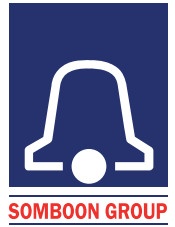


ANNUAL REPORT 2013

SOMBOON ADVANCE TECHNOLOGY PUBLIC COMPANY LIMITED



3 BOTTOM LINE
Smart people • Business trust • Growth society

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Financial Highlight

For the Fiscal year ended December 31	Consolidated Financial Statements			Separate Financial Statements		
	2013	2012 (Revised)	2011	2013	2012 (Revised)	2011
Stock Data						
Par value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book value (Baht)	11.47	9.76	12.30	8.98	8.13	8.81
Earning per share (Baht) *	2.27	1.89	1.20	1.42	1.60	0.96
Operating						
Sales revenue	8,973,395	9,409,555	6,420,730	2,950,261	3,145,327	2,121,724
Total income	9,317,965	9,590,423	6,567,669	3,330,689	3,524,010	2,346,961
Net profit	966,099	803,530	408,164	601,692	678,585	326,740
Balance Sheet (Thousand Baht)						
Current assets	3,003,876	3,163,839	2,161,693	1,344,619	1,447,819	1,168,798
Total assets	9,922,777	9,420,677	8,830,964	5,573,960	5,137,930	4,456,240
Current liabilities	2,192,336	2,550,914	1,865,152	729,970	770,073	487,618
Total liabilities	5,050,067	5,271,594	4,648,696	1,758,379	1,685,126	1,460,276
Paid-up capital	424,946	339,923	339,923	424,946	339,923	339,923
Shareholders' equity	4,872,709	4,149,083	4,182,268	3,815,580	3,452,803	2,995,964
Financial Ratio						
Returns on shareholders' equity (%)	21.42%	21.01%	9.89%	16.56%	21.33%	10.97%
Returns on fixed assets (%)	28.61%	27.25%	18.11%	56.14%	69.45%	41.30%
Returns on assets (%)	9.99%	9.15%	4.83%	11.23%	14.27%	7.45%
Gross profit (%)	17.49%	15.77%	15.14%	24.42%	24.05%	23.38%
Current assets ratio to items of current liabilities (times)	1.37	1.24	1.16	1.84	1.88	2.40
Liquidity ratio to liabilities (times)	1.05	0.94	0.72	1.27	1.12	0.89
Debt ratio to shareholders' equity (times)	1.04	1.27	1.11	0.46	0.49	0.49

Note:

In year 2013 the use of the weighting average ordinary share numbers of 424.933 million shares

In year 2012 the use of the weighting average ordinary share numbers of 424.912 million shares

In year 2011 the use of the weighting average ordinary share numbers of 339.923 million shares

The Directors' Report

In 2013 Thailand's automotive industry sees the production and export of vehicles in the amount of 2.46 million units, an increase by 0.14% from 2012. This is considered the highest output in 52 years, making Thailand one of the top 10 of manufacturers in the world with the production of 1.07 million sedans (43.59% of the total production) or an increase by 11.85% from the previous year. The Commercial Auto Truck Group of 1-ton commercial trucks totals 1.33 million units (54.25% of the total production), or a decrease by 8.22% from 2012.

Thailand's automotive industry 2013, as described above, is also affected from the government's first car tax rebate scheme in the first half of the year. As a result, the Group has the total income of Baht 9,318 million or a decrease by 3%. The net operation profit amounts to Baht 966 million (including reversal of asset impairment totaling Baht 121 million) or an increase by 18% from 2012. The earnings per share equal Baht 2.27.

In addition to the business in order to have good performance, maintain corporate standards and is developing continuously. The Board of Directors Commitment to and focus on elevating the business to sustainable growth. And keep pace with changes in both economic and social conditions that parallel to raise the transparency of the organization. For the Anti-corruption Policy, the directors, executives, and employees of Somboon Group have always been a good citizen of the society and country. The Company also sets a framework for CSR work under "3 Somboon Sangsomedue" strategy under which the developments of human resources, business, and society will be integrated so that the demands of stakeholders will be satisfied with clear direction and substantiality.

Because of the determination to fight against corruption and uphold the organization's transparency, the company is one of the 9 listed companies that are approved to be a part of the Private Sector Collective Action Coalition Against Corruption Council : CAC. The Company also receives many awards such as the Excellent (5 Stars) Awards for Corporate Governance Report (CGR) for 6 consecutive years from Thai Institute of Directors and SET Award of Honor for the excellence in Corporate Governance for 5 consecutive years. The Company also receives the excellent award in Corporate Social Responsibility from the Stock Exchange of Thailand. In addition, the Company is rated by Asian Corporate Governance Association (ACGA) and CLSA Asia-Pacific Markets as 1 in 50 SAT companies that appeal foreign investors to in ASEAN market. On behalf of the Board of Directors, I'd like to express my gratitude towards every stakeholder, including the Company's employees and executives, whose contribution is a driving force of the Company's success. Please be assured that the Board of Directors will be committed to directing the business to the stable, continuous and sustainable growth and success.



A handwritten signature in black ink, appearing to read "Sansern Wongcha-um".

(Mr.Sansern Wongcha-um)
Chairman



A handwritten signature in black ink, appearing to read "Yongkiat Kitaphamich".

(Mr.Yongkiat Kitaphamich)
President

Vision

Growing in Asia automotive, expertise in design and manufacturing with stakeholders and social responsibility

Mission

- Strengthen internal organization management to increase value added to stakeholders
- Fulfill customer's expectation with high quality of products and services
- Design and develop products through customers partnership
- Continually improve production capability with environmental friendly and attain cost leadership with efficient technology
- Strengthen people capabilities, align corporate culture and promote quality of working life
- Retain and develop corporate good governance, risk management, stakeholders and social responsibilities with basis of good knowledge and moral

Company's General Information

Company's Name	: Somboon Advance Technology Public Company Limited
Business	: Motor vehicle part manufacturing. The major products are axle shaft for selling to "OEM" (Original Equipment Manufacturer) inside and outside the kingdom and to invest in other companies who are engaging in the motor vehicle part manufacturing for more product diversification.
Head Office and plant	: 129 Moo 2, 15th KM. Bangna-Trad Road, Bangchalong Sub-district, Bangplee District, Samutprakarn : 300/100 Moo 1 Eastern Seaboard Industrial Park, Tasit Sub-district, Plueak Daeng District, Rayong
Company's registration	: PCL. 0107574700660
Telephone	: 02-728-8500
Fax.	: 02-728-8513, 02-728-8517
Website	: www.satpcl.co.th
Registered Capital	: 426,711,809 Baht
Paid-up Capital	: 424,945,994 Baht
Subsidiaries	: <ol style="list-style-type: none"> Somboom Malleable Iron Industrial Company Limited Motor vehicle part manufacturing. The major products are Disc Brake, Drum Brake and part of agriculture machine Bangkok Spring Industrial Co., Ltd. Motor vehicle part manufacturing. The major products are Leaf Spring, Stabilizer Bar and Coil Spring International Casting Products Company Limited Motor vehicle part manufacturing in Casting Products. The major products are Disc Brake, Drum Brake, Bracket and part of agriculture machine SBG International Japan Co., Ltd. Marketing of the group company Somboon Forging Technology Co., Ltd. Motor vehicle part manufacturing from Hot/Cold Forging process

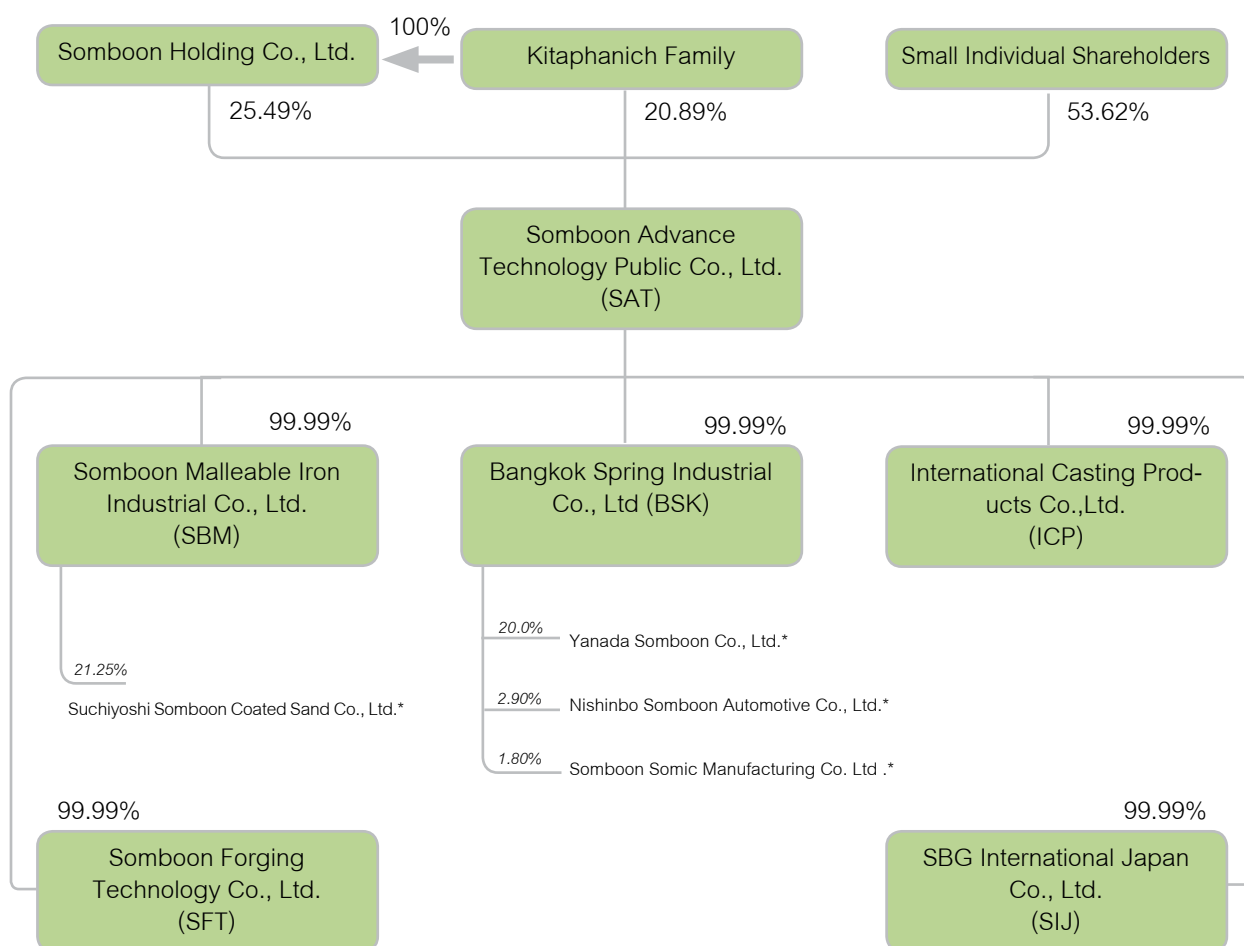


Nature of Business Operation

The Company and subsidiaries has been engaging in the manufacturing of the parts of motor vehicle industry such as passenger car, pick-up, trucks and electric appliance industry. The main major customers are the original equipment manufacturer (“OEM”) with the long term purchase contract and the replacement equipment manufacturer (“REM”)

The operation of each company in the group has the policy to growing together with customers, focus on creating values to the organization and stakeholder with differential products. In term of operation, each company shall operate its business like the business unit (“BU”) of the organization. The Company’s Directors shall act to set up the overall policy to enable each company in the group, meaning to SAT, SBM, BSK and ICP and the all vice president have to report on their performances to the president. Each company had fixed goal, strategy and together following up the performance through the joint regular meetings of the executive committee.

The shareholding structure of the Company as at August 26, 2013



* No interest persons are holding shares in the related companies exceeding 10%

Income Structure divided in accordance with products

The income structures of the Company and subsidiaries divided into major products in 2011, 2012 and 2013 can be classified as following;

Products	Operat- ed by	% of share holding	Balance Sheet 2013		Balance Sheet 2012		Balance Sheet 2011	
			Income	%	Income	%	Income	%
Axle shaft	SAT		2,861	31	3,049	32	2,057	31
Leaf Spring	BSK	99.99	755	7	894	9	765	12
Disc& Drum Brake	SBM	99.99	812	9	927	10	605	9
Stabilizer Bar	BSK	99.99	702	7	697	7	469	7
Coil Spring	BSK	99.99	788	8	817	9	514	8
Exhaust Manifold	SBM	99.99	183	2	209	2	221	3
Fly wheel& Comp	SBM	99.99	340	4	593	6	354	5
Agricultural engine parts	SBM	99.99	1,080	12	856	9	464	7
Others*			1,452	16	1,368	14	972	16
Total income from sale			8,973	96	9,410	98	6,421	98
Other incomes			345	4	180	2	147	2
Total income			9,318	100	9,590	100	6,568	100

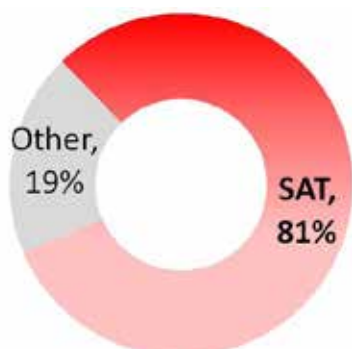
Note:

* Other products such as spring shaft, valve, push rod, brackets and other products for the total of more than 20 items

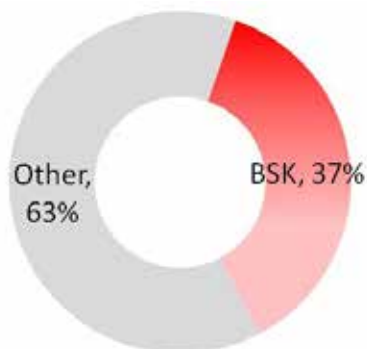


Market share of Major products

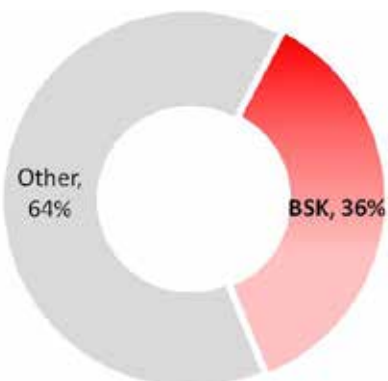
เพลาข้าง (Rear Axle Shaft)



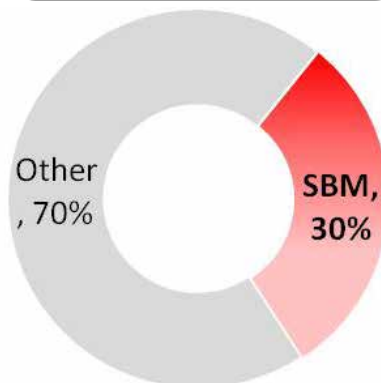
สปริงขด (Coil Spring)



เหล็กกันโคลง (Stabilizer Bar)



จานเบรก (Disc Brake)



ดุมเบรก (Drum Brake)



CORPORATE GOVERNANCE STATEMENT

The following checklist indicates how SAT has complied with the CG. The Corporate Governance Statement is included in The 2013 Annual Report (www.satpcl.co.th/2013Annud)

Principle/ Recommendation	Reference
Role of the board and management .	See “Management Structure” on page 38
Structure of the board and sub board.	See “Management structure” on page 38
Process for evaluating the performance of the board, its committees and directors.	See “Management structure” on page 45
A description of the procedure for the selection and appointment of new directors and re-election of incumbent directors.	See “Management structure” on page 46
A description of the director and executive development Policy.	See “Management Structure” on page 46
An explanation of any applicable corporate governance And code of conduct or a summary.	See “SBG and sustainable development” on page 12
A description of how the company communicate with its Shareholders publicly.	See “SBG and sustainable development on page 16
Establish policies for the oversight and management of Material business risks.	See “Risk management and key risk factors” on page 59
An explanation of the establishment of Internal audit Which is independent department.	See “Risk management and key risk Factors” on page 59
A description of company Secretary who has more Abilities and knowledge to perform any duties.	See “Management structure” on page 48
The attendance at the meeting of any directors by each Committee.	See “Management structure” on page 47
A description of the structure of directors’ remuneration.	See “Remunerations” on page 56
A description of any applicable in Anti-corruption or a summary.	See “SBG and sustainable development” on page 21
An explanation of policy for fair stakeholder’ practice to Create the true fairness.	See “SBG and sustainable development” on page 14
A description of the report of sustainability.	See “SBG and sustainable development” on page 12
A description of the skills, experience and expertise relevant to the position of each director.	See “The Board of Directors and Management” on page 56
An explanation of the participation between the Board Of Directors and Management.	See “SBG and sustainable development” on page 49
A description of report of changes in securities holding.	See “SBG and sustainable development” on page 56
A disclosure of Corporate Governance policy and Code Of Conduct.	See the company’ website “Sustainability menu”

SBG and Sustainable Development.

The Company Board of Directors is firmly determined to develop the Organization for sustainable growth; to become a transparent Organization and to have a true corporate governance, responsibility and maintain the benefits of the stakeholders and society in the

overall, develop personnel to become good people with righteousness, promote knowledge and quality of life along with the environmental development and the better environment in order to head for the effectiveness of the corporate social responsibility through the way of Sustainability Report in accordance with the framework on the making of Report which is internationally acceptable, as follows:

Sustainable Development Guideline

1. Corporate Governance
2. Business operations with fairness
3. Anti-Corruption
4. Respect for Human Rights
5. Fair Labor Treatment
6. Responsibility to consumers
7. Community and Society Development
8. Environmental Operation
9. Innovation and Diffusion of Innovation
10. Sustainability Reporting

1. Corporate Governance :

The Company Board of Directors maps out the Corporate Governance Policy as 1 of the 6 main Missions of the Organization Strategy in order to enable the business operations to proceed with sustainable growth in accordance with the Principle of Sufficiency Economy Philosophy and build up good immunity in carrying out the business operations and promote all levels of employees throughout the Organization to have knowledge, understanding, consciousness in performing their duties with responsibilities, due care, honesty through training and seminar under the course so called CG, on the subject “Ethics...and the sustainability of organization, for a consecutive period of 6 years.

In 2013, The Company Board of Directors made a development on the corporate governance as follows:

1. Anti-Corruption (Details available under the topic “Anti-Corruption” Page 21)
 - 1.1 Certified by the Private Sector Collective Action Coalition Against Corruption Council : CAC in its anti-corruption attempt on July 29, 2013;
 - 1.2 Create and put in effect the Anti – corruption Policy
 - 1.3 Organized a workshop seminar with the Stock Exchange of Thailand under the topic “Morality and Sustainability of Organization” for top executives (general managers – deputy managing directors) for 3 consecutive years. For 2013, the training was extended to middle-leveled management and operation under the topic “Corruption Preventive Measures” to cover the whole organization and raise the standard of corporate governance;
 - 1.4 Communicated to employees understand and use of a feedback channel in performance.
 - 1.5 Provide the training under the topic “Stakeholder Report” to directors, executives and relevant employees to prevent conflicts of interest

Operation Plan 2014 : To ensure that the supply chain process is transparent, we extend our anti-corruption intention to suppliers

2. Revise the “Good Corporate Governance Policy Manual” and “Business Ethics and Codes of Conduct” to be in line with the current operation as follows:
 - 2.1 Revise the employee treatment policy
 - 2.2 Revise the customer treatment policy
 - 2.3 Revise partner and/or debtor treatment policy

3. Be 1 in 87 listed companies that received “Excellent CG Scoring” from Corporate Governing Report of Listed Company in 2013 for 6 consecutive years; the scoring in each section is in the “Excellent” level and, in comparison to the highest score and average score of all 256 companies, the Company’s score is higher than the average overall score and score in each section of every company (in the industrial group and SET 100 group) participating in the evaluation

4. Evaluated from the Asian Corporate Governance Association (ACGA) and CLSA Asia-Pacific Markets to be SAT as 1 in 50 companies that attract foreign investors to invest in ASEAN stock markets (ASEAN 6 : China, Korea, Japan, Australia, India, and New Zealand), which is the corporation with The ASEAN Capital Markets Forum and the Asian Development Bank

5. SET AWARDS from the Stock Exchange of Thailand
(SET Award of Honor 2009-2013: The Best of Good Governance Company)
(SET Award of Honor 2011-2013: The Best of Corporate Social Responsibility)

In addition, the Company complied with the corporate governance in 5 categories namely, shareholders’ right, Equitable Treatment of shareholders, Role of Stakeholders, Disclosure and transparency, and Board Responsibilities with the details as follows:



1. **Shareholders’ right** : The Company gave the opportunity to the shareholders to participate in the corporate governance and share their opinion on business operation. This year, the Company added the good conduct on publicizing on the shareholders’ meeting report in order to provide the information to shareholders and enabling them to investigate the correctness via SET channel and Company’s website within 14 days from the meeting date as well as conduction on shareholders’ rights for sustainability on the following matters:

- 1.1 Give an opportunity for shareholder to present the issue to be considered as the meeting agenda during October to December 2013 and send the questions regarding ordinary shareholder’s meeting agenda for 2013 during March 18, 2013 to April 9, 2013. The shareholders were notified by news system of the SET as well as the announcements on the rules and processes in the company’s website at www.satpcl.co.th in the investor relations section under shareholders’ meeting topic.
- 1.2 Inform the scoring method and score counting method prior to shareholders’ meeting and use the voting card.
- 1.3 Present the directors’ remuneration to the shareholders to consider and approve every year as well as presenting the policy and guidelines on remuneration specification.
- 1.4 The directors shall not hold the shares more than 25 percent of issued share altogether.
- 1.5 The Company did not add the meeting agenda or change the significant information without information to the shareholders in the ordinary shareholders’ meeting for 2013. The Company also provided the opportunity for shareholders to question and give opinion at the meeting. The details were recorded in the shareholders’ meeting report.
- 1.6 The company has facilities and encourages all shareholders to attend the meeting. The conference venue is easily accessible such as nearby BTS.

2. **Equitable Treatment of shareholders** : The Company had the policy for fair shareholders’ practice on both major and minor shareholders, institutional investor or foreign shareholders to create the true fairness: such as; arrange the shareholders’ meeting, specify the process to facilitate shareholders to join the meeting easily, protect shareholders’ from

being exploited and providing the control power to shareholder, etc. The Company practiced the shareholders' practices for sustainability on the following matters:

- 2.1 Provide the opportunity for shareholders to nominate the directors during October to December 2011 by announcing the information in the SET news channel and announcing the process on www.satpcl.co.th in the investor relation under shareholder's meeting.
- 2.2 Give the equal right to vote to the shareholder
- 2.3 No transaction among the associate companies that would create the significant conflict of interests.
- 2.4 The Company had attached the Proxy form B of which shareholders could vote independently for each period with an appointment letter in order for unavailable shareholders to give the power of attorney to others to join and vote as well as publicizing these in the Company's website so that shareholders could easily download.
- 2.5 In 2013, the Company arranged 1 shareholders' meeting which was an ordinary shareholder's meeting on April 19, 2013. Ten directors in total had joined the meeting and assigned the Thailand Securities Depositories Co., Ltd which was the Company's registrar to process on delivering invitation to shareholders 32 days prior and publicized it in both Thai and English on the Company's website 30 days prior to the meeting for the shareholders to study.
- 2.6 No financial aids to other companies besides the subsidiaries.
- 2.7 The Company's director was prevented from applying the opportunity or information received from being in the position of director, executive or employee for private use or for competing with the Company or related business as well as not applying the internal information for stock trading purpose. The director and executive must report their shares holding at first and report the changes in shares according to the section 59 of Stock and Stock Market Act B.E. 2551 (A.D. 2008)
- 2.8 The Company's director has specified the guideline for the directors of the Company and subsidiaries and executive to report their equity and related person's equity according to the section 89/14 of Stock and Stock Market Act B.E. 2551 (A.D. 2008). They are also required to revise the report within January each year and/or every time the information is changed by submitting to the Company's secretary within 7 working days.

The guideline is also extended to be enforced on the employee at the management level of the Company and subsidiaries from the department manager and above and related employees below the manager level. The deputy director of the section agrees on reporting according to the policy. In 2012, there were 106 reports and 2 transaction with the Company's equity by the employee at the foreman level. It was also registered and report to the chairman and the chairman of Audit & corporate governance committee for inform in Board of directors' meeting.

3. Role of Stakeholders: The Company gave the importance on the environmental and corporate social responsibility including the other groups of stakeholders and was aware of the roles and importance of groups of stakeholders. In 2013, the Company added good ways of practical performances as follows;

- (1) Stipulated Anti Corruption Policy on the Receipt and Giving of Thing or any other Benefit in order to motivate the illegal performance and cause the rising of the conflict of interest. Also, the practices are disclosed to all suppliers of the company.
- (2) Policy on Political Right, International Human Right and Non- infringement of Intellectual Property Right.
- (3) Increased notification channels for complaints and recommendations, complaints receiving process, complainant protection measures.

- (4) Prescribed the rule of “Code of Conduct and Work Practice” as the Discipline with which all Board Members, Executives and employees must strictly comply. Any violation or non-compliance shall be deemed to be a disciplinary violation against Personnel Administration Regulation.

Nevertheless, the Company has promoted the use of resources with efficiency and worthiness, directed employees to be definitely attentive and perform duties with consciousness by taking into account the safety and environment, encouraging stakeholders of the Company to participate in the developments of the community and societies and still adhering to and developing the practical performance towards the stakeholders continuously; such as,

- 3.1 Develop the clear policy regarding the stakeholder namely; shareholder, customer, trade partner, environment and society in the Business Ethics handbook and desired working practices as well as giving importance on different social activities.
- 3.2 Publicize a clear policy and guideline for every stakeholder such as employee, safety, customer/trade partner/debtor environment and shareholder.
- 3.3 Provide the Provident Fund to the employee and the offering of shares to senior executives of the Company and its subsidiaries under the ESOP Scheme
- 3.4 Provide the channel for shareholder/stakeholder to contact or claim with the independent committee as well as specifying the channel to receive the complaints regarding corporate governance from employees through the Company’s secretary by reporting the corporate governance to the audit committee quarterly.

4. **Disclosure and transparency:** The Company gives important on the presentation of significant information of the Company regarding their correct, timely and transparent manner such as shareholder’s structure, business operation, financial results, governance, business policy, investigation and control process and various channels for the presentation of information.

In 2013, the Company Renovate website for the investors and stakeholders to be able to access the information by categorized the presentation, rules and guideline on good governance according to the law, regulation, and SET and Securities and Exchange Commission’s regulation in the following matters:

- 4.1 Submit the financial report to the Securities and Exchange Commission’s regulation/ Stock Exchange of Thailand within the specified period of time and no transaction reported with condition by the auditor.
- 4.2 Present the complete information regarding annual report and website such as financial statement, corporate governance policy and business ethics, corporate social responsibility policy, analysis from the analyst from many institution, business type, annual report, annual report presentation form, shareholder’s meeting, names of major shareholders, announcement from the SET and publication.
- 4.3 The Company has the investor relations section as a contact channel and communicate various information such as organizing the analyst meeting and publicizing the operating result quarterly as well as organizing the Road Show domestically and internationally.
- 4.4 Disclose the guideline on directors and executives’ remuneration in the annual report.
- 4.5 Disclose the information regarding directors and executives’ share hold in the Company and specify the guideline on directors and executives to report as follows;
 - 4.5.1 Report of changes in securities holding
 - 4.5.2 Conflict of Interest report of directors and executives. To prevent the Conflict of Interest of directors and executives, the Company’s secretary will be report to chairman and adding in agenda for Board of director’ meeting quarterly.

- 4.6 No record of financial statement revision order by the Stock Exchange of Thailand and Securities Exchange Commission.
- 4.7 Appoint the Company's auditors who deemed by annual general meeting of shareholders for the year 2016. All auditors' qualifications are not in conflict with the requirements of the Stock Exchange of Thailand and the auditor's remuneration for the year 2016 amounts to Baht 1,270,000, an increase of Baht 25,000 from the previous year including BOI promoted business. None of the auditors provide other services, except for the audit service, to the Company or have any relationship or interest in or with the Company or its subsidiaries, executives or major shareholders and any affiliates of the above persons.
- 4.8 The financial statements of the Company approved unconditionally by the auditor.
- 4.9 Present the directors and executives' information in the Company's website such as name, position, education background, shares held, working experience and picture.

