



ANNUAL REPORT 2013

Thai British Security Printing Public Company Limited

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■ Vision

Being a world class Security Solutions Provider in terms of Quality, Services and Productivity

■ Mission

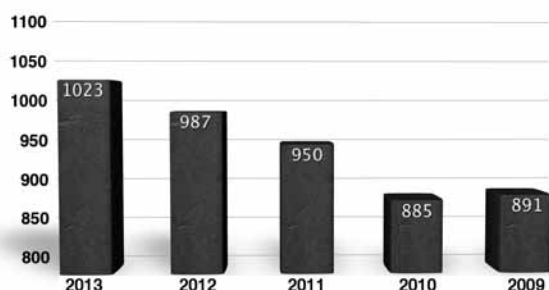
1. Expand new businesses to meet future market trends.
2. Develop high value added products & services beyond customer's expectation.
3. Strengthen international trade by exporting products with high quality and competitive raw materials.
4. Improve overall productivity and quality control.
5. Focus on people development to fit with TBSP's strategy and direction.

■ Values

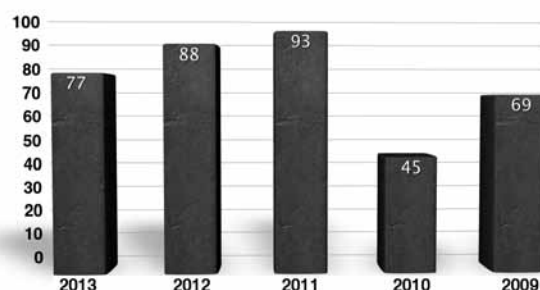
- Trusted
- The Best
- Service-minded
- Professional

2 Financial Highlights

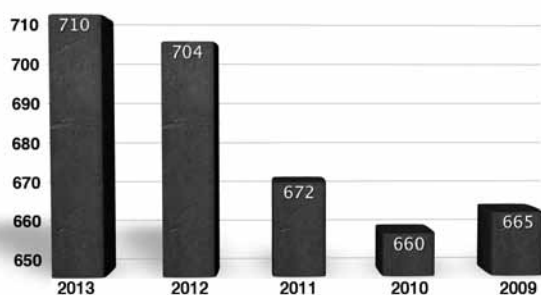
Revenue from sale of goods and rendering of services
(Million Baht)



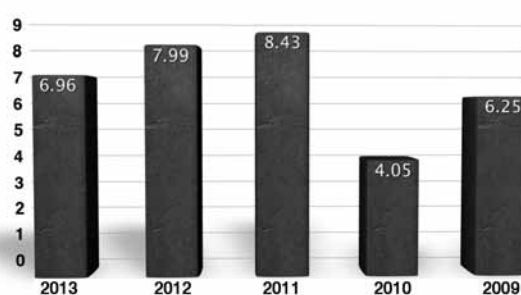
Profit (loss) attributable to owners of the parent
(Million Baht)



Total equity attributable to owners of the parent
(Million Baht)



Earnings per share
(Baht)



(Million Baht)	2013	2012	2011	2010	2009
Revenue from sale of goods and rendering of services	1,023	987	950	885	891
Profit (loss) attributable to owners of the parent	77	88	93	45	69
Total assets	879	857	847	786	782
Issued and paid-up share capital	110	110	110	110	110
Total equity attributable to owners of the parent	710	704	672	660	665
Earnings per share (Baht)	6.96	7.99	8.43	4.05	6.25
Dividends per share (Baht)	13.00*	6.50	6.00	4.10	4.50
Dividends payout ratio on net profit (%)	191.90	83.33	71.60	100.00	70.72

* Proposed for approval

Summary Report on the Company's Financial Status

Data from the Financial Statement	2013 (Baht'000)	2012 (Baht'000)	2011 (Baht'000)
Revenue from sale of goods and rendering of services	1,022,610	987,135	949,537
Total revenues	1,037,901	1,006,963	964,864
Cost of sale of goods and rendering of services	788,329	747,238	692,764
Gross profit	234,281	239,898	256,773
Operating expenses	152,210	142,414	131,274
Profit before income tax, finance costs, depreciation and amortization (EBITDA)	141,800	169,122	203,568
Profit (loss) attributable to owners of the parent	76,567	87,875	92,738
Total current assets	699,063	676,365	630,457
Total assets	878,768	856,536	847,353
Total current liabilities	108,108	106,070	120,900
Total liabilities	153,635	138,425	164,043
Authorised shares capital	110,000	110,000	110,000
Issued and paid-up share capital	110,000	110,000	110,000
Total shareholders' equity	725,133	718,111	683,310
Total equity attributable to owners of the parent	709,519	704,452	671,547

Financial Ratio	2013	2012	2011
Total number of shares issued (Shares)	11,000,000	11,000,000	11,000,000
Par value (Baht)	10.00	10.00	10.00
Book value per share (Baht)	64.50	64.04	61.05
Earnings per share (Baht)	6.96	7.99	8.43
Dividends per share (Baht)	13.00*	6.50	6.00
Dividends payout ratio on net profit (%)	191.90	83.33	71.60
Return on revenue from sale of goods and rendering of services (%)	7.49	8.90	9.77
Return on equity (%)	10.83	12.77	13.93
Return on total assets (%)	8.82	10.31	11.36
EBITDA on total assets (%)	16.34	19.85	24.93
Debt to equity ratio (Times)	0.21	0.19	0.24
Price earnings ratio (Times) **	21.55	18.71	8.90

* Proposed for approval

** Price is the year ended price at which a security is traded in the local board of SET

3 Income Structure



■ Income Structure

▶▶▶ In 2013, the Company and its subsidiary realized revenue from sale of goods and rendering of services of 1,023 million Baht, representing an increase of 35 million Baht or 4% compared to 2012.

Products	Income (Baht'000)			Portion		
	2013	2012	2011	2013	2012	2011
Cheques and Security Documents	347,965	400,254	403,181	34.03%	40.55%	42.46%
Plastic Card	265,228	270,423	272,379	25.94%	27.39%	28.69%
Business Forms and Commercial Printing Documents	208,275	194,810	183,543	20.37%	19.73%	19.33%
Others (Trading, Service and Export Sale)	201,142	121,648	90,434	19.67%	12.32%	9.52%
Total	1,022,610	987,135	949,537	100.00%	100.00%	100.00%

▶▶▶ The Board of Directors

1.	Mr.	Roongrote	Rangsiyopash	Chairman of the Board of Directors
2.	Mr.	Krit	Umpote	Director
3.	Mr.	Kuasak	La-orsuwan	Director
4.	Mrs.	Nuanchan	Boonpoijanasoontorn	Director
5.	Mr.	Prasert	Wongwaiwit	Director
6.	Mr.	Panthep	Supachaiyakit	Director
7.	Mr.	Poonpipat	Aungurikul	Director.
8.	Mr.	Richard David	Han	Director
9.	Mr.	Sitthichai	Chantravadee	Director
10.	Ms.	Sutida	Mongkolsuthree	Director
11.	Mr.	Nat	Pinitpongskul	Director

▶▶▶ The Audit Committee

1.	Mrs.	Nuanchan	Boonpoijanasoontorn*	Chairman of the Audit Committee
2.	Mr.	Krit	Umpote	Member of the Audit Committee
3.	Mr.	Kuasak	La-orsuwan	Member of the Audit Committee
4.	Mr.	Poonpipat	Aungurikul	Member of the Audit Committee

* The director who has adequate expertise and experience to review creditability of the Company's financial reports.

▶▶▶ The Nomination Committee

1.	Mr.	Krit	Umpote	Chairman of the Nomination Committee
2.	Mr.	Panthep	Supachaiyakit	Member of the Nomination Committee
3.	Mr.	Richard David	Han	Member of the Nomination Committee

▶▶▶ The Remuneration Committee

1.	Mr.	Sitthichai	Chantravadee	Chairman of the Remuneration Committee
2.	Mr.	Prasert	Wongwaiwit	Member of the Remuneration Committee
3.	Mr.	Poonpipat	Aungurikul	Member of the Remuneration Committee

▶▶▶ The Executive Committee

1.	Mr.	Roongrote	Rangsiyopash	Chairman of the Executive Committee
2.	Mr.	Panthep	Supachaiyakit	Member of the Executive Committee
3.	Mr.	Nat	Pinitpongskul	Member of the Executive Committee

▶▶▶ Management

1.	Mr.	Nat	Pinitpongskul	Managing Director
2.	Mr.	Panu	Ratanasingha	Plant Director
3.	Mr.	Wason	Phakdeesattayaphong	IT Director
4.	Mrs.	Wunwisa	Tantivejakul	Financial Controller
5.	Ms.	Duangrat	Dararuja	Human Resources Director

▶▶▶ Secretary to the Board of Directors and Company Secretary

1.	Mrs.	Pornpen	Namwong
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5 Message from the Board of Directors



Mr. Roongrote Rangsiyopash
Chairman



Mr. Nat Pinitpongskul
Managing Director

...Over the year 2013, the overall Thai

economy experienced slowdown in the business and investment sectors during the second half of the year due to the impact from the world economy, both in the United States of America and Europe not having yet fully recovered, as well as the highly unstable domestic political situation

As concerns the security printing business, the Company's clients have adjusted in terms of marketing due to more intense competition. As a result of this, clients demand a greater variety of products and services, and a prompt response. In addition, they implement policy in reducing costs and increasing work efficiency in each procedure, perform more outsourcing, as well as use new information technology to support work procedures. Over the past year, the Company, thus, has readjusted its model of goods and services presented to customers by providing more solution systems. At the same time, the Company pushes forward the improvement of internal efficiency according to TPM (Total Productivity Management), resulting in the Company's operating results in 2013 reaching 1,023 million Baht for sales volume, an increase of 3.6%, with the net profit of 77 million Baht, a decrease of 12.5% mainly due to the increase in wages. The major sales volume still belonged to plastic cards and security documents.

For the global economic outlook in 2014, it is necessary to keep an eye on the economic situation of the United States of America and Europe due to high instability. It is the same for Thai economy because of the unstable political factor, having impact on the private sector in various industries including the financial industry cluster which is the Company's main clients. In relation to the impact caused by the trade liberalization of the ASEAN Economic Community (AEC) starting in 2015, the competition will become severe with the electronic system replacing the current security products and payment methods whether it be cheques, passbooks, debit cards or credit cards, etc. These factors are considered great challenges for the management.

Despite obtaining the TPM Excellence Award from JMA, Japan, the Company is always determined to improve the efficiency of the internal management in alignment with TPM, and does not cease in presenting new products and services that best respond to customers' needs.

The Company also emphasizes business operations according to the principles of good corporate governance and transparent management under the anti-corruption practice guidelines. As relates to social and environmental responsibility, TBSP places importance on a safety work environment for the welfare of employees, development and enhancement of the manufacturing process by creating innovation to reduce pollution affecting the environment and communities, and pledges to serve the environmentally friendly products and services with social responsibility business operation in order to create greater confidence among shareholders, investors, customers, employees and every stakeholder.

The Board of Directors would like to express sincere gratitude to shareholders, customers, employees, business partners as well as every relevant party for always giving support to the Company's operations. We promise that the Company will continue to carry out business with adherence to the principles of good corporate governance to ensure optimized benefits of shareholders and all stakeholders in return of their continued trust and confidence given to the Company.

Summary of Management Goals 2013

2013 Goals

1. Enhancing the Company's internal management to reach Operational Excellence by adopting Total Productivity Management (TPM).
2. Placing an emphasis on boost up New Business Development both of new products and service solutions to appropriately meet customers' needs.

Outcome

Effectively implement Operational Excellence by certifying "TPM Excellence Award" from JMA (JAPAN) to improve productivity and reduce operating cost.

Successfully implement new products and services focusing on Document Management Solution for Telecommunication and SCG customers.

Management Target 2014

In 2014, TBSP extends its target based on those of 2013 with the following 3 areas:

Operational Excellence

Continuously improve productivity by implementing management concept of TPM together with TQM.

Customer Intimacy

Keep current customers by increasing variety of products and services and approaching new customers. Moreover, expand to new customers in both domestic and overseas.

Expand New Businesses

Focus on new platform of products and services with more variety according to all customer segments.

7 Major Changes

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MAJOR CHANGES

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➤➤➤ 2012

- Received CSRI Recognition in the category of Rising Star from the Stock Exchange of Thailand.
- Received 3Rs Award, Zero Waste to Landfill Achievement Award, and CSR-DIW Continuous Award 2012 from the Department of Industrial Works.

➤➤➤ 2010

- Become the first printing house in Thailand to obtain ISO/IEC 27001:2005 and CWA (CEN Workshop Agreement).

➤➤➤ 2007

- Strategic Partner Development in Printing and Data systems Development under a new company namely THAI BRITISH DPOST COMPANY LIMITED.

➤➤➤ 2005

- Certified from VISA and MASTERCARD for card personalization of EMV (Euro-pay MasterCard-VISA).

➤➤➤ 2002

- Thai Bank sold their shares in TBSP to Siam Pulp and Paper Public Company Limited. (Recently changed the company's name to the SCG Paper Public Company Limited.

➤➤➤ 1999

- Achieved ISO 14001 certification and became one of the world's leaders in Contactless Smart Card production.

➤➤➤ 1996

- TBSP started trading on the Stock Exchange of Thailand.

➤➤➤ 1995

- The company entered new market with the product of the preprinted stamp postcard.

2013

- ★ Provided new services under **INFOSAFE** brand, offers the solutions for confidential document storage and shredding.

- ★ Received CSRI Recognition Award 2013 from the Stock Exchange of Thailand.

- ★ Received CSR-DIW Continuous Award from the Department of Industrial Works for the 2nd years.

- ★ Received NACC Integrity Award from the Office of the National Anti-Corruption Commission.

- ★ Received the outstanding award for Safety, Occupational Health and Working Environment 2013 at the National Level for 2 consecutive years from the Department of Labour Protection and Welfare.

- ★ Received Golden Award in Kaizen Office category from Thailand Kaizen Award 2013 provided by Technology Promotion Association (Thailand-Japan).

- ★ Applied and completed in the assessment for TPM Excellence Award Category A from Japan Institute of Plant Maintenance (JIPM), Japan.

➤➤➤ 1994

- Krung Thai Bank became a shareholder and TBSP was transformed into a Public Limited Company.

➤➤➤ 1992

- TBSP shares held by The British Printing and Communication (BPCC) were bought by the local and at the same time the company started plastic card production for ATM, credit and smart cards.

➤➤➤ 1989

- Entered new markets with the production of the Thai passport.

➤➤➤ 1982

Four more Thai banks joined the company, Bangkok Metropolitan Bank, Bank of Ayudhya, Union Bank of Bangkok and Thailand Military Bank.

➤➤➤ 1978

- Company was established as a joint venture between The British Printing and Communication Corporation (Europe's largest printing group) and four Thai Banks, Thai Farmers Bank, Siam Commercial Bank, Bank of Asia and Thai Danu Bank, to produce security documents, cheques and financial documents.

Company Products 8

TBSP

**TBSP The International
Leader in Card and Security
Document Printing**

■ Company Products



»»» Cheques

As cheques are important documents, meticulous attention needs to be paid to every detail in order to prevent fraud starting from a selection of laser grade printing papers (CBS1) printed with magnetic ink character recognition, either with watermarks or for using in combination with other fraud prevention methods.

At present, TBSP has developed a complete system for the production of cheques. To provide greater convenience for banking institutions, the company has initiated the Fast Cheque Service, in which banks can readily place online orders via the E-Ordering system, thereby saving time and money. In addition, a special delivery service of cheques to differing branches of the banks ensures security and the prompt delivery of cheques to end customers.

»»» Security Documents

Security documents are important and valuable. It is, therefore, extremely crucial to be fraud-free such as share certificates, certificates, commercial cash coupons, postal stamps and postcard. TBSP commits itself to providing solutions to customers in need of protecting their products from illegal duplication or counterfeiting. The Company focuses on enhancing the quality of its products, adopting advanced printing techniques and a broad array of anti-counterfeiting technologies including printing ink, paper specialty and hologram foil. The state-of-the art of technology is combined with excellent quality service to better address customers' demands and expectations.

Therefore, the Company gains trust from the leading financial institutes, both national and international, as well as the public and private sectors to manufacture fraud-free documents.



Plastic Cards



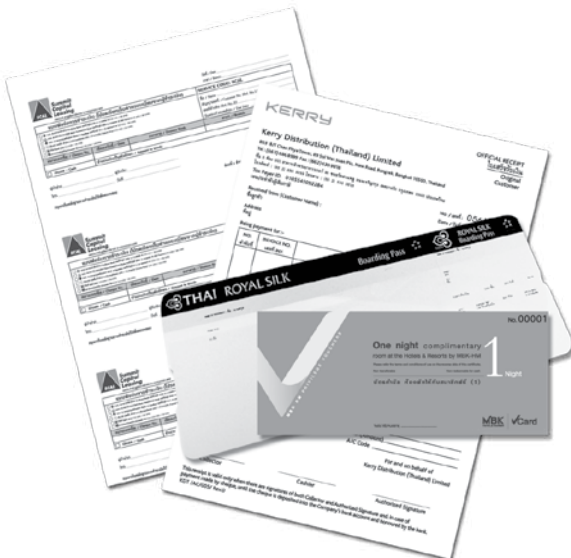
TBSP has developed sophisticated printers and peripherals as well as a high level of security environment, enabling the Company to manufacture all types of excellent quality plastic cards. In addition to ATM and credit cards, the Company's wide range of plastic card includes EMV chip cards, complying with the Visa and MasterCard standards, and different time of smart cards, integrated photo ID cards, and barcode member cards or chips. Its service also extends to providing supporting documents and packing cards in envelopes to send to different channels.

Counterfeit Prevention Labels



Nowadays, products with high value being duplicated or counterfired cause a great deal of damage to manufacturers' images and reputations, especially consumer goods necessary for everyday life. Bearing this in mind, TBSP realizes the importance of counterfeit prevention labels and uses an advanced printing technique in combination with a wide array of counterfeit prevention technology for absolute confidence in the products on the part of the manufacturer and consumers.

Business forms



With innovative machine and printing equipment, TBSP is able to provide a printing service for business forms such as various continuous forms, commercial printing, brochures, one-part mailer, payroll slips and other commercial documents.

■ Other Services



➤➤➤ Data Printing, Enveloping and Mailing Service

The Company has jointly developed data printing and enveloping capabilities with Thai British DPost Co., Ltd (TBDP), a joint venture between Thai British Security Printing Plc. and DataPost Pte Ltd. of Singapore who specialize in data printing and mailing to provide a complete efficient service for individual data printing and mailing such as statements, advertising letters, etc. Service starts from data pick up-delivery from clients, data check, and security data printing.

This data is treated confidentially. Service also includes selecting data and mailing it to recipient clients. The joint venture company also offers consultancy on the techniques and programs suitable for each type of business by foreign experts, allowing the customers to enjoy the benefit of the world's cutting-edge technological at reasonable price.

➤➤➤ Document Solutions Management Service (DSMS)

It is inevitable that a large business needs a great deal of documents and forms resulting in a tremendous use of personnel and equipment resources in providing service. Therefore, in order to minimize work burdens that are not part of the Company's main mission DSMS offers one-stop services such as document management, forms, and stationaries and other equipment, starting from printing consultancy, printing design, manufacturing, purchasing, provision, quality control, storing, database storing, product delivery, destroying important documents and list making.

The Company applies a modern IT system in printing management so that customers can benefit from easy and fast service at reduced total cost. With the complete database system, customers will find it easy to follow and make decisions.

1. Complete service to enhance efficiency in document and printing management.
2. Reduce expense on renting a warehouse.
3. Reduce expense on provision, storage, product delivery and manpower.
4. Flexibility and convenience owing to advance service.



➤➤➤ RFID Solutions

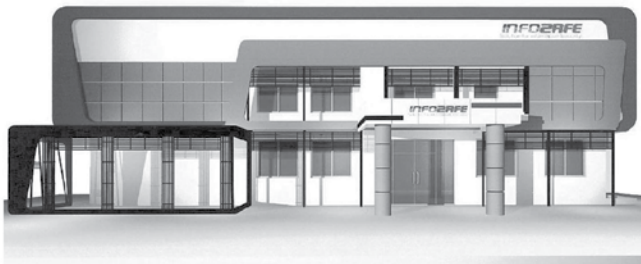
Radio Frequency Identification is technology that identifies individual data belonging to men, animals, things or products, using radio frequency to read data from a distance, to transmit and receive data at high speed without relying on visibility or connecting to identification equipment. The technology is now used in cash cards, staff identification cards, travel cards, and product labels.

The Company has an expert team specialized in developing the system for use with RFID as well as providing hardware that is suitable to the purpose of the work such as smart cards or E-Purse, access system, pay system and sales promotion system. At present, a great number of large educational institutes and companies have selected the system developed by TBSP.

➤➤➤ InfoZafe

'InfoZafe' is an important document storage and information shredding service. At present, information is regarded as highly significant for the operation of business in every kind as corporate information could impact competitiveness; personal information of employees; confidential information related to customers staffs. Every organization is responsible for protecting and properly managing their information, both when it is in use as well as when it expires. The organization is required to safely destroy them to ensure that it will not be released outside and cause economic damage to the Company.

The Company offers services storing significant documents and permanently destroying information both in the form of confidential documents and electronic data such as hard disk, and magnetic tape using up-to-date and secure methods. The security systems such as CCTV and RFID can keep track of data storage 24 hours and ensure that customers' important documents are destroyed properly.



➤➤➤ New Businesses



1. Brand Protection Solution

Currently, high-value products are facing counterfeit problems that cause severe damages to the images and reputations of the brand owners, especially, necessary products that are needed by the consumer's daily life. TBSP anticipates the importance of a complete range of the anti-counterfeit solution. The Company provides customized solutions depending on our customer's industries.

A Security label is a principle product to the Brand Protection Solution. The combinations of high-printing techniques and anti-counterfeit technologies are provided with our professional skills in order to gain the confidence of brand owners and consumers. TBSP uses IT technology to increase an anti-counterfeit efficiency as a one stop services. This is emphasizing that TBSP is the leader of anti-counterfeit solutions and products entirely.

2. Business Process Outsourcing)

According to the World Business Trend, customers give a precedence of cost decreasing in their internal operating procedures, accentuating their core business and raising up the efficiency of the procedures by accuracy and speed improvement. This is the cause of our company's new business that seeks to satisfy our customers as we provide our services by managing those procedures for them. The customers can benefit the cost saving and work accuracy and efficiency from the decrease in their internal operating procedures.

3. Payment and Membership Solution

In business competition trends, entrepreneurs need to find effective strategies and methodologies to maintain existing customers and expand their customer bases. The company provides the solution regarding Customer Relationship Management to serve customers' need.

TBSP offers an one stop services for potential customers to better secure and manage the data and information of their customer by developing tools and programs with high efficiency. This enables to maintain and expand their businesses sustainably.



Risk Factors 9

TBSP places emphasis on risk management due to the circumstances of industry and competition. Risk assessment and close monitoring are conducted in order to make a plan and specify the criteria to manage possible risks appropriately, and to minimize impact on the Company's operation. TBSP has assessed the risk likely to affect the Company's operations as stated below:

1. Business and Marketing Risks

Over the previous year, there were several related domestic and international factors. The impact derived from the global economy, the country's unstable political situation along the half year later, the improvement of efficiency to reduce costs on the customers' part, and more intense competition are cases in point. The Company managed the market risk by developing products and services to match customers' needs. , by implementing technologies to minimize defects and maximize the quality of services and by disseminating the customer base in several industrial sectors, The Company also continually improved its management to be more efficient to generate the competitive production cost and build confidence among customers. This makes the Company different from other rivals leading to a positive overview of sales volume.

2. Raw Material Risks

Certain major raw materials needed for manufacturing qualified counterfeit prevention fraud-free products are produced by a small number of manufacturers resulting in the limited allocation of raw material sources. In order to alleviate such risk, TBSP stipulates a clear procurement policy to search for additional sources of raw materials by considering the quality of raw materials need to be substitution as a major criterion.

3. Technological Risks

The Company operates a security-printing business, therefore placing much importance on the safety of customers' information. In order to build confidence among customers, the Company conducts itself according to Information Security Management System (ISO/IEC 27001:2005) as relates to the security and safety of information of the whole organization.

At present, consumers use electronic technology that can replace documents or printed materials. The Company, therefore, highlights research work and technology development in order to strengthen new products to meet customers' needs, and continuously operates to create difference from its rivals with the objective of achieving the sustainable growth of the Company.

4. Monetary Risks

- **Interest Rate Risk**

The Company has no substantial risk arising from the change in interest rate.

