standards ISO 26000 to be implemented through 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

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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 (Refuse Derived Fuel or RDF) and to recover recyclable materials for environmental balance. We have maintained our position so as to create balance in business success, while participating in many activities to protect our environmental surroundings while strengthening society to be an integral part in moving the Thai economy forward together with Thai society as always.

### **Policy of Business Segregation within TPI Polene Group**

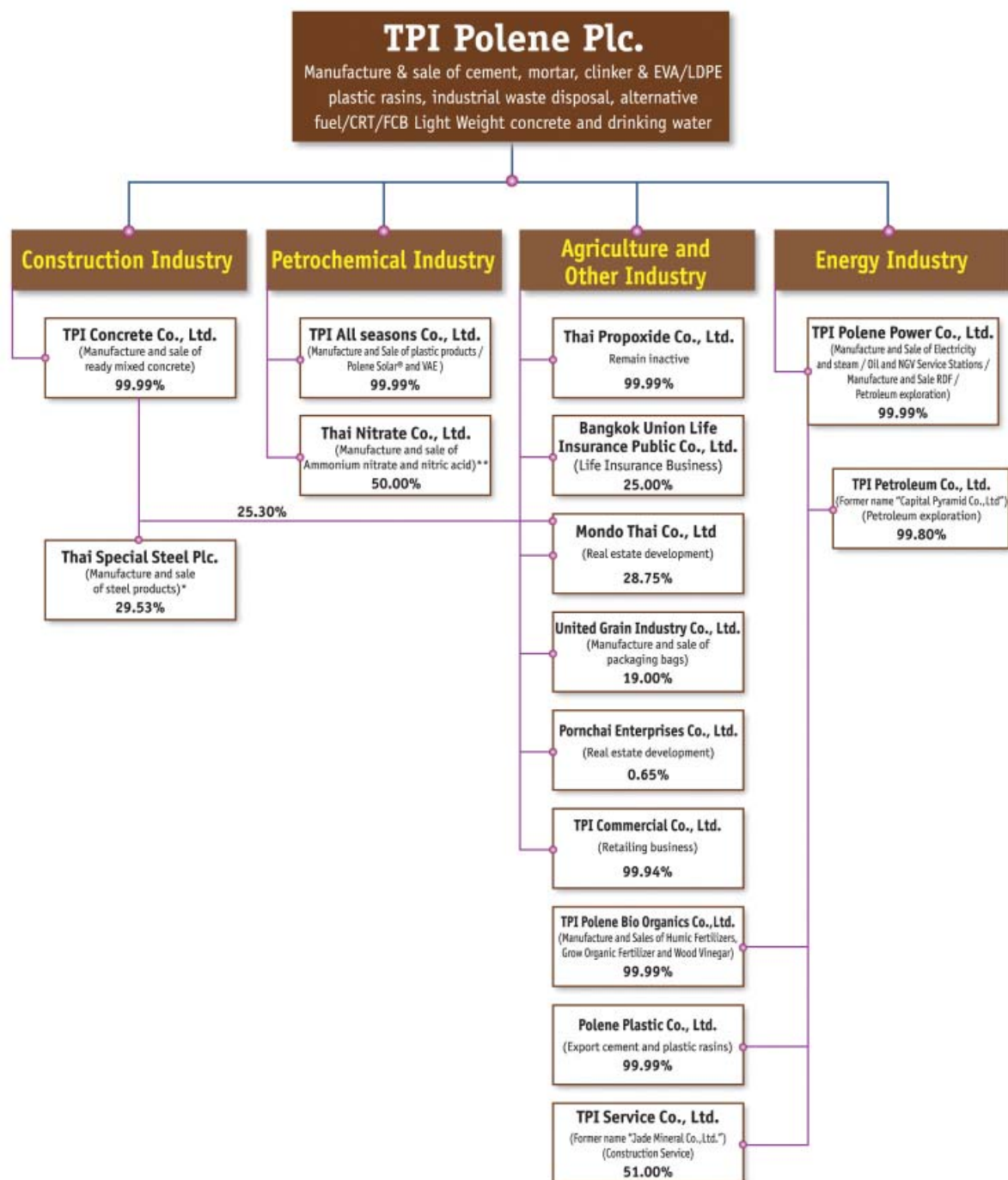
The Company is principally engaged in the manufacture and supply of cement, LDPE/EVA plastic resin, concrete roof tiles, fiber cement, lightweight concrete and operates other related businesses through affiliated companies (as detailed in the topic: Structure of the Group)

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 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 manufacturers 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 December 31, 2014



Remark : \* Presently, a mutual solution has been achieved between creditors and debtors and is under consideration of the relevant court.

\*\* 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 2014 financial statements, item 40.

# Nature of Business

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## 1. Cement, Clinker and Mortar Cement Business

TPI Polene is one of the major manufacturers and distributors of cement products and mortar cement 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.

Also, TPI Polene was the first cement manufacturer to be awarded the Carbon Label for both Portland cement and the mortar cement 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 is 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 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 project will begin commercial operations within the first quarter of 2016.

One of the most dominant characteristics of the cement line 4 project is that it is the largest cement kiln in the country with production capacity of 11,000-12,000 tons/day and uses the most modern technology in the country, thus optimizing the fuel consumption and lowering the cost of energy. It was designed to connect with for 4-kilometer long belt conveyor system, which is employed for easy handling of crushed limestone into a kiln in lieu of transporting by trucks. The above conveyor belt system is designed to generate electricity while transporting crushed limestone from the quarry into a kiln. The belt conveyor system not only helps reduce transportation costs, but enables us to generate electricity back into the system.

## Cement Industry

In 2014, cement demand in the country was 35 million tons, up from 34 million tons in 2013, or an increase of 3% as a result of the economic slowdown in the country and slump in the agricultural product pricing. However, cement demand consumption in the country grew slightly compared to 2013, which was fuelled by the commencement of some massive governmental infrastructure projects in those countries. However, cement volume in 2014 increased slightly as compared to 2013. In 2014, the Company has consistently developed new cement products as a way to create value added, such as:

- **TPI 299: Hydraulic Cement**  
TPI 299 is used for numerous purposes, such as, concrete structure work and to form concrete.
- **High Quality Adhesive Mortar for fixing of FBC tiles and a large floor tiles.**
- **Cement Mortar for processing Light Weight Concrete blocks (Non- Autoclaved System)**
- **TPIPL Cement Hardener**
- **Adhesive Glue**
- **Fast Setting Cement Mortar for fixed surface of concrete**
- **Non-Shrink Grout**
- **Super Nano Cement Paint:** Nano paint is well developed to apply on interior and external building surfaces, a specially-formulated skim coat for waterproofing, to shield the pavement and floors in the factory etc.

Cement and clinker demand growth continued in the export market, in parallel with expansion in the construction sector in Asia, which is mainly the export market that constantly consumes cement, particularly by the development of large-scale investment in infrastructure construction in those countries.

In 2014, the cement business of TPI Polene grew in parallel with continued growth of cement demand in the domestic and export market. In addition, in 2014, the Company introduced and launched Concrete Roof Tiles and Fiber Cement products, which created value to the enterprise. It is anticipated cement line 4 will begin commercial operations in early 2016.

In 2015, the Company anticipates that cement demand in the domestic market will increase, supported by investment in public utilities and telecommunication development systems in both the public infrastructure and state enterprises' on-going investment scheme. In preparation for the ASEAN Economic Community, the Thai government will launch a pilot project to set up "Special Economy Zones" as announced by the government, such as the district in Amphur Maesort, Tak province, Amphur Aranprathet, Sakaew province, etc. All those factors have a direct impact on overall economic growth and demand for cement in the domestic market.

## **2. 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 market share of 20% and 90% of total domestic sales volume in the country respectively. 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 2014, domestic demand consumption for LDPE/EVA plastic resins slowed down due to falling crude oil prices leading to a sharp drop in LDPE/EVA price. Most consumers have ceased buying plastic resins owing to swift drop in crude oil. In addition, this scavenging of volume markets has slowed leading to the substantial decrease in demand consumption in commodities during the year as well as a drastic decrease in production output in 2014. Plastic bags manufacturers decided to reduce production output or closed down the factories, thereby resulting in a drastic reduction in production volumes of LDPE/EVA in the country. As for international markets, competitive conditions for LDPE/EVA plastic resins was also intense as there was no sign of economic recovery in Eurozone countries, which caused weaker demand in international markets, particularly a slowdown of imported commodities from the countries in the Eurozone. Simultaneously, there were several manufacturers brought on stream with additional capacity from Korea whereby manufacturers in Middle East and China produced plastic resins at full capacity, thereby resulting in a drastic reduction in plastic resin prices.

In 2014, the Company has focused on a policy to develop differentiated products to penetrate the niche market to create competitive advantages and yield higher contributions.

Recently, the Company also successfully developed high quality VAE copolymer emulsion, which uses Ethylene and Vinyl Acetate as the main raw material. VAE copolymer emulsion is classified as a green product and is widely used as adhesives for book covers, high quality industrial packaging and new modern furniture.

Also, TPI Polene group is the manufacturer and distributor of Polene Solar(r) (EVA Sheet Encapsulate), which is our innovative solar encapsulation film used for the production of solar cell modules, which are ideal for crystalline and amorphous thin film solar panels. In addition to this, the Company further developed powder adhesive glue: stretch film and PE film, etc. In 2014, the Company made an investment for a purchase of machinery and equipment with technology and original trade mark "Vista Solar(r)Film" from Germany to produce solar film, employing consistently higher quality production with relatively lower costs, which enable it to have an advantage of its quality and standard of production and create value added to EVA plastic resin.

In 2015, the Company anticipates that plastic resin prices will increase in both the domestic market and international market, as there is a sign of economic recovery in the United States of America and in Eurozone countries. It is anticipated that the export market for plastic resins is set to become more robust.

## **3. 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.

The major competitors of TPI Concrete are Concrete Product and Aggregate Co., Ltd. (CPAC), Siam City Concrete Co., Ltd. and Asia Concrete Products Co., Ltd. There are also several other minor concrete manufacturers in the country.

### Ready-mixed Concrete Industry

The ready-mixed concrete industry slowed down in the first half of 2014, mainly due to the delay in government infrastructure projects and private construction projects as having a direct impact from economic and political uncertainties. However, the construction situation for the first half of 2015 has been set to respond the need to stimulate the Thai economy as the government seeks to further develop the country's infrastructure projects to encourage competitive conditions for trade and investment. This seems to be the major drive to stimulate the Thai economy to grow consistently and to make it a gateway of AEC in 2015. The Government is accelerating infrastructure development for the logistics system Plan 2015-2022 with an initial investment cost of Baht 2.4 trillion. Also, the government has stressed the policy on the establishment of 5 measures to stimulate the economy for the year 2014-2015 with total investment value of Baht 364,465 million with the objective to expedite the disbursement of national budgets and state enterprise funds, to further drive the increase of property development from the private sector and foreign investment. All those factors are the main driver that boosts consistent demand consumption for property development.

In 2015, the Company anticipates that the ready-mixed concrete industry is projected to grow consistently in response of the opening of AEC (ASEAN Economic Community), leading to an increased demand for residential housing from investors. Particularly, the Government is accelerating and moving forward to launch a pilot project to set up special economic zones, which will be established in five areas - Mae Sot, Nong Khai, Anranya Prathet, Klongyai and Sadao, and Narathiwat, linking the Thai economy with that of the region in the next five years. This could cause the constant growth in the overall government-funded projects in the city and provincial areas in the next 5 years as well as further expand demand for residential housing linking all regions of the country, especially condominiums alongside the sky train and commercial buildings at nearby locations. Therefore, TPI Concrete has constructed additional batching plants to ensure that it will be able to serve and deliver ready-mixed concrete to customers and cover all areas in Bangkok, its outskirts and the economic zones to be in line with the growth in the construction industry as mentioned above.

### 4. Concrete Roof Tile and Fiber Cement Businesses

The Company has made investments in concrete roof tiles with total project investment of approximately Baht 500 million. This project will be fully operational in 2014. In addition, the Company has made investments in fiber cement projects with total project investment of approximately Baht 3,300 million. The fiber cement project was planned to become fully operational by the end of 2015. These projects have been granted promotional certificates from the Board of Investment ("BOI").

The Company also developed varieties of products from fiber cement by employing modern "Digital Technology" as the very first manufacturer in the country so as to create value added to the product and to be used as a substitute for timber fascia, marbled appearance and granite, etc.

Also, the Company also provides a full comprehensive range of design for structure of concrete roof tiles in professional styles. 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 life cycle, as well as a highly efficient product development team.

### 5. Refuse Derived Fuel ("RDF") Plant

TPI Polene Power Co., Ltd. operates a renewable 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 use RDF fuel for the partial substitution of coal, thereby reducing our coal usage in the cement production process and/or RDF fuel can be substituted as coal energy to generate energy in the form of electricity in the Plant. The RDF Plant as above has been granted promotion certificates from the Board of Investment ("BOI"). A Renewal Energy business to enhance recyclable materials not only enables us to reduce coal usage but helps manage waste by reducing the need for conventional waste treatment, such as landfilled waste and dumping grounds. This project also helps reduce environmental impact in the surrounding community and enhance recycling opportunities to further develop a recycling economy with sustainable economic benefits. Presently, TPI Polene Power is under the expansion of production capacity for RDF fuel to accommodate the extensive usage as energy fuel for an Alternative Fuel Power Plant, or Refuse Derived Fuel (RDF), which is under project construction.

Presently, our RDF Plant acquires community waste from the Department of Provincial Administration in the provincial areas such as Saraburi province, Lopburi province, Ayutthaya province, Nakornnayok province, Nakornrajsima province and Chonburi province, etc with the method to convert municipal solid waste and non-hazardous industrial waste to RDF energy. Presently, TPI Polene Power has entered into contracts to purchase municipal solid waste and non-hazardous industrial waste of approximately 4,000 tons per day, to process and boost its fuel value to

RDF fuel to be used as a substitute for coal to further generate electricity as well as the main raw material to produce organic fertilizer. TPI Polene realizes this is an important project with an adherence to foster a good governance corporate culture and create public well-being in surrounding communities as proper waste management is the solution to help protect the sustainable surrounding environment.

The government has announced a clear policy for waste management with an emphasis on changing and giving up the conventional method of waste disposal such as dumping ground and landfill to support and promote resource recovery and convert them to energy in the form of usable heat, electricity or fuel by encouraging the private sector to take action. Therefore, the government policy is in line with the business policy of TPI Polene Group policy to economize energy usage. The business to operate the waste disposal business at the plant to convert them into energy in the form of electricity or fuel tends to grow by leaps and bounds.

For the fiscal year 2015, TPI Polene Power has been entrusted by the Pollution Control Department under the Ministry of Natural Resources and Environment to be responsible for managing and processing the waste residue from Ayudhaya province and Lopburi province to be in line with an immediate policy of the Peace and Order Maintaining Command (POMC). This project is considered to be a Pilot Project and many administrative units, who are responsible of waste monitoring in the local area, are interested in this project. This project enables the Company to generate revenues from waste disposal and to acquire sufficient cyclical materials to be used as RDF fuel for the upcoming Power Plant.

## 6. Power Plants

TPI Polene Power Co., Ltd. (99.99%-owned by TPI Polene) made investments in 2 Waste Heat Recovery Power Plants with a total capacity of 18 MW each. The electricity generated from the process will be sold and used in the cement production process. Also, TPI Polene Power made an investment in the refuse derived fuel (RDF) and/or the alternative fuel power plant project with total production capacity of 18 MW output and has sold this capacity to The Electricity Generation Authority of Thailand (EGAT) since January 2015. The adder obtained from this project is the special margin, in addition to the normal rate of Baht 3.50 per unit on alternative-fuel-generated electricity for 7-year period, from The Power Electricity Authority of Thailand. These power plants are located within the area of our cement plant, in Saraburi province and have been granted promotion certificates from the BOI.

Also, TPI Polene Power is in the process of making an investment in a renewal energy business with a capacity of 90 MW output, making the total project investment of Baht 4,700 million. The 90 MW- Power Plant is composed of the refuse derived fuel (RDF) of 60 MW output, which uses energy generated from our renewal energy business with our Alternative Fuel Power Plant, and 30 MW output of which uses energy emitted from the cement and clinker production line 4 to generate electricity. (Presently, the project is in the process of installing the machinery and equipment, which is to be completed by 2015). These power plants as above have been granted promotional certificates from the Board of Investment ("BOI"). The project plan is to complete construction by late 2015 to early 2016.

TPI Polene Power Co., Ltd, as Small Power Producer (SPP), signed Power Purchase Agreements with The Electricity Generation Authority of Thailand ("EGAT"). The above-mentioned Power Plants are composed of the refuse derived fuel (RDF), and the Waste Heat Recovery Power Plant Project. The adder obtained from this project is the special margin, on alternative-fuel-generated electricity, in addition to the normal rate of Baht 3.50/unit for a period of 7 years[2] from EGAT. Sales-Purchase Electricity Agreements with EGAT can be summarized as below:

1. Singed Non-Firm Power Purchase Agreement dated November 7, 2014 with The Electricity Generation Authority of Thailand ("EGAT"), with a capacity of 18 MW output. The above-mentioned power plants are composed of the refuse derived fuel (RDF), and/or the Waste Heat Recovery Power Plant Project. TPI Polene Power has sold electricity to the PEA, under the enforcement of this Contract since January 2015 as per details mentioned above.
2. Singed Non-Firm Power Purchase Agreement dated November 13, 2015 with The Electricity Generation Authority of Thailand ("EGAT"), with a capacity of 55 MW output. The above-mentioned power plants are composed of the refuse derived fuel (RDF), and/or the Waste Heat Recovery Power Plant Project. TPI Polene Power is constructing the refuse derived fuel (RDF), with a capacity of 60 MW output. It is scheduled to sell electricity to EGAT in July 2015.
3. TPI Polene Power is under the process of signing a Power Purchase Agreement, with a capacity of 90 MW output with the EGAT. The above-mentioned power plants are composed of the refuse derived fuel (RDF), and/or the Waste Heat Recovery Power Plant Project. This agreement has been already accepted by EGAT on November 21, 2014. Presently, TPI Polene Power is preparing to be ready to implement compliance with the provisions imposed by EGAT for further signing of the Power Purchase Agreement. TPI Polene Power is constructing a renewal energy business with a capacity of 30 MW output, which uses energy emitted from the cement and clinker production line 4 to generate electricity. It is anticipated to complete project construction in early 2016. Also, TPI Polene Power is in the process of designing the refuse derived fuel (RDF) of 60 MW output, which we anticipate to complete construction within a 26-month period. It is scheduled to sell electricity to the EGAT in early 2017.

As a Small Power Producer (SPP) to generate electricity from the refuse derived fuel (RDF) or the alternative fuel power plant project and/or the Waste Heat Recovery Power Plant Project (Self-electricity generated) and to sign such 3 contracts, TPI Polene Power will be able to generate revenues mainly from the sale of electricity to EGAT. The adder obtained from this project is the special margin on alternative-fuel-generated electricity, in addition to the normal rate of Baht 3.50/unit for a period of 7 years from EGAT. All these power plants as above have been granted promotional privilege certificates from the BOI.

## **7. Industrial Waste Disposal Business**

TPI Polene also operates an industrial waste disposal business to dispose of industrial waste from the 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 the preservation of environmental surroundings.

## **8. Pyrolysis Plant**

The Company operates modern, high-efficiency energy recovery technology using a Pyrolysis Plant, with total project investment of Baht 652 million. The 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 for truck transports of raw material in the cement production process, which enables the Company to reduce energy costs. Presently, the Company can produce crude oil to be used with the mixture of diesel fuel of approximately 3 million liters per year as power for truck transports of the Company. TPI Polene has the plan to enhance efficiency of crude oil production by setting the target of production output to be at 5 million liters per year.

## **9. Oil Service Stations and NGV gas stations**

TPI Polene Power Co., Ltd. also operates oil service stations and NGV gas stations in Bangkok and provincial areas, under the logo “TPIPL”. NGV gas stations have been granted promotion certificates from the Board of Investment. Currently, TPI Polene Power operates a total of 14 oil service stations and NGV gas stations in Bangkok and provincial areas.

## **10. 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 composting or the biodegradable wastes are sorted and reprocessed into new material bound for the manufacture of organic fertilizer for full cycling for waste management collection, treatment and disposal services. The plant is located within the area of our cement plant in Saraburi province. TPI Polene Bio Organics Co., Ltd. obtained quality products in compliance with the standards of IFOAM for liquid fertilizer on September 5, 2011. Most importantly, TPIPL organic fertilizers are toxic-free and safe for human beings and the environment.

## **11. 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 2014 financial statements, item 40), 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.

## **12. 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 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.

### **13. Polene Solar® Products and VAE Copolymer Emulsion and Redispersible Powder**

TPI All Seasons Co., Ltd. (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 have been granted promotion certificates from the Board of Investment (“BOI”). Also, the Company has developed and launched re-dispersible powder into the market.

In 2014, TPI All Seasons Co., Ltd. had made an additional investment to purchase machinery and equipment to produce photovoltaic modules under the logo Polene Solar(r)Film, which is a prototype brand name of Germany but still lacked potential skills in raw material procurement. Therefore, TPI All Seasons agreed to purchase the trademark, its technology and all machinery and equipment from them to be installed and therefore, we produce the photovoltaic modules with a comparable lower cost of production in Thailand, which enable us to gain competitive advantage owing to consistently higher quality of photovoltaic modules.

### **14. Petroleum Exploration and Production Technology**

TPI Polene Power Co., Ltd. (99.99%-owned subsidiary) entered 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 in 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, 2014

Company's name	Head Office Address	Business	Registered Capital (Baht)	Paid-up Capital (Baht)	Shareholding (%)
<b>Subsidiaries</b>					
1. TPI Concrete Co., Ltd.	26/56, 5 <sup>th</sup> 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 <sup>th</sup> 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	4,151,162,500	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, 8 <sup>th</sup> Floor, 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, Polene Solar® and VAE glue	236,250,000	146,250,000	99.99
5. Mondo Thai Co., Ltd.	26/56, 19 <sup>th</sup> 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	54.05*
6. TPI Commercial Co.,Ltd.	26/56, Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 678-5470 Fax: (02) 678-6511	Retailing business (Remain inactive)	100,000	100,000	99.94
<i>Remarks : *Held by TPI Polene PLC. and TPI Concrete Co.,Ltd., which accounted for 28.75% and 25.30% respectively, totaling 54.05%</i>					
<b>Indirect Subsidiaries</b>					
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
<i>Remarks : *Held by TPI Polene Power Co., Ltd.</i>					
<b>Joint venture company</b>					
1. Thai Nitrate Co., Ltd.	26/56, 21 <sup>th</sup> 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**
<i>Remarks : **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 2014 financial statements, item 40</i>					
<b>Associated Companies</b>					
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
<b>Other</b>					
1. United Grain Industry Co.,Ltd.	26/56, 27 <sup>th</sup> Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 678-6988-97 Fax: (02) 678-6988-99	Manufacture and sale of Packaging	550,000,000	550,000,000	19.00
2. Pornchai Enterprise Co.,Ltd.	26/56, 22 <sup>th</sup> 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	4,599,919,600	4,599,919,600	0.65

## 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			
			2014	2013	2014	2013	2014	%	2013	%
Construction material	TPI Polene Plc. TPI Concrete Co.,Ltd.	- 99.99	20,087	18,699	5,124	4,755	25,212	60.13	23,454	62.22
Petrochemical and Chemical Products	TPI Polene Plc. Thai Nitrate Co., Ltd 2/	- 50.00 2/	7,865	7,252	6,705	4,758	14,569	34.75	12,010	31.86
Electricity and utility	TPI Polene Power Co.,Ltd.	99.99	838	840	1,004	1,064	1,842	4.39	1,904	5.05
Organic Products	TPI Polene Bio Organics Co.,Ltd. 1/	-	128	81	179	247	306	0.73	328	0.87
Total			28,918	26,872	13,011	10,824	41,929	100.00	37,696	100.00

Remarks: 1. 99.99%-owned subsidiary by TPI Polene Power Co.,Ltd.

2. Shareholding structure as stated in the Consolidated Financial Statements for 2014, shown in Notes to Financial Statements, item 40 .

# Corporate Developments in 2014

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2014 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:

## Progress in Projects Construction

TPI Polene anticipates that the all investment projects will be completed within 2015 to early 2016 as below:

1. The Fiber Cement Project, with the total project investment of approximately Baht 3,300 million, is planned to be completed by early 2015.
2. A Renewal Energy Business with a capacity of 90 MW output and the total project investment of Baht 4,700 million, is composed of the refuse derived fuel (RDF) of 60 MW output (the project plan to complete construction by mid-2015) and 30 MW output of which uses energy emitted from waste heat recovery, which is planned to complete construction by 2015 simultaneously with cement line 4. These Power Plants as above have been granted promotional certificates from the Board of Investment ("BOI"). The project plan is to complete construction within Q1/2016.
3. Cement Line 4 Project, with project investment of approximately Baht 11,500 million is to complete construction within Q1/2016.
4. Cement mortar project, with the investment project of approximately Baht 390 million, is to complete construction within early 2015. Cement mortar can provide viable options 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. The dominant characteristic of the plant is that its production techniques represent the most modern and efficient technology in the country, particularly the technology for main raw material procurement, which can streamline the production costs.
5. Light Weight Concrete Project, with total investment of approximately Baht 800 million. This project is to accommodate the continued expansion in demand for light weight 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. Lightweight concrete can be used for ready-made board with strengths equivalent to normal Lightweight concrete. The dominant characteristic of the lightweight concrete project is that the Company can produce lightweight concrete using a variety of raw material produced from its own plant, which is greater than 90%, which include electricity and surplus of steam which will be reusable in the production process, thereby resulting in lower costs of production and creating competitive advantages.

