

Annual Report 2014



Southern Concrete Pile Public Company Limited

Vision

To be a leading manufacturer of prestressed concrete products, with professional provision of quality products and excellent services to customers.

Missions

- Committed to development of superior and diversified products and services;
- Promote and develop potentials of personnel resources continuously;
- Create sustainable values for customers, shareholders, employees and all relevant parties;

Ideologies and Values

Moving ahead together and committed to be a sustainable leading manufacturer of prestressed concrete products.

- Adherence to ethical standard, merit and professional principles;
- Commitment to careful development of quality products and services in all processes;
- Encouraging personnel to believe in their thinking and to making decisions for initiative atmospheres and creation of innovation within the organisation, resulting in strong and sustainable organisational development;



**Quality Policies : Qualities beyond standards,
excellent services and ideal teams of personnel**

Contents

3	Policies and the overview of Business Operation
6	Nature of business Operation
15	Risk Factors
16	General Data and Other Significant Information
17	Shareholders
18	Dividend payment Policy
19	Management Structure
33	Corporate Governance
40	Corporate Social Responsibilities (CSR)
42	Internal Control and Risk Management
43	Related Transactions
44	Financial Ratio 2014
45	Summary the company performance in 2014
48	Report of the Audit Committee for the year 2014
49	Report on the Board of Directors' Responsibilities for the Financial Report
50	Auditor's Report
52	Financial Statements



Policies and the Overview of Business Operation

Southern Concrete Pile Public Company Limited (the Company hereafter), incorporated on 28th August 1979, with the registered capital of 1,600,000 Baht, aiming at producing prestressed concrete and providing transport and pile driving services in Muang Phuket District of Phuket Province, has expanded its project developments to other provinces including Ban Nasarn District of Surat Thani Province, Hat Yai District of Songkhla Province, Muang Udon District of Udon Thani Province, Ban Beung District of Chonburi Province, Sampran District of Nakhon Pathom Province and Muang Phuket District of Phuket Province. At present, the Company has totally 6 factories and 1 sales office in Surat Thani Province.

Significant Changes and Developments;

Significant historical changes and developments relating to business operation and management of the Company are as follows:

May 1994:	- Transformed into a Public Company Limited;
Apr. 1995:	- Relocated its Head Office from Phuket to Bangkok;
Jul. 1995:	- Registered the change of its registered capital from 270 million Baht to 300 million Baht;
Sep. 1999:	- Restructured its debts with Industrial Finance Corporation of Thailand (IFCT);
Apr. 2000:	- Entered into a consortium agreement with Eastern Technical Engineering Company Limited;
Sep. 2000:	- Restructured its debts with Credit Agricole Indo Suez Bank; and received partial reduction of principal;
Jan. 2001:	- Accredited under ISO 9002:1994 Standard;
Apr. 2001:	- Shut down the Nakhon Si Thammarat Province factory for more effective control of the cost of production; and expanded the business line in telephone pole base works;
Feb. 2002:	- Restructured its debts with Asia Credit Public Company Limited;
Dec. 2002:	- Accredited under ISO 9001:2000 Standard; Expanded the business line in building contractor sector and housing;
Jun. 2003:	- Restructured its debts with Standard Chartered Nakornthon Bank Public Company Limited; and received partial reduction of principal;
Sep. 2003:	- Restructured its debts with Siam Industrial Credit Public Company Limited;
Nov. 2003:	- Increased concrete slab production capacity in Phuket and Udon Thani factories and concrete pipe production capacity in Surat Thani factory;
Feb. 2004:	- Invested in Phuket Ready Mix Company Limited amounted to 6.75 million Baht, with the shareholding ratio of 45%;
2005:	- Added a new product (prefabricated buildings) in Surat Thani factory;
May 2005:	- Transferred the Debt Restructuring Agreement from IFCT to TMB Bank Public Company Limited since both institutions have been merged;

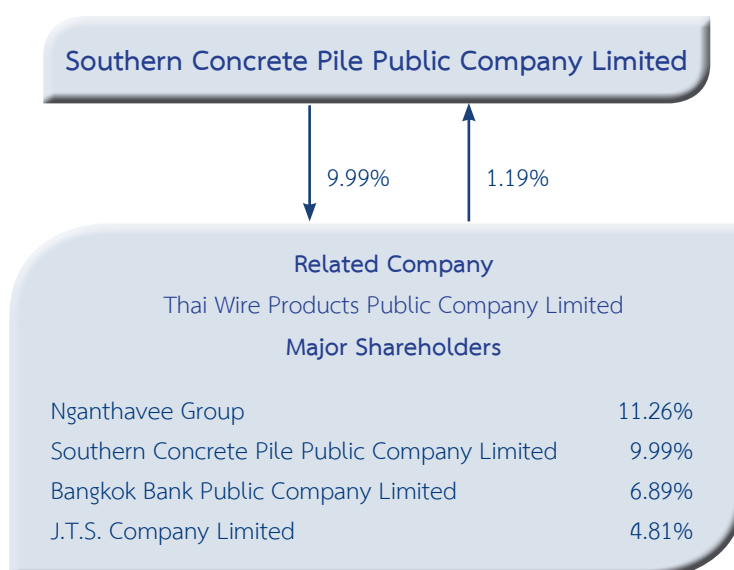
Aug. 2006:	- Increased concrete pipe production capacity in Hat Yai factory;
Dec. 2006:	- Cancelled the Consortium Agreement with Burapa Technical Engineering Company Limited, since the works have met the objective;
Jan. 2007:	- Increased concrete pipe production capacity in Phuket factory;
May 2007:	- Opened a new factory for distribution of ready-mixed concrete in Hat Yai District of Songkhla Province;
Nov. 2007:	- Sold all of its shares invested in Phuket Ready Mix Company Limited, to the existing shareholders who were not the related parties;
2008:	- Added a new product (concrete blocks for pavements) in Surat Thani factory; Shut down a concrete slab factory in Phuket and merged the concrete slab production line to the existing factory to reduce the costs; and maximized the efficiency of the factory;
Jan. 2010:	- Accredited under ISO 9001:2008 Standard;
Feb. 2011:	- Shut down a factory for distribution of ready-mixed concrete in Hat Yai District of Songkhla Province to reduce the costs;
Nov. 2012:	- Installed roofs covering the production platforms to increase the production capacity;
Jul. 2013:	- Adjusted the par value of common stocks from 10 Baht per share, totally 30 million shares to 1 Baht per share, totally 300 million shares, amounted to 300 million Baht and Fully repaid loans under the Debt Restructuring Agreement with TMB Bank Public Company Limited;
Oct. 2013:	- Increased a concrete pile production line in Surat Thani factory to increase the production capacity;
Oct. 2014:	- Sold all of its shares invested in Surat Ready Mixed Company Limited, and in Panyawaj Company Limited to unrelated parties;



Juristic person of which at least 10% of its shares are held by the Company:

No.	Name	Address	Business Type	Issued and Paid-up Common Stocks (M Baht)	Share-holding Ratio (%)
1	Related Company: Thai Wire Products Public Company Limited	99/2 Moo 8 Zeer Rangsit Building, 7 th Floor, Paholyothin Road, Lam Lukka District, Pathum Thani Province 21130; Tel : 0 2992 6867 Fax : 0 2992 6871	Manufacturing and distribution of high pressure steel wires	270	9.99%

Shareholding Structure of the Group Companies;



Relationship with the Business Group

Main business operations of the Company have been related with Thai Wire Products Public Company Limited, regarding the purchase and sale of raw materials, which are in accordance with normal trading conditions.



Nature of Business Operation

The Company's businesses consist of products and services, as follows:

1. Prestressed concrete products such as poles, piles, centrifugal-force spun piles, planks, bridge girders, plank girders and other concrete products;
2. Transport and pile installing services;

Structure of Total Incomes of Southern Concrete Pile Public Company Limited

No.	Products/Services	Operated By	% of shareholding of the Company	2014		2013		2012	
				M Baht	%	M Baht	%	M Baht	%
1	Prestressed concrete poles	-	-	92.37	5.30	132.84	6.36	114.36	7.08
2	Concrete products of the Electricity Authority	-	-	6.04	0.35	6.21	0.30	7.77	0.48
3	Piles/prestressed concrete spun piles	-	-	1,096.82	62.95	1,322.15	63.24	986.60	61.06
4	Planks	-	-	26.62	1.53	39.48	1.89	44.78	2.77
5	Bridge girders, plank girders	-	-	26.50	1.52	46.44	2.22	66.31	4.10
6	Other concrete products	-	-	31.49	1.81	20.69	0.99	30.33	1.88
7	Service works	-	-	462.45	26.54	522.85	25	365.69	22.63
	Total value of domestic distribution:	-	-	1,742.29	100	2,090.66	100	1,615.83	100
	Increase (decrease) rate of distribution value	-	-	(16.66)		29.39		13.91	

1. Nature of Products or Services

Types of Products

1. Prestressed concrete poles and concrete products of the Electricity Authority:

- Prestressed concrete poles, with the length of 6.00-22.00 meters; Produced under the standards of PEA, EGAT and MEA;
- Prestressed spun cross arms produced under the standard of PEA, with the length of 1.50-3.20 meters;
- Stubs and piles of PEA (all sizes of cross-sections and lengths);
- All sizes of Scaffold beams for transformers, all sizes of anchor;
- All types of PEA pole foundations have been tested for quality and accreditation under the standard requirements of such units;



2. Square piles and prestressed concrete I-shape piles

- Square piles, with the sizes of 15-65 centimeters;
- I-shape piles, with the sizes of 18-45 centimeters;
- The length of piles range between 3-35 meters; in case, longer piles are needed; or there are limitations of areas, connected piles can be the option. The connection joints shall be safely designed with strength of not less than the requirements under the TIS Standards of piles;
- Piles and all production processes of piles are designed and controlled by expert engineers;
- Piles can be produced under any standards requirement such as TIS, DOH, OARD or others;
- Piles can be installed with pure-driving or pre-bored methods by drop hammers, hydraulic hammers or hydraulic static pile drivers, which shall not cause noises and vibrations during the pile installing process as per the requirements or specifications;
- Integrity and weight-bearing capacity of piles shall be tested;

3. Centrifugal-Force Prestressed concrete spun piles

The centrifugal-force from spinning process shall strengthen the concrete and remove the excess water from concrete;

Special Qualities

- Produced by using concrete spinning process in moulds which are spun with high velocity by modern machine; as a result, the density of concrete texture shall be higher than concrete which are moulded by normal method; since the density of concrete is very high, therefore, the capillary action rate is very low; and concrete shall have better qualities of corrosion resistance;
- Produced by modern tools in all processes; therefore, the quality can be consistently maintained;
- Steel joints of piles shall be fastened with high-tension wires and most securely welded under the standards;

Prestressed concrete spun piles can be driven with 5 methods, as follows:

1) Pure-driving method;

Piles shall be driven with normal method by using drop hammers, hydraulic hammers or diesel hammers to the prescribed level or blow-count;

2) Pre-bored method;

Soil shall be excavated with the width equal to the diameter of piles, and the depth of approximately 6-10 meters, then, piles shall be put in boreholes and driven by pile drivers to the prescribed level or blow-count;

3) Auger-pressing method;

Piles shall be driven by using auger in pile holes and pressing the piles simultaneously until the remaining length is equal to 3-10 times of the diameter of piles, then, driving the piles to the prescribed level or blow-count;

4) Full auger-pressing method;

Piles shall be driven in the same manner as the auger-pressing method but soil shall be removed to the prescribed depth level without any subsequent pile driving;

5) Jack-in-pile method;

Piles shall be driven by using hydraulic static pile drivers, which can drive piles until reaching the compression value as prescribed without any interruption or vibration during operation.

Regarding the selection of any of the above pile-driving methods, engineers shall consider the suitability of the working areas including pressure and vibration which may affect nearby buildings.

4. Planks

Planks are flat-type prestressed concrete slabs with cross-sectional shape similar to boards with the width of 30 centimeters and 35 centimeters and the depth of 5 centimeters, placed tightly close to each other; no cement topping needed in the bottom part. After the process of structural topping, cement shall be mixed as composite with the planks.

5. Bridge Girders, Plank Girders

- Bridge girders shall be produced with types of box girders, I-girders or T-girders as per the standards prescribed by the government agencies;
- All production processes are audited and tested by expert engineers under the prescribed standards;
- Integrated product installation services are provided;

6. Concrete pipes and manholes

- The Company has its products of drainage concrete pipes (mortar joints) with diameters of 300, 400, 500, 600, 800, 1,000 and 1,200 centimeters; and the length of 1.0 meter;
- Products have been produced by modern machine and with the molding process, ensuring the quality and consistent size of work pieces and the right size of pipe joints and tightly adjoined joints of pipes, reducing the leakage problems;
- The Company can produce pipes under different standards to meet customers' requirements such as TIS.128 (quality work pieces RC.2 and RC.3) or standards as per customers' requirements;
- The Company has produced precast reinforced concrete manholes for drainage work to be used with reinforced concrete pipes for drainage work; whereas, sizes of products shall be in accordance with general standards and customers' requirements;
- Regarding the delivery of products, the Company has provided vehicles and equipment for transport of pipe products and manholes to the spots of use;

7. Sheet piles

"Sheet piles" are piles which shall be driven and placed tightly close to each other along the banks of canals, rivers or other spots to function as dikes for soil erosion prevention. The Company can produce sheet piles in different sizes, cross-sectional shapes and lengths such as sheet pile <<0.35x0.6 meter, <<0.45x0.60 meter, {{0.25x0.50 meter to {{0.50x0.50 meter, with the length of piles of 12-22 meters.

The design and production of piles have been operated by expert engineers in all processes to obtain qualified sheet piles that meet customers' requirements.

Normally, piles shall be driven and installed by drop hammers due to the flexibility in adjusting the pile caps advantage.

8. Cement floor tiles, concrete floor tiles and curb stones

- Cement floor tiles: Size: 0.30x0.30 meter; thickness: 4-6 centimeters
Size: 0.40x0.40 meter; thickness: 4-6 centimeters
- Concrete floor tiles: Size: 0.30x0.30 meter; thickness: 3 centimeters
Size: 0.40x0.40 meter; thickness: 4 centimeters
- Curb stones: Size: 0.15x0.30x1.00 meter

9. Other concrete products

- The Company can produce all other types of concrete products as per customers' requirements, including reinforced concrete products such as poles, beams, wall panels and other precast concrete products.
- Since the Company's products require spaces for bulk storage; therefore, the Company shall produce its products according to customers' orders and shall transport the products to customers immediately.
- Regarding the raw materials, there is no issue relating to the bulk storage premises because the raw materials are abundantly available domestically; therefore, the Company shall keep only adequate quantity of raw materials for production, at suitable amount.

10. Service works

- Transport

The Company has adequate trucks with 6-45 tons crane installed for transporting products.

- **Pile driving and installation**

The Company has provided its drop hammers, hydraulic pile drivers, jacks-in-pile for all types of pile driving services such as pure-driving method, pre-bored method, auger-pressing method or full auger-pressing method, as well as installation of electrical poles, box girders, plank girders and the like nationwide.

- **Potential replacement by new technologies**

At present, there is no tendency that the products shall be replaced by new technologies; however, the Company has regularly developed and improved its technologies and machineries to reduce the use of labor, to reduce its costs and to improve the quality and efficiency of its production for competitiveness with other vendors.

- **Adequacy of production machinery and personnel**

Machinery and personnel are still adequate for production; despite the increasing volumes of products, the Company's production lines have not yet reached their maximum production capacity.

- **Technical assistance agreements**

- None -

- **Environmental impacts**

- None - (the Company's factories are located far away from communities and the Company has never had any disputes relating to the environmental issues).

2. Marketing and Competition

Situations of marketing and competition

In 2014, the overall national economy has expanded at decreasing rates, with the growth rate of 1.0%, slowing down from those of 2013 (with the growth rate of 2.9%). The slowdown has occurred in all sectors, including overall consumption, export, tourism and overall investment. This was resulting from the lack of political stability within the country, high rates of debts in the household sector, crop prices tumbling, sluggish global economy, particularly, the investment sector which had direct impacts on the Company's businesses. In 2014, the Office of the National Economic and Social Development Board has estimated that the overall investment (including the public sector and the private sector) has decreased by 1.9%.

The said situation has affected the industrial sector of construction materials, resulting in the decreasing demands of the overall markets; therefore, the market of prestressed concrete industry has the oversupply status; and the market has belonged to buyers; and there have been the increasing pricing competitions, which had direct impacts on the Company's incomes (decreased by approximately 16.7%) due to the decreases in quantities and prices.



Competition Policy

- (1) The Company has emphasized the superior and consistent quality management in products and services until its quality management system has been accredited under ISO 9001:2008 Standard; as a result, customers are confident in the quality of products and services of the Company.
- (2) The Company has 6 manufacturing factories in different regions nationwide; and has been able to provide services to its customers more effectively and saving the transport expenses; as a result, the Company's costs are lower than those of its competitors.
- (3) The Company has its reputations for a long time with teams of executives and expert engineers; and has been trusted by customers in terms of standard quality of products, fair prices and punctual hand-over of works.
- (4) The Company has its high production capacity when compared to its competitors; as a result, the Company is able to respond to large projects within a limited period of time.
- (5) The Company has its own transport service units for flexible, fast and effective management of delivery of products.
- (6) The Company has a variety of products, including electrical poles, I-shape piles, square piles, spun piles, king piles, flat plates, deck slabs, pipes, concrete paving blocks and the like, as per customers' requirements.
- (7) The Company has provided the pile installation services in different styles, including pure-driving, pre-boring, auger press with final drive systems by using modern and highly effective hydraulic hammers; moreover, in 2014, the Company has increased a new installation system which is friendly to communities in order to reduce pollutions and environmental impacts. The new installation system is free of vibration, including jacked-in-pile system by using hydraulic static pile drivers, which gaining popularity among structural designers because the system has lower impacts to the nearby buildings and is ideal for construction of low-rise buildings such as condominiums or downtown office buildings.

Situations of competition in the industry

Regarding the Company's products of electrical poles and accessories, the Company has its sole and main buyer, i.e., the Provincial Electricity Authority (PEA), with the budget for nationwide purchase orders in 2015, approximately 1,120 million Baht, which has significantly decreased from those of the previous year. There are approximately 30 suppliers of electrical poles in Thailand; and in the markets of these industrial groups, the Company is one of the top marketing leader with huge market shares because the Company has its advantages of having manufacturing factories nationwide; however, the Company has only 10% of its gross sales from these products.

Pile product markets

Sine I-shape prestressed concrete piles and square piles are extra heavy products; therefore, transport expense is one of the key factors that restrict the competition; and the situations of competition in the industry shall be considered, divided by areas of each factory in each region, as follows:

Southern Region. The Company has 3 factories in the Southern Region, i.e., Phuket Factory, Surat Thani Factory and Hat Yai Factory; therefore, the Company is able to meet the market demands in all southern provinces; and is the manufacturer with highest production capacity in the region. Since the Company has 3 factories in the Southern Region, with the total production capacity of approximately 214,400 cubic meters per year; therefore, the Company has been a marketing leader for a long time; and the majority of its competitors in this region are companies of small and medium sizes, each having only one factory.



In 2015, several mega projects will be launched, including Wind Energy Project (from Pak Panang District of Nakhon Si Thammarat Province to Ranot District of Songkhla Province), Flood Relief Project in Hat Yai District of the Royal Irrigation Department and the Department of Public Works and Town and Country Planning, Department Stores Project in Phuket Province, Koh Samui Community Development Project, etc.

Eastern Region. The Company has its factory in Ban Beung District of Chonburi Province to support the continuous expansion of the Eastern Seaboard Project; at present, the Company has approximately 10 competitors in the Eastern Region where most factories have relatively equivalent production capacity; however, the customers' requirements in this Region are focused on high quality products and excellent services, safety management system, preparedness of the management team and expert engineers; therefore, the Company has its advantages in terms of competitive qualifications that have met customers' requirements.