- **Foreign Currency Exchange Rate Risk**

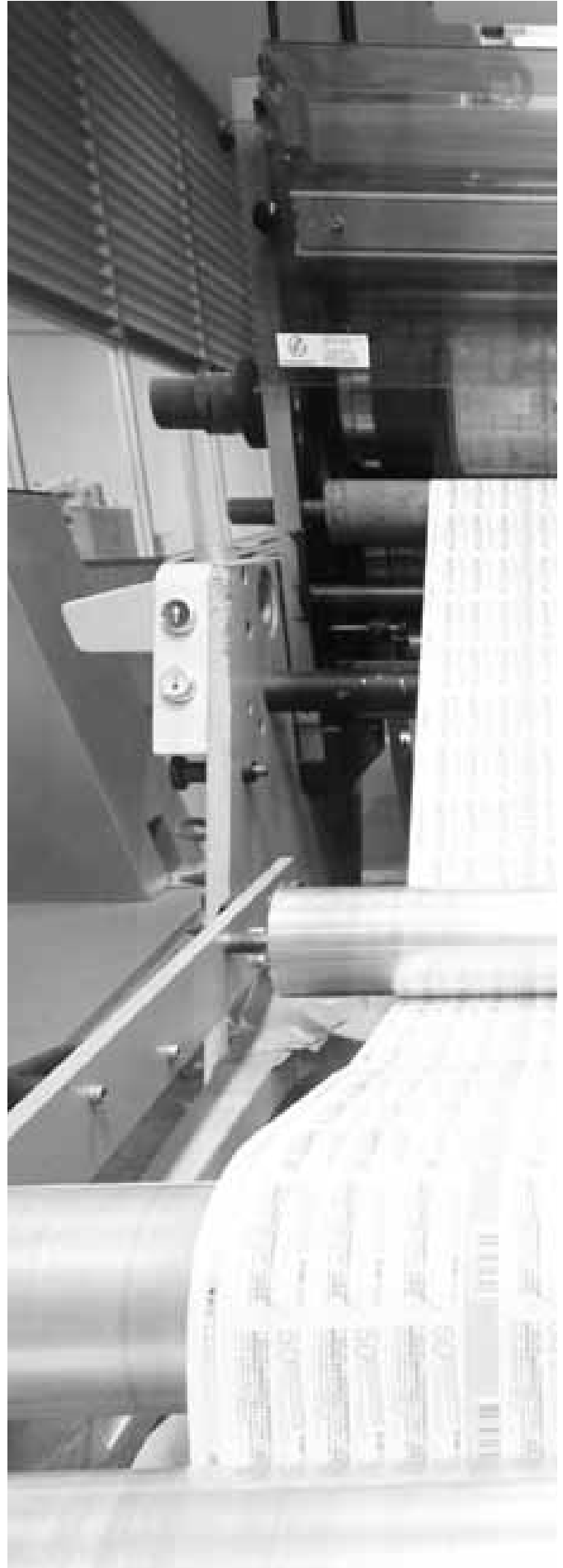
The Company encounters risk as regards the foreign currency exchange rate derived from the purchase and sale of products in foreign currency. The Company has made a forward exchange contract whereby such item will be effective not over one year to prevent the risk of financial debt in foreign currency.

- **Credit Risk**

Credit risk is risk where customers or contract partners are unable to pay off debt to the company group according to agreed conditions when the period is complete. The Company has a credit management policy whereby the Credit Committee is established. The Credit Committee organizes a follow-up meeting every month, analyzes the financial status of every client and specifies the credit limit suitable for buying and selling. The Committee also organizes a meeting with clients and follow-up on credit by analyzing the age of a debtor on a regular basis.

- **Liquidity Risk**

TBSP controls the risk derived from a lack of liquidity by sufficiently maintaining the level of cash and items equivalent to cash for the Company's operation to alleviate the impact caused by fluctuation in cash flows.





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*Thai British Security Printing Public Company Limited
is determined to take on the role of entrepreneur
sustainable social responsibility standards towards
stakeholders adhering to SCG's business operation principles.
Operational principles of the Company
are described*

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Corporate Social Responsibility Report

1. Corporate Governance: TBSP is determined to create credibility among customers, shareholders and stakeholders by informing clear policy to staff member of staff for cooperative practice.
2. Observance of Human Rights Principles: The Company places importance on fundamental rights, respects freedom with non-discriminative treatment, and promotes equality regardless of gender and class. TBSP, in addition, is against child labour and corruption in every form.
3. Labour Treatment: Core to the Company's business operations is the staff. The Company ensures that its employees are treated fairly in the workplace, and receive appropriate compensation and welfare. TBSP strictly abides by the law and regulations as regards safety and occupational health at work.
4. Environmental Preservation: The Company has implemented measures in reducing the impact on the environment arising from its activities with the objective of preserving and maintaining the eco system and environment of communities. Furthermore, social responsibility in terms of energy conservation is consistently reviewed and implemented.
5. Fair Operations: The Company has designated guideline practice in opposition to corruption, fair treatment towards trade partners, fair procurement principles for every relevant party, and operates tasks with transparency and accountability.
6. TBSP is committed to giving the best to consumers, clients, shareholders and employees by providing quality service and products with accuracy, completion and a good work system. The Company also has an efficient follow-up and sufficient disclosure of information.
7. Participation and Sustainable Community Development: The company encourages staff from every level to join with the community in carrying out public interest activities, promotes the development of good quality of life in communities in the surrounding areas of a factory, good society, and culture as well as sustainably continuing local tradition.
8. TBSP is determined to develop and improve the manufacturing process by creating innovation with the purpose of decreasing pollution that causes an impact on the environment and communities. This is carried out by highlighting environmentally friendly products and services that come from operating business with social responsibility.

➤➤➤ Regarding to the operational principles, the Company conducts Corporate Social Responsibility Report as below

1. Business Operations as regards Fairness

➤➤➤ The Company has designated guideline practice against corruption, fair treatment towards trade partners, fair procurement principles for every relevant party, and operates tasks with transparency and accountability.

➤➤➤ The Company has implemented procurement policy or contracts for the services policy in compliance with the regulations of ISO 9001 or ISO 14001 or TIS/OHSAS 18001 and ISO 27001 whereby procurement must not involve the purchasing or buying of products that violate copyright. In addition, price comparisons must be carried out of vendors with existing records and history. New vendors have to be evaluated. In cases where products or contracts for certain types of services are available in communities, a vendor at community level and/or community products will be primarily considered. Before considering the purchase of any products from any vendors or hiring of contractors/ service providers from an outside source, the criteria as concerns the protection of human rights shall be taken into consideration. Significance is also placed on the environmental conservation on the part of each vendor or contractor/service provider.

➤➤➤ The Company's sales policy is in line with ISO 9001, ISO 14001, TIS&OHSAS 18001, ISO 27001 standards regarding sales and sales systems whereby salespersons make no agreement with any rivals or individuals involved with trade competition. In addition, an authorized person will sign to approve a quotation as assigned by the Company every time before passing it onto clients.





2. Anti-corruption

▶▶▶ The Company operates its business with fairness in accordance with the ethics of SCG Group and ensures that every member of staff acts according to the anti-corruption policy such as

1. The Board of Directors, the Management Team, and SCG staffs in every level must follow anti-corruption policy and the SCG Code of Conduct by avoiding involving with any course of corruption direct or indirect manner.
2. SCG staffs shall not be negligent in any corruption conditions involved directly with SCG. All staff must notify such act to supervisors or responsible person, including collaborate with investigation. Any queries or questions are needed to be consulted by the supervisor or a responsible person who monitors the SCG Code of Conduct compliance provided in particular channels.
3. SCG shall provide fairness and safeguard staff who denies or informs corruption cases relating to SCG by applying Protection Policy for appellant or persons who incorporate with Anti-Corruption information as stated in the Whistleblower Policy.

4. A person who commits the corruption is equivalent to misconduct in the SCG Code of Conduct. This means such person is needed to consider discipline followed by SCG standard. Conviction on may be applied in case such act violates the laws.
5. SCG concerns the importance of dissemination, knowledge sharing, and communications with other people who involve or affect SCG so that those parties shall conform effectively to the Anti-Corruption guideline.
6. SCG strives to create and sustain organization's culture representing that corruption is unacceptable in every business transaction dealing with both public and private sectors.

▶▶▶ In addition to the anti-corruption policy, the President of SCG has imparted a message to every staff member in the Company's group saying, "At present, the general public is more concerned about corruption. Moreover, over the past few years, in particular, SCG's business has expanded rapidly with our staffs gaining greater responsibilities but not necessarily the relevant experience. This may incur risk as regards corruption. In order to ensure that SCG has adequate measures in stopping such possible risk, a code of practice has been compiled to prevent corruption. Anti-corruption policy has been also defined in written form as a policy framework. SCG also has clear practice guidelines as regards business operations covering the work performance of directors, management and every staff.

▶▶▶ The Company received ISO 27001 as regards the security and safety of information with the core principles of Confidential: safety in providing information, Integrity: accuracy with no fraudulence, and Availability: ready upon need. The Company is required to perform in accordance with these principles per the annual external audit.

▶▶▶ Furthermore, the Management emphasizes honesty and transparency. A work manual called "Operational Authority" has been drafted as regulations to prevent staffs from making unintentional mistakes. The regulations have been compiled as most transparent work guidelines. In addition, the Company provides a systematic complaint channel for staffs that is transparent and accountable.

3. Observance of Human Rights

▶▶▶ As regards the observance of human rights, The company takes this matter seriously. TBSP is the first company in Thailand to join the UN Global Compact, the ten principles of which are in the areas of Human Rights, Labour, Environment and Anti-Corruption. The UN Global Compact consists of ten principles:

1. **Support and respect the internationally announced protection of human rights with the given authority**
 - Being a public company, TBPS abides by the law of the Kingdom of Thailand as well as the Declaration of Human Rights consisting of 30 items. In addition to this, the Company promotes and looks after the well-being of staffs in terms of physical health, occupational health, safety at work, remuneration and compensation, personnel development, and retirement from work.
2. **Constantly check to ensure that the Company's business does not become involved in any violation of human rights**
 - The Company respects human rights and treats employees, business partners and other parties equally and does not encourage any such persons to violate human rights.
3. **Promote the freedom to join labour union and approve the right to take part in serious negotiations.**
 - The Company complies to labour legislation in every aspect and supports activities such as sports day, New Year Party, small group activities and social service activities as volunteered.
4. **Eliminate forced labour in every form**
 - The recruitment of a new staff takes into account appropriate work responsibility and education. Employees are entitled to resign within the specified time and are given a work contract between them and the Company. Those who work during holidays and overtime will receive remuneration as stipulated by law.
5. **Eliminate child labour**
 - No employee under 18 years old works for the Company and for the Company's business partners.
6. **Eliminate discrimination as regards employment and profession**
 - The Company employs staffs with the capability suitable for their job title and responsibility regardless of gender, religion or culture. This can be seen from the fact that the Company has female chief executive officers and employees have the freedom to believe in any religion.

7. **Support observations over operations likely to cause impact on the environment**
 - The Company obtained the environmental management standards or ISO 14001 since the issue of the environment is taken into consideration at every step of the decision-making process and operations.
8. **Volunteer to organize activities promoting the elevation of social responsibility**
 - The Company provides an opportunity to communities and students in the vicinity of the Company to learn about the wastewater treatment system. The objective is to convey the message to communities and students that a factory and communities can coexist.
9. **Promote the development and dissemination of environmentally friendly technology**
 - The Company uses manufacturing technology whereby the heating and cooling system of the machine is controlled and recycles materials, equipment and raw materials. The Company takes part in the 3Rs project (Reduce, Reuse and Recycle) of the Department of Industrial Works.
10. **Oppose corruption in any form, including bribery and authority enforcement**
 - The Company's committee has been set up with members being appointed during the Annual General Meeting of Shareholders and establishes an independent committee for auditing. At the Ordinary General Meeting of Shareholders, any change made to the Company's committee members will take into consideration the term of position every three years. The Executive Committee, the Audit Committee, the Remuneration Committee, and the Nomination Committee will report directly to the Board of Directors. The Company also has management principles in compliance with the internal control principles whereby the positions of Chairman and Managing Director are taken on separately. The Company's cheques and important documents must be signed and approved by these two chief executives.

4. Fair Labour Treatment

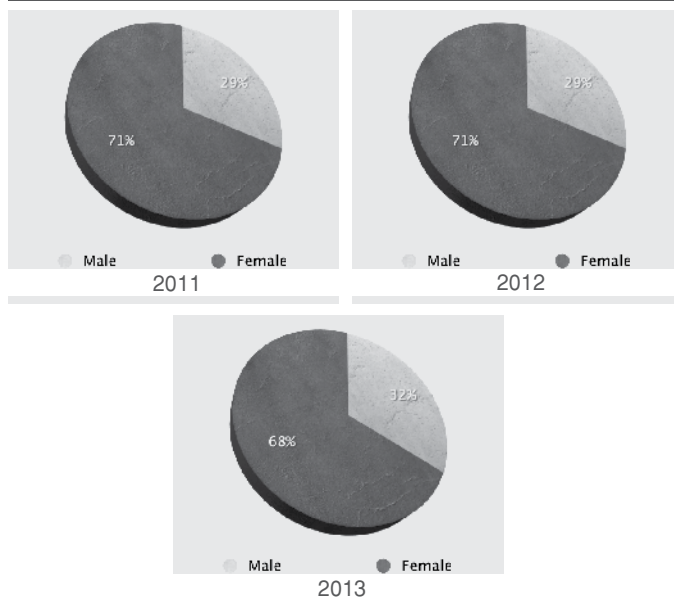
▶▶▶ TBSP adheres to the principles of good corporate governance where by stakeholders are treated fairly and focuses on disclosure, transparency and accountability. In order to portray the Company's principles of good corporate governance, the Company manages personnel by committees who consider several issues including personnel management policy and the caretaking of staff in the organization.

▶▶▶ The objective is to look after staff thoroughly, and provide fairness to everyone. Every supervisor shall consider matters based on reasons and righteousness.

▶▶▶ The scope and responsibility of the committee is to stipulate policy and practice guidelines as regards the personnel development of the company group in order to keep up-to-date with the rapidly changing business situation. The recruiting committee has the role of caring for employees, designating human resource policy, appointing relocating, considering promotion, managing salary, developing employees and specifying regulations and practicing guidelines, etc.

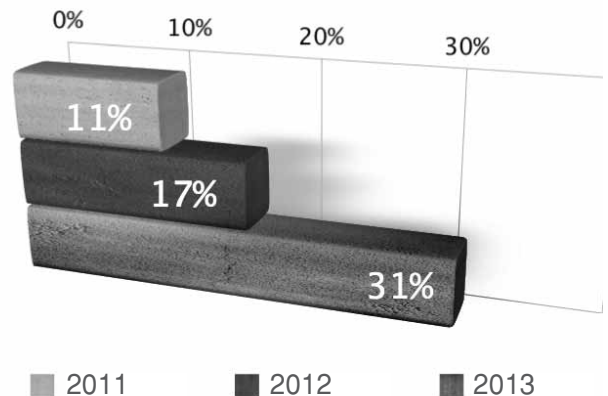
▶▶▶ The recruitment committee will use consensus as a criterion in making a decision. The proportion of female employees is greater than male employees in according to the nature of business that require for the attention to details in most of the works.

... Proportion of the Company's employees by gender (%)...

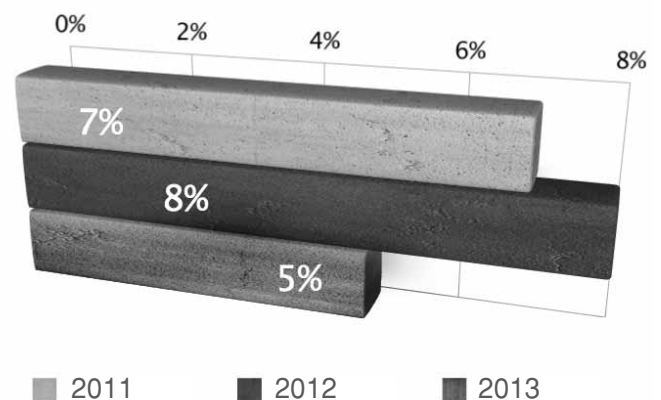


▶▶▶ In nominating and recruiting employees, the Company makes use of fair and efficient proactive nomination and recruitment whereby a committee will agree by consensus in order to recruit knowledgeable, capable and suitable workforce. The applicants who live nearby communities are also taken into consideration.

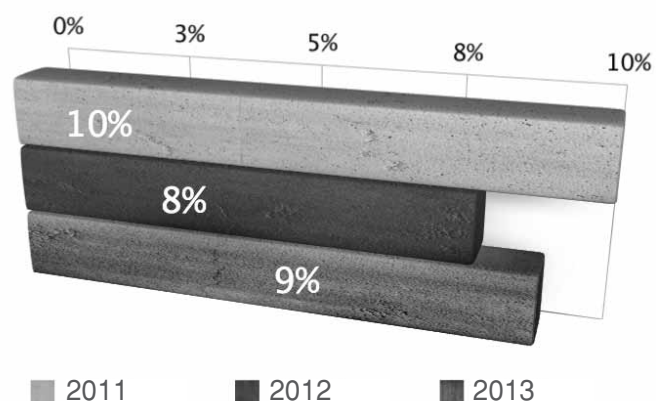
...Percentage of employees living in Samutprakan...



...Percentage of New employees ...



...Percentage of employees leaving Company...



◆◆◆ As regards the Human Resource development policy, the Company believes in the value of people and therefore investing in training and developing staff over a long-term period. The purpose is to strengthen and elevate the knowledge and competence of the employees in compliance with the Company's policy. The annual plan for training and developing personnel is divided into five categories as follows:

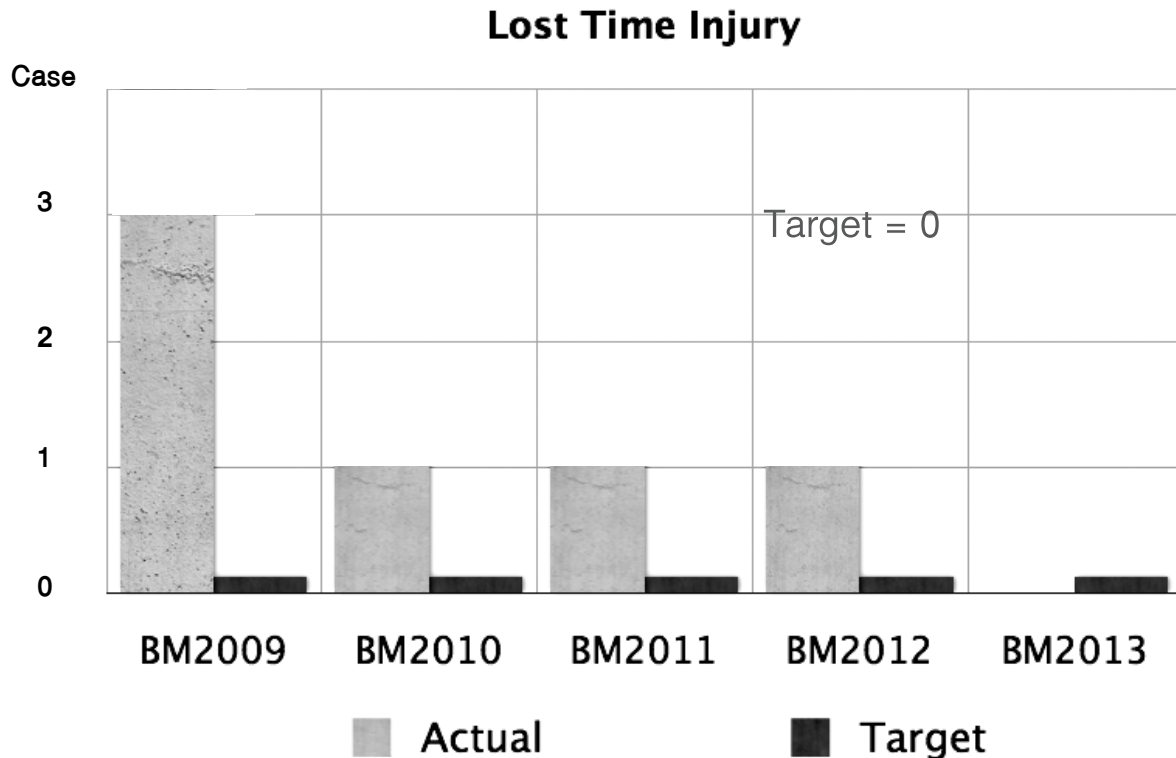
1. Fundamental training and development is a necessary training plan included in a program such as code of conduct and regulations relating to work, safety system, and knowledge about ISO 9001, ISO 14001, TIS&OHSAS 18001, ISO 27001.
2. On-the-job training is training and development at work whereby a supervisor of each job line specifies the teaching plan and teaches at the point where the staff is working. The purpose is to provide staff with the knowledge and skills to perform work accurately in concordance with the system and specified work procedures.
3. Training and development in terms of Total Productivity Management (TPM) : The Company has a policy in developing Human Resource to be equipped with knowledge, skills and TPM concept by providing programs such as Introduction to TPM, Basic QC, Policy Management, and Daily Management. The Company also prepares for staff to adopt TPM as a work management policy in every department.
4. Training or seminars in domestic and abroad : The Company plans to develop and promote staff to undertake training, make study trips to institutes abroad on a continuous basis so that staff can learn and keep up-to-date with technology and modern management systems, for application to their work performance efficiently.
5. The Company grants scholarships for a Master's Degree in Printing Technology in order to equip staff with additional knowledge and competence to support business growth.



Accident Rate in 2013

◆◆◆ In 2013, accidents leading to absence from work of the Company equaled zero. There were no grave incidents since the safety equipment was installed to every machine that has a pinch point and hinge. In addition, employees are encouraged to stop the machine prior to each adjustment. For accidents resulting in minor injury, they mostly occurred during work performance in the office area rather than during the manufacturing process.

◆◆◆ TBPS considers it vital to provide safety training to new staff. Before they start their job, they must be informed of the regulations, measures, and penalties regarding safety. Furthermore, they will obtain specific knowledge about the safety for each specific job such as working with chemical substances, using personal safety equipment in risky jobs, working with machinery and following an emergency plan.



5. Responsibility towards Consumers

▶▶▶ The Company pays attention to dangers that may be posed by products to consumers, realizing the importance of this issue, the Company conducts the policy in environmental management, prevent danger from work, and prevent damage arising from unsafe goods on a continuous basis. Within the 6 policies of quality, environment, safety, the information security, and business continuity management. The Company determined to put such policy into practice to continuously develop in working process and management of environment and prevent danger from work, and prevent damage arising from unsafe goods. A working committee for standard management has been established and joined by chief executive officers and the Executive Committee. The representative of the standard management system is appointed with the responsibility to disseminate policy to all staff in the organization.

▶▶▶ The Company's Management acts in accordance to the Act on Liability for Damage Arising from Unsafe Goods B.E. 2551 (PL Law) being in effect on 20 February 2009. Criteria Severity and Level of Severity are defined in order to evaluate the Company's products: High Severity, Medium Severity, and Low Severity.

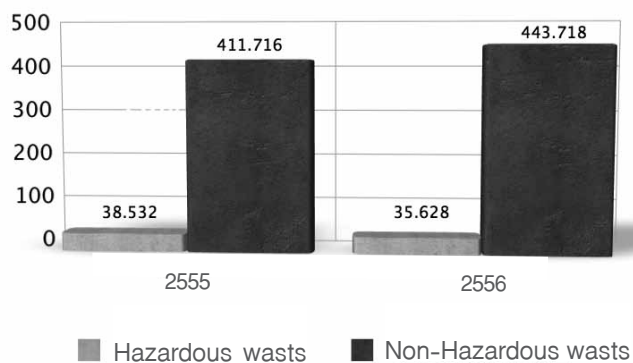
▶▶▶ Although the Company's products are evaluated as being of low severity in three Criteria Severity, what TBSP always does is to put a warning message on every corrugated cardboard box containing goods to be delivered to customers. A printed warning message explains how to store goods for the safety of customers and goods themselves, how to keep packaging away from any risks, and indicates a contact channel in case danger arises from unsafe goods. This warning message can be found on the side of product packaging.



6. Environmental Operation

▶▶▶ Being aware of the impact on environment caused by its operations, the Company promotes the ISO 14001 standard and pays attention to environmental pollution having effect on the communities outside the factory. The Company appoints a person responsible for the wastewater treatment system with the duty of measuring wastewater standard value, and controlling the treatment system to ensure stable water quality. The objective is to assure that water discharged from the manufacturing process passes the treatment standard. In addition, the water quality is checked on a monthly basis to make sure that water released from a factory does not have impact on communities.

▶▶▶ The Company invited its staff and asked for cooperation from Phoochaosaming Prai Municipality, factories nearby, Rompradu and Phuk Mit Pattana Gao Na in readjusting the landscape by getting rid of water hyacinth, cutting grass along canal, and planting ground covering plants along the canal in October 2013.