## Signed Power Purchase Agreement with the Electricity Generation Authority of Thailand

TPI Polene Power Co., Ltd signed 2 Power Purchase Agreements with The Electricity Generation Authority of Thailand ("EGAT") with a capacity of 18 MW output (TPI Polene Power has sold electricity to EGAT since January 2015) and a capacity of 55 MW output (which was scheduled to sell electricity to EGAT in July 2015). As a Small Power Producer (SPP) to generate electricity from the refuse derived fuel (RDF) or the alternative fuel power plant project and/or the Waste Heat Recovery Power Plant Project, TPI Polene Power will sell electricity to EGAT. The adder obtained from this project is the special margin on alternative-fuel-generated electricity, in addition to the normal rate of Baht 3.50/unit for a period of 7 year from EGAT.

In addition, TPI Polene Power is in the process of signing a Sales-Purchase Electricity Agreement, with 90 MW output, with EGAT. EGAT has agreed to purchase electricity from TPI Polene Power on November 21, 2014. It was scheduled to sell electricity to EGAT in early 2017.

## The Project to purchase Hydraulic Locomotives

The Company entered the contract to purchase 8 Hydraulic Locomotives, with a total investment of Baht 750 million, as its own fleet to deliver cement products via train to the warehouses and distribution terminals throughout all regions of Thailand. The Company made an investment to obtain the locomotives and do repair and maintenance on our own and compensate to the State Railway of Thailand (SRT) in the form of railway use expenses, towing fees and service fees. In this regard, SRT preliminarily agreed to offer the Company the reduction of the freight train for the period of 25 years and the Board of the SRT already approved the above-mentioned project. It is anticipated to be completed in 2015.

The above project will enhance the cement transport system of the Company to be more efficient and to be able to distribute products to customers quickly. The above project can provide additional service to the Company to deliver additional quantities of cement products to customers as a replacement for road transport by trucks, which is costly. The Company's cement can be distributed to customers quickly throughout all regions of Thailand from reasonably proximate locations they typically require. Moreover, this also helps increase marketing opportunities and competitive advantages and to accommodate planned production increases of 4.5 million tons of cement in the future.

#### **The Issuance and Offering for Sale of Baht 5,000 million Debentures in 2014 and Baht 6,000 million Debentures in 2015.**

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.

Consequently in January 2015, the Company successfully raised funds through the sale offer of a 4-year debenture, and a 5-year debenture, unsubordinated/unsecured, in registered form with debenture holders' representatives, in the amount of Baht 3,000 million and Baht 3,000 million, respectively, totaling Baht 6,000 million.

TRIS affirmed rating of such debentures at BBB+, with a stable rating outlook. It has been received a good response from investors.

#### **A Purchase of Common Shares in Mondo Thai Co., Ltd.**

In September 2014, TPI Concrete Co., Ltd. (99.99% owned subsidiary of the Company) approved a purchase of 9,702 common shares in Mondo Thai Co., Ltd. ("Mondo Thai") at the price of Baht 2,000 per share (par value of Baht 1,000 per share, the book value per share as at December 31, 2013 was Baht 943.91, and the adjusted book value per share after the land appraisal appraised by the independent appraiser on June 11, 2014 was Baht 2,297.93), making total investment of Baht 19,404,000. As a consequence of the purchase of such shares, TPI Concrete Co., Ltd.'s shareholding in Mondo Thai will be 25.30%.

Presently, the Company's shareholding in Mondo Thai is 28.75% and after TPI Concrete Co., Ltd. purchased common shares of 25.30% in Mondo Thai, shareholding of the Company and TPI Concrete Co., Ltd. in Mondo Thai will be 54.050%. The main objective to purchase the above common shares is to make use of plots of land owned by Mondo Thai, to accommodate business expansion in the future.

#### **A Purchase of Common Shares in TPI Commercial Co., Ltd.**

On September 19, 2014, TPI Polene purchased 9,994 common shares of TPI Commercial Co., Ltd. from TPI Holding Co., Ltd. at the price of Baht 0.01 per share (par value of Baht 10 each and the book value per share as at December 31, 2013 was Baht -2.85), with total investment amount of Baht 99.94, which resulted in the Company holding shares of 99.94% in TPI commercial Co., Ltd. The objective is to structure the Company Group's organization structure to have TPI Commercial Co., Ltd. conduct the retail business to sell merchandise of the Company and its subsidiaries directly to retail customers, who purchase on a cash basis. Such merchandise as above include organic fertilizers, drinking water, cement paint, bagged cement mortar, and tiles, etc.

#### **The Dissolution of Prosper Delta Limited**

The Company registered the dissolution of Prosper Delta Limited (a 100% owned-subsidary company), which was established in Hong Kong with paid-up capital of USD 1 as the above subsidiary has not yet been under operation.

#### **Signed the MOU with IRPC Public Company Limited to settle all civil and criminal litigation cases.**

On September 30, 2014, the Company and Leophairatana group (major shareholders of the Company) signed an MOU with IRPC and its affiliated/Group of companies, to settle all civil and criminal litigation cases. The settlements of all civil and criminal litigation cases as above are subject to the consideration of the relevant Courts.

#### **The changes in number of ordinary shares and par value per share of the Company.**

On October 14, 2014, the Company registered the changes of the number of ordinary shares and par value per share of Baht 10 with number of 2,481,500,000 ordinary shares to par value per share of Baht 1 with 24,815,000,000 ordinary shares and the issued and paid-up ordinary shares would be increased from 2,019,000,000 shares to 20,190,000,000 shares, and approved the amendment to Clause 4 of the Company's Memorandum of Association regarding the registered capital to be in compliance with the changes of number of ordinary shares and par value per share of the Company.

## Awards that make us proud

- **Authorized Economic Operator: AEO**

The Company has been certified as an entrepreneur, who has complied with the AEO framework and standardization as an importer and an exporter from the Customs Department on October 28, 2014.

- **Thailand Energy Awards 2014**

TPI Polene Power Plc was honored to receive “Thailand Energy Awards 2014” for best practice in energy efficiency and renewal energy under the category of off-grid Connected Renewable Electricity Generation Project” from the Department of Alternative Energy Development and Efficiency (DEDE) under the Ministry of Energy.

- **ASEAN Energy Awards 2014**

TPI Polene won the 2nd Runner-up award in Off-Grid Power Category for ASEAN Energy Awards 2014 from ASEAN Center for Energy, Indonesia.

Other than the awards as above, we have been honored to receive our awareness on the high responsibility to actively perform and implement to achieve a sustainably concrete outcome through the development of energy conservation to reduce community waste, which is in compliance with the perceptions of ASEAN to aim for energy conservation and renewable energy.

## New Product Development in 2014

- **New Product Development: Concrete Roof Tiles and Fiber Cement Product.**

Concrete Roof Tiles and Fiber Cement Products are classified as one of our products in the construction and decoration sector. The Company focuses on the importance of the standardization of production processes of TPI Polene Group to put an emphasis on producing the products to be environmentally friendly and consistently develop the products to accommodate the diversified demand in the construction sector and to provide viable alternatives to them as follows:

- **Concrete Roof Tiles: Excelsior**

Our concrete roof tiles product model, Excelsior, has a ceramic look that can create a matte appearance or make a roof stand out, a visually appealing and luxurious style. Our concrete roof tiles are specifically designed with an extinguished property, offering a choice of flat tiles and corrugated sheets and a wide range of colors.

- **Corrugated Roof Tiles: Cool Comfort Series**

Help to even out temperatures and to reduce temperatures by 10 degrees Celsius compared with traditional concrete roof tiles and its properties are equivalent to heat reflected sheets, enable us to save energy cost.

- **TPI Fiber Cement Artificial Board: Wood Series**

TPI fiber cement wood substitute: Wood Series has captured all the characteristics of luxury and magnificent appeal and is strong, dense non-shrinkage, ensuring the combination of beautiful wood simulation, which can be used for interior and exterior work.



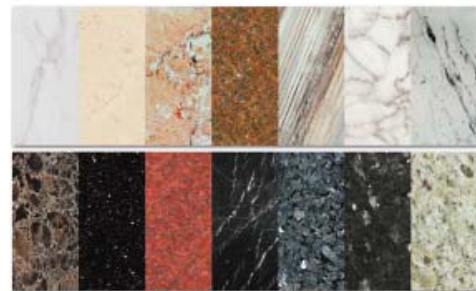
- **Digital Printing on Board**

Digital board printing is a new innovation which has been designed with a high quality of color printing and highly modern technology from Germany, with the additional facility to localize the printed images that provide complex design, realistic and glossy-surfaced looks, robust and strong adhesion. Digital printing is generally categorized in 3 options: normal, high gloss and corundum.



- **TPI Decoration Plaster for Concrete Walls and Floors**

TPI Decoration Plaster for Laminate wall and flooring simulates wood and simulates marble appearance, which has highly compressed strength as well as high quality digital printing to virtually reduce space between simulated wood sheets, enabling the creation of consistent printing patterns and durability. Decoration plaster is generally categorized into 3 categories: normal, high gloss and corundum.



- **TPI Jointing Plaster for Fiber Cement Board M 660**

An ideal type of specially designed TPI compound plaster for joining fiber cement sheets and cement mortar to flush surfaces, virtually smooth or coated concrete veneer or completely fill the pinholes/space on fiber cement sheets. M 660 also creates flexibility, and its fast setting diminishes the problem of erosion, adhesive strength, bonds tenaciously and reinforces joints and can be easily polished or grinded on the surface with abrasive.



### Other New Products Development.

- **TPI Sulfate Resistant Instant Mix Concrete M401S**

Instant mix concrete product with sulfate resistance is designed for coastal and marine structures, which are exposed to high sulfate and chloride environments when mixed by a recommended proportion. The product can be used promptly by only adding water. The hardened concrete can have cylindrical compressive strength greater than 180 ksc, which is suitable for slab placement, floor leveling and lean concrete.



- **TPI Sulfate Resistant Instant Mix Concrete M402S**

Instant mix concrete product with sulfate resistance is designed for coastal and marine structures, which are exposed to high sulfate and chloride environments when mixed by a recommended proportion. The product is suitable for post-lintel and parking pavement.



- **TPI Sulfate Resistant Instant Mix Concrete M403S**

Instant mix concrete product with sulfate resistance is designed for coastal and marine structures, which are exposed to high sulfate and chloride environments when mixed by a recommended proportion. The product can be used promptly by only adding water. The hardened concrete can have cylindrical compressive strength greater than 280 ksc, which is suitable for road pavement and normal reinforced concrete structures.



- **TPI Sulfate Resistant Instant Mix Concrete M404S**

Instant mix concrete product with sulfate resistance is designed for coastal and marine structures, which are exposed to high sulfate and chloride environments when mixed by a recommended proportion. The product can be used promptly by only adding water. The hardened concrete can have cylindrical compressive strength greater than 350 ksc, which is suitable for column, road pavement and pier.



- **TPI Super-Fast Setting Concrete**

With good quality cement and special admixture to accelerate the rate of hydration and strength development of the concrete, TPI Super-Fast Setting Concrete is able to be hardened in a short time. The cubic compressive strength can develop up to 240 ksc within 6-8 hours suitable for concrete pavement and slabs needed to be in immediate service, such as factory flooring and parking lots, etc.



- **TPI Tile Grout Super plus "M551"**

Tile grout is a high quality cement base tile grout with special component such as high bond adhesive and anti-crack, hydrophobic component for anti-dust and is easy to clean, reducing water absorption and is anti-fungus. Ready to apply immediately after mixing with water at the appropriate ratio. The bucket is sold in 1/4, 1 and 5 gallon pails.

- **TPI Super Special Armour Nano Paint "NP100S"**

Mixed with the proper amount of water stated on each package, then paint the mixed colors with brushes or rollers as needed. With fine cement-based mixtures, the colors give a smooth and adhesive texture, which adhere firmly on concrete, cement and fiber cement panels

Additionally, the cement colors can be plastered with a laying-on trowel to make them into shapes and patterns such as marble appearance. In order to enhance the durability against temperature changes and humidity, the walls should be repainted with TPI Super Armour Nano Top Coat Paint (NP101) or TPI Super Special Armour Nano Top Coat Paint (NP101S). The bucket is sold in 1/4, 1 and 5 gallon pails.



- **TPI Super Special Armour Nano Top Coat Paint: to cover concrete layer "2NP101S"**

Used with brushes or rollers to paint on top of dried TPI Super Special Armour Nano Paint (NP100S) for smoother and stronger finishing. With concentrated water-based colors, Top Coat Paint can cover all imperfections of the original surfaces with only 1 layer of painting. More importantly, the colors enhance the durability against moisture, which makes the surfaces painted with NP101S last longer and easier to clean. The bucket is sold in 1/4, 1/2, 1 and 5 gallon pails.



- **TPI Super Armour Nano Paint “NP301”: For Floor Coating Paint**

Primer water-based colors for painting on top of TPI Super Armour Nano Paint NP301 (Flooring) which are used with brushes or rollers to change coloring on the required areas, thus providing an excellent adhesive property, which increase resistance and durability on surfaces. Also, Nano Paint NP300 makes floors easier to clean and it has many color ranges to choose from in order to match with the NP300 painted on the first layer. The bucket is sold in 1/4 gallon, 1 gallon and 5 gallon pails.



- **TPI Super Armour Nano Paint “NP302”: Top Coat-Heavy duty Flooring**

NP302 is a 2-component polyurethane based color that has no solution, which is used to paint on the required areas for oil and chemical prevention. The paint has high resistance against UV radiation, scratches, and heavy impacts, which is suitable for factory, warehouse, and heavy duty floors where increased durability and abrasion resistance are desired. It resists penetration of scratches and oil. It is easy to be painted on any surface with a laying-on trowel, brush, or roller. It can be applied on the required areas after leveling the ground with M651.



- **Cement Hydraulic (GU)**

General Hydraulic cement, a special mixed formula, is made through an invention under the principle of material science under the TIS.2594-2556 and ASTM C1157/C1157M-10 Standards by replacing some of the cement in a mix with clinker and gypsum and other raw materials, which are environmental friendly, to form strong building materials. It is suitable for building structures and road construction.

- **TPI Floor Hardener M 99**

Properties of the product: Non-metallic floor Hardener applied as a dry-shake treatment over fresh concrete, using a hard power trowel or steel trowel. Hardeners improve the strength and durability of the concrete surface, and are well-suited for interior floors exposed to heavy foot traffic and abrasion, such as department stores, warehouses, parking lots or abrasion-resistant surfaces. The properties of TPI Floor Hardener are the strength and compaction degree of the wearing layer, which can be enhanced and easily cleaned as it is non-metallic, providing no-dusting and it does not rust. The Company provides customers with a variety of product ranges.



- **TPI Super Armour Nano Paint : TPI NP100SW**

TPI Super Armour Nano Paint is the colored cement in powder form, designed to simply mix with water in the appropriate proportion for use on cement surfaces on the first layer with brushes and rollers. Also, paint is well developed to be applied on concrete or cement surfaces that require printed patterns and enable it to create a pigment appearance, depending on functioning techniques, such as simulating a marble appearance by using a steel trowel. With fine cement-based mixtures, the colors give smooth and adhesive texture, which adhere firmly on concrete, cement and fiber cement panels as it is concentrated cement-base colors. To enhance durability, the original surfaces can be covered with only 1 layer painting with TPI Super Armour Nano Top Coat Paint (NP101S) and can be easily cleaned. The bucket is sold in 1/4, 1 and 5 gallon and can be used with TPI Super Armour Nano Top Coat Paint (NP101) for external uses.



## Consistently Develop Potential in our Human Resources

As at December 31, 2014, the Company and its subsidiaries employed 9,637 persons. Of these, 139 were management personnel.

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, meditation practice and meditation walking during a 1-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.

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

- **Course seminars for Sales Training Program:** To provide sales representatives and employees in the relevant departments with essential skills to maximize sales performance, such as Strategic Sales Development Course, advanced Sales Professionals and Service Mind to achieve the best results.



Products and their Specifications Training Program: techniques to use products, such as TPIPL products and penetration on concrete roof tiles and fiber cement market.

- **Course Training Program on OHSAS 18001:2007** Upgrade Training Course as well as ISO/IEC 17025 Standard, certifying the performance evaluation test and Quality Standard Systems ISO 14001 and OHSAS 18001:2007. TPI Polene has applied the standardization in all respects to be implemented suitably and properly to enhance the management team to perform their duties under Corporate Social Responsively and to reduce gamma radiation impact and waste management in general. The Company reduces the amount of hazardous wastes.

- **Health and Safety Management Standard:** Safe way to use forklifts for machinery lifting, safe uses of machinery and cranes, advanced fire extinguisher course, Risk Appraisal , Safety in the workplace for Officers and Heads of each department.

- **Technical Program:** Change of Telescopic Chute and Timing Belt, Joining Tig-6G, Technique to install Bal Mill, Polysom, Roller Mill, Kiln Shell, Fine and Valve Aeration and Heat Treatment.

- **On-the-Job Training:** To encourage coaching sessions and on-the-job training programs among employees to consistently develop the employees to perform their duties efficiently to be in line with the "Training Road Map" in each respective department. To enroll the employees in the new employee welcome and orientation class through the Employee Development & Training Unit to foster an understanding of their roles and functions to perform their duties. The course session is held for employees to educate them in view of all the functions of their duties at least 1-2 months ahead of their employment in their own departments. The course session is held for employees to educate them in view of the cement production process to all employees.
- **Energy Saving Course :** The course session for energy management standards system, TSV energy Chart & Energy Equation and Awareness of Energy Preservation.



**Ethics and Quality of Life:** The company under the cooperation of the State Railway of Thailand, built the Statue of Kin Rama 5 to pay their respects beside the sideway of Phasadej railway station. 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. 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.
- Management program for “AIDS” precaution: The Company has been certified to have satisfied hygiene workplace standards “Silver Level” for AIDS Management.
- The Company has been assigned by the National Council for Peace and Order (NCPO) to be “the Waste Management Center”, responsible for managing and processing the wastes residue from Ayutthaya province and Lopburi province. The municipal waste will be processed to generate fuel energy and the organic material will produce organic fertilizers. Also, the plant is known as the Learning Center for “municipal waste disposal” and the place for cyclical materials to be processed to become organic fertilizers. It can be clearly seen by the organizations and institutions regularly visit the Plant.
- The Company is committed to supporting disabled people to join working in the workplace by encouraging and promoting equal opportunities and equity treatment of people with disabilities. The Company has a clear rules and regulation on employment to be strictly applied, regardless of sex, age, generic information, races, religious, education background which h also includes equal opportunities for employees to be progress in their careers as well as compensation. The employment policies and conditions of work are based on job requirement.



**Traditional and Cultural Aspects:** The Company has provided assistance to support society throughout 2014. 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 Hinlab, Amphur Muaklek, Saraburi province, Wat Tham Sarika, Nakornnayok province; The Company made contributions of sets of new robes to Wat Sridonmun, Chiangmai Province. TPI Polene also preserves the Thai Traditional and local cultures such as "Traditional Merit Thai-Vietnamese" in Amphur Chalermphrakiat, Saraburi and upholding the Thai Traditional Songkarn Festival, "Bestow the Elephant to the Sovereign"; The Founder of Chaiyaboom province, participated in the following ceremonies: the festival "Trace Back to World War" in the sub-district of Kangkhoi, Saraburi province, "Flowing Fire Raft" in Amphur Thakor, Saraburi province and took part in maintaining the conservation of Thai historical cultural in the festival "Offering flowers to Monks", with an aim to stimulate the harmony of Thai people and to protect Royal institutions, Buddhist Lent Day, Traditional Loy Kratong Festival and New Year's day of community leader festivals.

**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.

Other than the employee performance evaluation of the annual review conducted by the supervisors of each respective department, in August 2014 onwards, the Company has implemented the new system of Annual performance evaluation, with the objective that employees actively acknowledge and are involved in understanding the requirements of their jobs and are together responsible for the performance of the plants, particularly total production costs, expenses, safety of operations of each respective department and activity involvement in TPM. Work flow analysis is as follows:

- Automation Warehouse System: to improve the distribution for the material handling with robots.
- Min-max Management: To ensure that the spare parts and tools are kept well-stocked, maintained and available.



- Management of cement fleet of trucks: To enhance efficiency to dispatch cement by fleet of trucks and ensure the allocation of sufficient parking spaces for trucks to stop prior to cement dispatching as well as the management of truck flows in the shortest period of time.
- E-Recruitment: Online recruitment system of employees to enhance efficiency and transparency.

**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 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) 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. Also, the Company provides mobile medical units for check-up services for the people in the surrounding community and encourages employees to jointly donate blood to Saraburi Center Hospital and Saraburi Red Cross every three months.

**Employee welfare:** The Company also provides educational support for children of employees by granting scholarships and provides additionally subsidized welfare to them. The scholarship will be granted to outstanding students in the Bachelor degree level and be accepted to join the Company after graduation. The scholarships are also granted to the legal offspring of the employees from the level of kindergarten to high school in Thab Kwang Songkrau Community School 1, Bansubborn School and Bansubprik School.



# Operating Results and Financial Status for 2014

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## Analysis of Operating Results for the year 2012, 2013 and 2014

### Revenues

Total consolidated revenues from sales in 2012, 2013 and 2014 were Baht 26,358 million, Baht 26,872 million and Baht 28,918 million respectively. An increase in sales revenues was primarily caused by the improved sales revenues in the construction business, which accounted for 68.1%, 69.6% and 69.5% of total revenue from sales respectively.

In addition, sales revenues generated from petrochemical business sector accounted for 28.5%, 27.0% and 27.2% of total revenues from sales whereas sales revenues generated from energy and utilities business accounted for 3.2%, 3.1% and 2.9% of total revenues from sales respectively.

Sales revenues generated from the construction business increased, which was primarily due to the expanded construction business.

Other revenues, which were comprised of revenues from transportation, reversal of provision for fines, net foreign exchange gain, investment income and other income in 2012, 2013 and 2014 were Baht 2,066 million, Baht 1,988 million and Baht 2,705 million respectively. Other revenues in 2014 were considered higher compared with the same in the previous year because there were net foreign exchange gains of Baht 762 million and reversal of provision for fines of Baht 200 million.

As a consequence, total consolidated revenues in 2012, 2013 and 2014 were Baht 28,424 million, Baht 28,861 million and Baht 31,622 million respectively.

### Cost of Goods Sold

Consolidated cost of goods sold in 2012, 2013 and 2014 were Baht 22,553 million, Baht 22,866 million and Baht 24,325 million respectively, which accounted for 85.6%, 85.1% and 84.1% of total revenues from sales. As a result, gross profit margin in 2012, 2013 and 2014 represented 14.4%, 14.9% and 15.9% of total revenues from sales respectively. Gross profit margin in 2014 increased as compared with the same in 2013 as a result of an increase in selling price of both construction and petrochemical products.

### Selling and Administrative Expenses

Consolidated selling and administrative expenses in 2012, 2013 and 2014 were Baht 5,017 million, Baht 4,557 million and Baht 5,128 million, which accounted for 19.0%, 17.0%, 17.7% of total revenues from sales respectively.

### Other expenses

The Company realized gain (loss) on foreign exchange stemming from debt principal in 2012, 2013 and 2014 for total of Baht 89 million, Baht (168) million and Baht 762 million respectively. The gain on foreign exchange of Baht in 2014 was considered high due to a weakening of the EURO currency against Baht currency as the Company has debt liability in EURO currency stemming from construction of the Cement Line no. 4.

### Interest Expenses

In 2012, 2013 and 2014, the Company and its subsidiaries had interest expenses of Baht 220 million, Baht 252 million and Baht 461 million respectively. The interest expenses in 2014 increased considerably as the debt liabilities of the Company increased as a result of the utilization of loans to be in line with progress of the various investment projects.

### Net Profit

In 2012, 2013 and 2014, the Company and its subsidiaries registered net profits of Baht 288 million, Baht 606 million and Baht 1,332 million or basic earnings per share of Baht 0.014, Baht 0.030 and Baht 0.067 respectively. (In 2012 and 2013, basic earnings per share were calculated by adjusting Par value of Baht 10 per share to Baht 1 per share for comparison purpose). Net profits in 2014 increased, which were mainly due to gains on foreign exchange of Baht 762 million and reversal of fines of Baht 200 million.

The Company and its subsidiaries recorded normal operating profits (excluding gains/losses on foreign exchange, gains/losses on investments, reversal of provision for fines, and income tax expenses) of Baht 548 million, Baht 1,188 million and Baht 749 million respectively. The decrease in normal operating profits in 2014 was mainly due to an increase of selling and administrative expenses and interest expenses.

## Financial Status and Financial Ratio

### Assets

At year-end 2012, 2013 and 2014, total consolidated assets were Baht 76,535 million, Baht 82,412 million and Baht 99,457 million respectively. The increase in assets value was mainly due to additional investments in various projects.

At year-end 2012, 2013 and 2014, total consolidated current assets were Baht 10,838 million, Baht 12,601 million and Baht 13,930 million respectively. The increase in total current assets was in line with the increase in inventory as well as accounts receivable as a result of the business expansion. Inventory accounted for 66.6%, 65.7% and 67.1% of total current assets in 2012, 2013 and 2014, equating to average inventory turnover periods of 120 days, 122 days and 130 days respectively. Accounts payable (after the provision of doubtful debts) represented 22.6%, 20.7% and 19.0% of total current assets, which equated to an average collection period of 32 days, 36 days and 34 days.

As at December 31, 2012, December 31, 2013 and December 31, 2014, the property, plant and equipment of the Company and its subsidiaries were Baht 63,274 million, Baht 67,012 million and Baht 82,950 million respectively. The increase in the property, plant and equipment was mainly due to additional investments in various projects such as Cement Line no. 4, Power Plant 90 MW, Concrete Roof Tile, Fiber Cement, and Light weight concrete and Dry Motor line No. 4.