In 2015, it is expected that there will be continuous investment expansion projects in petrochemical groups, double-track electric train project of the State Railway of Thailand, etc.

Northeastern Region. The Company has its factory in Muang District of Udon Thani Province, manufacturing square piles and other products such as bridge girders, king piles, to support the flood prevention works along the Mekong River banks, electrical pole works in Lao PDR. The Company has approximately 10 competitors in the Upper Northeastern Region where most factories have rather indifferent production capacity.

In 2015, it is expected that more project works will be launched to support AEC markets such as department stores, industrial estates, transmission line systems (115 KVA), etc.

Markets of spun pile products

Spun piles are the products produced with the state-of-the-art technologies and are of higher quality than I-shape piles and square piles; therefore, they are proper for construction works of buildings in Bangkok and its vicinity or in other urban areas, including mega projects of infrastructure such as expressways, energy projects and mass rapid transit networks; moreover, at present, engineering designers tend to use spun piles in port works along the coastlines because they are resistant to corrosion of sea water more effectively.

The Company has its spun pile manufacturing factory at Phutthamonthon Sai 7 Road, Sampran District, Nakhon Pathom Province. At present, the Company has 4 active competitors; and has its market shares at an average level of the industry. The Company has been highly trusted by customers in terms of quality of products, installation services and financial stability for successful implementation of large projects as targeted; and has created customers' satisfactions.

Hand-over of products

Punctual and on-time hand-over of products according to customers' requirements shall be another crucial factor of marketing strategies because it will help control customers' costs, which shall be directly beneficial to customers, particularly to construction contractors or business operators. The cost of time is the most valuable factor in the current situations of competition. Main operational guidelines for strategy of hand-over of products to the satisfaction of customers shall be as follows:

1. The Company has 48 transport trucks and dozens of standby joint service vehicles at all factories of the Company.
2. The Company has hydraulic hammers that are modern machineries with new technologies for rapid and much more effective installation of prestressed concrete piles than those of drop hammers in term of quickness of installation, reduction of pollutions in communities, reduction of losses, performance accuracy.

As per the principles of engineering and can be installed in different styles, including pure-driving, pre-boring, auger press with final drive systems, etc..

3. The Company has increased new machine, named “hydraulic static pile driver” for installation of piles; whereas, the entire units of piles shall be installed by means of “jacked-in-pile” without any pile driving; as a result, it shall be free of vibration, noise pollutions and friendly to nearby communities. The use of this machinery has become more popular among structural designers, particularly in construction of urban low-rise buildings.
4. With its high production capacity, the Company is able to supply adequate quantity of products to meet customers’ demands, particularly in large projects with limited operating time.

Services

1. The Company has its policy to closely cooperate with customers’ teams in calculation, design and planning stages of work in order to obtain the lowest costs and to generate profits to customers by the Company’s team of engineers.
2. The Company has provided the installation services by using auger press with final drive, pre-boring, and jacked-in-pile systems which help reduce vibration and compressibility potentially causing danger to nearby buildings. The installation system under this method is essential for urban units or densely populated areas.
3. The Company has provided the service of pile load test to customers in order to confirm the strong foundation of the constructed buildings.

Target markets

1. Due to investment in the government’s infrastructure, government agencies or state enterprises, including the Department of Public Works, the Ministry of Interior, the Ministry of Transport, the Expressway Authority of Thailand, the Provincial Electricity Authority, mass rapid transit networks, the Airports Authority of Thailand and other units, are main markets of the Company; and construction budgets have been allocated continuously and on a yearly basis. The Company has the value of sale in this group approximately 30% (including works sold through main contractors that have received works from the public sector).
2. The Company has also sold the prestressed concrete piles to government agencies through main contractors that have bid with the public sector such as Sino-Thai Public Company Limited, Italian-Thai Public Company Limited, CH. Karnchang Public Company Limited, Christiani & Nielsen Public Company Limited, Prayoonvis Company Limited, etc.
3. Business owners or private operators including industrial operators such as department stores, hospitals, industrial plants, real property businesses, etc..
4. Construction contractors, including local and foreign contractors in the public sector and the private sector, from small contractors to the top national contractors.

Pricing Policy

Since the Company’s products are highly competitive and mostly sold for project works which require high flexibility according to the market condition, the Company has mainly used its cost base pricing policy in the pricing and emphasizing the competitive pricing according to the rapidly changing market condition. Moreover, consumers are highly sensitive to prices; therefore, regarding the adjustment of prices, long-term impacts must be taken into consideration.

Distribution and Channels of Distribution

The Company has operated the business of manufacturing and distribution of all types of prestressed concrete products to its customers directly. The Company’s customers are mainly local customers, including the public sector and state enterprises. For electrical pole products, the Company’s main customers include the Provincial Electricity Authority; and for prestressed concrete piles and other products, the Company has contacted to sell products to customers directly, including key accounts and retail customers, contractors and project owners.

Trends of Industry and Competition in 2015

In 2015, it is estimated that the Thai economy will expand by 3.5%-4.5% due to the increase of export which has been adjusted according to the world economic recovery and the tourism industry. The reduction of oil prices will help to increase the purchasing power, investment in the private sector and policies of the public sector to accelerate the spending of budgets and investment, particularly in infrastructure projects such as double-track railway project, electric train routes, flood prevention projects of the Royal Irrigation Department and the Department of Public Works and Town and Country Planning, Renewable Energy Project, etc. It is expected that projects will be practically implemented during the second half of 2015. According to the said factors, it is predicted that during the first half of 2015, the situations of the construction materials industry, particularly the prestressed concrete industry shall still be the buyers' market; and the pricing competition will still be high but the situation will be improved during the second half of the year according to the expansion of works which shall potentially be commenced from the economic stimulus measures of the public sector, which shall result in the demand for continuous investment in the private sector.

Provision of products or services

At present, the Company has totally 6 factories nationwide to fully meet the consumers' demands; whereas, details relating to locations of the factories are as follows:

Name	: Southern Concrete Pile Public Company Limited
Address of Head Office	: 555 SSP Tower, 17 th Floor, Soi Sukhumvit 63 (Ekamai), North Klongton Sub-district, Wattana District, Bangkok 10110
Tel.	: 0 2711 5134 Fax. 0 2382 0351-2
Website	: www.scp.co.th
Company Registration No.	: 0107537001803 (Original Registration No. Plc.427)

Address of Factory



Phuket Factory

46/9, Village No.6, Thepkrasattri Road,
Ratsada Sub-district, Muang Phuket
District, Phuket Province, 83000
Tel. 0 7621 2120, 0 7621 6286,
0 7622-5161 Fax. 0 7621 3679
Email: scp-pk@scp.co.th

Surat Thani Factory

25/3, Ratbamrung Road,
Na San Sub-district, Ban Na San District,
Surat Thani Province, 84120
Tel. 0 7734 1995 6
Fax. 0 7734 1614
Email: scp-sr@scp.co.th

Hat Yai Factory

136/4, Village No.3, Phetkasem Road,
Thung Dam Sao Sub-district,
Muang Hat Yai District,
Songkhla Province, 90110
Tel. 0 7447 2044 7
Fax. 0 7447 2048
Email: scp-hy@scp.co.th

Nakhon Pathom Factory

16/12, Village No.3,
Hom Kred Sub-district, Sam Phran District,
Nakhon Pathom Province, 73110
Tel. 0 3432 2435 7
Fax. 0 3432 3579
Email: scp-np@scp.co.th

Udon Thani Factory

342, Village No.2, Khok Sa-art Sub-district,
Muang Udon Thani District,
Udon Thani Province, 41000
Tel. 081 391 1765
Fax. 0 4221 9970, 08 6455 3965
Email: scp-ud@scp.co.th

Ban Bueng Factory

18, Village No.2, Bang Bueng-kraeng Road,
Nong Sak Sub-district, Ban Bueng District,
Chonburi Province, 20170
Tel. 086 478 5687, 086 478 5689,
089 699 7826, 0 3811 9345
Fax. 0 3811 9346
Email: scp-bb@scp.co.th

Factory Map



Risk Factors

- Risks from Business Operations

The Company has its manufacturing factories nationwide; as a result, its channels of distribution have covered customers in several regions. Though key accounts of the Company are in the public sector and the private sector, there is no specific gross sales exceeding 30% of the total gross sales; therefore, the Company has no risk factors relating to the loss of any specific key accounts.

Raw materials that the Company has used in its production are produced locally and there are several suppliers of such raw materials; and the Company has no exclusive purchase orders with any particular supplier; therefore, the Company has no risk factors relating to the lack of raw materials or legal disputes. Despite fluctuation of raw materials prices according to situations of the business, there are still no risk factors on pricing.

- Financial Risks

The Company had its risks from fluctuation in financial assets and liabilities under its normal business operation because the Company had various and many groups of accounts receivable without emphasis on any particular major accounts receivable. Therefore, it was expected that the Company would not suffer any significant damage from its failure to collect debts from those accounts receivable. The Company had no policy of business transactions of financial derivative instruments for speculation and had not operated its businesses for export; therefore, the Company had no risks from exchange rates. Regarding its potential investment, the Company may invest in tools and machinery for its normal production; therefore, there was no impact on its solvency.

- Legal Risks

Since the Company's products are manufactured and sold domestically; therefore, there is no risks on trade law or international laws.

- Risks on Investment of Securities Holders

As of the end of 2014, the Company had the balance of its unappropriated retained earnings amounted to 935 million Baht; and the ratio of current liabilities to current assets was 0.28; and the ratio of total liabilities to total assets was 0.20; whereas, the Company has considered the matter and agreed that there was no risk that would cause investors' loss of the entire amount of investments.

However, rates of dividend payment or investment returns to be received by investors shall be subject to the annual operating results of the Company, thus, in accordance with the economic factors and political factors of the country.

- Measures for Numerical Impact Assessment

- None -

General Data and Other Significant Information

Company	: Southern Concrete Pile Public Company Limited
Business Operation	: Manufacturing and distribution of different types of prestressed concrete products, including transport and pile driving services.
Registered Capital	: 300 million Baht, divided into 300 million issued and paid-up common stocks, with the par value of 1 Baht each
Address of Head Office	: 555 SSP Tower, 17 th Floor, Soi Sukhumvit 63 (Ekamai), North Klongton Sub-district, Wattana District, Bangkok 10110
Company Registration No.	: 0107537001803
Home Page	: www.scp.co.th
Telephone No.	: 0-2711-5134 (10 automatic lines)
Facsimile No.	: 0-2382-0351-2
Auditor for 2014	: DIA International Auditing Company Limited; Miss Suphaphorn Mangjit CPA No.8125 or Miss Somjintana Pholhirunrat CPA No.5599 or Mrs. Suvimol Krittayakiern CPA No.2982
Securities Registrar	: Thailand Securities Depository Company Limited
Representatives of Debenture Holders	: The Company had no debentures
Legal Adviser	: The Company has its legal team without any outsourced legal consulting services
Consultant or Manager under the Management Agreement	: -None-



Shareholders

The number of registered and paid-up capital

Southern Concrete Pile Public Company Limited, has its registered capital as of 31st December 2014, totally 300 million Baht, divided into 300 million common stocks with the par value of 1 Baht each. (The Company had only common stocks without any policies of issuing other types of securities).

Top 10 Major Shareholders

No.	Group of Shareholders		AS AT 16/03/2015	
			Numbers of Shares Held	% of Total Shares
1	Chinteik Brothers Company Limited	*	92,886,400	30.96
2	Nganthavee Group	*	31,829,590	10.61
3	Thai NVDR Company Limited	***	15,400,200	5.13
4	Mr. Vichian Srimuninnimit	**	12,290,000	4.10
5	Thai Wire Products Public Company Limited	*	3,558,500	1.19
6	Mr. Sakchai Sakchaicharoenkul	**	3,000,000	1.00
7.	Mr. Thanakit Lorwatanapongsa	**	3,000,000	1.00
8.	Miss Rarin Utakapan Punjarungroj	**	2,664,700	0.89
9.	Mr. Somprasong Panjalak	**	2,200,000	0.73
10.	Elm Tree Company Limited	**	1,944,900	0.65

Notes: Relationships with the Company:

* Nganthavee Group;

** Third-party investors who had no relationship with “SCP”;

*** The Company’s shareholders issuing and offering for sale of investment units to investors; whereas, the Stock Exchange of Thailand (SET) is the major shareholders. Investors may retrieve data from the Company’s website: “www.scp.co.th” prior to the Annual General Meeting.

Issuance of Other Securities: - None -

Dividend Payment Policy

The Company had its policy to pay dividend to shareholders on a yearly basis at the rate of not exceeding 50% of the earnings after deduction of income tax, thus, depending on the operating results under the Separate Financial Statements, financial status, requirements for cash spending, available cashes, including other related factors as approved by the Board of Directors; therefore, the Board of Directors has deemed it expedient to pass its resolution relating to the approval of dividend payment to shareholders in 2014, as follows:

Particulars of Dividend Payment	2014	2013	2012	2011	2010
1. Earnings	332,109,792	411,036,614	218,431,176	84,832,000	45,263,385
2. Numbers of shares	300,000,000	300,000,000	30,000,000	30,000,000	30,000,000
3. Dividend payment					
3.1 Interim dividend	0.15	-	-	-	-
3.2 Balance of dividend	0.25	-	-	-	-
3.3 Total of dividend	0.40	0.30	0.40	0.22	0.15
4. Total of dividend payment	120,000,000	90,000,000	12,000,000	6,600,000	4,500,000
5. Dividend payment ratio	36.13%	21.90%	5.49%	7.78%	9.94%

In 2014, the Company paid the interim dividend for the first time on 11th September 2014 at the rate of 0.15 Baht/share, amounted to 45 million Baht;

Dividend Payment Policy of Subsidiaries: - No subsidiary -



Management Structure

The Board of Directors

The Board of Directors consisted of 8 members, including:

Executive Director	:	1 person
Non-executive Directors	:	4 persons
Independent Directors	:	3 persons

The Board of Directors

1. Mr. Pongpayome Vasaputi	Chairman of the Board of Directors/Chairman of the Audit Committee
2. Mr. Bonguea Limsuebchuea	Audit Director/Independent Director
3. Mr. Tasanai Atichati	Audit Director/Independent Director
4. Mrs. Arunee Nganthavee	Managing Director
5. Mr. Thamrong Nganthavee	Director
6. Mr. Suckchai Nganthavee	Director
7. Mr. Kitja Nganthavee	Director
8. Mr. Akamin Nganthavee	Director
9. Mrs. Nittaya Chunualsri	The Company's Secretary

Notes

- Authorized directors included Mrs. Arunee Nganthavee, Mr. Thamrong Nganthavee, Mr. Suckchai Nganthavee, Mr. Kitja Nganthavee and Mr. Akamin Nganthavee; provided that 2 out of these authorized directors shall jointly affix their signatures and the corporate seal.
- The Chairman of the Board of Directors shall be an independent director as designed by the Stock Exchange of Thailand (SET) and had no relationship with the Management.
- The Chairman of the Board of Directors shall not be the same person as the Managing Director for the purpose of division of duties relating to the determination of policies, supervision and management of regular works.
- Mr. Bonguea Limsuebchuea is an audit director, with knowledge and experiences in reviewing financial statements of the Company; and being an accounting adviser and service provider; and had no business relationship or professional service provision with the Company.

Scope of Powers and Duties of Executive Directors

1. To act as chairman of all executives.
2. To consider and approve action plans of each work section.
3. To follow up and take actions in accordance with the prescribed work plans and policies.
4. To consider and approve applications from different work sections which are beyond the commanding authority of such work sections.
5. To consider salary raises, appointment, transfer, punishments, dismissal or employment of executive officers.
6. To be empowered to assign other persons to act on their behalves when they are temporarily unable to do so themselves; or to assign other persons to act on their behalves under their discretions.
7. *To have powers of approvals as above-mentioned, except for authorization for approvals relating to related transactions as defined by the Office of Securities and Exchange Commission (OSEC).

Scope of Powers and Duties of the Audit Committee

1. To review for adequate and correct financial reporting of the Company;
2. To review for proper and effective internal control and audit systems of the Company; and to consider the independence of the internal audit unit; and to approve the consideration, appointment, transfer and dismissal of the head of the internal audit unit or of any other units responsible for such internal audit.
3. To review for the Company's compliance with the Securities and Exchange Act, Requirements of the Stock Exchange of Thailand (SET) and with the laws in connection with the Company's businesses.
4. To consider, select and nominate independent persons to function as the Company's auditor and to propose remunerations for such persons; and to attend meetings with the auditor without the Management's attendance, for at least once a year.
5. To consider the related transactions or transactions with potential conflicts of interests to be in accordance with the laws and Requirements of the Stock Exchange of Thailand (SET), thus, to ensure that such transactions shall be reasonable and for the utmost benefits of the Company.
6. To prepare reports of the Audit Committee to be disclosed in the Annual Report of the Company; whereas, such reports must be signed by the Chairman of the Audit Committee and must consist of at least the following data:
 - (a) Opinions relating to the correctness, completeness, reliability of the Company's financial reports
 - (b) Opinions relating to the adequacy of the Company's internal control systems.
 - (c) Opinions relating to the compliance with the Securities and Exchange Act and Requirements of the Stock Exchange of Thailand (SET) or with the laws in connection with the Company's businesses.
 - (d) Opinions relating to the suitability of the auditor.
 - (e) Opinions relating to transactions with potential conflicts of interests.
 - (f) The number of meetings of the Audit Committee and meeting attendances of each of the audit directors.
 - (g) Opinions or overall remarks that the Audit Committee has received from its performance of duties under the Charter.
 - (h) Other transactions that should be informed to shareholders and general investors under the scope of duties and responsibilities assigned by the Board of Directors.
7. To take any other actions as assigned by the Board of Directors with approvals of the Audit Committee.



The Board of Directors' Meetings

The Executive Committee shall convene meetings and shall report to the Board of Directors on a monthly basis so that the Board of Directors shall be able to supervise and control the operation of work and to give advice to the Management continuously and in a timely manners. Meanwhile, the Board of Directors shall convene meetings at least on a quarterly basis; whereas, the meeting agenda shall be clearly prescribed in advance; and invitation for the meeting, together with the meeting agenda and documents shall be sent in advance and prior to the meeting so that the Board of Directors shall manage the time to attend the meeting and to study the data adequately before attending the meeting. Meanwhile, the top management shall be encouraged to attend the meeting with the Board of Directors in order to obtain information and additional details as they are directly involved with the problems. In 2014, records of meeting attendances of each member of the Board of Directors can be summarized, as follows:

Name	Title	Number of Meeting Attendances/ Numbers of Meetings
1. Mr. Pongpayome Vasaputi	Chairman of the Board of Directors Chairman of the Audit Committee Independent Director	The Audit Committee's meetings (6/6) The Board of Directors' meetings (6/6) Annual General Meetings (1/1)
2. Mr. Bonguea Limsuebchuea	Audit Director, Independent Director	The Audit Committee's meetings (6/6) The Board of Directors' meetings (6/6) Annual General Meetings (1/1)
3. Mr. Tasanai Atichati	Audit Director/Independent Director	The Audit Committee's meetings (6/6) The Board of Directors' meetings (6/6) Annual General Meetings (1/1)
4. Mrs. Arunee Nganthavee	Managing Director	The Board of Directors' meetings (6/6) Annual General Meetings (1/1)
5. Mr. Thamrong Nganthavee	Director	The Board of Directors' meetings (6/6) Annual General Meetings (1/1)
6. Mr. Suckchai Nganthavee	Director	The Board of Directors' meetings (6/6) Annual General Meetings (1/1)
7. Mr. Kitja Nganthavee	Director	The Board of Directors' meetings (6/6) Annual General Meetings (-/1)
8. Mr. Akamin Nganthavee	Director	The Board of Directors' meetings (6/6) Annual General Meetings (1/1)

Note: In the event that any director is unable to attend a meeting, the Company shall send minutes of the meeting, together with other supporting documents to such director for acknowledgment.

