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ANNUAL REPORT 2014 SOMBOON ADVANCE TECHNOLOGY PUBLIC COMPANY LIMITED

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Financial Highlight

For the Fiscal year ended December 31	Consolidated Financial Statements			Separate Financial Statements		
	2014	2013	2012	2014	2013	2012
Stock Data						
Par value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book value (Baht) *	12.27	11.47	9.76	9.37	8.98	8.13
Earning per share (Baht) *	1.53	2.27	1.89	1.12	1.42	1.60
Operating						
Sales revenue	8,083,985	8,973,395	9,409,555	2,622,936	2,950,261	3,145,327
Total income	8,178,659	9,317,965	9,590,423	2,901,365	3,330,689	3,524,010
Net profit	649,835	966,099	803,530	476,997	601,692	678,585
Balance Sheet (Thousand Baht)						
Current assets	3,109,884	3,003,876	3,163,839	1,415,569	1,344,619	1,447,819
Total assets	9,813,783	9,922,777	9,420,677	5,489,469	5,573,960	5,137,930
Current liabilities	2,185,409	2,192,336	2,550,914	704,229	729,970	770,073
Total liabilities	4,596,307	5,050,067	5,271,594	1,505,888	1,758,379	1,685,126
Paid-up capital	425,194	424,946	339,923	425,194	424,946	339,923
Shareholders' equity	5,217,477	4,872,709	4,149,083	3,983,581	3,815,580	3,452,803
Financial Ratio						
Returns on shareholders' equity (%)	12.88%	21.42%	21.01%	12.23%	16.56%	21.33%
Returns on fixed assets (%)	23.79%	28.61%	27.25%	45.66%	56.14%	69.45%
Returns on assets (%)	6.59%	9.99%	9.15%	8.62%	11.23%	14.27%
Gross profit (%)	17.53%	17.49%	15.77%	25.34%	24.42%	24.05%
Current assets ratio to items of current liabilities (times)	1.42	1.37	1.24	2.01	1.84	1.88
Liquidity ratio to liabilities (times)	1.10	1.05	0.94	1.36	1.27	1.12
Debt ratio to shareholders' equity (times)	0.88	1.04	1.27	0.38	0.46	0.49

Note:

* In year 2014 the use of the weighting average ordinary share numbers of 425.155 million shares
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

Report of the Board of Directors

In the year 2014, Thai vehicle industry has produced the total cars of 1.88 million cars or has reduced 23% from the last year by producing to sell in the country for 0.76 million cars (reduced 43%). The main cause is from the domestic economic recess that the GDP has only expanded for 0.7%. From the effect of the political turmoil in the country affecting the consumer confidence whereas producing cars for export total of for 1.12 million cars (increased 0.04%) which made Thailand the 13th car manufacturing country in the world.

From the said factor, it has made Somboon Advance Technology Public Co., Ltd. to have the total income of 8,179 million Baht or has reduced 12.2% which has reduced less than the reduced growth of vehicle industry from the fact that the company has sold more agricultural machine from the last year. In the year 2014, the company has net profit of 650 million Baht which has reduced from the last year 33% or has net profit per share of 1.53 Baht. Even though the profit from the sale and net profit has decreased but the Company has never stopped in the operation in order to increase the production efficiency and increased the ability in the long-term competition such as development to design products and personnel development.

Apart from the operation result, the Board of Directors also focus on the strategy of Somboon Triple Bottom Line by (1) promote personnel to be good and smart people (2) operate the business trust with transparency with honesty by upgrading the business supervision which makes the company to receive SET Awards of Honor 2014 which has excellence on good governance for 6 consecutive years and the great corporate social responsibility for 4 consecutive years from the Stock Exchange of Thailand and the result of survey project assessment from the Thai Institute of Directors Association in the level of “excellence” for 7 consecutive years and determined to upgrade the policy of the Corporate Governance to the sustainability by expanding the idea of Anti-Corruption to suppliers of Somboon Group Company (Integrity Business Partnership of SBG). There are 9 supplier companies that have passed the 71-item self-assessment and (3) create opportunity to Somboon Community.

However, the Board of Directors has still concerned and realized that the economic change is fluctuating by applying the sustainable business operation principle and emphasize with the risk management system to be consistent with the international standard as the guideline in the business operation in order to create immunity inside an organization so that it would be ready for the outside and inside change and has made one Sustainable Development Report to show the determination to develop the sustainable organization.

On behalf of the company committee, we are thanking all stakeholders including staff and executives of the Company and please be sure that the Board of Directors will stand for and supervise the business operation so that it would grow with stability in the long run



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





SOMBOON GROUP

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 Estate, Tasit Sub-district, Pluak 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** : 425,193,894 Baht
- Subsidiaries** : **1. Somboom Malleable Iron Industrial Company Limited**
Motor vehicle part manufacturing. The major products are Brake Disc, Brake Drum and part of agriculture machine
- 2. Bangkok Spring Industrial Company Limited**
Motor vehicle part manufacturing. The major products are Leaf Spring, Stabilizer Bar and Coil Spring
- 3. 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
- 4. SBG International Japan Co., Ltd.**
Marketing of the group company
- 5. Somboon Forging Technology Company Limited**
Motor vehicle part manufacturing from Hot/Cold Forging process

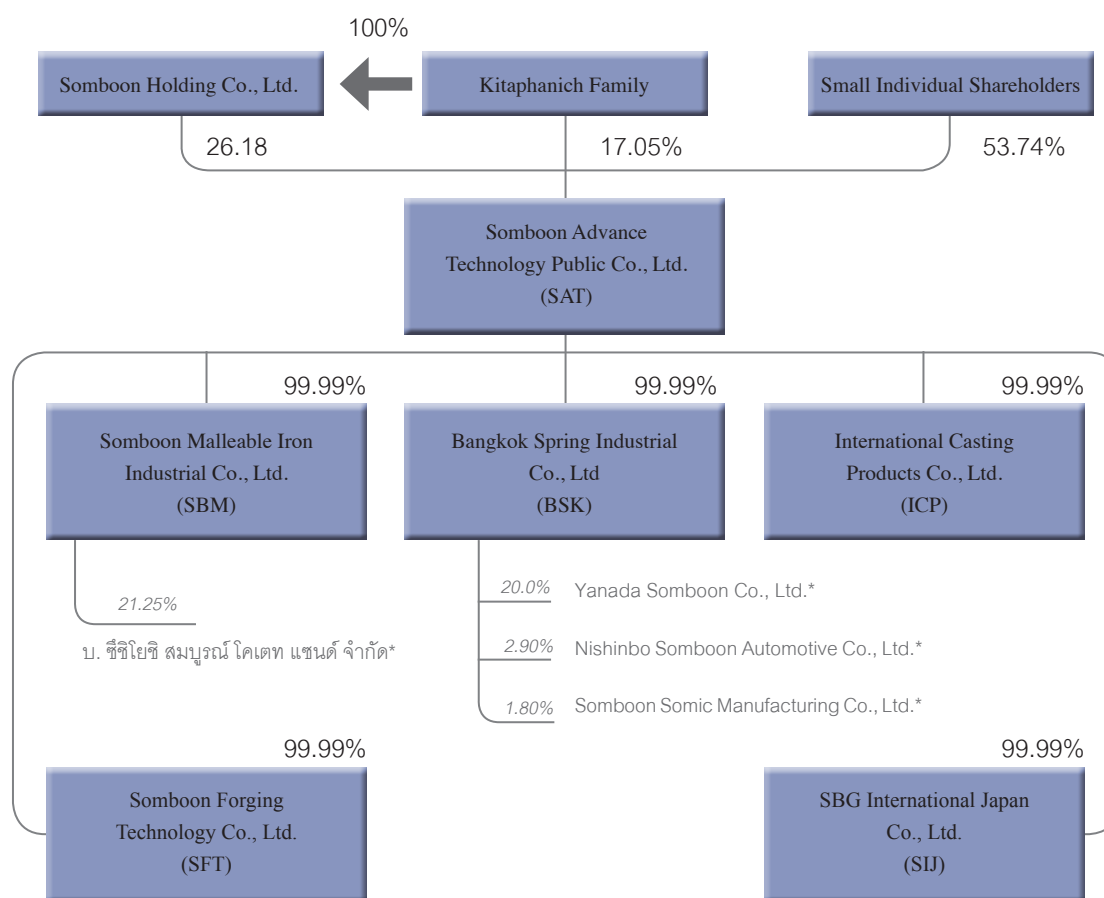


Nature of Business Operation

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 25, 2014



* 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 2014, 2013 and 2012 can be classified as following;

Products	Operated by	% of share holding	Balance Sheet 2014		Balance Sheet 2013		Balance Sheet 2012	
			Income	%	Income	%	Income	%
Axle shaft	SAT		2,465	30	2,861	31	3,049	32
Agricultural engine parts	SBM	99.99	1,264	15	1,080	12	856	9
Brake Disc& Brake Drum	SBM	99.99	972	12	812	9	927	10
Leaf Spring	BSK	99.99	738	9	755	8	894	9
Coil Spring	BSK	99.99	635	8	788	8	817	8
Stabilizer Bar	BSK	99.99	546	7	702	7	697	7
Others*			1,464	18	1,452	21	2,170	23
Total income from sale			8,084	99	8,973	96	9,410	98
Other incomes			95	1	345	4	180	2
Total income			8,179	100	9,318	100	9,590	100

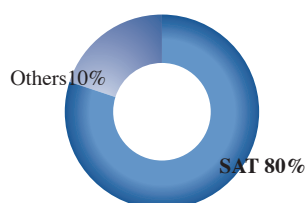
Note:

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

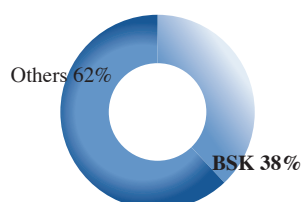
Market

share of Major Product

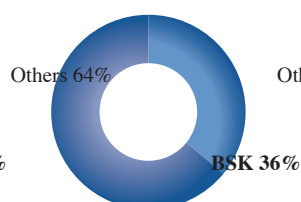
Rear Axel Shaft



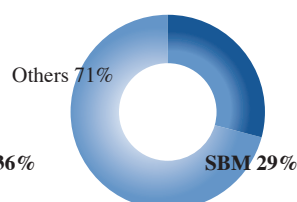
Coil Spring



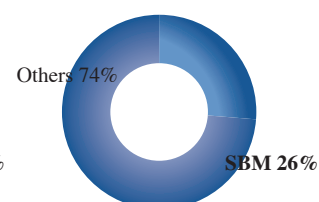
Stabilizer Bar



Brake Disc



Brake Drum



Corporate

Governance Policy For Sustainability

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.

The Board has provided a “policy corporate governance” to encourage the principles of good governance. Committed to conducting its business with transparency Morality ethics and honesty. Basic on “Business Ethics” and use the best practices of directors, management and employees of SBG and stakeholders. Which will lead to a truly sustainable organization.

The Board determines the Manual Governance and Code of Conducts. And reviewed at least 1 time per year. The Company disclosed on the website. Sustainable development topics.

In 2014, The Board of Directors. Adherence to corporate governance of Stock Exchange of Thailand. Accordance with the ASEAN CG Scorecard

“ASEAN”
CG Scorecard

1 Corporate governance policies To make comply with the guidelines ASEAN CG Scorecard.

- 1.1 Policy for directors and executives should notify the company at least 1 day prior trading session.
- 1.2 Remuneration of employees are consistent with the performance of the Company. Short term / long-term.
- 1.3 Reveal the purpose / goal of long-term (3-5 years) of the Company.
- 1.4 Established “Compliance Unit”.
- 1.5 Voting of the meeting of the Board must have not less than 2 out of 3. Total membership
- 1.6 Compensation Policy In short - term Including the performance of the CEO.
- 1.7 Rotation position of independent directors up to 9 years.
- 1.8 Disclosure Rules and the process of evaluation of individual directors and the Board Committees.

2. Testing knowledge of corporate governance. For top executives 52 people.

- Test through the first test = 95%
- Test through around 2-3 = 5%

The President Participated in the first test of knowledge. With a score full 100%.

3. Be 1 in 29 listed companies that received “Excellent CG Scoring” from Corporate Governing Report of Listed Company in 2014 for consecutive years; the scoring in each section is in the “Excellent” level and, in comparison to the highest score and average score of all 443 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



SOMBOON GROUP

SET from the Stock Exchange of Thailand AWARDS

SET Award of Honor 2009-2014:
The Best of Good Governance Company
continuously for 6 years

- SET Award of Honor 2011-2014: The Best of Corporate Social Responsibility continuously for 4 years
- Outstanding Investor Relations Awards

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:

Section 1 Shareholders' right:

The right of shareholders: The company provided opportunity for shareholders. Involved in the Corporate Governance and provides comments about business management more with a focus on best practices for meeting of shareholders on the subject. (1) The quality of the Notice of meeting of shareholders. (2) The quality of minutes of the meeting (3) The role and the attendance of the Chairman and various committees in the minutes of the meeting to allow shareholders to be informed of the results. 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 1, to December 31, 2014 and send the questions regarding ordinary shareholder's meeting agenda for 2015 during March 19, 2015 to April 9, 2015. 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.sat-pcl.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 bonus / reward. And benefits That shareholders approve every year

1.4 The shareholders to consider and approve every year as well as presenting the policy and guidelines on remuneration specification.

1.5 The company invented the shareholders voting in person. The nomination of the shareholder vote at a time.

1.6 The meeting of shareholders, the company has established the independent auditor that no conflict of interest with the company monitors the shareholders quorum counting the votes determine the effect of the resolution the result of the ballot to the meeting be transparent legally and articles of association of the company



1.7 The directors shall not hold the shares more than 25 percent of issued share altogether.

1.8 The Company did not add the meeting agenda or change the significant information without information to the shareholders in the ordinary shareholders' meeting for 2014. 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.

1.9 The company has facilities and encourages all shareholders to attend the meeting. The conference venue is easily accessible such as nearby BTS.

Section 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 1, to December 31, 2014 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 The Company has set the rules for the meeting. In the meeting of shareholders. To shareholders either in person. And / or proxy Can provide documentation / evidence of the meeting. Correctly And not a problem to attend the meeting.

2.3 Give the equal right to vote to the shareholder

2.4 No transaction among the associate companies that would create the significant conflict of interests.

2.5 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.

Operations 2557

The Board of Directors. Have policies for directors and executives must notify the company at least 1 day prior trading session. Company Secretary And report to the Board of Directors. Quarterly note.

2.6 In 2014, the Company arranged 1 shareholders' meeting which was an ordinary shareholder's meeting on April 23, 2014. 10 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 34 days prior to the meeting for the shareholders to study.

2.7 No financial aids to other companies besides the subsidiaries.

2.8 The Company's director policies to prevent the use of inside information. The prohibition measures 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 (Code of Conduct page 7). 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)

2.9 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 2014, there were 110 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.

Section 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

Operation in 2014 The company has important policy and guidelines as follows.

3.1 The Company has prepared a report on sustainable development within the Global Reporting Initiative (GRI) is separate from the annual report. From 2014.

3.2 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, Has revealed accident statistics Rate of striker And illness rate of work. (as detail specified in the sustainability)

3.3 The Company has established policies and practices of human resources development. And revealed the average hours of training of employees per year.

3.4 The Company has established policies (1) that are not related to the violation of human rights (2) practices that are fair and responsible customer / competitor / partners - the selection of suppliers / creditors - the conditions of the Bonds. The Capital Management And the case of an event of default (3) non-infringement of intellectual property / copyright.

3.5 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.

3.6 Publicize a clear policy and guideline for every stakeholder such as employee, safety, customer/trade partner/debtor environment and shareholder

3.7 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.

3.8 Policy on Political Right, International Human Right and Non- infringement of Intellectual Property Right.

3.9 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.



Section 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.