### Liabilities

Total consolidated liabilities were Baht 17,523 million, Baht 24,699 million and Baht 42,128 million at the end of 2012, 2013 and d 2014 respectively. The debt liabilities increased because the Company has utilized loans from financial institutions to invest in various projects as mentioned above. In addition, in 2014, the Company offered for sale of additional debentures in the amount of Baht 5,000 million, the proceeds of which were used as working capital for business operation and/or investment in current projects and future projects and/or refinancing loans with higher costs.

Trade account receivables at year-end 2012, 2013 and 2014 were Baht 2,562 million, Baht 3,471 million and Baht 2,775 million, equating to an average payment period of 37 days, 47 days and 46 days respectively. The trade account receivables decreased because the Company made more payments to trade creditors.

### Shareholders' Equity

As at December 31, 2012, December 31, 2013 and December 31, 2014, shareholders' equity Baht was 59,012 million, baht 57,713 million and Baht 57,328 million respectively. The shareholders' equity decreased due to the dividend payment and a decrease of fixed assets reappraised by the independent appraiser to be in accordance with the accounting standard.

### Capital Structure

At the end of 2012, 2013 and 2014, the debts to equity ratio were at 0.30 times, 0.43 times and 0.73 times respectively, which is considered low. In 2014, the debt to equity ratio was higher compared with the same in the previous year because the Company has utilized loans from financial institutions to invest in various projects as above mentioned.

### Financial Liquidity

In 2012, consolidated net cash flow from operating activities was Baht 3,222 million, net cash flow from investing activities of Baht (2,638) million, net cash flow from financing activities of Baht (584) million, resulted in net cash and cash equivalent of Baht 0 million. Consolidated cash and cash equivalent at the beginning of 2012 were Baht 517 million. By year-end 2012, consolidated cash and cash equivalent were Baht 517 million.

In 2013, consolidated net cash flow from operating activities was Baht 2,569 million, net cash flow from investing activities of Baht (6,678) million, net cash flow from financing activities o Baht 4,437 million, resulted in net increase in cash and cash equivalent of Baht 328 million. Consolidated cash and cash equivalent at the beginning of 2013were Baht 517 million. By year-end 2013, consolidated cash and cash equivalent were Baht 845 million.

In 2014, consolidated net cash flow from operating activities was Baht 1,859 million, net cash flow from investing activities of Baht (18,367) million, net cash flow from financing activities o Baht 16,659 million, resulted in net increase in cash and cash equivalent of Baht 151 million. Consolidated cash and cash equivalent at the beginning of 2014 were Baht 845 million whereas effect of exchange rate changes on balances held in foreign currencies in the amount of Baht 6 million. By year-end 2014, consolidated cash and cash equivalent were Baht 1,002 million. Overall, the Company had sufficient liquidity to operate its business and had the capability to make principal repayments and interest due payments to all financial institutions and trade creditors

## **Operational Results classified by Business Sector**

### **Construction Business**

In 2013, cement sales volume was at the same level as that in 2012 whereas ready-mixed concrete sales volume increased to be in line with the expansion in the construction sector. The selling price of cement and ready-mixed concrete increased by Baht 200 per ton and Baht 170 per cubic meter compared with the selling price in 2012 respectively.

In 2014, cement and ready-mixed concrete sales volume increased to be in line with the expansion of the construction sector. However, in 2014 selling price of cement was at the same level while ready-mixed concrete selling price increased by Baht 120 per cubic meter compared with the selling price in 2012. The selling price of ready-mixed concrete increased to be in line with rising demand in private residential construction.

### **Petrochemical and Chemical Business**

In 2013, selling price of plastic product decreased by USD 100 per ton whereas sales volume slightly decreased. However, selling price of plastic production 2014 tended to adjust upward compared with the selling price in 2013.

In 2014, selling price of plastic product increased by USD 250 per ton whereas sales volume slightly increased compared with the same in 2013. However, in late 2014 selling price of plastic product decreased speedily to be in line with the decrease in oil price in the global market. As a result, the Company recorded allowance for decline in stock value of the plastic product in the amount of approximately Baht 200 million as detailed in note no. 8 to the financial statements.

### **Energy and Utility Business**

In 2013, total revenues increased by 10.3% compared with the same in 2012. This was due to an increase in revenue generated from power plants. Out of the sales revenues in 2013, revenue generated from power plants represented 46%, revenue generated from oil and gas stations services represented 42% and revenue generated from disposal of waste business represented 12%. In 2012, revenue generated from power plants, oil and gas station services, and disposal of waste business represented 46%, 42%, and 12% respectively.

In 2014, total revenue decreased by 3.3% compared with the same in 2013, which was due to a decrease in revenues generated from power plants and waste disposal business. Out of the sales revenues in 2014, revenue generated from power plants, oil and gas stations services, and disposal of waste business represented 47%, 45% and 8% respectively.

**Summary of Consolidated financial statements of TPI Polene Plc. in 2012, 2013 and 2014**  
**Statements of financial position (Consolidated)**

Statement of Financial Position	Accounting Period ended December 31					
	2012		2013		2014	
	"000" Baht	Ratio	"000" Baht	Ratio	"000" Baht	Ratio
Total current assets	10,838,400	14.16	12,601,130	15.29	13,929,695	14.01
Property, plant and equipment	63,274,415	82.67	67,011,791	81.31	82,949,825	83.40
Other non-current assets	2,422,535	3.17	2,798,900	3.40	2,577,124	2.59
<b>Total Assets</b>	<b>76,535,350</b>	<b>100.00</b>	<b>82,411,821</b>	<b>100.00</b>	<b>99,456,644</b>	<b>100.00</b>
Total current liabilities	8,261,093	10.79	9,923,524	12.04	11,138,469	11.20
Long-term loans from financial institutions	1,391,263	1.82	3,690,326	4.48	15,662,957	15.75
Other non-current liabilities	7,870,950	10.28	11,084,804	13.45	15,326,765	15.41
<b>Total Liabilities</b>	<b>17,523,306</b>	<b>22.90</b>	<b>24,698,654</b>	<b>29.97</b>	<b>42,128,191</b>	<b>42.36</b>
<b>Equity</b>						
Authorized share capital	24,815,000	32.42	24,815,000	30.11	24,815,000	24.95
Issued and paid-up share capital	20,190,000	26.38	20,190,000	24.50	20,190,000	20.30
Treasury shares held by subsidiaries	(359,235)	(0.47)	(359,235)	(0.44)	(359,235)	(0.36)
Shares premium	60,600	0.08	60,600	0.07	60,600	0.06
Retained earnings	14,691,379	19.20	14,990,456	18.19	16,260,083	16.35
Other components of equity	24,428,318	31.92	22,830,364	27.70	21,160,962	21.28
Non-controlling interests	982	0.00	982	0.00	16,043	0.02
<b>Total Equity</b>	<b>59,012,044</b>	<b>77.10</b>	<b>57,713,167</b>	<b>70.03</b>	<b>57,328,453</b>	<b>57.64</b>
<b>Total Liabilities and Equity</b>	<b>76,535,350</b>	<b>100.00</b>	<b>82,411,821</b>	<b>100.00</b>	<b>99,456,644</b>	<b>100.00</b>

**Statements of comprehensive income (Consolidated)**

Statement of Comprehensive Income	Accounting Period ended December 31					
	2012		2013		2014	
	"000" Baht	Ratio	"000" Baht	Ratio	"000" Baht	Ratio
<b>Income</b>						
- Revenue from sales of goods	26,357,797	100.00	26,872,174	100.00	28,917,866	100.00
- Delivery income	1,491,166	5.66	1,441,839	5.37	1,223,292	4.23
- Reversal of provision for fine	0	0.00	0	0.00	200,000	0.69
- Net foreign exchange rate	89,067	0.34	0	0.00	761,894	2.63
- Other income	486,135	1.84	546,544	2.03	519,330	1.80
<b>Total income</b>	<b>28,424,165</b>	<b>107.84</b>	<b>28,860,557</b>	<b>107.40</b>	<b>31,622,382</b>	<b>109.35</b>
<b>Expenses</b>						
- Cost of sales of goods	22,552,765	85.56	22,866,044	85.09	24,324,617	84.12
- Selling expenses	3,850,384	14.61	3,307,764	12.31	3,487,713	12.06
- Administrative expenses	1,166,638	4.43	1,249,266	4.65	1,640,273	5.67
- Finance costs	219,784	0.83	251,799	0.94	460,879	1.59
- Penalty and surcharge Tax expenses	0	0.00	255,234	0.95	0	0.00
- Net foreign exchange loss	0	0.00	167,831	0.62	0	0.00
- Loss from disposal of investment	271,813	1.03	0	0.00	0	0.00
- Other expenses	0	0.00	0	0.00	0	0.00
<b>Total expenses</b>	<b>28,061,384</b>	<b>106.46</b>	<b>28,097,938</b>	<b>104.56</b>	<b>29,913,482</b>	<b>103.44</b>
Share of profit of investment in associates	2,879	0.01	2,608	0.01	2,166	0.01
<b>Profit before income tax expense</b>	<b>365,660</b>	<b>1.39</b>	<b>765,227</b>	<b>2.85</b>	<b>1,711,066</b>	<b>5.92</b>
Income tax expense	(78,051)	(0.30)	(159,214)	(0.59)	(378,953)	(1.31)
<b>Profit for the year</b>	<b>287,609</b>	<b>1.09</b>	<b>606,013</b>	<b>2.26</b>	<b>1,332,113</b>	<b>4.61</b>
Total Comprehensive gain (loss) for the year	3,472,003	13.17	(1,099,199)	(4.09)	(100,365)	(0.35)
Profit from operation	548,406	2.08	1,188,292	4.42	749,172	2.59

**Revenues from sales-outside customers**

	<b>2012</b> ("000" Baht)	<b>%</b>	<b>2013</b> ("000" Baht)	<b>%</b>	<b>2014</b> ("000" Baht)	<b>%</b>
Construction	17,941,615	68.07	18,699,529	69.59	20,087,333	69.46
Petrochemical and Chemical	7,512,558	28.50	7,252,117	26.99	7,864,638	27.20
Energy and Utilities	834,447	3.17	839,710	3.12	838,314	2.90
Agriculture	69,177	0.26	80,818	0.30	127,581	0.44
<b>Total</b>	<b>26,357,797</b>	<b>100.00</b>	<b>26,872,174</b>	<b>100.00</b>	<b>28,917,866</b>	<b>100.00</b>

**Statement of cash flow (Consolidated)**

	<b>Accounting Period ended December 31</b>		
	<b>2012</b> "000" Baht	<b>2013</b> "000" Baht	<b>2014</b> "000" Baht
<b>Net cash from (used in) operating activities</b>	<b>3,222,454</b>	<b>2,569,145</b>	<b>1,859,092</b>
<b>Net cash used in investing activities</b>	<b>(2,638,421)</b>	<b>(6,677,617)</b>	<b>(18,367,144)</b>
<b>Net cash from financing activities</b>	<b>(583,931)</b>	<b>4,436,515</b>	<b>16,658,797</b>
<b>Net increase in cash and cash equivalents</b>	<b>102</b>	<b>328,043</b>	<b>150,745</b>
Cash and cash equivalents at 1 January	516,880	517,000	844,933
Effect of exchange rate changes on balances held in foreign currencies	18	(110)	6,215
Cash and cash equivalents from changes in holding of investment in subsidiaries	0	0	142
<b>Cash and cash equivalents at December 31</b>	<b>517,000</b>	<b>844,933</b>	<b>1,002,035</b>

## Key Financial Ratio

Financial Ratio	Accounting Period ended December		
	2012	2013	2014
<b>Liquidity Ratio</b>			
1.Current Ratio (times)	1.31	1.27	1.25
2.Quick Ratio (times)	0.38	0.36	0.34
3.Cash Ratio (times)	0.43	0.28	0.18
4.Receivable Turnover (times)	11.42	10.13	10.57
5.Collection Period (days)	31.54	35.55	34.05
6.Inventory Turnover (times)	2.99	2.95	2.76
7.Inventory Turnover Period (days)	120.22	121.97	130.44
8.Account Payable Turnover (times)	9.81	7.58	7.79
9.Payment Period (days)	36.69	47.49	46.22
10.Cash Cycle (days)	115.07	110.03	118.27
<b>Profitability Ratio</b>			
11.Gross Profit Margin (%)	14.44	14.91	15.88
12.Operating Profit Margin (%)	7.12	9.73	8.84
13.Other Profit Margin (%)	1.25	(0.44)	3.23
14.Cash to Net Profit Ratio (times)	1.62	0.93	0.70
15.Net Profit Margin (%)	1.01	2.10	4.21
16.Return on Equity (%)	0.50	1.04	2.32
<b>Efficiency Ratio</b>			
17.Return on Assets (%)	0.39	0.76	1.46
18.Return on Fixed Assets (%)	3.72	3.79	4.41
19.Assets Turnover (times)	0.38	0.36	0.35
<b>Financial Policy Ratio</b>			
20.Debt to Equity Ratio (times)	0.30	0.43	0.73
21.Financial Debt to Equity Ratio (times)	0.08	0.18	0.48
22.Interest Coverage Ratio (times)	12.97	12.70	6.68
23.Debt Service Coverage Ratio (times)	1.99	1.81	1.63
24.Dividend Payout Ratio (%)	490.81	82.18	40.94
<b>Per Share**</b>			
25.Book Value per Share (Baht)**	2.96	2.89	2.87
26.Net Profit per Share (Baht)**	0.014	0.030	0.067
27.Dividend per Share (Baht)**	0.010	0.015	0.020
<b>Growth Rate</b>			
28.Total Assets (%)	6.77	7.68	20.68
29.Total Liabilities (%)	10.60	40.95	70.57
30.Sales Revenue (%)	7.39	1.95	7.61
31.Operating Expenses (%)	20.38	(13.84)	12.53
32.Net Profit (%)	(97.05)	110.71	119.82

Remarks: \* Calculation base on Separate financial statement.

\*\* In 2012 and 2013, par value per share was adjusted from Baht 10 per share to Baht 1 per share for Comparison purpose

## 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, 2014, 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 4 of the consolidated financial statements as at December 31, 2014, 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.	182.77	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	24.35	
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 2.00 to 2.60 per bag. (This rate includes labor cost, rental charges, electricity and other related expenses)	129.27	Transactions are always undertaken at market rates to support normal business operations of the Company.
	Accounts Payable	74.02	
3. Thai Plastic Film Co.,Ltd. (There are some common Directors.)	The Company sells plastic resin to Thai Plastic Film.	64.63	Transactions are always undertaken at market rates to support normal business operations of the Company.
	Accounts Payable	50.69	
	Accounts Receivable	17.85	
4. Thai Plastic Product Co.,Ltd. (There are some common Directors.)	The Company purchases cement bags for export from Thai Plastic Product.	228.21	Transactions are always undertaken at market rates to support normal business operations of the Company.
	Accounts Payable	114.03	
5. Bangkok Union Insurance Plc. (BUI) (There are some common Directors.)	The Company and its subsidiaries pay insurance premium to BUI.	159.76	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.	6.97	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

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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**

As at December 31, 2014, the Company's major long-term loans are mainly denominated in Baht currencies, representing 74% while the remaining long-term borrowing is denominated in Euro currency and USD currency accounting for 23% and 3% respectively. Therefore, the Company has impact from risks associated with the exchange rate fluctuation to some extent.

The Company also has debt liability in the form of working capital, a significant amount of which is denominated in USD currency while part of it is denominated in Euro currency. However, most of the Company's income is generated in US dollars, which is higher than the payment of expenses in foregone currencies (in both US dollars and Euro 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 and expenses structure. The Company can use a number of financial mechanisms against risk caused by fluctuation in currency exchange rates by exporting products for payment in US dollars and maintaining a US dollar deposit account for repayment of principal and interest to creditors.

In addition, after evaluating the net foreign currency positions, revenue structures, and net cash inflow in foreign currency, the Company 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. Coal price fluctuation depends on supply from major exporters in Australia and Indonesia. In case that demand for coal from major importers of coal in China increases, coal prices will be adjusted upward. Therefore, 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.

## **Risk associated with credit provision**

To mitigate credit risk stemming from debtors' potential failure to comply with their contracts, the Company has the policy to conduct business transactions with reliable trade partners by selling cement products based on cash and credit terms. Usually customers are required to give collateral in the form of a letter guarantee or bank guarantee in return 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, 2014 and December 31, 2013, Allowance for Doubtful Debt percentage to Total Account Receivable of the Company was 4.43 % and 4.02%, respectively.

## **Risk associated with Product Price's fluctuation**

The Company's plastic resins' price fluctuation has a direct impact on the business profitability of the group. However, the Company manufactures and sells a variety of products. Thus, cement products are regarded as a typically fundamental consumer item in that its price fluctuation depends on the health of the nation's economy. Revenue receipts from cement sales balances with the revenues from export sales of plastic resins while commodity's global price rise will drive coal prices to increase accordingly. All in all, cement production costs will be higher. Nonetheless, all these factors will also impact a plastic resin price hike, leading to an increase in plastic resins price and its higher revenues. These measures will partly protect the company against price fluctuations, by balancing revenue structure and net revenue earned by TPI Polene Group.

# Financial Structure

## Ordinary Share

As at January 27, 2015, the registered capital of the company is Baht 24,815 million consisting of 24,815,000,000 ordinary shares, at the par value of Baht 1 each. Paid-up capital is Baht 20,190 million consisting of 20,190,000,000 ordinary shares, at the par value of Baht 1 each.

## Debentures

As at January 31, 2015, 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, matured in 2016	BBB+	Stable
TPIPL177A	3,000,000,000	5.00%p.a	3.5 Years, mature in 2017	BBB+	Stable
TPIPL187A	2,000,000,000	5.30%p.a	4.5 Years, mature in 2018	BBB+	Stable
TPIPL191A	6,000,000,000	4.85%p.a	4 Years, mature in 2019	BBB+	Stable
TPIPL201A	6,000,000,000	5.20%p.a	5 Years, mature in 2020	BBB+	Stable
Total	14,000,000,000				

## Short term loan in form of bill of exchange

As at December 31, 2014, the Company' outstanding debt in the form of Bill of Exchange was Baht 1,480 million.

## Shareholding Structure

### Top 10 major shareholders as at January 27, 2015

Shareholders	Number of Shares	Shareholding (%)
1. Leophairatana Enterprises Co., Ltd. 1/	4,242,595,450	21.01
2. Thai Petrochemical Industry Co., Ltd. 1/	2,752,698,160	13.63
3. Mrs. Orapin Leophairatana	867,146,240	4.29
4. Mr. Prayad Liewphaitana	867,122,740	4.29
5. Mr. Pakorn Leophairatana	862,745,810	4.27
6. Dr. Pramuan Leophairatana	808,900,000	4.01
7. Bangkok Bank Public Company Limited	657,693,240	3.26
8. Miss Pattraporn Leophairut	629,077,220	3.12
9. Mr. Veraphan Teepsuwan	455,788,000	2.26
10. Thai NVDR Company Limited	363,412,735	1.80

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.

	2012 *	2013 *	2014
Net Profit per share (Baht)	0.002	0.018	0.049
Dividend per share (Baht)	0.010	0.015	0.02
Par Value per Share (Baht)	1.00	1.00	1.00
Dividend Payout Ratio (%)	490.81	82.18	40.94

Remarks: \* In 2012 and 2013 were based on par value per share of 1 Baht from Baht 10 per share.

# The Management

## Management Structure

As at December 31, 2014, 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 16 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, 2014

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 Vaivanijskul	Independent Director and Chairman of the Audit Committee
6. Mrs. Boonsri Leophairatana	Director
7. Dr. Chavin Iamsopana	Director
8. Mr. Prayad Liewphairatana	Director
9. Mrs. Orapin Leophairatana	Director
10. Mr. Manas Sooksmarn	Independent Director and Audit Committee
11. Pol.Gen. Charnchit Bhiraueus	Independent Director and Audit Committee
12. Mr. Pisej Iamsakulrat	Director
13. Mr. Thavich Taychanavakul	Independent Director
14. Mr. Tayuth Sriyaksiri	Director
15. Mr. Khantachai Vichakkhana	Independent Director
16. Mr. Chulasingh Vasantasingh	Director

Remarks: 1. Mr. Nitisit Jongphitakratana is the Corporate Secretary.

2. Mr. Chulasingh Vasantasingh has been in the position of the Director and Independent Director on August 29, 2014 and March 27, 2015 respectively.

## Functions and Responsibilities of the Board of Directors

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

**The Executive Management Committee** as at December 31, 2014

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. Dr. Chavin Iamsopana	Executive Director
7. Mr. Tayuth Sriyuksiri	Executive Director

Seven Directors are authorized to sign on behalf of the Company. Two of the seven 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, 2014

Name	Position
1. Dr. Narasri Vaivanijkul	Chairman of the Audit Committee*
2. Mr. Manas Sooksmarn	Audit Committee
3. Pol. Gen. Charnchit Bhiraleus	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, 2014

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 2014, remuneration awarded to the Company's 16 directors in the form of meeting allowances and bonuses was Baht 26,498,968 compared to Baht 25,319,563 in 2013 for 17 directors. Details of remuneration in 2014 are as follows:

					<i>Unit: Baht</i>
No.	Name	Position	Meeting allowances	Bonus	Total
1.	Mr. Visith Noiphan	Chairman	1,488,480	231,028	1,686,508
2.	Mr. Prachai Leophairatana	Director	1,455,480	231,028	1,686,508
3.	Mr. Prateep Leopairut	Director	1,455,480	231,028	1,686,508
4.	Dr. Pramuan Leophairatana	Director	1,455,480	231,028	1,686,508
5.	Dr. Narasri Vaivanijkul	Director	1,455,480	231,028	1,686,508
6.	Mrs. Boonsri Leophairatana	Director	1,455,480	231,028	1,686,508
7.	Dr. Chavin Iamsopana	Director	1,455,480	231,028	1,686,508
8.	Mr. Prayad Liewphairatana	Director	1,455,480	231,028	1,686,508
9.	Mrs. Orapin Leophairatana	Director	1,455,480	231,028	1,686,508
10.	Mr. Manas Sooksmarn	Director	1,455,480	231,028	1,686,508
11.	Pol.Gen. Charnchit Bhiraueus	Director	1,455,480	231,028	1,686,508
12.	Mr. Pisej Iamsakulrat	Director	1,455,480	231,028	1,686,508
13.	Mr. Tayuth Sriyusiri	Director	1,455,480	231,028	1,686,508
14.	Mr.Thavich Taychanakul	Director	1,455,480	231,028	1,686,508
15.	Mr. Khantachai Vichakkhana	Director	1,455,480	231,028	1,686,508
16.	Mr. Chulasingh Vasantasingh **	Director	485,160	-	485,160
	Ms. Suchitra Taychanavakul*	Director	485,160	231,028	716,188
Total			22,802,520	3,696,448	26,498,968

Note: \* Ms. Suchitra Taychanavakul passed away on May 24, 2014 and received remuneration in form of director fee until April 2014.

\*\* Mr. Chulasingh Vasantasingh has been appointed as the Director of the Company on August 29, 2014 and received director fee in form of remuneration since September 2014.

## 1.2 Remuneration of Management

In 2014, remuneration awarded to the Company's 5 Executives including salaries and bonuses was Baht 236,649,100 compared to Baht 207,832,300 for total of 5 persons in 2013.

## 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 2014 to:

- 1.1 The statutory auditor of the Company for the financial year ended 2014 in the amount of Baht -0-
- 1.2 The office of the statutory auditor of the Company, or other persons or related enterprises relating to the statutory auditor of the Company for year 2014 in the amount of Baht 7,750,000.

### 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 2014 for a total of Baht 240,000.

Company shares held by the Directors and the Management (including couple marriage and their offspring) as at January 27, 2015				
Name	Shareholding As at January 27, 2015	Shareholding As at January 2, 2014***	Shareholding As at January 2, 2014	Change
	At the par value of Baht 1 each	Based on par value per share of Baht 1	Based on par value per share of Baht 10	Based on par value per share of Baht 1
1. Mr. Visith Noiphan	-	-	-	-
2. Mr. Prachai Leophairatana	867,246,240	858,196,240	85,819,624	9,050,000
3. Mr. Prateep Leopairut	1,640,000	1,640,000	164,000	-
4. Dr. Pramuan Leophairatana	809,000,000	809,000,000	80,900,000	-
5. Dr. Narasri Vaivanijkul	-	-	-	-
6. Mrs. Boonsri Leophairatana	-	821,385,360	82,138,536	(821,385,360)
7. Dr. Chavin Iamsopana	21,910,000	21,910,000	2,191,000	-
8. Mr. Prayad Liewphairatana	883,217,140	883,217,140	88,321,714	-
9. Mrs. Orapin Leophairatana	*	*	*	*
10. Mr. Manas Sooksmarn	-	-	-	-
11. Pol.Gen.CharnchitBhiraleus	2,150,000	2,150,000	215,000	-
12. Mr. Pisej Iamsakulrat	17,000,000	9,000,000	900,000	8,000,000
13. Mr. Thavich Taychanavakul	1,091,180	1,091,180	109,118	-
14. Mr. Tayuth Sriyusiri	91,425,890	165,325,890	16,532,589	(73,900,000)
15. Mr. Khantachai Vichakkhana	27,760	27,760	2,776	-
16. Mr.Chulasingh Vasantasingh**	50,000	50,000	5,000	-
17. Mr. Prasert Ittimakin	10,480	10,480	1,048	-
18. Miss Chularat Danwattanachai	-	-	-	-
19. Mr. Anugoon Piyapakorn	-	-	-	-
20. 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. Chulasingh Vasantasingh has been in the position of Director on August 29, 2014.