In 2013 the Company provided direct and indirect information disclosure as follows:

1. Provided information to investors (Road Show) twice in the countries and 3 times abroad, in Singapore, Malaysia and Hong Kong
2. Organized 4 Analyst Meetings
3. Received 36 site visits, company visits and conference calls with analysts and investors from both domestic and foreign institutes
4. Provided information on the Opportunity Day organized by the Stock Exchange of Thailand 4 times
5. Organized "My Company" activity with Thai Investors Association to have shareholders visit and talk to the Company's executives
6. Published the Earning Release 4 times
7. Published Press Releases whenever the Company had investment activities or significant business activities
8. Provide information and answer questions from investors and press via email at ir@somboon.co.th and 0-2728-8596

5. Board Responsibilities : The Company gives high important on directors' role and responsibility to protect the shareholders and stakeholders' interests such as create the business strategy, investigate business operation, conduct the transparency business. However, the Company is conducting on the following matters in order to create the sustainability:

- 5.1 Company's directors reviewed powers and duties of the Company's Board of Directors and its subsidiaries at least 1 times a year.
- 5.2 The Company Board of Directors, meanwhile, is under the period of study and reviewing the good practice for directors such as (1) their service retirements, (2) office term and (3) rotations of the Sub-Committee.
- 5.3 Create the policy on the number of the Company directors can hold the committee position according to the guideline on corporate governance as follows;
 - 5.3.1 Director can take the position in the listed companies not exceed 5 companies.
 - 5.3.2 President and Senior executives can take the position at other companies not exceed 3 companies with the approval from the Company's directors.
- 5.4 The Company's directors has revised the handbook on corporate governance and business ethics to be in accordance with the business direction in writing and applied as a operation guidelines from January 1, 2011 as follows;

- 5.4.1 The chairman of the director can take the position at other company with the approval from the Company's directors.
- 5.4.2 Establish the channel for claim for suggestion on any matters as well as report on the action that violates the law. The employee and stakeholder can give their opinion independently and apply the opinion to the management process. They can also complain to the independent committee directly by e-mail or post to the Company's secretary.
- 5.4.3 The business ethic handbook is enforced on the director, executive and all employees to seriously comply with. If violating, it is accounted for violating discipline according to the regulation on human resources management
- 5.4.4 Create the policy on conflict of interests in the business ethic manual to prevent the self-benefit action.
- 5.5 No record on violating the Securities and Exchange Commission's regulation/ Stock Exchange of Thailand.
- 5.6 Clearly separate the roles, authority and duty of the president and chairman of the committee as they are different person. Also, assign the president, managing director and sub-committee.
- 5.7 The Company has a policy to have Non Executive Directors (NED) to organize their own meeting and discuss current management **problems at least once a year; in 2013 there were 2 meetings on July and December. The meeting will support the management work because the Company changed the Managing Director and the Chairman will report the meeting discussion result to the Managing Director.**
- 5.8 The Company Board of Directors has taken part in the participations with the Management in mapping out the Vision, Mission, Strategy, Goal, Business Plan and Budget of the Company by holding independent expressions on the opinions in order to jointly prescribe the direction of the Organization through on-the-job seminar between the Company Board of Directors members and high level Executives regularly every year and subsequent to the seminar, Business Plan and Goal, will be communicated to all levels of the employees throughout the Organization to comply with under the Activity literally so called in Thai, "Jub Khao Khui Gun" (or in English, "Face to Face Discussions") in which the President will be the person to give the explanations and the operational results twice a year).
- 5.9 The Board of Directors have a role in solving the Company's situations or problems by discussing and finding solutions and operation planning with the management 8-10 times a year to prevent effects that may happen with the Company.
- 5.10 The Company's director appointed the sub-committee namely; corporate governance management and audit committee, nomination and remuneration committee, and risk management committee. The responsibility of each committee has been clearly specified.
- 5.11 The Company's director creates the internal control system covering from financial dimension, operation in accordance with the law, rules and regulations, the appropriated risk management, as well as creating the effective investigation mechanism and balance to protect the assets. The Company also initiates the internal control department under the supervision of Mr. Witsarut Boontho which is the independent

Participation in Management 2013

1. Organized a discussion to draw framework for the organization's direction and preparation for situations that may affect the economy
2. Created "Employee Participation in Organization Strategic Planning" policy to encourage executives to independently express opinions in regards to strategic planning
3. Advised the management about "Organizational Planning and Management" so they can use as a guideline in business operation

organization reporting directly to the audit and corporate governance committee as well as compiling the quality report and submit to the audit committee consisted of complete set of necessary information and clearly specifies the risk management policy.

5.12 The Company's director fosters the Company to have the necessary risk management and follow up frequently. Therefore, the directors has set up the Enterprise Risk Management Committee to evaluate the appropriated risk management and assigned to follow up, supervise, and analyze the risk management at the operating level through Risk Champion and report the result to the Company's director quarterly.

5.13 The Company's director and audit committee has established the CG Committee by assigning the Company's secretary as a chairman to follow up on the corporate governance task and report it to the Company's director quarterly.

5.14 Director and executive development

- Orientation

The Company's director organizes the orientation for every person to create the understanding in business and practices to prepare the directors. At the same time, policy to foster the knowledge and vision to the director in terms of corporate governance, industry condition, technology business and new innovation to support the effectiveness operation. The Company's secretary is responsible for the following:

(1) Acknowledged matter: business structure and director structure, scope of authority, and law.

(2) Business information operation guideline and manufacturing process.

(3) Arrange the discussion section with the chairman, and managing director for the in-depth information on business operation.

In 2013, the Company did not organize an orientation for new directors. However, the Company has provided them with information on corruption preventive measure, corporate governance principles and has invited them to oversee the progress of approved investment.

- Knowledge development

The Company's director promotes and supports the director, executive and Company's secretary to participate in the seminar arranged by the Thai Directors Institute, Stock Exchange of Thailand, Securities Exchange Commission or other independent organization to extend their knowledge, improve their working process and benefit their function.

In 2013, the Board of Directors provided trainings activities to directors and executives as follows:

1. Training activities:

1.1 Discussion under the topic "New Role of the Chairman under Globalization" organized by Thai Institute of Directors

1.2 In house training about corruption preventive measure (morality and organizational sustainability with the Stock Exchange of Thailand

1.3 Learning By Doing activity by providing Chairing of the Board book for directors to read and study about roles of directors that will lead to further discussion among directors



- 1.4 Attending the Finance Instruments of Director so that directors are aware of different financial tools to help in managing the Company's liquidity

2. On The-Job-Training in order to enhance Board members and the Executives to gain knowledge on a specific field relating to business operations; such as, visiting new production line, new investment project on which the investment has been approved, visiting the production line of main customer or Vehicle and Auto Part Industry Group in order to gain knowledge on general situations, etc.

Moreover, the Company supports the directors and top executives to participate in the seminar that will benefit their function as well as exchange the idea with the Company's directors. The Company's secretary will coordinate with the director to participate in the courses provided by Thai Directors Institute such as Directors Certification Program (DCP) Directors Accreditation Program (DAP) Audit Committee Program (ACP) and apply those experiences to their function.

- 5.15 Succession Plan of the President and Vice President in order to ensure that the Company has the Executives with knowledge and competency sufficient to perform duties, as follows:

1. The Company Board of Directors shall prescribe the requirement to avail the Executive Potential Development Plan in order to make the Plan on the Position Succession consisting of Presidents and Vice Presidents of all lines of work.
2. Nomination and Remuneration Committee shall make consideration in prescribing knowledge, competency and experience of each position in order to select the Executive having qualifications in compatibility with the prescribed qualifications and capable to succeed work under each position.
3. The President shall evaluate the duty performances and knowledge of the Executives having the qualifications comparatively equal to the level of required competency in order to make the Individual Development Program in reducing the competency gap.
4. Assigning HR Executive Committee to perform duty in monitoring controls and follow-ups on the trainings and the development of the knowledge and competency of the successor of the Vice President.
5. The President shall cause the rotations of duty and responsibility of the Executives with compatible qualifications and assign the Executives of the Vice President to participate in the Executive Board of Directors in order to gain understandings, experiences and readiness in the administration of the Organization in the future.
6. The President shall make reports on result of the operations and development in accordance with the Individual Development Program of the Executive having the compatible qualifications, for submission to Nomination and Remuneration Committee twice a year.
7. Nomination and Remuneration Committee shall review and conclude result on the Plan on the Position Succession of the President and Vice President on a regular basis and submit reports on the same to the Company Board of Directors twice a year.

2 . Business operations with fairness:

The Board of Directors has the policy and has conducted on treating with partners equally and fairly with honesty. To respect the right of intellectual property, promotion of political right and to follow the bond to people with interest of the company as follows.

1. Fair competition: To follow the various conditions agreed with the seller or creditor strictly is according to the various agreements that have been given the agreement in conducting the business together.

The operating guideline

- 1) Specify the condition and various agreements in the purchase and sale agreement and follow the various conditions having to the customers strictly. In the case that any condition cannot be followed, it must be notified to a customer urgently in order to consider and find a way to solve problems.
- 2) To give news and recommendation that is correct, sufficient and up-to-date to customers so that they would know about the goods and service.
- 3) To deliver quality products consistent with the agreement of customers in a fair price and do not conduct business to have excessive profit

Operation in 2013

To ensure customers of the product quality of the Company, partners are invited to visit the Company every month and participate in the discussion about product and service development that will promptly respond to customers' demands; the Company also gives advices on how to use its products for ultimate effectiveness

2. To promote the social responsibility in trading partners:
 - 2.1 To promote the work operation on social responsibility of the seller and open an opportunity for seller to participate in the social activity of the company continuously directly and indirectly and can participate in various social activity of the company directly through labor volunteer or indirectly with the support of property or things acquired according to the ability and wish of the Seller.
 - 2.2 Inspect the connection and relationship between employees in every level with sellers, sub-employees, sub-contractor of the company continuously in order to prevent unfairness and inequality in the business operation between sellers, sub-employees, each sub contractor of the company.
 - 2.3 Notify and request cooperation and inspect the fairness in the employment and the work operation according to the labor law of the Seller, sub-employee, sub-contractor who are trading partners of the company whether they are fair and follow the law continuously or not.

The operating guideline

- 1) Specify measures on society and environment in the policy and operating practice in buying and hiring
- 2) Promote trading alliance/partners to accept and apply in similar policy in a way that does not cause unfair competition.
- 3) Promote the implementation of the social responsibility of its partners and an opportunity for partners to participate in social activities of the Company.

Operation in 2013

1. The Company asks that relevant executives and employees report their stake holding activities and of related persons to the Company whenever there is such transaction
2. The Company organized activities to strengthen relationship of the Company with partners such as

charity bowling activity.

3. The Company provides many communication channels for partners to submit complaints and suggestions to improve their management.

3. **Respect the right in property:** Promote and strictly comply with the right in property, intellectual property, copyright, patent, moral right

The operating guideline

- 1) Specify policy in the ethics and work regulation in the work procedure regarding customer treatment
- 2) Promote executives, employees to use resource and property of the company efficiently in order to increase the competition ability and to provide a good service to customers, to use products and service with legal copyright and do not support products or action that is intellectual property right infringement

Operation in 2013

The Company is determined to protect the intellectual properties of the Company from being violated and illegally used without permission. The Company also respects intellectual properties of others and creates a policy in regards to this matter in the business ethics and codes of conduct.

4. **To relate to politics in a responsible way :** The company would operate the business with no political bias and will not participate and get involved in any political party or any people with political power and not use the fund or resource of the company to support directly or indirectly to any political party or politicians. Executives and personnel are not allowed to use the power to manipulate, threaten and force.

The operating guideline

- 1) To have campaign and promote personnel to have knowledge through communication channel such as weekly news, radio broadcast etc
- 2) Open an opportunity for personnel to use political right independently without persuasion and domination
In 2013 the Company allows its employees to freely exercise their political rights without any attempt to influence, convince or force them in anyway.

3. Anti-corruption

The Board of Directors creates a policy to make sure that the business operation has to be honest, fair, ethical and responsible for society and every group of stakeholders including employees, partners, customers and stakeholders in the country and abroad.

Therefore, the Company reviews the progress of work under the anti-corruption policy at least once a year as well as revising guidelines, rules and regulations of the business operation to be in line with the changes in business, and legal rules and regulations

Anti – corruption Policy

“Prohibits directors and employees of the Group. Accept all forms of corruption, both directly and indirectly, including any gift, entertainment, money and soliciting donations and other benefits for themselves from people who do business with companies in the group “.

Operation Guideline

1. Directors, executives, and employees need to follow the anti-corruption policy, business ethics and codes of conduct, and will not be a part of any kind of corruption, either directly or indirectly.
2. Every group of employees will not disregard or ignore any corruption activities involved with the Company and subsidiaries; they will notify the supervisor or the person responsible for the matter and cooperate in the investigation. If they have any question, they can ask or consult the supervisor or the person

responsible for overseeing the business ethics via the available communication channel.

3. The Company will be fair and protect employees who refuse or notify about corruptions involved with the Company and subsidiaries by using protection measure for petitioners or people cooperating in reporting corruptions according to the Company's policy in filing complains and suggestions.
4. The person that commits a corruption or violates the Company's business ethics will be disciplined according to the Company's rules and regulations.
5. The Company and subsidiaries realize the importance of providing and educating people whose responsibility is related to the Company, subsidiaries and stakeholders.
6. The Company is determined to create the "complete person" who has good conscience and is a good citizen of the society and **country**.

The Company is determined to cultivate good conscience for employees since 2010 to present as follows:

2010

- Received the transparency award from the Office of Anti-Corruption Commission
- Participated in announcing its intention to prevent corruption
- Provided trainings to the Board of Directors

2011-2012

- Revised the good corporate governance manual to be in line with the preventive corruption operation
- Provided trainings to the Board of Directors and top executives
- Announced its participation in the Anti-Corruption Coalition to partners

2013-2014

- Certified by CAC in the preventive corruption measures
- Provided trainings to directors and middle-leveled executives
- Announced its participation in the anti-corruption coalition to partners

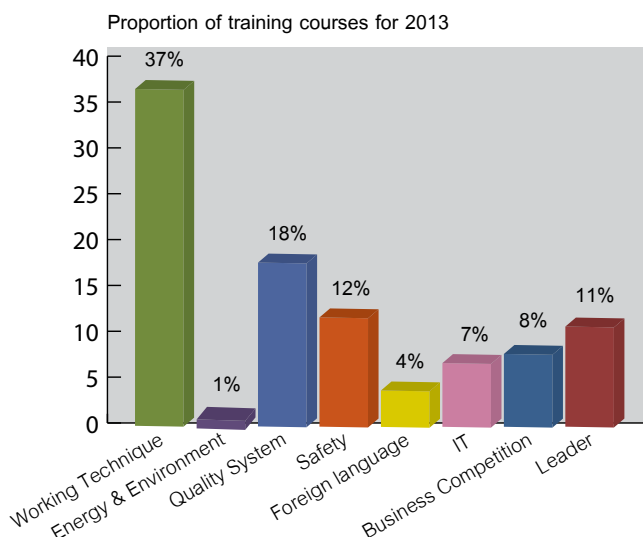
In 2014, preventive corruption declaration is extended to business parent companies.

4. Respect for Human Rights

The Board of Directors has placed importance and considers it as the main policy in the business operation to permanency by considering the respect of human rights and respect the dignity of human of every employee which is the foundation of the quality and valuable business operation

The Company realizes that employees are an important factor that create quality products for the Company. Therefore, the Company puts an emphasis on fair treatment and provides opportunities, returns, appointments and transfers as well as development in capacity and morals to employees. This is so that they will be a competent person and good citizen of society. For example, employees must receive fair employment and

appropriate payments for their capacities; the Company must provide safe and environmentally friendly operation system for employees; employees must have trainings to improve their capacities and always be informed of the Company's news



and updates.

The operating guideline

1. The company has a measure to protect employees who informed the government when there is an illegal action or an offense to the Security and Exchange Act and will be protected. The company cannot treat unfairly whether to change the work position, work characteristics, work place, work suspension, threat, disturb the work operation, employment discharge (section 89/2) that is from the cause of notifying the clue on illegal action or ethical offense.
2. Specify the policy for the company in Somboon Group to not conduct business with a company that does not concern the human right especially the violation of basic rights on race, women, children, and disable people.
3. Specify to have risk assessment from violating the law on human rights at least twice a year.
4. Specify to have evaluation from internal audit department by specifying as a main process in the evaluation every year and report to the company committee.
5. Open an opportunity for personnel and interest people in every group to show comments through comment channel via Email of independent directors or company secretary.
6. There is communication channel for employees or interest people to know the progress of their notification.
7. To create provident fund for personnel as of 1 January, 2004.

The Company has strictly followed laws, rules and regulations. The Company provides fair and equal opportunities for employees to file complaints or freely express their opinions that may lead to the organizational development and management.

In 2013 the Company received suggestion that will improve the quality of life of employees: improvement of toilets and cafeteria. The Company has handled both issues as advised.

5. Fair Treatment to labor

The Board of Directors has placed importance to fair treatment to employees and to respect individuality and human dignity according to international human right standard and a good ethical rule to lead to the peace in society and create the growth to local organization.

5.1. Respect the right in the work according to the rule of human rights : without discriminating the work employment and does not force people who do not want to work and not use child labor and respect the right and freedom of employees.

The operating guideline

- 1) Specify the policy to not discriminating and the fairness of opportunity without limiting race, color, gender, religion, nationality, background, political opinion, age or disability as a factor in the consideration and decision to employ.
- 2) To place importance with the development of personnel in order to train for skill and increase potential by creating an opportunity for every personnel to learn regularly.
- 3) To create a way for personnel to make a complaint in the case they don't have fairness or to notify the clue on the thing that might be illegal and to have correcting measure and protecting measure of notifying employee that is systematic and fair.

Operation in 2013

1. Encourage employees in all level to be educated and receive useful information about their works via weekly news from internal radio and other projects such as “Complete Conscience” project that aims to improve concentration and effectiveness at work.

2. Made a satisfaction and attitude survey among employees under the “WE CARE” project; the result from the survey is satisfactory.

5.2. To give social protection and work condition of employee : by specifying fair working condition and receive remuneration and other welfares that is appropriate and according to the law by avoiding unfair action that would affect the work position stability of employee or to threaten and create emotional pressure to an employee.

The Operating Guideline

- 1) Promote students to have a good life quality in the work and family
- 2) To have fair employment conditions and to let employees have suitable remuneration according to the potential in a form of salary, bonus, welfare, provident fund and other remunerations
- 3) Appoint, relocate, to give award and punish employees with honesty and on the foundation of knowledge and ability and suitability of employees
- 4) Specify policy to comply with the law, rules and regulation on employees strictly
- 5) Create an opportunity for employee to participate as welfare committee in order to give the information on the work operation and status of the company so that employee would know regularly.
- 6) Specify the measure to protect an employee who gives information to the government in the case there is violation of the law or against Security and Exchange Act that is from the notification or illegal action

The Company aims to improve the quality of employees so they can compete in the market. Therefore, the Company has established SBG Learning Academy to prepare the Company for competition after the AEC is in effect in 2015. Moreover, the Company launches the “Quality of Work Life” campaign to improve the life quality of employees in four aspects – physical, emotional, social, and mind. The campaign has been done for 9 consecutive years.

5.3. To provide health protection and safety in the work : and to take care of environment and to arrange working system so that employees would have the safety in life and property and to have a good health.

The Operating Guideline

1. Requires the development of security policies and health in the workplace.
2. Analysis and measures to control security risks. The Occupational Safety and Health at work Including a program of pollution prevention that may occur during usage provide a clean workplace. And safety potential.
3. Communications to educate employees about the regulations on the safety practices in the operation and ensure that employees understand and follow the procedures correctly.
4. Provision of safety equipment Personal safety and protection needed for employees.
5. Risk assessment, safety the occupational safety and health at work.
6. Employee participation in safety management systems, occupational and environmental health and respect the rights of employees.

In 2013 The Company had no accidents at work and work interruption.

For the year 2013, in order to raise the standard of protection of health and safety in the workplace. By allowing employees to participate in the venture sustainable. Requires that an employee has engaged in, vulnerability in the workspace. And track revisions to the plan. Not an accident over again. By reducing the accident rate was 100%.

6. Responsibility to consumers

The Board of Directors still used the principle and follow the policy that would respond to the satisfaction of customers who buy the products and have received direct service from the company including consumers who uses the said product to be confident that apart from receiving the goods and service with fair price with good quality so the company would realized the safety that would affect society and environment and an action that would violate or cause customers to lose a right.

Operation Guideline

1. Respect the rights of consumers to have their basic demands fulfilled
2. Protect consumers' safety
3. Do not limit the information to consumers
4. Respect the rights of consumers to choose
5. Respect the rights of consumers in expressing opinions
6. Respect the rights of consumers to be compensated
7. Protect the rights of consumers to study information
8. Provide healthy environment

Operation in 2013

1. To protect consumers, the Company has strictly operated under the Products Liability Law (PL law). In addition, the Company has;
 2. Made the annual satisfaction survey among customers to assess the Company's operation in various aspects including quality, delivery, management, innovation and price. The information from the survey will be compared year by year and used to improve its ability to effectively answer to the demands of customers.

The results of the customer satisfaction survey 2013

คุณภาพ Quality	82%
การส่งมอบ Delivery	85%
การจัดการ Management	83%
นวัตกรรม Innovation	84%
ราคา Cost	74%

7. Development of community and society

The Company has emphasized on community and society, with the focus on providing education opportunities to youth and underprivileged people, especially occupational education that will make them able to depend on themselves. Moreover, the Company aims to work with community and support activities for communities both in the neighborhood and in remote area according to the Company's policy and the government's communal development direction to sustainably improve quality of life and economy for community.

Operation Guideline

1. Participation from community
2. Education, art, culture, morality
3. Create employment and improve skills
4. Promote health
5. Social investment

Operation in 2013

1. Education Development with the following projects:
 - 1.1 Special Bilateral Project: a corporation with various organizations in providing education for vocational students who are invited to "learn and work" with the Company. The students in the project will receive serious trainings from the operation line and have real work experience. The students also receive scholarship and other welfare benefits.

- 1.2 Public Service Executive Development Class 2 is a corporation with the Office of Public Sector Development Commission (OPDC) to develop young executives who has high potentials and capacities in 3 aspects - vision, planning, and operation- in order to become a good public service executive.



- 1.3 Father's Child Scholarship is the project that provides over 120 scholarships of more than Baht 600,000 to employees, employees' children and students in the community.

- 1.4 SBG Bonding with Children Project gives children of employees a chance to participate in a field trip during school break.

2. Promotion of Life Quality in Community under the following projects:

- 2.1 Hometown Project aims to cultivate the sense of responsibility among youth towards their hometown and country.

3. Promotion of Participation of Employees and Community

- 3.1 Employees are given an opportunity to participate in the activities that will develop the community and preserve the local culture such as the Buddhist Monk Ordination Ceremony in honor of His Majesty the King 2013.



- 3.2 Cultural promotion activities such as worshipping Kromluang Kong Petch Shrine, and Rub Bua Festival, Songkran Festival, Buddhist Lents Ceremony, and Kathina Ceremony

- 3.3 Promote employee's morality by giving them an opportunity to give food offerings to the monks in every important occasion every month

- 3.4 Provide activities to encourage employees to give back to society such as one bottle activity, donation to buy canes for elders, donation to buy anti-viral medicines for AIDS patients at Wat Phra Bat Nampu and blood donation activity

4. Corporation Network Building

- 4.1 Building corporation with various organizations to build social responsibility process that will lead to sustainability in society.

The network is the corporation of the public and private sectors



5. Promotion of "Complete Person" The Company provides opportunities for employees to improve their capacities and skills in working systematically and as a team. There are a total of 479 employees participating.

- 5.1. Landscape Improving Activities – "Somboon Mechanics" Project to improve school facilities and the public drains improvement within the plant.

- 5.2. Skill improvement and entertainment activities to provide opportunities to foundations and Children's Home Foundation Pattaya, Chonburi Province.

Operation Plan 2014

The Company still focuses on its corporation with communities by supporting activities of both nearby and remote communities according to the Company's policy which is in line with the government's development direction sustainably improve quality of life and economy of communities.

8. Environmental Operation

In terms of environmental operation, the Company has achieved the objectives specified by the legal rules and regulations as well as the environmental management system ISO14001:2004 for which the Company has consistently been certified. The Company encourages all levels of employees to participate in the environmental caring activities through 5 S activities and Big Cleaning Day in order to create satisfaction to customers and company visitors. In regards to production process, the Company focuses on the maximum use of resources as well as the control and treatment measures and environmental quality assessment in the plant and nearby communities to ensure that the Company's operation is environmentally friendly and consistently improved according to the following operation guidelines.

Operation Guideline

1. Develop and seek information to manage and prevent pollutions
2. Be aware of sustainable use of resources
3. Promote operations that alleviate the global warming crisis
4. Share knowledge and information about environment to employees and cultivate the awareness as a part of the corporate culture that will lead to sustainable practice

1 Pollution Prevention and Continuous Environmental Quality Assessment






1.1 Air Quality

The Company uses more natural gas in replacement of fuels in its production process in order to reduce major air pollutions such as Nitrogen Oxide Gas (NOx) and Sulphur Dioxide Gas. The Company also uses high quality oil with low sulphur to reduce the emission of Sulphur Dioxide to the atmosphere. In addition the Company uses the Bag House Filter. In addition, the Company has the preventive measure to assess the quality of environment within the plant and in the community. The assessment result shows that every station has met the standard as specified by laws.

1.2 Water Quality

The Company has the system that controls the quality of water released from the production process by using the chemical sedimentation wastewater treatment and monitoring water quality at the risk spots every month. The assessment at the water release spot is done every 6 month and the assessment result shows that it has met the standard as specified by laws. (See the environmental assessment table 2013.)

Environmental Assessment Result 2013

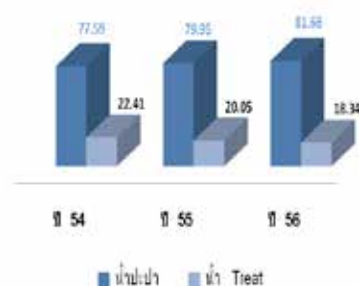
คุณภาพสิ่งแวดล้อม	ปี 2556		เกณฑ์ตามกฎหมาย	หมายเหตุ
	(ม.ค.-มิ.ย.)	(ก.ค.-ธ.ค.)		
คุณภาพน้ำทิ้ง				
pH	7.72	7.37	5.5 - 9.0	
ค่าลดทอนน้ำทิ้ง ณ จุดปล่อย (องศาเซลเซียส)	30.48	28.5	≤ 40	
BOD ₅ (mg/l)	6.5	3	≤ 20	
COD (mg/l)	77.67	21	≤ 120	
SS (mg/l)	10.8	10.6	≤ 50	
Grease & Oil (mg/l)	< 2	< 2	≤ 5	
Zinc (mg/l)	0.085	0.082	≤ 5.0	
คุณภาพอากาศจากปล่องระบาย				
ปริมาณการปล่อย CO (ppm)	7.54	12.5	≤ 690	
ปริมาณการปล่อย NOx (ppm)	44.35	31.26	≤ 200	
ปริมาณการปล่อย SOx (ppm)	< 1.00	< 0.01	≤ 60	
Particulate (mg/Nm ³)	11.36	7.7	≤ 400	
คุณภาพอากาศในบรรยากาศในพื้นที่ชุมชนรอบโรงงาน				
ปริมาณ TSP (mg/m ³)	0.122 - 0.177		≤ 0.33	
ปริมาณ SO ₂ (mg/m ³)	≤ 0.002		≤ 0.30	
ปริมาณ CO (mg/m ³)	0.41 - 0.51		≤ 34.20	
ปริมาณ NO ₂ (ppm)	0.0165 - 0.0386		≤ 0.17	
คุณภาพเสียง				
ระดับเสียงเฉลี่ย 8 ชั่วโมง ในบริเวณการทำงาน Leq 8 hr (dB(A))	88.5		≤ 90.0	
ระดับเสียงสูงสุด ในบริเวณการทำงาน Lmax (dB(A))	105.1		≤ 140.0	
ระดับเสียงเฉลี่ย 24 ชั่วโมง ในพื้นที่ชุมชนรอบโรงงาน Leq 24 hr (dB(A))	55.5 - 59.6		≤ 70.0	
ระดับเสียงสูงสุด ในพื้นที่ชุมชนรอบโรงงาน Lmax (dB(A))	72.6 - 84.2		≤ 115.0	
ปริมาณกากอุตสาหกรรม				
กากอุตสาหกรรมที่ไม่อันตราย (ตัน/ปี)	58.87		ส่งกลบอย่างถูกวิธี	
กากอุตสาหกรรมที่อันตราย (ตัน/ปี)	96.98		ส่งกำจัดโดยหน่วยงานที่ได้รับอนุญาต	

The Company emphasizes on the maximum utilization of water and treats wastewater from the production process and office before reusing it in some of the production process and in the cooling tower. In 2013, the Company also improves the effectiveness of its machines and cooling toward to reduce the waste of water. As a result, the usage rate of recycled water drops. Anyhow, the Company's wastewater treatment and treated water production remains effective and can produce adequate water for the future use.