Operation in 2014. The company has set guidelines Perform compliance with the rules ASEAN CG SCORECARD as follows.

4.1 Improve access to the Company information Through the Company's 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:

4.2 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.

4.3 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

4.4 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.

4.5 Disclose the guideline on directors and executives, remuneration in the annual report.

4.6 Disclose the information regarding directors and executives' share hold in the Company and specify the guideline on directors and executives to report as follows;

- 1 Report of changes in securities holding Policy for directors and executives should notify the company at least 1 day prior trading session.
- 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.

4.7 No record of financial statement revision order by the Stock Exchange of Thailand and Securities Exchange Commission.

4.8 Appoint the Company's auditors who deemed by annual general meeting of shareholders for the year 2014. All auditors' qualifications are not in conflict with the requirements of the Stock Exchange of Thailand and the auditor's remuneration for the year 2014 amounts to Baht 1,361,000, an increase of Baht 91,000 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.





SOMBOON GROUP

4.9 The financial statements of the Company approved unconditionally by the auditor.

4.10 Present the directors and executives' information in the Company's website such as name, position, education background, shares held, working experience and picture.

4.11 The relationship with investors

High level executives of the company has placed importance to the work of relative investors considerably by having participated in the meeting, giving information and exchanging opinions with shareholders, investors analyst and news reporter regularly. The company has Investor Relations Department starting from registering in the Stock Exchange of Thailand so that shareholders, investors, analyst, reporter and general interested people can access the information of the company that is correct, complete, clear and up-to-date equally especially important information that would affect the stock price of the company. Moreover, that information can be used to help the decision-making for effective investment which would ultimately affect the actual value of the company.

The company has disclosed information and various news according to the criteria that the SEC has specified through various channels including the use of communication channel and promulgation of information of the SEC, opening of opportunity for investors or analysts to visit the business of the company (Site visit) or to talk to executives of the company (Company Visit), opening an opportunity for news reporter from Thai and foreign news station to meet and interview, issue of Earning Release of the company to the public regularly, the meeting with analyst to follow the work operating result of the company and the trend of industry in every quarter, to have communicating channel so that investors can inquire company information through IR Contact through telephones and electronic mail and publicize the news via Company Website (www.satpcl.co.th) which updated the IR regularly and balance sheet, annual report, 56-1 form, company information presentation document, equity analysis and others.

In 2014 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 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



Section 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:

Operation in 2014. the Board of Directors To leverage best practices of corporate governance. In order to comply with ASEAN CG Scorecard.

1. Rotation position of independent directors up to 9 years.

2. The Board of Directors: diversity of directors policy. By considering individuals with specialized skills to encourage the board to be strengthened. Without limiting genders to the duties as a director. In 2014 Board of Directors did not have to recruiting more directors. Due to the structure of Directors the total 9 people. There are independent directors 6, Non - Executive Director 1, Executive Directors 2 has completed the structure and of Directors. The Company has no listed companies directors to held positions more than 5 companies.

Define and disclose the process for the appointment of new directors. For Nomination of The focus on transparency in the selection and.

3. Selecting persons to for the position of Director. The Company has a policy for shareholders to nominate suitable candidates. Directors elected. The Nominating Committee Qualifications and suitability of candidates. Directors who have retired by rotation or resigned. And recommendations to qualifications of Directors. A person who holds the position of Director. Must have knowledge Ability and readiness to act. And have at least the following

Qualifications of Directors

1. qualified and prohibitions stipulated in the Law on Public Companies and no way that shows a lack of fit to be entrusted with the management of the company. From shareholders The Securities and Exchange Commission
2. the specific knowledge, skills or experience. Will depend on the circumstances of the company. During that time, the Committee considered the nomination
3. can be dedicated to the fullest. Especially in the important decisions and to act in the best interests of the Company. And attend the Board of Directors. And shareholders at all times. Unless there is a force majeure
4. To provide moral and any other property that may be further defined by law or, as appropriate, the Board of Directors.
4. Voting of the meeting of the Board must have not less than 2 out of 3.Total membership
5. Establishment of Compliance Unit of the Office of the Company Secretary. Starting on January 1, 2015 (Annual Report / website company).
6. Board of Directors Provide for the review of roles and duties of directors. And director of a subsidiary at least once a year.
7. Create the policy on the number of the Company directors can hold the committee position according to the guideline on corporate governance as follows;





- 1.) Director can take the position in the listed companies not exceed 5 companies.
- 2.) President and Senior executives can take the position at other companies not exceed 3 companies with the approval from the Company's directors.
8. The chairman of the director can take the position at other company with the approval from the Company's directors
9. 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.
10. 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
11. Create the policy on conflict of interests in the business ethic manual to prevent the self-benefit action.
12. No record on violating the Securities and Exchange Commission's regulation/ Stock Exchange of Thailand.
13. 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.
14. 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 Chairman of the issues discussed. The agenda of the Board of Directors. To allow the debate and opinion sharing. SBG in the direction of business in the next 3-5 years.
15. The Board of Directors The Board committees include the Audit and Corporate Governance Committee. The Nomination and Remuneration Committee. Executive Committee Risk Management and Policy Committee. The authorities clearly
16. The Board of Directors Has reviewed and approved Vision and mission of the company. The management and staff are aimed in the same direction at least every 5 years, and guidelines for participation are as follows.
 1. Mapping out the Vision, Mission, Strategy, Goal, Business Plan and Budget of the Company by holding in dependent 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
 2. Scheduled to be reviewed each year and every year for the next Rolling monitoring compliance with the management plan in accordance with the organization's strategic direction and consistently.
 3. Provide a discussion and review of the management independently. To determine the direction of the organization and be prepared to handle the situation may change in the economy.
 4. Make suggestions and guidelines for management of the organization. For use in the preparation of a clear roadmap. Meet organizational goals
 5. Communication policies 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).



In 2014. Targeting the business term of 5 years (2013-2017) as follows.

The growth of the automotive industry in Asia with the goal of revenue growth. According to the Growth of the automotive industry With the sales and marketing strategy to retain customers. Current and new customers to expand orders. And expand export markets abroad, especially in the region. Southeast Asia

Aims to be an organization that has. **“Specializes in the design and production”** The goal is to raise employees’ the knowledge of engineering 3 areas: Product, Process, Machinery. And creating commercial partner with leading organizations that are leaders in technology from Japan and more. To encourage technology transfer And strengthen the expertise to human resources in responding to customer needs has sustained.

“Responsible stakeholder” is the company’s goal is to be recognized by our customers in the design and manufacturing expertise. The domestic and international

17. 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 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

18. 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 Consider the risk factors that affect the achievement of the strategic goals of the organization. By carefully considering the risks. Quantity and quality And make recommendations to be useful to surveillance and monitoring from the present situation of risk analysis in the Enterprise Risk Management Committee and report on risk policy. To the Board of Directors Every quarter.

19. 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.

20. 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:

21. The Board of Directors and Committee Requires to measure the performance of senior executives annually in the form of performance indicators (KPI) by comparison with the KPI defined as the target. It is tied to the rate that has been maintained by the Committee scheduled for President. Performance will be assessed annually the Committee. Will consider the remuneration that reflects the performance and compensation standards. The company is in the same industry.





22. Director and executive development

1. 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 2014. The Company did not selection new directors. But so get to know the information is current. By the manual updates of Directors in accordance with the laws, regulations and policies. Such as corporate governance policies Code of Conducts on to measures against corruption and ASEAN CG Scorecard guidelines that directors should know.

2. Knowledge development

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) 2 were Dr. Cheerawit Sureerattanun Vice President – Sales, Business Development and Marketing and Mr. Mongkol Saejew Vice President - Operation SBM&ICP

In 2014 the company has encouraged the participants follows.

Table of training courses for the year 2014.

1. Mr. Sansern Wongcha-um Chairman of the Board	1. Anti-Corruption 2. ASEAN CG Scorecard 3. Industrial Management 4. Corporate Social Responsibility ... Sustainability
2. Mr. Yongyuth Kitaphanich Vice Chairman	1. Governance For Business Succession... Sustainability 2. Anti-Corruption 3. Industrial Management 4. Corporate Social Responsibility ... Sustainability
3. Mr. Panja Senadisai Chairman of the Audit & CG Committee	1. Anti-Corruption 2. Industrial Management 3. Corporate Social Responsibility ... Sustainability
4. Mr. Sobson Ketsuwan Chairman of the Executive Board	1. Anti-Corruption 2. Industrial Management 3. Corporate Social Responsibility ... Sustainability
5. Mr. Paitoon Taveebhol Chairman of the Nomination & Remuneration Committee	1. Governance For Business Succession... Sustainability 2. Anti-Corruption 3. ASEAN CG Scorecard 4. Industrial Management 5. Corporate Social Responsibility ... Sustainability
6. Mr. Ajarin Sarasas Chairman of the Risk Management Policy Committee	1. Anti-Corruption 2. Industrial Management 3. Corporate Social Responsibility ... Sustainability
7. Mr. Yongkiat Kitaphanich President	1. Anti-Corruption 2. ASEAN CG Scorecard 3. Industrial Management 4. Corporate Social Responsibility ... Sustainability
8. Ms. Napatsorn Kitaphanich Director	1. Anti-Corruption 2. Industrial Management 3. Corporate Social Responsibility ... Sustainability
9. Mr. Surasak Khaoroptham Independent Director	1. Governance For Business Succession... Sustainability 2. Anti-Corruption 3. Industrial Management 4. Corporate Social Responsibility ... Sustainability



23. The Board arrange a (1) a self-assessment of the Board (2) self-evaluation of individual directors. (3) self-evaluation of subcommittees Include Board of Directors, Audit & Corporate Governance Committee, Nominating & Remuneration Committee, Risk Management Policy Committee. The directors had considered the work and solve the problem together. To contribute to the improvement / development.

(1) The result from self-assessment of the Board of Director for the Year 2014 **average score 4.50 in Level Excellent**

Assessment Topics	- Structure and Qualification of Director	average 4.62
	- Role/Duty/Responsibility of Director	average 4.50
	- The Board of Director's meeting	average 4.49
	- The performance of the Board	average 4.51
	- The relationship with Management	average 4.49
	- Self-development and Executives	average 4.39

Additional opinion/remark from the self-assessment is that the score level in all topics is higher than last year especially the self-development is higher comparing with other topics.

(2) The self-assessment of each director for the Year 2014 **average score 4.57 in Level Excellent**

Assessment Topics	- Structure and Qualification of Director	average 4.61
	- The Board of Director's meeting	average 4.58
	- Role/Duty/Responsibility of Director	average 4.51

Additional opinion/remark from the self-assessment, most directors has same opinion that the management should develop in the document proposed to the Board of Director especially sufficient data for the decision of the director.

(3) The result from self-assessment of the Committee for the Year 2014

3.1 The Executive Board of Director **average score 4.27 in Level Very Good**

Assessment Topics	- Structure and Qualification of Director	average 4.00
	- The Board of Director's meeting	average 4.00
	- Role/Duty/Responsibility of Director	average 4.55
	- Self-development	average 4.27

Additional opinion/remark from the self-assessment is that the roles and duty of the Executive Board of Director can sufficiently support the work of the Board of Director.

3.2 The Audit and Corporate Government Committee **average score 4.96 in Level Excellent**

Assessment Topics	- The performance of the Board	average 4.80
	- Review of Financial Reporting / Detection Systems	average 5.00
	- Independence of director	average 5.00
	- Compliance with the law	average 5.00
	- The report of director	average 5.00

Additional opinion/remark from the self-assessment are that overall of the performance of the Board has sufficiently independence and assure that all procedures of the operation of organization have transparency and accountability.





3.3 The Nomination and Remuneration Committee **average score 4.71** in Level **Excellent**

Assessment Topics	- The director qualification	average 5.00
	- Independence of director	average 4.75
	- Structure and Director Development Plan	average 4.50
	- Remuneration Policy in other forms	average 4.75
	- Method/Criteria of Remuneration	average 4.75
	- To establish sustainability practice	average 4.75

Additional opinion/remark from the self-assessment is that the development and successor plan of the executive management is the important factor to closely follow up.

3.4 The Risk Management Policy Committee **average score 4.60** in Level **Excellent**

Assessment Topics	- To supervise and process risk management	average 4.25
	- To follow up and assessment	average 4.25
	- To establish risk control measure	average 4.50
	- To report the performance constantly	average 5.00

Self-Assessment Procedures-The Whole Board of Directors

1. The Board of Directors is the one who approve and review the assessment form to be correct in accordance with the Criteria specified by the Corporate Governance Section.
2. The Company Secretary: the conclusion and analyze the assessment result of performance of the Board of Directors and report to the Board of Director
3. The Company Secretary (1) to provide improvement plan from analysis and additional opinion by the Board of Director

The Criteria of Self-Assessment-The Whole Board of Directors

1. Structure and the qualification of the Board of Directors consists of the variety of directors, director ratio, qualification of each committee
2. Roles, duties and responsibilities of the Board of Directors consists of using the sufficient time to consider the important matter, conflict of interest, internal control system and risk management.
3. The Board of Directors' Meetings consist of arranging the meeting schedules in advance for the whole year, quality of document having sufficient for the Board of directors' decision.
4. Duty of director consists of attending the Meeting regularly and giving opinion independently
5. Relation with the Management consists of giving opportunity for discussion and taking part to solve problem
6. Director Self-Development and Executive Development consist of understanding in his role, having knowledge in the Company's business, supporting the director to attend training, successor plan, etc.

Self-Assessment Procedures-Each Director

1. The Board of Directors is the one who approve and review the assessment form to be correct in accordance with the Criteria specified by the Corporate Governance Section.
2. The Company Secretary is the self-assessment to give opinion in relation to the role and duty of the director, independence, management structure, knowledge development and opinion related with management administration of organization.
3. The Company Secretary is to conclude and analyze the assessment result of the Board of directors report to provide improvement plan

The Criteria of Self-Assessment- Each Directors

- 1 Director qualification: the variety of the Board of Directors, approval for the director performance
2. Roles, duties and responsibilities : the independence of director, giving opinion, joining activities, internal control system, risk management and information disclosure
3. Meetings: attending the meeting, giving opinion and study through information in advance
4. Giving other useful opinion to the Company



24. 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.





25. 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 7 years.

26. 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

27. Define and disclose the process for the appointment of new directors. For Nomination of The focus on transparency in the selection and. Selecting persons to for the position of Director. The Company has a policy for shareholders to nominate suitable candidates. Directors elected. The Nominating Committee Qualifications and suitability of candidates. Directors who have retired by rotation or resigned. And recommendations to the Board of Directors. Annual General Meeting of shareholder for election as directors.

Qualifications of Directors: A person who holds the position of Director. Must have knowledge Ability and readiness for perform their duties. And possesses at least the following.

1) To meet qualification and do not have non-qualification under the Public Limited Companies Act and do not have characteristic with inappropriate to be trusted to manage the Company from the shareholder under the Notification of the Securities and Exchanges Commission and the Stock Exchange of Thailand.

2) To have knowledge, skill or experience in special field depending on the appropriate situation of the Company in such period selected by the Nomination and Remuneration Committee.

3) To devote himself to make important decision and to protect the interest of the Company and attend the Board of Directors’ Meeting and the Shareholders Meeting every time except force majeure.

4) To be merit, moral principle and other qualification as be additionally specified in accordance with the law or the proper of the Board of Directors.

28. The Board of Directors sets policy on the minimum quorum of the Board of Directors. To vote at the meeting Director of Infection Must be present for at least 2 out of 3 of its members.

29. The Board of Directors Conducted to evaluate the performance of the Chief Executive at the end of the year by the Nomination and Compensation Committee. To evaluate and make recommendations to the Board of Directors. For approval The results of the evaluation of the Managing Director is confidential personal information. Not be disclosed The criterion of the President into 2 parts.

Part 1 : Evaluation of multiple points of the organization.

Part 2 : Evaluation of Leadership. (Team building, communication, focus on achieving change management).