\*\*\* Adjusted par value of Baht 1 each for comparison. On October 14, 2014, the Company registered the changes of number of ordinary shares and par value per share from Baht 10 each to be Baht 1 each with Department of Business Development, Ministry of Commerce

**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 2014.**

Name	TPI Polene	Subsidiaries 2/												
		1	2	3	4	5	6	7	8	9	10	11	12	13
1. Mr. Visith Noiphan	X	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Mr. Prachai Leophairatana	//	//x	//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. Dr. Chavin Iamsopana	//	-	-	-	-	-	-	-	-	-	//	//	-	-
8. Mr. Prayad Liewphairatana	//	//	//	//	//	//	//	//	//	//	//	//	//	-
9. Mrs. Orapin Leophairatana	//	//	-	//	//	//	//	//	-	//	-	//	//	-
10. Mr. Manas Sooksmarn	/	-	-	-	-	-	-	-	-	-	-	-	-	-
11. Pol. Gen. Charnchit Bhiraueus	/	-	-	-	-	-	-	-	-	-	-	-	-	-
12. Mr. Pisej Iamsakulrat	/	-	-	-	-	-	-	-	-	-	-	-	-	-
13. Mr. Thavich Taychanavakul	/	-	-	-	-	-	-	-	-	-	-	-	-	-
14. Mr. Tayuth Sriyuxsiri	//	-	-	-	-	-	-	-	-	-	-	-	-	-
15. Mr. Khantachai Vichakkhana	/	-	-	-	-	-	-	-	-	-	-	-	-	-
16. Mr. Chulasingh Vasantasingh	/	-	-	-	-	-	-	-	-	-	-	-	-	-

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.	Subsidiary 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
13	TPI Commercial Co., Ltd.	Subsidiary company

***The Board of Directors - TPI Concrete Co., Ltd.*** as at December 31, 2014

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, 2014

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

***The Board of Directors - Polene Plastic Co., Ltd.*** as at December 31, 2014

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, 2014

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

***The Board of Directors - TPI All Seasons Co., Ltd.*** as at December 31, 2014

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.	Mr. Pakorn Leopairut	Executive Director
8.	Mrs. Nitawan Leophairatana	Executive Director

***The Board of Directors - Mondo Thai Co., Ltd.*** as at December 31, 2014

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. Somsak Leeswadtrakul	Executive Director

***The Board of Directors - TPI Commercial Co., Ltd.*** as at December 31, 2014

Name		Position
1.	Mr. Pakorn Leopairut	Chairman and Executive Director
2.	Miss Pattrapan Leopairut	Executive Director
3.	Mr. Pakkapol Leopairut	Executive Director
4.	Mrs. Achira Chatdarong	Executive Director
5.	Mrs. Nitawan Leophairatana	Executive Director
6.	Mr. Thanakorn Liewphairatana	Executive Director
7.	Miss Chutinan Liewphairatana	Executive Director
8.	Mr. Prasert Ittimakin	Executive Director
9.	Mr. Anugoon Piyapakorn	Executive Director
10.	Mr. Vipot Kotbua	Executive Director
11.	Mr. Pakpoom Thongsorn	Executive Director
12.	Mr. Chairat Kittithorn	Executive Director

## Board of Directors as at January 27, 2015

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE			
			DURATION	POSITION	COMPANY/ BUSINESS	
<b>Mr. Visith Noiphan</b> 82 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)		1994-2005	Director and member of the Audit Committee	TPI Polene Public Co.,Ltd.	
			2001-Present	Chairman and Independent Director	Sahaviriya Plate Mill Co., Ltd.	
			2004-May 2014	Independent Director	BangsaphanBarmill Plc.	
<b>Mr. Prachai Leophairatana</b> 71 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.	4.30	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.	
	B.E. (1 <sup>st</sup> Class Hons.) University of Canterbury, New Zealand		1992-2000	Senator	Parliamentary Commission	
			1996-Present	Chairman	Mondo Thai Co.,Ltd.	
			2000-2006	Board Executive Director	Bangkok Union Insurance Public Co.,Ltd.	
	Directors Accreditation Program (DAP- No.35/2005) Thai Institute of Directors (IOD)		April 2012-Present	Director	Bangkok Union Insurance Public Co.,Ltd.	
	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.	
			2009-Present	Chairman of Audit Committee Director	Assumption University Council Asian University of Science and Technology Council	
<b>Dr. Narasri Vaivanijkul</b> 82 years of age -no relationship	Directors Accreditation Program (DAP- No.5/2003) Thai Institute of Directors (IOD)	-	Present	Chairman of Audit Committee Director	Rajapark College Council	
			Present	Chairman of Audit Committee Director	Pitchayabundit College Council	
	-		August 2014-Present	Director	TPI Polene Public Co.,Ltd.	
			1987-Aug 2014	Executive Director	TPI Polene Public Co.,Ltd.	
			2006-Present	Executive Director	Thai Petrochemical Industry Co., Ltd.	
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<b>Mrs. Boonsri Leophairatana</b> 93 years of age Mother of Mr. Prachai Leophairatana, Mr.Prateep Leopairut, Dr. Pramuan Leophairatana, and Mr. Prayad Liewphairatana	-	-				
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NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
<b>Mr. Prateep Leopaairut</b> 69 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-Jan 2015	President	Thai Nitrate Co.,Ltd.
			2011-Jan 2015	President	TPI Polene Bio Organics Co.;Ltd.
	The Political "Leadership in new era" program, 2/2005, King Prajadhipok's Institute		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.
			1981-2006	President	International Plastic Trading Co., Ltd.
	Degree Programs, National Defense College		1978-2006	President	Thai Petrochemical Industry Public Co.,Ltd.
			1973-Present	Executive Director	Leophairatana Enterprises Co., Ltd.
			1996-present	Executive Director	Pornchai Enterprises Co., Ltd.
	Directors Accreditation Program (DAP)		1996-Jul 2014	Director	Mondo Thai Co.,Ltd.
			1987-present	President	Thai Petrochemical Industry and Trade Association
	No.28/2004 Thai Institute of Directors (IOD)		1987-1993	Director	Bangkok Union Insurance Public Co., Ltd.
			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 in industrial engineering field	Council of Engineers
	Thai Institute of Directors (IOD)		1992-1992	Honorary Member and Council Association	Thai Chamber of Commerce
	Understanding the Fundamental of Financial Statements (UFS)		2011-Present	Advisory committee on Trade and Development Association	Thai Chamber of Commerce
	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
	Chartered Director Class (CDC)		2011-2013	Committee to monitor the impact of FTA	Thai Chamber of Commerce
	No.5/2009		2011-2013	Committee of Industrial Trade Association	Thai Chamber of Commerce
	Thai Institute of Directors (IOD)		2012-2014	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-Present	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 co-operation 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	Council of Engineers
			2013	Committee Council of the study system rice industry	Committee on Economics, commerce and Industrial of the Senate
			2013-2014	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	
<b>Dr. Pramuan Leophairatana</b> 66 years of age Younger brother of Mr. Prachai Leophairatana, Mr. Prateep Leopairut, elder brother of Mr. Prayad Liewphairatana	M.S., SC.D. in Chemical Engineering, Massachusetts Institute of Technology at Cambridge, M.A., U.S.A.	4.01	2001-Present	President	TPI Polene Public Co.,Ltd.	
			1973-Present	Executive Director	Leophairatana Enterprises Co.,Ltd.	
			1978-2006	President	Thai Petrochemical Industry Public Co.,Ltd.	
	B.S. (Honors) in Chemical Engineering, University of California at Berkeley, U.S.A.		1988-Present	Director	Thai Plastic Product Co.,Ltd.	
			1989-Present	Director	Thai Plastic Film Co.,Ltd.	
			1989-Present	Director	United Grain Industry Co.,Ltd.	
	Directors Accreditation Program (DAP- No.39/2005) Thai Institute of Directors (IOD)		1990-Aug.2013	Director	Thai Nitrate Co.,Ltd.	
			1991-Present	Executive Director	TPI Polene Power Co.,Ltd.	
			1991-Present	Executive Director	TPI Concrete Co.,Ltd.	
			1996-Jul.2014	Director	Mondo Thai 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.	
			Oct.2013-Jan.2015	Executive Director	Thai Nitrate Co.,Ltd.	
			Jul.2014-Present	Executive Director	Mondo Thai Co.,Ltd.	
<b>Dr. Chavin Iamsopana</b> 73 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		1987-Present	Executive Director	TPI Polene Public Co.,Ltd.	
			1989-Present	Executive Director	Thai Plastic Film Co.,Ltd.	
	Directors Accreditation Program (DAP- No.28/2004) Thai Institute of Directors (IOD)		1989-Present	Executive Director	Thai Plastic Product Co.,Ltd.	
			1989-Present	Executive Director	United Grain Industry Co.,Ltd.	
	Directors Certification Program (DCP-No.28/2004) Thai Institute of Directors (IOD)		1997-Present	President	BUI Life Insurance Co.,Ltd.	
			2004-Present	Executive Director	Bangkok Union Insurance Public Co.,Ltd.	
	Audit Committee Program (ACP-No.15/2006) Thai Institute of Directors (IOD)					
<b>Mr. Prayad Liewphairatana</b> 64 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.		1987-Present	President	TPI Polene Public Co.,Ltd.	
			1973-Present	Executive Director	Leophairatana Enterprises Co.,Ltd.	
			1981-2006	Director	International Plastic Trading Co.,Ltd.	
	Directors Accreditation Program (DAP- No.29/2004) Thai Institute of Directors (IOD)		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.	
			1996-Present	Executive Director	Mondo Thai Co.,Ltd.	
			1997- Present	Executive Director	BUI Life Insurance Co.,Ltd.	
			2002-Present	Executive Director	Polene Plastic Co.,Ltd.	
			2009-Aug.2013	Director	Thai Nitrate Co.,Ltd.	
			2010-Present	Executive Director	TPI Polene Bio Organics Co.,Ltd.	
			Oct.2013-Jan.2015	Executive Director	Thai Nitrate Co.,Ltd.	

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
<b>Mrs. Orapin Leophairatana</b> 68 years of age Mr. Prachai Leophairatana's wife	Political Science (2 <sup>nd</sup> Class Honors) Chulalongkorn University  Directors Accreditation Program (DAP- No.35/2005) Thai Institute of Directors (IOD)	4.30	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.
			2009-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.
			Oct.2013-Jan.2015	Executive Director	Thai Nitrate Co.,Ltd.
			Jul.2014-Present	Executive Director	Mondo Thai Co.,Ltd.
<b>Mr. Manas Sooksmarn</b> 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 mem- ber 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
<b>Mr. Pises Iamsakulrat</b> 51 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	0.08	2008- Present	Director	TPI Polene Public Co., Ltd
			1987- Present	Director Managing	Iamsakulrat Co., Ltd.
			1990- Present	Director Managing	Lampang Food Products Co., Ltd.
			1995- Present	Vice President	Laos Industrial-Agriculture Co., Ltd.
			1997- Present	Executive Director	K. Cotton & Gloss Co., Ltd.
			1997- Present	Executive Director	TPI Holding Co., Ltd.
			2004- Present	Director Managing	Maekong Inter Trade Co., Ltd.

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
<b>Pol.Gen.Charnchit Bhiraueus</b> 71 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-Jul.2014	Expert	Police Commission
	Finance for Non-finance Director (FND) No.38/2007 Thai Institute of Directors (IOD)				
<b>Mr. Thavich Taychanavakul</b> 66 years of age -no relationship	Bachelor Degree, Business Administration Kinki University, Japan	0.01	2008- Present	Independent Director	TPI Polene Public Co., Ltd
			1990- Present	Managing Director	Thai Industrial Estate Co., Ltd.
	National Defense College No. 366		1991- Present	Advisor	Thai Industrial Estate Association
			1991-Present	Board Executive Director	Hi-Tech Nittsu (Thailand) Co.,Ltd.
	Directors Accreditation Program (DAP- No. (6/2003) Thai Institute of Directors (IOD)		1999-2013	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)		2013-Present	Member of the Audit Committee /Independent Director	Bangkok Union insurance Plc.
<b>Mr.Tayuth Sriyusiri</b> 61 years of age -no relationship	Master Of Business Administration, Boston University, U.S.A.	0.45	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
<b>Mr. Khantachai Vichakkhana</b> 67 years of age -no relationship	Master of Political Science, (Public Administration), Thammasat University	-	Oct 2009 - Present	Independent Director	TPI Polene Public Co., Ltd
			1986	Land Officer- Uttaradit	Department of Lands
			1986-1988	Land Officer- Nakhornnayok	Department of Lands
			1988-1989	Land Officer- Nonthaburi and Bangyai District	Department of Lands
	Bachelor of Law, Thammasat University		1989-1990	Land Officer- Phuket	Department of Lands
			1990-1992	Land Officer- Chonburi	Department of Lands
	Guest Speaker Training Program- Land Class 2:		1992-1995	Department of Important book	Department of Lands
	Department of Land (1979)		1995-1998	Land Management Division	Department of Lands
			1998-1999	Director of Bureau Authority Land	Department of Lands
	Division Director of Security within the Kingdom Program (Ka.Rmn):		1999-2000	Inspector-General	Department of Lands
	Royal Thai Army (1979)		2000	Staff Plan & Policy Analysis (Land)	Department of Lands
			2000-2002	Directors: Land Registration	Department of Lands
	Advance Land Management School Program Class 3:		2002-2008	Bureau of Standards	Department of Lands
	Department of Lands (1984)			Deputy Director -General	
			Aug.2014-Present	Director and the Nomination, Remuneration and Corporate Governance committee	L.P.N. Development Public Co.,Ltd.
	Advance administration Program: Class 30, Institute of Administration Development, Department of Provincial Administration (1993)			<b>Extracurricular</b> Council Member	Rajamangala University or technology Bangkok
				Qualified Director	National Council Boy Scouts
	High Level Information Technology Executives (CIO) Seminar (2003)			Assets Management Committee Sub-Committee	Thai Red Cross Council Office of the National Anti- Corruption Commission (NACC)
				School Board	Triamudomsuksa School
	Political Development in Democratic Governance for Executives Program Class 8, King Prajadhipok's Institute (2004)			Chairman	Triamudomsuksa Parents and Teachers Association
				Hearing Committee	Office of The Election Commission of Thailand
				Diagnosis Sub-Committee Committee	Office of The Election Commission of Thailand 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 Dr.Suk Phukyaphon, Foundation
				Advisor	Hospital & phrapiya school Foundation

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE			
			DURATION	POSITION	COMPANY/ BUSINESS	
<b>Mr.Chulasingh Vasantasingh</b> 65 years of age -no relationship	Bachelor of Law (Honor), Chulalongkorn University	-	Aug.2014-Present	Director	TPI Polene Public Co., Ltd	
			2005-2009	Deputy Attorney General	Office of The Attorney General	
	Thai Barrister at law, Institute of Legal Education of the Thai Bar		2009-2013	Attorney General	Office of The Attorney General	
			2010-2013	Independent Director and Chairman of the Audit Committee	PTT Public Co., Ltd	
	Master of Comparative Law (MCL.) University of Illinois, U.S.A.		2010-2013	Independent Director and Chairman of the Audit Committee	Airways International Public Co., Ltd	
			2010-2014	Independent Director and Chairman of the Audit Committee	Krung Thai Bank Public Co., Ltd	
	Honorary doctor of laws, Ramkhamhaeng University		Nov.2013-May2014	Independent Director and member of the Audit Committee	Thai Oil Public Co., Ltd	
	Honorary doctor of laws, Chulalongkorn University		May2014-Present	Independent Director and Chairman of the Audit Committee	Thai Oil Public Co., Ltd	
	Honorary doctor of laws, Yonok University		Feb.2014-Present	Independent Director and Chairman	Aqua Corporation Public Co., Ltd	
			2014-Present	Independent Director and member of the Audit Committee	Global Power Synergy Public Co., Ltd	
	The Certificate, Harvard Business School		2014-Present	Director and Chairman of the Audit Committee	Thanachart Insurance Public Co., Ltd	
				<b>Honor and Social roles</b>		
	Degree Programs, National Defense College No.388			Council of State	Office of the Council of State	
				Chairman	Chulalongkorn University Alumni	
	Advanced Certificate Course in Politics and Governance in Democratic Systems, King Prajadhipok's Institute			Professor emeritus	Association under the Patronage of his majesty the king	
				Member of University Council	Chulalongkorn University	
	Advanced Certificate Course, Capital Market Academy			Advisor to the Bureau	Chulalongkorn University Council	
				Director	Crown Property Bureau	
	Advanced Certificate Course, Thailand Energy Academy			Member of Property Committee	Chulalongkorn University	
	Top Executive Program in Commerce and Trade, TEPCOT					
	Poompalungpandin Program, Chulalongkorn University					
	Directors Certification Program (DCP35/ 2003), Thai Institute of Directors					
	Finance for Non-Finance Director (FN 7/2003), Thai Institute of Directors					
	Understanding the Fundamental of Financial Statements (UFS 1/ 2006), Thai Institute of Directors					
	Audit Committee Program (ACP 17/ 2007), Thai Institute of Directors					
	DCP Refresher Course (1/2008), Thai Institute of Directors					
	Financial Institutions Governance Program (FGP 4/2012), Thai Institute of Directors					
<b>Mr. Nitisit Jongphitakratana</b> 45 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

<b>Mr. Prasert Ittimakin</b> 56 years of age -no relationship	M.B.A. Finance University of St. Thomas, U.S.A.  Bachelor of Accounting, Chulalongkorn University	-	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.
			1990-1998	Vice President Corporate Finance Department	Asia Credit & Securities Plc.
<b>Miss Chularat Danwattanachai</b> 54 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.
<b>Mr. Anugoon Piyapakorn</b> 57 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.
<b>Mr. Pongsak Yiengsakun</b> 60 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

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Throughout 2014, 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 the previous year 2014, there were shareholders' meetings as follows:-

- 1.1 The Annual General Shareholders' meeting was held on April 24, 2014 at the Conference Room on the 9th floor of TPI Tower, 26/56 Chan Tat Mai Rd, Thungmahamek, Sathorn, Bangkok. A total of 14 directors attended the AGM.
- 1.2 The Extraordinary Shareholders' meeting was held on October 9, 2014 at the Conference Room on the 9th floor of TPI Tower, 26/56 Chan Tat Mai Rd, Thungmahamek, Sathorn, Bangkok. A total of 15 directors attended the AGM.

The Audit Committee of the Company and the Legal Advisor were acted as the intermediary for vote counting audit throughout the meeting whilst the Chairman will process his duty to fully conduct the meeting in compliance with legal regulation imposed and ensured that all agenda in the minutes of meeting are approved and resolved.

### 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](http://www.tpipolene.co.th).

## Section 2. Equitable Treatment of Shareholders

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

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

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

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

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

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

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

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

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

## Section 3. Stakeholder Roles

The Company is well aware of the roles of all stakeholders. The Company 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, "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 equitably and fair manner.
3. **Disclosure of Company information is made through approved communication channels** via the SET, the SEC and the Company's Internet website in Thai and in English.

4. **The Company pays close attention to the quality of the financial information it provides:** particularly in its accuracy and adequacy. In addition, all financial information conforms to generally-accepted accounting principles and is audited by independent auditors. Hence, the Company has provided a report of the Board of Director's responsibility for financial statements in this Annual Report.
5. **Functions and responsibilities of the Board and Sub-Committees are disclosed:** see above in the section "Management". In addition, the number of meetings and meeting attendance of each member are disclosed in the section "Corporate Governance", clause 5 "Responsibilities of the Board".
6. **Disclosure of remuneration to Directors and Management Remuneration:** this is detailed above in the section "Management". Remuneration levels are based on the operating results of the Company during the previous fiscal year; reflect duties and responsibilities fairly and reasonably; and are comparable to general practices in the industry.

## **Section 5. Responsibility of the Board**

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

### **1. Structure of the Board**

#### **(1) Composition**

As of December 31, 2014, the Company's Board of Directors consists of 16 directors, of whom 7 were management team members and 9 were non-management, of whom 6 were independent directors. This exceeds one-third of the Board.

#### **(2) Qualifications of the Company's Directors**

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

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

#### **(3) Definition of the Independent Director Qualification**

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

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

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

#### **(5) Independence of the Chairman**

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

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

#### **(6) Corporate Secretary**

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

## 2. Sub-Committee:

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

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

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

## 3. Roles, Duties and Responsibilities of the Board

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

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

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

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

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

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

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

At the Board of Directors' meeting no. 1/2558 held on January 30, 2015, 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 2014, the Board of Directors and the Audit Committee convened meetings a total of 12 times and 7 times, respectively, with attendance as detailed below:

Name	Position	Number of Meeting Attendance	
		The Board of Directors 12 Times / 2014	The Audit Committee 7 Times / 2014
1. Mr. Visith Noiphan	Chairman and Independent Director	10/12	-
2. Mr. Prachai Leophairatana	Director	12/12	-
3. Mr. Prateep Leopairut	Director	12/12	-
4. Dr. Pramuan Leophairatana	Director	10/12	-
5. Dr. Narasri Vaivanijkul	Independent Director and Audit Committee	10/12	7/7
6. Mrs. Boonsri Leophairatana	Director	3/10	-
7. Ms. Suchitra Taychanavakul	Director	1/10	-
8. Dr. Chavin Iamsopana	Director	11/12	-
9. Mr. Prayad Liewphairatana	Director	10/12	-
10. Mrs. Orapin Leophairatana	Director	11/12	-
11. Mr. Manas Sooksmarn	Independent Director and Audit Committee	11/12	7/7
12. Pol.Gen. Charnchit Bhiraueus	Independent Director and Audit Committee	12/12	3/7
13. Mr. Pises Iamsakulrat	Director	9/12	-
14. Mr. Thavich Taychanavakul	Independent Director	11/12	-
15. Mr. Tayuth Sriyüksiri	Director	11/12	-
16. Mr. Khantachai Vichakkana	Independent Director	11/12	-
17. Mr. Chulasingh Vasantasingh	Director	4/12	-

Remark \* Ms. Suchitra Taychanavakul passed away on May 24, 2014

\*\* Mr. Chulasingh Vasantasingh has been in the position of Director on August 29, 2014.

#### **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

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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 2014, 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 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### ***Emphasis of Matter***

Without qualifying my opinion, I draw attention to note 40 (3) 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 2014 using the former proportionate shareholding of 50% in accordance with the joint venture's shareholders list.