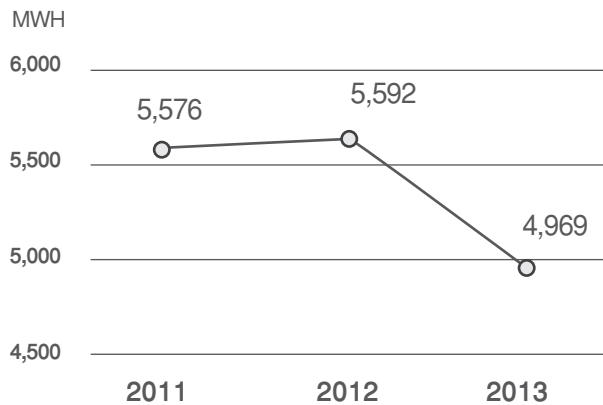


...Waste and Materials longer in Use/Disposal Method...

▶▶▶ The Company disposes waste arising from the printing process according to stipulated law and the waste disposal method “3Rs” such as reducing the use of the contaminated remnants of cloth and recycling. In 2012, TBSP released waste from a factory to the amount of 450.248 tons, 38.532 tons of which were the ink-contaminated remnants of cloth and 411.716 tons were non-hazardous waste. This waste was treated and disposed correctly according to academic principles. In 2012, hazardous waste accounted for 35.628 tons, decreasing from 2012, and non-hazardous waste totaled 443.718 tons. The total waste released outside a factory was, therefore, 479.346 tons.

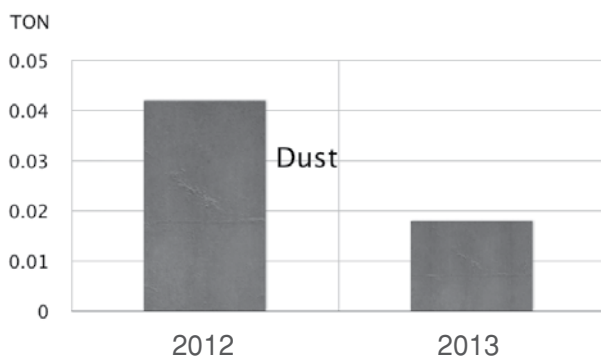
▶▶▶ The Disposal of Industrial Wastes, from 2012-2013 by burn for destruction are Hazardous waste incinerator. hazardous waste accounted for 76.16 tons and non-hazardous waste totaled 855.434 tons.

Electronic Current (MWH)



...Electric Energy...

When comparing electric energy consumption between 2011 and 2013, the Company used a total of 5,576 MWH in 2011 and 5,592 MWH in 2012. The Energy Conservation Committee conducts a project to reduce the consumption of electric energy. For example, in 2013 the air-conditioning and chiller air-conditioning system reduced electric energy consumption to 4,969 MWH, accounting for 0.731 million baht.



...Total Suspended Particulates...

The Company applies the standard value set by the Ministry of Industry stated in the specification of the configured amount of contaminated substance in the air released from a factory (B.E. 2549) (non-combustion system)

7. Community Development Operations

The operations regarding community development aim to discuss, evaluate impact, specify an operational plan with communities and visit the community committee in Phoochaosamingprai Municipality every year.

...Indication of Stakeholders...



...Prioritization of Stakeholders...

Prioritization of Stakeholders		Population
Nearby Communities	• Rom Pradu Community	1,512
	• Sri Suan Som Pattana Community	1,516
	• Phuk Mit Pattana Gao Na Community	2,158
	• Ruam Sammukkee 72th year Maharat Community	1,213
Staff and Business Partner Staff	• Staff	589
	• Business partner staff	222
Shareholders	• Juristic person's shares	42
	• Individual's shares	458

As of December 31, 2013

... Summary of Issues regarding Impact on Communities...

Major issue (According to evaluation guidelines)	What a factory needs to operate	If not operating, there will be impact on		Suggestions/ Operational guidelines (How to)
		Factory	Community	
Participation and community development 1. Participation in activities organized by the community, situated near and far, such as activities supporting education, culture and promoting good health 2. Job creation and skill development 3. Technology transmission 4. Creation of income 5. Social investment in several aspects	1. Giving knowledge about part-time self-employment 2. Creating jobs, promoting people in communities to earn extra income 3. Offer academic scholarships for students in communities 4. Promoting people in communities to learn how to create products 5. Treating wastewater in canals	The factory will not gain credibility and trust from communities.	1. People in communities are unemployed and earn little income. 2. There will be no good management system for manufacturing, purchasing, and selling community products. 3. Communities are lack of knowledge and capability in making product labels 4. No Scholarships provided for children. 5. The ecosystem of surrounding communities and canal will be rotten.	1. The Company helps find sales locations for community products by selling them at the Company. 2. Sends staff to communities to teach villagers to make products. 3. Suggests the design of product label. 4. Annually offers 30 scholarships (144,000 Baht) to students in Communities and 21 scholarships (165,000 Baht) to children of employees. 5. The company utilizes wastewater treatment system, conducts internal checks by staffs and measures quality of water by external organization every month.



...The Corporate Social Responsibility Action Plan 2013...

Activity		Objective	Stakeholders	Activity									
				Q1	Q2			Q3			Q4		
					Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
CSR													
1.	Shred2Share project	To support learning equipments for Border Petrol Police Schools.	Customers/ Communities										
2.	Enhancing knowledge and training												
	2.1 Health seminar under the topic of seasonal disease	To provide staff with knowledge and understanding as regards preventive methods of disease that may come with seasons.	Staffs										
	2.2 Promoting professions for communities and staffs	To encourage staff to have additional occupations according to the philosophy of sufficiency economy.	Staffs										
3.	Participation activities												
	3.1 Community relations												
	• Allowing the community to sell products in the area of the Company	To encourage the community to earn extra income.	Communities/ Staffs										
	• Attending the meeting with communities in the surrounding area of a factory	To acquire guidelines regarding collaboration in developing the community.	Communities										
	• Supporting the fermented fertilizer project	To enable communities to develop and operate the wastewater treatment project in a sustainable manner.	Communities										
	• Encouraging staffs to perform good deeds for communities/mowing grass/dredging canals/growing ground covering plants	To encourage TBSP staffs to do good deeds and be good role models for preserving the environment in communities.	Communities/ Staffs										
	• Giving Children's Day presents (notebooks)	To support youth's education in communities.	Communities										
	• Granting scholarships to schools in the surrounding area of a factory.	To support youth's education in communities.	Communities										
	• Organizing the annual Kathin Ceremony	To make merit and continue religious tradition.	Communities										
	• Participating in the building check dam activity and SCG Conserving Water for Tomorrow Project.	To encourage staffs to be part of maintaining the environment for communities.	Communities/ Staffs										
4.	Shareholder Activities												
	4.1 Inviting shareholders to join the Company's activities.	To encourage shareholders to take part in activities and create good relations with the organization.	Shareholders										

...Activities carried out according to the operational plan in collaboration with communities...



On March 28-29, 2013 a guest lecturer from Samutprakan Polytechnic College was invited to teach how to make Foi Thong Cake, chiffon cake, stuffed bread and the process of packaging for sales. The Company supports the making of labels on the packaging of Sri Suan Som Pattana Community in Phoochaosaming Prai Municipality and Si Raks Community in Bang Prong Municipality. At present, Sri Suan Som Pattana Community sells their products in regular shops and makes snacks for meetings to order.

The Company allows shops located in communities in the surrounding areas of a factory to sell their goods at special prices to staffs every 1-2 months as part of the Part-Time Occupation Training and Community Enterprises in Samut Prakan Project. This enables staffs to buy their everyday goods economically without having to go anywhere else.

▶▶▶ The Company collaborated with Rom Pradu Community in carrying out “Treating Household Wastewater before Releasing into Canals” Project by organizing the 2nd training session providing knowledge as to how to make fermented fertilizer for wastewater treatment. The community provided leftover fresh vegetables and the Company provided containers and molasses. The follow-up was conducted, and fermented liquid fertilizer was distributed for cleaning toilets, sanitary ware, and sinks with the objective of treating wastewater from households before being released into canals.



▶▶▶ The Company is also concerned about the environment in the surrounding areas of communities, that is, the eco system around Samut Prakan. The Company’s staffs collaborated with the Office of Bangpoo Industrial Estate in undertaking the conserving and planting mangrove forest activity on July 25, 2013.



▶▶▶ On November 9, 2013 the Company joined with other companies under SCG Paper in Samutprakan to host a Kathin Ceremony at Lad Wai Temple.



▶▶▶ On January 11, 2013 the Company proceeded with supporting National Children’s Day activities by giving specially made notebooks to agencies that organized Children’s Day activities in the surrounding areas of the factory such as communities, schools, municipalities and police stations.





8. Innovation and Dissemination of Innovation from Operations regarding Corporate Social Responsibility

▶▶▶ TBSP encourages agencies within the organization to be aware of developing the concept of products and working process at all times, seeing that “innovation” is what drives the Company towards stable and sustainable growth beneficial to trade partners, society and the Company later on.

▶▶▶ The Chief Executive Officer of SCG Paper supports and encourages staff to brainstorm for development by forming a group to present their work in a contest organized every year. Mr. Rungrote Rangsiyopash given speech at the Innovation Fair saying, “Someone once asked me what my definition of Innovation is. For me, it is Invention + Implementation. These two have to come in a pair. I would like us to improve in terms of “Innovation” to drive SCG Paper forward into the future. For example, using Innovation Idea to search for new markets or expanding markets to create value for customers. This will propel our organization towards growth.” The policy helps encourage staff to be alert for inventing, improving tasks or working processes currently in use.

▶▶▶ For example, Case Study of “Smart Chip” Group

The group presented the reduction of time spent on checking information on the chip and magnetic stripe of credit card. This can be considered a success as regards innovative development to decrease cost and increase work efficiency.

▶▶▶ According to an analysis of origin and solution guidelines carried out through the collaboration between agencies including the Engineering and Maintenance team and IT Solution Development Team and Bureau Service Team, a summary of guidelines to develop a program was established verifying information on the chip and magnetic stripe, and improve the equipment for reading information on the chip with the objective of solving problems and limitations occurring during operation.

▶▶▶ The result obtained from co-development among agencies is 40 seconds less time spent on verifying the information on the chip and magnetic stripe of one credit card and the number of verified credit cards increased five times per hour. In addition, teams received additional knowledge enabling more competitive opportunities in the future.

▶▶▶ From the participation in the contest ,the Company received Golden Award in the category of Kaizen for Office (KO) from Thailand Kaizen Award 2013 provided by Technology Promotion Association (Thailand-Japan) and recieved the third place for Story Kaizen in the category of Non-Manufacturing from SCG Kaizen Day 2013.

▶▶▶ Due to the determination to continually develop innovation, TPM (Total Productivity Management) is applied to improve work, resulting in creativity and idea brainstorming from several sections in order to solve problems. These ideas are also shared to create useful learning for other agencies. This all reflects the power collaboration of small groups of people and its benefits to society leading to the further development of the organization.

Report on the Board

of Directors' responsibilities for financial statements

Thai British Security Printing Public Company Limited

Report on the Board of Directors' responsibilities for financial statements

The Board of Directors of Thai British Security Printing Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with financial reporting standards under the Accounting Act B.E. 2543, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks. The Board has appointed an Audit Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit. The Audit Committee's views are reported in its report in the Company's annual report.

The Board is confident that the internal control system and the internal audit of Thai British Security Printing Public Company Limited and its subsidiary represent the financial position, results of operations, and cash flows accurately.



(Mr. Roongrote Rangsiyopash)
Chairman



(Mr. Nat Pinitpongkul)
Managing Director

The Audit Committee Report

for the year 2013

12

Thai British Security Printing Public Company Limited The Audit Committee Report for the year 2013



The Audit Committee of Thai British Security Printing Public Company Limited performed its duties independently as assigned by the Board of Directors according to the charter of the Audit Committee. The major responsibilities are reviewing the financial statements and information disclosure in the financial statements in compliance with the regulations of the law and financial reporting standards to be transparently, accurately, and sufficiently; reviewing good corporate governance; reviewing risk management assessment system; reviewing internal control and internal audit system; reviewing conflict of interest between related parties, and proposing the appointment of auditors for the year 2014.

In 2013, six meetings were held with full attendance of all members of the Audit Committee. The Audit Committee approved to set up the charter of internal audit office, and the review of internal audit quality according to the international standards (Quality Assurance Review) through internal assessment by the internal audit office. The result passed the criteria according to the medium-term plan for achieving Global Internal Audit Excellence. The Committee's performance of its duties in 2013 is summarized as follows:

1. Review of Quarterly and Annual Financial Statements for the year 2013 of the Company

The Audit Committee reviewed the quarterly and annual financial statements for the year 2013 of the Company and the consolidated financial statements of the Company and its subsidiary, as well as the information disclosure in the financial statements which were made in accordance with the regulations of laws and Thai Financial Reporting Standards (TFRS) which complied with the International Financial Reporting Standards (IFRS). The Committee reviewed the substantial issues, special items, and received explanation from the auditor, the management, and chief of internal audit office until they satisfactorily agreed that the compilation of the financial statements as well as disclosure of notes to the financial statements were in compliance with the regulations of laws and the financial reporting standards. The Audit Committee, therefore, adopted the financial statements which were reviewed and audited by the auditor as an unqualified report.

In 2013, same as last year, the Audit Committee and the auditors held a meeting without the presence of the management in order to independently discuss substantial information regarding the compilation of the financial statements and the disclosure of information in alignment with the standards and beneficial to users of the financial statements. The Audit Committee also acknowledged the report of suspicious behaviors of directors and management according to the Section 89/25 of the Securities and Exchange Act B.E. 2535 amended by the Securities and Exchange Act (No. 4) B.E. 2551, as agreed with guideline and reporting form done in 2010 stated that the Managing Director has to report the results of his findings in line with such rules to the Audit Committee on a yearly basis. In 2013, the Managing Director reported that no indication of suspicious behaviors, resulting in the compilation of the financial statements of the Company being reliable and transparent. The auditor was independent and accountable.

2. Review of Good Corporate Governance

For the highest benefit of the Company and fairness to all stakeholders, the Audit Committee oversaw that the Company continually acted in compliance with the Company's Articles of Association, relevant laws, and the principles of good corporate governance, promoted staff from every level to be conscientious in terms of ethics and morality. In addition, the information and connected transactions were disclosed according to the notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand accurately, completely and timely. The management was focused on transparency and fairness to all parties.

In 2013, The Company acknowledged the parent company's policy and practice methods regarding anti-corruption which will be applied to fit the Company. Regarding this matter, the Company received support and advice from the internal audit office. Furthermore, the Audit Committee carried out an assessment of the performance of the Audit Committee as a whole and self-assessment following the guidelines of SEC and SET. The topics for assessment included the Committee's preparedness, financial reports, meeting with auditors, review of connected transactions and disclosure of information in other reports, risk management and internal controls, the committee meetings, and performance of the Secretary to the Audit Committee, and the internal audit office, all these could be applied for the development and improvement of the performance of the Audit Committee. The assessment result in 2013 was at a satisfactory level, same as those of the previous year and was reported to the Board of Directors. In addition, an assessment form of the Audit Committee's performance was considered and revised every year so that the contents of the assessment form completely cover the responsibilities and duties of the Audit Committee. The Committee members were encouraged to participate in seminars organized by several institutes that help enhance the performance of the Audit Committee.

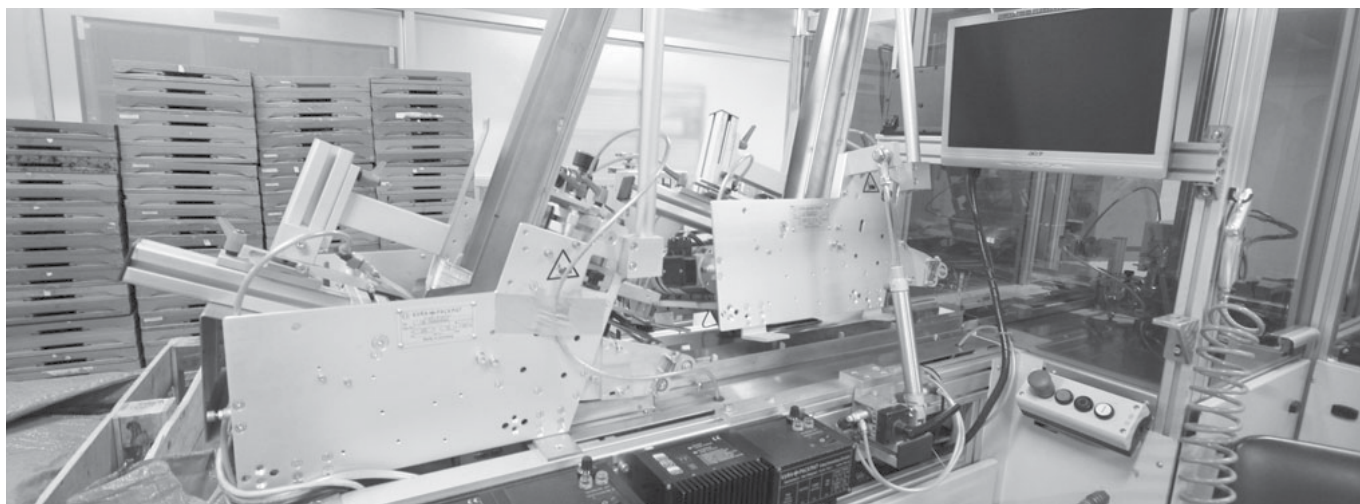
3. Review of Risk Management Assessment System

The Audit Committee reviewed the assessment of the risk management of the Company and considered the report on risk warning signals on a quarterly basis. The Committee also reviewed the appropriateness of information used in considering the risk management assessment. A Risk Analysis Document (RAD) is compiled to assure that the Company's risk management reflects the actual overview which will allow the Committee to prioritize the importance of risk systematically in order to specify preventive measures and solutions accurately and in a timely manner. In 2013, the Company has followed its Disaster Recovery Plan (DRP) and Business Continuity Management (BCM) to prevent and handle unpredictable emergency incidents that may affect the business operation of the Company.

4. Review of Internal Control and Internal Audit System

The Audit Committee reviewed the results of the internal control system assessment reported by the chief of internal audit office on a quarterly basis and found that it was adequate, suitable for business operation, and in line with the opinion of the auditor stating that no material deficiencies of internal control affecting the Company's financial statements were found. The management places emphasis on the proactive preventive audit by designating guidelines for using the information technology system for the highest benefit for the Company (IT Governance). This includes the risk assessment and control of the information technology system. In addition, the internal audit office cooperated with the Company in continuously developing Continuous Monitoring & Continuous Auditing for the Company to use in governing tasks under its responsibility and for the internal auditor to apply in the internal auditing job. Control Self-Assessment (CSA) was also adopted in operations of several functions which showed continuous positive results. CSA covered both the operating results according to Key Performance Index (KPI) and essential internal control, and was compatible with the change in business environment. Workshop trainings were organized for business units discussing a case study of a major issue with the objective of promoting mutual understanding about major issues of risk, impact, and internal control of each procedure among responsible persons at every level.

For internal auditing, the Audit Committee considered and reviewed the charter of the Audit Committee. This year the charter of the internal audit office was compiled as practice guidelines and will be reviewed annually in order to keep it in alignment with risk and the current situation of the Company. The Audit Committee, moreover, acknowledged Quality Assurance Review-Internal Assessment of the internal audit office as an indicator for in achieving Global Internal Audit Excellence, adopting the guidelines of the Institute of Internal Auditor (IIA), a global accepted institute in internal auditing, and ISACA/COBIT, a global accepted institute in information technology auditing. The Quality Assurance Review result done with 7 target groups of stakeholders had achieved 80% of the set target. The Audit Committee reviewed the actual performance of the internal audit office compared to the approved medium-term plan and annual plan and found that the audit work achieved the set goal. To improve auditing performance, the internal audit office emphasizes the development of personnel and auditing tools in compliance with the principles of International Standards for the Professional Practice of Internal Auditing and the global internal audit guidelines.



5. Review of Conflict of Interest between Relevant Parties

In 2013, the Audit Committee reviewed, on a quarterly basis, the connected transactions that may incur conflicts of interest with the Company as regards business transactions or trade agreements made with the directors, management or related parties according to the rules and regulations of the Stock Exchange of Thailand and pertinent laws. The Company strictly conducted itself in accordance with the pertinent laws and regulations of the Stock Exchange of Thailand, the principles of good corporate governance. The Committee reviewed, in particular, the connected transactions and those potentially incurring conflict of interest, and disclosed information to the Stock Exchange of Thailand accurately and timely.

6. Propose of the Appointment of Auditors for the year 2014

KPMG Phoomchai Audit Ltd. was selected and proposed for appointment as the auditor as same as the previous year. Based on the satisfactory results of last year performance appraisal and the review of the qualifications of the auditor, the Audit Committee resolved to propose the Board of Directors to seek approval from the shareholders' meeting the appointment of Miss Pornthip Rimdusit (Certified Public Accountant No. 5565) or Miss Sureerat Thongarunsang (Certified Public Accountant No.4409) or Mrs. Siripen Sukcharoenyingyong (Certified Public Accountant No.3636) from KPMG Phoomchai Audit Ltd. as the Company's auditors for the year 2014.

On behalf of the Audit Committee

(Mrs. Nuanchan Boonpoijanasoontorn)
Chairman of the Audit Committee

Financial Statements 13





■■■ Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Thai British Security Printing Public Company Limited

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

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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



(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
3 February 2014

Thai British Security Printing Public Company Limited and its Subsidiary

Statement of financial position

As at 31 December 2013

		Consolidated		Separate	
		financial statements		financial statements	
Assets	Note	2013	2012	2013	2012
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	6	66,729,624	129,940,567	59,123,420	123,958,422
Short-term deposits at financial institution	6	363,524,736	309,178,671	354,417,783	306,178,671
Trade and other receivables	5,7	153,046,375	119,800,968	145,908,057	112,574,015
Inventories	8	102,513,444	111,238,607	98,727,160	107,216,692
Other current assets	9	13,248,601	6,206,658	8,697,429	2,780,006
Total current assets		699,062,780	676,365,471	666,873,849	652,707,806
<i>Non-current assets</i>					
Investment in subsidiary	10	-	-	17,340,000	17,340,000
Property, plant and equipment	11	162,995,916	163,930,182	143,953,085	156,603,879
Intangible assets	12	10,182,209	10,130,498	9,701,127	9,568,067
Deferred tax assets	13	6,356,437	5,912,651	6,093,168	4,754,189
Other non-current assets		170,552	197,298	170,552	197,298
Total non-current assets		179,705,114	180,170,629	177,257,932	188,463,433
Total assets		878,767,894	856,536,100	844,131,781	841,171,239

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

■ ■ ■ Statement of financial position

Thai British Security Printing Public Company Limited and its Subsidiary

Statement of financial position

As at 31 December 2013

		Consolidated		Separate	
		financial statements		financial statements	
Liabilities and shareholders' equity	Note	2013	2012	2013	2012
(in Baht)					
Current liabilities					
Trade and other payables	5,14,15	93,751,873	95,432,151	87,612,148	92,043,224
Current portion of liability					
under finance lease contract	16	2,208,463	-	-	-
Short-term provisions		4,876,706	4,142,535	4,690,601	4,010,710
Other current liabilities		7,271,426	6,495,056	6,938,312	6,149,695
Total current liabilities		108,108,468	106,069,742	99,241,061	102,203,629
Non-current liabilities					
Liability under finance lease contract	16	10,150,525	-	-	-
Employee benefit liabilities	17	35,375,886	32,355,626	34,270,906	31,366,902
Total non-current liabilities		45,526,411	32,355,626	34,270,906	31,366,902
Total liabilities		153,634,879	138,425,368	133,511,967	133,570,531
Shareholders' equity					
Share capital	18				
Authorised share capital		110,000,000	110,000,000	110,000,000	110,000,000
Issued and paid-up share capital		110,000,000	110,000,000	110,000,000	110,000,000
Premium on ordinary shares	19	165,000,000	165,000,000	165,000,000	165,000,000
Retained earnings					
Appropriated					
Legal reserve	19	11,000,000	11,000,000	11,000,000	11,000,000
Unappropriated		423,519,038	418,452,442	424,619,814	421,600,708
Total equity attributable to owners of the parent		709,519,038	704,452,442	710,619,814	707,600,708
Non-controlling interest		15,613,977	13,658,290	-	-
Total shareholders' equity		725,133,015	718,110,732	710,619,814	707,600,708
Total liabilities and shareholders' equity		878,767,894	856,536,100	844,131,781	841,171,239