The results of the evaluation will be defined as the rate of increase in salaries. The President must be approved by the Board of Directors.

30. Disclosure of CEO compensation policy, including both short-term and long-term performance of the CEO.

31. The Board of Directors Have a role (Charter) of the Audit and Corporate Governance Committee. In regard to the appointment and dismissal of the external auditor. (Report of the Audit Committee. - Annual Report)





32 Provide regulatory practice (Compliance Unit) for the match. Company Secretary Beginning January 1, 2015 (Company website - management structure).

33. Training to review their knowledge and understanding of the preparation. "Report on conflicts of interest" to prevent conflicts of interest. To directors and executives Including the relevant staff

34. development of employee capability : the Board of Directors. A policy to develop the potential of all employees. Devoted to the ASEAN Economics community (AEC) by Somboon learning Academy, Rayong.

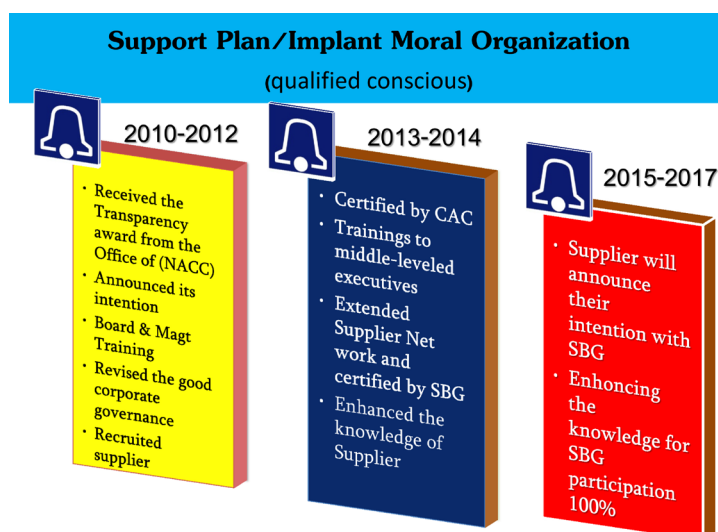
In 2014 The Company starts to manage Somboon Learning Academy and commences to train for work skill development of all staff in all levels to be consistency with the target of organization 4 sides (1) basic knowledge in quality/stability /Safety, Occupational Health, Environment (2) Business knowledge and business moral (3) Development of efficiency in professional (4) knowledge in leadership and administrative management (please see details in the Sustainability Report.)

Board of Directors: define policies. To support corporate governance to be more sustainable, as follows ;

Anti Corruption



The Company is 1 of 27 organizations to announce the intention for anti-corruption and to be the 1 of 9 organizations certified from the Private Sector Collective Action Coalition against Corruption Council: CAC to anti-corruption on July 26, 2013





SOMBOON GROUP

POLICY

CONDITION

THE ACTION AGAINST CORRUPTION SBG

The Board of Directors

The Board of Directors concentrates to anti-corruption to be the real transparent organization, therefore the Board of Director has specified the support and foster the moral organization in long term and continuously for 5 year (2010-2014) through the Course “Moral and the Sustainability of Organization” to implant the quality conscious to stall (discipline and honesty) and expand to all stakeholders.

- Conditions**
- (1) Anti-Corruption policies, corrupt governance in the manual. And the Ethics
 - (2) To cover all activities. Associated with the operation of the SBG.
 - (3) To evaluate the risk of corruption, corrupt throughout the organization. Annually

guidelines

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 corporate 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.



Principles and processes for **RISK** assessment corrupt

Board of Directors. Assigned to the Internal Audit Department Is responsible for the assessment. (separated from Corporate risk) using a risk assessment guidelines to corruption the Core Business. (Order to Cash . Planning and Production , Procure To Pay, Warehouse & Logistic) which consider the risks each activity To analyze corruption channel And assess the impact (of the opportunities and impact assessment based on the criteria of Enterprise Risk Management Manual) method is used to prepare the annual audit plan. And are reviewed annually

Board of Directors Provides the guidelines for the evaluation of anti-corruption policies corrupt follows.

1. Survey “report on conflicts of interest” of the executive directors and four first order by the law. And expand the survey to all management levels. With authority Stakeholders, including employees. To prevent conflicts of interest. To lead to corruption corrupt.

2. Set the channel to report And measures for protecting the whistleblower On the Company’s website By communicating to employees to make complaints and violations. It is the duty of discipline and the need for action.

3. The Audit Department To assess the risk of fraud. Assessment and Plan In accordance with the internal audit plan.

4. Those who commit fraud corrupt. It is against the ethics of the company. Which must be taken into consideration. Disciplinary regulations, the company defined and punishable by law. If this action is illegal

5. promote literacy across the curriculum “Ethics and Sustainability” for managers at all levels and activities geared towards the greater good - for a group of employees at the operational level. To understand

Operation 2014

1. The Company has enhance knowledge in the form. Training / Seminar Workshop And model activities to lead to a new corporate culture. Under the plan, encourage and cultivate ethics organization.



CULTURE NEW
Corporate





Why... we must focus on the anti-corruption	
Problem / Obstacle	➤ Law ➤ Code of Conduct
Yield	➤ Qualified Conscious
1. Staff : Discipline Honesty Compliance with rules and regulations	
2. Product : Quality Waste Reduction Productivity Cost Reduction	
3. Sustainable Organization : Good Image Competitive Expansion Create Profit	

- 1.1 The Company determines the course “Ethics and Corporate Sustainability” - for supervisors. The content focuses on ethics. And awareness of the work It employs 600 people attended the evaluation is satisfactory level of 87 percent is considered relatively good.
- 1.2 Board of Directors A policy to encourage supplier. And stakeholders Grow with the SBG The strategy to increase business value.

To ensure that “the Supply Chain” of the SBG are truly transparent. : To expand the audience for-corruption corrupt partners to SBG and to expand the audience campaign against corruption partners (supplier) to SBG and enhance knowledge in the fight against corruption. To expand the network and allows the partners for membership in the group.

The Channel for Claim & Opinion Feedback							
Topics	The Channel for Opinion Feedback (Normal)				The Channel of Claim (Additional)		
	Drop Box	Super-visor	Giving Information : Staff Gathering	Meeting & Public Hearing	Website	Email to Independent Director	Mail/Email to Company's Secretary
1. Suggestion for development and management improvement							
2. Comment/Suggestion : Corporate Governance							
3. Submit an Illegal Tip							
4. Employee Protection Policy							

2. To employees and stakeholders. Complaints access channel Board of Directors Thus requiring additional channels complaints and suggestions. Complaints process Measures to protect the complainant Suggestions to improve the management process. And the prepare the training course. And communicate effectively. In 2014, Employees feedback on quality of life. And was assigned to the Human Resources Department to perform successfully 1 story

Employee & Employer Contribution (%) of wage			Contributions and Benefits Payment by Employer	
Service Year or Year of Member	Employee	Employer	Service Year	Contributions and Benefits (%)
4 months or less than 4 years	3%	3%	Less than 5 years	0
More than 4 years to 7 years	3% or 4%	3% or 4%	5 years but less than 6 years	50
More than 7 years	3%, 4%, 5% , 6%	3%, 4%, 5% , 6%	6 years but less than 7 years	60
			7 years but less than 8 years	70
			8 years but less than 9 years	80
			9 years but less than 10 years	90
			More than 10 years	100

3. The Board Aware of the quality of life of employees the guidelines on the welfare and long-term employees as compensation. The Company has compensation to the employees appropriately and consistent with Remuneration the of the industry. Define first minimum wage for employees in general. No skills / experience a day in which more than 315 baht minimum

wages law. And other benefits in the form of an additional 175 baht per day, , including lunch allowances for shifts work, including minimum wages, the employee will receive basic 490 baht per day.

In addition, the Company has other benefits. To raise the quality of life of employees. The complementary Rice For lunch. And control food prices to remain at a lower price than the market price. Other formats including The welfare Transfer employee health insurance ward staff Uniform

To provide employees with long-term reserve fund. The retirement of the Company. The fund was established by the company pays fixed contributions and benefits. To employees



PROCEDURE | Network Expansion Procedure of Integrity Business Partnership of SBG



1. To set up Corporate Governance Committee consisting of the Company's secretary (Leader), Procurement Department and Human Resources Management Department and Internal Audit Department
2. The Company stipulates the plan of network expansion in anti-corruption to the business alliance by selecting the supplier which has rotation rate in sale and purchase as of 20 Million per year. Due to the selection, there are 136 suppliers from 2,828 suppliers for target of 3 years (2015-2018) to pledge in the anti-corruption with SBG
3. To train the supplier to understand in the pledge of the anti-corruption with SBG
4. In 2014, as testing project system, there were 24 suppliers attending the project seminar and there were 11 supplier pledging in the anti-corruption with SBG.
5. SBG applies self-assessment under CAC in order to support the suppliers' understanding and easier to attend CAC in the future by specifying the 71 self-assessment. It appeared that there were 9 supplier from 11 suppliers passing the self-assessment.
6. SBG set the ceremony to promote a good image on December 18, 2014 as certified to be the network of anti-corruption with SBG and ceremony to give the certificate to be alliance for the Integrity Business Partnership of SBG.

1. P.S. Steel company limited	2. Amcol international (thailand) limited
3. Hidaka yookoo enterprises company limited	4. Bunyat industry 1998 company limited
5. T.V.S. Automation and part company limited	6. TOA performance coating corporation company limited
7. Thai Houghton 1993 company limited	8. Trident steel company limited
9. Focus mechanic company limited	





Integrity Business Partnership of SBG

Recognition of Anti-Corruption Practice



The SBG hereby declare that

Amcol international (Thailand) limited

Bunyat industry 1998 company limited

Focus Mechanic Company limited

Hidaka yookoo Enterprises Company limited

Thai Houghton 1993 company limited

P.s. steel company limited

TOA performance coating Corporation Company limited

Trident steel company limited

T.V.S. Automation and Part Company limited

is the partner of anti-corruption by putting in place Anti-Corruption Policy and prevention control against bribery.

SBG pleasure announced that the company would henceforth as a business partner of SBG.

Date: December 18, 2014

(Mr. Yongkiat Kitaphanich)

President

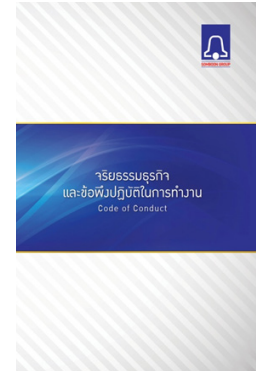




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- SAT Received the transparency award from the Office of Anti-Corruption Commission
- Participated in announcing its intention to prevent corruption

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- Provided trainings to the Board of Directors and top executives

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- Revised the good corporate governance manual to be in line with the preventive corruption operation
- Provided trainings to directors and middle-leveled executives

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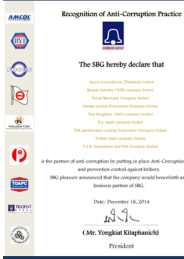


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Integrity Business Partnership of SBG



2558-2560



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- Certified by CAC in the preventive corruption measures
- Announced its participation in the anti-corruption coalition to partners

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- preventive corruption declaration is extended to business parent companies of the project Anti-Corruption
- Self-assessment. It appeared that there were 9 suppliers

2558-2560

- To expand suppliers network with a target of 136 suppliers (from 2828 suppliers) in 3 years.
- To develop knowledge of employee/ suppliers of company.
- Anti-corruption representative in Asia Pacific region PR. SBG 180 countries around the world

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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.

2.1 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 2014

the Company, partners are invited to visit the 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

2.2 To promote the social responsibility in trading partners:

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. Inspect the connection and relationship between employees in every level with sellers, sub-employees, subcontractor 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.
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 2014

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.

2.3 Respect the right in property:

Promote and strictly comply with the right in property, intellectual property, copyright, and 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 2014

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.

2.4 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 2014, the company promotes knowledge of political rights. And an opportunity for employees to use freely. Without threatening to dominated induce and participate in any way.

3. 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 2014 the Company received suggestion of the employee and stakeholders (as detail specified in the Corporate Governance Policy)

4. 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.

4.1. 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.





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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.

4.2 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

4.3. 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.

The operation in 2014 and operation plan of 2015 (as detail specified in the sustainability)



5. 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

The operation in 2014 and operation plan of 2015 (as detail specified in the sustainability)

6. 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

The operation in 2014 and operation plan of 2015 as detail specified in the sustainability)





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7. 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 Soar 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

The operation in 2014 and operation plan of 2015 as detail specified in the sustainability)

8. Research and development of social responsibility operation

The Board of Directors' 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.

The operation in 2014 and operation plan of 2015 (as detail specified in the sustainability)

9. To make the report of sustainability

The Board of Director will develop the sustainability of organization then, the company has made a report of sustainability to public and stakeholder separated from the annual report of the company since 2013 assigned to the Nomination and Compensation Committee.

As detail of the (Nomination and Remuneration Committee's scope of duty- Management Structure)



Competition and Industrial Trend

The economic condition in the year 2014 must face with many risky factors. Some of them are from inside the country such as political unrest, impact from government rice buying project and the impact from the market stimulating policy from the government on the first car which some part of the consumers have decided to buy cars in the said period of time in order to receive the benefit on tax. In the meantime, some of them cannot pay the installments or do not have enough money to buy the cars as they have booked. This causes a large amount to cars that have been produced to remain in the assembling factories and the service centers. The selling amount of cars inside the country has reduced from the year 2013 in a very large amount and even if the exporting factor in the early of the year 2014 had increased but it decreased in the third quarter from the political problem in the middle east and the economic circumstance in European countries. This prevented the export amount to increase as expected. In the overall picture, it has made the car manufacturing amount in the year 2014 to reduce from the year 2013 for 23% to be at 1,880,007 cars by could be divided to domestic sale of 881,832 cars which has reduced from the last year for 34% and for exporting 1,128,102 cars which is close with the previous year. However, the domestic car industry trend still grows to the production amount of 3 million cars in the future.

Apart from 1-ton pickup truck which is the main product of the country, the future trend is that Thailand has placed more importance to environment. The main plan of automobile industry would focus on cars which are environmentally friendly. In the year 2014, there has been an announcement of the investment on cars which are environmentally friendly called Eco car phase 2 by increasing from the 5 original manufacturers of Nissan, Honda, Mitsubishi, Suzuki and Toyota to 10 manufacturers including Mazda, Ford, General Motor, MG and Volkswagen.

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
2557	742,678	1,114,778	22,551	1,137,329	1,880,007	-23.39

Source : The Thai Automotive Industry Association





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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.



Risk Factor

In the year 2014, it is a very challenging year for vehicle industry and vehicle part business which was highly competitive on the cost and ability in the design and developing products in order to respond to the need and expectation of customers and it must not stop in inventing innovation to always keep up with the change on technology in order to be a sustainable company. We focus on vehicle business that must be strong in the domestic and foreign market to reduce the risk by focusing on strong business partnership and create business trust to stakeholders.

In the sustainable business operation, we are necessary to be on the balance covering every group of stakeholders so that it would be consistent with the philosophy for the business operation “Somboon Triple Bottom Line “ which is smart people, business trust and growth society to create the immunity and strengthen the organization and reduce unprecedented risk.

Therefore, the companies in Somboon Group are continuously determined to develop Enterprise Risk Management system. In 2014, the Board of Directors approved the establishment of the Risk Management Policy Committee in order to supervise and suggest the preventive risk management guideline to the Enterprise Risk Management Committee to be more efficiency in applying the risk policy to the organization. Therefore, the Risk Management Team has been established in each work line in order to make sure that it can prevent and reduce the risk effect in various situations in an acceptable level by still maintaining the work operation to meet the objective and target according to the specified strategy with stakeholder satisfaction continuously.

The companies in Somboon Group have categorized the risk management type as follows.