1.3 Industrial Waste Management

The Company has a system to separate and keep unused materials according to its type before handing them to the contractors licensed by the Department of Industrial Works or use the sanitary landfills or treatment method according to the law. In 2013, the Company has recycled wastes from the molding process and send it to the recycle process at the manufacturing companies instead of eliminating them. The Company also uses 3Rs - Reduce Reuse Recycle principles and continuously monitor its result. Consequently, the Company can reduce the cost from waste treatment from the molding process (ICP1 and ICP2) by 15.27% compared to 2012 or Baht 1,160,079.60.

(Proportion of Treated Water Utilization)



	ICP1	ICP2	Sum of ICP1& ICP2	% ของเสียลดลง
Plan 2555	3,780,000.00	3,816,000.00	7,596,000.00	100.00
Actual 2556	3,653,800.20	2,782,120.20	6,435,920.40	84.73
		ลดค่ากำจัดของเสียได้	1,160,079.60	15.27

2. Promotion of the Operation to Reduce and Alleviate the Global Warming Crisis

In 2013 the Company participates in the Greenhouse Gas Reduction in Industrial Workplace in the Region with ISO 14064-1 to become a low Carbon Industry. The Company also uses solar cells to produce electricity and reduces its power consumption by 23,455 KWh which leads to the reduction of CO₂ by 14.63 metric tons. In addition, the Company uses natural lights in replacement of light bulbs in the production process and can reduce the power consumption by 98,556 KWh, which leads to the reduction of CO₂ by 57.29 metric tons

3. Promotion of Understanding and Awareness about Environment among Employees to Build Corporate Culture and Lead to Sustainable Practice:

1. New employee training about environment
2. Training about environmental rules
3. Training for Environmental Manager
4. Training about Emergency Planning (2013-11-27)
5. Training about EMR ISO14001 (2013-12-04)
6. Training about Internal Auditor ISO14001 (2013-10-02)



9. Research and development of social responsibility operation

The Board of Directors's vision in 2013 is "to become the growing Asian automotive company with an expertise in designing and producing products with responsibility towards stakeholders and society." The vision will lead to the creation of added value for the organization in the long term. Also it will lead to development of new knowledge that can change thinking and production process, maximum utilization of resources under appropriate cost so that the Company can increase its competitive ability.

Operation in 2013

The Company focuses on creating added value for the products with responsibility towards society that will lead to sustainable growth of the organization. As a result, the company creates the innovation development policy that focuses on social responsibility and will be seriously implemented. The Company has set up the Research and Development Center to test, develop and conduct researches under corporation with foreign experts who have experiences in product design and development. The experts will provide trainings to the Company's human resources as follows:

1. Environmentally Friendly Production Process Development: under the "Quality Control Circle (QCC) project to increase capacity of the production process and reduce effects on environment as well as reducing power consumption.
2. Environmental Friendly Product Development : under the Green Product Development "Stabilizer Hollow" project, this particular product is 30% lighter, allowing the Company to reduce some steps in the production process and power consumption in the process while the product quality has increased.

Operation Plan 2014

The Company aims to create added value to the organization in the long term by developing new knowledge that will lead to changes in thinking and production processes, for the Company can have a successful operation process under careful use of resources and appropriate cost, that will help in creating competitive ability of the Company.

10. To make the report of permanency

In order to upgrade the report of sustainability in order to consistent with the operating procedure of the company in the year 2012-2013, the company has arranged operating seminar in order to specify the indicator according to the frame of the report of permanency with employees and concerned people by joining hands with Thaipat Institute and adjust the content so that it is consistent with the social responsibility of Social Business Institute.

The company has made a report of sustainability under the topic “SBG...and sustainability development” in the annual report of the company. The content has been developed in order to cover the responsibility and direction of organization, necessary information of organization, supervision, scope and content index, GRI on economy, environment and safety, society with the objective to develop sustainability report to that it would cover the index according to the frame of sustainability report within 3 years as of the year 2013.

Competition and Industrial Trend

In 2013 Thai economy faces both domestic and foreign risk factors. The main problem arises from the global economy that is still recovering and the country's political turmoil. As a result, the driving force of Thailand's economy such as the consumption and investment from the private sector, the public spending and export sales become stagnant, resulting in the low growth rate of the economy.

The effect from the government's first car scheme lasts until the first half of the year, which raises concerns for the second half of the year that may face a drop in car manufacturing as it draws from the future purchasing demands. However, car manufacturers are aware of the issue and launch new campaigns and promotions for new models to stimulate purchases. The production also aims towards the export market to compensate from the shrinking domestic market. Consequently, Thailand still maintains the same car manufacturing rate in 2013 at the same rate from 2012 as shown below:

Thailand's Car Assembly Statistics

Year	Sedan (Unit)	1-Ton Truck(Unit)	Other Commercial Vehicles (Unit)	Total of Commercial Vehicles (Unit)	Total (Unit)	Growth Rate (%)
2548	277,603	822,867	24,846	847,713	1,125,316	21.25
2549	298,819	866,990	22,235	889,225	1,188,044	5.57
2550	315,444	948,388	23,514	971,902	1,287,346	8.36
2551	401,309	974,642	17,791	992,433	1,393,742	8.26
2552	313,442	670,737	15,199	685,936	999,378	-28.29
2553	554,387	1,066,759	24,158	1,090,917	1,645,304	64.63
2554	537,987	899,200	20,608	919,808	1,457,795	-11.40
2555	957,622	1,451,843	44,252	1,496,095	2,453,717	68.32
2556	1,069,786	1,331,693	52,439	1,384,132	2,453,918	0.01

Source : The Thai Automotive Industry Association

Political impacts may still affect the trend of Thai economy. In the short term, it is important to maintain the market; the solution in the long-term is to build trust and expansion from the recovering economy in ASEAN, U.S, and Europe. Anyhow, negative factors that could hurt the economy, such as low prices of agricultural products, high household debt and cost of living, and unsolved political problem, may discourage investments from both public and private sectors.

The aforementioned negative factors have affected consumers' purchasing power and confidence in car purchasing. It can be expected that 2014 sales will remain stable before becoming normal and starting to grow again when the free trade under AEC is officially in effect in 2015. That is because the free trade will stimulate the market, especially for the commercial vehicles as the private sector needs to prepare its businesses for the free trade.

The agricultural machinery and tractors industry in 2013 sees the total of manufactured tractors in exceeding 61,000 units, or an increase by 19% from the previous year. It is expected that this industry will continue to grow along with the advancement in modern agriculture, increasing productivity and human labor replacement. Moreover, China's economy growth and AEC will promote the export to CLMV countries, who are the main customers of this industry.

The competition in Thailand's auto parts industry is expected to be even more aggressive because more foreign auto parts manufacturers come to invest in Thailand. As China's car manufacturing base in Thailand and the coming of AEC that causes every country to be more alert may bring advantages or disadvantages to the competition among domestic auto parts manufacturers. This is truly a challenge for Somboon Group to adjust to and be prepared for the future growth.

Risk Factors

Auto parts business is aggressively competitive, in terms of costs, designing abilities, and product development to satisfy demands and meet expectations of customers. In order to achieve the company's objective of being a sustainably growing company, we aim to expand a strong automobile business for both domestic and foreign market to reduce risks. We focus on having strong business partners and building trusts for all of our business stakeholders so that we can operate a sustainable and balanced business for every group of related stakeholders. We need to build core competency to enable and give us advantages in competitions; that means we have to keep developing to respond to the progressive technology, rapid changes and promptly respond to customers' decisions with products of satisfactory qualities.

For the above reasons, Somboon Group continues to develop the effectiveness of Enterprise Risk Management System by making sure it covers the organization's main objectives and strategies, in terms of finance, operation, strategic management and compliance with relevant rules and regulations by the universal standard. In addition, the executive team has constantly governing the company by assessing risky situations that have happened, and implementing plans and preparations to handle risks so that risk impacts can be prevented and contained at an acceptable level and that the business can progress smoothly and satisfactory for every stakeholders.

Additionally, the organization's strategic planning process focuses on sustainable growth under the aforementioned "3 Somboon Sangsombdue" strategy that will immunize and strengthen the organization against unexpected risks. The company has categorized risks into the following:

1. Strategic Risks

Political disturbance is one factor that may impact the company's business objectives and continuous operation. The company realizes that this factor will affect the overall economy of the country and the automobile industry. To prevent such risk in the short time, there is a close monitoring of the situation to analyze and make appropriate adjustments to the operations in the raw material warehouse and product warehouse as well as logistics in case the situation affects the logistic sector. Moreover, there have been preparations and backup plans in each department to ensure the business can be conducted smoothly. In a long time, in case the political situation has an impact on the domestic investments, the company has set up a plan to explore new opportunities by expanding the market and production to other ASEAN countries to compensate for the possible political impacts while still maintaining and strengthening the original customer base within the country and ASEAN group.

The business strategy used to expand to foreign markets will be the focus on strong strategic partners that can build our capacity in the new market and reduce risks that may happen in the future. We also focus on internal development to improve and has established "Somboon Group Learning Academy: SBGLA" that will be responsible for labor development, efficiency and standard improvement of personnel. Moreover, we have improved the management system to prepare for the expansion to the new market and to ensure that our business operation can achieve our goals and objectives.

2. Operational Risks

There is a risk from constant changes in technology, the development of new technology, such as energy-saving innovation, environmental friendliness, safety standard, motor capacity and suspension system, all of which can affect the automobile industry. The company is aware of risks from technological changes and has closely monitored trends and changes in technology that can have an impact on our production and sale. Moreover, the company has invented new products to satisfy the changing demands of the market such as the development of lightweight materials for eco cars. New selling strategies are also used to build confidence of customers in using the new products for new car models in the future.

That is another step of the company's development in launching new innovations to answer the technological and market changes. Investments in product design and improvements have been made as a part of the strategic development plan of the organization. In addition, new knowledge in product design has been made and shared constantly among our talents and successors to ensure the strong and sustainable foundation of our operation.

3. Financial Risk

3.1 Risk from Exchange Rate Fluctuation

As the investment of the group requires the import machines and equipments as well as materials for production, the company faces a risk from the exchange rate fluctuation. To manage such risk, the company has made a forward contract with partners so that there is minimum risk from importing machines and equipments.

For raw materials, mostly the company can ask for price adjustments based on the prices of materials and the exchange rate within a defined time frame. Therefore, the risk from the exchange rate fluctuation of the company in overall is relatively low.

4. Compliance Risk

4.1 Customers' confidence and compliance to the product liability law is the priority of the company. Strict preventive measures have been put in place to eliminate risks and problems from production quality control throughout the process that has already been certified by ISO/TS 16949. In addition, product liability is made into an operation strategy; every employee needs to be responsible for completing each task throughout the production process by adhering to the instruction. There is also a standard that is traceable and acceptable to customers that will be delivered quality products towards the end. The main objective is the operation and production that leads to zero claim because products are of good quality, answer the demands and meet the expectations of customers.

In terms of defensive measure to contain damages from possible lawsuits according to the product liability law, the company has made an agreement with car manufacturing customers that clearly defines the scope of responsibility. The company also has product liability insurance for the products that the company designs as well as the safety parts in vehicles.

4.2 Management in occupational safety and health, environment and community. Somboon Group ensures safety of employees' lives by designing safe production procedures. Production area and machines will be checked before the production process begins. There has also been trainings and promotions of safety awareness for employees of all levels. The company focuses on satisfying customers in terms of its safety policy and such policy has been constantly implemented and improved throughout the organization. The outcome of each project and implementation is satisfactory because accident rate tends to decrease, law compliance is adhered to, and customers' safety demands are met.

The company has an objective to reduce grave accidents to zero and minor accidents to 50% compared to the previous year. The company also aims to reach the goal set for the safety policy for customers. As a result, the company introduces projects that can build awareness about safety for all levels of employees such as the Safety Culture and Safety Declaration projects. Employees are also trained and made aware of danger from lack of safety through the Safety 13 Module training. In addition, there is a constant Completely Check Completely Find Out : CCCF procedure done before the start of work.

In 2013 the company's environmental management has reached the objective set by laws as well as by ISO14001:2004. The company aims to include all levels of employees in its environmental works through "Five Sors" activity or Big Cleaning Day, which has proved satisfactory for both customers and visitors to the company. In terms of production process, the company puts the emphasis on resource management through the applying of 3R's principle - Reduce Reuse Recycle. Wastewater from the production and office building is treated and reused in certain production process. Wastes are sent to contractors to recycle. As a result, the amount of waste is reduced by 4.07 from 2012. In addition, the company has a measure to control, treat and check the environmental quality in the plant and the community as stipulated by laws. This is to ensure that the company's activities are environmentally friendly. Moreover, the company arranges to visit the surrounding community every three months to hear feedback and concerns about environmental impacts that the company has on the community.

Major Changes and Developments in Past 3 Years

March 2013	SFT approval to increase the authorized capital of 150 million baht of registered capital of 100 million baht and buy shares of SFT SAT 1.5 million shares at a price of 100 baht.
April 2013	Meeting of Shareholders Approved the followings : <ul style="list-style-type: none"> • approve the By canceling the shares not yet issued are not offered for sale to the employees under the ESOP. • approved the capital increase of the Company in the amount of 86,754,722 baht registered capital of Baht 426,711,809 par value of Baht 1 per share for the stock dividend. And to offer to the senior executives of the Company and / or its subsidiaries. Under ESOP • approve the Objectives increase of the Company. Program was established to support “ Learning Academy “
July 2013	SAT approved to be a part of the Private Sector Collective Action Coalition Against Corruption Council : CAC.
September 2013	SAT received Award Establishments outstanding “Welfare” Contact a Year 5 (2009-2013), held by the Department of Labor.
November 2013	SAT was granted awards from the SET Awards 2012 and Bank& Finance magazine in the field of <ul style="list-style-type: none"> • (1) SET Awards of Honor for the excellence as the outstanding Corporate Governance report for a consecutive for 5 consecutive years. (from 2009 to 2013) • (2) SET Awards of Honor for the excellence as the best Corporate Social Responsibility for a consecutive for 3 consecutive years. (from 2011 to 2013)
March 2014	SAT received Awarded Establishments outstanding “The promotion of Skill Development”, organized by the Department of Labor

Awards from Customers for 2013

- Award of The 1st Runner up : for the 9th QA Improvement Activity 2013 from Thai Hino cooperation club (SAT)
- Award of The best of supplier’s quality performance awards (Gold) 2013 from Hino Motors Manufacturing (Thailand) Ltd. (SAT)
- Award of The Quality Excellence from MMTh (SAT)
- Award of The 1st Runner up : 6th MCC-QCC contest 2013 from MMTh (BSK)
- Award of Regional Contribution 2013 from Toyota Thailand (BSK)

February 2012	The Company's board of directors received the outstanding Board of the Year 2010/2011 for Distinctive Practices arranged by Thai Institute of Director Association in conjunction with the Stock Exchange of Thailand for a consecutive of second time.
June 2012	SBG received the National Best Co-operative Education Award from the Office of the National Education Commission.
August 2012	Publicized the changing of President due to retirement.
December 2012	<p>SAT was granted awards from the SET Awards 2012 and Bank& Finance magazine in the field of</p> <ul style="list-style-type: none"> • (3) SET Awards of Honor for the excellence as the outstanding Corporate Governance report for a consecutive period from 2009 to 2012. • (4) Best Corporate Social Responsibility Awards. • (5) Best Investor Relations Awards
January 2011	SAT and BSK received the CSR-DIW Continuous Award 2010 for CSR guidance for operator from the Department of Industrial Work.
April 2011	The Company's directors had resolutions approving the settlement of SBG Learning Academy
May 2011	The Company's directors had resolutions approving the establishment new company in Japan named SBG International (Japan) Co.ltd.
June 2011	SBG received the National Best Co-operative Education Award from the Office of the National Education Commission
December 2011	<p>1) The Company's directors had resolutions approving the establishment new company named Somboon Forging Technology Co.,Ltd for supporting business expansion.</p> <p>2) SAT was granted awards from the SET Awards 2011 and Bank& Finance magazine in the field of</p> <ul style="list-style-type: none"> • SET Awards of Honors for Top Corporate Governance Report • CSR Excellent Awards <p><u>Awards from Customers for 2011</u></p> <p>Quality Award: Excellence in zero defects from MMth (BSK)</p>

Major Shareholders

The top ten list of shareholders as shown in the registration book as at August 26, 2014 are as following:

	Shareholders	No. of shares hold	Percentage
1.	SOMBOON HOLDING COMPANY LIMITED	108,332,250	25.49
2.	KITAPHANICH FAMILY		20.89
3.	SOMPONG CHOLKADEEDAMRONGKUL	35,467,500	8.35
4.	THAI NVDR CO., LTD.	19,882,930	4.68
5.	DBS BANK A/C SG0900110824	10,749,977	2.53
6.	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED AIA D-PLUS	9,500,000	2.24
7.	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED-APEX	8,123,166	1.91
8.	STATE STREET BANK AND TRUST COMPANY	3,556,800	0.84
9.	MR. SUMRAN KANOKWATTANANUN	3,500,000	0.82
10.	Mrs. MALEE CHETCHOTISAK	2,580,000	0.61

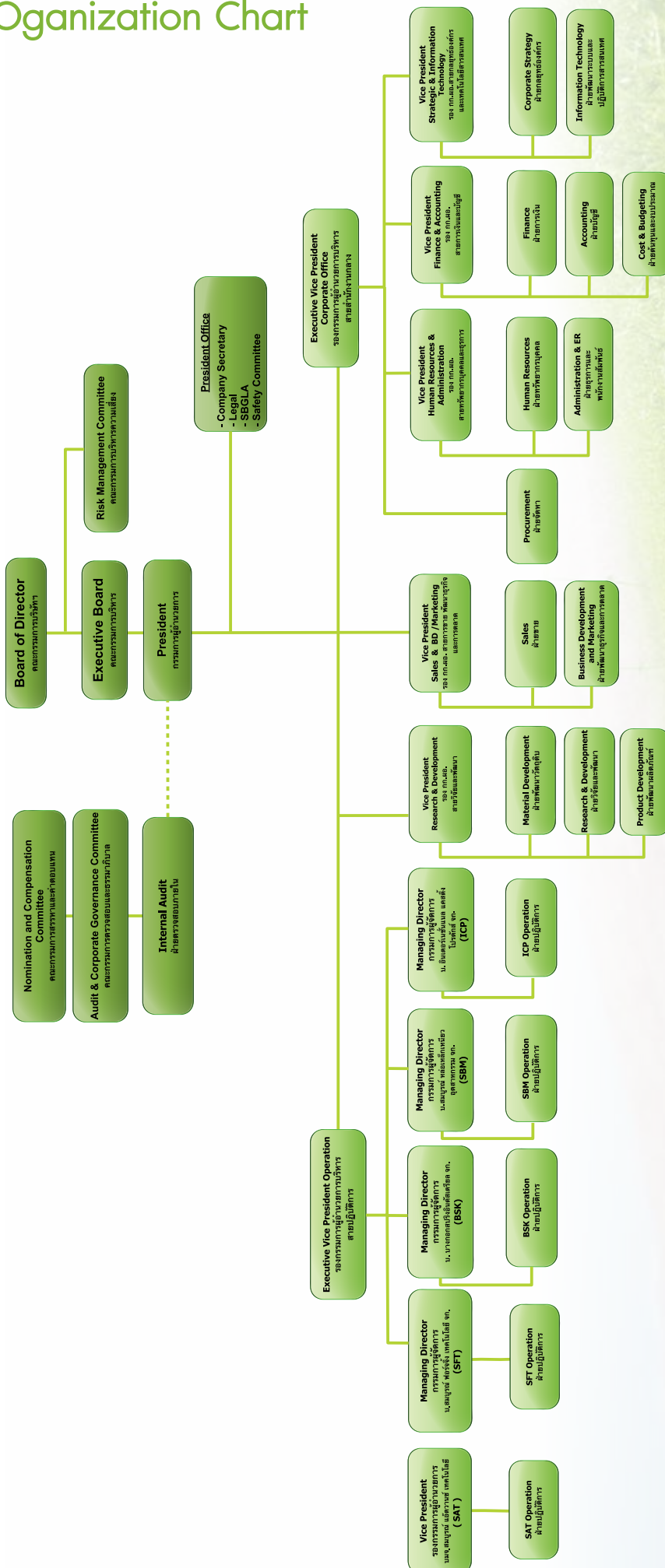
Remarks:.

- Fund's major shareholders consist of International Finance Corporation (IFC), California Public Employees' Retirement System (CalPERS), Asian Development Bank (ADB), the Ministry of Finance etc.

Limited of Foreigner Shareholder

The foreign shareholders cannot hold shares of the company more than 49 percent of the outstanding and paid-up shares on August 26, 2013, and they held shares of the company for 11.40 percent

Organization Chart



Management Structure

The Company's management structure consists of 5 groups of committee are the board of directors, the executive board, the audit and corporate governance committee, the nomination and remuneration committee and the risk management committee the name listed by duty as following.



Board of Directors

consists of

	Name		Position
1.	Mr. Sansern	Wongcha-um	Independent Director/ Chairman
2.	Mr. Yongyuth	Kitaphanich	Director/ Vice Chairman
3.	Mr. Panja	Senadisai	Independent Director
4.	Mr. Sobson	Ketsuwan	Independent Director
5.	Mr. Paitoon	Taveebhol	Independent Director
6.	Mr. Ajarin	Sarasas	Independent Director
7.	Mr. Verayut	Kitaphanich	Director
8.	Mr. Yongkiat	Kitaphanich	Director
9.	Ms. Napatsorn	Kitaphanich	Director
10.	Mr. Surasak	Khaoroptham	Independent Director

Mr. Thanakit Permpoonkantisuk is a Company Secretary

Authorized Directors

Directors authorized to sign in binding the company consist of Mr. Yongyuth Kitaphanich, Mr. Verayut Kitaphanich Mr. Yongkiat Kitaphanich and Ms. Napatsorn Kitaphanich. Any two out of these four Directors shall commonly sign and affix the company common seal.

Powers and Duties of the Company's Board of Directors

The Board of Directors is responsible for shareholders in relation with the Company's business operation and supervision of the management to be in accordance with the policy, guidelines and objectives with the maximum benefit to the shareholders and within the frame of good ethics and morality and to take the interest of all interested parties into account.

The Board of Directors has the duties to act in compliance with laws, objectives and articles of Association of the Company and the meeting of shareholders' resolutions with honesty and care for the shareholders' interests, at the present and in the long term, including the acting in compliance with the criteria and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand.

In performing their duties, the Board of Directors shall appoint the president to be responsible for the Company's business operation.

In supervising all the Company's business, the Board of Directors has determined the following matters to be the authority and responsibility of the Board of Directors who shall consider for the approval.

1. Policy, business conducts strategy guidelines, targets, plans and annual budget of the company and subsidiaries.
2. The Company's monthly and quarterly business performances comparing to the plan and budget and the consideration of the further trends of the year.
3. The investment in the annual non-budgetary project.
4. Spending on the investment capital at 5% in excess of the investment budget in the approved project and 10% in excess of the other investment budgets that are not the project investment budget.
5. The purchase and sale of assets, the purchase of business and the participation in the co-investment project that is not contradicted to the Stock Exchange of Thailand's criteria and not exceeding in values authorized to the President.
6. The transaction or any actions that shall result in the major impact against the Company's financial status, debt burden, business operation strategy and reputation.
7. Any contract execution that is not related to the normal business operation and the contract related to the major regular business operation.
8. Inter-related transaction between the Company, subsidiaries, associated companies and the related persons in part of the transactions that are not meet with the requirements of the Stock Exchange and the Securities and Exchange Commission.
9. Any transactions effecting the Company's capital structure at the debt ratio against the capital that is exceeding 1.5:1.
10. Payment of the interim dividends.
11. The charge of policy and practical methods with the significance related to the accounting, risk management and internal audit.
12. Employment of the President and senior executives.
13. Determination and change of the approval authority conferred to the President and senior executives.
14. Approval of the amount of salaries and bonuses or bonus formula adjustment or the formula of the annual remuneration adjustment of the executives and employees.
15. The appointment proposal and the termination of the Company's Directors and secretary status.
16. Authorization of power and duties to any of the Company's President or Director, including the revision of the said power and duties authorization, however, this must not be in contradiction with the criteria and requirements of the Stock Exchange and Securities and Exchange Commission.
17. The appointment and the determination of authority of the Sub-committee.
18. Arrangement and supervision for having the management available in accordance with the good corporate governance principle.
19. The appointment of Directors in the subsidiaries.
20. Approval to change and modify the organizational structure in Vice President Level
21. Any other actions to be in accordance with laws, objectives, Articles of Association and resolutions of the meeting of shareholders.

2. Executive Board

consists of Chairman who is an independent director

	Name		Position
1.	Mr. Sobson	Ketsuwan	Chairman
2.	Mr. Yongyuth	Kitaphanich	Director
3.	Mr. Yongkiat	Kitaphanich	Director
4.	Mr. Surasak	Khaoroptham	Director



Mr. Thanakit Permpoonkantisuk is a Secretary to the Executive Board

The Executive Director holds a term of three years.

Powers and Duties of the Executive Board

1. Audit

- Policy, direction, business strategies and management structure, as well as business operational criteria of the Company are screened in alignment with the economic conditions and competitions
- Business plan and annual budget
- Every Investment project
- Annual Manpower Plan
- The recruitment / selection of a new executive in the Vice President level according to the rules of Nomination and Remuneration Committee designated by the applicant to consider the selection of at least two but not more than three people, excluding the President. For the return value considering to the salary structure except (1) the promotion (2) the remuneration which is not in accordance with the rules should be proposed to Nomination and Remuneration Committee for consideration.

2. Approve or not approve

- Investment project in the capital not exceeded 100 million baht which should be involved the main business of the company and IRR not less than 15% excepted investment for maintenance, improve efficiency or machinery compensate.
- Open and Close the account of the Company in other Financial Institute
- Written-off assets
- Sell non-operation assets not more than of 10 million baht
- Approval to change and modify the organizational structure in Department Level (GM/AGM) and report to the Board of Directors (the lower level would be approved by President)
- The contract is related to management contract or advice contractual or provides technical assistance related to the core business of the company not exceeding of 20 million baht and a term of not more than one year.

3. Follow and Supervisory the operations

- Strategy, plan and project including in annual business plan which have to approved by the Board of Directors
- Financial performance of the Company

4. Report to Board of Directors

- Monthly of financial performance of the Company
- The lists of Executive Board approved or not approved

5. Perform any acts designated by the board of directors

3. Audit and Corporate Governance Committee

consists of all Independent Director

	Name		Position
1.	Mr. Panja	Senadisai	Chairman
2.	Mr. Paitoon	Taveebhol	Director
3.	Mr. Ajarin	Sarasas	Director



Mr. Paitoon Taveebhol has the knowledge and experience in accounting and finance. Enough to serve verify the reliability of the financial statements of the Company.

Mr. Witsarut Boonto is a secretary to the Audit & CG Committee.

The Audit Committee holds a term of three years.

Powers and Duties of Audit and Corporate Governance Committee

1. Review financial reports against the accounting standard and ensure adequate disclosure.
2. Review the internal control and internal audits to ensure suitability and effectiveness; consider independency of the Internal Audit Unit.
3. Review the Company's performance against the law on securities and stock exchange, Stock Exchange's requirements, or applicable laws.
4. Review related-party transactions or any actions with potential conflicts of interests against applicable rules and ordinances.
5. Review the suitability and adequacy of risk management of the Company.
6. Consider, select, nominate, appoint and propose Company auditor emolument; determine auditor independency; hold a meeting with auditors at least once a year without management participation.
7. Concur with appointment, transfer and laurels of the Chief of Internal Control Unit; consider concurring with plans, budgets and manpower of the Unit.
8. Furnish a corporate governance report of the Audit Committee inside the Company's annual report, signed by the Chairman of Audit Committee and containing at least the following key attributes:
 - (1) Accuracy and reliability of the financial report.
 - (2) Adequacy of the internal control.
 - (3) Compliance with the law on securities, SET requirements or applicable laws.
 - (4) Auditors' fitness.
 - (5) Transactions with potential conflicts of interests.
 - (6) Audit Committee meetings and attendance of individual members.
 - (7) Opinions or notices arising out of performing duties.
 - (8) Any other matters the shareholders and general investors should know.
9. In performing its duties, the Audit Committee is empowered to invite the management or pertaining staff of the Company to give opinions, join a meeting, or submit documents deemed relevant or necessary.
10. Have power to hire a consultant or third parties to provide opinions or consultancy in case of necessity, the expenses borne by the Company.