(Ekkasit Chuthamsatid)  
Certified Public Accountant  
Registration No. 4195

KPMG Phoomchai Audit Ltd.  
Bangkok  
2 March 2015

# Statement of financial position |

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	1,002,035	844,933	492,443	421,186
Trade accounts receivable	4, 7	2,643,378	2,603,331	3,518,075	2,722,372
Other receivables		462,506	477,844	418,291	437,571
Short-term loans to related parties	4	-	-	308,090	32,071
Receivables and advances to related parties	4	67,072	76,211	553,016	212,488
Inventories	8	9,352,939	8,273,975	7,550,526	6,713,605
Other current assets		401,765	324,836	98,139	68,109
<b>Total current assets</b>		<b>13,929,695</b>	<b>12,601,130</b>	<b>12,938,580</b>	<b>10,607,402</b>
<b>Non-current assets</b>					
Investments in subsidiaries and joint venture	9	-	-	5,432,170	5,330,907
Investments in associates	10	139,270	138,987	125,000	135,350
Long-term investments in related parties	11	150,370	150,370	150,370	150,370
Other long-term investments	6	36,178	192,063	18,884	18,917
Receivables and advances to related parties	4	-	-	421,984	422,044
Investment properties	12	619,768	597,131	447,528	447,528
Property, plant and equipment	13	82,949,825	67,011,791	71,243,823	59,667,077
Land leasehold rights		2,649	3,838	-	-
Intangible assets	14	225,537	255,988	225,537	255,988
Advances for plant and equipment		1,148,249	1,031,419	1,055,663	866,081
Other non-current assets	4,21,40	255,103	429,104	200,776	375,307
<b>Total non-current assets</b>		<b>85,526,949</b>	<b>69,810,691</b>	<b>79,321,735</b>	<b>67,669,569</b>
<b>Total assets</b>		<b>99,456,644</b>	<b>82,411,821</b>	<b>92,260,315</b>	<b>78,276,971</b>

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

# Statement of financial position |

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	16	2,743,488	1,577,461	2,200,426	845,119
Trade accounts payable	4, 17	2,775,160	3,470,859	2,780,330	3,216,571
Other payables	18	4,375,199	2,998,364	3,091,700	2,591,087
Payables and advances from related parties	4	76,446	53,836	214,511	148,986
Current portion of long-term loans from financial institutions	16	669,610	1,207,003	363,919	1,207,003
Accrued interest payable		99,839	22,977	98,251	21,605
Current portion of finance lease liabilities	16	227,093	237,885	102,424	108,173
Income tax payable		119,948	113,790	102,136	108,860
Provision for fine	21	-	200,000	-	200,000
Other current liabilities		51,686	41,349	34,876	29,743
<b>Total current liabilities</b>		<b>11,138,469</b>	<b>9,923,524</b>	<b>8,988,573</b>	<b>8,477,147</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	16	15,662,957	3,690,326	12,911,745	3,078,634
Debentures	16, 19	8,000,000	3,000,000	8,000,000	3,000,000
Finance lease liabilities	16	297,151	512,555	156,182	246,917
Deferred tax liabilities	15	5,559,592	5,871,221	5,598,135	5,919,283
Employee benefit obligations	20	1,100,301	1,343,791	960,946	1,082,755
Other non-current liabilities		369,721	357,237	485,322	480,102
<b>Total non-current liabilities</b>		<b>30,989,722</b>	<b>14,775,130</b>	<b>28,112,330</b>	<b>13,807,691</b>
<b>Total liabilities</b>		<b>42,128,191</b>	<b>24,698,654</b>	<b>37,100,903</b>	<b>22,284,838</b>

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

# Statement of financial position |

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
<b>Liabilities and equity</b>					
<b>Equity</b>					
Share capital:	22				
Authorised share capital		24,815,000	24,815,000	24,815,000	24,815,000
Issued and paid-up share capital		20,190,000	20,190,000	20,190,000	20,190,000
Treasury shares held by subsidiaries	23	(359,235)	(359,235)	-	-
Additional paid in capital					
Shares premium		60,600	60,600	60,600	60,600
Retained earnings					
Appropriated					
Legal reserve	24	808,505	759,193	808,505	759,193
Unappropriated		15,451,578	14,231,263	13,161,205	12,398,224
Other components of equity		21,160,962	22,830,364	20,939,102	22,584,116
<b>Equity attributable to owners of the Company</b>		<b>57,312,410</b>	<b>57,712,185</b>	<b>55,159,412</b>	<b>55,992,133</b>
Non-controlling interests		16,043	982	-	-
<b>Total equity</b>		<b>57,328,453</b>	<b>57,713,167</b>	<b>55,159,412</b>	<b>55,992,133</b>
<b>Total liabilities and equity</b>		<b>99,456,644</b>	<b>82,411,821</b>	<b>92,260,315</b>	<b>78,276,971</b>

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

# Statement of comprehensive income |

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2014	2013	2014	2013
<b>Income</b>	<b>4, 25</b>				
Revenue from sale of goods	26, 35	28,917,866	26,872,174	23,293,963	21,420,272
Delivery income		1,223,292	1,441,839	1,385,882	1,603,351
Reversal of provision for fine	21	200,000	-	200,000	-
Net foreign exchange gain		761,894	-	731,880	-
Investment income	27	28,047	28,435	38,104	39,565
Other income	28	491,283	518,109	492,529	574,967
<b>Total income</b>		<b>31,622,382</b>	<b>28,860,557</b>	<b>26,142,358</b>	<b>23,638,155</b>
<b>Expenses</b>	<b>4, 32</b>				
Cost of sales of goods	8	24,324,617	22,866,044	19,862,520	18,529,655
Selling expenses	29	3,487,713	3,307,764	3,123,678	2,904,356
Administrative expenses	30	1,640,273	1,249,266	1,391,806	1,082,736
Penalty and surcharge tax expenses		-	255,234	-	255,234
Net foreign exchange loss		-	167,831	-	114,362
Finance costs	33	460,879	251,799	432,590	208,637
<b>Total expenses</b>		<b>29,913,482</b>	<b>28,097,938</b>	<b>24,810,594</b>	<b>23,094,980</b>
Share of profit of investment in associates	10	2,166	2,608	-	-
<b>Profit before income tax expense</b>		<b>1,711,066</b>	<b>765,227</b>	<b>1,331,764</b>	<b>543,175</b>
Income tax expense	34	(378,953)	(159,214)	(345,531)	(174,646)
<b>Profit for the year</b>		<b>1,332,113</b>	<b>606,013</b>	<b>986,233</b>	<b>368,529</b>
<b>Other comprehensive income (loss)</b>					
Net change in fair value of available-for-sale investments		(12)	(94)	(12)	(94)
Net change in revaluation of plant and equipment		(2,096,683)	(1,988,061)	(2,056,255)	(1,941,462)
Defined benefit plan actuarial gains (losses)	20	296,273	(134,073)	161,138	(52,957)
Share of other comprehensive income (loss)					
of associates	10	7,860	(7,430)	-	-
Income tax on other comprehensive income	15, 34	360,084	424,446	379,025	398,903
<b>Other comprehensive loss for the year, net of tax</b>		<b>(1,432,478)</b>	<b>(1,705,212)</b>	<b>(1,516,104)</b>	<b>(1,595,610)</b>
<b>Total comprehensive loss for the year</b>		<b>(100,365)</b>	<b>(1,099,199)</b>	<b>(529,871)</b>	<b>(1,227,081)</b>
<b>Basic earnings per share (in Baht)</b>	<b>36</b>	<b>0.07</b>	<b>0.03</b>	<b>0.05</b>	<b>0.02</b>

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

# Statement of changes in equity (Unaudited) |

TPI Polene Public Company Limited and its Subsidiaries

## Consolidated financial statements

(in thousand Baht)

	Note	Other components of equity												
		Retained earnings		Fair value changes in available-for-sale investments		Share of other comprehensive income / (expense) of associates		Shareholding changes of equity	Total other components of equity					
		Issued and paid-up share capital	Treasury shares held by subsidiaries	Share premium	Legal reserve	Unappropriated	Revaluation surplus	Share of other comprehensive income / (expense) of associates	Shareholding changes of equity	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity	
<b>Year ended 31 December 2013</b>														
<b>Balance at 1 January 2013</b>		20,190,000	(359,235)	60,600	740,767	13,950,612	(198)	24,372,172	3,401	52,943	24,428,318	59,011,062	982	59,012,044
<b>Transaction with owners, recorded directly in equity</b>														
<i>Distributions to owners of the Company</i>														
Dividends to owners of the Company	37	-	-	-	-	(199,678)	-	-	-	-	-	(199,678)	-	(199,678)
<b>Total transaction with owners, recorded directly in equity</b>		-	-	-	-	(199,678)	-	-	-	-	-	(199,678)	-	(199,678)
<b>Comprehensive income (loss) for the year</b>														
Profit		-	-	-	-	606,013	-	-	-	-	-	606,013	-	606,013
Other comprehensive loss		-	-	-	-	(107,258)	(75)	(1,590,449)	(7,430)	-	(1,597,954)	(1,705,212)	-	(1,705,212)
<b>Total comprehensive income (loss) for the year</b>		-	-	-	-	498,755	(75)	(1,590,449)	(7,430)	-	(1,597,954)	(1,099,199)	-	(1,099,199)
Transfer to legal reserve	24	-	-	-	18,426	(18,426)	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2013</b>		20,190,000	(359,235)	60,600	759,193	14,231,263	(273)	22,781,723	(4,029)	52,943	22,830,364	57,712,185	982	57,713,167
<b>Year ended 31 December 2014</b>														
<b>Balance at 1 January 2014</b>		20,190,000	(359,235)	60,600	759,193	14,231,263	(273)	22,781,723	(4,029)	52,943	22,830,364	57,712,185	982	57,713,167
<b>Transaction with owners, recorded directly in equity</b>														
<i>Distributions to owners of the Company</i>														
Dividends to owners of the Company	37	-	-	-	-	(299,517)	-	-	-	-	-	(299,517)	-	(299,517)
<b>Total distributions to owners of the Company</b>		-	-	-	-	(299,517)	-	-	-	-	-	(299,517)	-	(299,517)
<i>Changes in ownership interests in subsidiary</i>														
Acquisition of non-controlling interests without a change in control		-	-	-	-	13	-	-	-	-	-	13	(487)	(474)
Acquisition of non-controlling interests with a change in control		-	-	-	-	-	94	-	-	-	94	15,548	15,642	15,642
<b>Total changes in ownership interests in subsidiaries</b>		-	-	-	-	13	94	-	-	-	94	107	15,061	15,168
<b>Total transaction with owners, recorded directly in equity</b>		-	-	-	-	(299,504)	94	-	-	-	94	(299,410)	15,061	(284,349)
<b>Comprehensive income (loss) for the year</b>														
Profit		-	-	-	-	1,332,113	-	-	-	-	-	1,332,113	-	1,332,113
Other comprehensive income (loss)		-	-	-	-	237,018	(10)	(1,677,346)	7,860	-	(1,669,496)	(1,432,478)	-	(1,432,478)
<b>Total comprehensive income (loss) for the year</b>		-	-	-	-	1,569,131	(10)	(1,677,346)	7,860	-	(1,669,496)	(100,365)	-	(100,365)
Transfer to legal reserve	24	-	-	-	49,312	(49,312)	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2014</b>		20,190,000	(359,235)	60,600	808,505	15,451,578	(189)	21,104,377	3,851	52,943	21,160,962	57,312,410	16,043	57,328,453

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

# Statement of changes in equity |

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

		Separate financial statements							
Note		Retained earnings		Other components of 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	Total equity
Year ended 31 December 2013									
	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
Transaction with owners, recorded directly in equity									
<i>Distributions to owners of the Company</i>									
	Dividends to owners of the Company	-	-	-	(201,900)	-	-	-	(201,900)
37	Total transaction with owners, recorded directly in equity	-	-	-	(201,900)	-	-	-	(201,900)
Comprehensive income (loss) for the year									
Profit									
	Other comprehensive loss	-	-	-	368,529	-	-	-	368,529
	Total comprehensive income (loss) for the year	-	-	-	(42,366)	(75)	(1,553,169)	(1,553,244)	(1,595,610)
	Transfer to legal reserve	-	-	-	326,163	(75)	(1,553,169)	(1,553,244)	(1,227,081)
24	Balance at 31 December 2013	20,190,000	60,600	759,193	12,398,224	(273)	22,584,389	22,584,116	55,992,133
Year ended 31 December 2014									
	Balance at 1 January 2014	20,190,000	60,600	759,193	12,398,224	(273)	22,584,389	22,584,116	55,992,133
Transaction with owners, recorded directly in equity									
<i>Distributions to owners of the Company</i>									
	Dividends to owners of the Company	-	-	-	(302,850)	-	-	-	(302,850)
37	Total transaction with owners, recorded directly in equity	-	-	-	(302,850)	-	-	-	(302,850)
Comprehensive income (loss) for the year									
Profit									
	Other comprehensive income (loss)	-	-	-	986,233	-	-	-	986,233
	Total comprehensive income (loss) for the year	-	-	-	128,910	(10)	(1,645,004)	(1,645,014)	(1,516,104)
	Transfer to legal reserve	-	-	-	1,115,143	(10)	(1,645,004)	(1,645,014)	(529,871)
24	Balance at 31 December 2014	20,190,000	60,600	808,505	13,161,205	(283)	20,939,385	20,939,102	55,159,412

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

# Statement of cash flows |

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2014	2013	2014	2013
<b>Cash flows from operating activities</b>					
Profit for the year		1,332,113	606,013	986,233	368,529
<i>Adjustments for</i>					
Depreciation and amortisation	13,14	1,977,080	1,864,979	1,421,208	1,336,602
Interest income	27	(23,355)	(24,389)	(24,562)	(28,836)
Finance costs	33	460,879	251,799	432,590	208,637
Dividend income	27	(6)	(5)	(6)	(5)
Unrealised (gain) loss on foreign exchange		(589,655)	53,919	(601,626)	73,419
Bad and doubtful debt expense (reversal)		98,318	(49)	115,914	(60)
Loss on decline in value of inventories	30	205,265	-	205,265	-
Employee benefits	20	68,724	140,906	53,991	111,140
Provision for reinstatement		5,625	9,134	5,218	4,996
Reversal of provision for fine		(200,000)	-	(200,000)	-
Loss on disposal of plant and equipment		31,817	49,432	313	46,038
Reversal of loss on impairment of equipment	13	-	(7,413)	-	-
Reversal of loss on impairment of investment properties	12	(300)	(300)	-	-
Reversal of loss on impairment of investment		-	(45,663)	-	(45,653)
Gain on sale of investment in associated company		-	(40)	-	-
Loss on addition investment in subsidiaries		9,646	-	-	-
Share of profit of associates	10	(2,166)	(2,608)	-	-
Penalty and surcharge tax expense		-	255,234	-	255,234
Income tax expense	34	378,953	159,214	345,531	174,646
		3,752,938	3,310,163	2,740,069	2,504,687
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(20,508)	(144,349)	(794,611)	(683,293)
Other receivables		(104,475)	(199,671)	(96,553)	(194,934)
Receivable and advances to related parties		9,139	27,719	(340,468)	203,219
Inventories		(1,284,229)	(1,053,721)	(1,042,186)	(763,465)
Other current assets		(76,684)	(57,648)	(30,030)	(31,119)
Other non-current assets		173,351	16,714	174,531	(6,351)
Trade accounts payable		(695,707)	897,310	(436,246)	853,330
Other payables		410,756	155,529	345,281	271,816
Payable and advances from related parties		22,540	(9,102)	65,525	(64,129)
Other current liabilities		10,321	(27,480)	5,135	(13,320)
Employee benefit paid by the plan	20	(15,941)	(13,267)	(14,662)	(10,132)
Other non-current liabilities		2,175	693	-	-
Cash generated from operating activities		2,183,676	2,902,890	575,785	2,066,309
Penalty and surcharge tax paid		-	(255,234)	-	(255,234)
Income tax paid		(324,584)	(78,511)	(294,378)	(21,018)
<b>Net cash from (used in) operating activities</b>		<b>1,859,092</b>	<b>2,569,145</b>	<b>281,407</b>	<b>1,790,057</b>

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

# Statement of cash flows |

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2014	2013	2014	2013
<b><i>Cash flows from investing activities</i></b>					
Interest received		28,742	29,081	22,099	27,966
Dividend received		6	5	6	5
Purchase of property, plant and equipment		(16,170,599)	(5,380,137)	(13,316,302)	(4,801,947)
Sale of plant and equipment		4,183	31,286	63,184	20,297
Advance payment for plant and equipment		(2,365,938)	(1,436,338)	(1,275,737)	(889,163)
Short-term loans to related parties	4	-	-	(1,688,687)	(680,500)
Proceeds from repayment of short-term loans to related parties	4	-	-	1,414,912	962,805
Long-term loans to other parties		-	(622)	-	-
Proceeds from repayment of long-term loans to other parties		-	1,709	-	-
Purchase of current investments		-	(305,606)	-	-
Sale of current investments		-	305,606	-	-
Sale of investment in associated company		-	50	-	-
Purchase of other long-term investments		(500)	(118,407)	-	-
Sale of other long-term investments		155,850	203,139	-	52,832
Purchase of intangible assets		(200)	(7,383)	(200)	(7,383)
Cash outflow on addition investment in subsidiaries	9	(18,688)	-	(90,913)	-
<b>Net cash used in investing activities</b>		<b>(18,367,144)</b>	<b>(6,677,617)</b>	<b>(14,871,638)</b>	<b>(5,315,088)</b>
<b><i>Cash flows from financing activities</i></b>					
Finance cost paid		(949,100)	(269,788)	(821,668)	(226,950)
Dividend paid	37	(299,517)	(199,678)	(302,850)	(201,900)
Finance lease payments		(226,196)	(212,823)	(96,484)	(112,028)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions		1,164,883	(28,477)	1,355,051	(214,985)
Proceeds from short-term loans from related parties	4	450,000	510,000	1,130,211	510,000
Repayment of short-term loans from related parties	4	(450,000)	(510,000)	(1,130,211)	(510,000)
Proceeds from long-term loans from financial institutions		13,175,729	3,450,155	10,730,519	2,838,464
Repayment of long-term loans from financial institutions		(1,207,002)	(1,302,874)	(1,207,003)	(1,268,598)
Proceeds from issue of debentures	19	5,000,000	3,000,000	5,000,000	3,000,000
<b>Net cash from financing activities</b>		<b>16,658,797</b>	<b>4,436,515</b>	<b>14,657,565</b>	<b>3,814,003</b>
<b>Net increase in cash and cash equivalents</b>		<b>150,745</b>	<b>328,043</b>	<b>67,334</b>	<b>288,972</b>
Cash and cash equivalents at 1 January		844,933	517,000	421,186	131,392
Effect of exchange rate changes on balances held in foreign currencies		6,215	(110)	3,923	822
Cash and cash equivalents from changes in holding of investments in subsidiaries		142	-	-	-
<b>Cash and cash equivalents at 31 December</b>		<b>1,002,035</b>	<b>844,933</b>	<b>492,443</b>	<b>421,186</b>

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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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 2 March 2015.

## 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 18 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 construction materials industry at Amphur Chalermprakiet, 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 2014 and 2013 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest direct/indirect (%)	
			2014	2013
<b>Direct subsidiaries</b>				
Prosper Delta Ltd. (see note 9)	Negotiating and entering into a debt repurchase at discount agreement with foreign creditor (dormant and in the process of registering the dissolution)	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 Propoxide Co., Ltd.	Manufacturing and distributing electricity (dormant)	Thailand	99.99	99.99
TPI Commercial Co., Ltd. (see note 9)	Retailing business (dormant)	Thailand	99.94	-
<b>Indirect subsidiaries</b>				
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
TPI Petroleum Co., Ltd. (formerly:Capital Pyramid (Thailand) Co.,Ltd.	Petroleum exploration (dormant)	Thailand	99.80	51.00
TPI Service Co., Ltd.	Construction service	Thailand	51.00	51.00
Mondo Thai Co., Ltd. (see note 9)	Property developing	Thailand	54.05	-
<b>Joint venture (proportionate consolidation)</b>				
Thai Nitrate Co., Ltd. (see note 40 (3))	Manufacturing and distributing nitric acids and ammonium nitrate	Thailand	50.00	50.00

## 2 Basis of preparation of the financial statements

### (a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); 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 annual accounting periods beginning on or after 1 January 2014:

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

The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

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 annual financial periods beginning on or after 1 January 2015 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 42.

## **(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 13	Surplus on fixed assets revaluation
Note 15	Current and deferred taxation
Note 20	Measurement of defined benefit obligations
Note 21	Provision for fine
Note 40	Contingent liabilities

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) Basis of consolidation

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

##### *Subsidiaries*

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

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

##### *Jointly-controlled entities*

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

##### *Loss of control*

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

##### *Associates*

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

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

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income 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.

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 exchange differences arising on translation are recognised in the profit or loss.

## *Foreign operations*

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

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

Foreign exchange differences 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 or 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 or 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 measured at the lower of cost and net realisable value.

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

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

## **(h) Investments**

### *Investments in subsidiaries, jointly-controlled entity and associates*

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

*Investments in other debt and equity securities*

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

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

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

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

*Disposal of 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 retained earnings.

*Leased assets*

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

remaining balance of the liability. Finance charges are charged directly to the profit or loss.

## *Revalued assets*

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

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not 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.

## *Exploration assets*

The Company follows the full cost method of accounting for petroleum and natural gas properties and related expenses whereby all costs associated with the exploration for productive and non-productive wells are treated as capitalised and will be charged to profit or loss when the exploratory wells have not identified proved reserves or have identified proved reserves but have not been found to be commercially producible or have abandoned.

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

## *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 or on units of production method of relevant assets. The estimated useful lives are as follows:

Land improvement	5 years
Leasehold improvement	5 years
Buildings and structures	10 - 49 years and per lease period
Machinery and equipment for production (concrete)	3 - 10 years
Other machinery and equipment for production	5 - 40 years
Tools and factory equipment	3 - 30 years
Furniture, fixtures and office equipment	3, 5 and 10 years
Vehicles	5 and 10 years

Machinery and equipment for production of LDPE, construction materials and machine for melt sheets and mixer trucks calculate depreciation based on units of production.

No depreciation is provided on freehold land, assets under construction and installation, 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 are include acquisition, exploration and development costs and are measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured 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:

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

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

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

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

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

### *Short-term employee benefits*

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

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

### **(p) Provisions**

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

### **(q) Treasury shares held by a subsidiary**

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

### **(r) Revenue**

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

#### *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 or the probable return of goods. Service income is recognised as services are provided.

#### *Loyalty programmes*

The Company has a customer loyalty programme whereby customers are awarded credits (Points) entitling customers to the right to qualify for a free gift from the Company. 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 free gift. 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.

**(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.

**(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 and adjusted for the split of par value of ordinary shares.

**(w) Segment reporting**

Segment results that are reported to the Group's CEO (the chief operating decision maker) 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.

## 4 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 key management and related parties were as follows:

Name of entities	Country of incorporation/nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Prosper Delta Ltd.	Hong Kong	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Company (see note 9)
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
TPI Commercial Co., Ltd.	Thailand	Subsidiary, 99.94% shareholding, more than 50% of directors are representatives of the Company (see note 9)
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
TPI Petroleum Co., Ltd. (formerly: Capital Pyramid (Thailand) Co., Ltd.)	Thailand	Indirect subsidiary, 99.80% 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
Mondo Thai Co., Ltd.	Thailand	Indirect subsidiary, 28.75% shareholding held by the Company and 25.30% shareholding held by TPI Concrete Co., Ltd., more than 50% of directors are representatives of the Company (see note 9)
Thai Nitrate Co., Ltd.	Thailand	Jointly controlled entity, 50.00% shareholding, a half of directors are representatives of the Company (see note 40 (3))

Name of entities	Country of incorporation/nationality	Nature of relationships
Thai Special Steel Public Co., Ltd.	Thailand	Associate, 29.53% 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
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 Products Co., Ltd.	Thailand	Co-director
Leophairatana Enterprise Co., Ltd.	Thailand	Co-director
Bangkok Union Insurance Public Co., Ltd.	Thailand	Co-director
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
Hong Yiah Seng Real Estates and Investment Co., Ltd.	Thailand	Co-director

The pricing policies for transactions with related parties 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	Referred to market price
Purchase of RDF	Agreed price
Delivery income	Market price
Interest income	MLR-2%
Insurance premium	Market price
Paper bag service charge	2.0 - 2.6 Baht per bag
Interest expense	MLR-2% / 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	2014	2013	2014	2013
<b>Subsidiaries</b>				
Sales of goods	-	-	2,233,220	2,194,799
Delivery income	-	-	284,303	290,107
Purchase of electricity	-	-	933,860	981,757
Purchase of RDF	-	-	22,729	39,458
Purchase of raw materials	-	-	533	-
Interest income	-	-	10,340	15,219
Interest expense	-	-	5,977	-
Other income	-	-	64,365	89,576
Administrative expenses	-	-	58,255	39,136
<b>Indirect subsidiaries</b>				
Sales of goods	-	-	7,025,152	5,156,887
Purchase of raw materials and spare parts	-	-	2,530,753	2,135,202
Purchase of goods for sales promotion	-	-	898	916
Other income	-	-	44,252	36,002
Administrative expenses	-	-	4,276	3,375

# Notes to the financial statements |

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

<b>Year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
<b>Joint venture</b>				
Sales of goods	109	56	93	111
Purchase of raw materials	18,480	18,920	36,960	37,840
Other income	425	427	850	854
<b>Associates</b>				
Sales of goods	184	194	-	-
Insurance premium	6,971	2,853	3,283	1,664
<b>Other related parties</b>				
Sales of goods	126,584	52,591	124,683	49,248
Delivery income	607	1,308	607	1,308
Purchase of raw materials	676,324	502,783	668,677	500,088
Insurance premium	159,766	178,098	126,500	152,984
Interest expense	9,292	2,620	9,292	2,620
Other income	282	1,086	163	1,086
Administrative expenses	34,896	32,673	20,770	19,351
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	333,465	301,290	321,983	284,060
Post-employment benefits	13,559	13,791	12,703	12,708
<b>Total key management personnel compensation</b>	<b>347,024</b>	<b>315,081</b>	<b>334,686</b>	<b>296,768</b>

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

## **Trade accounts receivable - related parties**

### **Subsidiaries**

TPI Concrete Co., Ltd.	-	-	851,962	732,489
TPI Polene Power Co., Ltd.	-	-	670	369
TPI All Seasons Co., Ltd.	-	-	31,009	9,997

### **Indirect subsidiaries**

Polene Plastic Co., Ltd.	-	-	1,822,130	1,017,452
TPI Polene Bio Organics Co., Ltd.	-	-	1,411	527

### **Joint venture**

Thai Nitrate Co., Ltd.	19	11	15	22
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### **Associate**

BUI Life Insurance Public Co., Ltd.	14	19	-	-
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### **Other related parties**

United Grain Industry Co., Ltd.	8	202	8	202
Bangkok Union Insurance Public Co., Ltd.	13	10	5	-
Thai Plastic Film Co., Ltd.	17,848	25,515	17,848	25,515
Pornchai Enterprise Co., Ltd.	84	58	8	10
Rayong Forest Co., Ltd.	1,417	1,637	-	-
Leophairatana Enterprise Co., Ltd.	82	-	-	-
<b>Total</b>	<b>19,485</b>	<b>27,452</b>	<b>2,725,066</b>	<b>1,786,583</b>

(in thousand Baht)

	<b>Interest rate</b>		<b>Consolidated</b>		<b>Separate</b>	
	2014	2013	<b>financial statements</b>		<b>financial statements</b>	
	(% per annum)		2014	2013	2014	2013
<b>Short-term loans to related parties</b>						
<b>Subsidiaries</b>						
TPI Polene Power Co., Ltd.	MLR-2%	MLR-2%	-	-	231,000	5,625
TPI All Seasons Co., Ltd.	MLR-2%	MLR-2%	-	-	73,109	24,709
			-	-	304,109	30,334
Accrued interest receivable			-	-	3,981	1,737
<b>Total</b>			-	-	<b>308,090</b>	<b>32,071</b>

# Notes to the financial statements |

TPI Polene Public Company Limited and its Subsidiaries

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	
	2014	2013	2014	2013
<b>Short-term loans to related parties</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	30,334	312,639
Increase	-	-	1,688,687	680,500
Decrease	-	-	(1,414,912)	(962,805)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>304,109</b>	<b>30,334</b>
<b>Receivables and advances to related parties - current</b>				
<b>Subsidiaries</b>				
Prosper Delta Ltd.	-	-	141	141
TPI Concrete Co., Ltd.	-	-	3,407	3,452
TPI Polene Power Co., Ltd.	-	-	112,936	37,662
TPI All Seasons Co., Ltd.	-	-	11,719	793
Thai Propoxide Co., Ltd.	-	-	130	-
<b>Indirect subsidiaries</b>				
Polene Plastic Co., Ltd.	-	-	232,299	13,502
TPI Polene Bio Organics Co., Ltd.	-	-	134,628	96,962
TPI Service Co., Ltd.	-	-	138	1,060
Mondo Thai Co., Ltd.	-	-	400	-
<b>Joint venture</b>				
Thai Nitrate Co., Ltd.	67	67	134	133
<b>Associate</b>				
BUI Life Insurance Public Co., Ltd.	3,392	2,740	2,998	2,568
<b>Other related parties</b>				
United Grain Industry Co., Ltd.	1,346	1,346	-	-
Bangkok Union Insurance Public Co., Ltd.	61,291	71,105	53,654	55,775
Pornchai Enterprise Co., Ltd.	901	886	359	373
Rayong Forest Co., Ltd.	73	7	73	7
Thai Petrochemical Industry Co., Ltd.	-	60	-	60
Saraburi Ginning Mill Co., Ltd.	2	-	-	-
<b>Total</b>	<b>67,072</b>	<b>76,211</b>	<b>553,016</b>	<b>212,488</b>
<b>Receivables and advances to related parties - non-current</b>				
<b>Subsidiary</b>				
Thai Propoxide Co., Ltd.	-	-	421,984	422,044
<b>Total</b>	<b>-</b>	<b>-</b>	<b>421,984</b>	<b>422,044</b>

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 land 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 financial statements.