Executives

The Executive Committee and Executive Officers

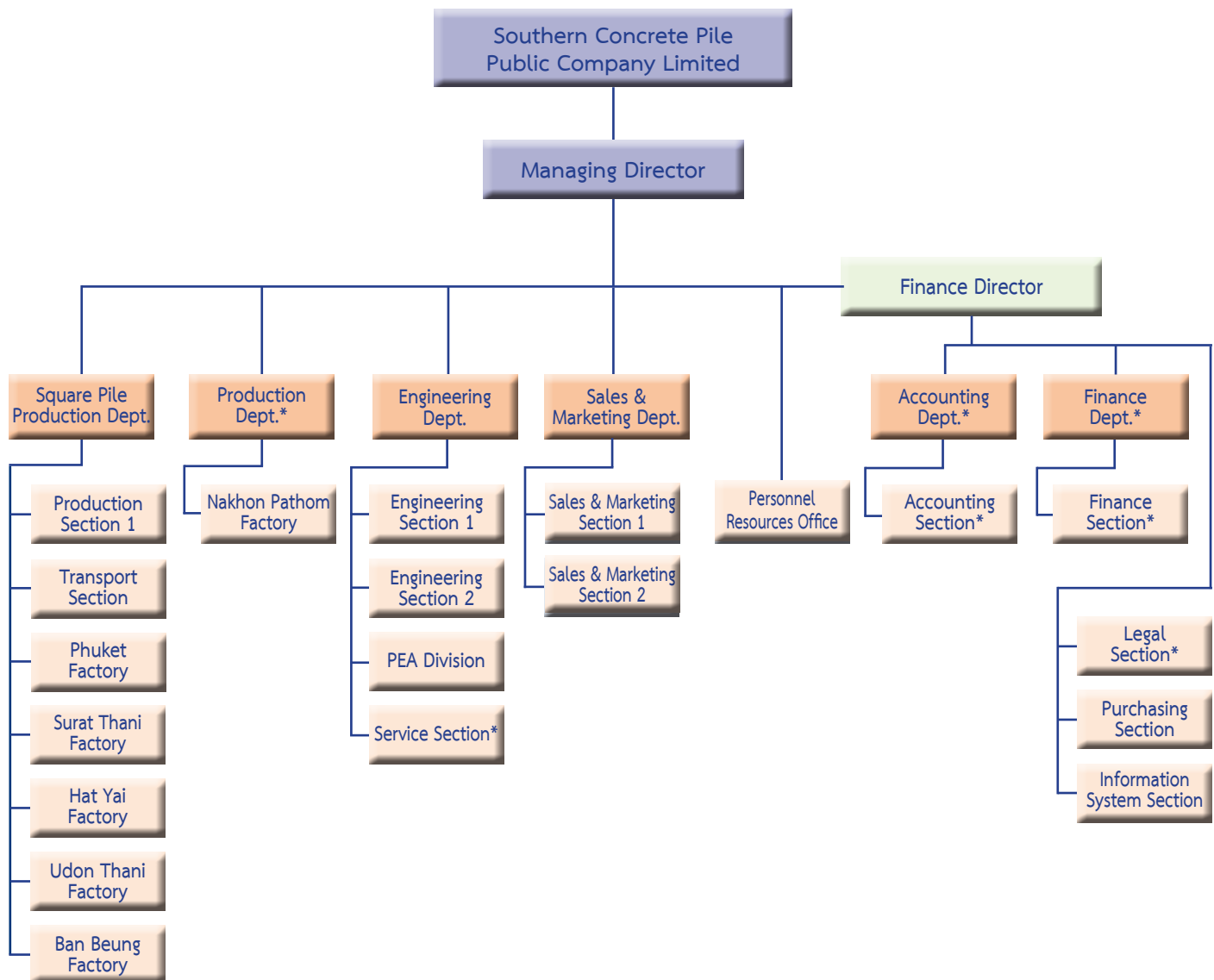
1. Mrs. Arunee Nganthavee	Managing Director
2. Miss Tipnara Nganthavee	Finance Director
3. Mr. Somsak Wattanatham	Production Manager/General Manager, Nakhon Pathom Factory
4. Mr. Taweesak Wongsuppachart	Square Pile Production Manager
5. Mr. Amnuai Emkosa	Sales and Marketing Manager
6. Mrs. Nittaya Chunualsri	Senior Accounting Manager
7. Miss Duangdao Sukhavanich	Finance Manager
8. Mr. Krisana Sartwathanaroj	Engineering Manager
9. Miss Tipaporn Rittawa	Accounting Manager

Powers and Duties of Executive Officers

1. To supervise and manage the Company's business operations in accordance with the laws, the Company's objectives and regulations and in accordance with objectives and policies of the Board of Directors.
2. To supervise and control employees and subordinates in compliance with the Company's rules and regulations; and to make working plans; to give advice; to follow up and supervise the performance of works of employees and subordinates in order to achieve the prescribed objectives.
3. To evaluate the work performances of employees and subordinates.
4. To have powers to approve transactions relating to the work procedures in the responsible chain of commands.
5. The Chief Executive Officer (CEO) shall have powers to approve all items of expenses which are transactions under normal practices of business operations, except for special transactions with significant impacts on the Company, which must be approved by Executive Directors/ Directors of the Company.



Management Structure



PARTICULARS OF THE MANAGEMENT, THE CONTROLLING PERSON AND THE COMPANY'S SECRETARY

1. Data of Directors, the Management, the Controlling Person and the Company's Secretary:

1.1 Particulars of Directors, the Management, the Controlling Person and the Company's Secretary:

	Name/ Position/ Date of Appointment	Age (Years)	Academic Qualifications/ Training Records	Share- holding Ratio (%)	Family Relationship between Directors and the Management	Work Experiences		
						Periods	Positions	Name of Unit/Company/Business Type
1	Mr. Pongpayome Vasaputi Chairman of the Board of Directors Chairman of the Audit Committee Independent Director Date of Appointment: 30 th April 2012	66	Master of Development Administration (Honour) National Institute of Development Administration Bachelor of Arts in Political Science (Honour) Chulalongkorn University Roles of Directors Training Program Roles of the Chairman Program, Finance for Non-Finance Directors Fundamental of Financial Statements	- None -	- None -	2012-Present 2007-2008 2007-2008 2006-2008 2009	Chairman of the Board of Directors Chairman of the Audit Committee Director Chairman Chairman Permanent Secretary Deputy Permanent Secretary	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products) EGAT Ratchaburi Electricity Generating Holding (Public) Co., Ltd. Provincial Electricity Authority (PEA) Ministry of Interior Ministry of Interior
2	Mr. Bonguea Limsuebchuea Audit Committee Independent Director Date of Appointment: 24 th April 2000	68	Master of Business Administration National Institute of Development Administration Bachelor of Arts in Commerce and Accountancy Thammasat University Roles of Directors Training Program Director Accreditation Program (DAP Group No.64/2007)	- None -	- None -	2000-Present 1998-Present	Director, Audit Committee Managing Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products) Accounting Data Management Co., Ltd. (Providing consulting, personnel training and development and accounting services)
3	Mr. Tasana Atichati Audit Committee Independent Director Date of Appointment: 13 th Nov. 2007	67	Bachelor of Arts, Chiang Mai University Roles of Directors Training Program	- None -	- None -	2007-Present 1998-Present	Director, Audit Director Managing Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products) Chlorophyll Co., Ltd.

Name/ Position/ Date of Appointment	Age (Years)	Academic Qualifications/ Training Records	Share- holding Ratio (%)	Family Relationship between Directors and the Management	Work Experiences		
					Periods	Positions	Name of Unit/Company/Business Type
4 Mrs. Arunee Nganthavee Managing Director Authorized Director as prescribed in the Certificate Date of Appointment: 1 st Sept. 1995	62	Bachelor of Business Administration, University of Denver Roles of Directors Training Program Director Accreditation Program (DAP Group No.2/2003)	0.61	Cousin of Directors No.5-7 Aunt of Director No.8 Sister of Executive No.10	1995-Present	Managing Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
5 Mr. Thamrong Nganthavee Director Authorized Director as prescribed in the Certificate Date of Appointment: 1990	67	Bachelor of Science in Mechanical Engineering Australia Roles of Directors Training Program -	0.34	Cousin of Directors No.4, 6-7 and Executive No.10	1998-Present 1998-Present 1990-Present	Managing Director Managing Director Director	Nganthavee Rubber Plantation Co., Ltd. (Operating rubber plantations) Chintek Brothers Company Limited (Operating mines and rubber plantations) Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
6 Mr. Suckchai Nganthavee Director Authorized Director as prescribed in the Certificate Date of Appointment: 13 th May 1994	64	Bachelor of Science in Urban Planning University of Wisconsin-Green Bay Roles of Directors Training Program -	- None -	Cousin of Directors No.4-5, 7 and Executive No.10 Uncle of Director No.8	1998-Present 1994-Present	Director Director	Chintek Brothers Company Limited (Operating mines and rubber plantations) Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
7 Mr. Kijja Nganthavee Director Authorized Director as prescribed in the Certificate Date of Appointment: 1990	57	Bachelor of Laws, Thammasat University Barrister-at-Law (Thai Bar), University College of Wales Aberystwyth, LLB Barrister-at-Law, Grey's Inn, Roles of Directors Training Program Directors Certification Program (DCP) Group No.26/2003, Finance for Non-Finance Directors Group No.4/2003,	0.40	Cousin of Directors No.4-6 and Executive No.10 Uncle of Director No.8	2004-Present 1999-2004 1990-Present 1987-2003	Director Director / Audit Director Director Lawyer and Partner	Chintek Brothers Company Limited (Operating mines and rubber plantations) ABN AMRO Securities (Public) Co., Ltd. Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products) International Legal Counsellors Thailand Co., Ltd.

Name/ Position/ Date of Appointment	Age (Years)	Academic Qualifications/ Training Records	Share- holding Ratio (%)	Family Relationship between Directors and the Management	Work Experiences		
					Periods	Positions	Name of Unit/Company/Business Type
8 Mr. Akamin Nganthavee Director Authorized Director as prescribed in the Certificate Date of Appointment: 29 th April 2008	33	Bachelor of Arts in Finance, Seattle University Roles of Directors Training Program -	0.04	Nephew of Directors No.4-7 and Executive No.10	2008-Present 2007-Present 2006 2005	Director Director Credit Officer Assistant Marketing Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products) Thal Wire Products (Public) Co., Ltd. (Manufacturer and distributor of high pressure steel wires) Siam Commercial Bank (Public) Co., Ltd. Thal Wire Products (Public) Co., Ltd. (Manufacturer and distributor of high pressure steel wires)
9 Mrs. Nittaya Chunalsri The Company's Secretary Date of Appointment: 13 th Aug. 2008 Senior Accounting Manager Date of Appointment: 1 st Sept. 2010	58	Bachelor of Arts in Commerce and Accountancy (Finance and Banking), Thammasat University	- None -	- None -	2010-Present 2008-Present 1996-2010	Senior Accounting Manager The Company's Secretary Accounting Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products) Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products) Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
10 Miss Tipnara Nganthavee Accounting and Finance Director Date of Appointment: 10 th Mar. 1995	51	Master of Business Administration, University of Denver	0.77	Sister of Director No.4 Cousin of Directors No.5-7 Aunt of Director No.8	1995-Present	Finance Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
11 Mr. Somsak Wattanatham Production Manager Date of Appointment : 1 st August 1993 General Manger Nakhon Pathom Factory Date of Appointment: 2 nd May 1996	60	Bachelor of Science in Engineering, Chiang Mai University	0.025	- None -	1996-Present 1993-Present	General Manger Nakhon Pathom Factory Production Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products) Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)

Name/ Position/ Date of Appointment	Age (Years)	Academic Qualifications/ Training Records	Share- holding Ratio (%)	Family Relationship between Directors and the Management	Work Experiences		
					Periods	Positions	Name of Unit/Company/Business Type
12 Mr. Taweesak Wongsupphachart Square Pile Production Manager Date of Appointment: 1 st Jan. 1999	60	High Vocational Certificate, Phuket Technical College	- None -	- None -	1999-Present	Square Pile Production Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
13 Mr. Amnuai Emkosa Sales and Marketing Manager Date of Appointment: 1 st Sept. 1991	54	Master's Degree, Kasetsart University Bachelor of Science in Engineering, King Mongkut's University of Technology Thonburi	- None -	- None -	1991-Present	Sales and Marketing Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
14 Miss Duangdao Sukhavanich Finance Manager Date of Appointment: 1 st Sept. 2000	54	Master of Business Administration, Siam University	- None -	- None -	2000-Present	Finance Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
15 Mr. Krisana Sartwathanaroj Engineering Manager Date of Appointment: 1 st May. 2005	49	Bachelor of Science in Engineering, Chulalongkorn University	- None -	- None -	2005-Present	Engineering Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
16 Miss Tipaporn Rittawa Accounting Manager Date of Appointment: 1 st Sept. 2010	43	Master of Business Administration, Southeast Asia University	- None -	- None -	2010-Present	Accounting Manager	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)

1.2 Particulars Relating to Executives and the Controlling Persons of the Company

Company Name	Southern Concrete Pile Public Company Limited	Related Company
Name - Surname		Thai Wire Products Public Company Limited
1. Mr. Pongpayome Vasaputi	/, //, ////	
2. Mrs. Arunee Nganthavee	M	*
3. Mr. Thamrong Nganthavee	*	
4. Mr. Suckchai Nganthavee	*	
5. Mr. Kitja Nganthavee	*	
6. Mr. Bonguea Limsuebchuea	///, ////	
7. Mr. Tasanai Atichati	///, ////	
8. Mr. Akamin Nganthavee	*	*
9. Miss Tipnara Nganthavee	N	
10. Mr. Somsak Wattanatham	~	
11. Mr. Taweesak Wongsuppachart	~	
12. Mr. Amnuai Emkosa	~	
13. Mrs. Nittaya Chunualsri	~, V	
14. Miss Duangdao Sukhavanich	~	
15. Mr. Krisana Sartwathanaroj	~	
16. Miss Tipaporn Rittawa	~	

Note

/ = Chairman of the Board of Directors	// = Chairman of the Audit Committee	/// = Audit Director
//// = Independent Director	* = Director	M = Managing Director
N = Division Director	~ = Manager	V = The Company's Secretary

The Company's Secretary

It is prescribed under the Securities and Exchange Act (No.4) B.E.2551, Section 89/1 that the Board of Directors must provide the Company's Secretary to be responsible for taking actions on behalf of the Company or the Board of Directors; therefore, in the Board of Directors' Meeting No.3/2008, the Board of Directors has passed its resolution to appoint Mrs. Nittaya Chunualsri to assume the position of the Company's Secretary, effective as from 13th August 2008 onwards.

Duties and Responsibilities of the Company's Secretary

Qualifications of the Company's Secretary

1. Having basic knowledge on business, accounting, laws, rules and regulations in connection with the Company.
2. Having knowledge and understanding on the Principles of Good Governance and Code of Practices of Corporate Governance.
3. Having independence and straightforwardness in performance of duties and in giving advice and opinions.

Scope of Powers and Duties of the Company's Secretary

1. To give primary advice to directors relating to matters of guidelines as per the criteria of the authorities, the Company's rules and regulations; to follow up the correct and consistent compliances; and to report any significant changes to directors.
2. To promote knowledge and understanding relating to corporate governance; to give data to the Board of Directors and to audit the results of compliance with the requirements of such principles.
3. To prepare the meeting agenda, supporting documents for the shareholders' meetings and the Board of Directors' meetings.
4. To convene shareholders' meetings and the Board of Directors' meetings in accordance with the laws, the Company's Regulations and the Code of Practices.
5. To record minutes of the shareholders' meetings and minutes of the Board of Directors' meetings; and to follow up the compliance with resolutions of the shareholders' meetings and with resolutions of the Board of Directors' meeting.
6. To prepare and keep the register of directors, annual reports of the Company, invitations to shareholders' meetings, invitations to the Board of Directors' meetings, minutes of the shareholders' meetings and minutes of the Board of Directors' meetings.
7. To have directors and executives prepare reports of their stakeholding and the related parties as per the legal requirements.
8. To keep reports of stakeholding of directors or executives and to send copies thereof to the Chairman of the Board of Directors and to the Chairman of the Audit Committee as prescribed by laws.
9. To supervise the disclosure of data and information reports.
10. To contact and communicate with shareholders for acknowledgment of their rights and the Company's news; and to act as medium between shareholders and the Board of Directors and executives.
11. To follow up the laws, requirements and Code of Practices relating to business operations.
12. To liaise between the Board of Directors and the Company's executives.

Remuneration of Directors and Executives

The determination of remunerations of the Company has not passed the Remuneration Committee because, at present, the Company has not yet established the Remuneration Committee; however, the determination of remuneration of directors has been carefully considered by the Board of Directors' meetings by taking account of roles, duties and responsibilities, including the operating results of the Company to be proposed to the shareholders' meetings for approval.

Amounts of Remunerations in 2014 In 2014, the Company has paid remunerations to directors and executives, as per the following details:

Name	2014		2013	
	Nature of Remunerations	Total Amount (Baht)	Nature of Remunerations	Total Amount (Baht)
1. Mr. Pongpayome Vasaputi (Independent Director)	Meeting allowances and position allowances	300,000	Meeting allowances and position allowances	300,000
2. Mr. Boonguea Limsuebchuea (Independent Director)	Meeting allowances and position allowances	270,000	Meeting allowances and position allowances	270,000
3. Mr. Tasanai Atichati (Independent Director)	Meeting allowances and position allowances	260,000	Meeting allowances and position allowances	260,000
4. Mrs. Arunee Nganthavee	Meeting allowances and position allowances	240,000	Meeting allowances and position allowances	240,000
5. Mr. Thamrong Nganthavee	Meeting allowances and position allowances	110,000	Meeting allowances and position allowances	105,000
6. Mr. Suckchai Nganthavee	Meeting allowances and position allowances	195,000	Meeting allowances and position allowances	200,000
7. Mr. Kitja Nganthavee	Meeting allowances and position allowances	240,000	Meeting allowances and position allowances	240,000
8. Mr. Akamin Nganthavee	Meeting allowances and position allowances	240,000	Meeting allowances and position allowances	240,000
Total		1,855,000		1,855,000

Note

- Independent directors did not hold any positions in subsidiaries or affiliates of similar classes.

Other remunerations: - None -

Monetary Remunerations of Executive Directors and Executives

Details	2014		2013	
	Number of Persons	Total Amount (M Baht)	Number of Persons	Total Amount (M Baht)
1. Executive Directors and the top management	9		9	
- Salaries and bonuses		26.78		23.07
- Other remunerations		3.66		3.63
2. the central management	18		18	
- Salaries and bonuses		17.70		15.73
- Other remunerations		1.20		1.17
Total	27	49.34	27	43.60

Personnel

The Company has totally 1,216 employees. In 2014, the Company has paid remunerations to its employees, amounted to 274 million Baht, including salaries, overtime pay, cost of living allowances, bonuses, special allowances, social security contribution and provident fund contribution, etc.

2014	Southern Concrete Pile Public Company Limited
Daily employees (people)	903
Monthly employees (people)	247
Executive employees (people)	29
Head Office employees (people)	37
Total (people)	1,216
Employees' remunerations (million Baht)	274

Significant changes of the number of employees during the past 3 years:

- None -

Significant labor disputes during the past 3 years:

- None -

Employee Development Policies

The Company has realised the importance of personnel within the organisation as a key factor that promotes the most effective operations of the organisation. The Company has emphasised on the development and upgrade of labor skills of its personnel to meet the agreed and equivalent standards of AEC, including the continuous improvement of skills, knowledge relating to technologies required in operations; therefore, the Company has organised training and development of skills and knowledge for its personnel continuously. Moreover, the Company has also created the learning culture within the organisation so that the organisation and the personnel shall have more efficient and effective working processes; and has connected the team working patterns and created the learning processes and understanding to cope with changes; and has also encouraged the teams to think and to make decisive decisions, which helped promote the initiative atmospheres and innovation within the organisation and resulting in sustainable and strong development of the organisation to become a leading manufacturer of prestressed concrete products and to be prepared to confront the competitive situations.