11. Consider and review the scope of powers and duties and responsibilities and evaluate the Audit Committee's performance regularly on a yearly basis.
12. Report the Audit Committee's performance to the Board of Directors every quarter.
13. Conduct an audit and report the preliminary audit to the SEC Office and auditors. In case the Audit Committee is informed by the auditors of any reasonably suspicious events, action must be taken within 30 days from its receipt of such notification.
14. Acknowledge a copy of report of Company directors and executives regarding their or other related persons' conflicts of interests in relation to the business management of the Company or its subsidiaries, subject to the criteria, conditions and methods stipulated under the Capital Market Commission's notifications.
15. Review the corporate governance policy and business ethics; monitor compliance with the policy regularly at least once a year.
16. Consider appointing working groups to undertake supporting corporate governance and business ethics as appropriate.
17. Perform any acts designated by the Board of Directors

4. Nomination and Remuneration Committee

consists of Chairman and directors who are an independent director

	Name		Position
1.	Mr. Paitoon	Taveebhol	Chairman
2.	Mr. Panja	Senadisai	Director
3.	Mr. Ajarin	Sarasas	Director
4.	Mr. Surasak	Khaoroptham	Director



Mr. Teerarat Piamsupakpong is an Assistant to Secretary to the Nomination and Compensation Committee
The Compensation Committee holds a term of three years.

Powers and Duties of the Nomination and Remuneration Committee

1. To formulate policies for submission to the board of directors of the company as follows.
 - 1.1 Policy, criteria and method for selection of the directors and president.
 - 1.2 Policy, criteria and method for payment of remunerations and other benefits to the board of directors of the company, subcommittees and president.
2. To select and nominate the persons with suitable qualifications to the board of directors of the company as follows.
 - 2.1 Directors
 - 2.2 Subcommittee members of various sub-committee assigned with authority, duty and responsibility directly from the board of directors of the company.
 - 2.3 President and vice president. For the vice president position, the president is required to make an initial screen before submission is made to the selection committee for approval and to the board of directors for consideration.

3. To supervise the board of directors of the company to ensure that its size and components are suitable to the organization, including adjustment in response to the changing environment
4. To supervise directors and president to ensure that their remuneration is suitable to their duties and responsibilities assigned.
5. To determine guideline, present and approve the performance evaluation on the directors and president for adjustment of remuneration and bonus payment annually.
6. To monitor the preparation of the succession plan for the president and vice president for submission to the board of director of the company for consideration at least twice a year.
7. To submit a performance report to the board of directors of the company once a year.
8. Perform any acts designated by the board of directors.

5. Risk Management Committee- management level

consists of

	Name		Position
1.	Mr. Yongkiat	Kitaphanich	Chairman
2.	Ms. Napatsorn	Kitaphanich	Director
3.	Mr. Wichai	Srimavon	Director
4.	Mrs. Jiraporn	Srisomwong	Director
5.	Mr. Koichi	Miyahara	Director
6.	Mr. Cheerawit	Sureerattanun	Director
7.	Mr. Somsak	Sittinancharoen	Director
	Mr. Mongkol	Saejew	Director



Mr. Hiran Poblal is a Secretary to the Risk Management Committee

Powers and Duties of the Risk Management Committee

1. To supervision of the other sections in the formulation and implementation of risk management plan.
2. To advice and approve the principles of planing for risk management of the organization and adequate control measures
3. To responsible for the preparation of risk assessment and oversight of the implementation of risk management plan in corporate risk.
4. To submit the matter to the Executive committee or the Board of Directors to determine the direction of management, the risk management strategy and the risks acceptable for review and approval.
5. To held a meeting to review the implementation of risk management system with reporting to the Executive committee or the Board of Directors.



6. Management

consists of

	Name		Position
1.	Mr. Yongkiat	Kitaphanich	President
2.	Ms. Napatsorn	Kitaphanich	Vice President – Finance & Accounting and Acting Vice President - Human Resources and Administration
3.	Mr. Wichai	Srimavon	Vice President – Somboon Learning Academy
4.	Mrs. Jiraporn	Srisomwong	Vice President - Information Technology and Acting Vice President – President Office
5.	Mr. Koichi	Miyahara	Vice President – Sales, Business Development and Marketing
6.	Mr. Cheerawit	Sureerattanun	Vice President - Operation SAT
7.	Mr. Somsak	Sittinancharoen	Vice President - Operation BSK
8.	Mr. Mongkol	Saejew	Vice President - Operation SBM&ICP

Powers and Duties of the President

1. To prepare the policy, business conduct strategy guidelines, target, work plan and annual budget of the company and subsidiaries submitted to the Board of Directors for the approval.
2. To undertake in accordance with the policy, business conduct strategy guidelines, target, work plan and annual budget of the company and subsidiaries as approved by the Board of Directors.
3. To report the monthly and quarterly business performance of the company and subsidiaries in comparison of the plan and budget to the Company's Board of Directors together with the recommendations.
4. To approve the expenses and investment capital that are not in the annual budget for not exceeding one million baht on each occasion but the report has to be made to the Board of Directors for acknowledgement.
5. To approve the investment projects in an amount not exceed 20 million baht by the investment project has to associate with the main business of the Company. The rate of return on investment (IRR Project) not less than 15 percent and conforms to the pricing policy of Executive committee. In addition, the investment projects shall be reported to Executive committee except those projects do not along to the criteria that would be approved by Board of Director including the investment project for maintenance, increasing efficiency or replacement.
6. Approval to change and modify the organizational structure below Department Level and report to Executive Board.

7. Other matters assigned by the board of directors.

In this regard, the exercise of power of the President is not included (Must not be contradicted with the Security and Exchange Commission's Criteria) the power in approving the transaction causing the President or contradicted persons to have the interest or may have the conflict of interest in otherwise manners with the company and subsidiaries including the transaction provided to have the approval of the meeting of the Board of Directors or shareholders such as the inter-related transactions or acquisition or disposal of the assets of the Company and subsidiaries.

Self-evaluation of the director

The Company's director evaluated themselves at least once a year in order to review the appropriateness of governance and/or execution. This information will be used to improve/develop the management to be at most effective. The evaluation will be conducted using form adapted from the self-evaluation form by the Stock Exchange of Thailand as appropriated and in line with the Company's director's characteristic. The evaluation result will be informed to the Company's directors and make the analysis for the management team.

Evaluating President's Resulting Performance

The Board of Directors requires the President's resulting performance to be evaluated regularly on a yearly basis against the goals and evaluation criteria linked to the success of the strategic plan in order to determine appropriately his remuneration and incentive reward.

Structure of Board of Directors and its Element

The number of Board members should fit the size of the business. Currently, there are 10 directors, 8 of which are non-executive directors and the remaining 2 are not. The Company has 6 independent directors.

Independent Director is 60% of the Board of Directors consists of;

- | | | |
|----|-------------|-------------|
| 1. | Mr. Sansern | Wongcha-um |
| 2. | Mr. Sobson | Ketsuwan |
| 3. | Mr. Panja | Senadisai |
| 4. | Mr. Paitoon | Taveebhol |
| 5. | Mr. Ajarin | Sarasas |
| 6. | Mr. Surasak | Khaoroptham |

The Company definition of Independent Director as following;

1. A person holding no more than 0.5% of paid-up capital of the Company, its subsidiaries or affiliates companies, this shall include shares held by relating persons.
2. A non-executive directors in the management of the Company, its subsidiaries, affiliates or major shareholders, a person who is not an authorized director, an employee or consultant regularly receiving monthly salary from the Company, its subsidiaries, affiliates or major shareholders.
3. A director with no direct or indirect benefit or interest in financial or in management aspects of the Company.
4. A director who is not the auditor of the Company, any subsidiary company, affiliates or juristic person that may have conflicts.

5. A director who is not any professional service provider who receives the service charge of more than 2 million baht per annum from the Company, any subsidiary company, associated company or juristic person that may have conflicts.
6. A director who is neither related or nor be a closed relative of the Company's executives or major shareholders.
7. A director not appointed as a representative to maintain the interests of the Company's directors or major shareholders
8. A person who is able to perform duties, express opinions or report results of performances based on his duties entrusted by the Board of Directors independently.

Nominating of Directors and Executives

To make it to be conformed to the corporate governance policy, the Company's board of directors has set up the policy, criteria and methods of the recruitment of the Company's directors and high ranking executives, assigning the nomination and remuneration committee to recruit the qualified persons to be directors of the Company. The qualified persons shall be selected by the nomination and remuneration committee who set up the criteria and procedures for the recruitment, however, depending on the Company's situation during that time.

Directors and Executives Development

Board of directors has promoted, supported, provided the training and knowledge relating to the directors and executives to have them continuously improved. For examples, to promote the meeting between directors and high executives for the exchange of each other's ideas and opinions, to encourage the preparation of the potential development plan of the president, vice president by assigning the nomination and remuneration committee to pursue the preparation of the plan to succeed the positions of president and vice president to guarantee that the Company has employed the executives with sufficient knowledge and competency to perform their duties as follows:

1. The Company's board of directors has determined to provide the executive potential development plan to perform succession plan consisting of president and all vice president.
2. The nomination and remuneration committee shall set up the knowledge, competency and experiences of each position in order to recruit the qualified executives as required who are able to inherit the words of each position.
3. President shall assess the performance and knowledge of executives with comparable qualifications to the required competency in order to prepare the individual development plan to reduce the competency gap.
4. Human resources executive is assigned to supervise and follow up the training and development of knowledge and competency of the successors of the vice president positions.
5. President shall arrange for the work flow, responsibility of executives with comparable qualifications and to assign the vice president to attend the meeting of the executive board for gaining experiences and be ready for the organizational management in the future.
6. The president shall report the operation and development performances according to the individual development plan of executives with comparable qualification to the nomination and remuneration committee twice a year.
7. Nomination and remuneration committee shall regularly review and conclude the result of the succession plan consisting of president and vice president and report to the Company's Board of Directors for acknowledgement on twice a year basis.

Director's meeting

The Company's director plans the meeting one year prior and will organize at least 6 meetings a year as well as arrange the special meeting as necessary. At each meeting, both acknowledge and consideration agenda are clearly set, the document is well-prepared and delivered to the directors 7 days prior to the meeting so that the director can study the information before the meeting. In the meeting, everybody can freely discuss. The chairman will analyze the suggestion and conclusion from the meeting. Minute of meeting is recorded by the secretary. After the approval from the meeting, the information will be stored in the shelf on the 2nd floor, 11th building at the head office for the directors and related person to examine. The details of attending meetings are as following:

Name	Position	Attended (Times)				
		Board of Directors	Executive Board	Audit& CG Committee	Nomination& Remuneration Committee	NED
Mr. Sansern Wongcha-um	Independent director/ Chairman	9/9	-	-	-	2/2
Mr. Yongyuth Kitaphanich	Vice Chairman/ Executive Board	9/9	12/12	-	-	2/2
Mr. Panja Senadisai	Independent director/ Chairman of the Audit& CG Committee/ Member of the Nomination& Remuneration Committee	9/9	-	6/6	3/3	2/2
Mr. Sobson Ketsuwan	Independent director/ Chairman of the Executive Board	9/9	12/12	-	-	2/2
Mr. Paitoon Taveebhol	Independent director/ Member of the Audit& CG Committee/ Chairman of the Nomination and Remuneration Committee	9/9	-	6/6	-	2/2
Mr. Ajarin Sarasas	Independent director/ Member of the Audit& CG Committee	9/9	-	6/6	3/3	2/2
Mr. Verayut Kitaphanich	Director/ Executive Board	9/9	12/12	-	-	-
Mr. Yongkiat Kitaphanich	Director	9/9	-	-	-	-
Ms. Napatsorn Kitaphanich	Director	9/9	-	-	-	-
Mr. Surasak Khaoroptham	Director/ Executive Board/ Member of the Nomination& Remuneration Committee	9/9	12/12	-	3/3	-

Tenure Committee

The Company's directors consist of person with knowledge and competency. The Company specified the number of the directors appropriated with the business size. Currently, the Company has 10 directors, 2 of them are the Company's executives, and 8 of non executives which contain of 6 independent directors. Each of them takes the position for 3 years and does not have the restriction period. The details of position individually are as follows;

Name	Year appointed	Year last elected	Executive/non-executive/Independent	Seeking election/seeking	Next due for re-election in 2013
Mr. Sansern Wongcha-um	2008	2011	Chairman/ Independent Director	No	2014
Mr. Yongyuth Kitaphanich	2004	2011	Non-executive Director	No	2014
Mr. Panja Senadisai	2004	2012	Independent Director	No	2015
Mr. Sobson Ketsuwan	2007	2012	Independent Director	No	2015
Mr. Paitoon Taveebhol	2008	2011	Independent Director	No	2014
Mr. Ajarin Sarasas	2009	2011	Independent Director	No	2014
Mr. Verayut Kitaphanich	2004	2012	Executive Director	No	2015
Mr. Yongkiat Kitaphanich	2004	2013	Executive Director	Yes	2016
Ms. Napatsorn Kitaphanich	2004	2013	Executive Director	Yes	2016
Mr. Surasak Khaoroptham	2004	2013	Independent Director	Yes	2016

The Company Secretary

Mr. Thanakit Permpoonkantisuk has been appointed since 2006 to be in accordance with Section 89/15 of Securities and Exchange Act to perform the following duties: (1) To be a center point in making/keeping documents, (2) Handling Board/Committees members registrations, (3) Arranging shareholders meetings, (4) Reporting the interests of Board/Committees members as well as the Executives, (5) Holding activities between Board/Committees members and the Executives to promote better relationships among them, (6) Coordinating work to ensure the compliance with the resolution of the Company Board of Directors, (7) Giving opinions relating to the Laws of various Notifications/Announcements, (8) Others, (as assigned by the Company Board of Directors)

Biographies of The Company Secretary Mr. Thanakit Permpoonkantisuk

- Master of political science, the Thammasart University
- qualification : Knowledge of relevant legislation, the ability to coordinate, the Brief The preparation of the report, the agility of the operation, have a good relationship A creative, leadership communication techniques and strategic planning
- Trained the Company Secretary from Thailand Institute of Directors

The Board of Directors and Management

1. The Board of Directors



1 Mr. Sansern Wongcha-um

- Independent Director/Chairman of the Board

Age (years) 65

Education

- Master of Business Admin University of Bridgeport, USA
- Bachelor of Economic Thammasart University
- Academic of National Defense
- College of Thailand, 37 Training Program
- Role of the Chairman Program (RCP) 8/2003
- Finance for Non-Finance Directors (FND) 17/2005
- Director Accreditation Program (DAP) 42/2005

% Share held None

Work experience in the last 5 years

2008-Present Chairman/ Independent Director
Somboon Advance Technology Public Company Limited
Chairman Bualuang Securities Public Company Limited
Chairman of the audit committee/ Independent Director The Erawan Group Public Company Limited
Chairman of the nomination and remuneration committee/Independent Director Deves Insurance Public Company Limited

2006-2008 Deputy Minister of Transport
Transportation Ministry

2 Mr. Yongyuth Kitaphanich

- Director/ Vice Chairman
- Executive Board
- Authorized Director

Age (years) 61

Education

- Mini MBA, Thammasart University
- Bachelor: Commerce and Accountancy, Chulalongkorn University
- Diploma, National Defense Course for the Joint State-Private Sector, Class 9, The National Defense College
- Training Program
- Director Certification Program (DCP) 2/2000
- Role of the Chairman (RCP) 7/2000

% Share held 2.12

Work experience in the last 5 years

2004-Present Vice Chairman/ Executive Board Somboon Advance Technology Public Company Limited

1998-Present Vice Chairman Tsuchiyoshi Somboon Coated Sand Co.,Ltd.
Director Yamada Somboon Company Limited

1994-Present Director Somboon Malleable Iron Industrial Company Limited
Director Bangkok Spring Industrial Company Limited

3 Mr. Panja Senadisai

- Independent Director
- Chairman of the Audit & CG Committee
- Member of the Nomination & Remuneration Committee

Age (years) 65

Education

- Master of Business Administration, Suffolk University (USA) Training Program
- Director Certification Program (DCP) 20/2002
- Audit Committee Program (ACP) 2/2004
- Role of Compensation Committee (RCC) 2/2007
- Certificate of Capital Market Academy Leadership Program
- Advanced Certificate Course in Politics and Governance in Democratic System for Executives, Class 2, King Prajadhipok's Institute
- Top Executive Program in Commerce and Trade (TEPCoT) class 4

% Share held None

Work experience in the last 5 years

2007-Present	Member of the Nomination & Remuneration Committee Somboon Advance Technology Public Company Limited
2006-Present	Chairman of the Audit & CG Committee Somboon Advance Technology Public Company Limited
2005-Present	Director/ Chairman of the Audit Committee Pylon Public Company Limited
2004-Present	Independent Director Somboon Advance Technology Public Company Limited
2003-Present	Director/ Member of the Audit Committee Rasa Properties Development Public Company Limited
2002-Present	Director/ Member of the Audit Committee/ Chairman of the Compensation Committee Trinity Wattana Public Company Limited
1983-Present	Director KCE Electronics Public Company Limited
2004-2011	Chairman Deva Development Public Company Limited
2006-2009	Director/ Executive Board/Remuneration Committee Government Saving Bank

4 Mr. Sobson Ketsuwan

- Independent Director
- Chairman of the Executive Board

Age (years) 68

Education

- International Senior Management Program (ISMP), Harvard Business School
- M.S. Industrial & System Engineering, U of Southern California
- M.B.A General Management, U of Southern California
- B.Eng. (Honors) Industrial Eng. Chulalongkorn University, 1996
- Training Program Finance for Non-Finance Directors (FND) 37/2007
- Audit Committee Program (ACP) 19/2007
- Director Certification Program (DCP) 97/2007

% Share held None

Work experience in the last 5 years

2003-2007	Advisor to the Management The Siam Cement Public Company Limited
2007-Present	Independent Director Somboon Advance Technology Public Company Limited
2008-Present	Chairman of the Executive Board Somboon Advance Technology Public Company Limited
2009-Present	Advisor Noritake (Thailand) Company Limited
2011-Present	Advisor Minsen Machinery Company Limited
2011-Present	Chairman SBG International Japan Company Limited
2012-Present	Advisor D Corp Company Limited

5**Mr. Ajarin Sarasas**

- **Member of the Audit and CG Committee**
- **Member of the Nomination & Remuneration Committee**
- **Independent Director**

Age (years) 69

Education

- **Honorary Doctor of Business Administration Industrial Management Kensington University, USA**
- **Diploma, National Defense Course for the Joint State-Private Sector, Class 1, The National Defense College**
- **Certificate / Industrial Engineering license**
- **Director Certification Program (DCP) 130/2010**

% Share held None

Work experience in the last 5 years

Present	Independent Director/ Member of the Audit & CG committee/ Member of the Nomination & Remuneration Committee Somboon Advance Technology Public Company Limited
Present	TQM Promotion Consultant
Present	Honorary President Thai Autoparts Manufacturers Association (TAPMA)
Present	Quality Control Promotion Lecturer
Present	Honorary Chairman Automotive Industry Club, Federation of Thai Industry
Present	Advisor to Board of Directors Technological Promotion Association (Thai-Japan)
Present	Advisor to Board of Directors Thai Automotive Industry Association
Present	Advisor (TQM Project) Cobra International Group
2006-2009	Operation Director Summit Auto Seat Industry Company Limited

6**Mr. Paitoon Taveebhol**

- **Chairman of the Nomination & Remuneration Committee**
- **Member of the Audit & CG Committee**
- **Independent Director**

Age (years) 63

Education

- **M.B.A., Kasetsart University**
- **B.A. (Accounting), Ramkhamhaeng University**
- **Certificate in Auditing, Thammasat University**
- **Training Program Director Accreditation Program (DAP) 4/2003**
- **Director Certification Program (DCP) 38/2003**
- **Audit Committee Program (ACP) 6/2005**
- **Role of the Chairman (RCP) 11/2005**
- **Chartered Director Program of the Audit Committee-Advanced Audit Committee**

% Share held None

Work experience in the last 5 years

2012 - Present	Independent Director/ Member of Audit Committee KCE Electronics Public Company Limited
2012 - Present	Independent Director/ Member of Audit Committee Easy Buy Public Company Limited
2009-Present	Chairman of the Nomination & Remuneration Committee Somboon Advance Technology Public Company Limited
Present	Independent Director/ Chairman of the Audit Committee/ Member of Corporate Governance Committee Big C Supercenter Public Company Limited
2008-Present	Independent Director/ Member of the Audit & CG Committee Somboon Advance Technology Public Company Limited
2004-Present	President Mater Dei Institute
2002-Present	Independent Director/ Chairman of the Audit Committee/ Chairman of Risk Management Committee Central Pattana Public Company Limited

7

Mr. Verayut Kitaphanich

- Director
- Executive Board
- Authorized Director

Age (years) 56

Education

- Bachelor of Mechanical Eng., Eckert Technology Institute (Germany)
- Training Program Director Accreditation Program (DAP) 29/2004

% Share held 2.65

Work experience in the last 5 years

2004-Present	Director/ Executive Board/Somboon Advance Technology Public Company Limited
2004-2012	President
1994-2012	Director/ President Somboon Malleable Iron Industrial Company Limited
1994-2012	Director/ President Bangkok Spring Industrial Company Limited
1994-Present	Director/ Vice President Nisshinbo Somboon Automotive Company Limited
1994-Present	Director/ Vice President Somboon Somic Manufacturing Company Limited

8

Mr. Yongkiat Kitaphanich

- Director
- Authorized Director
- President

Age (years) 51

Education

- M.B.A., National Institute of Development Administration
- Master of Industrial Engineering, Waseda University (Japan)
- Bachelor of Mechanical Engineering, King Mongkut's Institute Technology Ladkrabang

Training Program

- Director Accreditation Program (DAP) 28/2004
- Finance for Non-Finance Directors (FND) 15/2005
- Director Certification Program (DCP) 53/2005

% Share held 1.96

Work experience in the last 5 years

Present	President Somboon Advance Technology Public Company Limited
Present	Chairman Auto Parts Industry Club of the Federation of Thai Industries
2011-Present	Director SBG International Japan Company Limited
2007-2012	Executive Vice President Somboon Advance Technology Public Company Limited
2007-Present	Director Somboon Malleable Iron Industrial Company Limited Director Bangkok Spring Industrial Company Limited
2007-Present	Chairman International Casting Products Company Limited
2004-Present	Director Somboon Advance Technology Public Company Limited
2007-Present	Honorary President Thai Auto-Parts Manufacturers Association
2006-Present	Senior Vice President Thai Automotive Industry Association

9**Ms. Napatsorn Kitaphanich**

- Director
- Authorized Director
- Vice President
- Finance & Accounting

Age (years) 49

Education

- M.B.A., Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Business Administration in Finance and Management (BBA), Simon Fraser University (Canada)

Training Program

- Director Accreditation Program
- (DAP) 28/2004

% Share held 1.65

Work experience in the last 5 years

Present	Vice President - Finance & Accounting Somboon Advance Technology Public Company Limited
2007-2012	Vice President - President Office Somboon Advance Technology Public Company Limited
2007-Present	Director International Casting Products Company Limited
2004-Present	Director Somboon Advance Technology Public Company Limited
1997-Present	Director Bangkok Spring Industrial Company Limited
2007-2011	Director/ Executive Director/ Member of the Nomination & Remuneration Committee Thai Listed Companies Association

10**Mr. Surasak Khaoroptham**

- Independent Director
- Executive Board
- Member of the Nomination & Remuneration Committee

Age (years) 48

Education

- Master of Business Administration, University of Pennsylvania (USA)
- Master of Science, Operation Research, University of Michigan (USA)
- Bachelor of Electrical Engineering King Mongkut's Institute Technology Ladkrabang

-

Training Program

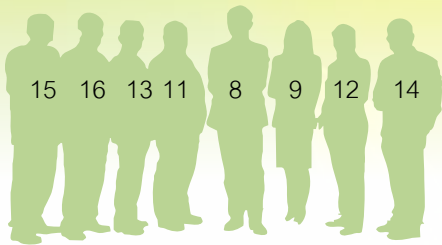
- Director Accreditation Program
- (DAP) 9/2004

% Share held None

Work experience in the last 5 years

2011-Present	Independent Director Somboon Advance Technology Public Company Limited
2011-Present	Director Nok Airlines Company Limited
2008-Present	Director SNC Former Public Company Limited
2008-Present	Director Asiasoft Corporation Public Company Limited
2007-Present	Member of the Nomination & Remuneration Committee Somboon Advance Technology Public Company Limited
2006-Present	Executive Board Somboon Advance Technology Public Company Limited
2006-Present	Director Mermaid Maritime Public Company Limited
2006-Present	Director Easy Buy Public Company Limited
2003-Present	Managing Director Altus Advisory Company Limited
2004-2011	Director Somboon Advance Technology Public Company Limited
2006-2011	Chairman Asia Books Company Limited

2. Management



11 Mr. Wichai Srimavon

- Vice President
- Procurement & Quality
- Development

Age (years) 51

Education

- Master of Education in Quality Management, Suan Sunandha Rajabhat University
- Bachelor of Public Administration, Sukhothai University

% Share held 0.004%

Work experience in the last 5 years

2008-Present	Vice President - Procurement & Quality Development Somboon Advance Technology Public Company Limited
2007-2008	Vice President - Procurement & Logistics Somboon Advance Technology Public Company Limited

12 Mrs. Jiraporn Srisomwong

- Vice President
- Information Technology

Age (years) 46

Education

- M.B.A., University of San Francisco, USA
- Bachelor of Commerce and Accountancy, Chulalongkorn University

% Share held 0.0004%

Work experience in the last 5 years

2008-Present	Vice President Information Technology Somboon Advance Technology Public Company Limited
2004-2008	Country IT Manager Tyco Electronics (Thailand) Company Limited (Thailand and Malaysia)

13 Mr. Koichi Miyahara

- Vice President
- Sales & Business Development & Marketing

Age (years) 52

Education

- Bachelor Degree of Mechanical Engineering
Kagoshima University
- Master Degree of Mechanical Engineering
Kagoshima University

% Share held 0.0003%

Work experience in the last 5 years

2012-Present Vice President - Sales & Business
Development & Marketing Somboon
Advance Technology Public Company
Limited

2008-2012 Managing Coordinator Toyota Kirloskar
Motor India (TMC)

2005-2007 Group Manager and Technical Manager
Toyota Motor Corporation Japan (TMC)

14 Mr. Cheerawit Sureerattanan

- Vice President
- Operation
- SAT&SFT

Age (years) 47

Education

- M.B.A., University of Khon Kaen University

% Share held 0.0003%

Work experience in the last 5 years

2012-Present General Manager Somboon Malleable Iron
Industrial Company Limited

2013-Present Vice President - Operation SAT
Somboon Advance Technology Public
Company Limited

15 Mr. Somsak Sitthinuncharoen

- Vice President Operation BSK

Age (years) 50

Education

- Master Degree of Industrial Management Engineering
- King Mongkut's University of Technology North
Bangkok

% Share held 0.0003%

Work experience in the last 5 years

2001-2012 General Manager Bangkok Spring
Industrial Company Limited

2013-Present Vice President - Operation BSK Somboon
Advance Technology Public Company
Limited

16 Mr. Mongkol See-jew

- Vice President
- Operation
- SBM&ICP

Age (years) 51

Education

- Master Degree of Industrial Management Engineering
- King Mongkut's University of Technology North
Bangkok

% Share held 0.0003%

Work experience in the last 5 years

2004-Present General Manager Somboon Malleable
Iron Industrial Company Limited

2013-Present Vice President - Operation SBM & ICP
Somboon Advance Technology Public
Company Limited

Shareholding of the Board of Directors and Management

Director	Number of Ordinary Shares August 26, 2013	Nature of Interest	Number of Rights Over Ordinary Shares
Mr. Sansern Wongcha-um	-	-	-
Mr. Yongyuth Kitaphanich	15,381,468	Direct	-
Mr. Panja Senadisai	-	-	-
Mr. Sobson Ketsuwan	-	-	-
Mr. Ajarin Sarasas	-	-	-
Mr. Paitoon Taveebhol	-	-	-
Mr. Verayut Kitaphanich	9,861,342	Direct	-
Mr. Yongkiat Kitaphanich	8,328,000	Direct	-
	568,843	In direct (Wife)	-
Mrs. Napatsorn Kitaphanich	7,017,676	Direct	-
Mr. Surasak Khaoroptham	-	-	-
Mr. Wichai Srimavon	16,875	Direct	-
Ms. Jiraporn Srisomwong	1,875	Direct	-
Mrs. Koichi Miyahara	1,250	Direct	-
Mr. Cheerawit Sureerattanun	1,250	Direct	-
Mr. Somsak Sittinanchaoen	1,250	Direct	-
Mr. Mongkol Saejew	1,250	Direct	-

Movement in Rights for Directors and Management Personnel

Name	Ordinary shares					
	August 26, 2013	August 23, 2012	March 14, 2012	December 30, 2011	December 30, 2010	August 4, 2010 Capital Increase
1. Mr. Sansern Wongcha-um	-	-	-	-	-	
2. Mr. Yongyuth Kitaphanich	15,381,468	7,215,975	7,215,975	7,215,975	7,215,975	7,215,975
3. Mr. Panja Senadisai	-	-	-	-	-	-
4. Mr. Sobson Ketsuwan	-	-	-	-	-	-
5. Mr. Ajarin Sarasas	-	-	-	-	-	-
6. Mr. Paitoon Taveebhol	-	-	-	-	-	-
7. Mr. Verayut Kitaphanich	9,861,342	9,009,274	10,009,274	10,009,274	10,009,274	10,909,274
8. Mr. Yongkiat Kitaphanich	8,896,843	6,660,900	7,215,975	7,215,975	7,215,975	7,215,975
9. Mrs. Napatsorn Kitaphanich	7,017,676	5,612,641	5,612,641	5,612,641	5,612,641	5,612,641
10. Mr. Surasak Khaoroptham	-	-	-	-	-	-
11. Mr. Wichai Srimavon	16,875	-	-	-	-	-
12. Ms. Jiraporn Srisomwong	1,875	-	-	-	-	-
13. Mrs. Koichi Miyahara	1,250	-	-	-	-	-
14. Mr. Cheerawit Sureerattanun	1,250	-	-	-	-	-
15. Mr. Somsak Sittinanchaoen	1,250	-	-	-	-	-
16. Mr. Mongkol Saejew	1,250	-	-	-	-	-

- Information from report on securities holding of the Board of Directors as at August 26, 2013

Remunerations

The director remuneration policy has been clearly and transparently established by the Board of Directors, with the Nomination and Compensation Committee considering the policy for such directors and top management as President and Vice President. The final policy will then be proposed to the Board of Directors for consideration before presenting to the shareholders meeting for consideration and approval.