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

Thai British Security Printing Public Company Limited and its Subsidiary

Statement of income

For the year ended 31 December 2013

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in Baht)</i>			
Revenue from sale of goods and rendering of services	5	1,022,609,756	987,135,432	968,522,931	951,716,418
Cost of sale of goods and rendering of services	5	<u>(788,328,663)</u>	<u>(747,237,769)</u>	<u>(747,294,989)</u>	<u>(723,017,236)</u>
Gross profit		234,281,093	239,897,663	221,227,942	228,699,182
Other income	5	<u>15,291,351</u>	<u>19,827,931</u>	<u>18,043,000</u>	<u>22,717,762</u>
Profit before expenses		249,572,444	259,725,594	239,270,942	251,416,944
Selling expenses	21	(35,050,177)	(27,707,795)	(30,351,123)	(25,125,250)
Administrative expenses	5, 22	<u>(117,159,838)</u>	<u>(114,706,248)</u>	<u>(116,455,759)</u>	<u>(114,030,058)</u>
Total expenses		<u>(152,210,015)</u>	<u>(142,414,043)</u>	<u>(146,806,882)</u>	<u>(139,155,308)</u>
Profit before income tax expense		97,362,429	117,311,551	92,464,060	112,261,636
Income tax expense	24	<u>(18,840,146)</u>	<u>(27,725,079)</u>	<u>(17,944,954)</u>	<u>(26,509,089)</u>
Profit for the year		<u>78,522,283</u>	<u>89,586,472</u>	<u>74,519,106</u>	<u>85,752,547</u>
Profit attributable to:					
Owners of the parent		76,566,596	87,875,132	74,519,106	85,752,547
Non-controlling interest		<u>1,955,687</u>	<u>1,711,340</u>	<u>-</u>	<u>-</u>
		<u>78,522,283</u>	<u>89,586,472</u>	<u>74,519,106</u>	<u>85,752,547</u>
<i>Basic earnings per share</i>					
Attributable to owners of the parent	25	<u>6.96</u>	<u>7.99</u>	<u>6.77</u>	<u>7.80</u>

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

■■■ Statement of comprehensive income

Thai British Security Printing Public Company Limited and its Subsidiary

Statement of comprehensive income

For the year ended 31 December 2013

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2013	2012	2013	2012
		(in Baht)			
Profit for the year		78,522,283	89,586,472	74,519,106	85,752,547
Other comprehensive income					
Defined benefit plan actuarial gain	17	-	14,018,233	-	13,547,272
Income tax relating to each component of other comprehensive income	13	-	(2,803,647)	-	(2,709,454)
Other comprehensive income for the year, net of income tax		-	11,214,586	-	10,837,818
Total comprehensive income for the year		78,522,283	100,801,058	74,519,106	96,590,365
Total comprehensive income attributable to					
Owners of the parent		78,522,283	98,905,101	74,519,106	96,590,365
Non-controlling interests		-	1,895,957	-	-
		78,522,283	100,801,058	74,519,106	96,590,365

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

Thai British Security Printing Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2013

	Consolidated financial statements					
	<i>Retained earnings</i>			Total equity attributable to owners of the parent	Non- controlling interest	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated Legal reserve			
<i>Note</i>						
			(in Baht)			
Balance at 1 January 2012	110,000,000	165,000,000	11,000,000	671,547,341	11,762,333	683,309,674
Transactions with owners, recorded directly in shareholders' equity						
Dividends	-	-	-	(66,000,000)	-	(66,000,000)
Total transactions with owners, recorded directly in shareholders' equity	-	-	-	(66,000,000)	-	(66,000,000)
Comprehensive income for the year						
Profit for the year	-	-	-	87,875,132	1,711,340	89,586,472
Other comprehensive income	-	-	-	11,029,969	184,617	11,214,586
Total comprehensive income for the year	-	-	-	98,905,101	1,895,957	100,801,058
Balance at 31 December 2012	110,000,000	165,000,000	11,000,000	418,452,442	13,658,290	718,110,732

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

Statement of changes in shareholders' equity

Thai British Security Printing Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity
For the year ended 31 December 2013

	Note	Consolidated financial statements				
		Retained earnings			Total equity attributable to owners of the parent	Non-controlling interest
		Issued and paid-up share capital	Premium on ordinary shares	Appropriated Legal reserve		
				Unappropriated		Total shareholders' equity
				(in Baht)		
Balance at 1 January 2013		110,000,000	165,000,000	11,000,000	418,452,442	704,452,442
Transactions with owners, recorded directly in shareholders' equity						13,658,290
Dividends	26	-	-	-	(71,500,000)	-
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	(71,500,000)	-
Comprehensive income for the year						
Profit for the year		-	-	-	76,566,596	1,955,687
Total comprehensive income for the year		-	-	-	76,566,596	1,955,687
Balance at 31 December 2013		110,000,000	165,000,000	11,000,000	423,519,038	709,519,038
						15,613,977
						725,133,015

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

Statement of changes in shareholders' equity

Thai British Security Printing Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2013

	Note	Separate financial statements					Total shareholders' equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Unappropriated	
				Appropriated	Legal reserve		
					(in Baht)		
Balance at 1 January 2012		110,000,000	165,000,000	11,000,000		391,010,343	677,010,343
Transactions with owners, recorded directly in shareholders' equity							
Dividends	26	-	-	-		(66,000,000)	(66,000,000)
Total transactions with owners, recorded directly in shareholders' equity		-	-	-		(66,000,000)	(66,000,000)
Comprehensive income for the year							
Profit for the year		-	-	-		85,752,547	85,752,547
Other comprehensive income		-	-	-		10,837,818	10,837,818
Total comprehensive income for the year		-	-	-		96,590,365	96,590,365
Balance at 31 December 2012		110,000,000	165,000,000	11,000,000		421,600,708	707,600,708

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

Statement of changes in shareholders' equity

Thai British Security Printing Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2013

	Note	Separate financial statements			
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	
				Appropriated	Unappropriated
				Legal reserve	
				(in Baht)	
Balance at 1 January 2013		110,000,000	165,000,000	11,000,000	421,600,708
Transactions with owners, recorded directly in shareholders' equity					707,600,708
Dividends	26	-	-	-	(71,500,000)
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	(71,500,000)
Comprehensive income for the year					
Profit for the year		-	-	-	74,519,106
Total comprehensive income for the year		-	-	-	74,519,106
Balance at 31 December 2013		110,000,000	165,000,000	11,000,000	424,619,814
					710,619,814

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

Thai British Security Printing Public Company Limited and its Subsidiary

Statement of cash flows

For the year ended 31 December 2013

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	78,522,283	89,586,472	74,519,106	85,752,547
<i>Adjustments for</i>				
Depreciation and amortisation	44,437,815	51,810,681	43,175,960	47,692,946
Gain on sales of property, plant and equipment	(132,663)	(1,055,501)	(132,663)	(1,055,501)
Reversal of allowance for decline in value	(116,896)	(7,194,041)	(116,896)	(7,194,041)
Unrealised loss on exchange	43,814	40	43,814	40
Employee benefit expense	3,946,931	5,808,243	3,776,394	5,656,883
Income tax expense	18,840,146	27,725,079	17,944,954	26,509,089
Profit provided by operating activities before				
changes in operating assets and liabilities	145,541,430	166,680,973	139,210,669	157,361,963
<i>Decrease (increase) in operating assets</i>				
Trade and other receivables	(33,243,103)	79,499,790	(33,331,738)	83,694,384
Inventories	8,842,059	7,023,678	8,606,429	9,162,963
Other current assets	1,175,910	1,278,107	(358,291)	(3,439)
Other non-current assets	26,746	470,695	26,746	470,695
Net decrease (increase) in operating assets	(23,198,388)	88,272,270	(25,056,854)	93,324,603

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

■■■ Statement of cash flows

Thai British Security Printing Public Company Limited and its Subsidiary

Statement of cash flows

For the year ended 31 December 2013

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	(in Baht)			
<i>Increase (decrease) in operating liabilities</i>				
Trade and other payables	(343,538)	(286,359)	(2,738,841)	(2,169,729)
Employee benefit liabilities	(192,500)	(1,453,600)	(192,500)	(1,453,600)
Other current liabilities	776,370	(2,758,800)	788,617	(2,922,806)
Net increase (decrease) in operating liabilities	240,332	(4,498,759)	(2,142,724)	(6,546,135)
Cash generated from the operations	122,583,374	250,454,484	112,011,091	244,140,431
Income tax paid	(27,501,785)	(44,113,641)	(24,843,064)	(42,239,390)
Net cash from operating activities	95,081,589	206,340,843	87,168,027	201,901,041
<i>Cash flows from investing activities</i>				
Short-term deposits at financial institution	(54,346,065)	(209,178,671)	(48,239,112)	(206,178,671)
Purchases of property, plant and equipment	(30,993,382)	(20,111,551)	(30,810,832)	(16,977,816)
Purchases of intangible assets	(1,677,150)	(1,957,571)	(1,677,150)	(1,939,751)
Proceeds from sales of property, plant and equipment	224,065	1,238,985	224,065	1,238,985
Net cash used in investing activities	(86,792,532)	(230,008,808)	(80,503,029)	(223,857,253)

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

Thai British Security Printing Public Company Limited and its Subsidiary

Statement of cash flows

For the year ended 31 December 2013

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in Baht)</i>			
<i>Cash flows from financing activities</i>				
Dividends paid	<u>(71,500,000)</u>	<u>(66,000,000)</u>	<u>(71,500,000)</u>	<u>(66,000,000)</u>
Net cash used in financing activities	<u>(71,500,000)</u>	<u>(66,000,000)</u>	<u>(71,500,000)</u>	<u>(66,000,000)</u>
Net decrease in cash and cash equivalents	(63,210,943)	(89,667,965)	(64,835,002)	(87,956,212)
Cash and cash equivalents at beginning of the year	<u>129,940,567</u>	<u>219,608,532</u>	<u>123,958,422</u>	<u>211,914,634</u>
Cash and cash equivalents at end of the year	<u>66,729,624</u>	<u>129,940,567</u>	<u>59,123,420</u>	<u>123,958,422</u>
<i>Supplementary information for cash flows</i>				
Non-cash transactions				
Outstanding payables from purchases of assets	511,370	1,894,227	155,875	1,894,227
Liability under finance lease contract	12,358,988	-	-	-

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

Thai British Security Printing Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2013

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Thai British Security Printing Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2013

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages, and were approved and authorised for issue by the Board of Directors on 3 February 2014.

1 General information

Thai British Security Printing Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 41/1 Soi Wat Suan Som, Poochao-Saming Prai Road, Samrongtai, Pharapradaeng, Samutprakarn, Thailand.

The Company was listed on the Stock Exchange of Thailand in March 1996.

The Company’s major shareholder and ultimate parent company during the financial year were SCG Paper Public Company Limited and The Siam Cement Public Company Limited. Both companies were incorporated in Thailand.

The principal business of the Company is the manufacturing of security documents, which are bank cheques, security documents, business forms and plastic cards. Details of the Company’s subsidiary as at 31 December 2013 and 2012 are as follows:

Name of entities	Type of business	Country of incorporation / nationality	Ownership interest (%)
<i>Direct subsidiary</i>			
Thai British DPost Co., Ltd.	Business of laser printing and enveloping of statements, bills and invoices and related value-added services	Thailand	51

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

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

TFRS	Topic
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
FAP Announcement 34/2555	Accounting guidance for Transfers of Financial Assets

The adoption of these TFRSs and FAP announcements are disclosed in note 3.

Thai British Security Printing Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2013

In addition to the above new and revised TFRSs, as at 31 December 2013 the FAP had issued a number of new and revised TFRSs which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRSs are disclosed in note 31.

(b) 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; the present value of the defined benefit obligation.

(c) Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Group's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the nearest thousand or million unless otherwise stated.

(d) Use of estimates and judgements

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

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

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

Note 13, 24	Current and deferred taxation
Note 17	Discount rate, salary increase rate, employee turnover rate and mortality rate

3 Significant accounting policies

(a) Overview

From 1 January 2013, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas:

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

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

Thai British Security Printing Public Company Limited and its Subsidiary
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(b) *Accounting for the effects of changes in foreign exchange rates*

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

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

Management has determined that the functional currency of the Group is Thai Baht and that the adoption of TAS 21 (revised 2009) from 1 January 2013 has not had a significant impact on the Group's reported financial position, financial performance and cash flows of the Group.

(c) *Presentation of information on operating segments*

From 1 January 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The change in policy only impacts presentational aspects and has no impact on the financial position, the financial performance and cash flows of the Group.

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

The change in basis of presentation and disclosure of segment information has no material impact on segment information previously presented in the financial statements of the Group.

4 Significant accounting policies

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

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiary (together referred to as the "Group").

Significant intra-group transactions between the Company and its subsidiary are eliminated on consolidation.

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Subsidiary

Subsidiary is entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiary have been changed where necessary to align them with the policies adopted by the Group.

Losses applicable to non-controlling interest in a subsidiary are allocated to non- controlling interest even if doing so causes the non-controlling interest to have a deficit balance.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the dates of the transactions.

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

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

Hedge of future foreign currency transactions

Gains and losses from exchange contracts used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade and other receivables

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

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

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(e) Inventories

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

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

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

An allowance is made for all deteriorated, damaged, obsolete and slow-moving merchandise inventories.

(f) Investments

Investments in subsidiary

Investment in a subsidiary in the separate financial statements of the Company is accounted for using the cost method.

(g) Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income or other expenses in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value 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

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Subsequent costs

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

Depreciation

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

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

Buildings	20 years
Building improvement	2 - 10 years
Land improvement	5 years
Machinery and equipment	3 - 10 years
Furniture and fixtures	5 years
Office equipment	3 - 5 years
Transportation equipment	3 - 5 years

No depreciation is provided on land or assets under construction.

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

(h) Intangible assets

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

Amortisation

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

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

The estimated useful lives are as follows:

Computer software costs and software licences	5 and 10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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(i) Impairment

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

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

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.

Reversals of impairment

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting period 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 accumulated depreciation or accumulated amortisation, if no impairment loss had been recognised.

(j) Trade and other payables

Trade and other payables are stated at cost.

(k) Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

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

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

The calculation is performed by a qualified actuary using the projected unit credit method.

Short-term employee benefits

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

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

(l) Provisions

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

(m) Revenue

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

Sale of goods and services rendered

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

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Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

Interest income

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

(n) Expenses

Lease payments

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

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

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

(o) Income tax

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

Current tax

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

Deferred tax

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

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

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

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

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

(p) Business segment reporting

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment.

5 Related parties

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

Relationships with related parties were as follows:

Name of entities	Country of incorporation /nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	The ultimate parent of the group
SCG Paper Public Company Limited	Thailand	The major shareholder, 49.79%
Thai British DPost Co., Ltd.	Thailand	A subsidiary, 51% shareholding
Thai Plastic and Chemicals Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Chemicals Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Performance Chemicals Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Nawaplastic Industries (Saraburi) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Rayong Olefins Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited

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Name of entities	Country of incorporation /nationality	Nature of relationships
SCG Polyolefins Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Stabilizers and Chemicals Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Lampang) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Kaeng Khoi) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Ta Luang) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Thung Song) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
ECO Plant Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cement Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Concrete Products and Aggregate Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Refractory Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Q Mix Supply Co.,Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Fiberglass Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai-German Ceramic Industry Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Quality Construction Products Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai Ceramic Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Cement Thai Ceramics Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai Ceramic Roof Tile Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Landscape Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG-Sekisui Sales Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Building Materials Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited

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Name of entities	Country of incorporation /nationality	Nature of relationships
Tip Fibre-Cement Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Saraburirat Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Cementhai Home Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cement-Building Materials Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Trading Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Sourcing Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Distribution Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Logistics Management Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Experience Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Accounting Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Legal Counsel Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Dhara Pipe Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
CTO Management Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Cementhai Holding Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Learning Excellence Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Cementhai Property (2001) Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Forestry Co., Ltd.	Thailand	A subsidiary of SCG Paper Public Company Limited
Siam Cellulose Co., Ltd.	Thailand	A subsidiary of SCG Paper Public Company Limited
Thai Paper Company Limited	Thailand	A subsidiary of SCG Paper Public Company Limited
Thai Union Paper Public Company Limited	Thailand	A subsidiary of SCG Paper Public Company Limited

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Name of entities	Country of incorporation /nationality	Nature of relationships
Siam Kraft Industry Co., Ltd.	Thailand	A subsidiary of SCG Paper Public Company Limited
Phoenix Pulp & Paper Public Company Limited	Thailand	A subsidiary of SCG Paper Public Company Limited
Thai Cane Paper Public Company Limited	Thailand	A subsidiary of SCG Paper Public Company Limited
Thai Containers Group Co., Ltd.	Thailand	A subsidiary of SCG Paper Public Company Limited
Thai Containers Rayong Co., Ltd.	Thailand	A subsidiary of SCG Paper Public Company Limited
Thai Containers Khonkaen Co., Ltd.	Thailand	A subsidiary of SCG Paper Public Company Limited
InfoZafe Co., Ltd.	Thailand	A subsidiary of SCG Paper Public Company Limited
SCGP Excellence Training Center Co., Ltd.	Thailand	A subsidiary of SCG Paper Public Company Limited
MTP HPPO Manufacturing Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Mitsui PTA Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Grand Siam Composites Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Synthetic Latex Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Thai MMA Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Styrene Monomer Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Polyethylene Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Sanitary Ware Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Sanitary Ware Industry Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
The Siam Sanitary Fittings Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Thai Prosperity Terminal Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited

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Name of entities	Country of incorporation /nationality	Nature of relationships
IT One Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Yamato Steel Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Toppan Packaging Co., Ltd.	Thailand	An associate of SCG Paper Public Company Limited
SCG Foundation	Thailand	Other company of The Siam Cement Public Company Limited
Siam Toyota Manufacturing Co., Ltd.	Thailand	Other company of The Siam Cement Public Company Limited

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

Transactions	Pricing policies
Sale of goods or rendering of services	Market price
Purchases of raw materials or services	Market price
Rental income	Contractually agreed price equivalent to market prices
Other income	Market price
Service income	Contractually agreed price

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<i>Ultimate parent of the Group</i>				
Sale of goods or rendering of services	6,793	975	6,036	570
Purchases of raw materials	512	84	512	84
Service fee	15,647	4,123	15,608	4,123
<i>Major shareholder</i>				
Sale of goods or rendering of services	2,965	11	2,965	11
Service fee	3,412	8,158	3,412	8,158
<i>Subsidiary</i>				
Sale of goods or rendering of services	-	-	26,136	16,920
Purchases of services	-	-	12,554	16,300
Rental income	-	-	1,499	1,368
Other income	-	-	1,661	1,724
<i>Other companies</i>				
Sale of goods or rendering of services	31,933	4,859	30,912	4,984
Purchases of raw materials	73,274	69,117	72,754	68,775
Service fee	708	6,528	693	6,486
Directors' remuneration	3,040	3,490	3,040	3,490

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

Trade receivables

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<i>Ultimate parent of the Group</i>				
The Siam Cement Public Company Limited	1,158	-	1,158	-
<i>Subsidiary</i>				
Thai British DPost Co., Ltd.	-	-	1,766	2,490
<i>Other companies</i>				
Thai Cane Paper Public Company Limited	1,739	-	1,739	-
SCG Cement-Building Materials Co., Ltd.	941	87	55	87
SCG Paper Public Company Limited	428	-	428	-
Thai Paper Company Limited	313	165	313	165
Siam Sanitary Ware Industry Co., Ltd.	144	102	144	102
The Siam Sanitary Fittings Co., Ltd.	-	150	-	150
The Siam Cement (Lampang) Co., Ltd.	-	47	-	47
Other companies	374	43	374	43
Total	5,097	594	5,977	3,084

Receivables from related parties

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<i>Subsidiary</i>				
Thai British DPost Co., Ltd.	-	-	385	412
<i>Other company</i>				
Thai Containers Group Co., Ltd	22	-	22	-
Total	22	-	407	412

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Trade payables

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<i>Subsidiary</i>				
Thai British DPost Co., Ltd.	-	-	882	924
<i>Other companies</i>				
Thai Paper Company Limited	8,606	10,013	8,606	10,013
SCG Logistics Management Co., Ltd.	1,635	786	1,635	786
InfoZafe Co., Ltd.	700	-	700	-
Other companies	890	599	887	593
Total	11,831	11,398	12,710	12,316

Payables to related parties

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<i>Ultimate parent of the Group</i>				
The Siam Cement Public Company Limited	2,528	855	2,523	855
<i>Major shareholder</i>				
SCG Paper Public Company Limited	162	1,048	162	1,048
<i>Subsidiary</i>				
Thai British DPost Co., Ltd.	-	-	2	-
<i>Other companies</i>				
Thai Containers Group Co., Ltd	220	-	220	-
SCG Accounting Services Co., Ltd.	-	462	-	462
SCG Trading Co., Ltd.	-	182	-	182
Other companies	44	3	44	2
Total	2,954	2,550	2,951	2,549

Key management personnel compensation

	2013	2012
	<i>(in thousand Baht)</i>	
Short-term employee benefits	22,226	26,106
Post-employment benefits	246	413
Other long-term employee benefits	5	6
Total	22,477	26,525

Management benefit expenses comprise of the remuneration paid to the the management as staffs expenses in terms of salary, bonus, others and contribution to defined contribution plans.

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6 Cash and cash equivalents and other investments

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Cash on hand and at banks				
- current accounts	14,135	14,320	13,690	13,760
Cash at banks-saving accounts	52,587	115,613	45,425	110,190
Others	8	8	8	8
Total	66,730	129,941	59,123	123,958
 Fixed deposits with financial institutions (over 3 months)	 363,525	 309,179	 354,418	 306,179

7 Trade and other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Trade receivables					
Related parties	5	5,097	594	5,977	3,084
Other companies		141,005	112,892	132,762	102,979
Less allowance for doubtful accounts		(3,458)	(3,458)	(3,458)	(3,458)
Net		137,547	109,434	129,304	99,521
		142,644	110,028	135,281	102,605
 Other receivables					
Related parties	5	22	-	407	412
Other companies		10,380	9,773	10,220	9,557
		10,402	9,773	10,627	9,969
Total		153,046	119,801	145,908	112,574

■ ■ ■ Notes to the financial statements

Thai British Security Printing Public Company Limited and its Subsidiary Notes to the financial statements For the year ended 31 December 2013

Aging analysis for trade receivables were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	4,713	593	5,593	3,083
Overdue:				
Less than 3 months	384	1	384	1
Total	5,097	594	5,977	3,084
Other companies				
Within credit terms	96,609	75,380	90,672	68,691
Overdue:				
Less than 3 months	40,408	33,802	38,102	30,674
3-6 months	560	206	560	110
6-12 months	-	49	-	49
Over 12 months	3,428	3,455	3,428	3,455
	141,005	112,892	132,762	102,979
Less allowance for doubtful accounts	(3,458)	(3,458)	(3,458)	(3,458)
Net	137,547	109,434	129,304	99,521
Total	142,644	110,028	135,281	102,605

The normal credit term granted by the Group ranges from 15 days to 120 days.

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Raw materials	43,296	49,406	43,296	49,405
Work in progress	20,437	21,993	20,245	21,346
Finished goods	21,722	20,913	21,722	20,913
Spare parts and supplies	15,356	19,150	12,679	15,776
Goods in transit	3,644	1,836	2,727	1,836
Total	104,455	113,298	100,669	109,276
Less allowance for decline in value	(1,942)	(2,059)	(1,942)	(2,059)
Net	102,513	111,239	98,727	107,217
Inventories recognised as an expense in 'cost of sales'				
- Cost (before revaluation)	658,345	669,225	658,345	669,225
- Reversal of write-down	(117)	(7,194)	(117)	(7,194)
Total	658,228	662,031	658,228	662,031
Changes in inventories of finished goods and work in progress	747	8,021	292	8,622
Raw materials and consumables used	399,323	421,353	385,254	390,975

Thai British Security Printing Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2013

9 Other current assets

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Withholding tax receivable	12,581	5,900	8,047	2,482
Suspense Input VAT	668	307	650	298
Total	13,249	6,207	8,697	2,780

10 Investment in subsidiary

Investment in subsidiary as at 31 December was detailed as follows:

	Ownership interest		Separate financial statements			
	2013	2012	Paid-up capital		Cost method	
			2013	2012	2013	2012
	<i>(%)</i>		<i>(in thousand Baht)</i>			
Subsidiary						
Thai British DPost Co., Ltd.	51	51	34,000	34,000	17,340	17,340
Total			34,000	34,000	17,340	17,340

Thai British Security Printing Public Company Limited and its Subsidiary
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For the year ended 31 December 2013

11 Property, plant and equipment

	Consolidated financial statements						
	Land	Buildings and building and land improvement	Machinery and equipment	Furniture, fixture and office equipment (in thousand Baht)	Transportation equipment	Construction in progress and machinery in transit	Total
Cost							
At 1 January 2012	27,884	206,916	859,760	82,927	2,801	2,882	1,183,170
Additions	-	585	6,253	9,058	680	1,205	17,781
Transfers in/ (out)	-	-	2,931	(49)	-	(2,882)	-
Disposals/ written off	-	(290)	(26,369)	(1,183)	-	-	(27,842)
At 31 December 2012	27,884	207,211	842,575	90,753	3,481	1,205	1,173,109
Additions	-	1,645	15,336	7,474	5	17,537	41,997
Transfers in/ (out)	-	-	2,437	42	-	(2,479)	-
Disposals/written off	-	-	(26,662)	(2,380)	(345)	-	(29,387)
At 31 December 2013	27,884	208,856	833,686	95,889	3,141	16,263	1,185,719
Accumulated depreciation							
At 1 January 2012	-	(173,289)	(739,869)	(70,863)	(2,538)	-	(986,559)
Depreciation charge for the year	-	(9,421)	(34,150)	(6,531)	(176)	-	(50,278)
Transfers in/ (out)	-	-	(41)	41	-	-	-
Disposals/ written off	-	290	26,186	1,183	-	-	27,659
At 31 December 2012	-	(182,420)	(747,874)	(76,170)	(2,714)	-	(1,009,178)
Depreciation charge for the year	-	(7,776)	(27,910)	(6,940)	(187)	-	(42,813)
Transfers in/ (out)	-	-	(94)	94	-	-	-
Disposals/ written off	-	-	26,610	2,351	307	-	29,268
At 31 December 2013	-	(190,196)	(749,268)	(80,665)	(2,594)	-	(1,022,723)
Carrying amount							
At 31 December 2012	27,884	24,791	94,701	14,583	767	1,205	163,931
At 31 December 2013	27,884	18,660	84,418	15,224	547	16,263	162,996

The gross carrying amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2013 amounted to Baht 746 million (2012: Baht 731 million).