Corporate Governance

The Corporate Governance Policy

The Board of Directors has realized the importance of good corporate governance to create transparency; good faith and fairness which will help promote sustainable growth of the Company and to create competitiveness and benefits to all relevant parties. Therefore, the Board of Directors has prescribed the policy frameworks as operational guidelines.

The principles of corporate governance shall be divided into 5 sections, as follows:

1. Shareholders' rights;
2. Equal treatment to shareholders;
3. Consideration of the roles of stakeholders;
4. Disclosure of data and transparency;
5. Responsibilities of the Board of Directors;

The Board of Directors has wished that all relevant parties, executives, employees, including members of the Board of Directors, shall strictly comply with the policy frameworks prescribed, thus, for fair treatment to shareholders and all groups of stakeholders and for the utmost benefits of the Company.

SECTION 1 SHAREHOLDERS' RIGHTS

The Board of Directors has prescribed the policy frameworks for supervision and fair treatment to shareholders, as follows:

1. Rights to attend meetings and to cast votes of all shareholders; provided that, in case, any shareholder is unable to attend meetings in person, he/she may be present in meeting by proxy; whereas, the Company has facilitated shareholders by sending proxy forms to shareholders together with invitations for the meetings;

For convenience in traveling of shareholders, venues of shareholders' meetings shall be located in Bangkok only and must be venues that are convenient for transport.

2. Rights to elect individual directors or to nominate candidates for directorship in the Session of Director Election; the Company shall nominate individual candidates for directorship so that shareholders shall cast their votes and shall provide shareholders an opportunity to nominate other candidates for directorship than those selected by the Board of Directors. Shareholders may notify the Company of their intentions through the Company's website at www.scp.co.th or through the contact person as prescribed by the Company, thus, within the prescribed period prior to the meetings;

3. Rights to propose the meeting agenda or to submit questions in advance; shareholders may propose other meeting agenda than those prescribed by the Board of Directors; or in case, shareholders wish to submit questions relating to the Company, they may propose or submit the same in advance prior to the meetings through the Company's website or to the contact person as prescribed by the Company;

In case, any shareholder has inquiries or questions, he/she may inquire in shareholders' meetings; whereas, the Company shall provide expert officers in such matters to answer those questions or to clarify the same to shareholders; and all questions and answers shall be recorded in the minutes of the meetings.

4. Shareholders shall be given with fundamental rights as prescribed by laws;

SECTION 2 EQUAL TREATMENT TO SHAREHOLDERS

The Board of Directors has prescribed its policies for fair and equal treatment to shareholders, as follows:

1. The Board of Directors, executives or employees shall be prohibited to give any data, which shall affect the Company's stock prices, to shareholders individually or in groups; in case, the Company wishes to disclose such data, it shall disclose the same to the general public or through channels that all shareholders shall be notified simultaneously.

2. Storage of inside information which shall affect the Company's stock prices; stakeholders must carefully keep the inside information; in case of storage in an electronic system, the data protection system must be available; and rights of system users must be clearly limited.

3. The use of inside information which shall affect the Company's stock prices must be approved by superiors and consented by superiors of such data owners.

4. The Board of Directors and the top management who wish to trade the Company's stocks shall notify the same to the Board of Directors or to a person assigned by the Board of Directors 1 day in advance prior to the trading of such stocks; provided that it is prohibited to trade the Company's stocks during the period prior to the announcement of significant data which shall affect the stock prices.

SECTION 3 CONSIDERATION OF THE ROLES OF STAKEHOLDERS

In addition to shareholders' rights, the Board of Directors has realized the rights of all groups of stakeholders including customers, business partners, competitors, creditors and employees; and has also realized its corporate social responsibility; whereas, the Board of Directors has jointly prescribed the policy frameworks, as follows:

Customers' Rights

1. To provide customers with good quality and superior products and services at fair prices, the Company has provided the quality audit system at all processes, including the process of purchasing of raw materials which requires the screening of sources of raw materials, testing of quality of raw materials, selection of sellers, auditing of all production processes and testing of quality of products produced from the production lines by particular quality audit teams. In addition to the products, the Company has taken account of service works that should be received by customers quickly and in a timely manner; therefore, the Company has to provide enough trucks and pile drivers and to create trading alliances to support cases of urgent works.

In case, customers have received products or services of poor quality, the Company shall indemnify damages occurred from the use of such products or services or shall allow customers for replacement of products.

2. Process of price proposition for customers' selection; the Company shall provide transparent process thereof without offering a bribe to an officer or employee who is authorized to make decisions relating to the purchase orders so that customers shall receive products at fair prices which are worthy to the products and services received.

Rights of Business Partners/Creditors

1. The Company shall have fair and equal treatment to business partners and suppliers by taking account of utmost benefits of the Company; and it is prohibited to defame or discriminate any vendor.
2. The Company shall strictly and fairly comply with promises to creditors.

Rights of Competitors

1. To treat each other professionally under the rules of constructive competitions without violating the intellectual property or copyrights of others.
2. It is prohibited to insult, defame or accuse competitors or to seek confidential data of competitors by improper methods.

Rights of Employees

1. Employees shall be entitled to develop knowledge and abilities and to improve their potentials; moreover, employees shall be given with welfares in addition to salaries and wages.
2. Employees shall receive fair wage rates (at least according to the minimum wage rates as prescribed by laws).
3. Employees shall be entitled to receive safety protection while staying within factories and while working.

4. The Company shall not take any action which violates human rights or impairs rights and liberties of employees of all races and religions.
5. The Company has its policy to pay remunerations to its employees according to the operating results of the Company in each year and according to the results of performance appraisal of employees.

Corporate Social Responsibilities

1. The Company shall not take any action which may cause troubles to the environment or nearby communities; and shall be prepared to support CSR activities.
2. The Company shall not violate intellectual property or copyrights.
3. The Company shall not offer a bribe to a government officer which may promote corruption in the future.
4. The Company shall not offer a bribe to any person for its business benefits.
5. The Company shall use natural resources economically and perceptively of their value.

Anti-Corruption

1. Employees shall be prohibited to offer rewards, money, articles or any other benefits to the third party or a government officer to abuse powers for any benefits.
2. Employees shall be prohibited to demand and receive money or articles or any benefits from parties involved with the Company, which may result in unlawful acts or omissions.
3. Articles or money received during festive periods must be gathered as common articles; and the

Company shall allocate them as may be suitable.

Moreover, the Board of Directors has provided an opportunity for all groups of stakeholders to contact or complain in the event that they have not received fair treatment from the Company's personnel or having witnessed any corruption or abuse of power, by writing a letter of complaint to any member of the Board of Directors or to the Managing Director and sending it to the Company's Head Office; and the Company shall collect facts and shall provide investigation processes as may be suitable; and the Company shall not disclose the name of a whistleblower or a complainant before receiving his/her consent.

SECTION 4 DISCLOSURE OF DATA AND TRANSPARENCY

For shareholders' rights to receive the Company's data in a correct and transparent manner, the Board of Directors and the Audit Committee shall audit and review the data before releasing it to the general public; and shall supervise the completeness relating to the disclosure of significant data, which shall be specified in the Company's annual reports and shall also be disclosed in the statements of financial position.

Moreover, the Company has provided an investment relations officer so that investors will be able to contact the Company more conveniently at Telephone No.0-2711-5134 Ext.124.

SECTION 5 RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. The Board of Directors has jointly determined the policy and principles of good governance to be used as guidelines for business operations of the Company; and has provided the Code of Conduct so that employees and executives at all levels shall adhere to it as guidance to achieve the Company's goals and objectives for fair treatment to all stakeholders. The Company has disclosed its Code of Conduct at www.scp.co.th.

2. The Board of Directors shall be responsible for supervision and follow-up of the operational results to be in accordance with the prescribed policy and manuals.

3. The Board of Directors shall participate in determining the Company's visions and missions, which shall be reviewed in every 5 years.

4. For effective corporate governance, the Board of Directors should assume the office of director in no more than 5 registered companies.

5. The Board of Directors shall establish an audit committee consisting of 3 members; and shall also establish an internal audit unit to report to the Audit Committee.

6. The Board of Directors shall convene the Board of Directors' meetings and the Audit Committee's meetings for at least 4 times a year to consider and approve financial statements and to appoint directors, to appoint or dismiss the auditor, to consider remunerations of the auditor or directors, to consider and approve dividend payments or cancellation of dividend payments before submitting the same to the shareholders' meetings for approval.

7. The Board of Directors shall convene the shareholders' ordinary meeting(s) for at least once a year.

8. The Board of Directors shall, carefully and in good faith, consider and approve transactions with potential conflicts of interests, thus, for the benefits of the Company and its shareholders. Stakeholder directors shall abstain from voting or participating in the decision-making process.

9. The Board of Directors shall, honestly and in good faith, perform their duties in accordance with the laws and the Company's regulations, as well as resolutions of the shareholders' meetings; and shall protect the Company's interests.

Subcommittees

The Company's subcommittee is the Audit Committee established by the Company under the Requirements of the Stock Exchange of Thailand (SET); however, the Nomination and Remuneration Committee has not yet been established because the Board of Directors has considered that the business management within the organisation has not been complex and the organisation is not of large size.

However, the Board of Directors has established committees and subcommittees selected from directors and executive employees at the Head Office and branch offices (factories) to audit, follow up and verify the performances of work of units within the organisation.

Mr. Boonguea Limsuebchuea, an audit director of the Company, has the knowledge and experiences in reviewing the Company's financial statements and experiences in reviewing financial statements from his provision of accounting consultancy and services for more than 27 years, without any business relationship or professional service provision with the Company.

Nomination and Appointment of Directors and the Top Management

Criteria for Selection of Independent Directors

The Company has its criteria for selection of independent directors by selecting those who have knowledge, abilities, experiences and understanding in the Company's businesses and those who have visions and time for performance of duties and qualifications as per definitions of "Independent Directors"; whereas, the Company has considered that the independent directors as above-mentioned are able to properly apply their useful knowledge and abilities to the Company's businesses. (Definitions of "Independent Directors" are equivalent to the Requirements of the Office of the Securities and Exchange Commission (OSEC).

"Independent Directors" shall be referred to as directors who are fully qualified, as follows:

(1) Holding shares not exceeding 1% of the total voting shares of the Company, parent corporation, subsidiaries, affiliates or juristic persons with potential conflicts of interests; whereas, shareholding of persons involved with such independent director shall be included.

(2) Not being executive directors, workers, employees, consultants with regular salaries, controlling persons of the Company, parent corporation, subsidiaries, affiliates, subsidiaries of similar class or juristic persons with potential conflicts of interests (both at present and at least 2 years before being directors), not including cases of former civil servants, consultants of government agencies that are major shareholders or controlling persons.

(3) Not being persons who have blood relationship or legal relationship in terms of parents, spouses, siblings and children, including spouses of children, executives, major shareholders, controlling persons or persons nominated as executives or controlling persons of the Company or its subsidiaries.

(4) Not having business relationship with the Company, parent corporation, subsidiaries, affiliates or juristic persons with potential conflicts of interests in the manner which may impede free exercise of discretion (both at present and at least 2 years before being independent directors).

4.1 Not being auditors, including major shareholders, non-independent directors, executives or managing partners of audit offices (affiliation).

4.2 Not being other professional service providers such as legal advisers, financial advisers, asset valuers, etc., with the value of other professional service provision of more than 2 million Baht per year to the Company, parent corporation, subsidiaries or juristic persons with potential conflicts of interests; and not being major shareholders, non-independent directors, executives or managing partners of other professional service providers.

4.3 Not having received any direct and indirect benefits or having any interests from commercial or business transactions, including normal business transactions, transactions of lease or letting of real property, transactions relating to assets or services or transactions of financial assistances to the Company, parent corporation, subsidiaries, affiliates with the value of at least 20 million Baht or at least 3% of net tangible assets, whichever is lower; whereas, the value of transactions during 1 year before the date of having business relationship shall be included; and not being major shareholders, non-independent directors, executives or managing partners of persons who have such business relationship.

(5) Not being directors appointed to represent directors of the Company, major shareholders or shareholders who are related with major shareholders of the Company.

(6) Not operating businesses of similar condition that are significant competitors of businesses of the Company or subsidiaries; and not being significant partners in partnerships or executive directors, workers, employees, consultants with regular salaries or holding more than 1% of the total voting shares of other companies operating businesses of no other similar condition that are significant competitors of businesses of the Company or subsidiaries.

(7) Not having any other characteristics which may impair freedom to express opinions relating to the Company's business operations; provided that, after having been appointed as independent directors as per qualifications under (1)-(7), independent directors may be assigned by the Board of Directors to make collective decisions relating to business operations of the Company, parent corporation, subsidiaries, affiliates, subsidiaries of similar class or juristic persons with potential conflicts of interests.

Criteria for Nomination of the Company's Directors

Regarding the nomination of the Company's directors, at present, the Company has no nomination committee; therefore, the Company has prescribed guidelines for nomination, as follows:

The Company's Directors shall have qualifications, as follows:

1. Having qualifications and having no prohibited characteristics under the Public Limited Companies Act during the nomination;

2. In case of independent directors; having qualifications relating to independence as per the same guidelines as qualifications of the audit directors under the announcements of the Stock Exchange of Thailand (SET); and having the required knowledge and experiences; and must not be close relatives (such as parents, spouses, children, siblings, uncles/aunts including their spouses) of executives or major shareholders of the Company or subsidiaries; and must not be the Company's executive directors, employees, workers or consultants with regular salaries; and must not be professional service providers to the Company (such as auditors, legal advisers)*.

3. Having knowledge, abilities, experiences, honesty, business ethics and enough time to devote knowledge, abilities, experiences and performance of duties to the Company.

The nomination process shall be as follows:

1. Consider the suitability in terms of the number of members, structure and components of the Board of Directors compared to the Company's businesses and the markets.

2. Consider from shareholders and the third parties by adhering to the principles of qualifications.

3. In case of nomination from the third parties; consider the nomination from eminent persons with different occupational backgrounds and expertise; having leadership, visions, transparent and flawless work history; and having abilities to express opinions independently.

4. The Board of Directors shall jointly consider and nominate candidates for directorship to shareholders for appointment.

Appointment of the Board of Directors

According to the Company's Regulations, the Board of Directors shall consist of at least 5 members; and at least one half of the total number of members of the Board of Directors must be residing in Thailand; and regarding the appointment of members of the Board of Directors, each shareholder shall have the number of votes equal to the number of shares held and shall cast his/her entire and undivided votes to elect one or several person(s) as director(s); whereas, persons receiving maximum votes shall be respectively elected as directors equal to the number of directors required in such election; and, in case, the number of persons receiving equal votes exceeds to the number of directors required, then, the Chairman of the Board of Directors shall have a casting vote.

Independent directors shall have qualifications as prescribed by the Office of the Securities and Exchange Commission (OSEC); and the Company has provided its shareholders an opportunity to propose the term in office and to nominate persons to be elected as directors.

Removal of Directors

Directors shall be removed from office of directorship by resolutions of the shareholders' meeting passed by at least three-fourth of the total number of shareholders attending the meeting and having the voting rights and representing at least one half of the total number of shares held by shareholders attending the meeting and having the voting rights, or by the Court's order; or in the event that such directors are disqualified or having no prohibited characteristics under the Public Limited Companies Act B.E.2535.

Self-Assessment of the Board of Directors

The Board of Directors has assessed the overall performances of work and/or specific works as assigned; and for executive directors, the Company has prescribed a performance appraisal form for evaluation on an individual basis.

Director Development

The Board of Directors has promoted and facilitated the organisation of training and giving of knowledge to parties involved in the corporate governance system of the Company. In case of recruitment of new directors, the new directors shall always be introduced relating to the nature and guidelines of business operations of the Company; moreover, the Managing Director shall be obliged to report the development plans, performances of work in the current year and work plans in the following year to the Board of Directors; and to receive advice and recommendations from the Board of Directors.

Supervision of Operations of Subsidiaries and Affiliates - None -

Control of Insider Trading

For fair and equal treatment to all stakeholders, the Company has prescribed the provisions relating to the insider trading in its Code of Conduct that directors, executives and employees shall not use the Company's data for their own benefits and for the benefits of others; or shall not make others misunderstand that they have used the Company's data though the Company may not be disadvantaged; for examples, by purchasing the Company's shares when the operating results of the Company will be announced or dividends will be paid or a new project will be launched or any action will be taken which may result in changes in stock prices or acquisition of land or business investment in areas nearby the sites where the Company shall construct or expand its factories, offices or other workplaces in a manner of potentially seeking benefits for themselves or for others and cautions on the giving of data to colleagues or to the third parties ("insider information" means the information which has not yet been disclosed to the general public or the information which is available for the sole objective of the Company and not available for personal use, including the information kept temporarily undisclosed by the Company such as data from financial statements, dividend payment, which have not yet been submitted to the Stock Exchange of Thailand (SET), etc.); and has prescribed the disciplinary actions in the Company's Regulations, in case, the insider information has been used for personal benefits. Committees and executives shall report any changes of stock holding upon each purchase, sale, transfer or acceptance of transfer of stocks as per the report forms within the prescribed period of time; and it shall be reported to the Board of Directors for acknowledgment and shall be disseminated through channels of the Stock Exchange of Thailand (SET).

Audit Fee

The 2014 Annual Ordinary Meeting of Shareholders has passed its resolution to approve the appointment of Miss Suphaphorn Mangjit, CPA No.8125 or Miss Somjintana Pholhirunrat, CPA No.5599 or Mrs. Suvimol Krittayakiern, CPA No.2982 from DIA International Audit Company Limited, as the Company's auditor; and to approve the audit fee for the year 2014; whereas, the Company has paid the audit fee as per the Form of Verification of Payment of Audit Fee for the years ended on 31st December 2013 and 2014, as follows:

Remunerations for the Year 2014

1. Audit Fee

The Company shall pay the audit fee to:

- The Company's auditor for the previous accounting period amounted to 850,000 Baht;
- The audit office that the auditor is affiliated with, the related parties of the auditor and the audit office that the auditor is affiliated with, during the previous accounting period amounted to - Baht.

2. Non-audit Fee

The Company shall pay the non-audit fees, including travelling expense, duty stamps and the like to:

- The Company's auditor for the previous accounting period amounted to - Baht; and shall pay in the future, resulting from agreements on incomplete service provision for the previous accounting period amounted to - Baht.
- The audit office that the auditor is affiliated with, the related parties of the auditor and the audit office that the auditor is affiliated with, during the previous accounting period amounted to - Baht; and shall pay in the future, resulting from agreements on incomplete service provision for the previous accounting period amounted to - Baht.

Remunerations in 2013

1. Audit Fee

The Company shall pay the audit fee to:

- The Company's auditor for the previous accounting period amounted to 800,000 Baht.
- The audit office that the auditor is affiliated with, the related parties of the auditor and the audit office that the auditor is affiliated with, during the previous accounting period amounted to - Baht.

2. Non-audit Fee

The Company shall pay the non-audit fees, including traveling expense, duty stamps and the like to:

- The Company's auditor for the previous accounting period amounted to - Baht; and shall pay in the future, resulting from agreements on incomplete service provision for the previous accounting period amounted to - Baht.
- The audit office that the auditor is affiliated with, the related parties of the auditor and the audit office that the auditor is affiliated with, during the previous accounting period amounted to: - Baht; and shall pay in the future, resulting from agreements on incomplete service provision for the previous accounting period amounted to - Baht.