1. The Remuneration of Directors Policy and Payment Criteria

The remunerations of directors determined by the Board of Directors comprise 1) yearly director bonus 2) monthly paid remuneration and 3) remuneration paid as meeting allowance with regard to the tasks, responsibilities and performance of directors being beneficial to the Company, compared to other companies of comparable size and nature of business. Directors will receive remuneration commensurate with more duties and responsibilities assigned.

2. The Remuneration of Management Policy and Payment Criteria

The Nomination and Compensation Committee will consider and review the President's remuneration and propose it to the Board of Directors for consideration and approval. Such remuneration will be appropriately fixed based on the remuneration structure of the Company and compared to 1) surveyed information about remuneration payment by recognized institutes, organizations and entities 2) the growth rate of the gross domestic product, inflation rate and net profits 5 years backward, including his performance and consistency with the duties and responsibilities assigned.

The President will consider the suitability of determining remunerations and adjusting yearly wages of the Vice President, with consideration of his performance and Company results of operations and his attainment to the pre-defined goals.

Remunerations of Directors

1. Monthly compensation and meeting allowance

Position		Monthly Compensation		Meeting Allowance (Baht)		
		Board of Directors	Executive Board	Board of Directors	Audit and Corporate Governance Committee	Nomination and Remuneration Committee
1	Chairman	27,000	45,000	45,000	37,500	37,500
2	Vice Chairman	18,750	-	31,250	-	-
3	Other Board members	15,000	30,000	25,000	25,000	25,000

2. Bonus

2.1 The Remuneration of Board of Directors for the year ended 31 December 2013.

The Remuneration of Board of Directors in form of allowances and remuneration totally Baht 11,420,250 is as following;

Name		Bonus of 2013	Meeting Allowance (Baht)				Total
			Board of Directors	Executive Board	Audit & CG Committee	Nomination & Remuneration Committee	
1	Mr. Sansern Wongcha-um	651,590	819,000	-	-	-	1,470,590
2	Mr. Yongyuth Kitaphanich	452,490	568,750	360,000	-	-	1,381,240
3	Mr. Panja Senadisai	361,990	455,000	-	225,000	75,000	1,116,990
4	Mr. Sobson Ketsuwan	361,990	455,000	540,000	-	-	1,356,990
5	Mr. Ajarin Sarasas	361,990	455,000	-	150,000	75,000	1,041,990
6	Mr. Paitoon Taveebhol	361,990	455,000	-	150,000	112,500	1,079,490
7	Mr. Verayut Kitaphanich	361,990	455,000	270,000	-	-	1,086,990
8	Mr. Yongkiat Kitaphanich	361,990	455,000	-	-	-	816,990
9	Ms. Napatsorn Kitaphanich	361,990	455,000	-	-	-	816,990
10	Mr. Surasak Khaoroptham	361,990	455,000	360,000	-	75,000	1,251,990
Total						11,420,250	

Note: 1 Bonus was calculated from the 2013 Company's business performance but was paid in the year 2014

2.2 Other remunerations

--None--

Remunerations of Management

1. Remuneration in cash for the Company's executives in the form of salary and bonus

Units :Baht	Number of executives	2013	Number of executives	2012
Salary	8	22,020,900	8	20,947,005
Bonus	8	5,242,816	8	5,249,856
Total		27,263,716		26,196,861

- Note:
- Year 2013 consists of 8 managements are Mr. Yongkiat Kitaphanich, Mr. Wichai Srimavon, Ms. Napatsorn Kitaphanich, Mrs. Jiraporn Srisomwong, Mr. Somsak Sittinanchaoen, Mr. Mongkol Saejew, Mr. Cheerawit Sureerattanun and Mr. Bunchob Ongtanasin.
 - Year 2012 consists of 8 managements are Mr. Verayut Kitaphanich, Mr. Yongkiat Kitaphanich, Mr. Worapote Chutchaikulsiri (resigned during year), Mr. Wasant Chawajaroenpan, Mr. Wichai Srimavon, Ms. Napatsorn Kitaphanich, Mrs. Jiraporn Srisomwong and Mr. Phakorn Thongcharoen (resigned during year)

2. Other remunerations

Contributions to the Provident Fund

In 2013, the Company paid the following contributions to the Company's executives

Units : Baht	Person	2013	Person	2012
Provident Fund	8	881,176.00	8	982,948.25

- Note:
- Year 2013 consists of 8 managements are Mr. Yongkiat Kitaphanich, Mr. Wichai Srimavon, Ms. Napatsorn Kitaphanich, Mrs. Jiraporn Srisomwong, Mr. Somsak Sittinanchaoen, Mr. Mongkol Saejew, Mr. Cheerawit Sureerattanun and Mr. Bunchob Ongtanasin.
 - Year 2012 consists of 8 managements are Mr. Verayut Kitaphanich, Mr. Yongkiat Kitaphanich, Mr. Worapote Chutchaikulsiri, Mr. Wasant Chawajaroenpan, Mr. Wichai Srimavon, Ms. Napatsorn Kitaphanich, Mrs. Jiraporn Srisomwong and Mr. Phakorn Thongcharoen

Remunerations of employees

1. Number of employees as at 31 December 2013 and at 31 December 2012 of the Company and its subsidiaries are as follows;

Company	Number of (people)			
	31 December 2013		31 December 2012	
	Male	Female	Male	Female
1.Somboon Advance Technology Public Company Limited	551	179	557	178
2. Somboon Malleable Iron Industrial Company Limited	1,181	180	1,215	191
3. Bangkok Spring Industrial Co., Ltd.	446	74	465	76
4.International Casting Products Company Limited	507	58	478	60
Total	2,685	491	2,715	505

2. remunerations

Total compensation of employees of the Company and subsidiaries for the year 2014 amounts to Baht 1,315,893,249.29. an increase of Baht 1,252,089,880.32 from the previous year

The remuneration of the Company paid to employees is in the form of salary, bonus and welfare fund contributions, and other compensation. The Company and subsidiaries have set a fund on January 1, 2004.

Internal Control and Risk Management

The Board of Directors provide an internal control system to ensure that the company's finance, work and operation are compliant to laws, rules and regulations. An appropriate and adequate risk management is also provided along with an effective, counterbalanced audit process to safeguard and protect assets. There is also the internal audit office under the supervision of Mr. Visarut Boontor. The office is independent and directly reports to the Audit and Good Governance Committee. The office is also responsible for making the Audit and Good Governance Committee report that includes complete information and specifies a clear risk management policy.

In addition, to ensure the company has an adequate risk management system and a constant risk management follow-up, the Board of Directors sets up the Enterprise Risk Management Committee to oversee every aspect of risk management works and to assign employees in the operation level of each department to prepare risk management analysis through Risk Champion and report the risk management result to the Board of Directors in every quarter.

The Board of Directors' Opinion about the Internal Control System

The Board of Directors convened the 2/2014 meeting on February 21, 2014, with the attendance of the Audit and Good Governance Committee, and gave opinions on the adequacy and appropriateness of the Internal Control System by referencing the "Internal Control System Assessment Form" of the Securities and Exchange Commission.

The Audit and Good Governance Committee reported the result of the internal control and gave suggestions about the auditing process for its continuous development to achieve effectiveness and efficiency. The Committee has consistently reported the auditing result and submitted the report to the Board of Directors. From the review, the Company has a good

internal control system for asset protection, anti-corruption and good governing process. The control process is conducted according to the instruction and in compliance with the government's rules and regulations as well as the good corporate governance policy. After the discussion with the auditor, it can be concluded that the company's financial statement is done according to the accounting standard and disclose information as stipulated by laws. The auditor also consistently assesses the internal control system and follows up the corrections on the found errors. The summary of the assessment is as follows:

1. Organization and Environment

The company's objective is clear and measurable, with a business plan, annual budget and clear indicators to create values for shareholders, promote competency and quality of life for personnel. The production process, including the product design and development, is environmentally friendly, satisfactory for customers, and socially responsible. In order to improve the quality in operation, employees are also granted rewards according to the performance measured by individual scorecard and the company's profit.

In terms of the corporate governance, the company's governance structure consists of 5 committees: the Board of Directors, the Management Committee, the Audit and Good Governance Committee, the Recruitment and Remuneration Committee, and the Enterprise Risk Management Committee. Each committee has a responsibility with the shareholders to ensure that the company's business operation achieves the utmost benefits for the shareholders, remains within the morality framework and social responsibility. The committees also promote and follow up the progress of the good corporate governance and corporate social responsibility by revising the company's CG and Code of Conducts manuals as well as providing guidelines and other suggestions needed for the company's development. This year, the company also receives two "SET Awards of Honor" in Top Corporate Governance Report Awards for 5 consecutive years and in Best Corporate Social Responsibility Awards for 3 consecutive years.

For the attempt to prevent corruptions, the company declared its intention to join the Collective Action Coalition of Thailand's private sector against corruptions. The company has assessed risks involving internal corruptions and reviewed its compliance with the anti-corruption policy. The company's self-assessment result is submitted to the coalition committee for verification. As a result, the company is a verified member of the Collective Action Coalition of Thailand's private sector against corruption. The company is confident that it has adequate measures to effectively prevent and detect corruptions.

2. Risk Management

The company prioritizes the risk management policy is one of the key policies. The company has set up the Enterprise Risk Management Committee, consisting of directors and executives from each department, to assess external risk factors from the economic situation, government's policy and fluctuation of raw material prices as well as internal risk factors that can affect the company's objective and business operation. The committee also assigns a person responsible for the risk in each department and assigns the risk management task as a responsibility of every executive. There is a plan and measure to manage risks, assess risk factors that may affect the company's business operation and objectives. The committee follows up on the risk management of each department every quarter and reports to the Management Committee and the Board of Directors. The company also arranges to educate employees of all levels to understand and be aware of the importance of the continuous risk management process.

3. The Management's Operation Control

The Board of Directors sets up 4 committees – Executive Board, Audit and Corporate Governance Committee, Nomination and Remuneration Committee and Risk Management Committee- management level to perform their tasks under the scope of assigned responsibilities in controlling the operation of the management as follows:

- (1) Define the clear scope of authority and approved financial amount of the executives from every department and every level; give a written assignment for the persons to have an authority to approve financial transactions, give orders, create debts and pay debts; annually review the appropriateness of authority assignment;
- (2) Set up the operation system and approval authority that suits the nature of business and the organization's structure;
- (3) Provide the list of rules and regulations related to the company to ensure that every department strictly complies to the laws;
- (4) Assess both internal and external risk factors; follow up the execution of risk management plan.

In addition, the Audit and Good Governance Committee has reviewed and approved the annual auditing plan to cover every operation process that is highly risky. The plan is also a reassurance to all the stakeholders of the company that there is an appropriate and adequate control system for the financial operation, work operation, and compliance to the laws, rules, regulations and anti-corruption policy. The Audit and Good Governance Committee has also reviewed important issues and problems found during the auditing process and assigned the management to solve the problems and report back the result as well as the solution to prevent the same problems to happen again.

In case there is a transaction with a business or person related to the company that can cause a conflict of interest between the company and that business or that person, such transaction, just like other ordinary transactions, needs to be approved in every step according to the rules and regulations of the company. Persons related to the transaction are responsible to review that the transaction is reasonable, and done for business purposes. The utmost benefits of the company and shareholders need to be considered as if the transaction is done with an outsider and legal. Transactions that can bring a conflict of interest will not be subject for the vote of the persons connected to that particular transaction. Any information of the connected transactions will be disclosed according to laws.

The company is determined to develop the production process to reach the universal standard. The company also emphasizes on occupational safety and environmental care; as a result the company has the quality certification “ISO/TS 16949” and “ISO 14001”. An independent unit that is not related to the operation is also responsible for making sure that the operation process is conducted according to the rules and regulations. In terms of finance, procurement and recruitment, the company asks that every employee and executive follows the “Operation Manual” and “Procurement and Recruitment Manual” that contains written rules, conditions and scopes of authority in approving financial transactions, procurement and recruitment agreements. This is to ensure that any financial transaction is done with caution and free of corruptions.

4. IT System and Communication

To submit a proposal for the approval of the Board of Directors, the company will compile sufficient information that the Board can use to make a decision. The proposal will contain analytical information with comparisons of principles and reasons as well as facts. The information will be submitted 7 days in advance. The company's secretary is responsible for giving advice about rules and regulations, overseeing any activities of the Board of Directors, and follow up the execution of the resolution of the Board of Director. This office is also the center to systematically compile and collect important documents that the shareholders can use to review the performance of the Board of Directors. The documents include the director registration; the Board of Director's meeting appointment letters; the Board of Director's meeting reports, the Shareholders' meeting appointment letters; the Shareholders' meeting reports.

The company also compiles and categorizes every accounting document for the sake of transparency and reference in the company's operation. The company is never notified by the auditor of any error in this matter.

The Audit and Good Governance Committee has worked with the auditors, the internal audit office and related parties to make the company's financial statement in every quarter to ensure that the company has followed the accounting policy that is acceptable and suitable for the nature of the company's business and that there is an appropriate information disclosure.

5. Follow-up System

The company has consistently followed up the operation results to make sure that the operation has achieved the objectives. In 2013 there were 9 meetings for the Board of Directors. The follow-up system is done hierarchically – from the Board of Directors, the Management Committee, and the executives – to monitor the objectives and govern the execution of the strategic plans and projects in the company's annual business plan that has been approved by the Board of Directors. The follow-up system will be used to solve any problem that may occur and adjust the operation plan to suit the changes in situations. If it is found that the operation is different from the defined plan, a person will be assigned to review the operation and find the cause of the problem so that a solution can be discussed and approved the operation result is consistently reported.

The company has arranged to have the internal control system consistently executed by the people from the department responsible for the internal control system. The internal audit office will audit the internal control process and independently report the result to the Audit and Good Governance Committee. In 2013 the Audit and Good Governance Committee convened a total of 6 meetings.

11.2 Information of the Head of Internal Audit Department

The company has appointed Mr. Visarut Boontor the head of the Internal Audit Department, effective on January 1, 2005. Currently, he holds the position of the Assistant General Manager of the company's internal audit office. Mr. Boontor has qualifications, knowledge and experiences in the internal audit and control system, financial reports, accounting and securities and exchange laws. He also understands the company's activities and operations. Therefore, he is appropriate to perform his duties that include:

1. Act as the head of "internal auditors" that are responsible for executing the charter of internal auditors approved by the Audit and Good Governance Committee;
2. Act as the secretary of the Audit and Good Governance Committee who convenes the meeting of the committee and prepares the meeting agendas and minutes.

Brief Profile of the Head of Internal Audit Department

- Mr. Visarut Boontor
- Master of Accounting, Chulalongkorn University
- Work Experiences
 1. 1994-2004 Business Investment Supervision Department, the Securities and Exchange Commission
 2. 2005 – present the Assistant General Manager of the Internal Audit Office, Somboon Advanced Technology Pcl.
- Qualifications: knowledgeable and experienced in the auditing of internal control system, financial reports, accounting and securities and exchange laws.

Related Transaction

The Company and its subsidiaries related transactions with person(s) who would have been involved in the dispute during the year 2012 and 2013 were as follows;

Somboon Malleable Iron Industrial Co., Ltd. (SBM)

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2012	2013	
List of ordinary transactions			
1. SAT sold scraps material to SBM	-	1.61	Market price/ to increase income to SAT by selling scraps material which was normal loss from the production
2. SAT sold Semi-finished products to SBM	-	50.89	market price
3. SAT was the short-term loan lender of SBM	110.00	-	According to loan agreement
4. SAT received interest of loan from SBM	12.05	5.82	According to loan agreement
5. SAT paid utilities fee for SBM	0.01	0.19	Price was close to the Cost/ SAT used utilities of SBM
6. SAT received utilities payment from SBM	20.47	22.29	Price was close to the Cost/ SBM used utilities of SAT
7. SAT received management fee from SBM	65.66	72.79	Price was close to the Cost/ Services for SBM

Remark: Item 1 – 7 are the items indicated in the notes for financial statement.

Bangkok Spring Industrial Co., Ltd. (BSK)

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2012	2013	
List of ordinary transactions			
1. SAT paid utilities fee for BSK	1.41	4.51	Price was close to the Cost/ SAT used utilities of BSK
2. SAT received utilities payment from BSK	0.38	2.55	Price was close to the Cost/ BSK used utilities of SAT
3. SAT received management fee from BSK	58.72	68.96	Price was close to the Cost / Services for BSK

Remark: Item 1 – 3 are the items indicated in the notes for financial statement.

International Casting Products Co., Ltd. (ICP)

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2012	2013	
List of ordinary transactions			
1. SAT sold scraps material to ICP	-	4.43	Market price/ to increase income to SAT by selling scraps material which was normal loss from the production
2. SAT was the short-term loan lender of ICP	200.00	200.00	According to loan agreement
3. SAT received interest of loan from ICP	7.86	7.80	According to loan agreement
4. SAT received management fee from ICP	54.98	59.15	Price was close to the Cost/ ICP used utilities of SAT
5. SAT received utilities payment from ICP	-	1.64	Price was close to the Cost/ ICP used utilities of SAT

Remark: Item 1 – 5 are the items indicated in the notes for financial statement.

SBG International Japan Co., Ltd. (SIJ)

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2012	2013	
List of ordinary transactions			
1. SAT was the short-term loan lender of SIJ	30.00	40.00	According to loan agreement
2. SAT received interest of loan from SIJ	0.87	1.58	According to loan agreement
3. SAT received utilities payment from SIJ	-	0.36	Price was close to the Cost/ SIJ used utilities of SAT
4. SAT paid utilities fee for SBM	-	2.32	Price was close to the Cost/ SAT used utilities of SIJ

Remark: Item 1 – 4 are the items indicated in the notes for financial statement.

Somboon Forging Technology Co., Ltd. (SFT)

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2012	2013	
List of ordinary transactions			
1. SAT received interest of loan from SFT	-	0.19	According to loan agreement
2. SAT received utilities payment from SFT	0.20	0.29	Price was close to the Cost/ SFT used utilities of SAT

Remark: Item 1-2 is the items indicated in the notes for financial statement.

Suchiyoshi Somboon Coated Sand Co., Ltd.

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2012	2013	
List of ordinary transactions			
1. ICP sold dry sand from Suchiyoshi Somboon Coated Sand Co., Ltd.	38.45	35.70	Price was close to the Cost/ purchase from time to time in the production.

Remark: Item 1 is the items indicated in the notes for financial statement.

Report of the Nomination and Remuneration Committee

Nomination and remuneration committees consists all of independent directors. Mr. Paitoon Taveebhol, acts as the chairman of the Nomination and Remuneration committee and there is independent committee acting as Nomination and Remuneration committee including Mr. Panja Senadisai, Mr. Surasak Khaoroptham and Mr. Ajarin Sarasas with the position of 3 years effective as of 1 January, 2013.

In the year 2013, Nomination and Remuneration committee has arranged 3 meetings. Every committee has joined every meeting in order to follow and consider important matters that have been assigned from the company directors as follows.

1. Review the roles, duty and responsibility of Nomination and Remuneration committee.
2. Review the policy involved the Nomination and Remuneration committee including important criteria as follows.
 - 2.1 Nomination and appointment criteria of executives.
 - 2.2 The criteria to adjust wage so that it is suitable for the economic condition and the industrial trend including minimum wage according to the policy of the government.
 - 2.3 The criteria of paying motivational reward for personnel and executives in order to be consistent with remuneration of other company in the same industry.
 - 2.4 Adjust the structure of remuneration and other benefits of director in order to be consistent with the responsibility and work operating procedure of director.
 - 2.5 Review policies and guidelines for remuneration of directors to achieve a reasonable.
 - 2.6 To study a good practice of director in order to specify role, duty and responsibility of the Board of Director regarding retirement of director, position term of director and rotation position of sub-committee.
 - 2.7 To open an opportunity for shareholders to propose agenda and propose name of people to be director replacing those retired by rotation.



(Mr. Paitoon Taveebhol)

Chairman of the nomination and remuneration committee

Board of Directors' Responsibility for Financial Reporting

The management has prepared the financial statement ended on December 31, 2013 according to the generally certified accounting standard by choosing to use the appropriate and regularly used policy including using judgment carefully and reasonably in preparation of financial statement and disclose the important information adequately in the remarks of the financial statement.

The board of directorse realized the responsibility for supervising the financial report to be efficient by appointing an audit and corporate governance committee consisting of qualified persons to be responsible for supervision of the quality of the financial report to be accurate and complete, using appropriate and regularly used policy including validation to have the company got sufficient and appropriate internal control system and participation in evaluation of risk for the company. In order to protect and reduce risks which may occur from fraudulent or abnormal operation significantly and adequacy to maintain the company asset.

From the practical methods and supervision mentioned above, the committee agreed that the financial of Somboon Advance Technology Public Company Limited as at December 31, 2013 has shown the financial statement and operational results correctly, reliably, compliance with the generally certified accounting standard and practiced in accordance with the laws and related regulations.



Mr. Sansern Wongcha-um
Chairman



Mr. Yongkiat Kitaphanich
President

Report of the Audit and Corporate Governance Committee

To: *Shareholders of Somboon Advance Technology Public Co., Ltd.*

The Audit Committee consists 3 independent qualified members where one of them in the Committee is knowledgeable and experienced in accountancy. Audit Committee performs duties in accordance with the scope of their responsibilities assigned by the Company Board of Directors which is compatible with the Capital Market Commission Notification and Requirements of the Stock Exchange of Thailand.

In 2013, the Audit Committee held a total of 6 meetings and regularly reported to the Company Board of Directors the operational result every quarters. Each Audit Committee member attended the meetings detailed as follows:

Mr. Panja Senadisai	Chairman of Audit Committee	attending	6/6 meetings
Mr. Paitoon Taveebhol	Member of Audit Committee	attending	6/6 meetings
Mr. Ajarin Sarasas	Member of Audit Committee	attending	6/6 meetings

In some meeting, the Audit Committee jointly made discussions with President for Administration, Auditor and Internal Auditor in accordance with the reasonable Agenda in the meeting every time. The Audit Committee made a report and expressed their opinions and gave recommendations independently which can be materially concluded as follows:

Accuracy, Completeness and Reliability of Financial Report:

Verifications on Quarterly Financial Statements and Annual Financial Statements of 2013, shall made jointly with the Management and Auditor in order to give the approval on the Financial Statements which are made correctly an reasonably in the material contents according to the generally accepted accounting principle and the disclosures of significant data, connected transactions and the transactions which may cause the conflict of interest shall be fully, adequately and reliably verified including discussions specifically with the Auditor without the Management taking part in shall be held in order to get the first hand information on the problem issue found consequently as a result of the account audits as well as considering and submitting opinions to the Audit Department and result of the audits of the Auditor prior to submitting them to the Company Board of Directors for further considerations.

Internal Control system and Internal Audit:

Monitoring controls over the internal audit work to conform with the professional standard by using the method of risk assessment and Internal Control System in accordance with COSO Standard as well as considering the giving of an approval on the Annual Accounting Audit Work Plan which has been made by considering from various business risk factors including Manpower Rate and Personnel Development Plan. In considering the result of the audits, recommendations were given to both the Internal Audit Department and the Management so that both outfits can make use of them in improving the duty performances as well as making a consideration and providing supports on the manpower rate and personnel development continuously.

The Audit Committee has considered the audit result in accordance with the Audit Plan, particularly, on the significant matter according to the Annual Audit Plan together with making the observation remarks and presenting the significant matter to the Company Board of Directors in order that the Management can be followed to accelerate the improvements on duty performances in accordance with the issues found by the Internal Auditor.

Compliance with the Requirements and Related Law:

The Audit Committee has constantly made verifications to ensure the Company's compliances with the Law on Securities and Exchange, the Requirements of the Stock Exchange of Thailand and the Law relating to the company's business and is of the view that the transactions compellingly required the Company to comply with the Law on Securities and Exchange, the Requirements of the Stock Exchange of Thailand and the Law relating to the company's business which have been verified are sufficient and the Management is assigned to make the follow-ups on the significant substances on the promulgation of the Securities and Exchange Notification and report back to the Committee information and close consideration.

Compliance with Corruption Prevention Measure

In the past year the company declared its intention to join the Collective Action Coalition of Thailand's private sector against corruptions. The company has assessed risks involving internal corruptions and reviewed its compliance with the anti-corruption policy. The company's self-assessment result is submitted to the coalition committee for verification. As a result, the company is a verified member of the Collective Action Coalition of Thailand's private sector against corruption. Nonetheless, this does not translate to the company being completely free of corruptions; the Audit Committee is however confident that the company has adequate measures to effectively prevent and detect corruptions.

Disclosure of Connected Transactions:

Inter-transactions shall be considered and data on connected transactions disclosed in the Note to the Annual and Quarterly Financial Statements as well as expressing the independent opinions on the transactions on the acquisitions and dispositions of the assets in the investments in various important Projects of the Company and its Subsidiaries.

Selection and Nomination for Appointment of Auditor:

The Audit Committee has considered the Company's operational result of the past year. KPMG Poomchai Audit Limited performing duty as the Auditor of the Company and its Subsidiaries is of the opinion that operational results of the Company and its Subsidiaries are somewhat satisfactory. In the joint meeting, the Auditor reported the defect of the Internal Control System found including ways of practical performances in accordance with the accounting standard, to the Audit Committee every quarter. It is, therefore, expedient that a recommendation be made to the Company Board of Directors to propose to the General Shareholders Meeting in order to obtain the approval of the Meeting to appoint Mr. Ekkasit Chuthammasatid, Mr. Charoen Phosamritlert, Mr. Veerachai Rattanacharaskul and Mrs. Manchupa Singsuksawat of KPMG Poomichai Audit Limited to be the Auditors of the Company and its Subsidiaries for the Year 2014 at the total remuneration amount when summing up with those of the Subsidiaries of 3,924,000 Baht which, in this respect, the Auditors will not provide the other services the companies in the Group.

Corporate Governance:

Promoting and making follow-ups on the progress of corporate governance Development Process and Corporate Social Responsibility; the consideration on the improvements of CG Manual and the Code of Conducts including giving the guidelines and other recommendations necessary for the developments which, in this year, the Company has been bestowed upon the SET Awards of Honors, Excellent Company on Corporate Governance Report for a consecutive period of 4 years and The Best Corporate Social Responsibility Awards of 3 years.

Risk Management:

Monitor controls over Risk Management System of the Company to avail the Risk Management Process in a suitably systematic standard with the efficiency and effectiveness by taking the Risk Management Result Report over the past year as the basis into consideration and give the recommendations on the overall improvements including the point of view on various risks.

Opinion on Duty Performance in compliance with the Charter of the Audit Committee:

Deriving from self-evaluation of Audit Committee of the Year 2013 on 10 January 2014, Audit Committee had verified its overall duty performances on the verifications on the preparation of Financial Statements, on Internal Control and Risk Management, on the Company's compliance with the law relating to the Company's business, the selection and nomination for the appointments of the Audits, considerations on connected transactions or the transactions which may cause the rising of the conflict of interest, the Audit Committee Report preparations where the evaluation can be concluded that the Audit Committee has absolutely fulfilled its duty performances.

Audit Committee is of the opinion that the Company has availed the appropriate and reliable preparation process and data disclosure in Financial Report including the sufficient Risk Management and Internal Control System with continuous developments in order to support the Company to have well sustainable of good governance.