The cost and carrying amount of machinery and equipment held under finance lease as at 31 December 2013 amounted to Baht 12.36 million.

Thai British Security Printing Public Company Limited and its Subsidiary

Notes to the financial statements
For the year ended 31 December 2013

	Separate financial statements					Total
	Land	Buildings and building and land improvement	Machinery and equipment	Furniture, fixture and office equipment (in thousand Baht)	Transportation equipment	Construction in progress and machinery in transit
Cost						
At 1 January 2012	27,884	206,185	831,321	81,305	2,801	1,152,378
Additions	-	585	3,165	9,012	680	14,647
Transfers in/ (out)	-	-	2,931	(49)	-	-
Disposals/ written off	-	(290)	(26,369)	(1,183)	-	(27,842)
At 31 December 2012	27,884	206,480	811,048	89,085	3,481	1,139,183
Additions	-	1,289	15,183	7,445	5	29,100
Transfers in/ (out)	-	-	2,437	42	-	-
Disposals/ written off	-	-	(26,662)	(2,380)	(345)	(29,387)
At 31 December 2013	27,884	207,769	802,006	94,192	3,141	1,138,896
Accumulated depreciation						
At 1 January 2012	-	(173,109)	(718,976)	(69,373)	(2,538)	(963,996)
Depreciation charge for the year	-	(9,378)	(30,360)	(6,328)	(176)	(46,242)
Transfers in/ (out)	-	-	(41)	41	-	-
Disposals/ written off	-	290	26,186	1,183	-	27,659
At 31 December 2012	-	(182,197)	(723,191)	(74,477)	(2,714)	(982,579)
Depreciation charge for the year	-	(7,732)	(26,812)	(6,901)	(187)	(41,632)
Transfers in/ (out)	-	-	(94)	94	-	-
Disposals/ written off	-	-	26,610	2,351	307	29,268
At 31 December 2013	-	(189,929)	(723,487)	(78,933)	(2,594)	(994,943)
Carrying amount						
At 31 December 2012	27,884	24,283	87,857	14,608	767	156,604
At 31 December 2013	27,884	17,840	78,519	15,259	547	143,953

The gross carrying amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2013 amounted to Baht 718 million (2012: Baht 708 million).

Thai British Security Printing Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2013

12 Intangible assets

	Consolidated financial statements
	Computer software costs and software licences (in thousand Baht)
<i>Cost</i>	
At 1 January 2012	19,543
Additions	1,958
At 31 December 2012	21,501
Additions	1,683
At 31 December 2013	23,184
<i>Accumulated amortisation</i>	
At 1 January 2012	(9,838)
Amortisation charge for the year	(1,533)
At 31 December 2012	(11,371)
Amortisation charge for the year	(1,631)
At 31 December 2013	(13,002)
<i>Carrying amount</i>	
At 31 December 2012	10,130
At 31 December 2013	10,182
	Separate financial statements
	Computer software costs and software licences (in thousand Baht)
<i>Cost</i>	
At 1 January 2012	18,748
Additions	1,940
At 31 December 2012	20,688
Additions	1,683
At 31 December 2013	22,371
<i>Accumulated amortisation</i>	
At 1 January 2012	(9,668)
Amortisation charge for the year	(1,452)
At 31 December 2012	(11,120)
Amortisation charge for the year	(1,550)
At 31 December 2013	(12,670)
<i>Carrying amount</i>	
At 31 December 2012	9,568
At 31 December 2013	9,701

Thai British Security Printing Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2013

13 Deferred tax assets (deferred tax liability)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority which are included in the statements of financial position as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Deferred tax assets	8,880	9,031	8,616	7,872
Deferred tax liability	(2,523)	(3,118)	(2,523)	(3,118)
Net	6,357	5,913	6,093	4,754

Movements in deferred tax assets and liability during the years were as follows:

	Consolidated financial statements		
	Charged/credited to		
	At 1	statement of	other
	January	income	comprehensive
	2012		income
		<i>(note 24)</i>	
		<i>(in thousand Baht)</i>	
At 31			
December			
2012			
Deferred tax assets			
Trade receivables	385	-	-
Inventories	1,886	(1,475)	-
Property, plant and equipment	157	(146)	-
Employee benefit liabilities	9,267	836	(2,803)
Loss carry forward	2,024	(1,100)	-
Total	13,719	(1,885)	(2,803)
Deferred tax liability			
Property, plant and equipment	(3,808)	690	-
Total	(3,808)	690	-
Net	9,911	(1,195)	(2,803)

Thai British Security Printing Public Company Limited and its Subsidiary
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For the year ended 31 December 2013

Consolidated financial statements			
	At 1 January 2013	Charged/ credited to statement of income (note 24) (in thousand Baht)	At 31 December 2013
<i>Deferred tax assets</i>			
Trade receivables	385	-	385
Inventories	411	(23)	388
Property, plant and equipment	11	(5)	6
Employee benefit liabilities	7,300	801	8,101
Loss carry forward	924	(924)	-
Total	9,031	(151)	8,880
<i>Deferred tax liability</i>			
Property, plant and equipment	(3,118)	595	(2,523)
Total	(3,118)	595	(2,523)
Net	5,913	444	6,357

Separate financial statements			
	At 1 January 2012	Charged/credited to statement of income (note 24) (in thousand Baht)	At 31 December 2012
<i>Deferred tax assets</i>			
Trade receivables	385	-	385
Inventories	1,886	(1,475)	411
Employee benefit liabilities	8,979	806	7,076
Total	11,250	(669)	7,872
<i>Deferred tax liability</i>			
Property, plant and equipment	(3,808)	690	(3,118)
Total	(3,808)	690	(3,118)
Net	7,442	21	4,754

Thai British Security Printing Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2013

	Separate financial statements		
	At 1 January 2013	Charged/ credited to statement of income (note 24)	At 31 December 2013
	<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>			
Trade receivables	385	-	385
Inventories	411	(23)	388
Employee benefit liabilities	7,076	767	7,843
Total	7,872	744	8,616
<i>Deferred tax liability</i>			
Property, plant and equipment	(3,118)	595	(2,523)
Total	(3,118)	595	(2,523)
Net	4,754	1,339	6,093

14 Trade and other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
<i>Trade payables</i>					
Related parties	5	11,831	11,398	12,710	12,316
Other companies		59,903	65,644	54,112	62,179
		71,734	77,042	66,822	74,495
<i>Other payables</i>	<i>15</i>				
Related parties	5	2,954	2,550	2,951	2,549
Other companies		19,064	15,840	17,839	14,999
		22,018	18,390	20,790	17,548
Total		93,752	95,432	87,612	92,043

15 Other payables

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Accrued expenses	13,809	11,681	12,599	10,843
Advances received	7,653	6,219	7,653	6,219
Others	556	490	538	486
Total	22,018	18,390	20,790	17,548

Thai British Security Printing Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2013

16 Liability under finance lease contract

The Group entered into the financial lease agreement for machinery and equipment with a company in 2013. Lease term is for a period of 5 years.

The carrying amount of machinery and equipment as at 31 December 2013 was Baht 12 million. Liability under the finance lease contract as at 31 December 2013 was as follows:

Consolidated financial statements			
31 December 2013			
	Principal	Interest	Payments
	<i>(in thousand Baht)</i>		
Within one year	2,208	637	2,845
After one year but within five years	10,151	1,231	11,382
Total	12,359	1,868	14,227

17 Employee benefit liabilities

The Group operates post employment benefit and pension based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long term benefits to employees based on pensionable remuneration and length of service.

Employee benefit liabilities in statement of financial position as at 31 December

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Post-employment benefits -				
Legal severance payment plan	27,848	25,336	27,138	24,703
Other long-term employee benefits	7,528	7,020	7,133	6,664
Total	35,376	32,356	34,271	31,367

Movement in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
For the year ended 31 December				
Defined benefit obligations				
at 1 January	32,356	43,143	31,367	41,797
Benefits paid by the plan	(193)	(1,453)	(193)	(1,453)
Current service costs and interest	3,273	5,887	3,157	5,694
Actuarial gains in profit or loss	(60)	(1,203)	(60)	(1,124)
Actuarial gains in other comprehensive income	-	(14,018)	-	(13,547)
Defined benefit obligations at 31 December	35,376	32,356	34,271	31,367

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Notes to the financial statements
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Recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
For the year ended 31 December				
Current service costs	2,068	3,736	1,991	3,611
Interest on obligation	1,205	2,151	1,166	2,083
Actuarial gains	(60)	(1,203)	(60)	(1,124)
Total	3,213	4,684	3,097	4,570

The expense is recognised in the following line in the following line items in the profit or loss:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
For the year ended 31 December				
Cost of sale of goods and rendering of services	1,471	1,595	1,394	1,549
Administrative expenses	1,742	3,089	1,703	3,021
Total	3,213	4,684	3,097	4,570

Recognised in other comprehensive income

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
For the year ended 31 December				
Actuarial gains	-	14,018	-	13,547

Principal actuarial assumptions at the reporting date

	Consolidated financial statements and Separate financial statements	
	2013	2012
	<i>(%)</i>	
For the year ended 31 December		
Discount rate	4.08, 3.75, 3.65, 3.56	4.08, 3.75, 3.65, 3.56
Salary increase rate	3.00 - 8.00	3.00 - 8.00
Employee turnover rate	3.00 - 20.00*	3.00 - 20.00*
Mortality rate	30.00 of TMO 2008**	30.00 of TMO 2008**

* Upon the length of service

** Reference from TMO2008: Male and Female Thai Mortality Ordinary Tables of 2008

Thai British Security Printing Public Company Limited and its Subsidiary
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18 Share capital

	<i>Par Value (in Baht)</i>	<i>2013 Number (in thousand shares / in thousand Baht)</i>	<i>2012 Value Number (in thousand shares / in thousand Baht)</i>	<i>2012 Value</i>
<i>Authorised</i>				
At 1 January				
- ordinary shares	10	11,000	110,000	11,000
At 31 December				
- ordinary shares	10	11,000	110,000	11,000
<i>Issued and fully paid</i>				
At 1 January				
- ordinary shares	10	11,000	110,000	11,000
At 31 December				
- ordinary shares	10	11,000	110,000	11,000

19 Share premium and legal reserve

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

Legal reserve

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

20 Business segment information

Management considers that the Group operates in a single line of business, namely Security documents, and has, therefore, only one reportable segment.

Geographical segments

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major Customer

Revenues from major customers of the Group’s Security documents segment represents approximately Baht 207 million for the year 2013 (2012: Baht 344 million) of the Group’s total revenues.

Thai British Security Printing Public Company Limited and its Subsidiary
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21 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Distribution expenses	27,115	23,253	23,084	20,670
Sale promotion expenses	3,327	3,226	3,327	3,226
Others	4,608	1,229	3,940	1,229
Total	35,050	27,708	30,351	25,125

22 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Personnel expenses	94,721	82,635	94,389	82,355
Rental expenses	6,348	6,387	6,348	6,387
Professional fees	3,770	3,562	3,516	3,312
Depreciation and amortisation	1,286	2,386	1,280	2,368
Others	11,035	19,736	10,923	19,608
Total	117,160	114,706	116,456	114,030

23 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Salaries and wages	272,217	233,679	257,553	223,203
Welfares and others	36,812	23,886	35,790	23,290
Contribution to defined contribution plans	14,732	12,124	14,096	11,608
Contribution to defined benefit plans	3,213	4,684	3,097	4,570
Early retirement expense	-	6,204	-	6,204
Directors' remuneration	3,040	3,490	3,040	3,490
Total	330,014	284,067	313,576	272,365

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is voluntary. Contributions are made monthly by the employees at rates ranging from 5 % to 10% of their basic salaries and by the Group at from 5% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

Thai British Security Printing Public Company Limited and its Subsidiary
Notes to the financial statements
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24 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Current tax					
Current year		19,323	26,181	19,323	26,181
Under (over) provided in prior year		(39)	349	(39)	349
		<u>19,284</u>	<u>26,530</u>	<u>19,284</u>	<u>26,530</u>
Deferred tax	13				
Movement in temporary differences		(1,368)	95	(1,339)	(21)
Benefit of tax losses recognised		924	1,100	-	-
		<u>(444)</u>	<u>1,195</u>	<u>(1,339)</u>	<u>(21)</u>
Total		<u>18,840</u>	<u>27,725</u>	<u>17,945</u>	<u>26,509</u>

Income tax recognised in other comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Actuarial gains	13	-	2,803	-	2,709

Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate (%)	2013 (in thousand Baht)	Rate (%)	2012 (in thousand Baht)
Profit before tax		97,362		117,312
Income tax using the Thai corporation tax rate	20	19,472	23	26,982
Expenses not deductible for tax purposes		2,210		3,857
Addition expenses deductible for tax purposes		(1,348)		(3,575)
Loss carry forward		(1,011)		(1,083)
Current tax		19,323		26,181
Under (over) provided in prior years		(39)		349
Movement in temporary differences		(444)		1,195
Income tax expense		<u>19</u>		<u>27,725</u>

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	Separate financial statements			
	2013		2012	
	<i>Rate</i>	<i>(in thousand</i>	<i>Rate</i>	<i>(in thousand</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit before tax		92,464		112,262
Income tax using the Thai corporation tax rate	20	18,493	23	25,820
Expenses not deductible for tax purposes		2,175		3,804
Addition expenses deductible for tax purposes		(1,345)		(3,443)
Current tax		19,323		26,181
Under (over) provided in prior years		(39)		349
Movement in temporary differences		(1,339)		(21)
Income tax expense	19	17,945	24	26,509

Income tax reduction

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

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

25 Basic earnings per share

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the year attributable to equity holders of the parent	76,567	87,875	74,519	85,753
Number of ordinary shares outstanding	11,000	11,000	11,000	11,000
Basic earnings per share (in Baht)	6.96	7.99	6.77	7.80

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For the year ended 31 December 2013

26 Dividends

At the annual general meeting of the shareholders of the Company held on 22 March 2012, the shareholders approved the appropriation of dividends of Baht 6.00 per share, amounting to Baht 66.00 million. The dividends were paid to the shareholders on 19 April 2012.

At the annual general meeting of the shareholders of the Company held on 21 March 2013, the shareholders approved the appropriation of dividends of Baht 6.50 per share, amounting to Baht 71.50 million. The dividends were paid to the shareholders on 18 April 2013.

27 Financial instruments

Financial risk management policies

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

Interest rate risk

The Group has no significant risk of fluctuations in interest rates.

Foreign currency risk

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

Credit risk

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

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Thai British Security Printing Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 December 2013

Liquidity risk

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

Fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of trade and other short-term receivables is taken to approximate the carrying value. The fair value of financial assets and liabilities approximates their carrying value.

28 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	5,024	2,843	4,903	2,826
After one year but within five years	7,574	5,158	7,381	5,128
Total	12,598	8,001	12,284	7,954
<i>Other commitments</i>				
Letter of credits for goods and supplies	-	670	-	670
Bank guarantees	34,911	48,803	31,797	44,629
Total	34,911	49,473	31,797	45,299

29 Capital management

The management of the Group has the capital management policy to maintain a strong capital base by emphasis on planning and determining the operating strategies resulting in good business's performance and sustained good cash flows management. In addition, the Group considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustained future operations of the business and to maintain shareholders, investors, creditors and others interest's confidence.

30 Reclassification of accounts

Certain accounts in the 2012 financial statements have been reclassified to conform to the presentation in the 2013 financial statements as follows:

	Consolidated financial statements			Separate financial statements		
	Before reclassification	Reclassification	After reclassification	Before reclassification	Reclassification	After reclassification
	<i>(in thousand Baht)</i>					
<i>Statement of financial position</i>						
Trade and other receivables	118,477	1,324	119,801	111,250	1,324	112,574
Property, plant and equipment	165,254	(1,324)	163,930	157,928	(1,324)	156,604
Total	283,731	-	283,731	269,178	-	269,178

Thai British Security Printing Public Company Limited and its Subsidiary
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31 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

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

TFRSs	Topic	Year effective
TFRS 2 (revised 2012)	Share-based Payment	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 4	Insurance Contracts	2016
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investment in Associates	2014
TAS 31 (revised 2012)	Interest in Joint Ventures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 12	Service Concession Arrangements	2014
TFRIC 13	Customer Loyalty Programmes	2014
TFRIC 17	Distributions of Non-cash Assets to Owners	2014
TFRIC 18	Transfers of Assets from Customers	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TIC 29	Service Concession Arrangements: Disclosure	2014
TIC 32	Intangible Assets-Web Site Costs	2014

Management has made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRSs and expects that there will be no material impact on the financial statements in the period of initial application.

For accounting Period ended December 31, 2013

»»» Audit Fee

For accounting period ended December 31, 2013 the company and its subsidiary paid the audit fee to the company where the auditors are working, the details are as follows:

»»» Audit Fee of the Company (TBSP)

Audit Fee	(Baht)
1. Separate Financial Statements	
Annual Audit Fee	526,000
Quarterly Review Fee	309,000
Total	835,000
2. Consolidated Financial Statements	
Annual Audit Fee	80,000*
Quarterly Review Fee	150,000*
Total	230,000*
Grand Total	1,065,000

Remark:

*The audit fee for reviewing financial statements of the Company's subsidiary named Thai British DPost Co., Ltd. (TBDP), which is a joint venture company between the Company and DataPost Pte., Ltd., Singapore registered on August 1, 2007, for the Company's consolidated financial statements as required by SEC as stipulated in the announcement Gor.Jor. No. 40/2540 (1997).

»»» Audit Fee of the Company's Subsidiary (TBDP)

Audit Fee for the year 2013 was 210,000 Baht.

»»» Non-Audit Fee

The audit fee paid by the Company and its subsidiary to the audit firm in this fiscal year was solely for the audit services, exclusive of any non-audit services.

Company Information 15



Company's Name	Thai British Security Printing Public Company Limited	Auditor of the company	Mr. Winid Silamongkol
Stock Code	TBSP	and its subsidiary	C.P.A.(Thailand) No.3378
Registration No.	No. 0107537002311 (Former No. Bor.Mor.Jor.478)		Mr. Charoen Phosamritlert
Head Office	Poochao Factory 41/1, Moo 10 Soi Wat Suansom, Poochaosaming Prai Road, Samrongtai Subdistrict, Phrapradaeng District, Samutprakan 10130 Tel: 0-2754-2650 Fax: 0-2183-2763		C.P.A.(Thailand) No.4068
1st Branch	Sales Office 12th Floor CTI Tower, 191 Ratchadapisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110 Tel: 0-2261-5215-20, 0-2261-5089-90 Fax: 0-2261-9580	Legal Advisor	Miss Sureerat Thongarunsang C.P.A.(Thailand) No.4409
2nd Branch	Bangpoo Factory Bangpoo Industrial Estate, 837 Moo 4, Soi 12, Pattana 1 Road, Praksa Subdistrict, Muang District, Samutprakan 10280 Tel: 0-2709-4201-9 Fax: 0-2709-4200		Miss Pornthip Rimdusit C.P.A.(Thailand) No.5565
3rd Branch	Infozafe Plant 406/1 Moo 9, Sukhumvit Road, Teparak Subdistrict, Muang District, Samutprakarn 10270 Tel: 0-2380-4188 Fax: 0-2380-4190	Details of the Company's subsidiaries	KPMG Phoomchai Audit Ltd. 48th Floor, Empire Tower 195 South Sathorn Road Yannawa, Sathorn, Bang kok 10120 Tel: 0-2677-2000 Fax: 0-2677-2222
Type of Business	Security Printing		SCG Legal Counsel Limited 1 Siam Cement Road, Bangsue, Bangkok 10800 Tel: 0-2586-5777 0-2586-5888 Fax: 0-2586-2976
Registered Capital	110 Million Baht (One hundred and ten million Baht)	Thai British DPost Company Limited	
Paid-up Capital	110 Million Baht (One hundred and ten million Baht)	Registered Capital	34 Million Baht (Thirty four million Baht)
Amount of Shares	Common share 11,000,000 shares Preferred share - none -	Paid-up Capital	34 Million Baht (Thirty four million Baht)
Par Value	10 Baht (Ten Baht)	Amount of Shares	Common share 3,400,000 shares Preferred share - none -
Registrar	Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, 4th Floor Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: 0-2229-2800 Fax: 0-2359-1259	Ownership Interest	
		Common Share	1,733,999 shares or 51%
		Head Office	837 Moo 4, Soi 12, Pattana 1 Road, Praksa, Muang, Samutprakan 10280
		Type of Business	Personalize data printing, envelope and mailing services.
		Others	the Company holds more than 10% - none -

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Major Shareholders

Top 10 shareholders as at December 27, 2013



Rank	Major Shareholders	Number of Shares	% Shares
1.	SCG Paper Public Company Limited*	5,476,724	49.79
2.	T.K.S. Technology Public Company Limited	2,187,981	19.89
3.	Mrs. Nantiya Santikan	542,000	4.93
4.	Mr. Krissana Suwanpraipattana	542,000	4.93
5.	Ms. Patcharin Tuangsithisombut	534,000	4.85
6.	Mr. Ek Tantavichien	534,000	4.85
7.	Ms. Patchana Tuangsithisombut	249,791	2.27
8.	Mr. Parchuab Kunsongkiat	125,100	1.14
9.	Mr. Prasert Wongwaiwit	115,332	1.05
10.	Mr. Ronnachai Kongboonma	77,100	0.70

Remark *Major shareholders and subsidiary of The Siam Cement Public Company Limited



The Management structure of Thai British Security Printing Public Company Limited comprises one Board of Directors and four sub-committees including Audit Committee, Nomination Committee, Remuneration Committee and Executive Committee.



■ ■ ■ 1. Board of Directors

The Board of Directors as at February 3, 2014 has 11 members, comprising 10 non-executive directors and 1 executive director i.e. Managing Director. Five directors have the qualifications of the independent director according with Notification of the Capital Market Supervisory.

At each Annual General Meeting of the Company, one-third of the directors, or, if their number is not a multiple of three, then the number nearest to one-third must retire from office. A retiring director is eligible for re-election.

◆◆◆ Duly Authorized Directors

Two of the three directors, namely, Mr. Roongrote Rungsiyopash or Mr. Panthep Supachaiyakit or Mr. Nat Pinitpongskul jointly

1. The Board is responsible for establishing corporate vision and the mission statement as well as the policy and strategy to align and sustain the interests of all stakeholders.
2. The Board is responsible for reviewing the operating plan and ensuring maximum competitiveness in global level.
3. The Board shall oversee and review the performance of the company as well as evaluating the performance of top executive e.g. managing director.
4. The Board maintains proactive risk management systems as well as overseeing and reviewing corporate governance to ensure compliance with internationally accepted practice.
5. The Board must devote their time and efforts to the company without seeking personal benefits, and shall not act in conflict with the interests of or in competition with the company.
6. Practice for Directors of Listed Companies and Guidelines of Securities and Exchange Commission in pursuit of business excellence.
7. The Board is responsible for overseeing and monitoring the performance of the company. The Board ensures that the company shall report its operating performance on a regular basis while establishing a corporate policy for the development of the company operations.
8. The Board promotes awareness of the importance of business ethics among employees at all levels. It also promotes internal controls and internal audits to ensure corporate integrity is maintained and to prevent any fraudulent practices.
9. The Board protects the right of all shareholders.

The Board shall authorize directors, the sub-committee, individuals or juristic persons to perform jointly or separately any duty in accordance with the objectives and Articles of Association of the Company in return for remuneration as determined by the Board.

The Board has the right to change or revoke the authority given to such persons, or remove such person from duty, and appoint other individuals for replacement, as deemed appropriate. Still, the authorized or appointed persons must perform their duties in accordance with the regulations, orders and policies set by the Board.