Compliance with the Principles of Good Governance - None -

Corporate Social Responsibilities (CSR)

Policy Overview

Throughout the period of 35 years, the Company has been growing and developing continuously and has created business opportunities and has been well prepared to cope with situations. These achievements would not be obtained without the Company's strong foundation; therefore, the Company has realized the significance of business operations with corporate social responsibilities, including fair business operations, anti-corruption, respects for human rights, fair treatment to labor, responsibilities to consumers, environmental protection, participation in community or social development, creation of innovation and dissemination of innovation obtained from CSR operations, thus, for sustainable businesses and society as a whole.

Operations and Preparation of Reports

The Company has prescribed guidelines for its CSR operations, as follows:

1. Fair Business Operation: The Company has adhered to the principles of good governance and has taken actions continuously by supporting the organisation of activities that promote and implant ethical consciousness to executives and employees within the organisation; and has also given the importance to communication, dissemination of the code of conduct and the principles of good governance, fair treatment to all stakeholders; and has notified all employees within the organisation relating to the disciplinary actions prescribed in the Company's Regulations for acknowledgment and compliance.
2. Anti-Corruption: The Company has given the importance to the correctness and transparency; and the Company's policy of business operation shall not be against the law; and the Company has implanted the principles of correctness and transparency all employees; and all employees shall not take any actions against the laws, morality, rules and regulations. Therefore, the Company has prescribed the guidelines for prevention and control of corruption in the Anti-Corruption Policy and in the Company's Code of Conduct, which have been approved by the Board of Directors; for examples, no seeking of corporate benefits, no receipt of benefits and having no financial involvement with persons who have business transactions with the Company, and guidelines for receipt of customary gifts from persons who have business transactions with the Company, etc.; moreover, the Company has provided channels of reporting and has prescribed the penalties for any violation thereof. For more details, please see the Company's website.
3. Respects for Human Rights: The Company has realized and respected human rights, individualism and human dignity, equality, non-discrimination against all stakeholders; and the Company has been committed to manage businesses for better living conditions of all groups of the related parties in the businesses.
4. Fair Treatment to Labor: Since personnel resources are valuable to its business operations, the Company has therefore prescribed its policy of fair treatment to labor.
5. Responsibilities to Consumers: The Company has particularly given the importance to its responsibilities to customers; and has therefore controlled the products in accordance with its quality policy and with international standards; and has strictly complied with agreements made with its customers in a transparent, equal and fair manner, thus, for utmost customer satisfaction.

6. Environmental Protection: The Company has realized the importance of environmental protection by taking account of impacts on natural resources and the environment; and has campaigned for employees' use of resources with utmost efficiency and for prevention of loss or wasteful consumption.
7. Participation in Community or Social Development: The Company has supported the organisation of activities and consistent participation in community and social development both in areas where the Company's factories are located and in other areas.
8. Creation of Innovation and Dissemination of Innovation Obtained from CSR Operations: Innovation is a key factor for development and enhancement of potentials and competitiveness in the changing condition of industries and economic fluctuation; therefore, the Company has prescribed its policy to regularly organise activities to urge its employees to create innovation or improve their work efficiency and effectiveness.

Business Operations with Impacts on Corporate Social Responsibility - None -

CSR Activities

The Company has improved the landscape in the compound of factories by emphasizing the occupational health and safety in workplaces, building roofs covering the production platforms, organising activities of improvement and clean-up of factories in a sanitary and environmental friendly condition, promoting and developing knowledge of employees; and in 2014, the Company has organised different training courses for its employees; The Company has improved the landscape in the compound of factories by emphasizing the occupational health and safety in workplaces, building roofs covering the production platforms, organising activities of improvement and clean-up of factories in a sanitary and environmental friendly condition, promoting and developing knowledge of employees; and in 2014, the Company has organised different training courses for its employees are as follows; Safety Officers (Advanced Technical Level) and Safety Officers (Supervisor Level); Conference Fee: Managing Cash Flow in Turbulent Time Effective Techniques and Approaches; Calculation, Design and Correction of Foundation Works and Dynamic Method Design for Machinery Foundation Works, Class 1; Calculation, Design and Construction of Prefabricated Buildings, Class 1; Use of Stationary Cranes; Training T010/ISO New Version Update 9001:2015 & ISO 14001:2015, Product Knowledge; Risk Management and Internal Control, Class 9; Professional Controller, Class 4; Correction of Problems on Accounting Documents and Related Documents which Have Impacts on Recognition of Accounting Transactions, Triple Win Negotiation Techniques, Working Together for Team Success, and has given different supports and contributions to religious maintenance activities; and has continuously promoted its employees' participation in such activities because religions are used for moral and spiritual supports of members in the society and for dissemination of teachings and moral integrity to the general public. The Company has donated money to government agencies; for examples, conferring continuous scholarships for students of Kasetsart University, supporting the 10th project of "The Power of Love for the Disabled" Day of the Universal Foundation for Persons with Disabilities, etc. The Company has still been committed to continuously organise CSR activities with its full capacities and according to the current situations.

Internal Control and Risk Management

The Company has given the importance to its effective internal control systems both at the managerial and operational levels; and has also prescribed the duties and powers of operators, executives, hierarchical superiors; and has prescribed the audit and reporting of audit results in writing; and has supervised the optimal use of the Company's assets; moreover, the Company has separately divided duties of operators, controllers and evaluators with proper checks and balances. 3 Members of the Audit Committee and the Board of Directors have evaluated the internal control system of the Company by inquiring the Management in the Board of Directors' Meeting No.1/2558 on 11th February 2015. According to the evaluation of the internal control system of the Company in 5 different aspects, including the internal control of the organisation, risk assessment, operational control, information system and data communication, and the follow-up system, the Board of Directors has considered that the internal control system of the Company is proper and enough; and the follow-up and control of the operation has been effective; and the opinions of the Audit Committee on this matter have been expressed in the Audit Committee's Report and included in this Annual Report.



Related Transactions

(1) Sale of Products and Services

Name and Relationship	Nature of Transactions	Value (M Baht)	Necessity and Validation	Pricing Policy
Phuket Ready Mix Company Limited In November 2007, The Company has sold all shares to the existing shareholders.	Sale of raw materials Purchase of ready-mixed concrete of use in construction works	3.89	The Company is confident in product quality	Market prices; 30-day Credit, Price comparison similar to other suppliers
Thai Wire Products Public Company Limited (The Company registered its shareholding of 13.19%)	Purchase of raw materials	125.59	Being a major manufacturer; having consistent quality of products and meeting the required standards of the Company	Market prices; 90-day credit
Nganthavee Sales Company Limited Major shareholders are of the same group, i.e., Nganthavee Group holding 100% shares	Purchase of general materials	0.89	The Company is confident in product quality	Market prices; 30-day Credit, Price comparison similar to other suppliers
Nganthavee Service Company Limited Major shareholders are of the same group, i.e., Nganthavee Group holding 100% shares	Purchase of diesel oil	0.15	Convenient in using services	Market prices; 30-day Credit
Chinteik Brothers Company Limited Major shareholders are of the same group, i.e., Nganthavee Group holding 89.45% shares	Rentals of land	3.08	Convenient transport	Prices as agreed

All related transactions have been approved by the Audit Committee; and are continuous transactions from the previous years.

(2) Balances from Sale of Products and Services

- Outstanding debtor balances have been disclosed in the Notes to Financial Statements as of 31st December 2014, Clause 5.
- Outstanding creditor balances have been disclosed in the Notes to Financial Statements as of 31st December 2014, Clause 5.

Financial Ratio 2014

Liquidity Ratio		2014	2013	2012
Liquidity Ratio	(Time)	3.55	2.14	1.52
Quick Ratio	(Time)	2.99	1.71	1.16
Cash Flow Liquidity Ratio	(Time)	1.09	0.54	0.64
Account Receivables Turnover Ratio	(Time)	5.22	4.55	5.41
Collection Period	(Days)	69.02	79.19	66.51
Inventory Turnover Ratio	(Time)	8.06	7.09	6.77
Average Day Sales	(Days)	44.68	50.81	53.18
Account Payables Turnover Ratio	(Time)	5.2	3.63	3.05
Payment Period	(Days)	69.19	99.1	118.21
Cash Cycle	(Days)	44.52	30.9	1.48
Profitability Ratio		2014	2013	2012
Gross Profits	(%)	30.16	32.38	27.6
Operating Profits	(%)	22.26	24.64	17.94
Net Profits	(%)	18.48	19.37	13.44
Other Profits	(%)	3.06	1.68	0.96
Earnings per Share Ratio	(%)	23.53	35.57	30.73
Cash to Earnings Ratio	(%)	76.76	64.7	104.68
Efficiency Ratio		2014	2013	2012
Return on Assets Ratio	(%)	18.83	24.15	17.41
Return on Fixed Assets Ratio	(%)	81.71	124.21	69.21
Assets Cycle	(Time)	1.02	1.25	1.3
Financial Policy Ratio(Consolidated Financial Statements)		2014	2013	2012
Debts to Equity Ratio	(Time)	0.25	0.47	0.76
Interest Coverage Ratio	(Time)	89.32	97.41	49.55
Debt Service Coverage Ratio	(Time)	2.96	3.12	2.38
Debt Service Coverage Ratio (Cash Basis)	(Time)	1.82	4.44	3.62
Dividend Payment Ratio (Calculated from Separate Financial Statements)	(Time)	40.65	21.85	15.05
Per-share Data and Growth Rate		2014	2013	2012
Per-share Data (Par Value = 1 Baht)		2014	2013	2012
Book Value per Share	(Baht)	4.70	3.86	2.38
Earnings per Share	(Baht)	1.11	1.37	0.73
Dividend per Share	(Baht)	0.40	0.3	0.11
Growth Rate		2014	2013	2012
Total Assets	(%)	3.43	35.46	19.5
Total Liabilities	(%)	(35.64)	0.41	(5.01)
Income from Sale or Service	(%)	(16.66)	29.39	13.9
Operating Expenses	(%)	(2.37)	15	2.43
Net Profits (Loss)	(%)	(19.35)	87.86	157.36

Summary the company performance in 2014

Southern Concrete Pile Public Company Limited (the company hereafter) would like to inform you the company performance in 2014 compared to the last 2 years as follows:

Overall performance in 2014

The economic slow-down in 2014 has reduced the company's revenue to 1,821.947 million Baht. The main revenue (sales and services) is at 1,742.279 million Baht, reduced by 16.66% year-on-year whereas the cost of goods sold and service has increased by 2.22% year-on-year to 1,216.846 million Baht. The other revenue is at 79.688 million Baht. The management expenses have increased by 1.30% year-on-year to 192.746 million Baht. Therefore, the gross profit and net profit in 2014 have reduced by 2.22% year-on-year to 525.433 million Baht and 1.14% year-on-year to 332.109 million Baht respectively. The company has agreed to pay out the dividend of 0.40 Baht per share or 36.13% of total profit in year.

Thousand Baht		YEAR						YoY			
		2014/2013		2013/2012							
		2014	%	2013	%	2012	%	+ / -	%	+ / -	%
Revenue	Revenue from sales	1,279,833	73.46%	1,567,816	74.99%	1,250,142	76.59%	(287,983)	(18.37%)	317,674	25.41%
	Revenue from rendering of services	462,446	26.54%	522,852	25.01%	365,690	22.43%	(60,406)	(11.55%)	157,162	42.98%
	Total Revenue	1,742,279	95.63%	2,090,668	98.32%	1,615,832	99.02%	(348,389)	(16.66%)	474,836	29.39%
Other income		79,668	4.37%	35,752	1.68%	15,667	0.98%	43,916	122.84%	20,085	128.20%
	Total Revenue	1,821,947	100.00%	2,126,420	100.00%	1,631,499	100.00%	(304,473)	(14.32%)	494,921	30.34%
Cost	Cost of sales	886,141	69.24%	1,048,698	66.89%	890,145	54.53%		2.35%		(4.31%)
	Cost of services	330,705	71.51%	365,072	69.82%	279,763	17.16%		1.69%		(6.68%)
	Total Cost of sales and rendering of services	1,216,846	69.84%	1,413,770	67.62%	1,169,908	71.69%		2.22%		(4.78%)
	Gross Profit	525,433	30.16%	676,898	32.38%	445,924	27.33%		(2.22%)		4.78%
Selling and administrative expenses		192,746	10.58%	197,423	9.28%	171,668	1.78%		1.30%		(1.24%)
	Profit before interest & tax	412,355	22.63%	515,227	24.23%	289,923	17.77%		(1.60%)		6.46%
Finance costs		4,342	0.25%	5,289	0.25%	5,851	0.36%		0.00%		(0.11%)
Income tax		75,904	4.17%	98,901	4.65%	65,641	4.04%		(0.48%)		0.63%
Share of net profit (loss) in associated companies		-		774		776	0.05%				
	Net profit for the year	332,109	18.23%	411,811	19.37%	219,207	13.41%		(1.14%)		5.93%
EBITDA		447,131		546,699		319,378	15.99%				
	Basic earnings per share (Baht)	1.11		1.37		0.73					
Dividend Summary – Baht per share		0.40		0.30		0.11					
Payout Ratio (% of Net Profit)		36.16%		21.85%		15.05%					
Dividend Yield (%)		4.04%		3.80%		1.53%					

Note: there is a break in par value from 10 Baht to 1 Baht in 2013

Total Income in 2014

Income from Sale Services

During 2012-2014, the company has the annual total income from sales and services at 1,615.832 million Baht, 2,090.668 million Baht and 1,742.279 million Baht respectively. The increment in 2012 is 13.90% year-on-year, 29.39% year-on-year in 2013, but a reduction of 16.66% year-on-year in 2014. This is because of the slow-down especially in government projects and private projects. However, the company was awarded the bids in a number of projects from both sectors such as PEA, IRPC power plant project (CHP2), new buildings in Kasetsart University, Chalermprakit building of Central Investigation Bureau in Muang Thong Thani, the extension of Phuket International Airport, Makro Superstore, Tesco Lotus, Home Pro and many more.

Other Income

The other income is from the payback of reversal of allowance for doubtful accounts, interest income, gain on disposal of fixed assets, trade discount etc. In 2014, the company has the other income of 79.668 million Baht, split into other income 55.127 million Baht, gain on disposal of investment in available for sale security 25.303 million Baht, interest income 10.361 million Baht etc. The remaining 24.540 million Baht portion came from the gain from revaluation surplus in assets (this revaluation surplus in assets is not available for dividend distribution).

The other income in 2013-2014 is at 15.667 million Baht and 35.752 million Baht respectively. The essential ones are listed as above.

Moreover, in 2013 the company has received the payback of earlier government project delay penalty fee of 10.792 million Baht and the gain from discount of accrued interest from debt restructuring agreement of 8.206 million Baht.

Cost and Expenses

In 2014, the cost of goods and services have increased by 2.35% year-on-year to 69.24% and 1.69% year-on-year to 71.51% respectively due to lower selling prices.

During 2012-2013, the cost of sales has been decreasing to 71.20% and 66.89% respectively and cost of services has been reduced to 76.50% and 69.82% respectively. These benefit from the higher sale volume under controlled costs.

The sale and management expenses in 2012-2014 are stable at 10.52%, 9.28% and 10.58% respectively. This stability came from the company has set the allowance for doubtful accounts at 7.03 million Baht, 1.18 million Baht and 3.80 million Baht respectively.

These have led EBITDA in 2014 decreased from 546.699 million Baht in the year earlier to 447.131 million Baht (2012 at 319.378 million Baht).

Profit

In 2014, the net profit after deduction of income tax has decreased by 19.35% year-on-year to 332.109 million Baht or 1.11 Baht per share. This is due to the lower selling price. In 2012-2013, the company has the net profit of 219.207 million Baht (+156.71% year-on-year) and 411.811 million Baht (+87.86% year-on-year) respectively.

From the number above, the company currently has the retained earnings of 964.736 million Baht in 2014, which split into allocated of 30 million Baht and unallocated of 934.736 million Baht.

Statements of Financial Position

As of 31 December 2014, the company has the total asset of 1,763.908 million Baht, increased from 2012 and 2013 of 1,258.983 million Baht and 1,705.443 million Baht respectively. The rise in asset in 2014 is partly from more current asset of cash and cash equivalents which is equivalent to 49.568 million Baht in cash, temporary investment of 95.876 million Baht (short-term fixed deposit of 4-10 months).

Non-current asset increased from the investment in available-for-sale securities of 36.097 million Baht and fixed asset of 38.120 million Baht.

The return from return on assets, fixed asset, asset turnover have decreased to 18.83%, 81.71% and 1.02 times respectively, from 2013 at 24.51%, 124.21% and 1.25 times respectively, and in 2012 at 17.41%, 69.21% and 1.30 times respectively.

Statements of Cash Flows

As of 31 December 2014, the company has cash and cash equivalents at end of years increase to 174.092 million Baht from 124.523 million Baht. The cash flows from operating activities is at 285.547 million Baht and deducted by cash flows from investing activities of 82.379 million Baht and deducted by cash flows from financing activities of 153.599 million Baht. The increment of cash and cash equivalent is mainly from the company's profit.

Financial Ratios

Financial Ratios	2014	2013	2012
Current Ratio (times)	3.55	2.14	1.52
Cash Cycle (Day)	44.52	30.90	1.48
Return on Equity (%)	23.53	35.57	30.73
Return on Assets (%)	18.83	24.15	17.41
Debt to Equity (times)	0.25	0.47	0.76

From the analysis in 2014 above, the company has the ability to pay its short-term debt, which analysed from current ratio of 3.55 times and cash cycle has increased to 44.52 days.

The return on equity and assets have decreased to 23.53% and 18.83% from 35.57% and 24.15% respectively.

Debt to equity has decreased to 0.25 times from 0.47 times and 0.76 times in 2012, due to the long term loan payback and end of debt restructuring contract.

Dividend Pay

For the performance in 2014, the board agreed for approval of the dividend pay at the rate of 0.40 Baht per share with the total amount of 120 million Baht.

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR 2014

Proposed To: Shareholders of Southern Concrete Pile Public Company Limited

The Audit Committee of Southern Concrete Pile Public Company Limited consisted of 3 members including Mr. Pongpayome Vasaputi as the Chairman of the Audit Committee; Mr. Tassanai Atichati and Mr. Bonguea Limsuebchuea as the Audit Directors. All 3 members of the Audit Committee have been qualified as per the Announcement of the Office of the Securities and Exchange Commission (OSEC); and Mr. Bonguea Limsuebchuea had knowledge and understanding on finance and accounting.

Performances of the Audit Committee for the Year 2014 are as follows:

1. Convened meetings of the Audit Committee together with the Internal Audit Department and the Auditor to acknowledge the internal audit results from the Internal Audit Department; jointly considered and reviewed the financial statements before submitting them to the Board of Directors for approval and acknowledgment of the performances and the results of internal control system review from the Auditor; made inquiries and gave advice to the Working Group. In 2014, the Audit Committee convened totally 6 meetings, each attended by all 3 members of the Audit Committee;
2. Jointly considered and passed its resolution for approval on the sale of all shares in affiliates before submitting the same to the Board of Directors for consideration and approval;
3. Considered, selected and nominated persons who had independence to perform duties as the Auditor, from DIA International Audit Co., Ltd., as the Auditor for the year 2014, with the audit fee of 850,000 Baht; the list of candidates for the Company's auditor is as follows:
 - Miss Suphaphorn Mangjit CPA No.8125 or
 - Miss Somjintana Pholhirunrat CPA No.5599 or
 - Mrs. Suvimol Krittayakiern CPA No.2982
4. Jointly considered and reviewed the policy of corporate governance and business ethics to be complied by the related parties; and reviewed the compliance with the Code of Ethics of employees, executives and directors;

The Audit Committee has given its opinions that the financial report proposed to shareholders was adequate and reliable and fully disclosed the related transactions which are normal business transactions, including sale of goods and lease of land for manufacturing; meanwhile, there were no other special transactions than those already disclosed in the financial statements.