1. Strategic Risks

In the year 2014, the economic status has slowed down from the long political conflict. Even though, the various incidents have become better but the consumers still lack confidence and they are very careful in spending. The investment structure in the government and private sector have not fully moved forward affecting the sale amount of cars inside the country which is not meet the target and the confidence of customers in the investment decision. However, for the export market, the Company has still concentrated to expand the market and manufacturing to overseas especially countries in Asia region in order to compensate the effect that might happen.

As for the growth to foreign market, we have emphasized on finding strong Strategic Partners in order to enhance the potential in new market and reduce the risk that might happen in the future and the Company has placed importance in the personnel development so that they would continuously have skill and expertise through a learning center “Somboon Group Learning Academy: SLA” and develop management to be ready to expand a new market and make sure that the work operation will meet the objective and goal.

2. Operational Risks

From the research and development of new technology continuously in vehicle industry that focuses on environmentally friendly innovation and energy-saving, the Company has specified research strategy and develops process and product consistent with the changing technological trend in order to respond to the need of the market. For example, development of light weighted material for eco car and to plan the sale strategy to create the confidence to the customers to use the new model of cars in the future instead of the old model.

The development of the company covering in the material invention and process design with efficiency, energy-





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saving and creating low pollution concerning the performance and safety of products according to the international standard and the need of customers. The Company has planned the strategy and work plan in the investment on machines, equipment and personnel development to bring about new knowledge and knowledge transfer in a systematic and continuous way by planning the system of developing expert to be foundation of the continuously sustainable Talent and succession plan.

3. Finance Risks

According to the vehicle industry condition and the economic circumstance of the country in 2014, the companies in Somboon Group has carefully monitored its liquidity by operating the business under the financial policy both debt to equity ratio and the management to control the fluctuation from the exchange rate so that the Company would operate the business continuously and invest to support the growth in the future and the Company can still maintain the ability to pay dividend to shareholders continuously.

The Company has entered in to the Forward Contract in order to manage the risk that happens from machines and equipment import from overseas. Moreover, the Company can adjust the price of goods due to the change of the raw material price and exchange rate under the specified time frame to reduce the effect from the import of raw materials.

4. Compliance Risks

4.1 Regarding the conviction in the quality of the product and consumer protection

The company has placed importance to create confidence in the quality for the entire process. There is strict preventive follow-up system starting from raw material and production process according to the quality management system ISO/TS 16949 to deliver the products to the customers. The company has set target on zero claims, a work line strategy, that every personnel must be responsible and conscience in the quality including inspection process from the internal and external auditor regularly in order to firm that the process and procedure of product quality supervision has been treated strictly and continuously. The Company believes that the Company can always maintain the satisfaction of customers on the product quality.

As for the defensive measure, the Company has entered into the agreement with the car manufacturer in order to specify the clear scope of responsibility including arrangement of product liability insurance for the product designed by the Company and the Safety parts according to Product Liability Law in order to limit the risk scope. In case, there is litigation which must be liable for the damage.

4.2 Safety, Occupational Health, Environment and Community

The Company has clearly stipulated the direction and Safety Policy, environment and responsibility to the society. In part of safety, the Company has focused from the process of infrastructure design, production system, production control system and monitoring control system and fire alarm including work instructions which have always been updated. The Company has arranged the training on safety and environment regularly and continuously.

The Company has promoted the various activities in order to prevent the safety risk inside and outside the work such as the Risk Evaluation activity and starting Completely Check Completely Find Out (CCCF), Safety Culture, Safety Network, KYT and Safety Declaration to prepare and response to the emergency such as fire drill and fire evacuation and covering day shift and night shift, etc. The Company arranges an activity and creates safety conscience outside the work such as safety helmet campaign and not driving car in reverse direction for staff that drive motorcycles and campaign on wearing safety belts and not use mobile phone while driving for people driving cars. The result of the project operation would reduce accident and comply with the law. Staffs are ready to work efficiently and can respond to the need of customers according to the quality and safety target.



In addition, to be responsible for environment, community and society, the Company has checked and follow up the air quality and waste water inside the Company and watch over air quality in general atmosphere in the community area around the factory regularly and there is technology to be applied in managing environment and pollution protection to improve the efficiency in using resource and reduce cost such as energy-saving technology, improvement of compressed air system to protect loss along the way, replacing oil with natural gas, installation dust-removal system, improvement of waste water treatment system and sedimentation pressure system which reduce the cost of treatment levels of industrial waste. The project of water quality improvement after treatment to reuse in some production process which has been continuously operated, the project of returning wastes for recycling at the manufacturing company instead of dispose including to promote every level of staff to be part in taking care of environment in the work place through 5S activity and Big Cleaning Day create satisfaction for the customers and visitors.

Moreover, the Company has arranged the activity to visit community every 3 months in order to listen to the opinion and emphasize the environment care on the community life with reciprocal in an interdependent way and ready to follow the suggestions for continuously improvement.





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Major Changes and Developments in Past 3 Years

June 2014

Information disclosure Resignation of Director. For the Non-Executive Directors.

July 2014

SAT has receive coined a “The bilateral education system.” The development of a technician. By the Office of Vocational Education Commission the Ministry of Education

August 2014

SAT, SBM, BSK, ICP: Award of Honor. The notable establishments “Labor and Welfare” to 5 years from the Department Labor Protection and Welfare.

October 2014

- SAT and BSK received the CSR-DIW Continuous Award 2014 for CSR guidance for operator and SBM Received awards The responsibility of the industrial society. from the Department of Industrial Work.
- SAT has been a plaque Organizations whose work is inspired by the Ministry of Social Development Social Development and Human Security. November 2014 SAT was granted awards from the SET Awards 2012 and Bank& Finance magazine in the field of
 - SET Awards of Honor for the excellence as the outstanding Corporate Governance report for a consecutive for 6 consecutive years. (from 2009 to 2014)
 - SET Awards of Honor for the excellence as the best Corporate Social Responsibility for a consecutive for 4 consecutive years. (from 2011 to 2014)
 - Outstanding Investor Relations Awards
 - CSR Recognition 2557

December 2014

SAT extended alliance against corruption corrupt to partners. And the ceremony certificate in a unified anti-corruption measures corrupt the SBG. (Recognition of Anti-Corruption Practice)

Awards from Customers for 2014

Award of Regional Contribution 2014 from Toyota Thailand (BSK)

The 1st runner-up : The result of MCC-QCC Final Presentation Convention in FY2014 (BSK)



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 :

- 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

- SET Awards of Honor for the excellence as the outstanding Corporate Governance report for a consecutive for 5 consecutive years. (from 2009 to 2013)
- 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 2013

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 Regional Contribution 2013 from Toyota Thailand (BSK)



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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

SAT was granted awards from the SET Awards 2012 and Bank& Finance magazine in the field of

- SET Awards of Honor for the excellence as the outstanding Corporate Governance report for a consecutive period from 2009 to 2012.
- Best Corporate Social Responsibility Awards.
- Best Investor Relations Awards

Major Changes and Developments in

3

Past Years



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Major Shareholders

The top ten list of shareholders as shown in the registration book as at August 25, 2014 are as following:

	Shareholders	N0. of shares hold	Percentage
1.	SOMBOON HOLDING COMPANY LIMITED	111,332,250	26.18
2.	KITAPHANICH FAMILY	72,501,587	17.05
3.	THAI NVDR CO., LTD.	19,098,719	4.49
4.	NORTRUST NOMINEES LTD.	14,518,000	3.41
5.	DBS BANK A/C SG0900110824	13,267,977	3.12
6.	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED AIA D-PLUS	9,500,000	2.23
7.	CHASE NOMINEES LIMITED 137	8,531,200	2.01
8.	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED-APEX	8,123,166	1.91
9.	SOMPONG CHOLKADEEDAMRONGKUL	4,262,800	1.00
10.	THE BANK OF NEW YORK (NOMINEES) LIMITED	3,194,200	0.75

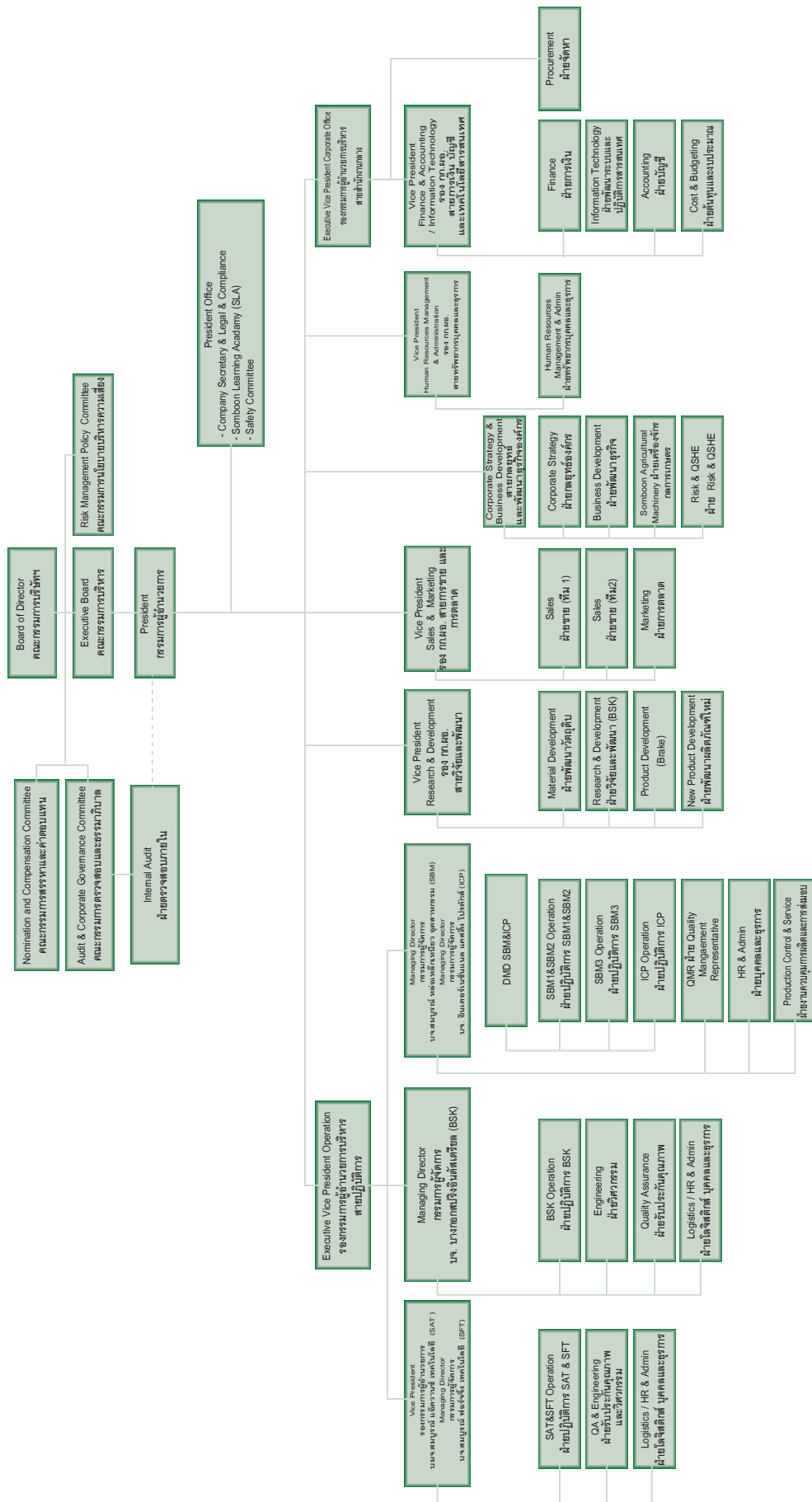
Remarks : Mr. Verayut Kitaphanich, Mr. Yongkiat Kitaphanich and Ms. Napatsorn Kitaphanich are the same family but it shall not be deemed as the person in the same group.

Limited of Foreign Shareholder

The foreign shareholders cannot hold shares of the company more than 49 percent of the outstanding and paid-up shares on August 25, 2014, and they held shares of the company for 18.88 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 compensation committee and the risk management policy 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. Yongkiat	Kitaphanich	Director
8.	Ms. Napatsorn	Kitaphanich	Director
9.	Mr. Surasak	Khaoroptham	Independent Director

Mr. Thanakit Permpoonkantisuk is a Company Secretary

Remark : Mr.Verayut Kitaphanich Director was a director until 31 May 2014.

Authorized Directors

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





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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.



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 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

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 as have 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.





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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

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



Ms. Somluck Tanpisute is appointed to be an Assistant to Secretary to the Nomination and Compensation Committee as replace of Mr. Teerarat Piamsupakpong since October 30,2014

The Compensation Committee holds s 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. To specify the social responsibility and sustainability policies.
9. To review and follow up the company's operation to be in line with the policy as concern of impact on all stakeholders twice a year.
10. To consider appointing the working team to work on the social responsibility and sustainability as appropriate.
11. Perform any acts designated by the board of directors.

Risk Management Policy Committee

According to the resolution of the company board of directors No 1/2557 on 21 February, 2014 appointing the risk management policy committee consisting of independent committee in the whole group by having President as the secretary is effective as of March 1,2014

	Name-Surname	Position
1.	Mr. Ajcharin Sarasart	Risk Management Chairman of directors
2.	Mr. Sobson Ketsuwan	Director
3.	Mr. Paitoon Taweepol	Director
4.	Mr. Yongkiat Kitapanit	Director and secretary



The risk management policy committee has the agenda in the position of 3 years

Scope, power, duty of risk management policy committee

1. Specify the process, procedure, duty scope of the risk management policy committee
2. Consider the risk factor affecting the organization strategy target by considering every risk thoroughly, discreetly in the quality and quantity and to provide beneficial proposition in order to prevent and watch out the risk from the current situation.
3. Provide suggestion, follow-up, evaluation and support the work operation of the risk management committee in the management level in order to operate and reach the target of the risk management regularly.
4. Report the work operation to the committee of the company regularly and continuously every quarter.





Risk Management Committee- management level consists of

	Name		Position
1.	Mr. Yongkiat	Kitaphanich	Chairman
2.	Ms. Napatsorn	Kitaphanich	Director
3.	Dr. Wichai	Srimavon	Director
4.	Mr. Koichi	Miyahara	Director
5.	Dr. Cheerawit	Sureerattanun	Director
6.	Mr. Somsak	Sittinanchaoen	Director
7.	Mr. Mongkol	Saejew	Director
8.	Mr. Patpong	Weerasin	Director



Mr. Thantach Ritthinam is appointed to be a Secretary to the Risk Management Committee - Management level as the replace of Mr. Hiran Poblal on 1 January 2015

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 held a meeting to review the implementation of risk management system with reporting to the Risk Management Policy Committee frequency or consecutively every quarter.

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.	Dr. Wichai	Srimavon	Vice President – Somboon Learning Academy
4.	Mr. Koichi	Miyahara	Vice President – Research and Development
5.	Dr. Cheerawit	Sureerattanun	Vice President – Sales, Business Development and Marketing
6.	Mr. Somsak	Sittinancharoen	Vice President - Operation BSK
7.	Mr. Mongkol	Saejew	Vice President - Operation SBM&ICP
8.	Mr. Patpong	Weerasin	Vice President - Operation SAT and Managing Director SFT

Remark : Mrs. Jiraporn Srisomwong, Vice President – Information Technology resigned from the company on 2 June 2014.

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.





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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 9 directors, 7 of which are non-executive directors and the remaining 2 are not. The Company has 6 independent directors.

Independent Director is 66.66% 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.