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 2014, the outstanding amount of accounts receivable from the subsidiary from the sale of land total Baht 422 million and the deferred gain on the sale of Baht 35 million and deferred interest income of Baht 134 million in the statement of financial position of the separate financial statements.

# Notes to the financial statements |

TPI Polene Public Company Limited and its Subsidiaries

## Trade accounts payable - related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Subsidiaries</b>				
TPI Concrete Co., Ltd.	-	-	-	315
TPI Polene Power Co., Ltd.	-	-	9,615	8,474
<b>Indirect subsidiaries</b>				
Polene Plastic Co., Ltd.	-	-	508,436	345,218
TPI Polene Bio Organics Co., Ltd.	-	-	824	22
<b>Joint venture</b>				
Thai Nitrate Co., Ltd.	2,996	2,547	5,992	5,094
<b>Other related parties</b>				
United Grain Industry Co., Ltd.	75,838	95,763	74,019	92,537
Thai Plastic Film Co., Ltd.	50,841	21,416	50,693	20,584
Bangkok Union Insurance Public Co., Ltd.	-	523	-	521
Thai Plastic Products Co., Ltd.	117,169	11,155	114,034	8,014
Pornchai Enterprise Co., Ltd.	6	148	-	-
Leophairatana Enterprise Co., Ltd.	2	2	-	-
<b>Total</b>	<b>246,852</b>	<b>131,554</b>	<b>763,613</b>	<b>480,779</b>

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	
	2014	2013	2014	2013
<b>Short-term loans from related parties</b>				
<b>Subsidiary</b>				
At 1 January	-	-	-	-
Increase	-	-	680,211	-
Decrease	-	-	(680,211)	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other related parties</b>				
At 1 January	-	-	-	-
Increase	450,000	510,000	450,000	510,000
Decrease	(450,000)	(510,000)	(450,000)	(510,000)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total short-term loans from related parties</b>				
At 1 January	-	-	-	-
Increase	450,000	510,000	1,130,211	510,000
Decrease	(450,000)	(510,000)	(1,130,211)	(510,000)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(in thousand Baht)

## Payables and advances from related parties

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Subsidiaries</b>				
TPI Concrete Co., Ltd.	-	-	10,768	5,454
TPI Polene Power Co., Ltd.	-	-	80,933	82,899
TPI All Seasons Co., Ltd.	-	-	83	-
<b>Indirect subsidiaries</b>				
Polene Plastic Co., Ltd.	-	-	54,752	9,565
TPI Polene Bio Organics Co., Ltd.	-	-	280	2,513
Mondo Thai Co., Ltd.	-	-	-	-
<b>Associates</b>				
Thai Special Steel Public Co., Ltd.	4,449	893	4,449	893
BUI Life Insurance Public Co., Ltd.	4	-	-	-

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Other related parties</b>				
Pornchai Enterprise Co., Ltd.	22,050	29,700	21,255	29,190
Bangkok Union Insurance Public Co., Ltd.	42,966	20,164	38,405	18,472
Thai Plastic Products Co., Ltd.	70	74	-	-
United Grain Industry Co., Ltd.	3,403	3,005	82	-
Lampang Food Products Co., Ltd.	9	-	9	-
Hong Yiah Seng Co., Ltd.	3,225	-	3,225	-
Hong Yiah Seng Real Estates and Investment Co., Ltd.	270	-	270	-
<b>Total</b>	<b>76,446</b>	<b>53,836</b>	<b>214,511</b>	<b>148,986</b>

**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:

Type of agreement	Prepaid rentals	Remaining prepaid rentals	
		2012	2011
		(in thousand Baht)	
The Company			
30 years lease agreement			
(3 years for original agreement)	143,517	112,186	113,781
30 years lease agreement			
(90 years for original agreement)	29,669	24,394	24,724
	173,186	136,580	138,505
Subsidiary			
30 years lease agreement			
(3 years for original agreement)	47,000	36,600	37,120
30 years lease agreement			
(90 years for original agreement)	11,659	9,586	9,716
	58,659	46,186	46,836
Total	231,845	182,766	185,341

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 2014, 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 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 and 30 years as stated in each agreement. The details as at 31 December were as follows:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Non-cancellable operating lease commitments</b>				
Within one year	62,523	48,239	47,798	37,764
After one year but within five years	40,119	54,374	33,672	40,711
After five years	-	-	22,124	-
<b>Total</b>	<b>102,642</b>	<b>102,613</b>	<b>103,594</b>	<b>78,475</b>

As at 31 December 2014, the Company had contingent liabilities in respect of guarantees issued on behalf of subsidiaries of Baht 3,600 million (2013: Baht 1,343 million).

## 5 Cash and cash equivalents

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash on hand	9,918	9,366	5,979	3,102
Cash at banks - current accounts	81,625	332,804	44,075	169,677
Cash at banks - savings accounts	693,418	340,484	440,025	246,544
Cash at banks - fixed accounts (3 months)	2,374	1,879	2,364	1,863
Highly liquid short-term investments	214,700	160,400	-	-
<b>Total</b>	<b>1,002,035</b>	<b>844,933</b>	<b>492,443</b>	<b>421,186</b>

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Thai Baht (THB)	895,530	722,939	475,703	377,559
United States Dollar (USD)	105,741	120,571	16,239	42,443
EURO (EUR)	343	1,017	104	825
Others	421	406	397	359
<b>Total</b>	<b>1,002,035</b>	<b>844,933</b>	<b>492,443</b>	<b>421,186</b>

## 6 Other investments

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Other long-term investments</b>				
Equity securities available-for-sale	187	199	187	199
Other non-marketable equity securities	1,596	1,596	1,596	1,596
Other debt securities held-to-maturity	34,395	190,268	17,101	17,122
<b>Total</b>	<b>36,178</b>	<b>192,063</b>	<b>18,884</b>	<b>18,917</b>

Other investments of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

Deposits at financial institutions and other debt securities held-to-maturity of the Group and the Company are pledged as collateral of Baht 26 million and Baht 16 million, respectively (2013: Baht 176 million and Baht 16 million, respectively).

**7 Trade accounts receivable**

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Related parties	4	19,485	27,452	2,725,066	1,786,583
Other parties		2,727,047	2,696,689	880,333	1,023,173
<b>Total</b>		<b>2,746,532</b>	<b>2,724,141</b>	<b>3,605,399</b>	<b>2,809,756</b>
Less allowance for doubtful		(103,154)	(120,810)	(87,324)	(87,384)
<b>Net</b>		<b>2,643,378</b>	<b>2,603,331</b>	<b>3,518,075</b>	<b>2,722,372</b>
Reversal of bad and doubtful debts expense for the year		<b>(17,656)</b>	<b>(56)</b>	<b>(60)</b>	<b>(60)</b>

Aging analyses for trade accounts receivable were as follows:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Related parties</b>				
Within credit terms	19,234	27,452	1,052,252	849,278
Overdue:				
Less than 3 months	93	-	1,672,803	937,300
3 - 6 months	158	-	11	-
Over 12 months	-	-	-	5
	<b>19,485</b>	<b>27,452</b>	<b>2,725,066</b>	<b>1,786,583</b>
<b>Other parties</b>				
Within credit terms	2,261,141	2,290,502	750,715	834,762
Overdue:				
Less than 3 months	326,565	245,086	42,935	67,146
3 - 6 months	3,361	542	-	99
6 - 12 months	3,475	11,256	-	7,701
Over 12 months	132,505	149,303	86,683	113,465
	<b>2,727,047</b>	<b>2,696,689</b>	<b>880,333</b>	<b>1,023,173</b>
Less allowance for doubtful accounts	(103,154)	(120,810)	(87,324)	(87,384)
	<b>2,623,893</b>	<b>2,575,879</b>	<b>793,009</b>	<b>935,789</b>
<b>Net</b>	<b>2,643,378</b>	<b>2,603,331</b>	<b>3,518,075</b>	<b>2,722,372</b>

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

The normal credit term granted by the Group ranges from 30 days to 360 days.

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Thai Baht (THB)	1,996,941	2,211,322	3,518,075	2,722,372
United States Dollars (USD)	646,082	392,009	-	-
EURO (EUR)	355	-	-	-
<b>Total</b>	<b>2,643,378</b>	<b>2,603,331</b>	<b>3,518,075</b>	<b>2,722,372</b>

**8 Inventories**

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Finished goods	2,829,727	2,077,669	2,034,521	1,404,669
Work in process	1,099,046	1,060,062	812,898	806,616
Raw materials and chemicals	1,621,321	1,500,151	1,439,421	1,343,084
Packages	392,146	308,095	324,820	243,169
Oil and coal	1,093,031	1,119,851	1,085,503	1,110,253
Spare parts and general supplies	2,280,705	2,000,418	1,960,473	1,690,281
Goods in transit	242,228	207,729	98,155	115,533
	<u>9,558,204</u>	<u>8,273,975</u>	<u>7,755,791</u>	<u>6,713,605</u>
Less allowance for decline in value	(205,265)	-	(205,265)	-
<b>Net</b>	<b><u>9,352,939</u></b>	<b><u>8,273,975</u></b>	<b><u>7,550,526</u></b>	<b><u>6,713,605</u></b>
Inventories recognised as an expense in cost of sales of goods				
- Cost	24,119,352	22,866,044	19,657,255	18,529,655
- Write-down to net realisable value	205,265	-	205,265	-
<b>Net</b>	<b><u>24,324,617</u></b>	<b><u>22,866,044</u></b>	<b><u>19,862,520</u></b>	<b><u>18,529,655</u></b>

**9 Investments in subsidiaries and joint venture**

(in thousand Baht)

	Separate financial statements	
	2014	2013
<b>Subsidiaries</b>		
At 1 January	5,046,498	5,046,498
Capital payment	90,913	-
Gain of control of associate company	10,350	-
<b>At 31 December</b>	<b><u>5,147,761</u></b>	<b><u>5,046,498</u></b>
<b>Joint venture</b>		
At 1 January	284,409	284,409
<b>At 31 December</b>	<b><u>284,409</u></b>	<b><u>284,409</u></b>
<b>Total</b>		
At 1 January	5,330,907	5,330,907
Capital payment	90,913	-
Gain of control of associate company	10,350	-
<b>At 31 December</b>	<b><u>5,432,170</u></b>	<b><u>5,330,907</u></b>

Investments in subsidiaries and joint venture as at 31 December were as follows:

	Separate financial statements					
	Ownership interest		Paid-up Capital		Cost method	
	2014	2013	2014	2013	2014	2013
	(%)				(in thousand Baht)	
<b>Subsidiaries</b>						
Prosper Delta Limited	100.00	100.00	-	-	-	-
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	4,151,163	4,060,250	4,151,162	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
TPI Commercial Co., Ltd.	99.94	-	100	-	-	-
Mondo Thai Co., Ltd.	28.75	-	36,000	-	10,350	-
					<u>5,148,011</u>	<u>5,046,748</u>
Less allowance for impairment					(250)	(250)
					<u>5,147,761</u>	<u>5,046,498</u>
<b>Joint venture</b>						
Thai Nitrate Co., Ltd. (see note 40 (3))	50.00	50.00	468,750	468,750	284,409	284,409
					<u>284,409</u>	<u>284,409</u>
<b>Total</b>					<u>5,432,170</u>	<u>5,330,907</u>

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

	Ownership interest (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities (in thousand Baht)	Total liabilities	Total revenues	Total expenses	Net profit
<b>2014</b>										
Thai Nitrate Co., Ltd. (see note 40 (3))	50.00	418,057	582,925	1,000,982	23,960	77,616	101,576	441,513	418,862	22,651
<b>2013</b>										
Thai Nitrate Co., Ltd. (see note 40 (3))	50.00	375,655	648,647	1,024,302	29,945	85,259	115,204	508,003	486,747	21,256

During the year ended 31 December 2014, there were changes in holding of investments in subsidiaries:

#### *Dissolution*

On 31 October 2014, the Company's Board of Directors' meeting passed the resolution to approve the Company to register the dissolution of Prosper Delta Limited, a 100% owned-subsiary company, due to the subsidiary has not yet been under operation. As at 31 December 2014, the registering of dissolution is in the process.

#### *Capital payment*

On 25 July 2014, the Company's Board of Directors' meeting passed the resolution to approve payment for assessable capital stock of TPI Polene Power Company Limited of 31.53 million ordinary shares at Baht 2.88 each, in the amount of Baht 90.91 million which was paid to the subsidiary company in August 2014.

#### *Acquisition*

On 18 September 2014, the Company's Board of the Directors' meeting passed the resolution to approve the acquisition of shares in TPI Commercial Company Limited, the main objective is to sell merchandises of the Group directly to retail customers, who purchase and pay on cash basis.

Thereafter, on 23 September 2014, the Company obtained control of that company by acquiring 9,994 shares or equivalent to 99.94% of the paid-up share capital at the price of Baht 0.01 per share, in the amount of Baht 99.94 from a related company, thereby become a subsidiary of the Company.

#### *Gain of control of associate company*

On 19 September 2014, the subsidiary's Board of the Directors' meeting passed the resolution to approve the additional acquisition of shares in Mondo Thai Company Limited, the main objective is to make uses of plots of land which owned by that company, to accommodate with the business expansion in the future.

During the year 2014, the Group obtained control of that company by acquiring 9,107 shares or equivalent to 25.30% of the paid-up share capital at the price of Baht 2,000 per share, in the amount of Baht 18.21 million from other parties via a direct subsidiary. As a result, the Group's equity interest in that company increased from 28.75% to 54.05% of the paid-up share capital, and more than 50% of the directors are representatives of the Group and consequently the company change from an associated company to be a subsidiary.

## 10 Investments in associates

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
At 1 January	138,987	143,809	135,350	135,350
Share of net profits of equity-accounted associates	2,166	2,608	-	-
Fair value changes on available-for-sale securities	7,860	(7,430)	-	-
Reclassification to subsidiary	(9,743)	-	(10,350)	-
<b>At 31 December</b>	<b>139,270</b>	<b>138,987</b>	<b>125,000</b>	<b>135,350</b>

The Group has not recognised loss relating to an investment in an associate accounted for using the equity method where its share of loss exceeds the carrying amount of its investment. As at 31 December 2014, the Group's cumulative share of unrecognized loss was Baht 933 million (2013: Baht 837 million), of which Baht 96 million was the Group's share of the current year's loss (2013: Baht 44 million). The Group has no obligation in respect of this loss.

# Notes to the financial statements |

TPI Polene Public Company Limited and its Subsidiaries

Investments in associates as at 31 December were as follows:

<b>Consolidated financial statements</b>								
	Ownership interest		Paid-up Capital		Cost amount		Equity method	
	2014	2013	2014	2013	2014	2013	2014	2013
	(%)				(in thousand Baht)			
Thai Special Steel Industry Public Co., Ltd.	29.53	29.53	4,220,000	4,220,000	1,246,200	1,246,200	-	-
BUI Life Insurance Public Co., Ltd.	25.00	25.00	500,000	500,000	125,000	125,000	139,270	129,244
Mondo Thai Co., Ltd. (see note 9)	-	28.75	-	36,000	-	10,350	-	9,743
<b>Total</b>					<b>1,371,200</b>	<b>1,381,550</b>	<b>139,270</b>	<b>138,987</b>

<b>Separate financial statements</b>							
	Ownership interest		Paid-up Capital		Cost method		
	2014	2013	2014	2013	2014	2013	
	(%)				(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. (see note 9)	-	28.75	-	36,000	-	10,350	
<b>Total</b>					<b>125,000</b>	<b>135,350</b>	

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 interest	Total assets	Total liabilities	Total revenues	Total expenses	Net profit/(loss)
(in thousand Baht)							
<b>2014</b>							
Thai Special Steel Industry Public Co., Ltd.	31 December	29.53	2,553,228	5,486,512	104,269	429,178	(324,909)
BUI Life Insurance Public Co., Ltd.	31 December	25.00	697,536	143,563	62,396	53,730	8,666
<b>Total</b>			<b>3,250,764</b>	<b>5,630,075</b>	<b>166,665</b>	<b>482,908</b>	<b>(316,243)</b>
<b>2013</b>							
Thai Special Steel Industry Public Co., Ltd.	31 December	29.53	4,574,550	6,412,471	322,988	471,516	(148,528)
BUI Life Insurance Public Co., Ltd.	31 December	25.00	659,966	143,155	43,221	31,033	12,188
Mondo Thai Co., Ltd.	31 December	28.75	33,986	5	1	8	(7)
<b>Total</b>			<b>5,268,502</b>	<b>6,555,631</b>	<b>366,210</b>	<b>502,557</b>	<b>(136,347)</b>

## 11 Long-term investments in related parties

	Type of business	Relationship	Ownership interest		Paid-up Capital		Consolidated and Separate financial statements	
			2014	2013	2014	2013	2014	2013
			(%)		(in thousand Baht)			
<b>Related parties</b>								
United Grain Industry Co., Ltd.	Manufacturing and distributing packages	Shareholder	19.00	19.00	550,000	550,000	104,500	104,500
Pornchai Enterprise Co., Ltd.	Real estate and service rental	Shareholder	0.65	0.65	4,599,920	4,599,920	45,653	45,653
TPI Holding Co., Ltd.	Holding company	Shareholder	0.001	0.001	4,044,573	4,044,573	217	217
<b>Total</b>							<b>150,370</b>	<b>150,370</b>

**12 Investment properties***(in thousand Baht)*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
<b>Cost</b>				
At 1 January	610,294	610,294	447,528	447,528
Additions	23,337	-	-	-
<b>At 31 December</b>	<b>633,631</b>	<b>610,294</b>	<b>447,528</b>	<b>447,528</b>
<b>Depreciation and impairment losses</b>				
At 1 January	13,163	12,463	-	-
Depreciation charge for the year	1,000	1,000	-	-
Reversal of impairment losses	(300)	(300)	-	-
<b>At 31 December</b>	<b>13,863</b>	<b>13,163</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>				
<b>At 1 January</b>	<b>597,131</b>	<b>597,831</b>	<b>447,528</b>	<b>447,528</b>
<b>At 31 December</b>	<b>619,768</b>	<b>597,131</b>	<b>447,528</b>	<b>447,528</b>

Investment properties were revalued as at 31 December 2014 and 2013 by the treasury department (B.E.2554). The appraised value of the Group and the Company were Baht 1,270 million and Baht 562 million, respectively (2013: Baht 1,216 million and Baht 562 million, respectively).

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

### 13 Property, plant and equipment

(in thousand Baht)

#### Consolidated financial statements

Cost/revaluation														
At 1 January 2013	2,792,589	1,180	8,289,289	6,830,454	33,868,854	23,869,054	5,003,191	637,419	391,834	1,259,640	207,822	102,294	7,408,889	90,642,509
Additions	73,950	-	27,021	-	312,271	-	303,587	-	49,084	331,124	31,864	34,472	6,416,758	7,580,131
Transfers - net	-	-	898,061	-	1,577,269	-	56,632	-	16,966	12,636	1,899	(10)	(2,545,579)	17,874
Disposals	-	-	(91,705)	(22,125)	(115,113)	-	(1,038)	-	(13,879)	(6,939)	-	-	-	(250,799)
At 31 December 2013 and 1 January 2014	2,866,539	1,180	9,102,666	6,808,329	35,643,281	23,869,054	5,362,372	637,419	444,005	1,596,461	241,585	136,756	11,280,068	97,989,715
Additions	77,216	-	27,874	-	15,676	-	548,460	-	30,359	33,130	-	777,061	18,499,992	20,009,768
Surplus on revaluation	-	-	-	-	-	53,764	-	-	-	-	-	-	-	53,764
Transfers - net	-	-	107,624	-	1,097,628	-	138,660	-	3,766	(124,299)	(18,973)	-	(1,199,867)	4,539
Disposals	-	-	(9,587)	-	(143,926)	-	(22,254)	-	(10,234)	(422)	-	-	(3,818)	(190,241)
At 31 December 2014	2,943,755	1,180	9,228,577	6,808,329	36,612,659	23,922,818	6,027,238	637,419	467,896	1,504,870	222,612	913,817	28,576,375	117,867,545
Depreciation and impairment losses														
At 1 January 2013	2,148	1,180	4,169,408	-	17,116,343	756,699	4,062,218	-	321,892	924,620	-	-	13,586	27,368,094
Depreciation charge for the year	25	-	242,178	312,855	1,360,183	1,591,822	161,061	62,682	28,624	34,371	-	-	-	3,793,801
Reversal of impairment losses	-	-	-	-	(514)	-	-	-	-	-	-	-	(6,900)	(7,414)
Transfers - net	-	-	-	-	-	-	(337)	-	(110)	337	-	-	-	(110)
Disposals	-	-	(70,533)	(1,422)	(85,627)	-	(1,023)	-	(13,442)	(4,400)	-	-	-	(176,447)
At 31 December 2013 and 1 January 2014	2,173	1,180	4,341,063	311,433	18,390,385	2,348,521	4,221,919	62,682	336,964	954,928	-	-	6,686	30,977,924
Depreciation charge for the year	25	-	261,525	323,186	1,380,072	1,697,730	226,737	81,973	36,358	38,873	-	-	-	4,046,479
Accumulated depreciation on revaluation surplus	-	-	-	-	-	47,558	-	-	-	-	-	-	-	47,558
Transfers - net	-	-	-	-	-	-	18,070	-	531	(18,601)	-	-	-	-
Disposals	-	-	(5,859)	-	(116,745)	-	(21,774)	-	(9,441)	(422)	-	-	-	(154,241)
At 31 December 2014	2,198	1,180	4,596,719	634,619	19,653,712	4,093,809	4,444,952	144,655	364,412	974,778	-	-	6,686	34,917,720
Net book value														
At 1 January 2013	2,790,441	-	4,099,881	6,830,454	16,581,816	23,112,355	940,973	637,419	69,942	52,342	207,822	102,294	7,395,303	62,821,042
Owned assets	-	-	-	-	-	-	-	-	-	-	-	-	-	453,373
Assets under finance lease	-	-	-	-	170,695	-	-	-	-	282,678	-	-	-	453,373
At 31 December 2013 and 1 January 2014	2,790,441	-	4,099,881	6,830,454	16,752,511	23,112,355	940,973	637,419	69,942	335,020	207,822	102,294	7,395,303	63,274,415
Owned assets	2,864,366	-	4,761,613	6,496,896	16,743,721	21,520,533	1,140,453	574,737	93,098	45,745	241,585	136,756	11,273,382	65,892,885
Assets under finance lease	-	-	-	-	509,175	-	-	-	13,943	595,788	-	-	-	1,118,906
At 31 December 2014	2,864,366	-	4,761,613	6,496,896	17,252,896	21,520,533	1,140,453	574,737	107,041	641,533	241,585	136,756	11,273,382	67,011,791
Owned assets	2,941,557	-	4,631,858	6,173,710	16,488,044	19,829,009	1,582,286	492,764	88,803	93,464	222,612	913,817	28,569,689	82,027,613
Assets under finance lease	-	-	-	-	470,903	-	-	-	14,681	436,628	-	-	-	922,212
At 31 December 2014	2,941,557	-	4,631,858	6,173,710	16,958,947	19,829,009	1,582,286	492,764	103,484	530,092	222,612	913,817	28,569,689	82,949,825

# Notes to the financial statements |

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

## Separate financial statements

Cost/revaluation														
At 1 January 2013														
Additions	2,363,946	7,664,928	6,830,454	26,640,713	22,704,075	4,837,489	637,419	303,384	1,196,686	181,282	6,608,140	79,988,516		
Transfers - net	73,950	1,063	-	900	-	270,461	-	39,860	331,121	-	5,519,531	6,236,886		
Disposals	-	835,578	-	822,489	-	46,736	-	14,439	12,635	27,926	(1,743,044)	16,759		
	-	(77,408)	(22,125)	(115,113)	-	(870)	-	(10,984)	(6,939)	-	(32,485)	(265,924)		
At 31 December 2013 and 1 January 2014														
Additions	2,437,896	8,424,161	6,808,329	27,348,989	22,704,075	5,153,816	637,419	346,699	1,533,503	209,208	10,352,142	85,956,237		
Transfers - net	67,781	-	-	48,000	-	541,282	-	25,118	33,130	-	14,371,744	15,087,055		
Disposals	-	28,799	-	844,006	-	137,904	-	3,766	(124,299)	(71,200)	(818,976)	-		
	-	-	-	(143,551)	-	(22,202)	-	(7,711)	(420)	-	(35,210)	(209,094)		
At 31 December 2014														
	2,505,677	8,452,960	6,808,329	28,097,444	22,704,075	5,810,800	637,419	367,872	1,441,914	138,008	23,869,700	100,834,198		
Depreciation and impairment losses														
At 1 January 2013														
Depreciation charge for the year	-	3,763,295	-	14,371,657	-	3,936,685	-	244,961	912,339	-	-	23,228,937		
Transfers - net	-	197,751	312,855	900,621	1,545,222	151,086	62,682	22,950	29,641	-	-	3,222,808		
Disposals	-	-	-	-	-	(337)	-	(110)	337	-	-	(110)		
	-	(59,623)	(1,422)	(85,627)	-	(857)	-	(10,546)	(4,400)	-	-	(162,475)		
At 31 December 2013 and 1 January 2014														
Depreciation charge for the year	-	3,901,423	311,433	15,186,651	1,545,222	4,086,577	62,682	257,255	937,917	-	-	26,289,160		
Transfers - net	-	208,906	323,186	902,844	1,651,096	214,436	81,973	30,191	34,180	-	-	3,446,812		
Disposals	-	-	-	-	-	18,070	-	531	(18,601)	-	-	-		
	-	-	-	(116,370)	-	(21,722)	-	(7,085)	(420)	-	-	(145,597)		
At 31 December 2014														
	-	4,110,329	634,619	15,973,125	3,196,318	4,297,361	144,655	280,892	953,076	-	-	29,590,375		
Net book value														
At 1 January 2013														
Owned assets	2,363,946	3,901,633	6,830,454	12,269,056	22,704,075	900,804	637,419	58,423	33,578	181,282	6,608,140	56,488,810		
Assets under finance lease	-	-	-	-	-	-	-	-	250,769	-	-	250,769		
	<u>2,363,946</u>	<u>3,901,633</u>	<u>6,830,454</u>	<u>12,269,056</u>	<u>22,704,075</u>	<u>900,804</u>	<u>637,419</u>	<u>58,423</u>	<u>284,347</u>	<u>181,282</u>	<u>6,608,140</u>	<u>56,739,579</u>		
At 31 December 2013 and 1 January 2014														
Owned assets	2,437,896	4,522,738	6,496,896	12,162,338	21,158,853	1,067,239	574,737	75,501	27,720	209,208	10,352,142	59,085,268		
Assets under finance lease	-	-	-	-	-	-	-	13,943	567,866	-	-	581,809		
	<u>2,437,896</u>	<u>4,522,738</u>	<u>6,496,896</u>	<u>12,162,338</u>	<u>21,158,853</u>	<u>1,067,239</u>	<u>574,737</u>	<u>89,444</u>	<u>595,586</u>	<u>209,208</u>	<u>10,352,142</u>	<u>59,667,077</u>		
At 31 December 2014														
Owned assets	2,505,677	4,342,631	6,173,710	12,124,319	19,507,757	1,513,439	492,764	72,299	52,209	138,008	23,869,700	70,792,513		
Assets under finance lease	-	-	-	-	-	-	-	14,681	436,629	-	-	451,310		
	<u>2,505,677</u>	<u>4,342,631</u>	<u>6,173,710</u>	<u>12,124,319</u>	<u>19,507,757</u>	<u>1,513,439</u>	<u>492,764</u>	<u>86,980</u>	<u>488,838</u>	<u>138,008</u>	<u>23,869,700</u>	<u>71,243,823</u>		

The gross amount of the Group and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2014 amounted to Baht 5,810 million and Baht 3,611 million, respectively (2013: Baht 5,496 million and Baht 3,445 million, respectively).