The Company has purchased products within the country; therefore, there was no risks on exchange rates; and when taking account of liquidity ratio and debt-to-equity ratio which has been improved continuously, the Audit Committee has given its opinions that there were very low risk factors relating to the shareholders' loss of entire amounts of money.

Other areas of operations have been in accordance with the internal control system; and employees and executives have complied with the Code of Ethics and in accordance with the guidelines of good governance; and the Audit Committee has found no significant abnormalities to be proposed to shareholders.

On behalf of the Audit Committee



(Mr. Pongpayome Vasaputi)
Chairman of the Audit Committee

REPORT ON THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL REPORTS

Financial statements of Southern Concrete Compile Public Company Limited for the year ended on 31st December 2014, have been provided in accordance with Thailand's accounting standards and the generally accepted accounting principles (GAAPs) and in accordance with Requirements of the Securities and Exchange Commission; whereby, proper accounting policies have been selected and consistently used with careful discretion relating to the provision and disclosure of significant data in sufficient and transparent manner in Notes to Financial Statements.

The said financial statements have been considered by the Audit Committee consisting of independent directors; and have been reviewed by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company; and have been audited and given with unconditional opinions by an independent auditor from DIA International Audit Co., Ltd., as appeared in the Auditor's Report included in the Annual Report.

According to the assessment of the internal control system and the internal audit of the Audit Committee, the Company has its sufficient and proper internal control system to significantly prevent or reduce potential risks from corruption or abnormal business operations and to maintain its assets, as appeared in the Auditor's Report included in the Annual Report; therefore, the Board of Directors has its opinions that the Company has its good internal control system with reasonable assurance that the Company's financial statements are significantly correct as per the generally accepted accounting standards.



Mr. Pongpayome Vasaputi
Chairman of the Audit Committee



Mrs. Arunee Nganthavee
Managing Director

AUDITOR'S REPORT

To The Shareholders of Southern Concrete Pile Public Company Limited

I have audited the accompanying financial statements of Southern Concrete Pile Public Company Limited, which comprise the statement of financial position as at December 31, 2014, the statement of income, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended, including notes of summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Southern Concrete Pile Public Company Limited as at December 31, 2014, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

D I A INTERNATIONAL AUDIT CO., LTD.



(Ms. Suphaphorn Mangjit)

C.P.A. (Thailand)

Registration No. 8125

February 27, 2015

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

(Unit : Baht)				
	Notes	Financial statements		
		in which the equity		Separate
		method is applied		financial statements
		2014	2013	2013
Current Assets				
Cash and cash equivalents	5	174,091,605	124,523,725	124,523,725
Temporary investment	6	308,100,345	212,224,052	212,224,052
Trade accounts receivable and other receivable	7	334,056,636	459,905,989	459,905,989
Inventories	8	151,034,160	199,525,405	199,525,405
Total current assets		967,282,746	996,179,171	996,179,171
Non-Current Assets				
Restricted deposit with financial institutions	9	21,560,000	19,420,000	19,420,000
Investments in associated companies	10	-	8,789,844	6,916,000
Investments in securities available-for-sale	11	271,072,026	234,974,973	234,974,973
Property, plant and equipments	12	449,003,850	410,884,480	410,884,480
Other non-current assets	13	54,989,388	35,194,335	35,194,335
Total non-current assets		796,625,264	709,263,632	707,389,788
TOTAL ASSETS		1,763,908,010	1,705,442,803	1,703,568,959

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

STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT DECEMBER 31, 2014

(Unit : Baht)				
	Notes	Financial statements		
		in which the equity		Separate
		method is applied		financial statements
		2014	2013	2013
LIABILITIES AND EQUITY				
Current liabilities				
Bank overdrafts from financial institutions	14	50,340	6,535,269	6,535,269
Trade accounts payable and other payable	15	233,863,609	389,175,526	389,175,526
Current portion of liabilities under financial lease	16	10,757,458	10,468,421	10,468,421
Current portion of long-term loans	17	1,296,000	1,296,000	1,296,000
Accrued income tax		26,802,508	58,473,967	58,473,967
Total current liabilities		272,769,915	465,949,183	465,949,183
Non-current liabilities				
Liabilities under financial lease	16	13,605,685	24,112,137	24,112,137
Long-term loans	17	734,803	2,030,803	2,030,803
Deferred tax liabilities	18	24,977,307	12,705,462	12,705,462
Employee benefit obligations	19	40,453,929	42,997,278	42,997,278
Total non - current liabilities		79,771,724	81,845,680	81,845,680
Total liabilities		352,541,639	547,794,863	547,794,863

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

STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT DECEMBER 31, 2014

(Unit : Baht)			
	Notes	Financial statements	
		in which the equity	Separate
		method is applied	financial statements
		2014	2013
Shareholders' equity			
Share capital			
Authorized share capital			
Common shares 300,000,000 shares, Baht 1 par value		300,000,000	300,000,000
Issued and fully paid-up shares			
Common shares 300,000,000 shares, Baht 1 par value		300,000,000	300,000,000
Retained earnings			
Appropriated - Legal reserve	21	30,000,000	30,000,000
Unappropriated		934,735,736	739,494,538
Other components of equity		146,630,635	88,153,402
Total shareholders' equity		1,411,366,371	1,155,774,096
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		1,763,908,010	1,703,568,959

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

		(Unit : Baht)		
		Financial statements		
		in which the equity		Separate
		method is applied		financial statements
Notes	2014	2013	2013	2013
Revenues				
		1,279,832,873	1,567,816,460	1,567,816,460
		462,446,334	522,852,440	522,852,440
		1,742,279,207	2,090,668,900	2,090,668,900
		(886,141,259)	(1,048,698,294)	(1,048,698,294)
		(330,704,855)	(365,072,114)	(365,072,114)
		(1,216,846,114)	(1,413,770,408)	(1,413,770,408)
		525,433,093	676,898,492	676,898,492

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

SOUTHERN CONCRETE PILE PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)			
	Notes	Financial statements	
		in which the equity	Separate
		method is applied	financial statements
	2014	2013	2013
Other comprehensive profit (loss)			
Unrealized gain (loss) on investment in marketable securities	36,622,105	81,743,217	81,743,217
Actuarial gains (loss) on defined benefit plans	7,487,435	-	-
Revaluation surplus in assets	28,987,001	(2,081,236)	(2,081,236)
Income tax relating to components of other comprehensive income (loss)	(14,619,308)	(14,259,257)	(14,259,257)
Profit (loss) of other comprehensive income for the year			
- net after tax	58,477,233	65,402,724	65,402,724
Profit (loss) of comprehensive income for the year	390,587,025	477,213,414	476,439,338
Basic earnings per share			
Basic earnings per share (Baht)	1.11	1.37	1.37
Number of common shares (Shares)	300,000,000	300,000,000	300,000,000

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

SOUTHERN CONCRETE PILE PUBLIC COMPANY LIMITED
**STATEMENTS OF CHANGES
 IN SHAREHOLDERS' EQUITY**
 FOR THE YEAR ENDED DECEMBER 31, 2014

		Separate financial statements										(Euro - Babel)
		Other components of shareholders' equity										
		Share capital		Retained earnings (Deficits)		Revaluation surplus		Unrealized gain (loss)		Actuarial gain (loss)		Total
		Issued and fully paid-up	Legal reserve	Appropriated - (Deficits)	Unappropriated	in assets	in surplus	on investment	in marketable securities	on defined benefit plans	other components of shareholders' equity	Total
For the year ended December 31, 2014												
Beginning balance as at January 1, 2014		300,000,000	30,000,000	237,620,694	29,451,246	-	-	59,702,076	-	-	88,153,402	1,155,774,890
Dividend payment	22	-	-	(134,894,750)	-	-	-	-	-	-	-	(134,894,750)
Net Profit and Comprehensive income for the year		-	-	333,089,792	23,181,801	-	-	29,297,604	-	5,080,949	59,473,223	398,087,325
Ending balance as at December 31, 2014		300,000,000	30,000,000	434,325,736	52,633,047	-	-	87,999,780	-	5,080,949	146,626,625	1,473,268,370
For the year ended December 31, 2015												
Beginning balance as at January 1, 2015		300,000,000	22,429,140	267,854,239	31,114,375	-	-	(8,265,897)	-	-	21,759,679	713,334,258
Appropriated to legal reserve	23	-	7,470,629	(7,470,629)	-	-	-	-	-	-	-	-
Dividend payment	22	-	-	(22,000,000)	-	-	-	-	-	-	-	(22,000,000)
Net Profit and Comprehensive income for the year		-	-	401,826,624	(1,864,989)	-	-	67,867,373	-	-	62,482,724	476,439,328
Ending balance as at December 31, 2015		300,000,000	30,000,000	737,629,894	29,249,386	-	-	59,732,876	-	-	88,153,402	1,155,774,890

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

SOUTHERN CONCRETE PILE PUBLIC COMPANY LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

(Cont'd Table)

Financial statements in which the equity method is applied

Other components of shareholders' equity

Share capital	Investment	Retained earnings (deficit)	Revaluation surplus	Translated paid-in-kind		Total	
				in investment	in available component of shareholders' equity		
Equity	Appropriated- Equity reserve	Unappropriated Equity reserve	Deficit	In assets	Liabilities	equity	
Notes	post-1994	Equity reserve	(Deficit)	In assets	Liabilities	equity	
For the year ended December 31, 2013							
Beginning balance and January 1, 2013	30,000,000	12,214,229	30,062,259	11,018,225	(8,342,480)	75,685,254	
Appropriated in equity reserve	25	-	(33,252)	(33,252)	-	-	
Disinvestment	25	-	-	(22,000,000)	-	(22,000,000)	
Net Profit and Comprehensive Income for the year	-	-	41,279,008	(3,042,888)	(4,047,731)	62,482,229	
Ending balance and December 31, 2013	30,000,000	9,886,977	77,849,259	7,975,337	(12,389,911)	115,740,558	

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

SOUTHERN CONCRETE PILE PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	(Unit : Baht)		
	Financial statements in which the equity method is applied		Separate financial statements
	2014	2013	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	408,013,965	510,711,880	509,937,804
Net adjustments to reconcile profit before income tax to cash provided by operating activities:			
Depreciation	34,775,928	31,471,945	31,471,945
Allowance for doubtful accounts	3,801,804	1,176,026	1,176,026
Gain on debt restructuring	-	(8,206,474)	(8,206,474)
Reversal of allowance for doubtful accounts	(7,691,710)	(3,176,766)	(3,176,766)
Loss on written off of damaged stock	(1,372,600)	(1,744,374)	(1,744,374)
Loss on unused of assets	1,466,600	371,820	371,820
Loss on written - off of assets	77,220	485,690	485,690
(Gain) Loss on disposal of fixed assets	(347,779)	(2,560,752)	(2,560,752)
(Gain) loss on disposal of investments	(26,686,723)	(2,658,169)	(2,658,169)
Gain from reversing provision for impairment of land, building and equipment	(24,540,319)	-	-
Increase in employee benefits	4,944,086	5,620,212	5,620,212
share of net (profit) loss in associated companies	-	(774,076)	-
Interest expense	2,104,707	2,591,035	2,591,035
Net profit provided by operating activities before changes in operating assets and liabilities	394,545,179	533,307,997	533,307,997
(Increase) decrease in operating assets			
Trade accounts receivable and other receivable	128,256,259	(159,392,011)	(159,392,011)
Inventories	49,863,845	(24,948,007)	(24,948,007)
Other non-current assets	(19,778,653)	(18,306,101)	(18,306,101)
Increase (decrease) in operating liabilities			
Trade accounts payable and other payable	(155,309,536)	5,017,048	5,017,048
Employee benefits paid	-	(2,336,050)	(2,336,050)
Cash paid in (from) operation activities	397,577,094	333,342,876	333,342,876

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

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2014

	(Unit : Baht)		
	Financial statements		
	In which the equity	Separate	
	method is applied	financial statements	
	2014	2013	2013
Interest expense paid	(2,107,089)	(2,591,449)	(2,591,449)
Income tax paid	(109,923,094)	(77,691,024)	(77,691,024)
Net cash provided by (used in) operating activities	285,546,911	253,060,403	253,060,403
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in temporary investment	(95,876,292)	(62,224,052)	(62,224,052)
Deposits at financial institutions used as collateral (increase) decrease	(2,140,000)	(4,260,000)	(4,260,000)
Cash received from disposal investments available for sale	125,827,775	98,000,000	98,000,000
Cash paid for investments available for sale	(100,000,000)	(115,000,000)	(115,000,000)
Cash received from sales of property, plant and equipment	1,112,056	3,298,495	3,298,495
Cash paid for purchase of property, plant and equipment	(19,602,934)	(64,121,340)	(64,121,340)
Cash received from disposal investments in associated companies	8,300,000	-	-
Net cash used in investing activities	(82,379,395)	(144,306,897)	(144,306,897)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in bank overdrafts from financial institutions	(6,484,929)	2,508,339	2,508,339
Repayment of liabilities under financial lease	(10,823,957)	(12,648,798)	(12,648,798)
Repayment of liabilities under debt restructuring	-	(39,050,953)	(39,050,953)
Repayment of long-term loans	(1,296,000)	(6,723,155)	(6,723,155)
Dividend payment	(134,994,750)	(33,000,000)	(33,000,000)
Net cash used in financing activities	(153,599,636)	(88,914,567)	(88,914,567)
Net increase (decrease) in cash and cash equivalents	49,567,880	19,838,939	19,838,939
Cash and cash equivalents at beginning of years	124,523,725	104,684,786	104,684,786
Cash and cash equivalents at end of years	174,091,605	124,523,725	124,523,725
Supplemental disclosure of cash flows information			
Purchased assets by making finance lease contract during the period	606,542	22,603,186	22,603,186
Received payment from trade receivable by obtaining transferred assets	1,483,000	-	-

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

1. GENERAL INFORMATION

A. Legal status and address for Company

Southern Concrete Pile Public Company Limited ("the Company") registered to be a juristic person under the Limited Public Company Act with the Ministry of Commerce on May 25, 1994. The Company's registered head office is located at 555, 17th Floor, SSP Tower Building, Sukhumvit 63 (Ekamai), North Klongton, Wattana, Bangkok 10110. The locate of 7 factories are as follow:

- | | |
|--------------------------|--|
| 1. Phuket Factory | : located at 46/9 Thepkasatri Rd., Tambol Ratsada, Muang District, Phuket 83000 |
| 2. Surathani Factory | : located at 25/3 Ratburng Rd., Na san District, Surathani 84120 |
| 3. Sale Office | : located at 15/3 Moo 5, By-Pass Highway, Tambol Makhantia, Muang District, Surathani 84000 |
| 4. Hat Yai Factory | : located at 136/4 Moo 3, Petchakasem Rd., Tambol Tung-Tamsao, Hat Yai District, SongKhla 90110 |
| 5. Udonthani Factory | : located at 342 Moo 2, Tambol Khok Sa-at, Muang Udonthani District, Udonthani 41000 |
| 6. Chonburi Factory | : located at 18 Moo 2, Ban-bueng-Klaeng Highway, Tambol Nong-Chak, (Ban-Bueng) Ban- Bueng District, Chonburi 20170 |
| 7. Nakhon Pathom Factory | : located at 16/12 Moo 3, Tambol Homkred, Samphran District, Nakhon Pathom 73110 |

The major shareholders of the Company are Nganthavee family (owned 39.55)

B. Nature of the Company's business

The Company's main business is concerned with prestressed concrete products involving manufacturing, sales, services, installation and construction.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

2. BASIS OF FINANCIAL STATEMENT PREPARATION

2.1 Basis of financial statements preparation

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

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.

The following new accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation are mandatory.

Effective for the periods beginning on or after 1 January 2014

Financial Reporting Standard	Topic
TAS 1 (Revised 2012)	Presentation of financial Statement
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 Rate
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Venture
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible Assets
Financial Reporting Standards	
TFRS 2 (Revised 2012)	Share-Based Payments
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Financial Reporting Standard	Topic
Standing Interpretations	
TSIC 15	Operating Leases-Incentives
TSIC 27	Evaluating the Substance of Transactions Involving The Legal
TSIC 29	Service concession Arrangements : Disclosures
TSIC 32	Intangible Assets-Web Site Costs
Financial Reporting Interpretations	
TFRIC 1	Changes in Existing Decommissioning, Restoration
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the restatement Approach under TAS 29 Financial reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service concession Arrangements
TFRIC 13	Customers Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

The management of the company has already assessed that the above accounting standards, financial reporting standards, standing interpretations and financial reporting standard interpretations have no significant impact to the financial statements.

Thai Financial Reporting Standards (TFRS) not yet adopted

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Contents	Effective year
<u>Thai Accounting Standards</u>		
	Conceptual Framework for Financial Reporting	2015
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 11 (Revised 2014)	Construction Contracts	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 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance	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 Venture	2015
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies	2015
TAS 33 (Revised 2014)	Earnings per Share	2015
TAS 34 (Revised 2014)	Interim Financial Reporting	2015
<u>Thai Accounting Standards</u>		
TAS 36 (Revised 2014)	Impairment of Assets	2015

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Contents</u>	<u>Effective year</u>
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
<u>Thai Financial Reporting Standards</u>		
TFRS 2 (Revised 2014)	Share-Based Payments	2015
TFRS 3 (Revised 2014)	Business Combinations	2015
TFRS 4 (Revised 2014)	Insurance Contracts	2016
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Resources	2015
TFRS 8 (Revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
<u>Thai Standing Interpretations Committee (TSIC)</u>		
TSIC 10 (Revised 2014)	Government Assistance – No Specific Relation to Operating Activities	2015
TSIC 15 (Revised 2014)	Operating Leases—Incentives	2015
TSIC 25 (Revised 2014)	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 29 (Revised 2014)	Service Concession Arrangements: Disclosures	2015
TSIC 31 (Revised 2014)	Revenue – Barter Transactions Involving Advertising Services	2015
TSIC 32 (Revised 2014)	Intangible Assets—Web Site Costs	2015

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Contents</u>	<u>Effective year</u>
	<u>Thai Financial Reporting Interpretations Committee (TFRIC)</u>	
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 7 (Revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	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 Programmers	2015
TFRIC 14 (Revised 2014)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2015
TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate	2015
TFRIC 17 (Revised 2014)	Distributions of Non – cash Assets to Owners	2015
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers	2015
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	2015

The management has expected that the new issued and revised TFRS according to the Federation of Accounting Professions' Notification will be adopted. The management is considering an effect on the financial statements when such TFRS has been applied

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

2.2 Basis of measurement

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

- Property, plant and equipment and machinery are measured at appraisal value.

2.3 Presentation currency

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

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgments, 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 judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements is included in the following note:

Note 19 Discount rate, salary increase rate, employee turnover rate and mortality rate

3. SIGNIFICANT ACCOUNTING POLICIES

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

Revenues and Expenses Recognition

Revenue Recognition

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

Revenue from the sale of goods is recognized in the statement of income when the significant risks and rewards of ownerships have been transferred to the buyer. No revenue is recognized if there are significant uncertainties in advantage receiving from accounting transaction which it can't measure reliable in value of revenue and occurred cost, the probable return of goods or the continuing management involvement with the goods.

Service income is recognized when the service is rendered.

Income and cost from construction contracts are recognized using the percentage of completion.

Other income and other expenses is recognized as it accrues.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Trade accounts receivable

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging.

Inventories

Inventories are presented at the lower of cost or net realizable value (NRV.). Cost of inventories are recorded under the basis as follows:

Finished goods and work in process	First in first out
Raw materials	First in first out
General supplies	Weighted-Average

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventories. The Company estimates net realizable value from the estimated selling price in the ordinary course of business, less the estimated expenses necessary to make the sale.

Allowance are made, where necessary, for obsolete, slow-moving, and defective inventories.

Investment in associated companies

Investment in associated companies represent long-term investments which are accounted for on an equity basis in the financial statements in which the equity method is applied and cost method in the separate financial statements.