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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	Risk Management Policy Committee	NED
1. Mr. Sansern Wongcha-um	Independent director/ Chairman	12/12	-	-	-	-	1/1
2. Mr. Yongyuth Kitaphanich	Vice Chairman/ Executive Board	12/12	11/11	-	-	-	1/1
3. Mr. Panja Senadisai	Independent director/ Chairman of the Audit & CG Committee/ Member of the Nomination & Remuneration Committee	12/12	-	6/6	3/3	-	1/1
4. Mr. Sobson Ketsuwan	Independent director/ Chairman of the Executive Board/ Member of Risk Management Policy Committee	12/12	11/11	-	-	5/5	1/1
5. Mr. Paitoon Taveebhol	Independent director/ Chairman of the Nomination and Remuneration Committee / Member of the Audit & CG Committee/ Member of Risk Management Policy Committee	12/12	-	6/6	3/3	5/5	1/1
6. Mr. Ajarin Sarasas	Independent director/ Chairman of the Risk Management Policy Committee / Member of the Audit & CG Committee	12/12	-	6/6	3/3	5/5	1/1
7. Mr. Verayut Kitaphanich	Director	5/12	-	-	-	-	-
8. Mr. Yongkiat Kitaphanich	Director	12/12	-	-	-	5/5	-
9. Ms. Napatsorn Kitaphanich	Director	12/12	-	-	-	-	-
10. Mr. Surasak Khaoroptham	Director/ Executive Board/ Member of the Nomination & Remuneration Committee	12/12	11/11	-	3/3	-	1/1

Remark : Mr. Verayut Kitaphanich was a director until 31 May 2014.

The Board of Directors sets policy on the minimum quorum of the Board of Directors. To vote at the meeting Director of Infection Must be present for at least 2 out of 3 of its members.



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 limit the number of years in the tenure of independent directors within the past 9 years from 1 January 2558 onwards.

Name	Year appointed	Year last elected (2014)	Executive/non-executive/Independent	Seeking election/ seeking re-election in 2015	Next due for re-election
Mr. Sansern Wongcha-um	2008	2014	Chairman/ Independent Director	No	2017
Mr. Yongyuth Kitaphanich	2004	2014	Non-executive Director	No	2017
Mr. Panja Senadisai	2004	2012	Independent Director	Yes	2015
Mr. Sobson Ketsuwan	2007	2012	Independent Director	Yes	2015
Mr. Paitoon Taveebhol	2008	2014	Independent Director	No	2017
Mr. Ajarin Sarasas	2009	2014	Independent Director	No	2017
Mr. Verayut Kitaphanich	2004	2012	Executive Director	Yes	2015
Mr. Yongkiat Kitaphanich	2004	2013	Executive Director	No	2016
Ms. Napatsorn Kitaphanich	2004	2013	Executive Director	No	2016
Mr. Surasak Khaoroptham	2004	2013	Independent Director	No	2016

Remark : Mr. Verayut Kitaphanich was a director until 31 May 2014

The Company Secretary

The Board of Directors has resolution to amend the Management Structure on 1 January 2015 that Legal and Compliance Unit will report directly to the Company Secretary (as detail of the Management Structure on page 47 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

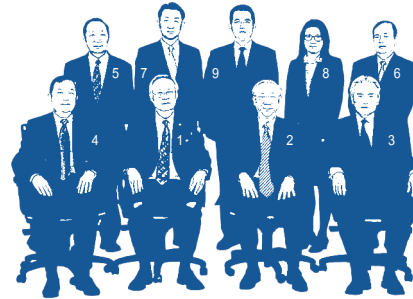
Mr. Thanakit Permpoonkantisuk

- 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 (IOD), or independent organization that has credibility.





The Board of Directors and Management



1. Mr. Sansern Wongcha-um

- Independent Director/Chairman of the Board

Age (year) 66

Education

- Master of Business Admin.
University of Bridgeport, USA
- Bachelor of Economic
Thammasart University
- Academic of National Defense
College of Thailand, 37
- 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-

Holding a Position of Director 4 Company

Holding a position of Director of non-listed Company

- 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 (year) 62

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%

Holding a Position of Director 1 Company

Holding a position of Director of non-listed Company

4 Company

Work experience in the last 5 years

- | | |
|--------------|---------------------------------------------------------------------------------------------------------------|
| 2014-Present | Director International Casting
Products Co., Ltd. |
| 2012-Present | Director Somboon Forging
Technology Co., Ltd. |
| 2004-Present | Vice Chairman/ Executive Board
Somboon Advance Technology
Public Company Limited |
| 1994-Present | Director Somboon Malleable
Iron Industrial Company Limited
Bangkok Spring Industrial
Company Limited |



3. Mr. Panja Senadisai

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

Age (year) 66

Education

- Master of Business Administration, Suffolk University (USA)
- 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-

Holding a Position of Director 4 Company

Holding a position of Director of non-listed Company -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
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
2003-2014	Director/ Member of the Audit Committee Rasa Properties Development 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

- Chairman of the Executive Board
- Member of Risk Management Policy Committee
- Independent Director

Age (year) 70

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
- Finance for Non-Finance Directors (FND) 37/2007
- Audit Committee Program (ACP) 19/2007
- Director Certification Program (DCP) 97/2007

% Share held -None-

Holding a Position of Director 1 Company

Holding a position of Director of non-listed Company 2 Company

Work experience in the last 5 years

2014-Present	Member of Risk Management Policy Committee. Somboon Advance Technology Public Company Limited
2012-Present	Advisor D Corp Company Limited
2011-Present	Advisor Minsen Machinery Company Limited Somboon Advance Technology Public Company Limited
2008-Present	Chairman of the Executive Board
2007-Present	Independent Director Somboon Advance Technology Public Company Limited
2009-Present	Advisor Noritake (Thailand) Company Limited



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5. Mr. Ajarin Sarasas

- Chairman of the Risk Management Policy Committee
- Member of the Audit and CG Committee
- Member of the Nomination & Remuneration Committee
- Independent Director

Age (year) 70

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-

Holding a Position of Director 1 Company

Holding a position of Director of non-listed Company 2 Company

Work experience in the last 5 years

- Present Chairman of the Risk Management Policy Committee Somboon Advance Technology Public Company Limited
- Present Independent Director/ Member of the Audit& CG the Audit& CG committee/Member of the Nomination & Remuneration Committee Somboon Advance Technology Public Company Limited
- Present Honorary President Thai Autoparts Manufacturers Association (TAPMA)
- Present Honorary Chairman Automotive Industry Club, Federation of Thai Industry

6 Mr. Paitoon Taveebhol

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

Age (year) 64

Education

- M.B.A., Kasetsart University
- B.A. (Accounting), Ramkhamhaeng University
- Certificate in Auditing, Thammasat University
- 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-

Holding a Position of Director 4 Company

Holding a position of Director of non-listed Company 1 Company

Work experience in the last 5 years

- Present Chairman of the Nomination& Remuneration Committee Somboon Advance Technology Public Company Limited
- Present Independent Director/ Member of Risk Management polict Committee Somboon Advance Technology Public Company Limited
- 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
- 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. Yongkiat Kitaphanich

- Director
- Authorized Director
- President

Age (year) 52

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

% Share held 1.96%

Holding a Position of Director 1 Company
Holding a position of Director of non-listed Company
3 Company

Work experience in the last 5 years

Present	Honorary Chairman Auto Parts Industry Club of the Federation of Thai Industries
2012-Present	President Somboon Advance Technology Public Company Limited
2007-Present	Director International Casting Products Company Limited
2007-Present	Director Somboon Malleable Iron Industrial Company Limited Director Bangkok Spring Industrial Company Limited
2007-2012	Executive Vice President Somboon Advance Technology Public Company Limited

8. Ms. Napatsorn Kitaphanich

- Director
- Authorized Director
- Vice President Finance & Accounting

Age (year) 50

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)
- Director Accreditation Program (DAP) 28/2004

% Share held 1.65%

Holding a Position of Director 1 Company
Holding a position of Director of non-listed Company
3 Company

Work experience in the last 5 years

Present	Vice President - Finance & Accounting 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
2007-2012	Vice President - President Office Somboon Advance Technology Public Company Limited
2007-2011	Director/ Executive Director/ Member of the Nomination & Remuneration Committee Thai Listed Companies Association



SOMBOON GROUP

9. Mr. Surasak Khaoroptham

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

Age (year) 49

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-

Holding a Position of Director 4 Company

Holding a position of Director of non-listed Company 2 Company

Work experience in the last 5 years

Present	Independent Director Somboon Advance Technology Public Company Limited
2014-Present	Director MC GROUP Public Company Limited
2012-Present	Managing Director private equity (thailand) Company Limited
2008-Present	Director SNC Former 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
2008-Present	Director Asiasoft Corporation Public Company Limited
2003-Present	Director Altus Advisory Company Limited
2011-Present	Director Nok Airlines Company Limited
2006-Present	Director Mermaid Maritime Public Company Limited
2006-Present	Director Easy Buy Public Company Limited
2003-20011	Managing Director Altus Advisory Company Limited
2004-2011	Director Somboon Advance Technology Public Company Limited
2006-2011	Chairman Asia Books Company Limited

10. Dr. Wichai Srimavon

- Vice President Procurement& Quality Development

Age (year) 53

Education

- Doctor of Philosophy Major Leadership Soyuz ergonomic excellence. Dusit Rajabhat University
- Management, Suan Sunandha Rajabhat University
- Bachelor of Public Administration, Sukhothai University

% Share held 0.006%

Work experience in the last 5 years

2013-Present	Vice President -Somboon Learning Academy Somboon Advance Technology Public Company Limited
2008-2013	Vice President - Procurement & Quality Development Somboon Advance Technology Public Company Limited
2007-2008	Vice President - Procurement & Logistics Somboon Advance Technology Public Company Limited





11. Mr. Koichi Miyahara

- Vice President Research and Development

Age (year) 53

Education

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

% Share held 0.003%

Work experience in the last 5 years

2014 - Present	Vice President – Research and Development Somboon Advance Technology Public Company Limited
2012-2014	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)

12. Dr. Cheerawit Sureerattanan

- Vice President Sales, Business Development and Marketing

Age (year) 48

Education

- Doctor of Philosophy Industrial Business Administration King Mongkut's Institute of Technology Ladkrabang
- M.B.A., University of Khon Kaen University

% Share held 0.002%

Work experience in the last 5 years

2014 -Present	Vice President - Sales, Business Development and Marketing Somboon Malleable Iron Industrial Company Limited
2012-Present	General Manager Somboon Malleable Iron Industrial Company Limited
2013-Present	Vice President - Operation SAT Somboon Advance Technology Public Company Limited





SOMBOON GROUP

13. Mr. Somsak Sitthinuncharoen

- Vice President Operation BSK

Age (year) 51

Education

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

% Share held 0.002%

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

14 Mr. Mongkol Sae-jew

- Vice President Operation

Age (year) 52

Education

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

% Share held 0.002%

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

15. Mr. Patpong Weerasin

- Vice President Operation SAT and Managing
Director SFT

Age (year) 47

Education

- Master Degree of Ladkrabang, King Mongkuts
University of Technology Thonburi
- B.B.A Industrial Management Rajamangala
Institute of Technology

% Share held 0.001%

Work experience in the last 5 years

Present	Vice President - Operation SAT and and Managing Director SFT Somboon Advance Technology Public Company Limited
2013 - 2014	General Manager - Sales and Customer service Somboon Advance Technology Public Company Limited
2007 - 2013	General Manager - Procurement Somboon Advance Technology Public Company Limited



Shareholding of the Board

of Directors and Management

Director	Number of Ordinary Shares August 25, 2014	Nature of Interest	Number of Rights Over Ordinary Shares
Mr. Sansern Wongcha-um	-	-	-
Mr. Yongyuth Kitaphanich	9,019,968	Direct	-
Mr. Panja Senadisai	-	-	-
Mr. Sobson Ketsuwan	-	-	-
Mr. Ajarin Sarasas	-	-	-
Mr. Paitoon Taveebhol	-	-	-
Mr. Verayut Kitaphanich	6,861,342	Direct	-
Mr. Yongkiat Kitaphanich	8,345,900	Direct	-
	570,343	In direct (Wife)	-
Ms. Napatsorn Kitaphanich	7,028,976	Direct	-
Mr. Surasak Khaoroptham	-	-	-
Dr. Wichai Srimavon	27,475	Direct	-
Mrs. Koichi Miyahara	11,600	Direct	-
Dr. Cheerawit Sureerattanun	9,350	Direct	-
Mr. Somsak Sittinanchaoen	10,450	Direct	-
Mr. Mongkol Sae-jew	9,350	Direct	-
Mr. Patpong Weerasin	7,250	Direct	-





SOMBOON GROUP

Movement in Rights for Directors and Management Personnel

Name	Ordinary shares						
	August 25, 2014	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	9,019,968	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. Yongkiat Kitaphanich	8,916,243	8,896,843	6,660,900	7,215,975	7,215,975	7,215,975	7,215,975
8. Ms. Napatsorn Kitaphanich	7,017,676	7,017,676	5,612,641	5,612,641	5,612,641	5,612,641	5,612,641
9. Mr. Surasak Khaoroptham	-	-	-	-	-	-	-
10. Dr. Wichai Srimavon	27,475	16,875	-	-	-	-	-
11. Mr. Koichi Miyahara	7,250	-	-	-	-	-	-
12. Dr. Cheerawit Sureerattanun	9,350	1,250	-	-	-	-	-
13. Mr. Somsak Sittinanchaoen	10,450	1,250	-	-	-	-	-
14. Mr. Mongkol Sae-jew	9,350	1,250	-	-	-	-	-
15. Mr. Patpong Weerasin	11,600	1,250	-	-	-	-	-

- Information from report on securities holding of the Board of Directors as at August 25, 2014



Dividend Policy

The Company has a policy to allocate the annual profit for the annual dividend distribution, taking into account the following conditions: (i) its operational results turn out to be a profit, (ii) there remain no accumulated losses, (iii) the cash flow is sufficient for dividend payment, and (iv) whether there is a future plan of any investment projects. It is a policy of the Company to pay dividend at a minimum rate of 30 (thirty) per cent of its net profit after tax and legal reserve. However, a dividend payment partly depends on the Company's investment and finance plans. From the Company's.

Subsidiaries policy dividends will be determined by the factors mentioned above as well.

Details of the dividend in the past 5 years.

(Unit: Baht)

Details of dividend payment	Y 2014 (the proposed year)	Y 2013	Y 2012	Y 2011	Y 2010
1. Net profit	Baht 649,834,968	Baht 966,098,875	Baht 815,763,445	Baht 408,163,980	771,342,995.28
2. Number of shares	425,193,894	424,945,994	339,957,087	339,923,287	339,923,287
3. Dividend payout rate per share	Baht 0.60	Baht 0.75	Baht 0.97	Baht 0.45	Baht 0.90
4. Total amount of dividend	Baht 255,116,336.40	Baht 318,709,495.50	Baht 329,748,234.39	Baht 152,965,479.15	Baht 305,930,958.30
5. Dividend payout against net profit after tax	53.48%	37.50%	40.42%	37.47%	39.66%

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.