■ ■ ■ 2. The Audit Committee

The Audit Committee as at February 3, 2014 consisted of 4 persons as follows:

1. Mrs. Nuanchan Boonpoijanasoontorn
Chairman of the Audit Committee
2. Mr. Krit Umpote
Member of the Audit Committee
3. Mr. Kuasak La-orsuwan
Member of the Audit Committee
4. Mr. Poonpipa Aungurigul
Member of the Audit Committee

◆◆◆ Scope of Authority of the Audit Committee

The Audit Committee is authorized to fulfill the following duties:

1. Review that the Company has appropriate financial reporting system and the Company regularly disclosed its financial statements in accordance with the legally defined accounting principle with transparency, accuracy and adequacy.
2. Support establishment of financial report development in compliance with the international accounting standards.
3. Review and ensure that the Company has appropriate and effective internal control and internal audit systems that comply with international accepted approaches and standards.
4. Review and ensure that the Company has in place proactive operation systems to enhance operating effectiveness and efficiency.
5. Review corporate risk management system.
6. Review and ensure that the company is in full compliance with the laws on Securities and the Stock Exchange, and other laws relating to the Company's business.
7. Review the report on dishonesty and establish internal preventive measures.
8. Review the righteousness and effectiveness of the information technology system relating to the internal control system, financial reports and risk management and suggest the improvement on up-to-date system regularly.
9. Consider the connected transaction or factor that might constitute any conflicts of interest to be in compliance with law and regulations specified by the Stock Exchange of Thailand (SET).
10. Review and ensure that the assessment of the entire Audit Committee's performance and the self-assessment of each individual member's performance take place annually.

11. Review and comment on the operation of the Internal Audit Office and also cooperate with the Company's auditor.
12. Prepare Audit Committee's report and disclose in the Company's annual report which shall include the signature of the Chairman of the Audit Committee and the committee's opinions on the matters required by SET.
13. Consider the nomination of an independent person to act as an external auditor to propose the auditors' fee and assess the efficiency of the external auditors.
14. Arrange the meeting with the external auditor without the presence of the management at least once a year.
15. Review and ensure that the evaluation of the Internal Audit is in compliance with international standards.
16. Consider and approve the plan of Internal Audit, budgets, and manpower of the Internal Audit or select internal audit officer in case of using outsourcing service.
17. Consider the appointment, removal, transfer or dismissal of the director of the Internal Audit or the change of internal audit officer in case of using outsourcing service.
18. Consider the independence of the Internal Audit based on its performance, reports and line of command.
19. Take other actions in compliance with the law or assignments by the Board of Directors.

In actions thereof, the Audit Committee is authorized to summon or order management, unit heads or employees concerned to present opinions, attend meetings or submit the necessary documents as well as seek for independent comments from other professional advisors as deems necessary on the Company's expense.

The Audit Committee performs duties within the authority and responsibility under the order of the Board of Directors.

■ ■ ■ 3. The Nomination Committee

The Nomination Committee as at February 3, 2014 consisted of 3 persons as follows:

1. Mr. Krit Umpote
Chairman of the Nomination Committee
2. Mr. Panthep Supachaiyakit
Member of the Nomination Committee
3. Mr. Richard David Han
Member of the Nomination Committee

▶▶▶ Scope of Authority of the Nomination Committee

The Nomination Committee is authorized to fulfill the following duties:

1. Review independency of the Board of Directors and the issues of conflicts of interest.
2. Should there be a few alterations made to the directors qualifications, the Committee shall review the appropriateness for directorship.
3. Regularly make a progress report on the results of performance and submit it to the Board of Directors after the meetings of the Nomination Committee.
4. Specify qualifications of a person to be nominated for directorship and lay down the director nomination process to replace the retiring director, considering an eligible candidate with skills, experiences and expertise.
5. Identify qualified candidates to replace directors retiring at the end of their terms, or for other reason, and submit a list of nominees to the Board of Directors' and/or shareholders' meeting for resolution.
6. Recommend the succession plan of the Company's Managing Director and Executives to the Board.
7. Should there be any alteration to the Charter of the Nomination Committee. The Committee shall review and recommend appropriate improvements, revisions to the Board of Directors for its resolution in keeping it up-to-date and applicable.
8. Perform other duties as assigned by the Board of Directors.

To fulfill its duties under the scope of authority, the Nomination Committee is authorized to call for and order the management, head of offices or employees concerned to give opinions, attend the meetings or submit the necessary documents. In addition, the Committee may seek external consultants and professional advice from independent consultants or specialists, as deemed appropriate, at the company's expenses.



4. The Remuneration Committee

The Remuneration Committee as at February 3, 2014 consisted of 3 persons as follows:

1. Mr. Sitthichai Chantravadee
Chairman of the Remuneration Committee
2. Mr. Prasert Wongwaiwit
Member of the Remuneration Committee
3. Mr. Poonpipat Aungurigul
Member of the Remuneration Committee

Scope of Authority of the Remuneration Committee

The Remuneration Committee is authorized to fulfill the following duties:

1. Propose guidelines and methods of payment of remuneration, including bonus and attendance fee, to the Board of Directors and the Sub-committees appointed by the Board.
2. Propose policy on management incentives, including salary and bonus, in line with the company's operating results, and the performance of each executive, and whenever it deems appropriate, the Committee shall consider the hiring of consulting firms to advise on project implementation.
3. Prior to the submission of the managing director's remuneration for the Board of Directors' approval, the Remuneration Committee shall assess the managing director's performance on an annual basis.
4. Consider, before presenting to the Board of Directors, the budget for the salary increase, change of wage/remuneration and bonus of the senior executives.
5. Regularly review, study and track the changes and trends in remuneration for the Board of Directors and the executives and report its findings to the Board for approval.
6. Consider the annual remuneration for the Board of Directors, as compared to the remuneration offered by other listed companies operating in the same business, to ensure that the company retains its leadership in that industry and to motivate them to foster the continuing development of the Company.
7. Regularly make a progress report on the results of performance and submit it to the Board of Directors after the meetings of the Remuneration Committee.
8. Assess the Remuneration Committee's performance and report the results to the Board of Directors.
9. Should there be any alternation to the Charter of the Remuneration Committee. The Committee shall review and recommend appropriate improvements, revisions to the Board of Directors for its resolution in keeping it up-to-date and applicable.
10. Perform other duties as assigned by the Board of Directors.

To fulfill its duties under the scope of authority, the Remuneration Committee is authorized to call for and order the management, head of offices or employees concerned to give opinions, attend the meetings or submit the necessary documents. In addition, the Committee may seek external consultants and professional advice from independent consultants or specialists, as deemed appropriate, at the company's expenses.

5. The Executive Committee

The Executive Committee as at February 3, 2014 consisted of 3 persons as follows:

1. Mr. Roongrote Rangsiyopash
Chairman of the Executive Committee
2. Mr. Panthep Supachaiyakit
Member of the Executive Committee
3. Mr. Nat Pinitpongskul
Member of the Executive Committee

Scope of Authority of the Executive Committee

Manage and supervise all the Company's business in accordance with the Company's policy, the scope stipulated by Law, Objects, the Company's Articles of Association and resolutions of the Board



■■■ The Company's Board of Directors as

at February 3, 2014

comprised 11 directors as follows:



Mr. Roongrote Rangsiyopash

Chairman of the Board of Directors and
Chairman of the Executive Committee

Mr. Roongrote Rangsiyopash

Age 51 Years Nationality Thai

▶▶▶ Education

- 1985 B.Eng. (Mining), Chulalongkorn University
- 1987 M.S.(Industrial Engineering), University of Texas at Arlington, U.S.A.
- 1993 M.B.A., Harvard Business School, U.S.A.

▶▶▶ Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2004 Director Accreditation Program 2004

▶▶▶ Current positions in TBSP

Chairman of the Board of Directors and Chairman of the Executive Committee

▶▶▶ Date of first appointment

January 7, 2011 (3 Years 1 Month)

▶▶▶ Other current positions

Director / Executive)

• Listed companies

- Since 2011 Chairman of the Board of Directors and Chairman of the Executive Committee, Thai Cane Paper Public Company Limited
- Since 2012 Director, Thai Plastic and Chemicals Public Company Limited

• Other Business (Non-listed companies not doing business of similar nature and competing with the Company)

- Since 2011 President, SCG Paper Public Company Limited
- Since 2011 Chairman, Phoenix Pulp and Paper Public Company Limited
- Since 2011 Chairman, Siam Kraft Industry Company Limited
- Since 2011 Chairman, Vina Kraft Paper Company Limited, Vietnam
- Since 2011 Director, United Pulp and Paper Co., Inc., Philippines
- Since 2013 Director, Giga Impact Initiative Board (GII Board), National Science and Technology Development Agency (NSTDA)
- Since 2013 Expert Member, Government Pension Fund (GPF) Board of Directors
- Since 2013 Chairman of Risk Management Subcommittee, Government Pension Fund (GPF)
- Chairmen and directors of SCG's subsidiaries, associates and other companies as assigned by SCG

- Holding directorship in other incorporation doing business of similar nature and competing with the Company : None

▶▶▶ Experiences

- 2005-2010 Director, PTT Chemical Public Company Limited
- 2005-2010 Vice President & CFO, The Siam Cement Public Company Limited
- 2008-2011 Director, Thai-German Ceramic Industry Public Company Limited
- 2010-2011 Director, Quality Construction Products Public Company Limited

▶▶▶ Attendance

- Board of Directors Meetings: 4 times, attended 4 times
- Executive Committee Meetings: 5 times, attended 5 times

▶▶▶ Forbidden qualification:

- No record of dishonestly committing an offence against property.
- Not record of entering into any transaction which may cause conflict of interest against the Company during the year.

Mr. Krit Umpote (Independent Director)

Age 73 Years Nationality Thai



Mr. Krit Umpote

Director, Member of the Audit Committee
and Chairman of the Nomination
Committee

▶▶▶ Education

- 1965 B.A. (Commerce), Thammasat University
- 1966 B.A. (Accounting), Thammasat University
- 1969 Master of Public Administration, NIDA
- 1975 M.S.B.A., Indiana University, U.S.A.
- 1994 Strategic Human Resource Management, Harvard Business School
- 1996 Advanced Management Program, Harvard Business School

▶▶▶ Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2000 Director Certification Program (DCP) 2000
- 2010 Advanced Audit Committee Program (AACP) 3/2010

▶▶▶ Current position in TBSP

Director, Member of the Audit Committee and Chairman of the Nomination Committee

▶▶▶ Date of first appointment

October 9, 1995 (18 Years 4 Months)

▶▶▶ Other current positions (Director / Executive)

- Listed companies
 - Since 2007 Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee, MFC Asset Management Public Company Limited

- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) : None

- Holding directorship in other incorporation doing business of similar nature and competing with the Company : None

▶▶▶ Experiences

- 1996-2000 Senior Executive Vice President Krung Thai Bank Public Company Limited
- 1999-2001 Chairman, Krung Thai Asset Management Company Limited
- 2000-2011 Vice President for Training and Development Dhurakij Pundit University

▶▶▶ Attendance

- Board of Directors Meetings: 4 times, attended 4 times
- Audit Committee Meetings: 6 times, attended 6 times
- Nomination Committee Meeting: 2 times, attended 2 times

▶▶▶ Forbidden qualification:

- No record of dishonestly committing an offence against property.
- Not record of entering into any transaction which may cause conflict of interest against the Company during the year.



Mr. Kuasak La-orsuwan

Director and Member
of the Audit Committee
(Independent Director)

Mr. Kuasak La-orsuwan (Independent Director)

Age 65 Years Nationality Thai

▶▶▶ Education

- 1974 B.A. Economics, University of Commerce
- 1978 M.B.A. (Management), University of West LA, U.S.A.

▶▶▶ Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2012 Director Accreditation Program (DAP) 98/2012

▶▶▶ Current positions in TBSP Director and Member of the Audit Committee

▶▶▶ Date of first appointment November 22, 2000 (13 Years 2 Months)

▶▶▶ Other current positions (Director / Executive)

- Listed companies : None
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) : None
- Holding directorship in other incorporation doing business of similar nature and competing with the Company : None

▶▶▶ Experiences

- 2002-2004 Senior Vice President, Human Resource Department, Thai Military Bank Public Company Limited
- 2004-2006 Executive (N-2) Chief of General Administration, Thai Military Bank Public Company Limited
- 2006-2009 Senior Vice President, Thai Military Bank Public Company Limited

▶▶▶ Attendance

- Board of Directors Meetings : 4 times, attended 4 times
- Audit Committee Meetings : 6 times, attended 6 times

▶▶▶ Forbidden qualification:

- No record of dishonestly committing an offence against property.
- Not record of entering into any transaction which may cause conflict of interest against the Company during the year.



Mrs. Nuanchan Boonpoijanasoontorn

Director and Chairman of
the Audit Committee
(Independent Director)

Mrs. Nuanchan Boonpoijanasoontorn (Independent Director)

Age 69 Years Nationality Thai

▶▶▶ Education

- 1968 B.Acc. (Accounting), Chulalongkorn University
- 1970 Diploma, Auditing Program, Chulalongkorn Business School, Chulalongkorn University
- 1971 Certified Public Accountant of Thailand
- 1980 Seminar, The Wells Fargo Professional Banker Development Program, Wells Fargo Bank, San Francisco, California, U.S.A.

▶▶▶ Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2001 The Role of the Chairman Program (RCP) 5/2001

▶▶▶ Current positions in TBSP Director and Chairman of the Audit Committee

▶▶▶ Date of first appointment March 26, 1990 (23 Years 10 Months)

▶▶▶ Other current positions (Director / Executive)

- Listed companies : None
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) : None
- Holding directorship in other incorporation doing business of similar nature and competing with the Company : None

▶▶▶ Experiences

- 1990-1999 Senior Vice President, DBS Thai Danu Bank Public Company Limited
- 1991-2004 Director and Honorary Treasurer, Head of Administration, Foundation for the Blind in Thailand
- 1991-2011 Associate Judge, The Nonthaburi Provincial, Court-Juvenile and Family Section

▶▶▶ Attendance

- Board of Directors Meetings: 4 times, attended 4 times
- Audit Committee Meetings: 6 times, attended 6 times

▶▶▶ Forbidden qualification:

- No record of dishonestly committing an offence against property.
- Not record of entering into any transaction which may cause conflict of interest against the Company during the year.



Mr. Prasert Wongwaiwit

Director and Member
of the Remuneration Committee

Mr. Prasert Wongwaiwit

Age 54 Years Nationality Thai

➤➤➤ Education

- 1983 Bachelor of Architecture, Chulalongkorn University
- 1984 Master of Public Administration (Public Personnel), University of Southern California, U.S.A.

➤➤➤ Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2005 Director Accreditation Program (DAP) 40/2005

➤➤➤ Current positions in TBSP

Director and Member of the Remuneration Committee

➤➤➤ Date of first appointment

November 26, 2002 (11 Years 2 Months)

➤➤➤ Other current positions (Director / Executive)

- Listed companies : None
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company)
 - Since 1994 Managing Director, Baan Yaowapha Company Limited
- Holding directorship in other incorporation doing business of similar nature and competing with the Company : None

➤➤➤ Experiences

- 1994-2001 Marketing Director, Lang Suan Property Company Limited

➤➤➤ Attendance

- Board of Directors Meetings: 4 times, attended 4 times
- Remuneration Committee Meetings: 1 time, attended 1 time

➤➤➤ Forbidden qualification:

- No record of dishonestly committing an offence against property.
- Not record of entering into any transaction which may cause conflict of interest against the Company during the year.



Mr. Poonpipat Aungurikul

Director, Member of
the Audit Committee and Member of
the Remuneration Committee
(Independent Director)

Mr. Poonpipat Aungurikul (Independent Director)

Age 67 Years Nationality Thai

➤➤➤ Education

- 1965 Vocational Certificate, Thonburi Commercial College
- 1967 Diploma, Rajamangala Institute of Technology Bangkok Technical Campus
- 1994 Management Program, Harvard University, U.S.A.

➤➤➤ Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2005 Director Accreditation Program (DAP) 37/2005

➤➤➤ Current positions in TBSP

Director, Member of the Audit Committee and Member of the Remuneration Committee

➤➤➤ Date of first appointment

November 26, 1999 (14 Years 2 Months)

➤➤➤ Other current positions (Director / Executive)

- Listed companies
 - Since 2000 Director, Phathra Leasing Public Company Limited
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) : None
- Holding directorship in other incorporation doing business of similar nature and competing with the Company : None

➤➤➤ Experiences

- 1993-1999 Executive Vice President,
Kasikornbank Public Company Limited
- 2000-2010 Director, MuangThai Insurance Public Company Limited

➤➤➤ Attendance

- Board of Directors Meetings: 4 times, attended 4 times
- Audit Committee Meetings: 6 times, attended 6 times
- Remuneration Committee Meetings: 1 time, attended 1 time

➤➤➤ Forbidden qualification:

- No record of dishonestly committing an offence against property.
- Not record of entering into any transaction which may cause conflict of interest against the Company during the year.



Mr. Panthep Supachaiyakit

Director, Member of the Nomination Committee and Member of the Executive Committee



Mr. Richard David Han

Director and Member of the Nomination Committee

Mr. Panthep Supachaiyakit

Age 60 Years Nationality Thai

▶▶▶ Education

- 1976 B.Eng. (Mechanical), Chulalongkorn University
- 1985 M.B.A. (Marketing Management), University of Chicago, U.S.A.

▶▶▶ Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2013 Director Accreditation Program (DAP) 102/2013

▶▶▶ Current positions in TBSP

Director, Member of the Nomination Committee and Member of the Executive Committee

▶▶▶ Date of first appointment

July 24, 2012 (1 Years 6 Months)

▶▶▶ Other current position (Director / Executive)

- Listed companies : None
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company)
 - Since 2012 Chairman of the Board of Directors, Thai British DPost Company Limited
 - Since 2012 Managing Director, Thai Union Paper Public Company Limited
 - Since 2012 Managing Director, Thai Paper Company Limited
 - Since 2012 Director, Siam Kraft Industry Company Limited
 - Since 2012 Director, Phoenix Pulp & Paper Public Company Limited
 - Since 2012 Director, Siam Nippon Industrial Paper Company Limited
- Holding directorship in other incorporation doing business of similar nature and competing with the Company : None

▶▶▶ Experiences

- 2004-2008 Managing Director, Passenger Car and Light Truck Business Tires, Michelin Siam Company Limited
- 2009-2012 Managing Director, The Siam Fibre-Cement Company Limited
- 2009-2012 Managing Director, The Fibre-Cement Products (Lampang) Company Limited
- 2012 Chief Marketing Officer, SCG Building Materials Company Limited

▶▶▶ Attendance

- Board of Directors Meetings: 4 times, attended 4 times
- Nomination Committee Meeting: 2 times, attended 2 times
- Executive Committee Meetings: 5 times, attended 5 times

▶▶▶ Forbidden qualification:

- No record of dishonestly committing an offence against property.
- Not record of entering into any transaction which may cause conflict of interest against the Company during the year.

Mr. Richard David Han

Age 57 Years Nationality Dutch

▶▶▶ Education

- 1980 B.A. (Business Administration), Westminster University, London, United Kingdom
- 1981 M.B.A. (Marketing), City University, London, United Kingdom

▶▶▶ Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2006 Director Accreditation Program (DAP) 57/2006
- 2006 Understanding the Fundamental of Financial Statements (UFS) 4/2006

▶▶▶ Current positions in TBSP

Director and Member of the Nomination Committee

▶▶▶ Date of first appointment

August 21, 1998 (15 Years 5 Months)

▶▶▶ Other current positions (Director / Executive)

- Listed companies
 - Since 1989 Executive Vice Chairman & CEO, Hana Microelectronics Public Company Limited
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) : None
- Holding directorship in other incorporation doing business of similar nature and competing with the Company : None

▶▶▶ Experiences

- 1982-1989 Founder & Managing Director, Hana (U.K.)

▶▶▶ Attendance

- Board of Directors Meetings: 4 times, attended 3 times
- Nomination Committee Meetings: 2 times, attended 2 times

▶▶▶ Forbidden qualification:

- No record of dishonestly committing an offence against property.
- Not record of entering into any transaction which may cause conflict of interest against the Company during the year.



Mr. Sitthichai Chantravadee

Director and Chairman of the
Remuneration Committee
(Independent Director)



Miss Sutida Mongkolsuthree

Director

Mr. Sitthichai Chantravadee (Independent Director)

Age 64 Years Nationality Thai

➤➤➤ Education

- 1972 B.Acc. (Accounting), Chulalongkorn University
- 1977 M.Acc. (Accounting), Chulalongkorn University

➤➤➤ Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2549 Director Accreditation Program (DAP) 49/2006
- 2549 Director Certification Program (DCP) 69/2006
- 2549 Audit Committee Program (ACP) 12/2006
- 2552 Monitoring Fraud Risk Management (MFM) 1/2009
- 2552 Monitoring the Internal Audit Function (MIA) 5/2009
- 2552 Monitoring the System of Internal Control and Risk Management (MIR) 6/2009
- 2552 Monitoring the Quality of Finance Reporting (MFR) 7/2009

➤➤➤ Current positions in TBSP

Director and Chairman of the Remuneration Committee

➤➤➤ Date of first appointment

March 22, 2012 (1 Year 10 Months)

➤➤➤ Other current positions (Director / Executive)

- Listed companies
 - Since 2002 Independent Director, Audit Committee and Member of Executive Committee, Sammakorn Public Company Limited
 - Since 2011 Independent Director, and Member of Audit Committee, CS Loxinfo Public Company Limited
 - Since 2012 Director, and Member of the Remuneration Committee, Thai Cane Paper Public Company Limited
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) : None
- Holding directorship in other incorporation doing business of similar nature and competing with the Company : None

➤➤➤ Experiences

- 1996-2000 Director, Corporate Accounting Division, The Siam Cement Public Company Limited
- 2000-2010 Director, Internal Audit Office, The Siam Cement Public Company Limited
- 2001-2003 Chairman of The Institute of Internal Auditors of Thailand

➤➤➤ Attendance

- Board of Directors Meetings: 4 times, attended 4 times
- Remuneration Committee Meeting: 1 time, attended 1 time

➤➤➤ Forbidden qualification:

- No record of dishonestly committing an offence against property.
- Not record of entering into any transaction which may cause conflict of interest against the Company during the year.

Miss Sutida Mongkolsuthree

Age 33 Years Nationality Thai

➤➤➤ Education

- 2004 Bachelor of Accounting, Finance and Banking (2nd Class Honor) Chulalongkorn University
- 2008 Master of Science in International Management, Queen Mary, University of London, United Kingdom

➤➤➤ Seminar on role and responsibility of director

Thai Institute of Directors

- 2009 Company Secretary Program (CSP)

Thai Listed Companies Association

- 2009 Fundamental Practice for Corporate Secretary (FPCS)
- 2011 TLCA Executive Development Program (EDP), 7th Session

➤➤➤ Current positions in TBSP

Director

➤➤➤ Date of first appointment

July 30, 2013 (6 Months)

➤➤➤ Other current positions (Director / Executive)

- Listed companies
 - Since 2014 Chief Financial Officer (CFO) & Corporate Secretary, Synnex (Thailand) Public Company Limited
 - 2012-2013 Finance Department Manager & Corporate Secretary, Synnex (Thailand) Public Company Limited
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company): None
- Holding directorship in other incorporation doing business of similar nature and competing with the Company : None

➤➤➤ Experiences

- 2004-2006 Management Trainee (Securities Analyst), UOB Kay Hian Securities (Thailand) Public Company Limited
- 2009-2012 Corporate Secretary, Synnex (Thailand) Public Company Limited

➤➤➤ Attendance*

- Board of Directors Meeting: 1 time, attended 1 time

➤➤➤ Forbidden qualification

- No record of dishonestly committing an offence against property.
- Not record of entering into any transaction which may cause conflict of interest against the Company during the year.

Remark: * *Elected as director, effective from July 30, 2013.



Mr. Nat Pinitpongskul

Director, Member of the Executive Committee and Managing Director

Mr. Nat Pinitpongskul

Age 49 Years Nationality Thai

▶▶▶ Education

- 1986 Bachelor of Science, Food Technology, Kasetsart University
- 1994 Master of Science, Packaging Technology, Michigan State University, U.S.A.
- 2007 Master of Business Administration, General Administration, Webster University, U.S.A.

▶▶▶ Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2014 Director Certification Program (DCP) 184/2014

▶▶▶ Current positions in TBSP Director, Member of the Executive Committee and Managing Director

▶▶▶ Date of first appointment August 1, 2013 (6 Months)

▶▶▶ Other current positions (Director / Executive)

- Listed companies : None
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company)
 - Since 2013 Managing Director, Thai British DPost Company Limited
- Holding directorship in other incorporation doing business of similar nature and competing with the Company : None

▶▶▶ Experiences

- 2000 Corrugated Sheet Production Techniques Manager, Thai Containers Ltd.
- 2001 Packaging Technology Department Manager, Thai Containers Ltd.
- 2001-2005 Marketing Planning Department Manager, Thai Containers Group Co., Ltd.
- 2005-2007 Marketing Division Manager, Thai Containers Group Co., Ltd.
- 2008 Sales Division Manager, Thai Containers Group Co., Ltd.
- 2008-2010 General Manager, Thai Containers Songkhla (1994) Co., Ltd.
- 2010-2013 General Director, New Asia Industrials Co., Ltd., Vietnam

▶▶▶ Attendance*

- Board of Directors Meeting: 1 time, attended 1 time
- Executive Committee Meetings: 2 times, attended 2 times

▶▶▶ Forbidden qualification:

- No record of dishonestly committing an offence against property.
- Not record of entering into any transaction which may cause conflict of interest against the Company during the year.