Investments in available-for-sale securities

Securities available for sale as at the end of the period are stated at fair value. Unrealized gain or loss of investment are separately presented in shareholders' equity as at the end of the period. Gain or loss from selling securities are immediately recognized in statement of comprehensive income by the difference amount between net realizable value and weighted average price of such securities available for sale.

Property, plant and equipments

At the beginning date of transaction, land was recorded at costs while plant and equipment are stated at cost less accumulated depreciation and impairment losses.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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 recognizes borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is recognized 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.

However, the Company chose to show value of land and building in appraised value (revaluation) which were appraised by independent appraiser. 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.

Revaluations are performed by independent appraiser 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 statements of financial position date. The Company has a policy to appraise assets every five years or whenever the fair value of the appraised assets materially change from the book value.

Any increase in value due to appraisal, such increase shall be recorded as capital surplus from asset revaluation by netting from the value that was decreased by appraisal and was already recognized in the statements of comprehensive income and if it is the case that the asset's value decreases due to appraisal, it will be recorded in the statements of comprehensive income for the value only the part that decrease more than capital surplus from asset revaluation that was previously appraised. In case of any sale of asset that was revalued, the capital surplus from the selling asset revaluation shall be transferred to retained earning and for the capital surplus from asset revaluation that considered realized shall be transferred directly to retained earning without passing through statements of comprehensive income.

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 recognized net within other income in profit or loss.

Leased assets

Leases in terms of which the Company 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 capitalized at the lower of its fair value or 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Subsequent costs

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

Depreciation

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

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

	Years
Land improvements	10
Buildings and structure	30-50
Leasehold improvements	10
Buildings improvement	10
Prestressed equipments	20
Machinery and equipment	5, 20
Machinery and equipment for piling	20
Molds	5
Furniture, fixture and office equipment	5
Vehicles	5, 7

Employee benefit

Post-employment benefit plan other than a defined contribution plan. The Company's obligation in respect of post employment benefits under defined benefit plans recognized in the financial statements based on calculations by a independent actuary using the projected unit credit method 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 Company recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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 recognized for the amount expected to be paid under short-term cash bonus if the Company 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.

Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

Foreign currencies

Foreign currency transactions are translated into Baht at the rates ruling on the transaction dates. Assets and liabilities in foreign currency outstanding on the reporting date are translated into Baht at the rate ruling on the statements of financial position.

Gain and losses resulting from conversion to Thai Baht using exchange rate included in the performance calculation.

Impairment of assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same times.

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

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Reversals of impairment

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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 amortization, if no impairment loss had been recognized.

Finance lease

The Company recognizes finance leases as assets and liabilities in the statement of financial position at amounts equal at the inception of the lease to the fair value of the leased property. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Use of accounting estimates

Preparation of financial statements in conformity with financial reporting standard requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

Financial instruments

The Company does not engages in the trading of any derivative financial instruments. The accounting policies on recognition and measurement of financial assets and financial liabilities are disclosed in the respective accounting policies.

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

Earnings per Share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of paid-up ordinary shares in issue during the year.

4. TRANSACTIONS WITH RELATED PARTIES

Significant related parties transactions can be summarized as follows:

4.1 The Company is related by share the same of directors or shareholders and as the Company's directors as follows:

Related parties	Type of business	Type of relation
Surat Reandy Mixed Co.,Ltd.	Produces ready mixed concrete	Associate
Panyawaj Co.,Ltd.	Produces ready mixed concrete	Associate
Thai Wire Products PCL.	Produces and distributes prestressed concrete wire	Common director and shareholder
C.B. Estate Co., Ltd.	Real Estatic	Common director and shareholder
Nganthavee Sale Co., Ltd	Sales mining equipments and tools, etc.	Common director and shareholder
Nganthavee Service Co., Ltd	Retail services for oil and consumer products	Common director and shareholder
Chinteik Brothers Trading	To Provide Land and Building for leases	Common director and shareholder
Phuket Ready Mixed Co., Ltd.	Produces ready mixed concrete	Common director and shareholder
Haad yai Tin Dredging Co.,Ltd	Tin Mines	Common director and shareholder
Standard Edible Oil Co.,Ltd	Produces and distributes plam oil	Common director and shareholder
Mr. Thada Ngantavee	Land and building for rent	Closed relatives of Nganthavee' family

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

4.2 Significant transactions with related parties

Portion of revenues and expenses arose from transactions with related parties for the years ended December 31, 2014 and 2013 are summarized as follows:

		(Unit: Baht)	
		For the years ended December 31,	
	Pricing Policy	2014	2013
Revenues from sales	Market		
Phuket Ready Mixed Co., Ltd.		3,889,242	5,497,383
Surat Ready Mixed Co., Ltd.		46,078	-
Purchase of raw material	Market		
Surat Ready Mixed Co., Ltd.		-	1,353,441
Thai Wire Products PCL.		125,528,912	154,255,923
Nganthavee Sale Co., Ltd.		866,392	976,527
Nganthavee Service Co., Ltd.		149,903	203,683
Land rental	Agreed pricing		
Chinteik Brothers Trading		1,800,000	1,539,000
Haad yai Tin Dredging Co., Ltd		435,600	435,600
Standard Edible Oil Co., Ltd		88,421	88,421
Mr. Thada Ngantavee		1,016,400	1,016,400

On October 1, 2013, the Company entered into renew a land rental agreement with a related company for the period from October 1, 2013 to September 30, 2016 with monthly rental of Baht 150,000.

On January 1, 2014, the Company entered into a land rental agreement with a related company and the related party for the period from January 1, 2014 to December 31, 2016 with monthly rental of Baht 84,700 and Baht 36,300, respectively. Such contract for 2015 is during in the process.

On November 1, 2014, the Company entered into a land rental agreement with a related company for the period from November 1, 2014 to October 31, 2019 with monthly rental of Baht 7,368. Such contract for 2015 is during in the process.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Receivable from related parties

The balance of receivable from related parties as at December 31, 2014 and 2013 are as follows :

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Phuket Ready Mixed Co.,Ltd.	575,043	831,709
Total	575,043	831,709

4.3 Payable to related parties

The balance of payable to related parties as at December 31, 2014 and 2013 are as follows :

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Surat Ready Mixed Co., Ltd.	-	28,402
Thai Wire Products PCL.	18,437,231	46,475,006
Nganthavee Sale Co., Ltd.	143,669	269,154
Nganthavee Service Co., Ltd.	13,502	29,690
Total	18,594,402	46,802,252

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

5. CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents as at December 31, 2014 and 2013 are as follows :

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Cash on hand	279,640	305,000
Cash in bank - current accounts	28,629,607	22,715,380
Cash in bank - savings accounts	40,638,848	96,903,294
Cash in bank - fixed accounts	104,543,510	4,600,051
Total	174,091,605	124,523,725

Cash at bank - savings accounts has floating interest rates given by banks.

6. TEMPORARY INVESTMENT

As at December 31, 2014, The Company had temporary investments represent fixed deposits for the periods of 4 - 10 months with financial institutions amounting to Baht 308.10 million, interest the rates of 1.15 - 3.10% per annum. (December 31, 2013, The Company had temporary investments represent fixed deposits for the periods of 4 - 10 months with financial institutions amounting to Baht 212.22 million, interest the rates of 2.92 - 3.40% per annum.).

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

7. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE

The balance of trade accounts, notes receivable, post dated cheques and other accounts receivable as at December 31, 2014 and 2013 are as follows :

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Trade accounts receivable - other companies		
Not yet due	203,483,118	292,503,420
Overdue 1 – 90 days	108,680,431	144,799,626
Overdue 91 – 180 days	2,638,428	6,009,375
Overdue 181 – 365 days	4,483,834	2,234,803
Overdue more than 365 days	60,670,764	91,374,002
Total	379,956,575	536,921,226
Less Allowance for doubtful accounts	(61,082,595)	(91,374,002)
Trade accounts receivable - other companies - net	318,873,980	445,547,224
Trade account receivables from related parties (Note 4.3)	575,043	831,709
Other receivable		
Prepaid expenses	1,767,619	1,086,032
Accured revenue	8,202,947	8,612,009
Other receivable	10,001,225	9,193,193
Less Allowance for doubtful accounts	(5,364,178)	(5,364,178)
Other receivable - net	14,607,613	13,527,056
Total trade accounts receivable and other receivable	334,056,636	459,905,989

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Allowance for doubtful accounts is changed during the year as follows:

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Beginning	96,738,180	149,277,122
Addition		
- Trade accounts receivable	3,801,804	1,176,026
Decrease		
- Reversal of allowance for doubtful account	(7,691,710)	(3,176,766)
- Written - off	(26,401,501)	(50,538,202)
Total	66,446,773	96,738,180

During the year ended December 31, 2014 and 2013, the Company has written off the accounts receivable which had been fully provided for the allowance for doubtful accounts totaling of Baht 26.40 million and Baht 50.54 million, respectively.

8. INVENTORIES

The balance of inventories as at December 31, 2014 and 2013, are as follows :

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Finished Goods	80,119,601	113,240,262
Raw materials	65,587,765	82,362,470
General supplies	13,429,033	13,541,272
Work in process	691,987	548,227
Total	159,828,386	209,692,231
Less Allowance for obsoleted stock	(8,794,226)	(10,166,826)
Net	151,034,160	199,525,405

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Allowance for obsoleted stock is changed during the year as follows :

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Beginning balance	(10,166,826)	(11,911,200)
Increase	-	-
Decrease	1,372,600	1,744,374
Ending balance	(8,794,226)	(10,166,826)

During the year ended December 31, 2014, The Company has recorded allowance for declining in inventory valuation decreasing in amount of Baht 1.37 million for the stocks which are carried over one year due to sold out during the year.

9. RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTIONS

Restricted deposits with financial institutions represent fixed deposits for the periods of 3 months and 12 months and savings account, which are pledged as collateral for letters of guarantee issued by three local financial institutions in favor of the Company as stated in note 30.1. and bank overdraft as stated in note 14.

10. INVESTMENTS IN ASSOCIATED COMPANIES

The balance of investments in associated companies as at December 31, 2014 and 2013 are as follows:

Nature of business		Paid-up capital		Percentage of holding	
		2014	2013	2014	2013
		Million Baht	Million Baht	Percentage	Percentage
Investments in associated companies					
Surat Ready Mixed Co.,Ltd.	Produces ready mixed Concrete	-	16.5	-	31.36
Panyawaj Co.,Ltd.	Non – operate	-	3.5	-	49.74

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

	(Unit: Baht)		
	Financial statements in which the equity method is applied		Separate financial statements
	2014	2013	2013
Investments in associated companies			
Surat Ready Mixed Co.,Ltd.	-	7,545,305	5,175,000
Panyawaj Co.,Ltd.	-	1,244,539	1,741,000
Total investments in associated companies	-	8,789,844	6,916,000

According to the board of director meeting No. 5/2014 held on October 28, 2014, the board of director passed resolution to sell all of the investments in associated companies in amount of Baht 8.30 million. The Company had gain from selling investment in associated companies Baht 1.38 million as stated in note 23.

11. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

The balance of investments in available for sale securities at fair value as at December 31, 2014 and 2013 are as follows:

		Percentage of holding		(Unit: Baht)	
		Percentage	Percentage	Financial statements in which the equity method is applied and separate financial statements	
Nature of business		2014	2013	2014	2013
Available-for-sale Investment					
Equity securities – Related companies					
Thai Wire Products PCL.	Produces and distributes prestressed concrete wire	9.99	13.19	65,876,340	86,939,284
Units trust:					
Bualuang Treasury Fund	Open -end Fund	-	-	537,891	55,000,000
BBL Asset Management Co.,Ltd.					
Money Market Fund-Kasikorn Bank PCL.	Mutual fund	-	-	94,658,169	19,658,168
Total				161,072,400	161,597,452
Add (Less) Unrealized loss on investment in marketable securities				109,999,626	73,377,521
Total available-for-sale investment (presented at fair value)				271,072,026	234,974,973

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Unrealized loss on investment in marketable securities is changed during the year as follow :

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Beginning	73,377,521	(8,365,697)
Increase	61,924,829	99,473,140
Decrease	(25,302,724)	(17,729,922)
Ending	109,999,626	73,377,521

12. PROPERTY, PLANT AND EQUIPMENT

The balance of property, plant and equipment as at December 31, 2014 are as follows :

	(Unit: Baht)				
	As at January 1, 2014	Increase	Decrease	Transfer in / (Transfer out)	As at December 31, 2014
At appraised value					
Land and land improvements					
- at cost	161,872,067	-	-	-	161,872,067
- revaluation surplus	9,761,853	14,192,649	-	-	23,954,502
Total	171,633,920	14,192,649	-	-	185,826,569
Less Accumulated depreciation	(10,766,982)	(404,304)	-	-	(11,171,286)
Land and land improvements at appraised value	160,866,938				174,655,283
Buildings and structure					
- at cost	222,978,849	-	-	9,250,049	232,228,898
- revaluation surplus	54,511,275	20,105,256	(3,535,905)	-	71,080,626
Total	277,490,124	20,105,256	(3,535,905)	9,250,049	303,309,524
Less Accumulated depreciation					
- at cost	(133,417,597)	(3,732,514)	-	-	(137,150,111)
- revaluation deduction	(27,458,896)	(1,775,000)	-	-	(29,233,896)
Total	(160,876,493)	(5,507,514)	-	-	(166,384,007)
Buildings and structure at appraised value	116,613,631				136,925,517

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

	(Unit: Baht)				
	As at January 1, 2014	Increase	Decrease	Transfer in / (Transfer out)	As at December 31, 2014
Cost					
Building improvement	2,578,244	-	-	-	2,578,244
Prestressed equipments	98,769,827	-	-	-	98,769,827
Machinery and equipments	234,795,061	1,324,290	(2,537,819)	4,079,063	237,660,595
Machinery and equipment for piling	165,218,293	1,722,248	(193,747)	70,937	166,817,731
Molds	148,731,047	288,145	(392,272)	5,044,310	153,671,230
Furniture, fixture and office equipment	17,343,040	970,743	(157,993)	-	18,155,790
Vehicles	193,288,801	736,463	(3,038,180)	729,854	191,716,938
Construction in progress	7,955,043	15,167,587	-	(19,174,213)	3,948,417
Total	868,679,356	20,209,476	(6,320,011)	(9,250,049)	873,318,772
Less Accumulated depreciation					
Building improvement	(2,498,672)	(20,839)	-	-	(2,519,511)
Prestressed equipments	(74,642,820)	(2,202,062)	-	-	(76,844,882)
Machinery and equipments	(204,171,525)	(7,955,054)	2,436,145	-	(209,690,434)
Machinery and equipment for piling	(148,441,044)	(2,728,435)	193,743	-	(150,975,736)
Molds	(125,050,103)	(7,974,063)	392,266	-	(132,631,900)
Furniture, fixture and office equipment	(13,596,677)	(1,583,950)	143,614	-	(15,037,013)
Vehicles	(136,516,284)	(8,174,707)	2,312,746	-	(142,378,245)
Total	(704,917,125)	(30,639,110)	5,478,514	-	(730,077,721)
	163,762,231				143,241,051
Property, plant and equipment	441,242,800				454,821,851
Less					
- Allowance for impaired for Land	(24,306,074)	-	24,306,074	-	-
- Allowance for impaired for building	(2,301,476)	-	234,245	-	(2,067,231)
- Allowance for written off fixed	(3,750,770)	-	-	-	(3,750,770)
Total	(30,358,320)	-	24,540,319	-	(5,818,001)
Property, plant and equipment – net	410,884,480				449,003,850
Depreciation for the years ended December 31,					
2014					34,775,928
2013					31,471,945

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

The balance of property, plant and equipment as at December 31, 2013 follows :

	(Unit: Baht)			
	As at January 1, 2014	Increase	Decrease	As at December 31, 2014
At appraised value				
Land and land improvements				
- at cost	161,763,242	2,160	-	161,872,067
- revaluation surplus	9,761,853	-	-	9,761,853
Total	171,525,095	2,160	-	171,633,920
Less Accumulated depreciation	(10,372,215)	(394,767)	-	(10,766,982)
Land and land improvements at appraised value	161,152,880			160,866,938
Buildings and structure				
- at cost	199,605,600	160,000	-	222,978,849
- revaluation surplus	54,511,275	-	-	54,511,275
Total	254,116,875	160,000	-	277,490,124
Less Accumulated depreciation				
- at cost	(129,712,969)	(3,704,628)	-	(133,417,597)
- revaluation deduction	(25,377,659)	(2,081,237)	-	(27,458,896)
Total	(155,090,628)	(5,785,865)	-	(160,876,493)
Buildings and structure at appraised value	99,026,247			116,613,631

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

	(Unit: Baht)			
	As at January 1, 2014	Increase	Decrease	Transfer in / (Transfer out)
As at December 31, 2014				
Cost				
Building improvement	2,578,244	-	-	-
Prestressed equipments	87,977,785	-	-	10,792,042
Machinery and equipments	228,905,788	3,894,542	(10,944,153)	12,938,884
Machinery and equipment for piling	159,566,131	5,899,630	(247,468)	-
Molds	168,394,088	232,467	(31,863,299)	11,967,791
Furniture, fixture and office equipment	16,148,505	1,956,353	(761,818)	-
Vehicles	180,934,896	14,090,123	(7,748,679)	6,012,461
Construction in progress	12,496,884	60,489,251	-	(65,031,092)
Total	857,002,321	86,562,366	(51,565,417)	(23,319,914)
Less Accumulated depreciation				
Building improvement	(2,477,833)	(20,839)	-	-
Prestressed equipments	(72,690,018)	(1,952,802)	-	-
Machinery and equipments	(207,819,587)	(6,936,283)	10,584,345	-
Machinery and equipment for piling	(145,234,729)	(3,447,485)	241,170	-
Molds	(149,416,767)	(7,494,162)	31,860,826	-
Furniture, fixture and office equipment	(12,810,955)	(1,518,934)	733,212	-
Vehicles	(137,436,669)	(6,002,045)	6,922,430	-
Total	(727,886,558)	(27,372,550)	50,341,983	-
	129,115,763			
Property, plant and equipment	389,294,890			
Less				
- Allowance for impaired for Land	(24,306,074)	-	-	-
- Allowance for impaired for building	(2,301,476)	-	-	-
- Allowance for written off fixed	(3,378,950)	(371,820)	-	-
Total	(29,986,500)	(371,820)		
Property, plant and equipment – net	359,308,390			
				410,884,480

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

A portion of the Company's land, constructions and machinery have been mortgaged with financial institutions and certain local banks as collateral for loans granted to the Company as stated in note 14 and 17.

As at December 31, 2014 and 2013, a portion of property with historical costs of Baht 740.82 million and Baht 484.95 million, respectively, are fully depreciated but they are still in active use.

In the first quarter of 2011, the Company has applied the accounting for assets revaluation in accordance with the announcement of the Federation of Accounting Professions No. 18/2554 dated April 12, 2011 which allow the Company to use the former accounting for assets revaluation as per the announcement No. 25/2549 that transfer depreciation for capital surplus from asset revaluation shall be treated as already occurred to the retained earning directly without passing through the income statement until the accounting period beginning before January 1, 2016. The Company chose this alternative thus depreciation expenses for the year ended December 31, 2014 and 2013 in the financial statements in which the equity method is applied and the separate financial statements is under stated by Baht 1.42 million and Baht 1.66 million, respectively, and earning per share in the financial statements in which the equity method is applied and the separate financial statements is over stated by Baht 0.0059 per share and Baht 0.0069 per share, respectively, presented in revaluation surplus in assets as stated in note 20.

As at December 31, 2014 the company had provision for impairment of land amount of Baht 24.31 million and building amount of Baht 0.23 million are reversed presented as "Gain from reversing provision for impairment of land, building and equipment" under "Statement of comprehensive income" for the year ended December 31, 2014 amount of Baht 24.54 million as stated in note 20.