Mr. Panja Senadisai

Audit and Corporate Governance Committee

18 February 2013

Management's Discussion and Analysis of the Consolidated Financial Statements

Explanation and analysis of financial status and work operating result

The company and subsidiaries have operated the business of Automotive manufacturing parts. The main income of the company group is from selling automotive parts such as Axle shaft, leaf spring, drum brake, stabilizer bar, coil spring etc. The sale is for car makers manufacturer (Original - Equipment Manufacturer) inside the country mostly. In the assembly of last year it has increased 3,300 units or 0.1% which the selling amount of the company has decreased from the last year for 5%. of cars in the trucks with the composite lower than last year.

Profit and loss analysis

Profit Analysis

In the year 2013 and 2012 the company has total income of 9,318 million baht and 9,590 million baht (accordingly) which has decreased 272 million baht or 3%. The net income from selling goods and service of the year 2013 is 8,973 million baht and 9,410 million baht (accordingly), decreased by Baht 436 million baht or 5% of volume sales decline in the second half according to automotive industry condition begun from the end measures the first car program from government. The majority of the truck is the main income of the company. With volume car production decreased from last year by 119,339 units, or about 8 percent in the second part of other income. Reversal of allowance for loss on impairment of assets of 121 million baht, including the profit from the land for sale 47 million baht.

Cost and expense Analysis

Selling and Service Cost

In the year 2013 and 2012, the company has the total selling and service cost of 7,404 million baht and 7,926 million baht (accordingly) which has decreased 522 million baht or 7%. The rate of cost of sales and service sales in 2013 was 83% or decreased 2% from improving the production process to maximize efficiency and control variable in accordance with the current situation of automotive industry. Result the ratio of gross margin improved from the same period last year, accounted for 2 or 17 percent of sales

The expense from selling and service

The company has the expense in the selling and service of management in the year 2013 in the amount of 734 million baht which has increased from last year 93 million baht or 15% from the cost on staff and depreciation increases from expanding organization structure to support the growth of the company.

Corporate Income Tax

In the year 2013, the company has corporate income tax of 85 million baht which has increased from last year in the amount of 15 million baht or 21% because of the operation result that the investment promotion expired during the year.

Profit from the work operation

The company's operating profit, excluding shares of profit from investment in joint venture, from reversing entry of the allowance for impairment of assets, is in the amount of 121 million baht. Financial expense and corporate income tax in the year 2013 equals 1,058 million baht, an increase from the previous year by 35 million baht or 3%. The rise is due to the management of variable cost to respond to the current situation of automobile industry.

Net profit

The company's net profit is in the amount of Baht 966 million, an increase from the previous year by Baht 163 million or 20%. The main cause is from the reversing entry of the allowance for impairment of plant and equipment in the amount of Baht 121 million and from the profit of investment properties for sale in the amount of Baht 47 million.

Financial status analysis**Property**

The company's total assets according to the consolidated financial statement as at December 31, 2013 and December 31, 2012 equal Baht 9,923 million and Baht 9,421 million (respectively). Total assets increase by Baht 502 million or 5% because of the additional land, plant and equipment used for new investment projects to enhance production capacity for customers' demands in the future.

- *Trading customers*

The company has net trade receivables as at December 31, 2013 in the amount of Baht 1,220 million and in the amount of Baht 1,576 million as at December 31, 2012. The decrease of Baht 356 million comes from the selling amount towards the end of the year is lower than the paid balance.

- *Investment money*

According to the consolidated financial statement as at December 31, 2013, the company's net investment capital in related companies amounts to Baht 208 million. The investment was made in Yamada Somboon Co., Ltd., Suchiyoshi Somboon Coated Sand Co., Ltd., Nishinbo Somboon Automotive Co., Ltd., and Somboon Somic Manufacturing Co., Ltd. The company's investment capital in the aforementioned companies is in the amount of Baht 73 million.

- *Land, building and equipment*

The company's net property, plant and equipment as at December 31, 2013 is in the amount of Baht 6,391 million and in the amount of Baht 5,739 million in 2012. The increase of Baht 653 million or 12% is the result of the company and subsidiary's investment in adding Axle shaft production line Baht 498 million, Coil spring production line Baht 154 million, and stabilizer bar production line Baht 132 million. The investment is made to enhance production capacity for the future demands of customers and to build a new plant of the subsidiary for the molding production line Baht 316 million and Somboon Learning Academy for Staffs development Baht 71 million.

In 2013 the company and subsidiary changed its accounting policy for property, plant and equipment account to cost method. Consequently, the capital surplus from appraisals and property and plant account decreased in 2013 and 2012 in the amount of Baht 585 and 594 million (respectively).

Debt

As at December 31, 2013 the company's total liabilities equal Baht 5,050 million. The short-term liabilities equal Baht 2,192 million and long-term liabilities equal Baht 2,858 million, which decrease from the previous year by Baht 222 million or 4%. The decrease is from the paid-up investment to enhance production capacity of the plants and the paid-up cost of raw materials. The decrease is divided into trade account payables and trust receipts drop by Baht 345 million and assets payable drop by Baht 87 million. However, liabilities from bank loans increase by Baht 168 million. During the year, the company's borrowings total Baht 691 million and long-term loan is repaid in the amount of Baht 526 million.

Part of Shareholders

- Capital structure

The company's shareholders' equity as at December 31, 2013 equals Baht 4,873 million, an increase by Baht 724 million from the year ended December 31, 2012 of which the shareholders' equity equals Baht 4,149 million. This is the result of the interim operating profit.

The company's profit appropriation in 2012 includes dividends for 2012 operating results at the rate of Baht 0.97 per share, with the total of Baht 329.8 million. The paid dividend is from the business that is supported by BOI in the whole amount. Anyhow, interim dividends were paid on August 9, 2012 at the rate of Baht 0.30 per share, or the total of Baht 102.0 million. The remaining at the rate of Baht 0.67 per share, therefore, is paid as share dividends to shareholder at the rate of 4 original shares per 1 dividend share at the par value of Baht 1 per share and cash dividend at Baht 0.42 per share, or the total of Baht 227.8 million. The cash dividends were paid to shareholders on May 15, 2013.

As a result, as at December 31, 2013, the company's capital structure consists of the total liabilities in the amount of Baht 5,050 million, and the shareholders' equity in the amount of Baht 4,872 million – the debt-to-equity ratio is approximately 1.04 times.

Analysis of Cash Flow Statement

According to the consolidated financial statement as at December 31, 2013 and December 31, 2012, the company's net cash flow from operating activities amounts to Baht 1,855 million and Baht 1,768 million (respectively). Net cash flow from investing activities amounts to Baht 1,312 million and Baht 1,096 million (respectively). This is the result of the company and subsidiary investment in half axle production lines worth Baht 498 million, Coil spring production line Baht 154 million and stabilizer bar production lines worth Baht 132 million in order to enhance production capacity for future demands. The investment is made to enhance production capacity for the future demands of customers and to build a new plant of the subsidiary for the molding production line worth Baht 316 million and Somboon Learning Academy for Staffs development Baht 71 million. Cash flows increase (decrease) from financing activities amount to Baht (283) million and Baht (324) million (respectively), which is the result of the repaid long-term loan for investment project in the amount of Baht 526 million and the total cash dividends in the amount of Baht 249 million.

Main factors and influence that might affect the work operation or financial status in the future

The overall automobile market in 2013 does not achieve the target because buyers slowed down on new car purchasing due to the government's first car policy from the previous year and the political unrest in the country towards the end of the year. The selling amount of automobiles in the country equals 1.3 million cars while exported automobiles total 1.1 million cars. In 2013, the country's automobile industry is ranked at number 9 in the world. Thailand remains the base for pick-up truck manufacture for export worldwide. As a result, the manufacturing of automobiles and parts continues to grow. In addition, the ASEAN Economic community (AEC) will be another reinforcement that drives automobiles and parts manufacturing because of the increasing investment in this industry. Because of the above factors, in 2014, the company makes preparations to respond to both external and internal factors. The company invests in new technology and machines, revises its strategic planning to increase its market share in ASEAN market, invest in R&D projects to increase product value, and enhance production quality and engineering design to be cost competitive. At the same time, the company has managed its human resources based on "3 Somboon Sangsomedue Program" for the sustainable growth of the company.

**Somboon Advance Technology Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2013
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Somboon Advance Technology Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Somboon Advance Technology Public Company Limited and its subsidiaries (the "Group"), and of Somboon Advance Technology 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 equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

Without qualifying my opinion, I draw attention to notes 2 and 3 to the financial statements describing the effect of the Company's adoption of certain new accounting policies and changes in its accounting policy for property, plant and equipment from 1 January 2013. The corresponding figures presented are based on the audited consolidated and separate financial statements as at and for the year ended 31 December 2012, after making the adjustments described in notes 2 and 3.

(Ekkasit Chuthamsatid)
Certified Public Accountant
Registration No. 4195

KPMG Phoomchai Audit Ltd.
Bangkok
21 February 2014

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated			Separate		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
(in Baht)							
Current assets							
Cash and cash equivalents	6	1,074,580,898	814,630,276	467,219,092	461,947,815	341,569,023	156,213,631
Trade accounts receivable	5, 7	1,220,063,288	1,576,126,793	875,154,059	465,687,865	522,214,318	246,107,775
Other receivables - related parties	5, 8	-	138,400	128,400	44,123,696	42,045,392	33,308,359
Short-term loans to subsidiaries	5	-	-	-	240,000,000	340,000,000	540,000,000
Inventories	9	580,299,210	610,908,331	716,734,494	106,789,984	159,793,987	169,760,293
Spare parts for machinery		57,526,139	59,378,106	59,992,359	16,189,064	25,511,870	25,873,730
Other receivables	8	14,560,250	30,644,354	33,664,548	6,168,591	10,333,991	19,466,816
Other current assets		56,846,815	72,012,896	68,792,504	3,712,250	6,350,960	3,941,309
Total current assets		3,003,876,600	3,163,839,156	2,221,685,456	1,344,619,265	1,447,819,541	1,194,671,913
Non-current assets							
Investments in subsidiaries	10	-	-	-	2,451,554,702	2,301,554,702	1,861,560,952
Investments in associates	11	180,866,982	153,199,815	144,950,766	-	-	-
Other long-term investments	12	26,651,146	26,651,146	26,651,146	-	-	-
Investment properties	13	63,167,000	101,345,000	101,345,000	-	-	-
Property, plant and equipment	14	6,391,771,143	5,738,850,985	5,447,227,383	1,692,224,263	1,304,626,712	1,250,532,118
Spare parts for machinery		98,424,823	85,815,393	60,309,569	47,468,817	38,246,393	24,579,634
Deposits for purchase of land		9,780,488	9,780,488	-	9,780,488	9,780,488	-
Goodwill on business combination		17,934,556	17,934,556	17,934,556	-	-	-
Intangible assets	15	56,278,068	59,331,001	63,930,433	19,609,233	23,652,337	25,728,274
Deferred tax assets	16	25,184,549	18,820,111	16,744,535	3,098,957	3,081,634	3,194,821
Other non-current assets		48,841,370	45,109,425	47,651,334	5,604,317	9,168,042	9,457,477
Total non-current assets		6,918,900,125	6,256,837,920	5,926,744,722	4,229,340,777	3,690,110,308	3,175,053,276
Total assets		9,922,776,725	9,420,677,076	8,148,430,178	5,573,960,042	5,137,929,849	4,369,725,189

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated			Separate		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
(in Baht)							
Current liabilities							
Bank overdrafts	17	12,204	-	-	-	-	-
Short-term loans from financial institutions - trust receipts	17	2,130,634	25,292,583	141,353,814	-	-	-
Trade accounts payable	5, 18	1,133,255,196	1,455,382,882	921,478,778	388,488,453	482,473,225	269,644,694
Other payable - related parties	5	-	-	-	5,180,708	3,346,815	486,102
Current portion of long-term loans from financial institutions	17	572,078,721	531,058,074	373,288,900	226,463,230	170,102,473	155,311,717
Current portion of finance lease liabilities	17	2,643,953	23,069,214	16,841,169	353,698	333,407	333,912
Accounts payable - purchase of assets		101,027,859	187,966,802	203,201,854	1,551,577	16,145,251	935,031
Income tax payable		51,089,033	17,335,747	29,528,753	11,382,485	-	17,059,851
Other current liabilities	19	330,098,044	310,808,833	179,458,327	96,549,442	97,672,280	43,846,950
Total current liabilities		2,192,335,644	2,550,914,135	1,865,151,595	729,969,593	770,073,451	487,618,257
Non-current liabilities							
Long-term loans from financial institutions	17	2,700,730,848	2,574,133,309	2,628,132,694	978,702,903	862,820,415	916,358,548
Finance lease liabilities	17	-	2,643,953	25,713,167	-	353,698	687,104
Account payable for land purchase		-	-	11,354,000	-	-	-
Employee benefit obligations	20	154,404,774	143,311,119	116,065,580	47,348,443	51,552,001	53,625,047
Other non-current liabilities		2,595,753	590,995	2,279,375	2,358,479	327,060	1,987,173
Total non-current liabilities		2,857,731,375	2,720,679,376	2,783,544,816	1,028,409,825	915,053,174	972,657,872
Total liabilities		5,050,067,019	5,271,593,511	4,648,696,411	1,758,379,418	1,685,126,625	1,460,276,129

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated			Separate		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
(in Baht)							
Equity							
Share capital	22						
Authorised share capital		426,711,809	341,723,287	341,723,287	426,711,809	341,723,287	341,723,287
Issued and paid-up share capital		424,945,994	339,923,287	339,923,287	424,945,994	339,923,287	339,923,287
Premium on ordinary shares	22	712,682,809	711,432,209	711,432,209	712,682,809	711,432,209	711,432,209
Rights for employee stock option plan	21	6,871,234	725,654	-	6,871,234	725,654	-
Retained earnings							
Appropriated	23						
Legal reserve		55,671,181	39,175,809	34,000,000	42,671,181	34,175,809	34,000,000
Unappropriated		3,672,263,018	3,057,452,723	2,414,172,181	2,628,409,406	2,366,546,265	1,824,093,564
Other components of equity							
Foreign currency translation differences		275,470	373,883	206,090	-	-	-
Total equity		4,872,709,706	4,149,083,565	3,499,733,767	3,815,580,624	3,452,803,224	2,909,449,060
Total liabilities and equity		9,922,776,725	9,420,677,076	8,148,430,178	5,573,960,042	5,137,929,849	4,369,725,189

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of income

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012 (Restated)	2013	2012 (Restated)
(in Baht)					
Revenues					
Revenue from sale of goods and rendering of services	5	8,973,395,413	9,409,555,598	2,950,261,921	3,145,327,669
Dividend income	5, 10	2,996,250	1,966,246	54,078,856	100,357,877
Interest income	5	2,360,172	2,346,683	16,410,559	21,959,103
Net foreign exchange gain		-	21,896,558	4,644,021	2,917,212
Reversal of allowance for impairment loss on plant and equipment		121,078,819	-	37,583,107	-
Other income	5	218,134,548	154,658,139	267,710,213	253,448,243
Total revenues		9,317,965,202	9,590,423,224	3,330,688,677	3,524,010,104
Expenses	26				
Cost of sale of goods and rendering of services		7,404,067,679	7,926,011,376	2,229,664,717	2,388,979,187
Selling expenses		132,893,837	139,021,005	28,914,265	33,980,820
Administrative expenses		588,233,313	501,896,416	383,801,329	350,864,346
Net foreign exchange loss		13,329,176	-	-	-
Total expenses		8,138,524,005	8,566,928,797	2,642,380,311	2,773,824,353
Share of profit of investment					
Associates	11	28,903,167	10,514,049	-	-
Profit before finance cost and income tax expense		1,208,344,364	1,034,008,476	688,308,366	750,185,751
Finance costs		(157,261,889)	(160,031,214)	(55,541,909)	(54,262,511)
Profit before income tax expense		1,051,082,475	873,977,262	632,766,457	695,923,240

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012 (Restated)	2013	2012 (Restated)
Income tax expense	27	(84,983,600)	(70,447,019)	(31,074,526)	(17,338,013)
Profit for the year		966,098,875	803,530,243	601,691,931	678,585,227
Earnings per share					
Basic earnings per share	29	2.27	1.89	1.42	1.60

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012 (Restated)	2013	2012 (Restated)
(in Baht)					
Profit for the year		966,098,875	803,530,243	601,691,931	678,585,227
Other comprehensive income					
Actuarial gain (loss) from defined benefit plan					
benefit plan	20	(1,305,375)	(21,907,743)	2,862,016	13,184
Foreign currency translation					
differences		(98,413)	167,793	-	-
Income tax on other comprehensive income	16	520,138	2,805,178	(188,607)	(696)
Other comprehensive income for the year		(883,650)	(18,934,772)	2,673,409	12,488
Total comprehensive income for the year - net of tax		965,215,225	784,595,471	604,365,340	678,597,715

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements										
	Note	Issued and paid-up share capital	Additional paid-in capital	Rights for employee stock option plan	Retained earnings		Other components of equity			Total equity
					Legal reserve	Unappropriated	Foreign currency translation differences	Revaluation surplus on assets		
								the Company	subsidiaries	
(in Baht)										
Year ended 31 December 2012										
Balance at 1 January 2012 - as reported		39,923,287	11,432,209	-	34,000,000	2,492,554,235	206,090	58,619,967	545,531,864	4,182,267,652
Impact of changes in accounting policies										
- Deferred income tax	3	-	-	-	-	16,744,535	-	-	-	16,744,535
- Property, plant and equipments	3	-	-	-	-	(95,126,589)	-	(58,619,967)	545,531,864	(699,278,420)
Balance at 1 January 2012 - restated		339,923,287	711,432,209	-	34,000,000	2,414,172,181	206,090	-	-	3,499,733,767
Transaction with owners, recorded directly in equity										
Contributions by and distributions to owners of the Company										
Dividends to owners of the Company	30	-	-	-	-	(135,971,327)	-	-	-	(135,971,327)
Rights for employee stock option plan	21	-	-	725,654	-	-	-	-	-	725,654
Total transactions with owners, recorded directly to equity		-	-	725,654	-	(135,971,327)	-	-	-	(135,245,673)
Comprehensive income for the year										
Profit - restated		-	-	-	-	803,530,243	-	-	-	803,530,243
Other comprehensive income										
- Actuarial loss from defined benefit plan - net of tax		-	-	-	-	(19,102,565)	-	-	-	(19,102,565)
- Other		-	-	-	-	-	167,793	-	-	167,793
Total comprehensive income for the year - net of tax		-	-	-	-	784,427,678	167,793	-	-	784,595,471
Transfer to legal reserve	23	-	-	-	5,175,809	(5,175,809)	-	-	-	-
Balance at 31 December 2012		339,923,287	711,432,209	725,654	39,175,809	3,057,452,723	373,883	-	-	4,149,083,565

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements										
	Note	Issued and paid-up share capital	Additional paid-in capital	Rights for employee stock option plan	Retained earnings		Other components of equity			
					Legal reserve	Unappropriated	Foreign currency translation differences	Revaluation surplus on assets		Total equity
								the Company	subsidiaries	
Year ended 31 December 2013										
Balance at 31 December 2012 - as reported		339,923,287	711,432,209	725,654	39,175,809	3,145,262,801	373,883	56,418,431	537,913,298	4,831,225,372
Impact of changes in accounting policies										
- Deferred income tax	3	-	-	-	-	18,820,111	-	-	-	18,820,111
- Property, plant and equipments	3	-	-	-	-	(106,630,189)	-	(56,418,431)	(537,913,298)	(700,961,918)
Balance at 31 December 2012 - restated		339,923,287	711,432,209	725,654	39,175,809	3,057,452,723	373,883	-	-	4,149,083,565
Transaction with owners, recorded directly in equity										
Contributions by and distributions to owners of the Company										
Issue of ordinary shares	22, 30	85,022,707	-	-	-	(84,988,907)	-	-	-	33,800
Premium on ordinary shares		-	1,250,600	-	-	-	-	-	-	1,250,600
Dividends to owners of the Company	30	-	-	-	-	(249,019,064)	-	-	-	(249,019,064)
Rights for employee stock option plan	21	-	-	6,145,580	-	-	-	-	-	6,145,580
Total transactions with owners, recorded directly to equity		85,022,707	1,250,600	6,145,580	-	(334,007,971)	-	-	-	(241,589,084)
Comprehensive income for the year										
Profit - restated		-	-	-	-	966,098,875	-	-	-	966,098,875
Other comprehensive income										
- Actuarial loss from defined benefit plan - net of tax		-	-	-	-	(785,237)	-	-	-	(785,237)
- Others		-	-	-	-	-	(98,413)	-	-	(98,413)
Total comprehensive income for the year - net of tax		-	-	-	-	965,313,638	(98,413)	-	-	965,215,225
Transfer to legal reserve	23	-	-	-	16,495,372	(16,495,372)	-	-	-	-
Balance at 31 December 2013		424,945,994	712,682,809	6,871,234	55,671,181	3,672,263,018	275,470	-	-	4,872,709,706

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements								
	Note	Issued and paid-up share capital	Additional paid-in capital	Rights for employee stock option plan	Retained earnings		Revaluation surplus on assets the Company	Total equity
					Legal reserve	Unappropriated		
(in Baht)								
Year ended 31 December 2012								
Balance at 1 January 2012 - as reported		339,923,287	711,432,209	-	34,000,000	1,851,988,141	58,619,967	2,995,963,604
Impact of changes in accounting policies								
- Deferred income tax	3	-	-	-	-	3,194,820	-	3,194,820
- Property, plant and equipments	3	-	-	-	-	(31,089,397)	(58,619,967)	(89,709,364)
Balance at 1 January 2012 - restated		339,923,287	711,432,209	-	34,000,000	1,824,093,564	-	2,909,449,060
Transaction with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Dividends to owners of the Company	30	-	-	-	-	(135,969,205)	-	(135,969,205)
Rights for employee stock option plan	21	-	-	725,654	-	-	-	725,654
Total transactions with owners, recorded directly to equity		-	-	725,654	-	(135,969,205)	-	(135,243,551)
Comprehensive income for the year								
Profit - restated		-	-	-	-	678,585,227	-	678,585,227
Other comprehensive income								
- Actuarial gain from defined benefit plan								
net of tax		-	-	-	-	12,488	-	12,488
Total comprehensive income for the year - net of tax		-	-	-	-	678,597,715	-	678,597,715
Transfer to legal reserve	23	-	-		175,809	(175,809)	-	-
Balance at 31 December 2012		339,923,287	711,432,209	725,654	34,175,809	2,366,546,265	-	3,452,803,224

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements								
	Note	Issued and paid-up share capital	Additional paid-in capital	Rights for employee stock option plan	Retained earnings		Revaluation surplus on assets the Company	Total equity
					Legal reserve	Unappropriated		
(in Baht)								
Year ended 31 December 2013								
Balance at 31 December 2012 - as reported		339,923,287	711,432,209	725,654	34,175,809	2,398,018,346	56,418,431	3,540,693,736
Impact of changes in accounting policies								
- Deferred income tax	3	-	-	-	-	3,081,633	-	3,081,633
- Property, plant and equipments	3	-	-	-	-	(34,553,714)	(56,418,431)	(90,972,145)
Balance at 31 December 2012 - restated		339,923,287	711,432,209	725,654	34,175,809	2,366,546,265	-	3,452,803,224
Transaction with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Issue of ordinary shares	22, 30	85,022,707	-	-	-	(84,988,907)	-	33,800
Premium on ordinary shares		-	1,250,600	-			-	1,250,600
Dividends to owners of the Company	30	-	-	-	-	(249,017,920)	-	(249,017,920)
Rights for employee stock option plan	21	-	-	6,145,580	-	-	-	6,145,580
Total transactions with owners, recorded directly to equity		85,022,707	1,250,600	6,145,580	-	(334,006,827)	-	(241,587,940)
Comprehensive income for the year								
Profit - restated		-	-	-	-	601,691,931	-	601,691,931
Other comprehensive income								
- Actuarial gain from defined benefit plan -								
net of tax		-	-	-	-	2,673,409	-	2,673,409
Total comprehensive income for the year - net of tax		-	-	-	-	604,365,340	-	604,365,340
Transfer to legal reserve	23	-	-	-	8,495,372	(8,495,372)	-	-
Balance at 31 December 2013		424,945,994	712,682,809	6,871,234	42,671,181	2,628,409,406	-	3,815,580,624

(in Baht)

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2013	2012 (Restated)	2013	2012 (Restated)
<i>(in Baht)</i>				
Cash flows from operating activities				
Profit for the year	966,098,875	803,530,243	601,691,931	678,585,227
<i>Adjustments for</i>				
Depreciation and amortisation	769,089,989	720,293,937	239,569,267	208,686,785
Reversal of allowance for impairment				
loss on plant and equipment	(121,078,819)	-	(37,583,107)	-
Written-off property, plant and equipment	17,455,366	5,014,064	2,248,820	3,801
Interest income	(2,360,172)	(2,346,683)	(16,410,559)	(21,959,103)
Finance costs	157,261,889	160,031,214	55,541,909	54,262,511
Set up allowance for doubtful account	67,957	-	-	-
Set up allowance for decline in value of inventories and spare parts for machinery				
Unrealised loss on exchange	6,460,772	7,642,142	2,304,634	244,215
Set up provision for legal damages	4,094,375	6,664,141	44,242	1,145,106
Gain on sales of investment properties	5,000,000	-	5,000,000	-
(Gain) loss on disposal of property, plant and equipment	(47,522,478)	-	-	-
Share of profit of associates	(28,903,167)	(10,514,049)	-	-
Dividends income	(2,996,250)	(1,966,245)	(54,078,856)	(100,357,877)
Employee benefit obligations	22,542,850	15,282,236	5,429,538	7,361,258
Expenses for employee stock option plan	6,154,579	967,538	6,154,579	967,538
Income tax expense	84,983,600	70,447,019	31,074,526	17,338,013
	1,838,354,161	1,776,942,533	838,989,386	846,723,315
Changes in operating assets and liabilities				

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2013	2012 (Restated)	2013	2012 (Restated)
<i>(in Baht)</i>				
Trade accounts receivable	356,697,951	(700,769,538)	57,040,338	(276,066,563)
Other receivables - related parties	138,400	(10,000)	(2,078,303)	(8,737,033)
Inventories	24,568,646	103,292,385	50,699,368	9,722,091
Other receivables	16,084,104	(7,968,314)	4,165,401	8,467,189
Other current assets	15,720,760	(16,037,060)	3,075,312	(1,744,015)
Other non-current assets	(3,274,816)	4,283,557	3,563,725	289,435
Trade accounts payable	(332,786,381)	532,227,570	(94,542,899)	211,643,446
Other payables - related parties	0	0	1,833,892	2,860,713
Other current liabilities	12,143,872	177,835,207	(6,589,817)	53,335,729
Other non-current liabilities	(43,768)	(1,688,380)	2,031,419	(1,660,113)
Cash generated from operating activities	1,927,602,929	1,868,107,960	858,187,822	844,834,194
Employee benefit paid	(11,449,195)	-9,944,440	(9,633,095)	(9,421,120)
Income tax paid	(61,618,826)	(90,436,883)	(24,378,930)	(34,285,373)
Net cash provided by operating activities	1,854,534,908	1,767,726,637	824,175,797	801,127,701

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2013	2012 (Restated)	2013	2012 (Restated)
(in Baht)				
Cash flows from investing activities				
Interest received	1,805,493	2,346,683	15,973,956	21,959,103
Dividends received from subsidiaries	-	-	54,078,856	100,357,877
Dividends received from associates	1,236,000	2,265,000	-	-
Dividends received from other company	2,996,250	1,966,246	-	-
Short-term loans to subsidiaries	-	-	(80,000,000)	(790,000,000)
Proceeds from repayment of short-term loans to subsidiaries	-	-	180,000,000	990,000,000
Cash payment for investment in subsidiaries	-	-	(150,000,000)	(439,993,750)
Purchase of property, plant and equipment	(1,383,336,538)	(1,009,476,846)	(594,280,151)	(235,185,173)
Sale of property, plant and equipment	2,805,814	4,166,622	2,479,814	3,620,000
Increase in deposits for purchases of land and machinery	-	(58,182,925)	-	(19,306,488)
Sale of investment properties	85,700,478	-	-	-
Spare parts for machinery	(12,102,934)	(29,999,935)	100,382	(13,304,899)
Purchase of intangible assets	(10,789,139)	(9,068,075)	(1,425,712)	(4,551,600)
Net cash used in investing activities	(1,311,684,576)	(1,095,983,230)	(573,072,855)	(386,404,930)
กระแสเงินสดจากกิจกรรมจัดหาเงิน				
จ่ายต้นทุนทางการเงิน	(153,256,583)	(155,466,469)	(53,937,943)	(53,173,603)
เงินเบิกเกินบัญชีธนาคารลดลง	(12,204)	-	-	-
เงินกู้ยืมระยะสั้นจากสถาบันการเงิน - ทรัพย์สินที่ลดลง	(23,161,949)	(116,061,231)	-	-
หนี้สินตามสัญญาเช่าการเงินลดลง	(23,069,214)	(16,841,169)	(333,406)	(333,911)
เงินสดรับจากเงินกู้ยืมระยะยาว	690,691,833	469,317,973	341,383,191	101,954,340
ชำระคืนเงินกู้ยืมระยะยาว	(526,358,074)	(369,310,000)	(170,102,473)	(141,845,000)
เงินปันผลจ่าย	(249,017,919)	(135,971,327)	(249,017,919)	(135,969,205)
เงินสดรับจากการออกหุ้นสามัญ	1,284,400	-	1,284,400	-
เงินสดสุทธิใช้ไปในกิจกรรมจัดหาเงิน	(282,899,710)	(324,332,223)	(130,724,150)	(229,367,379)
เงินสดและรายการเทียบเท่าเงินสดเพิ่มขึ้น (ลดลง) สุทธิ	259,950,622	347,411,184	120,378,792	185,355,392
เงินสดและรายการเทียบเท่าเงินสด ณ วันที่ 1 มกราคม	814,630,276	467,219,092	341,569,023	156,213,631
เงินสดและรายการเทียบเท่าเงินสด ณ วันที่ 31 ธันวาคม	1,074,580,898	814,630,276	461,947,815	341,569,023
รายการที่ไม่ใช่เงินสด				
เจ้าหนี้ - ซื้อสินทรัพย์	101,027,859	187,966,802	1,551,577	16,145,251

Somboon Advance Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2013

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 February 2014

1 General information

Somboon Advance Technology Public Company Limited the “Company”, is incorporated in Thailand and has its registered office at 129 Moo 2, Bangna-Trad Road, Tambon Bangchalong, Amphur Bangplee, Samutprakarn 10540.