Remark: *Elected as director and appointed as member of the Executive Committee and the Managing Director, effective from August 1, 2013

Report on Changing in Securities Holding of Directors

THAI BRITISH SECURITY PRINTING PUBLIC COMPANY LIMITED

as of December 31, 2013

No.	Name		TBSP			Affiliates			
			Ordinary Shares (Shares)			Ordinary Shares (Shares)		Debentures (Units)	
			Own	Spouse or Minor children	Increased (Decreased) during Jan - Dec 2013	Own	Increased (Decreased) during Jan - Dec 2013	Own	Increased (Decreased) during Jan - Dec 2013
1.	Mr. Roongrote	Rangsiyopash	-	-	-	30,000*	2,000	32,000*	1,000
2.	Mr. Krit	Umpote	-	-	-	-	-	-	-
3.	Mr. Kuasak	La-oruwan	-	3,100	-	-	-	-	-
4.	Mrs. Nuanchan	Boonpoijanasontorn	-	-	-	-	-	-	-
5.	Mr. Prasert	Wongwaiwit	115,332	-	-	-	-	-	-
6.	Mr. Poonpipat	Aungurigul	-	-	-	-	-	14,000*	-
7.	Mr. Richard David	Han	-	-	-	-	-	-	-
8.	Mr. Panthep	Supachaiyakit	-	-	-	3,000*	-	-	-
9.	Mr. Sitthichai	Chantravadee	-	-	-	-	-	5,000*	-
10.	Miss Sutida	Mongkolsuthree	-	-	-	-	-	1,000*	-
11.	Mr. Nat	Pinitpongskul	-	-	-	-	-	-	-

Remark;

1. Thai British Security Printing Public Company Limited has the registered capital 110,000,000 Baht, paid up capital 110,000,000 Baht and total of 11,000,000 ordinary shares.
2. The Public Limited Companies Act, regarding the definition of "affiliates" means a public limited company which is associated with a private company or a public limited company incorporated in one or more of the following characteristics.
 - The company has the power to govern the appointment and removal of directors which has the power to handle all or most of the company.
 - The company holds shares in another company for more than fifty percent of the shares issued.
3. *The Siam Cement Public Company Limited.

The attendance of Directors in 2013

Unit : times

Directors		The Board of Directors (11 persons)	The Audit Committee (4 persons)	The Nomination Committee (3 persons)	The Remuneration Committee (3 persons)	The Executive Committee (3 persons)	The 2013 Annual General Meeting of Shareholders (11 persons)
Chairman		Mr. Roongrote Rangsiyopash	Mrs. Nuanchan Boonpoijanasoontorn	Mr. Krit Umpote	Mr. Sitthichai Chantravadee	Mr. Roongrote Rangsiyopash	Mr. Roongrote Rangsiyopash
1. Mr. Roongrote	Rangsiyopash	4/4	-	-	-	5/5	1/1
2. Mr. Krit	Umpote	4/4	6/6	2/2	-	-	1/1
3. Mr. Kuasak	La-orsuwan	4/4	6/6	-	-	-	1/1
4. Mrs. Nuanchan	Boonpoijanasoontorn	4/4	6/6	-	-	-	1/1
5. Mr. Prasert	Wongwaiwit	4/4	-	-	1/1	-	1/1
6. Mr. Panthep	Supachaiyakit	4/4	-	2/2	-	5/5	1/1
7. Mr. Poonpipat	Aungurigul	4/4	6/6	-	1/1	-	1/1
8. Mr. Richard David	Hun	3/4	-	2/2	-	-	1/1
9. Mr. Sitthichai	Chantravadee	4/4	-	-	1/1	-	1/1
10. Miss Sutida	Mongkolsuthree	1/1	-	-	-	-	-
11. Mr. Nat	Pinitpongskul	1/1	-	-	-	2/2	-
12. Miss Suvannee	Lee	1/1	-	-	-	-	1/1
13. Mr. Suchai	Korprasertsri	3/3	-	-	-	3/3	1/1

Remarks:

- Miss Suvannee Lee was resigned from the Company's directorship, effective from March 31, 2013
- Miss Sutida Mongkolsuthree was elected as Director in replacement of Miss Suvannee Lee, effective from July 30, 2013
- Mr. Nat Pinitpongskul was elected as Director, and appointed as member of the Executive Committee and Managing Director in replacement of Mr. Suchai Korprasertsri, effective from August 1, 2013
- The five independent directors are number 2, 3, 4, 7 and 9

■■■ Management

As at February 3, 2014

The Company's Management comprised
5 persons as follows:



Mr. Nat Pinitpongskul

Managing Director



Mr. Panu Ratanasingha

Plant Director



Mr. Wason Phakdeesattayaphong

IT Director



Mrs. Wunwisa Tantivejakul

Financial Controller



Ms. Doanrat Dararuja

Human Resource Director



▶▶▶ Mr. Nat Pinitpongskul

Age 49 Years

Position Managing Director

Education

- 1986 B.S. Food Science and Technology, Kasetsart University
- 1994 Master of Science in Packaging, Michigan State University
- 2002 Management Development Program(MDP) Wharton School University of Pennsylvania
- 2007 Master of Business Administration, Webster University, USA
Executive Development Program (EDP) Columbia Business School

Experience

- 2008-2010 General Manager Thai Containers Songkhla (1994) Co., Ltd.*
- 2010-2013 General Director, New Asia Industries Company Limited, Vietnam

▶▶▶ MR. PANU RATANASINGHA

Age 43 Years

Position Plant Director

Education

- 1992 B.E. Electrical Engineering, Prince of Songkla University
- 2007 Management Development Program (MDP) , Wharton School University of Pennsylvania

Previous Experiences

- 2002-2003 Plant Deputy Manager, Thai CRT Company Limited
- 2003-2005 Process Engineering Manager, Thai CRT Company Limited
- 2005-2006 Manufacturing Manager, Thai CRT Company Limited

▶▶▶ Mr. Wason Phakdeesattayaphong

Age 43 Years

Position IT Director

Education

- 1992 Bachelor of Engineering, Chulalongkorn University
- 1995 Master of Engineering, University of Tokyo

Previous Experiences

- 2006-2010 Vice President, Total Access Communication Public Company Limited
- 2005-2006 Senior Manager, Accenture (Thailand)

▶▶▶ Mrs. Wunwisa Tantivejakul

Age 49 Years

Position Financial Controller

Education

- 1986 B.A. Accounting, Chulalongkorn University

Previous Experiences

- 2003-2007 Business Analysis and Reporting Manager, Paper Business, The Siam Pulp and Paper Public Company Limited* *

*Remark: Recently changed the company's name to SCG Paper Public Co., Ltd.

▶▶▶ Ms. Duangrat Dararuja

Age 45 Years

Position Human Resources Director

Education

- 1992 Bachelor of Arts (Industrial Psychology) , Thammasat University

Previous Experiences

- 1993-2001 Personnel Officer, Human Resource Office The Siam Pulp and Paper Public Company Limited
- 2001-2004 Personnel Administration Section Manager (Head Office) The Siam Pulp and Paper Public Company Limited
- 2004-2011 Manager - Human Resource Management, Human Resource Office SCG Paper Public Company Limited
- 2011-2012 Human Resource and Administration Department Manager Thai Union Paper Public Company Limited

■■■ Changes in Management's Shareholding Report

As at December 31, 2013

No.	Name	Ordinary Shares (Shares)		
		Own holding	Spouse's or minor children's holding	Increase (decrease) during Jan-Dec 2013
1.	Mr. Panu Ratanasingha	-nil-	-nil-	-nil-
2.	Mr. Wason Phakdeesattayaphong	-nil-	-nil-	-nil-
3.	Mrs. Wunwisa Tantivejakul	-nil-	-nil-	-nil-
4.	Ms. Duangrat Dararuja	-nil-	-nil-	-nil-

Remarks:

1. Thai British Security Printing Public Company Limited has a registered capital of 110,000,000 Baht with 11,000,000 ordinary shares.
2. In reference with the Notification of the Capital Market Supervisory Board No. Tor Jor 23/2551 "Management" shall mean directors, managers or the first 4 persons in the management level next below the manager, all persons who hold positions equivalent to the fourth person in the management level, including persons in the management level and be in charge of accounting and finance who hold positions next above the department managers or equivalent.

■■■ Remuneration of the Board of Directors and the Management Executives

The Board of Directors' Remuneration

The 2012 Annual General Meeting of Shareholders held on March 22, 2012 approved the directors' remuneration, to be effective from the date of approval by the 2012 Annual General Meeting until the shareholders' meeting shall resolve otherwise. Details were as follows:

Attendance Fee	Annual Remuneration
<ul style="list-style-type: none"> Chairman: 30,000 Baht per meeting Director: 20,000 Baht per meeting 	Should there be profit in any fiscal year, the annual remuneration payable to Directors shall be 2 percent of net profit of such fiscal year which shall be distributed among the Directors in such manner as they may themselves determine.

The Sub-committees' Remuneration

The 2012 Annual General Meeting of Shareholders held on March 22, 2012 approved the remuneration of three sub-committees of the Company namely the Audit Committee, the Nomination Committee, and the Remuneration Committee, of which the attendance fee will be paid to members of each sub-committee according to their actual numbers of meeting attended, and suspended the remuneration of the Executive Committee, effective from the date of approval by the 2012 Annual General Meeting until the shareholders' meeting shall resolve otherwise. Details were as follows:

Sub-committees	Position	Attendance fee (Baht/Person/Time)
Audit Committee	Chairman	30,000
	Director	20,000
Nomination Committee	Chairman	20,000
	Director	15,000
Remuneration Committee	Chairman	20,000
	Director	15,000
Executive Committee	Chairman	Suspended
	Director	Suspended

For the fiscal year ended December 31, 2013, the remuneration paid to the Board of Directors are the annual remuneration of the Board of Directors of 1,490,310 Baht and the attendance fee of the Board of Directors of 860,000 Baht along with the sub-committees' remuneration of 690,000 Baht, making the total remuneration of 3,040,310 Baht.

REMUNERATION OF THE BOARD OF DIRECTORS AND SUB-COMMITTEES FOR THE YEAR 2013

Unit : Baht

Directors	The Board of Directors		The Audit Committee		The Nomination Committee		The Remuneration Committee		The Executive Committee		Total Remuneration		
	Annual Honorarium*	Attendance Fee	Annual Honorarium	Attendance Fee	Annual Honorarium	Attendance Fee	Annual Honorarium	Attendance Fee	Annual Honorarium	Attendance Fee	Annual Honorarium	Attendance Fee	Total
1. Mr. Roongrote	255,450	120,000	-	-	-	-	-	-	-	-	255,450	120,000	375,450
2. Mr. Krit	127,720	80,000	-	120,000	-	40,000	-	-	-	-	127,720	240,000	367,720
3. Mr. Kuasak	127,720	80,000	-	120,000	-	-	-	-	-	-	127,720	200,000	327,720
4. Mrs. Nuanchan	127,720	80,000	-	180,000	-	-	-	-	-	-	127,720	260,000	387,720
5. Mr. Prasert	127,720	80,000	-	-	-	-	-	15,000	-	-	127,720	95,000	222,720
6. Mr. Panthep	127,720	80,000	-	-	-	30,000	-	-	-	-	127,720	110,000	237,720
7. Mr. Poonpipat	127,720	80,000	-	120,000	-	-	-	15,000	-	-	127,720	215,000	342,720
8. Mr. Richard David	127,720	60,000	-	-	-	30,000	-	-	-	-	127,720	90,000	217,720
9. Mr. Sitthichai	127,720	80,000	-	-	-	-	-	20,000	-	-	127,720	100,000	227,720
10. Miss Sutida	54,240	20,000	-	-	-	-	-	-	-	-	54,240	20,000	74,240
11. Mr. Nat	53,540	20,000	-	-	-	-	-	-	-	-	53,540	20,000	73,540
12. Miss Suvannee	31,140	20,000	-	-	-	-	-	-	-	-	31,140	20,000	51,140
13. Mr. Suchai	74,180	60,000	-	-	-	-	-	-	-	-	74,180	60,000	134,180
Total	1,490,310	860,000	-	540,000	-	100,000	-	50,000	-	0	1,490,310	1,550,000	3,040,310

Remark: - *2% of net profit of the ended December 31, 2013 (74,519,106 Baht) = 1.49 million Baht

- Miss Suvannee Lee was resigned from the Company's directorship, effective from March 31, 2013

- Miss Sutida Mongkolsuthree was elected as Director in replacement of Miss Suvannee Lee, effective from July 30, 2013

- Mr. Nat Pinitpongkul was elected as Director, and appointed as member of the Executive Committee and Managing Director in replacement of Mr. Suchai Kopraserstsi, effective from August 1, 2013

Remuneration of the Management Executives

For the fiscal year ended December 31, 2013, the remuneration and benefits paid to the 5 Management Executives was 20,842,501 Baht including salary and bonus.

Company's contribution to the provident fund for management executives was in the amount of 1,383,048 Baht.

Dividend Payment Policy

The Company's dividend payment is based on the Company's annual operating performance, investment plan and relate matters as demand appropriate.

18 Related Transactions

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



The following are relationships between the related parties that control the Company or are being controlled by the Company or have transactions with the Group.

Name of entities	Country of incorporation	Nature of relationships
The Siam Cement Public Company Limited	Thailand	The ultimate parent of the group
SCG Paper Public Company Limited	Thailand	The major shareholder, 49.79%
Thai British DPost Company Limited	Thailand	A subsidiary, 51% shareholding
The Siam Cement (Lampang) Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cement-Building Materials Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Trading Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Logistics Management Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Accounting Services Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai Paper Company Limited	Thailand	A subsidiary of SCG Paper Public Company Limited
Thai Cane Paper Public Company Limited	Thailand	A subsidiary of SCG Paper Public Company Limited
Thai Containers Group Company Limited	Thailand	A subsidiary of SCG Paper Public Company Limited
InfoZafe Company Limited	Thailand	A subsidiary of SCG Paper Public Company Limited
Siam Sanitary Ware Industry Company Limited	Thailand	An associate of The Siam Cement Public Company Limited
The Siam Sanitary Fittings Company Limited	Thailand	An associate of The Siam Cement Public Company Limited

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

Transactions	Pricing policies
Sale of goods or rendering of services	Market price
Purchases of raw materials or services	Market price
Rental income	Contractually agreed price equivalent to market prices
Other income	Market price
Service income	Contractually agreed price



Significant transactions for the years ended 31 December
2013 and 2012 with related parties were as follows:

Consolidated financial statements	2013 (in thousand Baht)	2012 (in thousand Baht)
*** Ultimate parent of the Group		
Sale of goods or rendering of services	6,793	975
Purchases of raw materials	512	84
Service fee	15,647	4,123
*** Major shareholder		
Sale of goods or rendering of services	2,965	11
Service fee	3,412	8,158
*** Other companies		
Sale of goods or rendering of services	31,933	4,859
Purchases of raw materials	73,274	69,117
Service fee	708	6,528
Directors' remuneration	3,040	3,490

Balance as at 31 December 2013 and 2012 with related
parties were as follows:

Trade receivables		
Consolidated financial statements	2013 (in thousand Baht)	2012 (in thousand Baht)
*** Ultimate parent of the Group		
The Siam Cement Public Company Limited	1,158	-
*** Other companies		
Thai Cane Paper Public Company Limited	1,739	-
SCG Cement-Building Materials Company Limited	941	87
SCG Paper Public Company Limited	428	-
Thai Paper Company Limited	313	165
Siam Sanitary Ware Industry Company Limited	144	102
The Siam Sanitary Fittings Company Limited	-	150
The Siam Cement (Lampang) Company Limited	-	47
Other companies	374	43
Total	5,097	594

Receivables from related parties

Consolidated financial statements	2013 (in thousand Baht)	2012 (in thousand Baht)
▶▶▶ Other company		
Thai Containers Group Company Limited	22	-
Total	22	-

Trade payables

Consolidated financial statements	2013 (in thousand baht)	2012 (in thousand baht)
▶▶▶ Other companies		
Thai Paper Company Limited	8,606	10,013
SCG Logistics Management Company Limited	1,635	786
InfoZafe Company Limited	700	-
Other companies	890	599
Total	11,831	11,398

Payables to related parties

Consolidated financial statements	2013 (in thousand Baht)	2012 (in thousand Baht)
▶▶▶ Ultimate parent of the Group		
The Siam Cement Public Company Limited	2,528	855
▶▶▶ Major shareholder		
SCG Paper Public Company Limited	162	1,048
▶▶▶ Other companies		
Thai Containers Group Company Limited	220	-
SCG Accounting Services Company Limited	-	462
SCG Trading Company Limited	-	182
Other companies	44	3
Total	2,954	2,550



Operating Results and Financial Status

As regards the operating results of the past year, the sales of the Company and its subsidiary increased 4% accounting for 1,023 million baht (sale of the previous year was 987 million baht), the net profit fell 13% constituting 77 million baht (net profit of the previous year was 88 million baht), resulting in the net profit per share being 6.96 baht per share (net profit per share of the previous year before equaled 7.99 baht per share) owing to the increasing cost especially labor cost.

Financial Ratio

The liquidity ratio of TBSP and its subsidiary equaled 6.47 compared to 6.38 of the previous year. The liquidity was at a higher level than the previous year owing to an increase of trade receivables but showing a decrease of inventories. The Ratio of the Net Profit to Total Revenues accounting for 7.38% while that of the previous year was equivalent to 8.73%. The Return on Equity (ROE) constituted 10.83% compared to 12.77% of the year earlier. The Debt to Equity Ratio was 0.21 while that of the previous year was 0.19.

Overall, Book Value per Share of the Company at year-end 2013 was worth 64.50 baht per share, compared with that at year-end 2012 accounting for 64.04 baht per share.



»» Principles of Good Corporate Governance

The Company considers good corporate governance a part of its business policy. Therefore, it puts strong emphasis on principles and practices concerning responsibility and fairness towards all stakeholders such as a clear identification of the structure, components, duties, independence and performance of the Board of Directors; a transparent disclosure of information; and strict auditing system and risk management. These build trust among shareholders and create additional value for them under the changing economic and social situation based on the balance and sustainable benefits.

»» Guidelines on Good Corporate Governance

The Board of Directors pledged its commitment to conform and operate in tune with the principles of good corporate governance comprising guidelines in 5 categories: the rights of shareholders, the equitable treatment of shareholders, the role of stakeholders in corporate governance, disclosure and transparency, and the responsibilities of the Board.

1. The Rights of Shareholders

The Company ensures that all shareholders, both as investors and owners of the Company, are entitled to all basic rights meeting widely accepted and reliable standards, which include the right to freely trade or transfer their own shares, the right to receive dividends from the Company, the right to attend shareholders' meetings, the right to propose in advance the meeting agenda, the right to nominate a person to be elected as a director, the right to express opinions independently at the meetings, and the right to make decisions on important affairs of the Company, e.g., the election of directors, approval of significant transactions influencing the Company's direction, amendment of Memorandum of Association and Articles of Association of the Company, etc. Each shareholder has the right to vote at meetings according to the number of shares owned whereby one share is entitled to one vote, and no particular share allows privilege over the rights of other shareholders.

Apart from the abovementioned rights of the shareholders, the Company has made additional efforts to encourage and facilitate shareholders to exercise their rights as follows:

1. The Company provides essential, clear and up-to-date information for shareholders regarding the Company's business through the Stock Exchange of Thailand (SET). Even though some information is not required to be disclosed by law, if the Company considers that it is of significance to shareholders, the Company will notify shareholders of the information through SET's website.
2. Prior to a meeting, each shareholder will receive significant and sufficiently detailed information concerning the date and the agenda of the meeting. Such information will be posted on the Company's website not less than 30 days before the date of meeting and the related documents are submitted to shareholders not less than 14 days prior to the meeting. The shareholders' right to attend the meeting and the right to vote on resolutions will be clearly stated in the meeting notice submitted by the Company.
3. Any shareholder who is unable to attend a meeting is entitled to appoint a representative, e.g., an independent director or other person, to act as proxy, using the proxy form attached to the notice of the meeting. The Company has prepared the proxy forms in compliance with the specifications defined by the Ministry of Commerce whereby the shareholders can exercise their voting rights as wished. The proxy forms can also be downloaded from the Company's website. For shareholders' convenience, the Company provides the duty stamp to be sealed on the proxy form. Shareholders who arrive after the meeting has commenced are able to vote on the agenda item being considered provided that a resolution is not yet made. Late-arriving shareholders shall constitute part of the quorum starting from the agenda item for which they are in attendance and can exercise their voting rights unless the meeting states otherwise.
4. Prior to the meeting date, one or several shareholders holding in aggregate at least 5% of all issued shares of the Company have the right to suggest issues to be included in the agenda of the 2014 Annual General Meeting of Shareholders. Shareholders were allowed to exercise this right at least three months in advance before the end of the fiscal year, i.e., between September 1 - November 30, 2013. Should the proposed issue be included on the meeting agenda, the Company shall specify in the notice of the meeting that the agenda item was proposed by a shareholder. However, in case the Board rejects the proposed agenda item, the Company will inform shareholders of the reasons at the Annual General Meeting of Shareholders. Moreover, any shareholder is entitled to nominate in advance any qualified candidates for the election of directors in the same period. The Nomination Committee will consider the proposed nominees together with other nominated persons according to the Company's criteria for the nomination of directors. The Committee then presents the nominees to the Board for consideration before proposing them to the shareholders' meeting for approval. The Company made available a form for advance proposals for the meeting agenda and director candidates, for the convenience of shareholders. However, no shareholder proposed any agenda item or candidate prior to the meeting.
5. On the date of meeting, the Company uses a barcode system for registration to ensure convenience for shareholders based on the reference number already included in the registration form and proxy form. In 2012, the PDA (Personal Digital Assistant) was provided for voting and vote counting in each agenda. The voting results will be announced after the vote counting is completed. After the meeting, shareholders are entitled to verify the result.
6. One-third of the directors must retire from office on a rotational basis in each Annual General Meeting of Shareholders. For the election of directors, the Chairman of the meeting will inform the shareholders the rules and method of election of directors individually as specified in the Company's Articles of Association. During the meeting, shareholders are entitled to freely propose names of individuals for directorship of the Company.
7. At the meetings, shareholders are allowed to freely express their opinions, give suggestions or raise questions on any agenda item before casting votes, so that shareholders can obtain sufficiently detailed information on the matter in question. Should shareholders have questions or inquiries, specialists in specific fields are available to answer queries under the authority of the Board.
8. For any item on the agenda at the shareholder's meeting, the shareholders can call for a casting of votes by secret ballot if not less than five shareholders make such request. The shareholders' meeting shall resolve to approve the casting of votes by secret ballot upon a majority of votes.
9. An agenda item regarding the Board's remuneration is included to inform shareholders of the amount and type of remuneration received by each director including annual remuneration, and attendance fees for the Board of Directors and sub-committee members.
10. The agenda of the 2013 Annual General Meeting of Shareholders was considered chronologically as it appeared in the notice of meeting submitted to shareholders prior to the meeting, without any changes in order or request for the Meeting to consider any agenda item other than those specified in the notice of meeting.



2. The Equitable Treatment of Shareholders

Providing the equitable treatment to every individual shareholder, every group of shareholders, major or minor shareholders, institutions or foreign investors is considered as great challenge. The Company realizes its significance and makes every effort to find tools to enhance equality, particularly, for minor shareholders, which include the following matters:

Internal Information Control

The Board of Directors has established measures to prevent misuse of internal information, especially as regards Insider Trading of concerned persons, namely the Board of Directors, the executives, and employees in the departments concerned with the information, including their spouses and children who are minors. They are as follows:

- All concerned persons are prohibited from trading Company shares for a two-week period prior to release of the Company's quarterly and annual financial statements, and for 24 hours after the release (Blackout Period).
- Should they have knowledge of confidential information that could have any impact on the Company's share price, they are prohibited from trading Company shares until 24 hours after the public disclosure.
- The secretary to the Board and the corporate secretary will inform the directors, the executives, and concerned employees of the prohibition period not less than one week prior to such period.
- In addition, the Board of Directors monitors results of implementation pursuant to said measures. Any changes in the shareholding of a director or executive must be reported in the Board of Directors' meeting.

Preventing Conflicts of Interest

The Company strictly follows regulations of SEC and SET. The Board of Directors pays important and careful attention to management of potential conflicts of interest in a fair and transparent manner. If there is a connected transaction, the Board must consider deliberately and disclose it in a clearly and timely manner for the interests of the shareholders and the Company.