### Security

At 31 December 2014 the Group and Company's land, buildings, machinery and equipment with a net book value of Baht 14,398 million and Baht 11,547 million, respectively (2013: Baht 26,815 million and Baht 26,814 million, respectively) are mortgaged or pledged as collateral for the long-terms loan.

Capitalised borrowing costs relating to the acquisition of the construction of new factory of the Group and the Company as at 31 December 2014 are Baht 560 million and Baht 460 million, respectively (2013: Baht 135 million and Baht 126 million, respectively), with capitalization in the consolidated financial statements and the separate financial statements of MLR-1.5% to MLR-0.75%, 3M EURIBOR+1.65%, 6M EURIBOR+1.1% and 6M USD LIBOR+2.2% (2013: MLR-1.5% to MLR-1% and 6M EURIBOR+1.1%).

### Surplus on fixed assets revaluation

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 of the Group and the Company at that date increased by Baht 25,429 million (compared with the original cost). As at 31 December 2014, the remaining portion of surplus on assets revaluation of the Group and the Company amounted to Baht 21,963 million (2013: Baht 23,725 million).

However, buildings, machinery and 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.

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 2014, the remaining portion of surplus on assets revaluation of the Group and the Company amounted to Baht 4,211 million (2013: Baht 4,506 million).

In 2014, 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 12.41 million (proportion in the consolidated financial statement amounted to Baht 6.21 million). As at 31 December 2014, the remaining portion of surplus on assets revaluation of the Group amounted to Baht 321 million (2013: Baht 361 million).

**14 Intangible assets**

(in thousand Baht)

	Consolidated and Separate financial statements		
	Cost of raw material resources and cost of concessions	Software licenses	Total
<b>Cost</b>			
At 1 January 2013	700,353	33,574	733,927
Additions	-	7,383	7,383
<b>At 31 December 2013 and 1 January 2014</b>	<b>700,353</b>	<b>40,957</b>	<b>741,310</b>
Additions	-	200	200
<b>At 31 December 2014</b>	<b>700,353</b>	<b>41,157</b>	<b>741,510</b>
<b>Amortisation</b>			
At 1 January 2013	422,182	27,740	449,922
Amortisation for the year	26,317	9,083	35,400
<b>At 31 December 2013 and 1 January 2014</b>	<b>448,499</b>	<b>36,823</b>	<b>485,322</b>
Amortisation for the year	26,317	4,334	30,651
<b>At 31 December 2014</b>	<b>474,816</b>	<b>41,157</b>	<b>515,973</b>
<b>Net book value</b>			
At 1 January 2013	278,171	5,834	284,005
At 31 December 2013 and 1 January 2014	251,854	4,134	255,988
At 31 December 2014	225,537	-	225,537

**15 Deferred tax**

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

(in thousand Baht)

	Consolidated financial statements			
	Assets		Liabilities	
	2014	2013	2014	2013
Total	334,595	388,468	(5,894,187)	(6,259,689)
Set off of tax	(334,595)	(388,468)	334,595	388,468
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>(5,559,592)</b>	<b>(5,871,221)</b>

(in thousand Baht)

	Separate financial statements			
	Assets		Liabilities	
	2014	2013	2014	2013
Total	287,186	309,890	(5,885,321)	(6,229,173)
Set off of tax	(287,186)	(309,890)	287,186	309,890
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>(5,598,135)</b>	<b>(5,919,283)</b>

# 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)

	At 1 January 2014	Consolidated financial statements (Charged) / credited to:		At 31 December 2014
		Profit or loss	Other comprehensive income	
<b>Deferred tax assets</b>				
Allowance for doubtful account receivables	33,981	15,888	-	49,869
Allowance for decline in value of inventories	-	41,053	-	41,053
Allowance for impairment of assets	2,647	(60)	2	2,589
Provision for sales discount and sales promotional	69,660	(61,973)	-	7,687
Employee benefit obligations	268,754	10,555	(59,255)	220,054
Loss carry forward	12,995	1,131	-	14,126
Others	431	(1,214)	-	(783)
<b>Total</b>	<b>388,468</b>	<b>5,380</b>	<b>(59,253)</b>	<b>334,595</b>
<b>Deferred tax liabilities</b>				
Amortisation gap of concessions	(7,492)	424	-	(7,068)
Financial lease	(48,934)	(30,691)	-	(79,625)
Depreciation gap of assets	(484,829)	(23,568)	-	(508,397)
Revaluation on assets	(5,718,434)	-	419,337	(5,299,097)
<b>Total</b>	<b>(6,259,689)</b>	<b>(53,835)</b>	<b>419,337</b>	<b>(5,894,187)</b>
<b>Net</b>	<b>(5,871,221)</b>	<b>(48,455)</b>	<b>360,084</b>	<b>(5,559,592)</b>

(in thousand Baht)

	At 1 January 2013	Consolidated financial statements (Charged) / credited to:		At 31 December 2013
		Profit or loss	Other comprehensive income	
<b>Deferred tax assets</b>				
Allowance for doubtful account receivables	35,835	(1,854)	-	33,981
Allowance for impairment of assets	13,301	(10,673)	19	2,647
Provision for sales discount and sales promotional	77,963	(8,303)	-	69,660
Employee benefit obligations	216,416	25,523	26,815	268,754
Loss carry forward	-	12,995	-	12,995
Others	-	431	-	431
<b>Total</b>	<b>343,515</b>	<b>18,119</b>	<b>26,834</b>	<b>388,468</b>
<b>Deferred tax liabilities</b>				
Amortisation gap of concessions	(7,916)	424	-	(7,492)
Financial lease	(19,246)	(29,688)	-	(48,934)
Depreciation gap of assets	(482,862)	(1,967)	-	(484,829)
Revaluation on assets	(6,116,046)	-	397,612	(5,718,434)
<b>Total</b>	<b>(6,626,070)</b>	<b>(31,231)</b>	<b>397,612</b>	<b>(6,259,689)</b>
<b>Net</b>	<b>(6,282,555)</b>	<b>(13,112)</b>	<b>424,446</b>	<b>(5,871,221)</b>

# Notes to the financial statements |

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	At 1 January 2014	Separate financial statements (Charged) / credited to:		At 31 December 2014
		Profit or loss	Other comprehensive income	
<b>Deferred tax assets</b>				
Allowance for doubtful account receivables	23,282	23,186	-	46,468
Allowance for decline in value of inventories	-	41,053	-	41,053
Allowance for impairment of assets	1,018	-	2	1,020
Provision for sales discount and sales promotional	69,180	(62,346)	-	6,834
Employee benefit obligations	216,551	7,866	(32,228)	192,189
Others	(141)	(237)	-	(378)
<b>Total</b>	<b>309,890</b>	<b>9,522</b>	<b>(32,226)</b>	<b>287,186</b>
<b>Deferred tax liabilities</b>				
Amortisation gap of concessions	(7,492)	424	-	(7,068)
Financial lease	(31,460)	(14,390)	-	(45,850)
Depreciation gap of assets	(544,125)	(53,433)	-	(597,558)
Revaluation on assets	(5,646,096)	-	411,251	(5,234,845)
<b>Total</b>	<b>(6,229,173)</b>	<b>(67,399)</b>	<b>411,251</b>	<b>(5,885,321)</b>
<b>Net</b>	<b>(5,919,283)</b>	<b>(57,877)</b>	<b>379,025</b>	<b>(5,598,135)</b>

(in thousand Baht)

	At 1 January 2013	Separate financial statements (Charged) / credited to:		At 31 December 2013
		Profit or loss	Other comprehensive income	
<b>Deferred tax assets</b>				
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)
<b>Total</b>	<b>298,071</b>	<b>1,209</b>	<b>10,610</b>	<b>309,890</b>
<b>Deferred tax liabilities</b>				
Amortisation gap of concessions	(7,916)	424	-	(7,492)
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)
<b>Total</b>	<b>(6,571,490)</b>	<b>(45,976)</b>	<b>388,293</b>	<b>(6,229,173)</b>
<b>Net</b>	<b>(6,273,419)</b>	<b>(44,767)</b>	<b>398,903</b>	<b>(5,919,283)</b>

Deferred tax assets arising from unused tax losses that has not been recognised in the consolidated financial statements as at 31 December 2014 amounted to Baht 67.5 million (2013: Baht 64.6 million).

The tax losses expire in 2016 to 2019. 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.

## 16 Interest-bearing liabilities

(in thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
<b>Current</b>					
Bank overdrafts					
secured		-	23,118	-	-
unsecured		-	23,953	-	-
		-	47,071	-	-
Short-term loans from financial institutions					
secured		828,783	-	285,721	-
unsecured		1,914,705	1,530,390	1,914,705	845,119
		<b>2,743,488</b>	<b>1,530,390</b>	<b>2,200,426</b>	<b>845,119</b>
<b>Bank overdrafts and short-term loans from financial institutions</b>		<b>2,743,488</b>	<b>1,577,461</b>	<b>2,200,426</b>	<b>845,119</b>
Current portion of long-term loans from financial institutions					
secured		669,610	1,207,003	363,919	1,207,003
<b>Current portion of long-term loans</b>		<b>669,610</b>	<b>1,207,003</b>	<b>363,919</b>	<b>1,207,003</b>
<b>Current portion of finance lease liabilities</b>		<b>227,093</b>	<b>237,885</b>	<b>102,424</b>	<b>108,173</b>
<b>Total current interest-bearing liabilities</b>		<b>3,640,191</b>	<b>3,022,349</b>	<b>2,666,769</b>	<b>2,160,295</b>
<b>Non-current</b>					
Long-term loans from financial institutions					
secured		15,662,957	3,690,326	12,911,745	3,078,634
<b>Long-term loans</b>		<b>15,662,957</b>	<b>3,690,326</b>	<b>12,911,745</b>	<b>3,078,634</b>
<b>Debentures</b>	19	<b>8,000,000</b>	<b>3,000,000</b>	<b>8,000,000</b>	<b>3,000,000</b>
<b>Finance lease liabilities</b>		<b>297,151</b>	<b>512,555</b>	<b>156,182</b>	<b>246,917</b>
<b>Total non-current interest-bearing liabilities</b>		<b>23,960,108</b>	<b>7,202,881</b>	<b>21,067,927</b>	<b>6,325,551</b>

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Within one year	3,413,098	2,784,464	2,564,345	2,052,122
After one year but within five years	16,600,470	5,005,399	14,154,948	4,577,215
After five years	7,062,487	1,684,927	6,756,797	1,501,419
<b>Total</b>	<b>27,076,055</b>	<b>9,474,790</b>	<b>23,476,090</b>	<b>8,130,756</b>

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Land and buildings	6,163,169	9,209,696	3,312,330	9,209,348
Investment properties	117,492	117,492	117,492	117,492
Machinery and equipment	8,117,273	17,487,318	8,117,273	17,487,318
<b>Total</b>	<b>14,397,934</b>	<b>26,814,506</b>	<b>11,547,095</b>	<b>26,814,158</b>

In 2014, bank overdrafts are charged interest at MOR to MOR+2% per annum (2013: MOR to MOR+2% per annum).

In 2014, short-term loans from financial institutions are charged interest rate at 6-month LIBOR+2.0% to 3.0% per annum for loans denominated in foreign currency (2013: 6-month LIBOR+2.0% to 3.0% per annum).

As at 31 December 2014 the Group and the Company had unutilised credit facilities totalling Baht 4,299 million and Baht 2,599 million, respectively (2013: Baht 15,551 million and Baht 11,453 million, respectively).

**Finance lease liabilities**

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

(in thousand Baht)

	Consolidated financial statements					
	2014			2013		
	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	255,143	28,050	227,093	279,158	41,273	237,885
After one year but within five years	310,352	13,201	297,151	554,525	41,970	512,555
<b>Total</b>	<b>565,495</b>	<b>41,251</b>	<b>524,244</b>	<b>833,683</b>	<b>83,243</b>	<b>750,440</b>

(in thousand Baht)

	Separate financial statements					
	2014			2013		
	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	117,484	15,060	102,424	128,050	19,877	108,173
After one year but within five years	161,944	5,762	156,182	268,457	21,540	246,917
<b>Total</b>	<b>279,428</b>	<b>20,822</b>	<b>258,606</b>	<b>396,507</b>	<b>41,417</b>	<b>355,090</b>

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Thai Baht (THB)	20,576,434	8,828,592	17,253,893	7,774,478
United States Dollars (USD)	740,548	716,341	251,884	62,955
EURO (EUR)	6,268,957	680,297	6,214,559	648,413
Swiss Franc (CHF)	14,360	-	14,360	-
<b>Total</b>	<b>27,600,299</b>	<b>10,225,230</b>	<b>23,734,696</b>	<b>8,485,846</b>

On 25 January 2013 and 26 March 2013, the Company had signed 4 facility agreements for investment in the Fourth Cement Plant Project ("the 1st Project"). As at 31 December 2014, the total amount was equivalent to Baht 11,709 million (2013: Baht 12,473 million). The Company fulfilled the condition precedent of the Facility Agreements which enable the Company to disburse the loan from such Facility Agreements since 27 March 2013, as following financial institutions:

1. Foreign financial institutions in the total amount of Euro 114.5 million covered by Euler Hermes Deutschland AG (German Export Credit Agency of the German Ministry of Finance);
2. Foreign financial institution in the total amount of Euro 26.4 million covered by the Office of National Du Ducroire or ONDD (Belgian Export Credit Agency);
3. Foreign financial institution in the total amount of Euro 13.0 million covered by the Office of National Du Ducroire or ONDD (Belgian Export Credit Agency); and
4. Domestic financial institutions in the total amount of Baht 5,500 million.

In addition, the Company had signed the addition loans agreements from domestic and foreign financial institutions to increase investment in the 1st Project in the amount of Baht 600 million, Euro 8 million and USD 20.6 million and Fibre Cement Board Project ("the 2<sup>nd</sup> Project") for Baht 2,520 million.

As at 31 December 2014, the Company had long-term loans from financial institutions of Baht 13,276 million (2013: Baht 4,286 million) which comprise of 2 projects, totaling Baht 10,940 million (2013: Baht 1,364 million) for the 1st Project and Baht 2,336 million (2013: Baht 1,714 million) for the 2nd Project. Principal repayment shall be made in 6 - 12 years by quarterly repayment commencing the earlier of; 6 month from receiving of plant acceptance certificates or 12 months from the effective date of facility agreement for the 1st Project; and/or 30 months from the effective date of facility agreement for the 2nd Project. Interest rates for both projects are according to agreement rate (See note 38).

On 22 August 2013, a subsidiary has signed facility agreement in the amount of Baht 4,700 million with local financial institutions, with the term of 7 years. Principle repayment shall be made in after 2 years. Interest rate is according to agreement rate for investment (See note 38) in Alternative Fuel Power Plant and Waste Heat Recovery Power Plant with total capacity of 90 megawatt (the 3rd Project). As at 31 December 2014 the subsidiary had long-term loans from financial institutions of Baht 3,057 million (2013: Baht 611 million).

Long-term borrowings as mentioned above are secured by related land, buildings and equipment of each project. The credit utilisation agreements contain covenants with which the Group has to comply, pertaining to matters such as maintaining of certain financial ratios, maintaining of percentage of shares held by the major shareholder, and remaining as a public company listed on the Stock Exchange of Thailand.

## 17 Trade accounts payable

(in thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Related parties	4	246,852	131,554	763,613	480,779
Other parties		2,528,308	3,339,305	2,016,717	2,735,792
<b>Total</b>		<b>2,775,160</b>	<b>3,470,859</b>	<b>2,780,330</b>	<b>3,216,571</b>

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Thai Baht (THB)	2,606,559	3,217,393	2,779,342	3,215,587
United States Dollars (USD)	146,812	242,113	988	984
EURO (EUR)	14,085	10,876	-	-
Others	7,704	477	-	-
<b>Total</b>	<b>2,775,160</b>	<b>3,470,859</b>	<b>2,780,330</b>	<b>3,216,571</b>

## 18 Other payables

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accrued expenses	875,276	831,038	718,642	667,044
Deposit from sales	264,085	373,218	229,736	333,841
Guarantee and deposits	271,354	243,727	246,069	233,500
Retention payable	403,787	89,748	379,161	76,338
Machine Payable	1,754,925	731,436	892,098	731,436
Others	805,772	729,197	625,994	548,928
<b>Total</b>	<b>4,375,199</b>	<b>2,998,364</b>	<b>3,091,700</b>	<b>2,591,087</b>

## 19 Debentures

On 30 May 2013, the Company issued the unsecured, unsubordinated debentures in registered form with debentures holders' representative with the term to maturity of 3 years together with fixed interest rate at 5.20% per annum, payable quarterly in the amount of Baht 3,000 million.

On 17 January 2014, the Company issued the unsecured, unsubordinated debentures in registered form with debentures 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% per annum, 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% per annum, payable quarterly in the amount of Baht 2,000 million.

**20 Employee benefit obligations**

(in thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
<b>Statement of financial position obligations for:</b>				
Post-employment benefits	1,100,301	1,343,791	960,946	1,082,755
<b>Total</b>	<b>1,100,301</b>	<b>1,343,791</b>	<b>960,946</b>	<b>1,082,755</b>
<b>Year ended 31 December</b>				
<b>Statement of comprehensive income:</b>				
<b>Recognised in profit or loss</b>				
Post-employment benefits	68,724	140,906	53,991	111,140
<b>Total</b>	<b>68,724</b>	<b>140,906</b>	<b>53,991</b>	<b>111,140</b>
<b>Recognised in other comprehensive income:</b>				
Actuarial (gains) losses recognised in the year	(296,273)	134,073	(161,138)	52,957

**Legal severance pay plan**

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.

Movement in the present value of the defined benefit obligations:

(in thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
Defined benefit obligations at 1 January	1,343,791	1,082,079	1,082,755	928,790
Benefits paid by the plan	(15,941)	(13,267)	(14,662)	(10,132)
Current service costs and interest	68,724	140,906	53,991	111,140
Actuarial (gains) losses in other comprehensive income	(296,273)	134,073	(161,138)	52,957
<b>Defined benefit obligations at 31 December</b>	<b>1,100,301</b>	<b>1,343,791</b>	<b>960,946</b>	<b>1,082,755</b>

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

(in thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
Cost of sales	46,748	96,989	35,923	75,967
Selling expenses	6,698	11,778	6,223	11,581
Administrative expenses	15,278	32,139	11,845	23,592
<b>Total</b>	<b>68,724</b>	<b>140,906</b>	<b>53,991</b>	<b>111,140</b>

Actuarial gains and losses recognised in other comprehensive income:

(in thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
Included in retained earnings:				
At 1 January	113,079	(20,994)	59,024	6,067
Recognised during the year	(296,273)	134,073	(161,138)	52,957
<b>At 31 December</b>	<b>(183,194)</b>	<b>113,079</b>	<b>(102,114)</b>	<b>59,024</b>

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

(%)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
Discount rate	3.00 - 4.64	3.00 - 4.64	4.35 - 4.50	4.44 - 4.64
Future salary increases	2.55 - 7.55	2.55 - 7.27	5.19 - 7.55	5.35 - 6.89

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

## 21 Provision for fine

On 2 April 2010, pursuant to the arbitral award 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 2.96 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 0.93 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. 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 recognised as deposit for such payment under other non-current assets in the consolidated and the separate financial statements in 2012.

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.

On 19 June 2014, the Supreme Court rendered the judgment rejecting the request for enforcement of the arbitral award. Consequently, the Company is not liable to the foreign company under the said arbitral award. The Company has requested for refund of the deposit from the Legal Execution Department.

Based on the judgment of the Supreme Court, the Company therefore recorded the account by reversing the provision for fine in the total of Baht 200 million for the year ended 31 December 2014. On 3 September 2014, the Company has received the money that has been placed with an executing officer in amount of Baht 178.5 million.

## 22 Share capital

	<i>Par value</i>	<b>2014</b>		<b>2013</b>	
	<i>per share</i>	Number	Amount	Number	Amount
	<i>(in Baht)</i>		<i>(thousand shares /thousand Baht)</i>		
<b>Authorised</b>					
<b>At 31 December</b>					
- ordinary shares	10	-	-	2,481,500	24,815,000
- ordinary shares	1	<u>24,815,000</u>	<u>24,815,000</u>	<u>-</u>	<u>-</u>
<b>Issued and paid-up</b>					
<b>At 31 December</b>					
- ordinary shares	10	-	-	2,019,000	20,190,000
- ordinary shares	1	<u>20,190,000</u>	<u>20,190,000</u>	<u>-</u>	<u>-</u>

### **The change of par value of share capital**

At the extraordinary general meeting of the shareholders of the Company held on 9 October 2014, the shareholders approved the split of par value of share capital from Baht 10 per share to Baht 1 per share. As a result, the authorised share capital comprises of 24,815 million shares at par value of Baht 1 per share and the issued and paid up capital comprises of 20,190 million shares at par value of Baht 1 per share. The split of par value was registered with the Ministry of Commerce on 14 October 2014.

## 23 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 at Baht 10 per share 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 20 million shares totaling Baht 333.25 million. These shares are intended to be donated.

Effect from split of par value of shares (See note 22) in 2014, as a result, as at 31 December 2014, the remaining balance of the treasury shares held by a subsidiary and an indirect subsidiary of 222.16 million shares at Baht 1 per share (2013: 22.22 million shares at Baht 10 per share) at cost of Baht 359.24 million (2013: Baht 359.24 million) is presented as a separate category within equity and recognised as a deduction from equity in the consolidated financial statements.