The Company was listed on the Stock Exchange of Thailand in January 2005.

The major shareholders during the financial year were Somboon Holding Company Limited (25.49% shareholding), which incorporated in Thailand and Kitaphanich family (20.89% shareholding).

The principal businesses of the Company are the manufacture of pick-up axles and truck trunnion shafts. Details of the Company’s subsidiaries as at 31 December 2013 and 2012 are given in notes 5 and 10.

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 Decem-ber 2013	31 Decem-ber 2012
Direct subsidiaries				
Somboon Malleable Iron Industrial Company Limited	Manufacture and sale of auto parts	Thailand	100	100
Bangkok Spring Industrial Company Limited	Manufacture and sale of auto parts	Thailand	100	100
International Casting Products Company Limited	Manufacture and sale of auto parts	Thailand	100	100
SBG International Japan Company Limited	Provide marketing information support	Japan	100	100
Somboon Forging Technology Company Limited	Manufacture and sale of auto parts	Thailand	100	100

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

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

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

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

In addition to the above new and revised TFRS, the FAP had issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's/Company's operations are disclosed in note 35.

(b) Basis of measurement

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

present value of the defined benefit plan.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

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

Note 20	Measurement of defined benefit obligations
Note 21	Measurement of rights for employee stock option plan

3 Changes in accounting policies

(a) Overview

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

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

In addition to the above new and revised TFRS, the management of the Group/Company has decided to change its accounting policy for property, plant and equipment, as in the opinion of management, it is more appropriate to the Group's business.

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

(b) Accounting for income tax

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

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

	Consolidated financial statements			Separate financial statements		
	31 De- cember 2013	31 December 2012	1 January 2012	31 Decem- ber	31 December 2012	1 January 2012
	(in thousand Baht)					
Statement of financial position						
Increase in deferred tax assets	25,185	18,820	16,745	3,099	3,082	3,195
Increase in retained earnings	25,185	18,820	16,745	3,099	3,082	3,195
Increase in total equity	25,185	18,820	16,745	3,099	3,082	3,195

Statement of income for the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Decrease in income tax expense (increase)	5,845	(730)	(206)	(112)
Increase in profit for the period (decrease)	5,845	(730)	(206)	(112)
Increase (decrease) in earnings per share				
- Basic earnings per share (in Baht)	0.01	0.00	0.00	0.00

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

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

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

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

(d) Presentation of information on operating segments

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

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

The change in basis of presentation and disclosure of segment information has resulted in the Group presenting segment information (Note 24).

(e) Accounting for property, plant and equipment

From 1 January 2013, the Group/Company has changed the accounting policy for property, plant and equipment voluntarily by applying cost model in accordance with TAS 16 (revised 2009) property, plant and equipment. Such changes in accounting policy have been applied retrospectively.

Prior to the year 2012, property, plant and equipment were measured using the revaluation model. Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the “revaluation surplus” in equity unless it offsets a previous decrease in value recognised in the statement of income in respect of the same asset. A decrease in value is recognised in the statement of income to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequently in 2013, the Group/Company has changed the accounting policy for property, plant and equipment to the cost model, which has been applied retrospectively, including the reversal of any amount held in revaluation surplus for the property, plant and equipment, recorded in equity and deferred tax liabilities to present the value of property, plant and equipment at cost.

The impact on the financial statements was as follows:

	Consolidated			Separate		
	financial statements			financial statements		
	31 December 2013	31 Decem- ber 2012	1 January 2012	31 Decem- ber 2013	31 Decem- ber 2012	1 January 2012
(in thousand Baht)						
Statement of financial position						
Decrease in property, plant and equipment	(584,613)	(594,332)	(604,152)	(54,223)	(56,418)	(58,620)
Decrease in revaluation surplus	(584,613)	(594,332)	(604,152)	(54,223)	(56,418)	(58,620)
Increase in retained earnings (decrease)	7,379	(106,630)	(95,127)	(37,613)	(34,554)	(31,089)
Decrease in total equity	(577,234)	(700,962)	(699,279)	(91,836)	(90,972)	(89,709)

Statement of income for the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Increase in depreciation expense	7,070	11,503	3,060	3,465
Reversal of allowance for impairment loss on plant and equipment	(121,079)	-	(37,583)	-
Increase (decrease) in profit for the year	114,009	(11,503)	34,523	(3,465)
Increase (decrease) in earnings per share				
- Basic earnings per share (in Baht)	0.27	(0.03)	0.08	(0.01)

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 subsidiaries (together referred to as the "Group") and the Group's interests in associates.

Subsidiaries

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

Associates

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

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

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

Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates 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 the functional currency using the foreign exchange rates ruling at the dates of the transactions.

Foreign operations

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

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

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

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

The Group is party to financial instruments that reduce exposure to fluctuations in foreign currency exchange and interest rate. These financial instruments, which mainly comprise forward foreign exchange contracts and interest swap contract are not recognised in the financial statement on inception.

(d) Cash and cash equivalents

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

(e) Trade and other accounts receivable

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

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

(f) Inventories

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

Cost of finished goods and works in process are calculated using the average cost principle. Raw materials and factory supplies are calculated using the first in first out principle. Cost of inventories 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 is calculated using standard cost adjusted to approximate average cost including 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.

(g) Investments

Investments in subsidiaries and associates

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

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the statement of income.

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

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, where these investments are derecognised the cumulative gain or loss previously recognised directly in equity is recognised in the profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the profit or loss.

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

Disposal of investments

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

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

(h) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less impairment losses.

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

(i) Finance lease

The Group/Company entered into sale and lease back agreements for certain machinery and equipment, resulting in a finance lease. The Group/Company recognises finance leases as assets and liabilities in the statement of financial position at amounts equal to the lower of their fair value and the present value of the minimum lease payments at the inception of the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liabilities for each period.

(j) Property, plant and equipment

Recognition and measurement

Owned assets

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

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

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

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

Leased assets

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

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 the statement of income 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 the statement of income 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 and other constructions	20 - 40	years
Machinery and equipment	5 - 18	years
Furniture, fixtures and office equipment	3 - 5	years
Vehicle	5	years

No depreciation is provided on freehold land or assets under construction.

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

(k) Intangible assets*Goodwill*

Goodwill is measured as the excess of the cost of acquisition over the fair value of the identifiable assets acquired.

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 3 (l). Negative goodwill is recognised immediately in the statement of income.

Other intangible assets

Other intangible assets that are acquired by the Group/Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

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

Amortisation is recognised in statement of income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Software licences 3 - 10 years

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

(l) Impairment

The carrying amounts of the Group's/Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and 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 exceeds its recoverable amount. The impairment loss is recognised in statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at cost less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the profit or loss over the period of the borrowings on an effective interest basis.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity 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/Company'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 and the fair value of any plan assets 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/Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

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/Company 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/Company's net obligation in respect of long-term employee benefits other than pension plans 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, and the fair value of any related assets is 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. The calculation is performed using the projected unit credit method.

Termination benefits

Termination benefits are recognised as an expense when the Group/Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group/Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are

payable more than 12 months after the reporting period, then they are discounted to their present value.

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/Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payments

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

(p) Provisions

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

(q) Revenue

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

Sale of goods and services rendered

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

Rental income

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

Dividend income

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

Interest income

Interest incomes are recognised in profit or loss as it accrues.

(r) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in profit or loss using the effective interest rate method.

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

(s) Lease payments

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

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

Determining whether an arrangement contains a lease

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

(t) Income tax

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating

to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company 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/Company 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.

(u) Earnings per share

The Group/Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(v) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group/Company if the Group/Company 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/Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries and associates are described in notes 10 and 11. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Somboon Holding Company Limited	Thailand	Major shareholders, 25.49% shareholding
Somboon Malleable Iron Industrial Company Limited	Thailand	Subsidiary, 100% shareholding
Bangkok Spring Industrial Company Limited	Thailand	Subsidiary, 100% shareholding
International Casting Products Company Limited	Thailand	Subsidiary, 100% shareholding
SBG International Japan Company Limited	Japan	Subsidiary, 100% shareholding
Somboon Forging Technology Company Limited	Thailand	Subsidiary, 100% shareholding
Yamada Somboon Company Limited	Thailand	Associate, 20% shareholding
Tschiyoshi Somboon Coated Sand Company Limited	Thailand	Associate, 21.25% shareholding
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

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

Year ended 31 December	Pricing policies	Consolidated financial statements	
		2013	2012
			(in million Baht)
Other related parties			
Sales of goods	Approximates market prices	-	94.3
Dividend income		4.2	3.2
Purchases of goods	Approximates market prices	35.7	38.4
Key management personnel			
Key management personnel compensation			
Short-term benefits		46.0	53.5
Other long-term benefits		1.9	17.3
Expenses for employee stock option plan		9.9	1.0
Total key management personnel compensation		57.8	71.8
			Separate
	Pricing policies		financial statements
Year ended 31 December		2013	2012
			(in million Baht)
Subsidiaries			
Sales of goods	Approximates market prices	50.9	-
Dividend income		54.1	100.4
Facilities income	Approximates cost	20.1	20.8

Interest income	Contractually agreed price	15.4	20.8
Management fee income	Contractually agreed price	200.9	179.4
Sales of scraps	Approximates market prices	6.0	8.5
Purchases of goods	Approximates market prices	-	0.2
Facilities expense	Approximates cost	1.5	1.4
Interest expense	Approximates market price	-	0.5
Other related parties			
Sales of goods	Approximates market prices	-	2.1
Key management personnel			
Key management personnel compensation			
Short-term benefits		38.8	43.5
Other long-term benefits		1.9	9.3
Expenses for employee			
stock option plan		9.9	1.0
Total key management personnel compensation		50.6	53.8

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

Trade accounts receivable-related parties	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Subsidiaries				
Somboon Malleable Iron Industrial Company Limited	-	-	13,508	-
Other related parties				
Yongkee (1995) Company Limited	-	39,325	-	1,075
Total	-	39,325	13,508	1,075

Other receivables from related parties	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Subsidiaries				
Somboon Malleable Iron Industrial Company Limited	-	-	17,560	18,615
Bangkok Spring Industrial Company Limited	-	-	13,057	10,938
International Casting Products Company Limited	-	-	13,013	12,153
SBG International Japan Company Limited	-	-	438	219
Somboon Forging Technology Co., Ltd	-	-	56	120
Other related party				
Yongkee (1995) Company Limited	-	128	-	-
Somboon Holding Company Limited	-	10	-	-
Total	-	138	44,124	42,045

Short-term loans to subsidiaries

Separate financial statements

	2013	2012
	(in thousand Baht)	
Subsidiaries		
Somboon Malleable Iron Industrial Company Limited	-	110,000
International Casting Products Company Limited	200,000	200,000
SBG International Japan Company Limited	40,000	30,000
Total	240,000	340,000

Movements during the years ended 31 December 2013 and 2012 of loans to related parties were as follows:

	Separate financial statements	
	2013	2012
	(in thousand Baht)	
Short-term loans to subsidiaries		
At 1 January	340,000	540,000
Increase	80,000	790,000
Decrease	(180,000)	(990,000)
At 31 December	240,000	340,000

Short-term loans to subsidiaries carry interest at MMR (Money Market Rate) per annum.

Trade account payable - related parties	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Subsidiaries				
International Casting Products Company Limited	-	-	-	38
Associate				
Tschiyoshi Somboon Coated Sand Company Limited	7,114	14,060	-	-
Other related party				
Yongkee (1995) Company Limited	-	119	-	-
Total	7,114	14,179	-	38

Other payables to related parties	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Subsidiaries				
Somboon Malleable Iron Industrial Company Limited	-	-	3	93
Bangkok Spring Industrial Company Limited	-	-	3,315	1,097
International Casting Products Company Limited	-	-	-	2
SBG International Japan Company Limited	-	-	1,863	2,155
Total	-	-	5,181	3,347

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Cash on hand	360	330	90	90
Cash at banks – current accounts	3,617	3,013	3,021	2,408
Cash at banks – savings accounts	876,543	807,461	334,776	335,245
Highly liquid short-term investments	194,061	3,826	124,061	3,826
Total	1,074,581	814,630	461,948	341,569

Cash and cash equivalents as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Thai Baht (THB)	1,068,772	809,823	461,948	341,569
Yen (JPY)	5,809	4,807	-	-
Total	1,074,581	814,630	461,948	341,569

7 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
(in thousand Baht)					
Related parties	5	-	39,325	13,508	1,075
Other parties		1,220,131	1,536,802	452,180	521,139
Total		1,220,131	1,576,127	465,688	522,214
Less allowance for doubtful accounts					
		(68)	-	-	-
Net		1,220,063	1,576,127	465,688	522,214
Bad and doubtful debts expense for the year		68	-	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012

(in thousand Baht)				
Related parties				
Within credit terms	-	39,325	13,508	1,075
Overdue:				
Less than 3 months	-	-	-	-
3-12 months	-	-	-	-
Over 12 months	-	-	-	-
		39,325	13,508	1,075
Less allowance for doubtful accounts	-	-	-	-
	-	39,325	13,508	1,075
Other parties				
Within credit terms	1,213,664	1,525,162	448,931	511,327
Overdue:				
Less than 3 months	6,399	11,571	3,249	9,812
3-12 months	-	1	-	-
Over 12 months	68	68	-	-
	1,220,131	1,536,802	452,180	521,139
Less allowance for doubtful accounts	(68)	-	-	-
	1,220,063	1,536,802	452,180	521,139
Total				
	1,220,063	1,576,127	465,688	522,214

The normal credit term granted by the group is 30-90 days.

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Thai Baht (THB)	1,192,788	1,548,132	451,714	505,191
United States Dollars (USD)	18,544	21,441	13,974	17,023
Yen (JPY)	8,731	6,554	-	-
Total	1,220,063	1,576,127	465,688	522,214

8 Other receivables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2013	2012	2013	2012
(in thousand Baht)					
Related parties	4	-	138	44,124	42,045
Other parties					
Prepaid expenses		4,856	12,774	1,122	2,743
Accrued incomes		3,869	7,202	3,423	245
Other receivables		4,364	7,429	1,256	6,504
Others		1,471	3,239	368	842
		14,560	30,644	6,169	10,334
Total		14,560	30,782	50,293	52,379

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Finished goods	221,848	201,849	53,720	61,746
Work in process	98,329	97,820	8,105	15,367
Raw materials	146,660	159,444	18,549	48,406
Factory supplies	121,132	125,407	35,208	38,037
Goods in transit	25,679	53,696	110	2,835
Total	613,648	638,216	115,692	166,391
Less allowance for decline in value	(33,349)	(27,308)	(8,902)	(6,597)
Net	580,299	610,908	106,790	159,794

10 Investments in subsidiaries

	Separate financial statements	
	2013	2012
(in thousand Baht)		
At 1 January	2,301,555	1,861,561
Acquisitions	150,000	439,994
At 31 December	2,451,555	2,301,555

Investments in subsidiaries as at 31 December 2013 and 2012, and dividend income for the years then ended were as follows:

	Separate financial statements							
	Ownership inter- est		Paid-up capital		Cost method		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012
(in thousand Baht)								
Subsidiaries								
Somboon Malleable Iron Industrial Company Limited	100	100	500,000	500,000	875,989	875,989	-	-
Bangkok Spring Industrial Company Limited	100	100	130,000	130,000	519,989	519,989	54,079	100,358
International Casting Products Company Limited	100	100	785,000	785,000	796,034	796,034	-	-
SBG International Japan Company Limited	100	100	9,543	9,543	9,543	9,543	-	-
Somboon Forging Technology Company Limited	100	100	250,000	100,000	250,000	100,000	-	-
Total					2,451,555	2,301,555	54,079	100,358

At the Board of Directors' meeting No. 3/2012 held on 20 April 2012, the Board of Directors approved to increase the authorised share capital of Somboon Malleable Iron Industrial Company Limited from Baht 160 million to Baht 500 million by issuing 1.4 million new ordinary shares at Baht 250 par value. The subsidiary had registered the increase of shares capital with the Ministry of Commerce on 23 May 2012.

At the Board of Directors' meeting No. 3/2013 held on 29 March 2013, the Board of Directors approved to increase the authorised share capital of Somboon Forging Technology Company Limited from Baht 100 million to Baht 250 million by issuing 1.5 million new ordinary shares at Baht 100 par value. The subsidiary had registered the increase of shares capital

with the Ministry of Commerce on 29 April 2013.

At the Board of Directors' meeting No. 9/2013 held on 13 December 2013, the Board of Directors approved to increase the authorised share capital of Somboon International Japan Company Limited from Yen 25 million to Yen 57 million by issuing 320,000 new ordinary shares at Yen 100 par value. The subsidiary is in the process of registering the increase of shares capital.

11 Investments in associates

	Consolidated financial statements	
	2013	2012
(in thousand Baht)		
At 1 January	153,200	144,950
Share of net profit of investments - equity method	28,903	10,515
Dividend income	(1,236)	(2,265)
At 31 December	180,867	153,200

Investments in associates as at 31 December 2013 and 2012, and dividend income for the years then ended were as follows:

Type of business		Consolidated financial statements									
		Ownership Interest		Paid-up capital		Cost method		Equity method		Dividend income	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
(%) (in thousand Baht)											
Associates											
Tsuchiyoshi Somboon Coated Sand Company Limited	Manufacture and sale of plastic-coated sand	21.25	21.25	72,000	72,000	15,300	15,300	44,914	35,801	-	1,071
	and dry sand										
Yamada Somboon Company Limited	Manufacture and sale of auto parts	20.00	20.00	150,000	150,000	30,807	30,807	135,953	117,399	1,236	1,194
Total						46,107	46,107	180,867	153,200	1,236	2,265

The investment in Tsuchiyoshi Somboon Coated Sand Company Limited, accounted for under the equity method as at 31 December 2013, was calculated based on audited financial statements of that company for the year ended 31 March 2013 and unaudited/unreviewed the management accounts for the nine-month period ended 31 December 2013 prepared by its management.

The investment in Yamada Somboon Company Limited, accounted for under the equity method as at 31 December 2013, was calculated based on audited financial statements of that company for the year ended 31 March 2013 and unaudited/unreviewed the management accounts for the nine-month period ended 31 December 2013 prepared by its management.

12 Other long-term investments

Name of the entity	Type of business	Paid-up capital	Consolidated financial statements			
			Ownership Interest		Cost	
			2013	2012	2013	2012
			(%)		(in thousand Baht)	
Nisshinbo Somboon Automotive Company Limited	Manufacture and sale of auto parts and brake systems	732,600	2.90	2.90	21,250	21,250
Somboon Somic Manufacturing Company Limited	Manufacture and sale of auto parts	300,000	1.80	1.80	5,401	5,401
Total					26,651	26,651

13 Investment properties

Investment properties are land not used in its operation which subsidiary received from debt settlement. The part of land are mortgaged as collateral for the loan of the subsidiary. The fair value since October 2013 was Baht 78.1 million (31 December 2012: Baht 112.20 million, one of the subsidiary used land at cost of Baht 4.61 million as a collateral of loan of that subsidiary)

During 2013, another subsidiary sold its 1 plot of land, which had carrying amount of Baht 38 million. There was gain on sale in the amount of Baht 47.5 million that is presented in other income. Ownership of land was transferred to the purchaser in November 2013.

14 Property, plant and equipment

	Consolidated financial statements						
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
(in thousand Baht)							
Cost							
At 1 January 2012							
- as reported	1,049,989	1,445,721	7,051,674	129,576	28,593	229,599	9,935,152
Impact of change in accounting policies	(497,960)	(106,192)	-	-	-	-	(604,152)
At 1 January 2012							
- as restated	552,029	1,339,529	7,051,674	129,576	28,593	229,599	9,331,000
Additions	47,107	1,577	29,592	11,877	825	813,469	904,447
Transfers	-	23,559	343,547	1,066	-	(368,172)	-
Disposals	-	(5,005)	(31,346)	(1,351)	(7,459)	-	(45,161)

	Consolidated financial statements						
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
(in thousand Baht)							
At 1 January 2013							
- restated	599,136	1,359,660	7,393,467	141,168	21,959	674,896	10,190,286
Additions	-	2,234	124,758	10,149	47	1,289,443	1,426,631
Transfers	-	373,448	764,092	5,486	30	(1,143,056)	-
Disposals	-	(1,299)	(130,363)	(1,963)	(2,693)	-	(136,318)
At 31 December 2013	599,136	1,734,043	8,151,954	154,840	19,343	821,283	11,480,599
Depreciation							
At 1 January 2012	-	382,804	3,285,140	95,505	25,197	-	3,788,646
Impact of change in accounting policy	-	(9,820)	-	-	-	-	(9,820)
At 1 January 2012 - restated	-	372,984	3,285,140	95,505	25,197	-	3,778,826
Depreciation charge for the year	-	74,883	614,076	16,108	1,659	-	706,726
Transfers	-	-	-	-	-	-	-
Disposals	-	(940)	(24,387)	(1,331)	(7,459)	-	(34,117)
At 31 December 2012 and 1 January 2013 - restated	-	446,927	3,874,829	110,282	19,397	-	4,451,435
Depreciation charge for the year	-	66,025	671,553	16,834	835	-	755,247
Transfers	-	-	-	-	-	-	-
Disposals	-	(543)	(112,667)	(1,951)	(2,693)	-	(117,854)
At 31 December 2013	-	512,409	4,433,715	125,165	17,539	-	5,088,828
Net book value							
At 1 January 2012 – as reported							
Owned assets	522,029	966,545	3,707,984	34,071	624	229,599	5,490,852
Assets under finance leases	-	-	58,550	-	2,772	-	61,322
	522,029	966,545	3,766,534	34,071	3,396	229,599	5,552,174
At 31 December 2012 and 1 January 2013 - restated							
Owned assets	599,136	912,733	3,469,393	30,886	1,475	674,896	5,688,519
Assets under finance leases	-	-	49,245	-	1,087	-	50,332
	599,136	912,733	3,518,638	30,886	2,562	674,896	5,738,851
At 31 December 2013							

	Consolidated financial statements						
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
(in thousand Baht)							
Owned assets	599,136	1,221,634	3,712,895	29,675	1,065	821,283	6,385,688
Assets under finance leases	-	-	5,344	-	739	-	6,083
	599,136	1,221,634	3,718,239	29,675	1,804	821,283	6,391,771

	Separate financial statements						
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
(in thousand Baht)							
Cost							
At 1 January 2012							
- as reported	106,598	298,168	2,117,696	50,189	19,548	40,213	2,632,412
Impact of changes in accounting policies	(28,530)	(30,090)	-	-	-	-	(58,620)
At 1 January 2012							
- restated	78,068	268,078	2,117,696	50,189	19,548	40,213	2,573,792
Additions	-	339	6,784	3,743	10	241,084	251,960
Transfers	-	5,237	40,478	-	-	(45,715)	-
Disposals	-	(4,187)	(25)	(397)	(7,400)	-	(12,009)
At 31 December 2012							
and 1 January 2013 - re-stated							
- restated	78,068	269,467	2,164,933	53,535	12,158	210,554	2,788,715
Additions	-	1,939	18,429	5,471	39	598,551	624,429
Transfers	-	99,835	430,887	704	-	(531,426)	-
Disposals	-	-	(10,084)	(53)	(2,548)	-	(12,685)
At 31 December 2013	78,068	371,241	2,604,165	59,657	9,649	277,679	3,400,459
Depreciation							
At 1 January 2012							
- as reported	-	77,294	1,159,172	39,153	16,551	-	1,292,170
Impact of changes in accounting policies	-	(2,202)	-	-	-	-	(2,202)
At 1 January 2012							
- restated	-	75,092	1,159,172	39,153	16,551	-	1,289,968
Depreciation charge							
for the year	-	15,334	179,560	5,721	1,444	-	202,059
Transfers	-	-	-	-	-	-	-
Disposals	-	(121)	(25)	(393)	(7,400)	-	(7,939)
At 31 December 2012							
and 1 January 2013 - re-stated							
- restated	-	90,305	1,338,707	44,481	10,595	-	1,484,088

	Separate financial statements						
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
Depreciation charge							
for the year	-	16,063	211,760	5,766	511	-	234,100
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(7,355)	(50)	(2,548)	-	(9,953)
At 31 December 2013	-	106,368	1,543,112	50,197	8,558	-	1,708,235
Net book value							
At 1 January 2012 - restated							
Owned assets	78,068	192,986	958,524	11,036	624	40,213	1,281,451
Assets under finance leases	-	-	-	-	2,373	-	2,373
	78,068	192,986	958,524	11,036	2,997	40,213	1,283,824
At 31 December 2012 and 1 January 2013							
- as reported							
Owned assets	78,068	179,388	832,089	9,054	476	235,582	1,303,540
Assets under finance leases	-	-	-	-	1,087	-	1,087
	78,068	179,388	832,089	9,054	1,563	235,582	1,304,627
At 31 December 2013							
Owned assets	78,068	264,873	1,061,053	9,460	352	277,679	1,691,485
Assets under finance leases	-	-	-	-	739	-	739
	78,068	264,873	1,061,053	9,460	1,091	277,679	1,692,224

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2013 amounted to Baht 2,000.9 million (2012: Baht 1,279.3 million).

As at 31 December 2013, land of a subsidiary valued at Baht 47.0 million (2012: Baht 165.8 million) comprises land for which the legal ownership has yet to be transferred to the subsidiary, which is in accordance with the agreements to purchase and to sell the land.

As at 31 December 2013, subsidiaries have machines under sales and financial lease-back agreements with net book values totalling Baht 45.0 million (2012: Baht 50.3 million).

The Company and its subsidiaries have mortgaged a majority of their land with structures thereon and machineries as collateral for credit facilities granted by commercial banks.

During 2013, the subsidiaries capitalised interest amounting to Baht 7.3 million (2012: Baht 2.6 million) to the costs of plant construction and machinery installation. The capitalised interests were borrowing costs of loans obtained for general purposes but utilised for this specific project. The weighted average rates used to determine the amount of borrowing costs eligible for capitalisation were 4.65% - 5.09% per annum. (2012: 5.05% - 5.09% per annum).