SOMBOON GROUP

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	Risk Management Policy Committee
1 Chairman	27,000	45,000	45,000	37,500	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	25,000

2. Bonus

2.1 The Remuneration of Board of Directors for the year ended 31 December 2014.

The Remuneration of Board of Directors in form of allowances and remuneration totally Baht 10,924,000 is as following;

Name	Bonus of 2014	Meeting Allowance (Baht)					Total
		Board of Directors	Executive Board	Audit & CG Committee	Nomination & Remuneration Committee	Risk Management Policy Committee	
1. Mr. Sansern Wongcha-um	603,227	864,000	-	-	-	-	1,467,227
2. Mr. Yongyuth Kitaphanich	418,908	600,000	300,000	-	-	-	1,318,908
3. Mr. Panja Senadisai	335,127	480,000	-	225,000	75,000	-	1,115,127
4. Mr. Sobson Ketsuwan	335,127	480,000	495,000	-	-	125,000	1,435,127
5. Mr. Ajarin Sarasas	335,127	480,000	-	150,000	75,000	187,500	1,227,627
6. Mr. Paitoon Taveebhol	335,127	480,000	-	150,000	112,500	125,000	1,202,627
7. Mr. Verayut Kitaphanich	131,976	175,000	-	-	-	-	291,976
8. Mr. Yongkiat Kitaphanich	335,127	480,000	-	-	-	-	815,127
9. Ms. Napatsorn Kitaphanich	335,127	480,000	-	-	-	-	815,127
10. Mr. Surasak Khaoroptham	335,127	480,000	330,000	-	75,000	-	1,220,127
Total							10,924,000

Note: 1 Bonus was calculated from the 2014 Company's business performance but was paid in the year 2015

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	2014	Number of executives	2013
Salary	9	31,277,920.00	8	22,020,900
Bonus	9	7,830,915.70	8	5,242,816
Total		39,108,835.70		27,263,716

- Note:
- Year 2014 consists of 9 managements are Mr. Yongkiat Kitaphanich, Mr. Wichai Srimavon, Ms. Napatsorn Kitaphanich, Mr. Koichi Miyahara, Mr. Somsak Sittinancharoen, Mr. Mongkol Saejew, Mr.Cheerawit Sureerattanun, Mr. Sanphet Laokalapasanti and Mr. Patpong Weerasin.
 - Year 2013 consists of 8 managements are Mr. Yongkiat Kitaphanich, Mr. Wichai Srimavon, Ms. Napatsorn Kitaphanich, Mrs. Jiraporn Srisomwong, Mr. Somsak Sittinancharoen, Mr. Mongkol Saejew, Mr.Cheerawit Sureerattanun and Mr.Bunchob Ongtanasin.

2. Other remunerations

Contributions to the Provident Fund

In 2014, the Company paid the following contributions to the Company's executives

Units : Baht	Person	2014	Person	2013
Provident Fund	9	1,153,810.40	8	881,176.00

- Note:
- Year 2014 consists of 9 managements are Mr. Yongkiat Kitaphanich, Mr. Wichai Srimavon, Ms. Napatsorn Kitaphanich, Mr. Koichi Miyahara, Mr. Somsak Sittinancharoen, Mr. Mongkol Saejew, Mr.Cheerawit Sureerattanun, Mr. Sanphet Laokalapasanti and Mr. Patpong Weerasin.
 - Year 2013 consists of 8 managements are Mr. Yongkiat Kitaphanich, Mr. Wichai Srimavon, Ms. Napatsorn Kitaphanich, Mrs. Jiraporn Srisomwong, Mr. Somsak Sittinancharoen, Mr. Mongkol Saejew, Mr.Cheerawit Sureerattanun and Mr.Bunchob Ongtanasin.





SOMBOON GROUP

1. Number of employees

Number of employees as at 31 December 2014 and at 31 December 2013 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	501	159	551	179
2. Somboon Malleable Iron Industrial Company Limited	1,139	163	1,181	180
3. Bangkok Spring Industrial Co., Ltd.	424	75	446	74
4. International Casting Products Company Limited	488	55	507	58
5. Somboon Forging Technology Company Limited	9	1		
Total	2,561	453	2,685	491
Amount of Employee by type of employment	Male	Female	Male	Female
Employee	2,467	446	2,597	484
Subcontract	94	7	88	7

Number of employees as at 31 December 2014 and at 31 December 2013 of the Company and its subsidiaries

Department	Number of (people)	
	31 December 2014	31 December 2013
1. production department / Engineering Laboratory-Jig Shop.	1,861	1,961
2. Engineering Department.	123	149
3. Maintenance / Warranty / planning.	472	480
4. Warehouse Sourcing and Procurement.	192	197
5. Human Resources and Administration (including individual BU).	86	87
6. Finance and Accounting	55	64
7. Director of Sales and Marketing	38	33
8. Quality Development / Product Development / Development process	61	70
9. Management / Operations Management.	117	123
10. Information Technology department / division BPI	9	12
11. other		
Total	3,014	3,176

Note : The Company has not trade union and labor issues in the last 5 years.



2. Remunerations of employees

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

Units :Baht	Number of executives	2014	Number of executives	2013
Salary	3,379	711,040,579.13	3,582	718,824,029.33
Bonus	2,867	181,883,760.19	3,104	213,728,484.18
Total	-	892,924,339.32	-	932,552,513.51

3. Other remunerations

Contributions to the Provident Fund

In 2014, the Company paid the following contributions to the Company's employees

Units : Baht	Person	2014	Person	2013
Provident Fund	2,143	20,084,538.06	2,085	18,623,890.94





Internal control

In the Meeting of the Company's Board of Directors No. 2/2558 on 19 February, 2015, there were 3 directors of Audit and Corporate Governance Committee joined the Meeting and expressed opinion on the satisfaction and suitability of the internal Audit control by referring to "evaluation form of satisfaction of internal control system" of the Office of Security and Exchange Commission.

The Audit Committee has reported the internal audit summary and proposition and inspection which focus on the operating inspection so that it would be efficient continuously. There is follow-up to revise according to the audit result report and report to the company board of directors regularly. From the review, the company has sufficient internal control system. The company has arranged sufficient personnel to operate according to the system efficiently and to have internal control system on follow up the work operation supervision of the company in order to prevent the property of the company and subsidiary from the fact that directors or executives had used illegally or without authorization and to enter into a transaction with people who might have conflict and general related people with the important details as follows.

1. Internal Audit in the Organization

The Company had specified the clear business operation target and can be measured by specifying the annual budget business plan and clear indicator in creating the value to shareholders and enhance the ability and quality of life of personnel and to have environment friendly process. This would respond to the expectation of customers including the design and product development and responsibility to society by paying incentive reward to personnel and consider from the achievement of the target of personal indicator and profit of the company in order to create the benefit in the development of work operation quality.

Regarding business supervision of the Company, the structure of the supervision consists of the Board of Directors and sub-committee including Executive Board of Directors, Audit and Corporate Governance Committee, Nomination and Remuneration Committee and Risk Management Policy Committee. Each committee is responsible for shareholders on the business operation of the company and supervise management so that it would be according to the target and has the highest benefit to shareholders and to be in the good ethic frame and be responsible to society, promote and follow up the progress of the good business supervision development process and social responsibility continuously, the consideration to improve CG manual and Code of Conducts and to provide the guideline and other necessary suggestion in order to improve. In this year, the Company has received "SET Awards of Honor" which is the Top Corporate Governance Report Awards for 6 consecutive years and the Best Corporate Social Responsibility Awards for 4 consecutive years.

In the anti-corruption, the company has joined the project of Collective Anti-Corruption: CAC by Certified in 2013 and in 2014 the Company has expanded the result to be the participants to important suppliers of the Company and in order to have continuity, the Company had evaluated the risk related to the corruption inside the company and review the operation according to the policy to the anti-corruption of Thai Private Sector to the anti-corruption in order to confirm that the Company has enough measurement in the protection and fraud and corruption inspection effectively.

2. Risk Assessment

The Board of Directors has stipulated the risk management policy as an important policy. The Risk Management Policy Committee has the duty to supervise and follow up on the efficiency risk management of the company. The Risk Management Committee shall be on managing level includes directors and executive in each field who perform the duty of evaluating the risk factors from outside factors such as economic condition, government policy and fluctuation of the



raw material price and internal factor that affects the target and business operation of the company and specify responsible people in various agencies and to assign the risk management to be the responsibility of every executives and to have plan and specify risk management measure and to evaluate the risk factor that might affect the business operation and the target of the Company and to arrange the risk management follow-up of the various agencies inside an organization every quarter and report the result to the Board of Directors. The Company had provided the knowledge to every level of staff so that they would understand and realize the importance in the risk management continuously.

3. The Control of the Work Operation

The Board of Directors had appointed 4 sub-committee consisting of the Executive Board of Directors, Audit and Corporate Governance Committee, Nomination and Remuneration Committee and Risk Management Policy Committee. The 4 groups of committee had performed the work under the scope or duty assigned under the monitoring of the executive.

Moreover, the Audit Committee has considered and reviewed and approve the annual audit plan in order to cover every work operation process with high risk and to cover the anticipation of people related to the Company which makes the Company to be sure that the various agencies had sufficient control of the work operation on the finance, work operation, law and compliance, rule, regulation, and the anti-corruption. The Audit Committee has considered the important point and the problem found from an inspection by proposing the executive to revise and to have the report of the revision result and prevent measures.

In case of entering into a transaction with business or relevant people which might lead to the conflict of interest between companies and the business or related people with the Company. The business that happens must go through the approving process according to the regulation of the company just like a normal business and related people to the making of item must consider that transaction is reasonable and according to the normal business by considering the highest benefit of the company and shareholders as it is an action with outside people and legal. The business that would bring about the conflict of interest and the said people with interest would not have the right to vote and reveal the information according to the law.

The Company is determined to develop the production process in order to be accepted in the international standard and to focus on safety in the work and environment maintenance. The Company has certified the quality management system “ISO/TS 16949” and “ISO14001” which has separate section from the production line to perform of the duty of inspecting and following up to comply with rule and specification regularly. As for the business on finance, purchase and procurement, stipulated the staff and executive must comply the Authority Table and “Procurement Control Manual” specified in writing by clearly stated the criteria, condition and the power in approving to pay the money and entering in procurement contract in order to be careful and prevent fraud in money-related transaction.

4. Information Technology and Telecommunication System

To propose the matter for the Board of Directors to consider, the Company has arranged important information so that the Board of Directors would use in the decision-making by making analytical report comparing the principle and reason along with documents and send the information for studying in advance for 7 days. There is secretary of the Company to provide recommendation on the regulation and various rules and supervise the business of the Board of Directors and coordinate so that there would be operation according to the resolution of the Board of Directors and the agency which is the center in making and storing documents including Director registry, Board of Directors Meeting appointment letter, minutes of the Meeting of the Board of director, shareholder meeting appointment letter and minutes of shareholder meeting orderly so that shareholders can verify the suitability in the work operation of directors.





As for the storing of accounting record and various accounting, the Company would store it completely in every category for transparency and to be work operation information without notification from an auditor that there is a flaw in this matter.

The Audit Committee has considered along with an auditor, internal audit and related people in making the financial statement of the company in every quarter in order to make sure that the company has used accounting policy according to the general accounting principle and suitable with the business type of the company and to reveal suitable information according to the law.

5. Follow-up System

The Company has followed up on the work operation whether it is according to the target by having the Meeting of the Board of Directors in 2014 for the total of 12 times and the Executive Board of Directors for 11 times in order to follow up the work operation in each level starting from the Board of Directors, the Executive Board of Directors and Executives in order to follow up the target and supervise the work operation according to the strategy, work plan and the project in the annual business plan that has been approved from the Board of Directors and to solve problems that might happen and to adjust the work plan so that it is consistent with the changed situation and when it is found that the work operation result is different from the specified target and specified the responsible people to present the report in order to review the work operation and analyze the including co-consider to approve the plan to solve problems and to continuous report. The Company has arranged regular internal control system audit. The executive would be responsible in supervision of the internal control system and there is Internal Audit Department to inspect and report the result independently to the Audit and Corporate Governance Committee.

Brief Profile of the Head of Internal Audit Department

Mr. Witsarut Boonto

Master Of Accounting, Chulalongkorn University

Work Experiences

- 1994-2004 : Investment Management Supervision Department, the Securities and Exchange Commission
- 2005- Present : The Assistance General Manager of the Internal Audit Department, Somboon Advanced Technology Public Co.,Ltd.

Qualification : Knowledgeable and experience in the auditing of internal control system, financial reports, accounting and securities and exchange law.

Related Transaction

The Company and its subsidiaries related transactions with person(s) who would have been involved in the dispute during the year 2013 and 2014 were as follows;

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

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2013	2014	
List of ordinary transactions			
1. SAT sold scraps material to SBM	1.61	1.74	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	122.42	market price
3. SAT received interest of loan from SBM	5.82	2.74	According to loan agreement
4. SAT paid utilities fee for SBM	0.19	0.14	Price was close to the Cost/ SAT used utilities of SBM
5. SAT received utilities payment from SBM	22.29	19.82	Price was close to the Cost/ SBM used utilities of SAT
6. SAT received management fee from SBM	72.79	47.00	Price was close to the Cost/ Services for SBM

Remark: Item 1 – 6 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
	2013	2014	
List of ordinary transactions			
1. SAT paid utilities fee for BSK	4.51	3.45	Price was close to the Cost/ SAT used utilities of BSK
2. SAT received utilities payment from BSK	2.55	2.96	Price was close to the Cost/ BSK used utilities of SAT
3. SAT received management fee from BSK	68.96	44.50	Price was close to the Cost / Services for BSK
4. SAT Dividends received from BSK	71.76	54.08	

Remark: Item 1 – 4 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
	2013	2014	
List of ordinary transactions			
1. SAT sold scraps material to ICP	4.43	6.43	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	7.80	8.00	According to loan agreement
4. SAT received management fee from ICP	59.15	38.21	Price was close to the Cost/ ICP used utilities of SAT
5. SAT received utilities payment from ICP	1.64	1.74	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
	2013	2014	
List of ordinary transactions			
1. SAT was the short-term loan lender of SIJ	40.00	40.00	According to loan agreement
2. SAT received interest of loan from SIJ	1.58	1.61	According to loan agreement
3. SAT received utilities payment from SIJ	0.36	0.05	Price was close to the Cost/ SIJ used utilities of SAT
4. SAT paid utilities fee for SBM	2.32	3.07	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
	2013	2014	
List of ordinary transactions			
1. SAT was the short-term loan lender of SFT	-	20.00	According to loan agreement
2. SAT received interest of loan from SFT	0.19	0.12	According to loan agreement
3. SAT received utilities payment from SFT	0.29	0.44	Price was close to the Cost/ SFT used utilities of SAT

Remark: Item 1-3 is the items indicated in the notes for financial statement

Thuchiyoshi Somboon Coated Sand Co., Ltd.

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2014	2014	
List of ordinary transactions			
1. ICP sold dry sand from Suchiyoshi Somboon Coated Sand Co., Ltd.	35.70	25.40	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.





Board of Directors' Responsibility for Financial Reporting

The management has prepared the financial statement ended on December 31, 2014 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 Directors 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, 2014 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.

Chairman

President



Report of the Audit and Corporate Governance Committee

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

The Audit Committee consists of 3 independent qualified members where one of them is knowledgeable and experienced in accountancy. The 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 2014, the Audit Committee held a total of 6 meetings and regularly reported to the Company Board of Directors the operational result every quarter. 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, the Management, Auditor and Internal Auditor in accordance with the reasonable Agenda in the meeting every time. The Audit Committee made a report, 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 2014 jointly made with the Management and Auditor in order to give the approval on the Financial Statements which are made correctly and 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 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 Plan 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 to utilize in improving a performance 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 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 performances in accordance with the issues found by the Internal Auditor.

Compliance with the Requirements and Related Law:

The Audit Committee has constantly verified to that the Company comply with the Law of Securities and Exchange, the Requirements of the Stock Exchange of Thailand and the Law relating to the company's business. The Audit Committee view that the verified 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 are sufficient and the Management is assigned to make the follow-up on the significant substances on the promulgation of the Securities and Exchange Notification and report information back to the Committee for acknowledgement and close consideration.





SOMBOON GROUP

Compliance with Corruption Prevention Measure

In the past year, the Audit Committee considered the report of the Internal Auditor to review the compliance under the Anti-corruption Policy by arrangement of the risk assessment in connection with Anti-corruption within the Company. The Audit Committee had confidence that the Company has sufficient measures to oppose and detect the corruption efficiency.