## 24 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.

## 25 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	
	2014	2013	2014	2013	2014	2013	2014	2013
	<i>(in thousand Baht)</i>							
Construction Materials	20,087,333	18,699,529	5,124,245	4,754,947	25,211,578	23,454,476	1,385,708	732,927
Petrochemical & Chemicals	7,864,638	7,252,117	6,704,778	4,758,237	14,569,416	12,010,354	143,707	(150,483)
Energy & Utilities	838,314	839,710	1,003,789	1,064,363	1,842,103	1,904,073	386,903	258,587
Agriculture	127,581	80,818	178,607	247,247	306,188	328,065	(150,353)	(123,303)
<b>Total</b>	<b>28,917,866</b>	<b>26,872,174</b>	<b>13,011,419</b>	<b>10,824,794</b>	<b>41,929,285</b>	<b>37,696,968</b>	<b>1,765,965</b>	<b>717,728</b>
Other gains (losses)							102	(36)
							1,766,067	717,692
Elimination of inter-segment profit (loss)							(55,001)	47,535
<b>Profit before income tax expense for the year</b>							<b>1,711,066</b>	<b>765,227</b>

**(b) Reportable segment financial position**

(in thousand Baht)

	<b>Segment assets</b>	
	2014	2013
Construction Materials	86,091,845	71,872,086
Petrochemical & Chemicals	11,904,943	10,922,147
Energy & Utilities	8,377,532	4,392,666
Agriculture	4,173,916	4,023,493
Others	423,722	423,784
	<b>110,971,958</b>	<b>91,634,176</b>
Unallocated assets	3,879,417	3,640,504
<b>Total</b>	<b>114,851,375</b>	<b>95,274,680</b>
Elimination of inter-segment assets	(15,394,731)	(12,862,859)
<b>Total assets</b>	<b>99,456,644</b>	<b>82,411,821</b>

**26 Revenue**

In July 2014, the Company introduced a customer loyalty programme to stimulate the sale of certain products used in the construction materials industry. The Company grants points (Points) when customer buys certain products. These Points can be redeemed for a free gift.

At 31 December 2014 the Company has recorded deferred revenue of Baht 41 million (2013: 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.

**27 Investment income**

(in thousand Baht)

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2014	2013	2014	2013
<b>Dividend income</b>					
Other parties		6	5	6	5
		<b>6</b>	<b>5</b>	<b>6</b>	<b>5</b>
<b>Interest income</b>					
Subsidiaries	4	-	-	10,340	15,219
Other parties		23,355	24,389	14,222	13,617
		<b>23,355</b>	<b>24,389</b>	<b>24,562</b>	<b>28,836</b>
<b>Other investment income</b>					
Other parties		4,686	4,041	13,536	10,724
		<b>4,686</b>	<b>4,041</b>	<b>13,536</b>	<b>10,724</b>
<b>Total</b>		<b>28,047</b>	<b>28,435</b>	<b>38,104</b>	<b>39,565</b>

**28 Other income**

(in thousand Baht)

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2014	2013	2014	2013
Rental trucks income	4	174,612	288,557	184,627	288,557
Income from sale of spare parts		19,466	36,972	19,466	36,972
Sale steam		10,024	16,967	10,024	16,967
Services income	4	-	-	77,080	80,939
Others		287,181	175,613	201,332	151,532
<b>Total</b>		<b>491,283</b>	<b>518,109</b>	<b>492,529</b>	<b>574,967</b>

**29 Selling expenses**

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Delivery expenses		2,084,575	2,002,183	2,004,695	1,907,369
Personnel expenses	31	579,737	551,312	495,694	451,798
Depreciation and amortization		96,352	84,125	82,951	64,646
Maintenance expenses		42,928	26,114	41,162	24,488
Others		684,121	644,030	499,176	456,055
<b>Total</b>		<b>3,487,713</b>	<b>3,307,764</b>	<b>3,123,678</b>	<b>2,904,356</b>

**30 Administrative expenses**

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Personnel expenses	31	862,100	848,402	728,823	705,566
Reversal of loss on impairment of assets		(300)	(7,723)	-	-
Depreciation and amortization		31,558	31,410	28,820	28,642
Maintenance expenses		7,350	18,571	6,371	17,805
Bad and doubtful debt expenses (reversal)		98,341	(56)	115,914	(60)
Others		641,224	358,662	511,878	330,783
<b>Total</b>		<b>1,640,273</b>	<b>1,249,266</b>	<b>1,391,806</b>	<b>1,082,736</b>

**31 Employee benefit expenses**

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Management</b>				
Wages and salaries	309,916	277,216	299,009	260,610
Pension costs - defined benefit plans	13,559	13,791	12,703	12,708
Others	23,549	24,074	22,974	23,450
	<u>347,024</u>	<u>315,081</u>	<u>334,686</u>	<u>296,768</u>
<b>Other employees</b>				
Wages and salaries	4,204,929	3,787,944	3,293,254	3,002,996
Pension costs - defined benefit plans	55,165	127,115	41,288	98,432
Others	178,657	185,818	102,367	121,975
	<u>4,438,751</u>	<u>4,100,877</u>	<u>3,436,909</u>	<u>3,223,403</u>
<b>Total</b>	<b>4,785,775</b>	<b>4,415,958</b>	<b>3,771,595</b>	<b>3,520,171</b>

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.

## 32 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)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
<b><i>Included in cost of sales of goods:</i></b>					
Changes in inventories of finished goods					
and work in progress		(791,042)	(91,058)	(636,134)	160,989
Raw materials and consumables used		14,148,425	12,985,786	9,081,813	7,695,313
Loss on decline in value of inventories	8	205,265	-	205,265	-
Depreciation of property, plant and equipment	13	1,825,203	1,725,267	1,287,119	1,221,698
Amortisation of intangible assets		22,318	23,643	22,318	22,463
<b><i>Included in selling expenses:</i></b>					
Depreciation of property, plant and equipment	29	95,162	84,123	82,951	64,644
Amortisation of intangible assets	29	1,190	2	-	2
Included in administrative expenses:					
Depreciation of property, plant and equipment	30	23,225	18,465	20,487	15,707
Amortisation of intangible assets	30	8,333	12,945	8,333	12,935

## 33 Finance costs

(in thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
<b>Interest expense :</b>					
Related party	4	9,292	2,620	15,269	2,620
Bank loan and overdrafts		610,562	291,485	476,937	240,144
Debentures	19	400,778	92,318	400,778	92,318
<b>Total interest expense</b>		<b>1,020,632</b>	<b>386,423</b>	<b>892,984</b>	<b>335,082</b>
Less: amounts included in the cost of qualifying assets:					
- Construction contracts work in progress	13	(559,753)	(134,624)	(460,394)	(126,445)
<b>Net</b>		<b>460,879</b>	<b>251,799</b>	<b>432,590</b>	<b>208,637</b>

## 34 Income tax expense

**Income tax recognised in profit or loss**

(in thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
<b>Current tax expense</b>					
Current year		325,559	144,557	287,677	129,879
Adjustment of under (over) provided in prior years		4,939	1,545	(23)	-
		<b>330,498</b>	<b>146,102</b>	<b>287,654</b>	<b>129,879</b>
<b>Deferred tax expense</b>					
Movements in temporary differences		48,455	13,112	57,877	44,767
	15	<b>48,455</b>	<b>13,112</b>	<b>57,877</b>	<b>44,767</b>
<b>Total income tax expense</b>		<b>378,953</b>	<b>159,214</b>	<b>345,531</b>	<b>174,646</b>

**Income tax recognised in other comprehensive income**

(in thousand Baht)

(in thousands of dollars)

	Consolidated financial statements					
	2014			2013		
	Before business	Tax (expense) benefit	Net of tax	Before business	Tax (expense) benefit	Net of tax
Net change in fair value of available-for-sale investment	(12)	2	(10)	(94)	19	(75)
Revaluation of property, plant and equipment	(2,096,683)	419,337	(1,677,346)	(1,988,061)	397,612	(1,590,449)
Defined benefit plan actuarial gains (losses)	296,273	(59,255)	237,018	(134,073)	26,815	(107,258)
<b>Total</b>	<b>(1,800,422)</b>	<b>360,084</b>	<b>(1,440,338)</b>	<b>(2,122,228)</b>	<b>424,446</b>	<b>(1,697,782)</b>

(in thousand Baht)

	Separate financial statements					
	2014			2013		
	Before business	Tax (expense) benefit	Net of tax	Before business	Tax (expense) benefit	Net of tax
Net change in fair value of available-for-sale investment	(12)	2	(10)	(94)	19	(75)
Revaluation of property, plant and equipment	(2,056,255)	411,251	(1,645,004)	(1,941,462)	388,293	(1,553,169)
Defined benefit plan actuarial gains (losses)	161,138	(32,228)	128,910	(52,957)	10,591	(42,366)
<b>Total</b>	<b>(1,895,129)</b>	<b>379,025</b>	<b>(1,516,104)</b>	<b>(1,994,513)</b>	<b>398,903</b>	<b>(1,595,610)</b>

**Reconciliation of effective tax rate**

<b>Consolidated financial statements</b>			
	<b>2014</b>	<b>2013</b>	
	<b>Rate (%)</b>	<b>(in thousand Baht)</b>	<b>Rate (%) (in thousand Baht)</b>
Profit before income tax expense		<u>1,711,066</u>	<u>765,227</u>
Income tax using the Thai corporation tax rate	20	342,213	153,045
Income not subject to tax		(8,512)	(9,098)
Profit was derived from promoted activities		(66,818)	(71,961)
Expenses not deductible for tax purposes		104,189	108,520
Recognition of previously unrecognised tax losses		-	(24,452)
Current year losses for which no deferred tax asset was recognised		2,942	1,615
Under provided in prior years		4,939	1,545
<b>Total</b>	<b>22</b>	<b>378,953</b>	<b>21 159,214</b>

<b>Consolidated financial statements</b>			
	<b>2014</b>	<b>2013</b>	
	<b>Rate (%)</b>	<b>(in thousand Baht)</b>	<b>Rate (%) (in thousand Baht)</b>
Profit before income tax expense		<u>1,331,764</u>	<u>543,175</u>
Income tax using the Thai corporation tax rate	20	266,353	108,635
Income not subject to tax		(7,220)	(6,780)
Profit was derived from promoted activities		(1,528)	180
Expenses not deductible for tax purposes		87,949	96,473
Recognition of previously unrecognised tax losses		-	(23,862)
Over provided in prior years		(23)	-
<b>Total</b>	<b>26</b>	<b>345,531</b>	<b>32 174,646</b>

**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. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

## 35 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:

- (a) exemption from payment of import duty on machinery and equipment approved by the Board;
- (b) 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;
- (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					
	2014			2013		
	Promoted business	Non Promoted business	Total	Promoted business	Non Promoted business	Total
Export sales	19,435	7,850,829	7,870,264	13,981	5,891,909	5,905,890
Local sales	1,484,181	32,574,840	34,059,021	1,509,098	30,281,981	31,791,079
Eliminations	(1,215,723)	(11,795,696)	(13,011,419)	(1,339,749)	(9,485,046)	(10,824,795)
<b>Total</b>	<b>287,893</b>	<b>28,629,973</b>	<b>28,917,866</b>	<b>183,330</b>	<b>26,688,844</b>	<b>26,872,174</b>

(in thousand Baht)

	Separate financial statements					
	2014			2013		
	Promoted business	Non Promoted business	Total	Promoted business	Non Promoted business	Total
Export sales	-	833,970	833,970	-	674,245	674,245
Local sales	130,218	22,329,775	22,459,993	64,772	20,681,255	20,746,027
<b>Total</b>	<b>130,218</b>	<b>23,163,745</b>	<b>23,293,963</b>	<b>64,772</b>	<b>21,355,500</b>	<b>21,420,272</b>

## 36 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2014 and 2013 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years, after adjusting the own shares held by subsidiaries and the number of the ordinary shares to reflect the impact of the split of par value of shares as discussed in note 22 to the financial statements. The prior year's basis earning per share has been recalculated as if the split of par value of shares had been distributed at the beginning of earliest year. The calculations are as follows:

(in thousand Baht / thousand shares)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Profit attributable to ordinary shareholders of the Company (Basic)</b>	<b>1,332,113</b>	<b>606,013</b>	<b>986,233</b>	<b>368,529</b>
Number of ordinary shares outstanding at 1 January	2,019,000	2,019,000	2,019,000	2,019,000
Effect from split of par value of shares	18,171,000	18,171,000	18,171,000	18,171,000
Effect of own shares held by subsidiaries	(222,164)	(222,164)	-	-
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b>19,967,836</b>	<b>19,967,836</b>	<b>20,190,000</b>	<b>20,190,000</b>
<b>Earnings per share (basic) (in Baht)</b>	<b>0.07</b>	<b>0.03</b>	<b>0.05</b>	<b>0.02</b>

### 37 Dividends

At the annual general meeting of the shareholders of the Company held on 24 April 2014, the shareholders approved the appropriation of dividend of Baht 0.15 per share, amounting to Baht 302.85 million. The dividend was paid to the shareholders in May 2014.

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 the shareholders in May 2013.

### 38 Financial instruments

#### *Financial risk management policies*

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

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

#### *Capital management*

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

#### *Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly floating. The Group is primarily exposed to interest rate risk from its borrowings.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective Interest rate	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)				(in thousand Baht)
<b>2014</b>					
<b>Current</b>					
Bank overdraft and short-term	MOR-2.25 to MOR+2,				
loans from financial institutions	LIBOR-3 to LIBOR-2	2,743,488	-	-	2,743,488
Current portion of long-term	MLR-1.5 to MLR-0.75,				
loans from financial institutions	3M EURIBOR+1.65	669,610	-	-	669,610
<b>Non-current</b>					
Long-term loans from financial institutions	MLR-1.5 to MLR-0.75,				
	3M EURIBOR+1.65,				
	6M EURIBOR+1.1, 6M USD LIBOR+2.2	-	8,600,470	7,062,487	15,662,957
Debentures	5.00 to 5.30	-	8,000,000	-	8,000,000
<b>Total</b>		<b>3,413,098</b>	<b>16,600,470</b>	<b>7,062,487</b>	<b>27,076,055</b>
<b>2013</b>					
<b>Current</b>					
Bank overdraft and short-term loans					
from financial institutions	MOR to MOR+2	1,577,461	-	-	1,577,461
Current portion of long-term loans					
from financial institutions	MLR-1.5 to MLR-1	1,207,003	-	-	1,207,003
<b>Non-current</b>					
Long-term loans from financial institutions	MLR-1.5 to MLR-1,				
	6M EURIBOR+1.1	-	2,005,399	1,684,927	3,690,326
Debentures	5.20	-	3,000,000	-	3,000,000
<b>Total</b>		<b>2,784,464</b>	<b>5,005,399</b>	<b>1,684,927</b>	<b>9,474,790</b>

# Notes to the financial statements |

TPI Polene Public Company Limited and its Subsidiaries

	Effective Interest rate	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
<b>2014</b>	(% per annum)	(in thousand Baht)			
<b>Current</b>					
Bank overdraft and short-term loans from financial institutions	MOR-2.25 to MOR+2, LIBOR-3 to LIBOR-2	2,200,426	-	-	2,200,426
Current portion of long-term loans from financial institutions	MLR-1.25 to MLR-0.75, 3M EURIBOR+1.65	363,919	-	-	363,919
<b>Non-current</b>					
Long-term loans from financial institutions	MLR-1.25 to MLR-0.75, 3M EURIBOR+1.65, 6M EURIBOR+1.1, 6M USD LIBOR+2.2	-	6,154,948	6,756,797	12,911,745
Debentures	5.00 to 5.30	-	8,000,000	-	8,000,000
<b>Total</b>		<b>2,564,345</b>	<b>14,154,948</b>	<b>6,756,797</b>	<b>23,476,090</b>
<b>2013</b>					
<b>Current</b>					
Bank overdraft and short-term loans from financial institutions	MOR to MOR+2	845,119	-	-	845,119
Current portion of long-term loans from financial institutions	MLR-1.5 to MLR-1	1,207,003	-	-	1,207,003
<b>Non-current</b>					
Long-term loans from financial institutions	MLR-1.5 to MLR-1, 6M EURIBOR+1.1	-	1,577,215	1,501,419	3,078,634
Debentures	5.20	-	3,000,000	-	3,000,000
<b>Total</b>		<b>2,052,122</b>	<b>4,577,215</b>	<b>1,501,419</b>	<b>8,130,756</b>

## 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:

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>United States Dollars</b>					
Cash and cash equivalents	5	105,741	120,571	16,239	42,443
Trade accounts receivable	7	646,082	392,009	-	-
Interest-bearing liabilities	16	(740,548)	(716,341)	(251,884)	(62,955)
Trade accounts payable	17	(146,812)	(242,113)	(988)	(984)
		<b>(135,537)</b>	<b>(445,874)</b>	<b>(236,633)</b>	<b>(21,496)</b>
<b>EURO</b>					
Cash and cash equivalents	5	343	1,017	104	825
Trade accounts receivable	7	355	-	-	-
Interest-bearing liabilities	16	(6,268,957)	(680,297)	(6,214,559)	(648,413)
Trade accounts payable	17	(14,085)	(10,876)	-	-
		<b>(6,282,344)</b>	<b>(690,156)</b>	<b>(6,214,455)</b>	<b>(647,588)</b>
<b>Others</b>					
Cash and cash equivalents	5	421	406	397	359
Interest-bearing liabilities	16	(14,360)	-	(14,360)	-
Trade accounts payable	17	(7,704)	(477)	-	-
		<b>(21,643)</b>	<b>(71)</b>	<b>(13,963)</b>	<b>359</b>
<b>Gross financial position exposure</b>		<b>(6,439,524)</b>	<b>(1,136,101)</b>	<b>(6,465,051)</b>	<b>(668,725)</b>

**Credit risk**

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

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

**Liquidity risk**

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

**Determination of fair values**

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

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

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

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

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

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

(in thousand Baht)

<b>Consolidated financial statements</b>				
	2014		2013	
	Fair value	Carrying value	Fair value	Carrying value
<b>Financial assets:</b>				
Prepaid rentals	108,375	182,767	107,296	185,341
<b>Financial liabilities:</b>				
Debentures	8,083,576	8,000,000	3,029,360	3,000,000

(in thousand Baht)

<b>Separate financial statements</b>				
	2014		2013	
	Fair value	Carrying value	Fair value	Carrying value
<b>Financial assets:</b>				
Prepaid rentals	80,781	136,580	79,988	138,505
<b>Financial liabilities:</b>				
Debentures	8,083,576	8,000,000	3,029,360	3,000,000

**39 Commitments with non-related parties**

(in thousand Baht / thousand shares)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Capital commitments</b>				
<i>Contracted but not provided for</i>				
Agreements for construction, machine and equipment	<u>4,296,308</u>	<u>14,611,102</u>	<u>2,938,556</u>	<u>11,182,309</u>
<b>Non-cancellable operating lease commitments</b>				
Within one year	82,172	84,616	42,904	41,592
After one year but within five years	90,149	85,500	51,913	46,922
After five years	-	1,596	-	1,596
<b>Total</b>	<u>172,321</u>	<u>171,712</u>	<u>94,817</u>	<u>90,110</u>
<b>Other commitments</b>				
Unused letters of credit	619,791	4,500,131	397,957	4,190,429
Purchase agreement for raw material	84,306	2,354,201	-	15,225
Bank guarantees	309,272	293,949	224,879	211,333
<b>Total</b>	<u>1,013,369</u>	<u>7,148,281</u>	<u>622,836</u>	<u>4,416,987</u>

**40 Contingent liabilities**

As at 31 December 2014, 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 5.4 million. 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 30 September 2014, the litigants agreed to settle the legal dispute. The plaintiff and the others withdrew the lawsuit which the Court allowed.
- 3) As of 23 July 2010, there was a case in which a foreign company (Plaintiff) sued a joint venture of the Company (1<sup>st</sup> Defendant) and others (2<sup>nd</sup> to 5<sup>th</sup> 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 1<sup>st</sup> Defendant. These five Defendants had testified that the Plaintiff is not a shareholder of the 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> Defendant breached the terms and conditions of the joint venture agreement between the 1<sup>st</sup> Defendant and the co-defendant, and a shareholder of a 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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, 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 1<sup>st</sup> Defendant recorded 1.8 million shares held by one of the 1<sup>st</sup> Defendant's shareholders, in the name of the Company (co-defendant), in the shareholders registry, and the list of shareholders of the 1<sup>st</sup> Defendant; and submitted a copy of the list of shareholders (BOJ. 5) of the 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> Defendant from making changes to the list of the shareholders of the 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> Defendant as of 7 November 2011; of which the 1<sup>st</sup> 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 1<sup>st</sup> 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%.

As mentioned above, the Company has therefore prepared consolidated financial statement as at 31 December 2014 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. As the Plaintiff does not appeal to Supreme Court, the case in relation to the temporary protection is final. As to the main disputed issues of this case, the Court ordered temporary dismissal of the case awaiting the decision in the Black Case No. 1367/2553 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. 1/2556 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. On 16 July 2014, the Appeal Court upheld the order of rejection to the Company's interpleading. The Company filed the appeal with the Supreme Court on 30 October 2014.

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 27 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. On 26 March 2014, the Court ordered the case to be proceeded and passed a judgment of the case on 24 December 2014 to revoke the resolution of the extraordinary general meeting on 11 October 2013. The Company filed an appeal on 21 January 2015.

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 ordered temporary dismissal of the case awaiting the decision in the Black Case No. 1367/2533 of the Bangkok South Civil Court.

On 10 January 2014, the Company as a plaintiff filed a lawsuit against the foreign company and other parties, totally 8 persons for invalidation of the extraordinary general meeting no. 4/2556 of the joint venture on 11 December 2013 in Oslo, Norway. The Court ordered temporary dismissal of this case until the result of the Black Case No. 1367/2553 of the Bangkok South Civil Court is known.

On 28 February 2014, the foreign company as a plaintiff filed a lawsuit against the Company and the joint venture for invalidation of the extraordinary general meeting of the joint venture on 20 December 2013. The Court scheduled the presentation of witnesses on 26 June and 7 July 2015 for the Plaintiff's witnesses as well as 8 and 10 July 2015 for the Defendant's witnesses.

Thereafter, on 3 March 2014, the foreign company as a plaintiff filed a lawsuit against the Company and the joint venture for invalidation of the extraordinary general meeting of the joint venture on 4 February 2014. The Court scheduled the presentation of the Plaintiff's witnesses on 23 and 30 January 2015 for the presentation of the Defendant's witnesses on 3 and 10 March 2015. On 23 January 2015, the date of presentation of the Plaintiff's witness, the Court issued an order to temporarily dismiss the case pending the outcome of the case, black case No. 1367/2553 of the South Civil Court.

After that, on 21 May 2014, the foreign company as a plaintiff filed another lawsuit against the Company and the joint venture for invalidation of the general meeting of the joint venture company on 23 April 2014. The presentation of the Plaintiff's witnesses will be on 21 - 22 April 2015 while the presentation of the Defendant's witnesses will be on 9 - 10 June 2015.

Thereafter, on 19 September 2014, the foreign company as a plaintiff filed another lawsuit against the Company and the joint venture for invalidation of the extraordinary general meeting of the joint venture company on 27 August 2014. The Court the presentation of witnesses on 21 - 22 July 2015 for the Plaintiff's witnesses as well as 23 - 24 July 2015 for the Defendant's witnesses.

On 14 November 2014, the foreign company as a plaintiff filed a lawsuit against the Company and the joint venture for invalidation of the extraordinary general meeting of the joint venture on 31 October 2014. During the hearing before the witness presentation, the Court dismissed the case temporarily, pending the outcome of the case, black case No. 1367/2553 of the South Civil Court.

- 4) 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 acceptance of the appeal by the Central Administrative Court.

#### 41 Events after the reporting period

On 22 January 2015, the Company issued the unsecured, unsubordinated debentures in registered form with debenture holders' representatives in the total amount of Baht 6,000 million, which was comprises of Tranche 1, with the maturity term of 4 years together with a fixed interest rate at 4.85% p.a., payable quarterly in the amount of Baht 3,000 million and Tranche 2, with the maturity term of 5 years together with a fixed interest rate at 5.20% p.a., payable quarterly in the amount of Baht 3,000 million.

#### 42 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TAS 40 (revised 2014)	Investment Property	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015

TFRS	Topic	Year effective
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 12 (revised 2014)	Service Concession Arrangements	2015
TFRIC 13 (revised 2014)	Customer Loyalty Programmes	2015
TFRIC 14	TAS 19 (revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction 2015	

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new and revised TFRS assessed to have the greatest potential impact on the financial statements in the period of initial application. These new and revised TFRS are as follows:

***TFRS 10 - Consolidated Financial Statements, TFRS 11 - Joint Arrangements, TFRS 12 - Disclosures of Interests in Other Entities***

TFRS 10 introduces a single control model to determine whether an investee should be consolidated. As a result, the Group may need to change its consolidation conclusion in respect of its investees, which may lead to changes in the current accounting for these investees.

Under TFRS 11, the structure of a joint arrangement, although still an important consideration, is no longer the main factor in determining the type of joint arrangement and, therefore, the subsequent accounting.

- The Group's interest in a joint operation, which is an arrangement in which the parties have rights to the assets and obligations for the liabilities, will be accounted for on the basis of the Group's interest in those assets and liabilities.
- The Group's interest in a joint venture, which is an arrangement in which the parties have rights to the net assets, will be equity accounted.

The Group may need to reclassify its joint arrangements, which may lead to changes in current accounting for these interests.

TFRS 12 brings together into a single standard all the disclosure requirements about an entity's interests in its subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group is currently assessing these disclosure requirements in comparison with the existing disclosures. TFRS 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

Management estimates that the impact on the consolidated financial statements will be as follows:

<b><i>Consolidated statement of financial position</i></b>	31 December 2014	1 January 2014 (in thousand baht)
Decrease in total assets	(101,576)	(115,204)
Decrease in total liabilities	(101,576)	(115,204)

***TFRS 13 - Fair Value Measurement***

TFRS 13 provides a single source of guidance on how fair value is measured, and replaces the fair value guidance that is currently dispersed throughout TFRS. Subject to limited exceptions, TFRS 13 is applied when fair value measurements or disclosures are required or permitted by other TFRSs. The Group is currently reviewing its methodologies in determining fair values. Any material differences in the measurement of fair values resulting from this review will be accounted for in accordance with the transitional provision of TFRS 13.



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