15 Intangible assets

	Consolidated financial statements		
	Software licences	Software under installation	Total
(in thousand Baht)			
Cost			
At 1 January 2012	91,721	4,147	95,868
Additions	7,135	1,833	8,968
Transfers	-	-	-
At 31 December 2012 and 1 January 2013	98,856	5,980	104,836
Additions	10,049	740	10,789
Transfers	5,980	(5,980)	-
At 31 December 2013	114,885	740	115,625
Amortisation			
At 1 January 2012	31,937	-	31,937
Amortisation charge for the year	13,568	-	13,568
At 31 December 2012 and 1 January 2013	45,505	-	45,505
Amortisation charge for the year	13,842	-	13,842
At 31 December 2013	59,347	-	59,347
Net book value			
At 1 January 2012	59,784	4,147	63,931
At 31 December 2012 and 1 January 2013	53,351	5,980	59,331
At 31 December 2013	55,538	740	56,278
	Separate financial statements		
	Software licences	Software under installation	Total
(in thousand Baht)			
Cost			
At 1 January 2012	34,024	3,979	38,003
Additions	2,719	1,833	4,552
Transfers	-	-	-
At 31 December 2012 and 1 January 2013	36,743	5,812	42,555
Additions	686	740	1,426
Transfers	5,812	(5,812)	-
At 31 December 2013	43,241	740	43,981
Amortisation			
At 1 January 2012	12,275	-	12,275
Amortisation charge for the year	6,628	-	6,628
At 31 December 2012 and 1 January 2013	18,903	-	18,903
Amortisation charge for the year	5,469	-	5,469
At 31 December 2013	24,372	-	24,372
Net book value			
At 1 January 2012	21,749	3,979	25,728
At 31 December 2012 and 1 January 2013	17,840	5,812	23,652
At 31 December 2013	18,869	740	19,609

16 Deferred tax

Deferred tax assets and liabilities as at 31 December 2013 and 31 December 2012 were as follows:

	Consolidated Financial statements		Separate Financial statements	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	(in thousand Baht)			
Deferred tax assets	25,185	18,820	3,099	3,082
Deferred tax liabilities	-	-	-	-
Net	25,185	18,820	3,099	3,082

Movements in total deferred tax assets and liabilities during the year ended 31 December 2013 and 2012 were as follows:

	Consolidated financial statements			
	At 1 January	(Charged) / Credited to:		At 31 December
		Profit or loss	Other com- prehensive income	
	2013	(Note 27)	2013	2013
	(in thousand Baht)			
Deferred tax assets				
Inventories	5,457	835	-	6,292
Rights for employee stock option plan	13	118	-	131
Employee benefit obligations	13,350	4,892	520	18,762
Total	18,820	5,845	520	25,185

	Consolidated financial statements			
	At 1 January 2012	(Charged) / Credited to:		At 31 December 2012
		Profit or loss	Other com- prehensive income	
		(Note 27) 2012		

(in thousand Baht)

Deferred tax assets				
Inventories	4,350	1,107	-	5,457
Rights for employee stock option plan	-	13	-	13
Employee benefit obligations	12,365	(1,820)	2,805	13,350
Provision	30	(30)	-	-
Total	16,745	(730)	2,805	18,820

Separate financial statements

	(Charged) / Credited to:			
	At 1 January	Other com- prehensive		At 31 December
		Profit or loss	income	
	2013	(Note 27)	2013	2013
	(in thousand Baht)			
Deferred tax assets				

	Consolidated financial statements			
	At 1 January 2012	(Charged) / Credited to:		At 31 December 2012
		Profit or loss	Other comprehensive income	
		(Note 27)2012		
(in thousand Baht)				
Deferred tax assets				
Inventories	4,350	1,107	-	5,457
Rights for employee stock option plan	-	13	-	13
Inventories	349	121	-	470
Rights for employee stock option plan	13	118	-	131
Employee benefit obligations	2,720	(33)	(189)	2,498
Total	3,082	206	(189)	3,099

	Separate financial statements			
	At 1 January 2012	(Charged) / Credited to:		
		Profit or loss <i>(Note 27)</i>	Other compre- hensive income	
		2012	2012	
		(in thousand Baht)		
Deferred tax assets				
Inventories	336	13	-	349
Rights for employee stock option plan	-	(110)	-	(110)
Employee benefit obligations	2,830	14	(1)	2,843
Provision	29	(29)	-	-
Total	3,195	(112)	(1)	3,082

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

17 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Current				
Bank overdrafts	12	-	-	-
Short-term loans from financial institutions				
- trust receipts				
unsecured	2,131	25,293	-	-
Current portion of long-term loans from financial institutions				
secured	572,079	531,058	226,463	170,102
Current portion of finance lease liabilities	2,644	23,069	354	333
Total current liabilities	576,866	579,420	226,817	170,435

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Non-current				
Long-term loans from financial institutions secured	2,700,731	2,574,133	978,703	862,820
Finance lease liabilities	-	2,644	-	354
Total non-current liabilities	2,700,731	2,576,777	978,703	863,174
Total	3,277,597	3,156,197	1,205,520	1,033,609

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Within one year	574,222	556,351	226,463	170,103
After one year but within five years	2,489,365	2,232,241	909,049	753,684
After five years	211,366	341,892	69,654	109,136
Total	3,274,953	3,130,484	1,205,166	1,032,923

Short-term loans from financial institutions - trust receipts carry interest at rates of MMR (Money market rate) per annum.

As at 31 December 2013 the Company and its subsidiaries had several long-term loans agreements with local financial institutions as follows:

The Company

The Company had long-term credit facilities totalling Baht 1,817 million. The objective of these loans is to use in the Company's operation. As at 31 December 2013 the Company had outstanding long-term loans amounted to Baht 1,205 million (31 December 2012: Baht 1,033 million) are repayable within 2018 and 2020. These loans are subject to interest at fixed rates of 4.65% - 4.80% per annum and at floating rates of fixed deposit rates, plus 2.0% - 2.75% per annum.

Subsidiaries

The subsidiaries had long-term credit facilities totalling Baht 3,285 million. The objective of these loans is to use in the subsidiaries' operation. As at 31 December 2013 the subsidiaries had outstanding long-term loans amounted to Baht 2,070 million (31 December 2012: Baht 2,072 million) are repayable within 2013 and 2021. These loans are subject to interest at fixed rates of 4.60% - 4.75% per annum and at floating rates of fixed deposit rates, plus 2.0% - 2.75% per annum.

Long-term credit facility of a subsidiary contains certain covenants such as dividend payment, pertaining to matters such as there shall be no effect on the total debt to equity ratio, loan repayment ability, and other conditions stipulated by the financial institution.

The Company hedges most of their interest rate risk by entering into interest swap agreements with foreign banks, whereby the Company will repay the interest in other interest rates as specified in the agreements. These agreements will be effective until September 2018.

As at 31 December 2013, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 134 million. (31 December 2012: Baht 679 million)

The agreements are mortgaged by a majority of the land with premises and machinery of the Company and its subsidiaries.

Finance lease liabilities

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

	Consolidated financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	(in thousand Baht)					
Within one year	2,682	(38)	2,644	23,691	(622)	23,069
After one year but within five years	-	-	-	2,682	(38)	2,644
Total	2,682	(38)	2,644	26,373	(660)	25,713
	Separate financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	(in thousand Baht)					
Within one year	365	(11)	354	365	(32)	333
After one year but within five years	-	-	-	365	(11)	354
Total	365	(11)	354	730	(43)	687

Besides the machinery under sales and financial lease back agreements, the Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of vehicles for use in their operation, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 4 and 5 years. Finance lease agreements are non-cancelable.

Interest-bearing liabilities of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

18 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
(in thousand Baht)					
Related parties	5	7,114	14,179	-	38
Other parties		1,126,141	1,441,204	388,488	482,435
Total		1,133,255	1,455,383	388,488	482,473

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Thai Baht (THB)	1,031,352	1,285,494	361,303	462,322
United States Dollars (USD)	82,842	141,619	19,914	16,444
Yen (JPY)	19,061	28,270	7,271	3,707
Total	1,133,255	1,455,383	388,488	482,473

19 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Accrued operating expenses	186,380	184,641	91,215	97,305
Deposits and advances received	33,390	15,319	-	-
Others	110,328	110,849	5,334	367
Total	330,098	310,809	96,549	97,672

20 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Statement of financial position obligations for:				
Post-employment benefits	138,613	129,701	43,529	48,252
Other long-term employee benefits	15,792	13,610	3,820	3,300
Total	154,405	143,311	47,349	51,552
For the year ended 31 December				
Statement of comprehensive income: Recognised				
in profit or loss:				
Post-employment benefits	19,056	13,917	7,772	6,997
Other long-term employee benefits	2,182	1,365	520	364
Total	21,238	15,282	8,292	7,361
Recognised in other comprehensive income:				

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Actuarial (gains) losses recognised in the year	1,305	21,908	(2,862)	(13)

The Group adopted TAS 19 - Employee Benefits with effect from 1 January 2011; the Group has adopted to apply the new standard retrospectively and adjust the prior year's financial statements accordingly.

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

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Defined benefit obligations at 1 January	143,311	116,066	51,552	53,625
Benefits paid by the plan	(11,449)	(9,945)	(9,634)	(9,421)
Current service costs and interest	21,238	15,282	8,292	7,361
Actuarial (gains) losses in other comprehensive income	1,305	21,908	(2,862)	(13)
Defined benefit obligations at 31 December	154,405	143,311	47,348	51,552

Expense recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Current service costs	15,913	9,829	6,309	4,847
Interest on obligation	5,325	5,453	1,983	2,514
Total	21,238	15,282	8,292	7,361

The expense is recognised in the statement of comprehensive income

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
For the year ended 31 December				
Cost of sales	14,950	9,243	2,698	1,851
Administrative expenses	6,288	6,039	5,594	5,510
Total	21,238	15,282	8,292	7,361

Actuarial (gains) losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Included in retained earnings:				
At 1 January	21,908	-	(13)	-
Recognised during the year	1,305	21,908	(2,862)	(13)
At 31 December	23,213	21,908	(2,875)	(13)

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
				(%)
Discount rate	3.50	3.50	3.50	3.50
Future salary increases	5.00	5.00	5.00	5.00
Future pension increases	2.50	2.50	2.50	2.50

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

21 Rights for employee stock option plan

Employee Stock Option Plan

At the Annual General Meeting of Shareholders held on 19 April 2011, the shareholders approved the issue and offering of the newly issued ordinary shares to senior executives (including any senior executives who are directors) of the Group. According to the Plan, the Company shall provide benefits to the senior executives of the Group to purchase the newly issued ordinary shares of the Company. The Company communicated terms and conditions of the scheme to the employees during July 2011.

Significant descriptions of the Employee Stock Option Plan

Employee Stock Option Plan has a term of 4 years starting from the first offering date. The number of ordinary shares to be offered is not exceeding the total of 1,800,000 newly issued ordinary shares with the par value of Baht 1 each. The offering price per share in each period is equivalent to the Market price which represents the weighted average closing market price of ordinary shares of the Company on the Stock Exchange of Thailand during the last 15 working days before the each offering date. The condition for subscription of the newly issued shares of each employee of the Company and/or its subsidiaries as of each offering date and the number of shares which each employee receives in each years are based on performance assessment of the Key Performance Indicators (KPIs) in each year.

The Company shall offer the newly issued ordinary shares as a continuing scheme and will provide the first offering of the shares within 1 year from the date of which the Shareholders meeting approved the offering shares of the scheme. The first offering of shares shall not exceed 35% of the number of total offering shares. Moreover, the Company shall offer the remaining newly issued ordinary shares within 3 years from the first offering date. However, the employees who exercise the offering and are allocated the newly issued ordinary shares in accordance with the scheme shall be prohibited to trade the allocated shares of each offering within 1 year from the date of which they have right in the shares (Lock up period).

At the annual general meeting of the Company held on 20 April 2012. The Company proposed to offering the totalling of 1,800,000 newly issued ordinary shares to senior executives of the Group and/or its subsidiaries that are incorporated in Thailand (including any senior executives who are directors). The terms and conditions were same as the previous scheme and were approved by the meeting.

As the Thai Financial Reporting Standards 2 (TFRS 2): Share-based Payment was effective for the share-based payment awards granted on or after 1 January 2011. Therefore, according to TFRS 2, ESOP has to be measured by using the fair value of the stock options on the grant date.

The compensation of “ESOP” was determined by reference to the Key Performance Indicators (KPIs) for the year 2013 and have been determined based on the performance assessments from the Group performance and the individual performance in meeting KPIs throughout the year ended 31 December 2013.

The inputs used in the measurement of the fair values according to “ESOP” were as follows:

Grant date: 1 June 2012	
Fair value of common stock at grant date (Baht)	27.75
Exercise price (Baht)	Market price

Based on the performance of the Group for the year 2012, the performance assessment met the criteria of offering the employee stock option plan. The Company recorded the expenses from the scheme for the year ended 31 December 2012 of Baht 1.7 million in the consolidated and the separate financial statements

Based on the performance of the Group for the year 2013, the performance assessment met the criteria of offering the employee stock option plan. The Company recorded the expenses from the scheme for the year ended 31 December 2013 of Baht 9.91 million and other current liabilities of Baht 2.29 million and rights for employee stock option of Baht 6.87 million in the consolidated and separate financial statements.

22 Share capital

	Par value per share	2013		2012	
		Number	Baht	Number	Baht
	(in Baht)	(thousand shares / thousand Baht)			
Authorised					
At 1 January					
- Ordinary shares	1	341,723	341,723	341,723	341,723
Decrease of new shares	1	(1,766)	(1,766)	-	-
Increase of new shares	1	86,755	86,755	-	-
At 31 December					
- Ordinary shares	1	426,712	426,712	341,723	341,723
Issued and paid-up					
At 1 January					
- Ordinary shares	1	339,923	339,923	339,923	339,923
Issue of new shares	1	85,023	85,023	-	-
At 31 December					
- Ordinary shares	1	424,946	424,946	339,923	339,923

The Company has registered the issued and paid-up share capital of 33,800 shares at the par value of Baht 1 per share, totalling of Baht 33,800 with the Ministry of Commerce on 12 March 2013 for the Employee Stock Option Plan.

The Annual General Meeting of Shareholders held on 19 April 2013, approved to decrease the authorised share capital from Baht 341,723,287 to Baht 339,957,087; comprised of the ordinary shares at the par value of Baht 1 per share, totalling of Baht 1,766,200 in order to reduce the authorised share capital that have not been issued or sold under Employee Stock Option Plan. The Company has registered to reduce the share capital with the Ministry of Commerce on 8 May 2013.

The Annual General Meeting of Shareholders held on 19 April 2013, approved to increase the authorised share capital from Baht 339,957,087 to Baht 426,711,809; comprised of the ordinary shares at the par value of Baht 1 per share, totalling of Baht 86,754,722 for stock dividends for 84,989,522 shares and the Employee Stock Option Plan for 1,765,200 shares. The Company has registered the new shares with the Ministry of Commerce on 9 May 2013.

The Company has registered the issued and paid-up share capital of 84,988,907 shares at the par value of Baht 1 per share, totalling of Baht 84,988,907 with the Ministry of Commerce on 15 May 2013 for stock dividends.

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.

23 Reserves

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.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

24 Segment information

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

For the year ended 31 December	Pick-up axles and truck trunnion shafts		Other auto parts		Total		Elimination		Net	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
(in million Baht)										
External revenue from sale of goods										
and rendering of services	2,899	3,146	6,074	6,264	8,973	9,410	-	-	8,973	9,410
Inter-segment revenue from sale of goods										
and rendering of services	51	-	2,033	1,990	2,084	1,990	(2,084)	(1,990)	-	-
Total	2,950	3,146	8,107	8,254	11,057	11,400	(2,084)	(1,990)	8,973	9,410
Interest income	16	22	1	2	17	24	(15)	(22)	2	2
Interest expense	(56)	(54)	(116)	(127)	(172)	(181)	15	21	(157)	(160)
Depreciation and amortisation	(239)	(209)	(530)	(512)	(769)	(721)	-	-	(769)	(721)
Segment profit (loss) before income tax	633	696	470	282	1,103	978	(52)	(104)	1,051	874
Material items of income and expense										
Other material non-cash items:										
Impairment loss on plant and equipment	41	-	87	-	128	-	-	-	128	-
Segment assets	5,574	5,138	7,384	7,358	12,958	12,496	(2)	(3,075)	9,923	9,421
Segment liabilities	1,758	1,685	3,933	4,432	5,691	6,117	(641)	(845)	5	5,272

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 certain customers of the Group's 1 and 2 segments represents approximately Baht 6,380 million (2012: Baht 5,993 million) of the Group's total revenues.

25 Provident fund

The defined contribution plan comprise provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 5% of their basic salaries and by the Group at rates ranging from 3% to 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

26 Expenses by nature

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Salary and wages and employee benefit expenses	1,488,950	1,402,192	446,242	428,138
Depreciation and amortisation expense	769,090	720,294	239,569	208,687
Raw materials and consumables used	4,676,655	4,438,370	1,488,564	1,658,032
Changes in inventories of finished goods and work in process	19,850	128,069	(15,289)	43,669
Finance costs	157,262	160,031	55,542	54,263
Others	1,026,717	1,717,973	427,752	381,035
Total expenses	8,138,524	8,566,929	2,642,380	2,773,824

27 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
(in thousand Baht)					
Current tax expense					
Current year		87,048	71,177	30,869	17,450
Adjustment for prior years		(7,909)	-	-	-
		79,139	71,177	30,869	17,450
Deferred tax expense	16				
Movements in temporary differences		5,845	(730)	(206)	(112)
		5,845	(730)	(206)	(112)
Total income tax expense		84,984	70,447	31,075	17,338

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2013			2012		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
(in thousand Baht)						
Defined benefit plan actuarial gains (losses)	(1,305)	520	(785)	(21,908)	2,805	(19,103)
Total	(1,305)	520	(785)	(21,908)	2,805	(19,103)

	Separate financial statements					
	2013			2012		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
(in thousand Baht)						
Defined benefit plan actuarial gains (losses)	2,862	(189)	2,673	13	(1)	12
Total	2,862	(189)	2,673	13	(1)	12

Reconciliation of effective tax rate

	Consolidated financial statements			
	2013		2012	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		1,051,082		873,977
Income tax using the Thai corporation tax rate	20	210,216	23	201,014
Income not subject to tax		(84,902)		(100,216)
Expenses not deductible for tax purposes		31,625		37,650
Expenses can be deductible for tax purposes		(57,915)		(56,646)
Recognition of previously unrecognised tax losses		(12,458)		(11,355)
Under (over) provided in prior years		(1,582)		-
Total	8.05	84,984	8.06	70,447

	Separate financial statements			
	2013		2012	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		632,766		695,923
Income tax using the Thai corporation tax rate	20	126,553	23	160,062
Income not subject to tax		(74,806)		(127,210)
Expenses not deductible for tax purposes		4,462		1,989
		(25,134)		(17,503)
Total	4.92	31,075	2.49	17,338

Income tax reduction

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

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

Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to The privileges granted significantly include:

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations, to the extent that the amount of tax exemptions do not exceed investment capital exclusive of land and working capital;
- (c) a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b) above.

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

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2013			2012		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Export sales	48,328	201,114	249,442	21,865	330,276	352,141
Local sales	4,363,226	6,444,497	10,807,723	5,346,386	5,700,511	11,046,897
Eliminate	(1,099,413)	(984,357)	(2,083,770)	(1,427,225)	(562,257)	(1,989,482)
Total	3,312,141	5,661,254	8,973,395	3,941,026	5,468,530	9,409,556

	Separate financial statements					
	2013			2012		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Export sales	56,412	48,328	104,740	21,387	37,878	59,265
Local sales	2,030,397	815,125	2,845,522	2,034,853	1,051,210	3,086,063
Total	2,086,809	863,453	2,950,262	2,056,240	1,089,088	3,145,328

29 Earnings per share

The calculations of basic earnings per share for the years then ended 31 December 2013 and 2012 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows, after adjusting the number of ordinary share to reflect the stock dividend as reported in note 22. The prior period's basic earnings per share was recalculated retrospectively, as if the stock dividend was distributed since the beginning of reporting period as follows:

For the year ended 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
	(in thousand Baht / thousand shares)			
Profit attributable to ordinary shareholders of the Company	966,099	803,530	601,692	678,585
Number of ordinary shares outstanding at 1 January	339,923	339,923	339,923	339,923
Issue of ordinary shares	21	-	21	-
Effect of stock dividend	84,989	84,989	84,989	84,989
Number of ordinary shares outstanding	424,933	424,912	424,933	424,912
Earnings per share (basic) (in Baht)	2.27	1.89	1.42	1.60

Diluted earnings per share

The Group has not presented diluted earnings per share since the effect of the issuance of ordinary shares provided to directors and employees of the Group would not be material.

30 Dividends

The Company

At the Board of Directors' meeting of the Company held on 9 August 2013, the Board of Directors approved the payment of interim dividend for the operation from the first half of year 2013 at the rate of Baht 0.25 per share, totalling Baht 106 million from the promoted business (BOI). The dividend was paid to shareholder on 6 September 2013.

At the annual general meeting of the shareholders of the Company held on 19 April 2013, the shareholders approved the appropriation of dividend for the operation of year 2012 of Baht 0.97 per share, totalling Baht 329.8 million from the promoted business (BOI). The interim dividend was paid to shareholders on 9 August 2012 at Baht 0.30 per share, totalling Baht 102.0 million. The remaining dividend of Baht 0.67 per share, consists of the stock dividend to pay as ordinary shares to the shareholders at the rate of 4 existing shares per 1 share at par value of Baht 1 and cash dividend of Baht 0.42 per share, totalling Baht 227.8 million. The dividend was paid to shareholders on 15 May 2013.

At the Board of Directors' meeting of the Company held on 9 August 2012, the Board of Directors approved the payment of interim dividend for the operation from the first half of year 2012 at the rate of Baht 0.30 per share, totalling Baht 102 million from the promoted business (BOI). The dividend was paid to shareholders on 6 September 2012.

At the annual general meeting of shareholders of the Company held on 20 April 2012, the shareholders approved the payment of dividend for the operation from the second half of year 2011 at the rate of Baht 0.10 per share, totalling Baht 34 million from the promoted business (BOI). The dividend was paid to shareholders on 14 May 2012.

Subsidiaries

At the annual general meeting of shareholders of the subsidiary held on 5 April 2013, the shareholders approved the payment of dividend at the rate of Baht 104 per share, totalling Baht 54 million. The dividend was paid to shareholders on 25 April 2013.

At the Board of Directors' meeting of the subsidiary held on 12 March 2012, the Board of Directors approved the payment of interim dividend at the rate of Baht 193 per share, totalling Baht 100 million. The dividend was paid to shareholders on 27 March 2012.

31 Financial instruments

Financial risk management policies

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

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

Capital management

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

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (Note 17). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

The interest rates of loans receivable as at 31 December and the periods in which the loans receivable mature or re-price were as follows:

	Interest rate	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
(% per annum)		(in thousand Baht)			
2013					
Current					
Short-term loans to subsidiaries	3.8 - 4.8	240,000	-	-	240,000
Total		240,000	-	-	240,000
2012					
Current					
Short-term loans to subsidiaries	3.8 - 4.8	340,000	-	-	340,000
Total		340,000	-	-	340,000

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

	Interest rate	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
(% per annum)		(in thousand Baht)			
2013					
Current					
Loans from financial institutions	FDR.3M + fixed				
Non-current		574,221	-	-	574,221
Loans from financial institutions	FDR.3M + fixed	-	2,487,365	213,366	2,700,731
Total		574,221	2,487,365	213,366	3,274,952
2012					
Current					
Loans from financial institutions	FDR.3M + fixed	556,351	-	-	556,351
Non-current					
Loans from financial institutions	FDR.3M + fixed	-	2,232,241	341,892	2,574,133
Total		556,351	2,232,241	341,892	3,130,484
	Interest rate	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
(% per annum)		(in thousand Baht)			
2013					
Current					
Loans from financial institutions	FDR.3M + fixed	226,463	-	-	226,463
Non-current					
Loans from financial institutions	FDR.3M + fixed	-	909,049	69,654	978,703
Total		226,463	909,049	69,654	1,205,166
	Interest rate	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
(% per annum)		(in thousand Baht)			
2012					
Current					
Loans from financial institutions	FDR.3M + fixed	170,103	-	-	170,103
Non-current					
Loans from financial institutions	FDR.3M + fixed	-	753,684	109,136	862,820
Total		170,103	753,684	109,136	1,032,923

Foreign currency risk

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

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

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
(in thousand Baht)					
United States Dollars					
Trade accounts receivable	7	18,544	21,441	13,974	17,023
Trade accounts payable	18	(82,842)	(141,619)	(19,914)	(16,444)
Gross balance sheet exposure		(64,298)	(120,178)	(5,940)	579
Currency forwards		7,406	56,127	-	3,391
Net exposure		(56,892)	(64,051)	(5,940)	3,970
Yen					
Cash and cash equivalents	6	5,809	4,807	-	-
Trade accounts receivable	7	8,731	6,554	-	-
Trade accounts payable	18	(19,061)	(28,270)	(7,271)	(3,707)
Other payables		(16,817)	22,617	-	-
Current liabilities		(2,048)	1,904	-	-
Gross balance sheet exposure		(23,386)	7,612	(7,271)	(3,707)
Currency forwards		31,936	321,666	-	62,872
Net exposure		8,550	329,278	(7,271)	59,165

Credit risk

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

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on 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.

Liquidity risk

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

Determination of fair values

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

Since the majority of financial assets and financial liabilities of the Company and its subsidiaries are short-term in nature, interest rates of loans and borrowings are approximate to the market rate, the fair value of financial assets and financial liabilities are presented as the amount stated in the statement of financial position.

Fair value of interest swap contract is based on contractor as at the report date.

Fair value of interest swap contract as at 31 December 2013 has net value of Baht 308.6 million. (2012: 371.9 million)

32 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in million Baht)				
Capital commitments				
Contracted but not provided for				
Land	4.2	23.8	4.2	9.8
Machineries and equipments	319.6	187.9	-	-
Intangible assets	-	0.3	-	0.3
Building constructions	12.5	67.2	12.5	1.6
Total	336.3	279.2	16.7	11.7
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in million Baht)				
Non-cancellable operating lease commitments				
Within one year	52.0	69.9	15.7	9.2
After one year but within five years	48.2	66.7	19.6	12.5
After five years	-	-	-	-
Total	100.2	136.6	35.3	21.7
Other commitments				
Bank guarantees	75.7	72.5	20.3	18.3
Total	75.7	72.5	20.3	18.3

The Company and its subsidiary entered into land purchase and sale agreement with a local company in the amount of Bath 61 million whereby, the Company and its subsidiary agreed to purchase the land for factory construction. The term of payment is for 2 years with ending in 2014.

The Company has entered into a technical assistance agreement with a foreign company covering the machining process, whereby the Company is to pay fees at a rate of 1.5% of the cost of the machining process minus material cost of products. The agreement is for 5 years, expiring in 2015 and is renewable for a further 5 years.

The Company has entered into a technical assistance agreement with another foreign company covering the forging process whereby the Company is to pay fees at a rate of 3% of the forging process minus material costs of products. The agreement is for 5 years, expiring in 2014 and is renewable for a further 5 years.

A subsidiary has entered into a technical assistance agreement with a foreign company regarding the process of machining, whereby the subsidiary is to pay a fee at 1.5% of the cost of the machining process minus material costs of products. The agreement is for 5 years, expiring in the year 2014, and is renewable for a further 5 years.

Another subsidiary company has entered into a technical assistance agreement with a foreign company regarding the process of casting, whereby the subsidiary is to pay a monthly fee of Yen 1 million. The agreement is for 5 years, expiring in the year 2015, and is renewable for a further 5 years.

As at 31 December 2013, the Company had an interest rate swap agreement to maintain interest rate of long term loan amounting to Baht 309.4 million (2012: 372.0 million) by swapping from floating rate to fixed rate as stipulated by the agreement.

33 Contingent liabilities

During 2011, the Company has sued 2 domestic companies for the breach of program development and license permission agreements in amount of Baht 35.6 million. One of the defendants counterclaimed against the Company amount of Baht 50 million. The court has ordered the Company to pay the service wages in the amount of Baht 5 million. The Company has the right to appeal and is considering filing a complaint. However, the Company has already recognised the provision for the damage for the year ended 31 December 2013.

34 Events after the reporting period

At the Board of Directors' meeting of the Company held on 21 February 2014, the Board of Directors approved as the appropriation of dividend for the operation for the year 2013 from the promoted business (BOI) by cash dividend at the rate of Baht 0.75 per share, totalling Baht 319 million. The interim dividend was paid to shareholders on 9 August 2013 of Baht 0.25 per share, totalling Baht 106.2 million. The remaining dividend of Baht 0.50 per share, totalling to Baht 212.5 million will be paid to shareholders in May 2014.

35 Thai Financial Reporting Standards (TFRS) not yet adopted

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

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 2 (revised 2012)	Share-based Payment	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014

36 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:

	2012					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
<i>(in thousand Baht)</i>						
Statement of financial position						
Other receivables	66,371	(35,727)	30,644	12,901	(2,567)	10,334
Other current assets	36,286	35,727	72,013	3,784	2,567	6,351
Non-current assets						
Spare parts for machinery- Current	58,183	(48,402)	9,781	19,306	(9,526)	9,780
Property, plant and equipment	6,391,410	48,402	6,367,812	1,386,072	9,526	1,395,598
Current liabilities						
Other current liabilities	357,294	(46,485)	310,809	-	-	-
Accounts payable - purchase of assets	141,482	46,485	187,967	-	-	-

Actuarial gain (loss) from defined benefit plan for the year 2012 in other components of equity has been reclassified to retained earnings - inappropriate.

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

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