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 disposal 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 to select the Auditor for the Year 2015 and approved KPMG Poomchai Audit Limited (KPMG) as the Auditor of Somboon Advance Technology Public Company Limited and its subsidiaries by comparing with other auditors' qualification in the performance standard, proper remuneration, audit service and other services such as consultation on internal control, arranging the seminar for customers, consultation on Information Technology system including the expertise to audit the other companies related in automotive manufacturing and the listed companies in the Stock Exchange. Therefore, It shall be deemed that the Company Board of Directors to propose to the General Shareholders Meeting in order to obtain the approval of the Meeting to appoint Mr. Sakda Kaothanthong, Mr. Bunyarit Thanormcharoen and Ms. Siripen Sukcharoenyingyong of KPMG Poomchai Audit Limited to be the Auditors of the Company and its subsidiaries for the Year 2015 at the total remuneration amount with those of the subsidiaries of 3,924,000 Baht which, in this respect, the Auditors will not provide other services to the companies in the Group.

Corporate Governance:

Promoting and following up 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 "SET Awards of Honors" in 2 awards, The Top Corporate Governance Report Award for a consecutive period of 6 years and The Best Corporate Social Responsibility Awards of 4 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 2014 on 17 December 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 Auditors, considerations on connected transactions or the transactions which may cause 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.

The 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 sustainability in good governance.

Mr. Panja Senadisai
The Chairman of The Audit and Corporate Governance Committee



Report of Nomination and Remuneration Committee for Directors and Executives

Nomination and Remuneration Committee consists of independent director by Mr. Paitoon Taveebhol, independent director, as the Chairman of the Nomination and Remuneration Committee and there are the independent directors performing the duty in the Nomination and Remuneration Committee namely; Mr. Panja Senadisai, Mr. Surasak Khaoroptham and Mr. Ajarin Sarasas with the position term of 3 years effective as of 1 January, 2013.

In 2014, the Nomination and Remuneration Committee had 3 meetings. Every director joined the meeting every time in order to follow up and consider the important matters that assigned from the Board of Directors as follows:

1. To review the role, duty and responsibility of the Nomination and Remuneration Committee.
2. To review the policies on the nomination and remuneration and significant criteria as follows:
 - 2.1 Criteria and nomination of directors process and the appointing of executives.
 - 2.2 Criteria of adjusting the wage and incentive to be consistent and reflect the actual work operation and suitable with the economic situation and the industrial trend.
 - 2.3 To review the remuneration structure and other benefits of directors in order to be consistent with the responsibilities and the operation of directors.
 - 2.4 To review the policy and remuneration payment of directors to be appropriate.
 - 2.5 To specify the policy of the Corporate Social Responsibility and Sustainable Development
 - 2.6 To promote, support and open an opportunity for minor shareholders to take part in supervising the business and to give the opinions on the business operation, propose the agenda and persons for being considered to be elected as directors instead of direct who retired by rotation for the Year 2014 as required by recruitment process 90 days in advance from 1 October 2014 to 31 October 2014 through the website of the Company.



(Mr. Paitoon Taveebhol)

Chairman of Nomination and Remuneration Committee of Directors and Executives





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The Report of Risk Management Policy Committee

The Risk Management Policy Committee consists of Mr. Ajarin Sarasas, independent director working as the Chairman of the Risk Management Policy Committee and the director consists of Mr. Sobson Ketsuwan, Mr. Paitoon Taveebhol and Mr. Yongkiat Kitaphanich. The position term is 3 years effective from 1 March 2014.

In 2014, the Risk Management Policy Committee has performed the duty assigned by the Company Board of Directors Committee. There were 5 meetings of the Risk Policy Committee summarized the important matters works follows:

1. To specify the process, operation procedure, duty scope of the Risk Management Policy Committee.
2. To consider the risk factors that affect the strategy of organization by considering every risk comprehensively on the quantity and quality including provide useful recommendation in order to prevent and watch out for the risk from the current circumstance and follow up the operation on a quarterly basis.
3. To arrange the communication and understanding with the Risk Management Committee -management level by emphasizing on the urgent risk protection/solving/ on both short-term long-term and follow-up the result.
4. To report the operating's result to the Board of Directors for acknowledgement regularly and continuously in every quarter.

(Mr. Ajarin Sarasas)

The Chairman of the Risk Management Policy Committee



Explanation and analysis

of the financial position and performance

Overall performance

The Company and its 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 maker manufacturer (Original - Equipment Manufacturer) inside the country mostly. In the assembly of last year it has decreased 577,050 units or 23%. Which the selling amount of the company has decreased from the last year for 10% of cars in the trucks with the composite lower than last year.

Profit and loss analysis

Profit Analysis

In the year 2014 and 2013, the company has total income of 8,179 million baht and 9,318 million baht (accordingly) which has decreased by 1,139 million baht or 12%. The net income from selling goods and service of the year 2014 and 2013 is 8,084 million baht and 8,973 million baht (accordingly), decreased by 889 million baht or 10% due to overall automotive industry slowdown and continuing this industry trend because of political unrest effecting the overall economic. Main customer of the company is pick-up car manufacturer, which its' production volume decreased from last year. In 2013, it included the reversed allowance for impairment of buildings and machinery amounted to Baht 121 million and gain from sold investment properties amounted to Baht 47 million.

Cost and expense Analysis

Selling and Service Cost

In the year 2014 and 2013, the company has the total selling and service cost of 6,667 million baht and 7,404 million baht (accordingly), decreased by 737 million baht or 10% ;the rate of cost of sale and service sales in 2014 was 82% similar to last year from improving the production process to maximize efficiency and controlling variable cost to align with the current situation of automotive industry. Resulted the gross margin ratio could be maintained comparing with the same period of the last year.

The expense from selling and service

In the year 2014, the company has the expense in the selling and service of management for the amount of 705 million baht, decreased by 16 million baht or 2% mainly from closely monitoring including man-power and all the related expense of man-power to align with the current situation of automotive industry.

Corporate income tax

In the year 2014, the company has corporate income tax for the amount of 69 million baht, decreased 16 million baht or 18% mainly from overall car production decreased due to automotive industry slowdown and effected to financial performance.





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Profit from the work operation

The company's operating profit, excluding share of profit from investment in associates, financial cost, and corporate income tax, is the amount of 807 million baht, decreased by 373 million baht or 32% from decreasing in sale volume align with the current situation of automotive industry. In 2013, it included the reversing entry of the allowance for impairment of plant property and equipment for the amount of 121 million baht and the gain from sale of investment properties for the amount of 47 million baht.

Net Profit

The company's net profit is the amount of 650 million baht, decreased by 316 million baht or 33% from the previous year, mainly from the decline in sales volume in line with the automotive industry, and in 2013, it included the reversing entry of the allowance for impairment of plant property and equipment for the amount of 121 million baht and the gain from sale of investment properties for the amount of 47 million baht.

Financial position analysis

Asset

The company's total assets according to the consolidated financial statement as at 31 December 2014 and as at 31 December 2013, is the amount of 9,814 million baht and 9,923 million baht (accordingly), decreased by 109 million baht or 1% mainly from decreasing of Property Plant and Equipment due to write-off and depreciation.

Trade customers

The company has net trade receivables as at 31 December 2014 for the amount of 1,296 million baht and 1,220 million baht for the net trade receivable as at 31 December 2013, increased by 76 million baht due to slightly increase of sale volume at the end of the year. The average debtor collection period was 57 days same as the previous year.

Investments

According to the consolidated financial statements as at 31 December 2014, the company's net investment in related companies is the amount of 260 million baht. The investment was made in Yamada Somboon Co., Ltd, Tsuchiyoshi Somboon Coated Sand Co., Ltd, Nisshinbo Somboon Automotive Co., Ltd. and Somboon Somic Manufacturing Co., Ltd. The company's cost of investment in the afore-mentioned companies is for the amount of 73 million baht.

Land, Property and Equipment

The company's net land property and equipment as at 31 December 2014 is for the amount of 6,125 million baht, and 6,392 million baht as at 31 December 2013, decreased by 267 million baht or 4% due to the depreciation on period for the amount of 823 million baht. The company and subsidiaries has made additional investment in Axle shaft production line, Coil spring production line and Casting production line to enhance production capacity for the future customer demand, and to build a new plant of the subsidiary for the molding production line, and Somboon Learning Academy for staffs development.



Debt

As at 31 December 2014, the company's total liabilities is 4,596 million baht. The short-term liabilities is 2,185 million baht and long-term liabilities is 2,411 million baht, decreased by 226 million baht or 4% from the previous year. The decrease is from the paid-up investment to enhance production capacity of the plants. For short-term liability, the accounts payable from purchase of assets decreased by 62 million baht, liability from bank loans decreased by 365 million baht. During the year, the company's borrowings total 205 million baht, and long-term loan is repaid in the amount of 570 million baht.

Part of shareholders

Capital structure

The company's shareholders' equity as at 31 December 2014 is 5,217 million baht, increased by 344 million baht from the year ended 31 December 2013 of which the shareholders' equity equal 4,873 million baht. This is the result of the interim operating profit.

The company's profit appropriation in 2014 includes dividends for 2014 operating results at the rate of 0.60 baht per share, with the total of 255.1 million baht. The paid dividend is from the business that is supported by BOI in the whole amount. Anyhow, interim dividends were paid on 3 September 2014 at the rate of 0.22 baht per share, or the total of 93.5 million baht. Thus, the remaining is at the rate of 0.38 baht per share, with the total of 161.57 million baht, would be paid to shareholders on May 2015.

The company's profit appropriation in 2013 includes dividends for 2013 operating results at the rate of 0.75 baht per share, with the total of 318.7 million baht. The paid dividend is from the business that is supported by BOI in the whole amount. Anyhow, interim dividends were paid on 6 September 2013 at the rate of 0.25 baht per share, or the total of 106.2 million baht. Thus, the remaining is at the rate of 0.50 baht per share, with the total of 212.6 million baht, were paid to shareholders on 14 May 2014.

As at 31 December 2014, the company's capital structure consists of total liability for the amount of 4,596 million baht and the shareholders' equity for the amount of 5,217 million baht; the debt-to-equity ratio is approximately 0.88 times.

Analysis of Cash Flow Statement

According to the consolidated financial statements as at 31 December 2014 and 31 December 2013, the company's net cash inflow from operating activities is 1,477 million baht and 1,827 million baht (respectively). The company's net cash outflow from investing activities is 724 million baht and 1,319 million baht (respectively). This is the result of the company and subsidiaries' investment in Axle shaft production line, Coil spring production line and Casting production line to enhance production capacity for the future customer demand, and to build a new plant of the subsidiary for molding production line, and Somboon Learning Academy for staffs development. Cash outflow from financing activities is 818 million baht and 283 million baht (respectively), which is the result of the repaid long-term loan for investment project for the amount of 570 million baht and the total cash dividend paid for the amount of 306 million baht.





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

The overall automobile industry in 2014 does not achieve the target because buyers slowed down on new car purchasing due to the political unrest in the country towards the end of the year. The selling volume of automobiles in the country is 0.9 million cars while the volume of exported automobiles is 1.1 million cars. In 2014, 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. 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 SomboonSansomdue 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 2014
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 2014, 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 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Ekkasit Chuthamsatid)
Certified Public Accountant
Registration No. 4195

KPMG Phoomchai Audit Ltd.
Bangkok
19 February 2015





Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
		(in Baht)			
Current assets					
Cash and cash equivalents	5	975,360,586	1,040,520,098	375,235,128	427,887,015
Current investments	6	137,598,212	34,060,800	137,598,212	34,060,800
Trade accounts receivable	4, 7	1,295,658,986	1,220,063,288	442,054,904	465,687,865
Other receivables	4, 8	18,718,395	14,560,250	96,816,430	50,292,287
Short-term loans to subsidiaries	4	-	-	260,000,000	240,000,000
Inventories	9	585,522,645	580,299,210	94,139,690	106,789,984
Spare supplies for machinery		39,566,830	57,526,139	8,075,970	16,189,064
Other current assets		57,458,427	56,846,815	1,648,682	3,712,250
Total current assets		3,109,884,081	3,003,876,600	1,415,569,016	1,344,619,265
Non-current assets					
Investments in subsidiaries	10	-	-	2,461,890,702	2,451,554,702
Investments in associates	11	233,463,100	180,866,982	-	-
Other long-term investments	12	26,651,146	26,651,146	-	-
Investment properties	13	63,167,000	63,167,000	-	-
Property, plant and equipment	14	6,125,190,946	6,391,771,143	1,530,439,757	1,692,224,263
Spare parts for machinery		120,046,862	98,424,823	52,121,985	47,468,817
Deposits for purchase of land		-	9,780,488	-	9,780,488
Goodwill on business combination		17,934,556	17,934,556	-	-
Intangible assets	15	48,337,080	56,278,068	19,188,794	19,609,233
Deferred tax assets	16	19,921,589	25,184,549	4,654,972	3,098,957
Other non-current assets		49,187,058	48,841,370	5,603,412	5,604,317
Total non-current assets		6,703,899,337	6,918,900,125	4,073,899,622	4,229,340,777
Total assets		9,813,783,418	9,922,776,725	5,489,468,638	5,573,960,042



Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
		(in Baht)			
Current liabilities					
Bank overdrafts	17	-	12,204	-	-
Short-term loans from financial institutions - Trust receipts	17	-	2,130,634	-	-
Trade accounts payable	4, 18	1,121,458,291	1,104,788,481	334,039,159	370,903,639
Other payables - related parties	4	-	-	1,184,523	5,180,708
Current portion of long-term loans					
from financial institutions	17	665,239,537	572,078,721	251,203,986	226,463,230
Current portion of finance lease liabilities	17	655,346	2,643,953	-	353,698
Accounts payable - purchase of assets		66,454,844	128,238,900	4,727,718	17,880,718
Income tax payable		33,908,083	51,089,033	17,791,560	11,382,485
Other current liabilities	19	297,693,360	331,353,718	95,282,054	97,805,115
Total current liabilities		2,185,409,461	2,192,335,644	704,229,000	729,969,593
Non-current liabilities					
Long-term loans from financial institutions	17	2,245,779,070	2,700,730,848	749,698,917	978,702,903
Finance lease liabilities	17	1,817,466	-	-	-
Employee benefit obligations	20	161,745,031	154,404,774	50,675,133	47,348,443
Other non-current liabilities		1,555,515	2,595,753	1,284,786	2,358,479
Total non-current liabilities		2,410,897,082	2,857,731,375	801,658,836	1,028,409,825
Total liabilities		4,596,306,543	5,050,067,019	1,505,887,836	1,758,379,418





Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
		(in Baht)			
Equity					
Share capital	22				
Authorised share capital		426,711,809	426,711,809	426,711,809	426,711,809
Issued and paid-up share capital		425,193,894	424,945,994	425,193,894	424,945,994
Premium on ordinary shares	22	716,443,452	712,682,809	716,443,452	712,682,809
Rights for employee stock option plan	21	-	6,871,234	-	6,871,234
Retained earnings					
Appropriated	23				
Legal reserve		55,671,181	55,671,181	42,671,181	42,671,181
Unappropriated		4,015,964,242	3,672,263,018	2,799,272,275	2,628,409,406
Other components of equity					
Foreign currency translation differences		4,204,106	275,470	-	-
Total equity		5,217,476,875	4,872,709,706	3,983,580,802	3,815,580,624
Total liabilities and equity		9,813,783,418	9,922,776,725	5,489,468,638	5,573,960,042