13. OTHER NON-CURRENT ASSETS

The balance of other non-current assets as at December 31, 2014 and 2013 are as follows :

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Deposits	17,458,161	4,961,491
Retention receivable	40,579,279	34,280,695
Less Allowance for impaired	(8,047,851)	(8,047,851)
Property foreclosed	7,430,768	4,964,368
Less Allowance for impaired for Property foreclosed	(2,430,969)	(964,368)
Other non-current assets - net	54,989,388	35,194,335

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

14. BANK OVERDRAFTS FROM FINANCIAL INSTITUTIONS

The Company has bank overdrafts from 4 financial institutions total amount of Baht 35 million, secured by portion of the Company's land and building., interest rates MOR% per annum as stated in note 12 and fixed deposits note 9.

15. TRADE ACCOUNTS PAYABLE AND OTHER PAYABLE

Trade accounts payable and other payable as at December 31, 2014 and 2013 are as follows :

	(Unit: Baht)	
	2014	2013
Trade accounts payable		
Trade accounts payable - other companies	88,497,758	169,405,369
Trade accounts payable related parties (Note 4.4)	18,594,402	46,802,252
Total trade accounts payable	107,092,160	216,207,621
Other payable		
Accrued expenses	90,517,627	125,616,193
Deposit from customer	26,299,610	37,957,962
Department revenue	4,540,048	4,287,700
Other	5,414,164	5,106,050
Total other payable	126,771,449	172,967,905
Total trade accounts payable and other payable	233,863,609	389,175,526

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

16. LIABILITY UNDER FINANCIAL LEASE AGREEMENTS

Liability under financial lease agreements as at December 31, 2014 and 2013 are as follows:

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Details of financial lease agreement :		
Net book value as at December 31, 2014		
Vehicles	23,592,845	29,818,299
Machinery and equipments	3,411,220	4,290,524
Machinery and equipment for piling	7,282,749	8,501,552
Total net book value of the asset under a finance lease	34,286,814	42,610,375
the minimum amount to be paid for finance leases.		
Within 1 year	11,945,428	12,314,182
Over 1 year within 5 years	14,142,332	25,829,036
Total	26,087,760	38,143,218
Less Interest payment in the future	(1,724,617)	(3,562,660)
Present value of liability under finance lease	24,363,143	34,580,558
Accounts payable under financial leases agreements	24,363,143	34,580,558
Less Current portion due within one year	(10,757,458)	(10,468,421)
Net	13,605,685	24,112,137

As at December 31, 2014 and 2013, the Company has financial leases for vehicle and equipment for hammering 25 contracts and 31 contracts, respectively. Such contracts have term of 3 – 5 years which end in year 2018. The Company has obligation to pay monthly lease rate indicated in the contract.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

17. LONG-TERM LOANS

Long-term loans as at December 31, 2014 and 2013 are as follows:

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Long-term loans	2,030,803	3,326,803
Less Current portion due within one year	(1,296,000)	(1,296,000)
Net	734,803	2,030,803

As at December 31, 2014 and 2013 interest rates of long-term loans at MLR per annum , respectively. The loans are guaranteed by portion of the Company's land and building, as described in Note 12.

On July 18, 2011, the Company entered into loan agreement with a local bank in the amount of Baht 6,460,000. The loan has an interest rate at MLR. The repayment of principal amount of Baht 108,000 per month and will be repaid within 60 monthly installments starting from August 31, 2011. The final payment will repay at the remaining amount.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

18. DEFERRED TAX

Deferred tax assets and liabilities as at December 31, 2014 and 2013 are as followings:

	(Unit: baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Deferred tax assets	12,072,473	10,616,706
Deferred tax liabilities	(37,049,780)	(23,322,168)
Net	24,977,307	12,705,462

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

	Recognized as expenses/(revnues) in				Recognized as expenses/(revnues) in				
	As at	Profit	Comprehensive	Revaluation	As at	Profit	Comprehensive	Revaluation	As at
	January	or losses	Income	decrement	December	or losses	Income	surplus	December
	1, 2013	(Note 24)		in assets	31, 2013	(Note 24)		in assets	31, 2014
Deferred tax assets									
Trade accounts receivable	-	-	-	-	-	61,233	-	-	61,233
(Allowance for boubtful account)									
Inventories (Allowance for obsolete									
stock and devaluation of assets)	78,065	109,694	-	-	187,759	202,956	-	-	390,715
Property, plant and equipments									
(Deferrance in depreciation)	-	1,829,494	-	-	1,829,494	202,758	-	-	2,032,252
Employee benefit obligation	7,942,621	656,832	-	-	8,599,453	988,820	-	-	9,588,273
Total	8,020,686	2,596,020	-	-	10,616,706	1,455,767	-	-	12,072,473

(Unit : Baht)

	Recognized as expenses/(revnues) in				Recognized as expenses/(revnues) in				
	As at	Profit	Comprehensive	Revaluation	As at	Profit	Comprehensive	Revaluation	As at
	January	or losses	Income	decrement	December	or losses	Income	surplus	December
	1, 2013	(Note 25)		in assets	31, 2013	(Note 25)		in assets	31, 2014
Deferred tax liabilities									
Investment available for sale	-	-	(14,675,504)	-	(14,675,504)	-	(7,324,421)	-	(21,999,925)
Property, plant and equipments									
(Appraised value)	(7,779,094)	-	-	416,247	(7,362,847)	-	-	(5,797,400)	(13,160,247)
Liabilities under financial lease	(1,144,418)	(139,399)	-	-	(1,283,817)	891,696	-	-	(392,121)
Employee benefit obligation	-	-	-	-	-	-	(1,497,487)	-	(1,497,487)
Total	(8,923,512)	(139,399)	(14,675,504)	416,247	(23,322,168)	891,696	(8,821,908)	(5,797,400)	(37,049,780)
Net	(902,826)	2,456,621	(14,675,504)	416,247	(12,705,462)	2,347,463	(8,821,908)	(5,797,400)	(24,977,307)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

	Financial statements in which the equity method is applied							
	Recognized as expenses/(revenues) in				Recognized as expenses/(revenues) in			
	As at	Profit	Revaluation	As at	Profit	Comprehensive	Revaluation	As at
	January	or losses	decrement	December	or losses	Income	decrement	December
	1, 2012	(Note 24)	in assets	31, 2012	(Note 24)		in assets	31, 2013
Deferred tax assets								
Trade accounts receivable (Allowance for doubtful account)	521,350	(521,350)	-	-	-	-	-	-
Inventories (Allowance for obsolete stock and devaluation of assets)	-	78,065	-	78,065	109,694	-	-	187,759
Property, plant and equipments (Deference in depreciation)	-	-	-	-	1,829,494	-	-	1,829,494
Employee benefit obligation	8,254,648	(312,027)	-	7,942,621	656,832	-	-	8,599,453
Total	8,775,998	(755,312)	-	8,020,686	2,596,020	-	-	10,616,706

(Unit : Baht)

	Financial statements in which the equity method is applied							
	Recognized as expenses/(revenues) in				Recognized as expenses/(revenues) in			
	As at	Profit	Revaluation	As at	Profit	Comprehensive	Revaluation	As at
	January	or losses	decrement	December	or losses	Income	decrement	December
	1, 2012	(Note 24)	in assets	31, 2012	(Note 24)		in assets	31, 2013
Deferred tax liabilities								
Investment available for sale	-	-	-	-	-	(14,675,504)	-	(14,675,504)
Property, plant and equipments (Appraised value)	(8,257,778)	-	478,684	(7,779,094)	-	-	416,247	(7,362,847)
Liabilities under financial lease	(1,349,657)	205,239	-	(1,144,418)	(139,399)	-	-	(1,283,817)
Total	(9,607,435)	205,239	478,684	(8,923,512)	(139,399)	(14,675,504)	416,247	(23,322,168)
Net	(831,437)	(550,073)	478,684	(902,826)	2,456,621	(14,675,504)	416,247	(12,705,462)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

	Separate financial statements							
	Recognized as expenses/(revenues) in				Recognized as expenses/(revenues) in			
	As at	Profit	Revaluation	As at	Profit	Comprehensive	Revaluation	As at
	January	or losses	decrement	December	or losses	Income	decrement	December
	1, 2012	(Note 24)	in assets	31, 2012	(Note 24)		in assets	31, 2013
Deferred tax assets								
Trade accounts receivable (Allowance for doubtful account)	521,350	(521,350)	-	-	-	-	-	-
Inventories (Allowance for obsolete stock and devaluation of assets)	-	78,065	-	78,065	109,694	-	-	187,759
Property, plant and equipments (Deference in depreciation)	-	-	-	-	1,829,494	-	-	1,829,494
Employee benefit obligation	8,254,648	(312,027)	-	7,942,621	656,832	-	-	8,599,453
Total	8,775,998	(755,312)	-	8,020,686	2,596,020	-	-	10,616,706

(Unit : Baht)

	Separate financial statements							
	Recognized as expenses/(revenues) in				Recognized as expenses/(revenues) in			
	As at	Profit	Revaluation	As at	Profit	Comprehensive	Revaluation	As at
	January	or losses	decrement	December	or losses	Income	decrement	December
	1, 2012	(Note 24)	in assets	31, 2012	(Note 24)		in assets	31, 2013
Deferred tax liabilities								
Investment available for sale	-	-	-	-	-	(14,675,504)	-	(14,675,504)
Property, plant and equipments (Appraised value)	(8,257,778)	-	478,684	(7,779,094)	-	-	416,247	(7,362,847)
Liabilities under financial lease	(1,349,657)	205,239	-	(1,144,418)	(139,399)	-	-	(1,283,817)
Total	(9,607,435)	205,239	478,684	(8,923,512)	(139,399)	(14,675,504)	416,247	(23,322,168)
Net	(831,437)	(550,073)	478,684	(902,826)	2,456,621	(14,675,504)	416,247	(12,705,462)

--

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

19. EMPLOYEE BENEFITS OBLIGATION

The Company operates a post employment benefit based on the requirement of Thai Labor Protection Act B.E. 2541 to provide post employee benefit to employees based on pensionable remuneration and length of service. An independent actuary carried out an evaluation of the Company's obligations for employees' benefits using the projected unit credit method. The Company has provided the provision for employees' benefits as follow;

Movement in the present value of the defined benefit obligations:

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Defined benefit obligations at beginning	42,997,278	39,713,116
Current service costs and interest	4,944,086	5,620,212
Benefits paid by the plan	-	(2,336,050)
Actuarial gains (loss) on defined benefit plans	(7,487,435)	-
Defined benefit obligations at ending	40,453,929	42,997,278

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Expense recognized in profit or loss:

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Present value of unfunded obligation as at December 31		
Expense recognized in profit or loss	40,453,929	42,997,278
Expense recognized in profit or loss		
- Current service cost	3,527,666	3,947,190
- Interest cost	1,416,420	1,673,022
Total - recognized in the statement of comprehensive income for the year ended December 31	4,944,086	5,620,212

Principal actuarial assumptions at the reporting date

	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Discount rate (%)	3.988	4.086
Salary increase rate (%)	7.00	7.47
Retirement age (year old)	60	60
Employee turnover rate (%)	0-15	0-19

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

20. REVALUATION SURPLUS IN ASSETS

On September 1, 2014, the Company revalued its land improvement and building according to report of, an independent appraiser, Golden land appraisal co.,ltd. Land is valued by using Market approach Building and improvements are valued by using Cost approach. Land and building have value increasing by net amount of Baht 14.19 million and Baht 16.57 million, respectively, and deferred tax Baht 2.84 million and Baht 3.31 million and provision for impairment of land amount of Baht 24.31 million and building amount of Baht 0.23 million are reversed presented as "Gain from reversing provision for impairment of land, building and equipment" under "Statement of comprehensive income" for the year ended December 31, 2014 amount of Baht 24.54 million as stated in note 12.

The revaluation surplus in assets consisted of:

				(Unit: Baht)
	Balance			Balance
	As at	Movement		As at
	January 1 2014	Increase	Decrease	December 31, 2014
Revaluation surplus				
Land	7,809,482	11,354,119	-	19,163,601
Building	21,641,904	13,255,482	(1,420,000)	33,477,386
Total	29,451,386	24,609,601	(1,420,000)	52,640,987

This revaluation surplus in assets is not available for dividend distribution.

21. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve of at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve can not be used for dividend payment.

22. DIVIDEND PAYMENT

According to the Board of Director's meeting no. 4/2014 held on August 13, 2014, the Board of Director approved the payment interim dividends of the year 2014 for six – month period (January – June) at Baht 0.15 per share for 300 million shares totaling of Baht 45 million, such dividends was paid to the entitled shareholders on September 11, 2014.

According to ordinary shareholders' meeting held on April 25, 2014, the shareholders approved the payment of dividends at Baht 0.03 per share for 300 million shares totaling of Baht 90 million, such dividends was paid to the entitled shareholders on May 26, 2014.

According to ordinary shareholders' meeting held on April 29, 2013, the shareholders approved the payment of dividends at Baht 1.10 per share for 30 million shares totaling of Baht 33 million, such dividends was paid to the entitled shareholders on May 29, 2013.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

23. OTHER INCOME

Other income for the years ended December 31, 2014 and 2013 are as follows :

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Interest income	10,361,793	6,737,886
Reversal of allowance for doubtful accounts	7,691,710	3,176,766
Gain on debt restructuring	-	8,206,474
Gain on disposal of investment in available for sale security	25,302,722	2,658,169
Gain on disposal of fixed assets	315,211	2,560,832
Gain from disposal of investment in associated companies	1,384,000	-
Other	10,072,301	12,412,064
Total	55,127,737	35,752,191

24. INCOME TAX

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year. Income tax expenses for the years ended December 31, 2014 and 2013 are as follows

Income tax recognized in profit or loss.

	(Unit: Baht)		
	Financial statements in which the equity method is applied		Separate financial statements
	2014	2013	2013
Current income tax:			
Interim corporate income tax charge	78,251,636	101,357,811	101,357,811
Deferred tax:			
Relating to origination and reversal of temporary differences	(2,347,463)	(2,456,621)	(2,456,621)
Total income tax	75,904,173	98,901,190	98,901,190

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Income tax recognized in other comprehensive income or loss.

(Unit: Baht)

	Financial statements in which the equity method is applied and separate financial statements					
	2014			2013		
	Earning before income tax	Revenue (Income tax expenses)	Net income tax	Earning before income tax	Revenue (Income tax expenses)	Net income tax
Unrealized gain on investment in marketable securities	36,622,105	(7,324,421)	29,297,684	81,743,217	(14,675,504)	67,067,713
Actuarial gains (loss) on defined benefit plans	7,487,435	(1,497,487)	5,989,948	-	-	-
Revaluation surplus in assets	28,987,001	(5,797,400)	23,189,601	(2,081,236)	(416,247)	(1,664,989)
Total	73,096,541	(14,619,308)	58,447,233	79,661,981	(14,259,257)	65,402,724

Reconciliation between income tax expense and the amount of accounting profit multiplied by the applicable tax rate, for the years ended December 31, 2014 and 2013 are as follows:

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Reconciliation to determine the actual tax for the years ended December 31, 2014 and 2013 reconciliation as follows:

	(Unit: Baht)		
		Financial statements in which the equity method is applied	Separate financial statements
	2014	2013	2013
Profit before income tax expense	408,013,965	510,711,880	509,937,804
Tax rate	20%	20%	20%
The corporate income tax rate	81,602,793	102,142,376	101,987,561
Tax consequences for :			
Expenses not deductible for tax purposes	(5,698,620)	(3,241,186)	(3,086,371)
Income tax expense shown in the income statement .	75,904,173	98,901,190	98,901,190
Effective tax rate	19%	19%	19%

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.

The Federation of Accounting Professions has considered this matter and has resolved that the substantively enacted tax rates which should be applied in measuring deferred tax assets and liabilities shall be the reduced rates as approved by the Cabinet; i.e. 23% shall be applied for the accounting period 2012 and 20% shall be applied for accounting periods 2013 onward.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

25. EXPENSES CLASSIFIED BY NATURE OF EXPENSES

Significant expenses classified by nature for the years ended December 31, 2014 and 2013 are as follows:

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	2014	2013
Change in inventories and work in process	33,629,331	(20,346,362)
Raw materials and supplies used	681,005,627	943,978,724
Salary and wages and other employee benefits	274,608,533	301,616,184
Depreciation	34,775,928	31,471,945
Selling expenses	33,734,177	42,760,682
Doubtful accounts	3,801,804	1,176,026

26. PROVIDENT FUND

As at January 28, 2011, the Company has jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 2-5 percent of basic salary. The fund, which is managed by The Thanachart Fund Management Company Limited will be paid to employees upon termination in accordance with the fund rules.

27. FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

The majority of the operations of the Company involve the business segments of concerned with prestressed concrete products involving manufacturing, sales, services, installation and construction which is concern to the concrete manufacturing and are mainly carried on in a single geographic area, Thailand. As a result, all revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned trading industry and geographic area.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

28. DIRECTORS' REMUNERATION AND MANAGEMENT BENEFIT EXPENSES

DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, excluding salaries and related benefits payable to executive directors.

MANAGEMENT BENEFIT EXPENSES

Management benefit expenses focus expenses relating to salaries, remunerations and other benefits to the directors and management, in accordance with the definitions of the Office of the Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels and includes management level in accounting or finance as level of department manager up or equivalent.

29. FINANCIAL INSTRUMENTS

29.1 Financial risk management

The Company's exposure to risk on its financial assets and financial liabilities is as a normal business. The Company has no policy to speculate through or trade in any derivative instruments.

29.2 Interest rate risk

Interest rate risks occurs when the value of the financial instrument changes in line with the fluctuation of market interest rates. This will affect the Company's operating results and cash flows. The Company is exposed to interest rate risk since the Company has cash at bank and loans from financial institutions.

Since most of the Company's financial assets are short-term and bear floating interest rates, the Company does not protect risk through derivative products.

Most of the financial liabilities have floating interest rates. The management believes that the interest is appropriate according to the current environment and expects there will be no significant changes in the interest rates.

29.3 Credit risk

The Company has credit risk in relation to its accounts receivable including related company trade receivables. However, the Company has several customers who are varied. The Company, therefore, does not expect to have significant loss from uncollectible amounts on these receivables.

29.4 Fair value

Since most of the financial assets and liabilities are short-term and the long-term loans bear floating interest rates, the book value of these financial assets and liabilities is not significantly different from their fair values.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

30. COMMITMENT AND CONTINGENT LIABILITIES

30.1 As at December 31, 2014 and 2013, the Company has contingent liabilities in relation to letters of guarantee issued by three local banks to third parties on behalf of the Company in the normal course of business amounting to approximately Baht 114.50million and Baht 110.22 million, respectively. Guarantee by bank deposit in financial institution as stated in note 9

30.2 As at December 31, 2014, the Company has commitment to pay under land lease contract from a related company and a related person with term of 3 and 5 years end September 30, 2016, December 31, 2016 and October 31, 2019 as follows. Due payment net more than 1 year to Baht 3.34 million. Due payment more than 1 year but not more than 3 years to Baht 2.98 million and Due payment more than 3 yaers but not more than 5 years to Baht 0.16 million note 4.2

30.3 As at December 31, 2014, the Company has commitment from opening letter of credit for purchasing pile – driven machine USD 159,000.

31. CAPITAL MANAGEMENT

The primary objectives of the Company's capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2014, debt to equity ratio in the financial statements in which the equity method is applied and the separate financial statements is 0.25

32. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements were approved by the Board of directors of the Company on February 27, 2015.



Southern Concrete Pile Public Company Limited

555 SSP Tower, 17th Floor, Soi Sukhumvit 63 (Ekamai)

North Klongton Sub-district, Wattana District, Bangkok 10110

Tel. 0 2711 5134 (10 automatic lines) Fax 0 2382 0351-2

www.scp.co.th