- The Company has a clear and transparent shareholder structure. There is no cross-holding among major shareholders, thereby preventing any conflict of interest or transfer of benefits from one party to another. The shareholder structure of the Company is published in details clearly in the Company's Annual Report, as are each of Board member's securities holdings.
- There is a clear separation of duties and responsibilities among the Board, executives, and shareholders, thereby ensuring no overlap of duty or responsibility. Any director or executive who may have a vested interest in any agenda item under consideration must not attend the meeting or must abstain from voting on such agenda item. This is to ensure that the Board and executives make decisions in a fair manner for the utmost benefit of shareholders.

3. The Role of Stakeholders in Corporate Governance

The Company conducts business with the highest awareness of its responsibility to ensure sustainable and mutual benefits to all related parties. The Board of Directors oversees the management system to ensure that the Company acknowledges the rights of stakeholders, both as stated by law and as clearly written in the good corporate governance principle. The Company guarantees that those rights are protected and the shareholders, employees, customers and business partners are treated equally.

• Shareholders:

The Company respects and realizes the basic rights of shareholders and the rights stipulated by the laws and the Company's Regulations, such as the rights to request a verification of the number of shares, the rights to receive share certificates, the rights to attend and vote at the shareholders' meetings, the rights to freely express opinions at the shareholders' meeting, the rights to participate in making decision on the Company's material affairs as being the owner of the Company, and the rights to receive a fair return.

• Employees:

The Company truly believes that its employees are the most valuable assets and is determined to ensure that every employee is proud of and confident in the organization. In the previous year, the Company organized various projects to promote a collaborative working environment to drive innovations and support business expansion. The Company supports and promotes the employee development in terms of professional, environmental and hygienic development. In addition, the Company focused on motivating employees' learning as well as their health, safety and working environment.

- **Customers:**

The Company puts great importance on providing customers with maximum benefits in terms of the quality and price of its products and services. Likewise, the Company is determined to develop and maintain sustainable relationships with customers. Moreover, the technical support has been set for providing product consultancy, solving problems, and receiving complaints to ensure customers' total satisfaction with the Company's products and services.

- **Suppliers:**

The Company operates its business with suppliers in good faith by strictly following terms of contracts and commitments made with suppliers.

- **Contractors:**

The Company has a policy of taking good care of its contractors regarding the environment, work safety and remuneration. Further, the Company encourages its contractors to develop their capabilities and knowledge both at work and beyond to enable them to work more efficiently.

- **Joint Venture Partners:**

The Company respects the rights of joint venture partners and treats every partner equitably and fairly. The Company works collaboratively with joint venture partners to ensure that the joint ventures achieve the shared goals.

- **Competitors:**

The Company operates its business within a competitive context by being fair and strictly following the law. During the year, there was no dispute with competitors.

- **Creditors:**

The Company complies with the terms of loans and obligations to its creditors.

- **Society and Environment:**

The Company organizes, in the communities surrounding the Company's plants, a range of activities to promote society quality, especially those that increase opportunities for the better education and environment. In addition, the Company has continuously given scholarship to the community for a long time. The Company believes that the sustainable achievement of the Company depends on its responsibilities to the operation as well as realization on the importance of the nearby communities' needs in terms of society, economy, environment, occupational health, safety and tradition. The Company has its budget in preserving the environment and has a regular monitoring and assessment system.

4. Disclosure and Transparency

The Company recognizes the importance of information disclosure because it greatly affects the decision-making of investors and stakeholders. It is, therefore, necessary to control and define measures concerning the disclosure of information, both financial and non-financial as specified by law. Information disclosed via the SET Community Portal, both in Thai and English, shall be complete, sufficient, reliable and up-to-date. The Managing Director or his delegated persons are assigned to disclose the Company's information.

The Company is committed to obeying the law, and the regulations and obligations mandated by SEC, SET and other relevant government sectors and monitoring their amendment regularly to ensure that the Company is up-to-date in its adherence to laws, regulations and obligations, and to guarantee its shareholders of the Company's transparency, correctness and truthfulness in conducting business. For example, the Company:

1. Discloses accurate, complete and timely financial information and non-financial information.
2. Prepares a report on the Board's responsibility for financial statements and present it along with the Audit Committee's report in the Annual Report.
3. Establishes a policy that requires the Company's directors and executives to report their own interests, and those of any related persons, which are vested interests relating to the management of the Company.
4. Discloses procedures about the nomination of directors.
5. Discloses the performance and attendance record of each member of the sub-committees.
6. Discloses information on the remuneration each director receives as a member of the Committee.
7. Discloses the policy on the remuneration of directors and executives, including forms, types and amount of remuneration for each committee member.



5. The Responsibilities of the Board of Directors

➤➤➤ The Structure of the Board of Directors

The Board of Directors comprises knowledgeable and competent persons who are responsible for determination of corporate policy in the field of finance, risk management and the organization overview. The Board plays an important role in overseeing, reviewing and assessing the performance of the Company and the top executives in conformity with its plan made on an independence basis.

As at February 3, 2014, the Board of Directors consists of 11 members, 10 of which are non-executive directors and 1 of which is an executive director, who is the Managing Director. Five members are qualified as independent directors in accordance with the Notification of the Capital Market Supervisory Board, namely Mr. Krit Umpote, Mr. Kuasak La-orsuwan, Mrs. Nuanchan Boonpoijanasoontorn, Mr. Poonpipat Aungurigul, and Mr. Sitthichai Chantavadee. Besides, all 11 directors have integrity, knowledge, ability and experience which are beneficial to the Company.

The Board of Directors has established the sub-committees, namely Audit Committee, Nomination Committee, Remuneration Committee, and Executive Committee to be responsible for their specific areas and report directly to the Board for its consideration or reference. The Board of Directors may appoint other specific committees as it may deem appropriate to suit changed circumstances. In this regard, the Company puts in place the Charters of the Board of Directors and the sub-committees specifying duties and responsibilities, which is published on the Annual Report page 87-89. Moreover, an assessment of the committees' performances and review of their results are conducted at least once a year.

- **The Audit Committee**

comprises four independent directors. All of them have a full understanding of and experience in accounting or finance and Mrs. Nuanchan Boonpoijanasoontorn has adequate expertise and experience to review creditability of the financial reports. The Audit Committee's duties include a review to ensure that operations have been carried out in accordance with the Company's Articles of Association as well as the laws, rules and regulations of compliance-related agencies. Moreover, the Committee is committed to promoting and developing the financial and accounting report system to meet international standards and to ensure that the Company has an expedient, appropriate, modern and efficient internal control system, internal audit system and risk management system. The Audit Committee acts and expresses opinions independently, with the internal audit unit acting as an operations unit reporting directly to the Audit Committee. The Audit Committee also works regularly with external auditors. The Audit Committee sets up meetings with the Company's external auditor, which exclude the management, at least once a year in order to hear their comments.

- **The Nomination Committee**

comprises three of the Company's directors, all of whom are non-executive directors. The chairman of the Nomination Committee is an independent director. The Committee is in charge of the nomination of persons qualified to be directors to replace those who are retired by rotation, or other case.

- **The Remuneration Committee**

comprises three of the Company's directors. The Committee is responsible for monitoring and studying changes and trends in the remuneration of the Board of Directors and the sub-committees and to suggest remuneration to be further proposed for the Board's consideration.

- **The Executive Committee**

comprises three of the Company's directors. The Committee is responsible for managing and supervising all the Company's business, as assigned by the Board of Directors, in accordance with the Company's policy and target, under the scope stipulated by law, objectives, the Company's Articles of Association and resolution of the Board.

◆◆◆ Separation of the Roles of the Board of Directors and the Management

The Company defines clear roles and responsibilities of the Board of Directors and the management. The Board is responsible for establishing the policies and overseeing the management's implementation of those policies. The management, on the other hand, is responsible for implementing the policies formulated by the Board, and ensuring that they are carried out as planned. Therefore, the Chairman and the Managing Director of the Company shall not be the same person, and each must be nominated and elected by the Board in order to ensure their appropriateness.

◆◆◆ Board of Directors' Meetings

It is the duty of each member of the Board to consistently attend the Board's meetings to stay informed of the Company's operations and make decisions. The Board holds at least four scheduled meetings per year, making sure that the agendas are set forth clearly prior to each meeting. In addition, the Board may organize special meetings to consider and decide urgent matters.

In 2013, the Board held 4 meetings, all of which are scheduled annually in advance. Prior to each meeting, all members received the agenda and supporting documents well in advance to allow adequate time for preparation.

The Executive Committee is responsible for determining agenda items and considering matters to be proposed to the Board meeting. Every director is entitled to propose at will the agenda items.

When considering the matters presented to the Board, the Chairman of the Board presides over and duly conducts the meetings. All directors are free to express their opinions independently. Resolutions are passed by a majority vote, whereby one director is eligible for one vote. A director having interest in the issue under consideration shall be excused and/or abstain from voting. In case of a tied vote, the Chairman of the meeting will cast his vote to reach a resolution.

After the meeting, the corporate secretary is responsible for preparing the minutes and proposing the Chairman to sign and certify its correctness. The minutes must then be adopted at the first agenda item of the following meeting of the Board. Directors may make comments, corrections or additions to ensure its accuracy and completeness. After approval, minutes of the meeting are stored securely in the Corporate Secretary Office together with all related documents, which are backed up electronically to facilitate data searches.

◆◆◆ The Secretary to the Board of Directors and the Corporate Secretary

The Board appointed Ms. Pornpen Namwong as the secretary to the Board of Directors and the corporate secretary responsible for providing advice to the Board regarding the performance of duties in compliance with the law, organizing the Board's meetings, the sub-committees' meetings, and the shareholders' meetings; attending meetings; preparing the minutes of the Board's meetings, the sub-committees' meetings, and the minutes of shareholders' meetings; as well as filing documents as stipulated by law. The secretary to the Board and the corporate secretary as appointed by the Board is deemed by the Board to be knowledgeable, capable and experienced to provide advice to the Board involving compliance with laws, rules and regulations, as well as performing duties as specified by law.

◆◆◆ Remuneration for the Board of Directors and the Executives

The Company sets appropriate remuneration for the Board of Directors and the executives. The Company has requested the shareholders' meeting to approve the Board of Directors' remuneration, the amount of which was compared to leading listed companies and the companies in the same industry or with similar size or performance as well as the Company's performance. For the executives' remuneration, the Company takes into account their responsibilities and individual performance together with the Company's operating result.

Details of remuneration for the Board of Directors for the year 2013 in terms of annual remuneration, attendance fee of the Board of Directors, and attendance fee of the sub-committees as approved by the shareholders' meeting are shown both in the total and individual basis on page 102 of the Annual Report.

◆◆◆ Performance Appraisal and Knowledge Enhancement

To enhance capabilities of the Board's and the subcommittees' members, the Company requires annual performance assessment as a whole of the Board and all sub-committees. In particular, the Audit Committee is required 2 sets of assessment, self-assessment by each individual member and assessment of the entire committee as a whole. The results of assessment are reviewed with the intention of finding ways for continual improvement of the performance of the Board and the sub-committees.



The Company prepared a handbook for directors, which includes the summary of laws, rules and regulations related to the directors to keep directors informed of roles, duties, principles and guidelines for a director. The handbook is distributed to all directors for use as reference of basic information.

Moreover, the Company encourages all members of the Board and the executives to attend various seminars and courses benefited to their responsibilities. Some of these courses are organized by internal training center, and some are by the governmental agencies or independent organizations, such as Thai Institute of Directors Association. SEC requires directors of all listed companies to complete at least one of the following training courses: Director Accreditation Program (DAP), Director Certification Program (DCP) or Audit Committee Program (ACP) in order that knowledge and experiences gained from these courses will be applied for the Company's development.

To support the Board's responsibilities, the Company has assigned the secretary to the Board and corporate secretary to work in coordination with the Board and the management. In addition, the secretary to the Board and corporate secretary is responsible for overseeing the legal matters and relevant rules and regulations as well as collaborating to ensure that implementation complies with the Board's resolutions.

▶▶▶ Performance Assessment of the Managing Director

The Board works in conjunction with the Remuneration Committee to assess the performance of the Managing Director, based on the Company's operating results and on implementing Board's policies, taking into account economic and overall social circumstances. The Remuneration Committee will then consider the appropriate compensation corresponding to his performance and propose to the Board of Directors for approval.

▶▶▶ Nomination of Directors

The Nomination Committee is responsible for selecting qualified candidates to replace the directors retiring on rotation at the end of their terms, or whatever the case may be, and proposing a list of nominees to the Board for election at the shareholders' meeting. The Nomination Committee selects the candidates with credentials in a wide range of professions, excellent leadership, breadth of vision, a proven record of ethics and integrity, and ability to express their opinions independently.

Furthermore, the Nomination Committee shall consider the personal qualification of the candidates proposed for selection as Board members, as regards:

- Integrity and accountability.
- Informed judgment.
- Maturity and stability, being a good listener, capable of expressing opinion differently and independently.
- Commitment to work principles and professionalism. Special expertise and certain knowledge required for the Board are also taken into consideration, so that the Board can formulate strategies and policies and oversee implementation of the strategies effectively.

Internal Controls

The Board of Directors believes that for an organization to achieve the sustainability, it requires an efficient and effective corporate governance, risk management, and internal controls in compliance with the international standards regarding operational practices and information technology systems. This is in compliance with the Audit Committee's policy which mandates that the Company's internal controls and internal audit applies with the international standards regarding operational practices as follows:

- Corporate governance according to Organisation for Economic Co-operation and Development (OECD)/ the Stock Exchange of Thailand/Thai Institute of Directors (IOD)
- Risk management according to COSO Enterprise Risk Management/ISO 31000
- Internal control according to COSO Internal Control — Integrated Framework/COBIT

The Company is in the process of assessing its internal controls based on COSO (The Committee of Sponsoring Organizations of Tradeway Commissions) Internal Control — Integrated Framework revised released in May 2013, consisting of 5 main components with 17 principles. In addition, the Management enhanced and developed various tools in correspondence with the changing risks to build proactive and preventive system for business operations. In 2013, the Management approved the corporate governance/control principles to align with changing risks as follows:

1. Anti-corruption

The Chairman of the Board of Directors received a letter from the Securities and Exchange Commission regarding collaboration in anti-corruption measures. Furthermore, the Management acknowledged the parent company's policy and practice regarding anti-corruption which will be applied to fit with the Company. Regarding this matter, the Company received support and advice from the Audit Office.

2. Manual for the Control of the Development of Truck Scale Program

Truck scale is a vital instrument for receiving raw materials or distributing products. Apart from the accuracy of the scale, the scale program is also an important factor contributing to ensuring the accuracy of weighing details. To ensure accuracy, transparency and accountability of business transactions that business transactions among the Company, business partners, and customers. The Management approved “Manual for the Control of the Development of Truck Scale Program” to serve as guidelines for consideration of relevant risks and control points when developing the Company’s truck scale program.

3. Information Technology System Control

At present, information technology system is considered an important factor in business operations, especially in manufacturing products or rendering services relevant to the security printed matters. To ensure that information technology system being efficient and achieving the international standards, the Management reviewed risks related to information technology system and established guidelines for the utilization of information technology system to the maximum benefit of the Company (IT Governance), which included risk assessment and control for information technology system. In addition, the Company continually developed the Continuous Monitoring and Continuous Auditing system for use as a tool to analyze, follow-up, solve irregularities which essential to promote the internal controls efficiency.



➤➤➤ Risk Management

Enterprise risk management is a crucial process that helps the Company to achieve objectives and goals, and seek for new business opportunities which add value to the Company to accomplish sustainable growth.

• The Board of Directors

The Board of Directors is accountable for establishing the risk management policy and ensuring that the Company's risk management is efficient and effective. The Audit Committee is responsible for independently assessing, following up and revising the efficiency and effectiveness of risk management. The Audit Committee also defines risk warning signals or red flags to determine whether the Company has taken on risk beyond the acceptable level, as well as communicates and ascertains that the Company specifies appropriate measures for solution in timely manner.

• The Management

The Management is responsible for risk management process, starting from designating the business objectives, assessing risk in order to create medium-term plan, annual plan, defining business strategies, as well as controlling monitoring and following-up risk management at the acceptable level. More importantly, the Management combines risk management as a part of work performance in developing risk awareness culture. The Management is responsible for reporting risk management's results on a quarterly basis to the Audit Committee while the Audit Office verify the assessment of risk management's efficiency.

• Risk Management Process

Risk management process is performed for responding with the rapid change in business environment and excessive competition in the industry, and enhancement of any situation before it manifests into an uncontrollable problem. The Company has designated the risk owner in order to evaluate likelihood and impact, as well as level of risk manageability according to the specified criteria by using the information database and closely monitoring so as to make plans appropriately and issue establish management measures for possible risk. The risk owner is responsible to report the results of risk management to the Management. The potential risks which may cause impact on the Company's operations as follows:

1. Business and Marketing Risks

Due to the volatile global economy, and domestic political crisis as well as an increasing in wages over the recent period, the market conditions shrank while the competition in certain businesses within the industry became more intense which has had direct impact on the Company's operations. The Company manages regarding the marketing competition by emphasizing the development of products and services to meet customers' needs. Using technology to reduce mistakes, increase capability of service provision, expand the customer base to cover more various industries, as well as improve management to be more efficient to derive a competitive production cost.

2. Technological Risks

As the Company operates a security printed matter business, the security of customers' information is highly significant. In order to create confidence among customers, the Company performs its works in accordance with the Information Security Management System-ISO/IEC 27001:2005 regarding the information security within the whole organization. At present, consumers start changing to use electronic technology which replace the use of printed documents. The Company, therefore, places importance on research work and technology development in order to strengthen new products to meet customers' needs, and continuously operates to differentiate itself from competitors with the objective of achieving the sustainable growth of the Company.

3. Raw Material Risks

The Company has limitations in searching for sources of raw materials. As raw materials used to manufacture products must be able to prevent counterfeit As a result, there are a small number of suppliers. However, the Company set the policy to search for the additional sources of raw materials by taking the consideration that the quality of alternative ones need to be substitution.

4. Credit Risks

The Company set credit management policy with the Credit Committee holding a monthly follow-up meeting, analyzing customer financial information, specifying credit limit which suits for buying and selling's transactions, setting up the meeting with customers, as well as follow-up customer's credit line by analyzing the aging of account receivables on a regular basis.

➤➤➤ Internal Audit

The Audit Committee supervises the Internal Audit Office to ensure that it works with independence, integrity, ethics, and expertise in line with the International Standards for the Professional Practice of Internal Audit (The Institute of Internal Auditors: IIA) and Information Technology System Auditing standards (Information Systems Audit and Control Association: ISACA; Global Technology Audit Guide: GTAG). The charter of the Audit Committee and the Internal Audit Office charter prescribe the missions, scope of work, authority, duties and responsibilities as well as the operating and auditing guidelines. Both charters are reviewed on an annual basis.



The Audit Committee approved the medium-term plan (2011 — 2013) of the Audit Office regarding achieving Global Internal Audit Excellence in 2013. To ensure professionalism in line with international standards, the Audit Committee also approved the Quality Assurance Review (QAR) by internal assessments based on IIA, ISACA, and GTAG guidelines. The Audit Office sent the surveys to all stakeholders, both internally and externally totaling 7 groups. This survey included evaluation of IT audits' quality which are beyond international standards. The evaluation consists of 2 primary principles which ensure compliance with international standards for functional and IT auditing practices, and evaluation of stakeholder satisfaction. The assessment has been completed by the Audit Office, with evaluation results exceeding designated criteria of 80% satisfaction.

Moreover, the Audit Committee approved the training program of "Certified Professional Internal Audit of Thailand" for all auditor. The program aims to enhance knowledge and skills, as well as share experiences with qualified lecturers with credentials in a wide range of business fields. The Audit Office gathered the evaluation results from the internal assessment and training program to develop the internal audit professional skills as follows:

1. Creating High Value Services:

The Internal Audit Office was committed to an audit enhancement to create high value services sustainably and continuously. Committed to enhancing audits to create high value services in a sustainable and continuous manner by emphasizing on assurance service and consulting service independently and fairly to add value and enhance the Company's operating performance. The high value services are as follows:

1.1 Implemented integrated audit by setting up a team dedicated to auditing special projects with high risks. The team comprising both IT and functional auditors, jointly assessed risks, made suggestions on consolidating the work process, applied IT system to enhance audit efficiency and monitored any irregularities in the process of work.

1.2 Enhance the proactive preventive system by using the shortcomings identified from operations to develop an appropriate system, and prevent recurring risks, and to provide lessons learned for other functions.

1.3 Focused on providing consultancy to each function. During internal auditing or assessment of internal control system with relevant parties, the Audit Office will provide information and suggestions on correct work procedures and the internal controls appropriate for the nature of each business. After the consultation, the Audit Office followed up on these recommendations in order to prevent mistakes from recurring.



2. Information Technology Audit

Due to SCG's rapid expansion, the latest IT systems must be introduced to support business operations. In developing the core IT system a working group will be set up comprising representatives from the Audit Office as consultants, with the responsibility of providing suggestions regarding the establishment of appropriate control processes and testing of control system. This is aimed to decrease problems or losses which may result from setting-up the IT system. After the setting-up is completed, an IT audit will carry out the testing once again. Developing Auditors' Competencies

3. Developing Auditor's Competencies

The results of the internal assessments on Quality Assurance Review (QAR) and training program have been compiled by the Audit Office for the purposes of continuously developing the audit expertise as follows:

3.1 Reviewing Internal Audit Competency

The Audit Office reviewed of internal audit competency in 2013 to ensure that it remains in accordance and the results of the Certified Professional Internal Audit of Thailand (CPIAT) training; auditors will conduct the evaluation together with their supervisors for setting Individual Development Plan (IDP).

3.2 Development of Internal Audit Global knowledge

- Keeping track of best practices in good governance, risk management, and internal controls among leading audit firms both domestically and overseas and applied appropriate practices in line with the nature of the Company's business.
- Supporting the ongoing development and training both internally and externally so the auditors are equipped with knowledge, competence, and expertise in internal audits as well as other necessary skills.
- Supporting and encouraging the internal auditors to become qualified as certified internal auditors or to attain other related certifications, based upon designated key performance indicators (KPIs). In this regard, the Audit Office has achieved targeted goals of promoting at least 40% of total auditors to receive professional certification.

3.3 Development of Business Knowledge

- Developing the internal auditors' business acumen by inviting experts from each business unit and external experts to give presentations sharing their knowledge about business and major changes in business, thereby empowering the internal auditors to better assess risks and to provide practical consultancy.
- Establishing a recruiting policy for internal auditors by transferring employees with knowledge and expertise in operations from other departments to serve as internal auditors and assigning them to other areas of the Company to acquire new knowledge.
- Organizing knowledge-sharing activities to share interesting issues or material findings in audit work on a regular basis.

3.4 Information Technology Knowledge

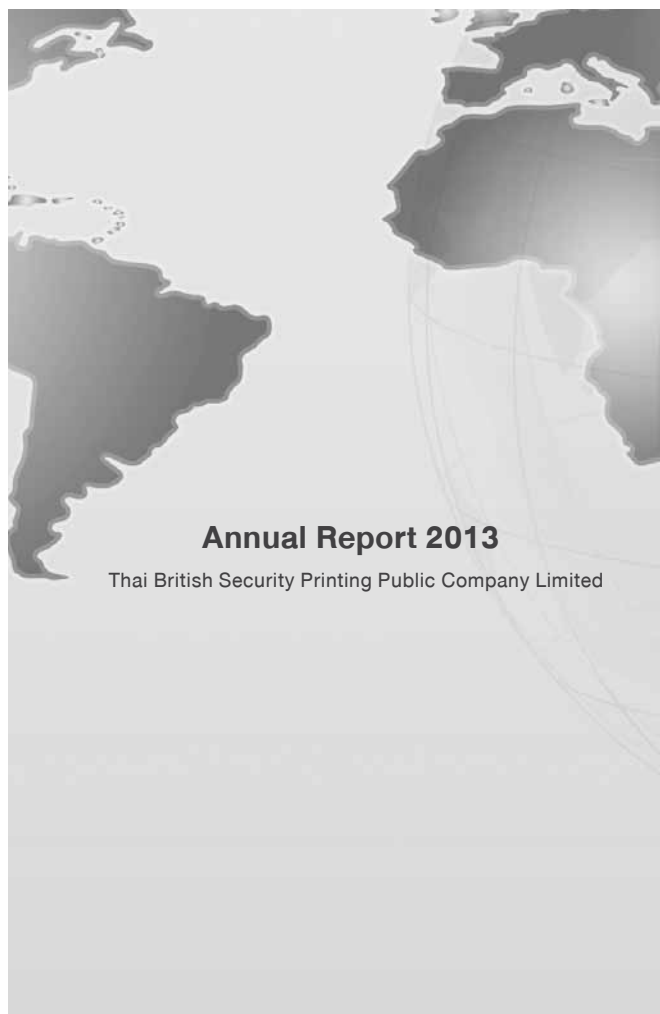
- Employing Adopting IT knowledge to support the audit process and defining red-flag warnings to alert auditors to material risks in business operations. Supporting auditors' capability enable them to possess audit knowledge, skills, and competency of international standards as well as to provide advice on IT management at an international standard.

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