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	
		2014	2013	2014	2013
		(in Baht)			
Revenues					
Revenue from sale of goods and rendering of services	4, 24, 28	8,083,985,458	8,973,395,413	2,622,935,568	2,950,261,921
Dividend income	4, 10	3,655,000	2,996,250	71,758,482	54,078,856
Interest income	4	7,403,328	2,360,172	18,127,017	16,410,559
Net foreign exchange gain		-	-	1,482,330	4,644,021
Reversal of allowance for impairment loss on plant and equipment		-	121,078,819	-	37,583,107
Other income	4	83,614,880	218,134,548	187,061,609	267,710,213
Total revenues		8,178,658,666	9,317,965,202	2,901,365,006	3,330,688,677
Expenses	26				
Cost of sale of goods and rendering of services		6,666,702,894	7,404,067,679	1,958,340,692	2,229,664,717
Selling expenses		126,354,963	132,893,837	42,075,021	28,914,265
Administrative expenses		578,716,454	588,233,313	334,295,373	383,801,329
Net foreign exchange loss		203,914	13,329,176	-	-
Total expenses		7,371,978,225	8,138,524,005	2,334,711,086	2,642,380,311
Share of profit of investment					
Associates	11	59,259,117	28,903,167	-	-
Profit before finance costs and income tax expense		865,939,558	1,208,344,364	566,653,920	688,308,366
Finance costs		(146,678,628)	(157,261,889)	(54,352,721)	(55,541,909)
Profit before income tax expense		719,260,930	1,051,082,475	512,301,199	632,766,457
Income tax expense	27	(69,425,962)	(84,983,600)	(35,304,586)	(31,074,526)
Profit for the year		649,834,968	966,098,875	476,996,613	601,691,931
Earnings per share	29				
Basic earnings per share		1.53	2.27	1.12	1.42





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	
		2014	2013	2014	2013
		(in Baht)			
Profit for the year		649,834,968	966,098,875	476,996,613	601,691,931
Other comprehensive income					
Actuarial gain (loss) from defined benefit plan	20	-	(1,305,375)	-	2,862,016
Foreign currency translation differences		3,928,636	(98,413)	-	-
Income tax on other comprehensive income	16	-	520,138	-	(188,607)
Other comprehensive income for the year - net of tax		3,928,636	(883,650)	-	2,673,409
Total comprehensive income for the year		653,763,604	965,215,225	476,996,613	604,365,340

Somboon Advance Technology Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements								
	Note	Issued and paid-up share capital	Premium on ordinary shares	Rights for employee stock option plan	Retained earnings		Other components of equity	Total equity
					Legal reserve	Unappropriated	Foreign currency translation differences	
							(in Baht)	
Year ended 31 December 2013								
Balance at 1 January 2013		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	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		-	-	-	-	966,098,875	-	966,098,875
Other comprehensive income								
- Actuarial loss from defined benefit plan - net of tax		-	-	-	-	(785,237)	-	(785,237)
- Other		-	-	-	-	-	(98,413)	(98,413)
Total comprehensive income for the year		-	-	-	-	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

Consolidated financial statements								
	Note	Issued and paid-up share capital	Premium on ordinary shares	Rights for employee stock option plan	Retained earnings		Other components of equity	Total equity
					Legal reserve	Unappropriated	Foreign currency translation differences	
					(in Baht)			
Year ended 31 December 2014								
Balance at 1 January 2014		424,945,994	712,682,809	6,871,234	55,671,181	3,672,263,018	275,470	4,872,709,706
Transaction with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Issue of ordinary shares	22	247,900	-	-	-	-	-	247,900
Premium on ordinary shares		-	3,760,643	-	-	-	-	3,760,643
Dividends to owners of the Company	30	-	-	-	-	(306,133,744)	-	(306,133,744)
Rights for employee stock option plan	21	-	-	(6,871,234)	-	-	-	(6,871,234)
Total transactions with owners, recorded directly to equity		247,900	3,760,643	(6,871,234)	-	(306,133,744)	-	(308,996,435)
Comprehensive income for the year								
Profit		-	-	-	-	649,834,968	-	649,834,968
Other comprehensive income								
- Other		-	-	-	-	-	3,928,636	3,928,636
Total comprehensive income for the year		-	-	-	-	649,834,968	3,928,636	653,763,604
Balance at 31 December 2014		425,193,894	716,443,452	-	55,671,181	4,015,964,242	4,204,106	5,217,476,875

Somboon Advance Technology Public Company Limited and its Subsidiaries
Statement of changes in equity

Separate financial statements							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Rights for employee stock option plan	Retained earnings		Total equity
					Legal reserve	Unappropriated	
					(in Baht)		
Year ended 31 December 2013							
Balance at 31 December 2013		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	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		-	-	-	-	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		-	-	-	-	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





SOMBOON GROUP

Somboon Advance Technology Public Company Limited and its Subsidiaries
Statement of changes in equity

Separate financial statements							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Rights for employee stock option pla	Retained earnings		Total equity
					Legal reserve	Unappropriated	
					(in Baht)		
Year ended 31 December 2014							
Balance at 1 January 2014		424,945,994	712,682,809	6,871,234	42,671,181	2,628,409,406	3,815,580,624
Transaction with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
Issue of ordinary shares	22	247,900	-	-	-	-	247,900
Premium on ordinary shares		-	3,760,643	-	-	-	3,760,643
Dividends to owners of the Company	30	-	-	-	-	(306,133,744)	(306,133,744)
Rights for employee stock option plan	21	-	-	(6,871,234)	-	-	(6,871,234)
Total transactions with owners, recorded directly to equity		247,900	3,760,643	(6,871,234)	-	(306,133,744)	(308,996,435)
Comprehensive income for the year							
Profit		-	-	-	-	476,996,613	476,996,613
Total comprehensive income for the year		-	-	-	-	476,996,613	476,996,613
Balance at 31 December 2014		425,193,894	716,443,452	-	42,671,181	2,799,272,275	3,983,580,802



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	
	2014	2013	2014	2013
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	649,834,968	966,098,875	476,996,613	601,691,931
<i>Adjustments for</i>				
Depreciation and amortisation	838,907,922	769,089,989	258,762,408	239,569,267
Reversal of allowance for impairment				
loss on plant and equipment	-	(121,078,819)	-	(37,583,107)
Written-off property, plant and equipment	12,000,924	17,455,366	94,586	2,248,820
Decrease in deposit for				
purchase of land	9,780,488	-	9,780,488	-
Interest income	(7,403,328)	(2,360,172)	(18,127,017)	(16,410,559)
Finance costs	146,678,628	157,261,889	54,352,721	55,541,909
Set up allowance for doubtful accounts	-	67,957	-	-
Set up allowance for decline in value				
of inventories and spare supplies for machinery	7,603,872	6,460,772	216,809	2,304,634
Unrealised loss (gain) on exchange	270,940	4,094,375	(186,129)	44,242
Set up provision for legal damages	-	5,000,000	-	5,000,000
Gain on sales of investment properties	-	(47,522,478)	-	-
Loss (gain) loss on disposal of property,				
plant and equipment	(1,970,448)	2,004,795	(1,787,573)	(1,997,538)
Share of profit of associates	(59,259,117)	(28,903,167)	-	-
Dividends income	(3,655,000)	(2,996,250)	(71,758,482)	(54,078,856)
Employee benefit obligations	22,393,161	22,542,850	8,749,849	5,429,538
Expenses for employee stock option plan (reversal)	(3,823,130)	6,154,579	(3,823,130)	6,154,579
Income tax expense	69,425,962	84,983,600	35,304,586	31,074,526
	1,680,785,842	1,838,354,161	748,575,729	838,989,386
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(75,322,353)	356,697,951	23,693,575	57,040,338
Other receivables	(4,158,145)	16,222,504	(46,524,145)	2,087,098
Inventories	(12,827,307)	24,568,646	12,433,485	50,699,368
Other current assets	(611,612)	15,720,760	2,218,893	3,075,312
Other non-current assets	3,582,948	(3,274,816)	905	3,563,725
Trade accounts payable	16,563,827	(361,253,096)	(36,738,631)	(112,127,714)
Other payables - related parties	-	-	(3,996,184)	1,833,892
Other current liabilities	(33,138,385)	13,399,546	(1,630,401)	(5,334,143)
Other non-current liabilities	(1,040,238)	(43,768)	(1,073,693)	2,031,419
Cash generated from operating activities	1,573,834,577	1,900,391,888	696,959,533	841,858,681
Employee benefit paid	(15,052,905)	(11,449,195)	(5,423,159)	(9,633,095)
Income tax paid	(81,343,952)	(61,618,826)	(30,451,526)	(24,378,930)
Net cash provided by operating activities	1,477,437,720	1,827,323,867	661,084,848	807,846,656



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	
	2014	2013	2014	2013
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	7,403,328	1,805,493	17,971,692	15,973,956
Purchase of current investments	(103,537,412)	(34,060,800)	(103,537,412)	(34,060,800)
Dividends received from subsidiary	-	-	71,758,482	54,078,856
Dividends received from associates	6,663,000	1,236,000	-	-
Dividends received from other company	3,655,000	2,996,250	-	-
Short-term loans to subsidiaries	-	-	(1,230,000,000)	(1,510,000,000)
Proceeds from repayment of short-term loans to subsidiaries	-	-	1,210,000,000	1,610,000,000
Cash payment for investment in subsidiaries	-	-	(10,336,000)	(150,000,000)
Purchase of property, plant and equipment	(630,439,833)	(1,356,125,497)	(105,335,886)	(577,951,010)
Sale of property, plant and equipment	3,381,264	2,805,814	1,792,270	2,479,814
Sale of investment properties	-	85,700,478	-	-
(Increase) decrease in spare supplies and spare parts for machinery	(3,662,730)	(12,102,934)	3,459,927	100,382
Purchase of intangible assets	(7,856,460)	(10,789,139)	(4,473,860)	(1,425,712)
Net cash used in investing activities	(724,393,843)	(1,318,534,335)	(148,700,787)	(590,804,514)
<i>Cash flows from financing activities</i>				
Finance costs paid	(143,918,453)	(153,256,583)	(52,173,534)	(53,937,943)
Decrease in bank overdrafts	(12,204)	(12,204)	-	-
Decrease in short-term loans from financial institutions - trust receipts	(2,130,634)	(23,161,949)	-	-
Decrease in finance lease liabilities	(171,142)	(23,069,214)	(353,698)	(333,406)
Proceeds from long-term borrowings	205,287,760	690,691,833	17,200,000	341,383,191
Repayment of long-term borrowings	(569,795,000)	(526,358,074)	(222,245,000)	(170,102,473)
Dividends paid	(306,133,744)	(249,017,919)	(306,133,744)	(249,017,919)
Rights for employee stock option plan paid	(5,338,515)	-	(5,338,515)	-
Proceeds from issue of ordinary shares	4,008,543	1,284,400	4,008,543	1,284,400
Net cash used in financing activities	(818,203,389)	(282,899,710)	(565,035,948)	(130,724,150)
Net increase (decrease) in cash and cash equivalents	(65,159,512)	225,889,822	(52,651,887)	86,317,992
Cash and cash equivalents at 1 January	1,040,520,098	814,630,276	427,887,015	341,569,023
Cash and cash equivalents at 31 December	975,360,586	1,040,520,098	375,235,128	427,887,015
<i>Non-cash transactions</i>				
Accounts payable - purchase of assets	66,454,844	128,238,900	4,727,718	17,880,718

Somboon Advance Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2014

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Somboon Advance Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2014

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 19 February 2015.

1 General information

Somboon Advance Technology Public Company Limited the “Company”, is incorporated in Thailand and has its registered office at

Head Office : 129 Moo 2, Bangna-Trad Road, Tambon Bangchalong, Amphur Bangplee, Samutprakarn 10540.

Branch : 300/10 Moo 1, Tambon Tasit, Amphur Pluak Daeng, Rayong 21140.

Branch : 7/389 Moo 6, Tambon Mapyangporn, Amphur Pluak Daeng, Rayong 21140.

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 (26.2% shareholding), which incorporated in Thailand and Kitaphanich family (17.5% 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 2014 and 2013 are given in notes 4 and 10.

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 December 2014	31 December 2013
<i>Direct subsidiaries</i>				
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 Co., Ltd.	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



Somboon Advance Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2014

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 2014:

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

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

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 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's/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



Somboon Advance Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2014

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

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company 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.



Somboon Advance Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2014

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.

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 currency differences are generally recognised in profit or loss

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





SOMBOON GROUP

Somboon Advance Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2014

exchange contracts and interest swap contract are not recognised in the financial statements 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.



Somboon Advance Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2014

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 asset





Somboon Advance Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2014

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. 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	5 - 40 years
Machinery and equipment	1.5 - 30 years
Furniture, fixtures and office equipment	3 - 5 years
Vehicle	5 years



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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
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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.





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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.



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(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. Any actuarial gains and losses are recognised in the statement of income in the period in which they arise.

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





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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.



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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.



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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



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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.

4 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, 26.2% shareholding
Somboon Malleable Iron Industrial Company Limited	Thailand	Subsidiary, 100% shareholding
Bangkok Spring Industrial Company Limited	Thailand	Subsidiary, 100% shareholding
International Casting Products Co., Ltd	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
Tsuchiyoishi Somboon Coated Sand Co., Ltd	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 2014 and 2013 with related parties were as follows:

<i>Year ended 31 December</i>	Pricing policies	Consolidated financial statements	
		2014	2013
		<i>(in million Baht)</i>	
Other related parties			
Purchases of goods	Approximates market prices	25.4	35.7





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<i>Year ended 31 December</i>	Consolidated financial statements	
	2014	2013
	<i>(in million Baht)</i>	
Key management personnel		
Key management personnel compensation		
Short-term benefits	63.4	46.0
Other long-term benefits	2.1	1.9
Expenses for employee stock option plan	-	9.9
Total key management personnel compensation	65.5	57.8

<i>Year ended 31 December</i>	Pricing policies	Separate financial statements	
		2014	2013
		<i>(in million Baht)</i>	
Subsidiaries			
Sales of goods	Approximates market prices	122.4	50.9
Dividend income		71.8	54.1
Interest income	Contractually agreed price	12.5	15.4
Management fee income	Contractually agreed price	129.7	200.9
Facilities income	Approximates cost	16.8	20.1
Rental income	Contractually agreed price	5.3	5.4
Sales of scraps	Approximates market prices	8.2	6.0
Rental expense	Contractually agreed price	1.9	3.2
Purchases of goods	Approximates market prices	0.3	-
Facilities expense	Approximates cost	1.5	1.5
Other expense	Approximates market price	3.2	4.2
Key management personnel			
Key management personnel compensation			
Short-term benefits		55.4	38.8
Other long-term benefits		2.1	1.9
Expenses for employee stock option plan		-	9.9
Total key management personnel compensation		57.5	50.6

Balances as at 31 December 2014 and 2013 with related party were as follows:

<i>Trade accounts receivable-related party</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiary				
Somboon Malleable Iron Industrial				

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Company Limited	-	-	26,341	13,508
Total	-	-	26,341	13,508

Other receivables from related parties

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			

Subsidiaries

Somboon Malleable Iron Industrial Company Limited	-	-	34,086	17,560
Bangkok Spring Industrial Company Limited	-	-	29,076	13,057
International Casting Products Co., Ltd	-	-	26,913	13,013
SBG International Japan Company Limited	-	-	468	438
Somboon Forging Technology Company Limited	-	-	303	56
Total	-	-	90,846	44,124

Short-term loans to subsidiaries

	Separate financial statements	
	2014	2013
	(in thousand Baht)	
Subsidiaries		
International Casting Products Co., Ltd	200,000	200,000
SBG International Japan Company Limited	40,000	40,000
Somboon Forging Technology Company Limited	20,000	-
Total	260,000	240,000

Movements during the years ended 31 December 2014 and 2013 of loans to subsidiaries were as follows:

	Separate financial statements	
	2014	2013
	(in thousand Baht)	
Short-term loans to subsidiaries		
At 1 January	240,000	340,000
Increase	1,230,000	1,510,000
Decrease	(1,210,000)	(1,610,000)
At 31 December	260,000	240,000

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

Trade account payable - related party

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Associate				
Tsuchiyoshi Somboon Coated Sand Co., Ltd.	7,826	7,114	-	-
Total	7,826	7,114	-	-





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Other payables to related parties

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries				
Somboon Malleable Iron Industrial Company Limited	-	-	92	3
Bangkok Spring Industrial Company Limited	-	-	253	3,315
International Casting Products Co., Ltd.	-	-	26	-
SBG International Japan Company Limited	-	-	813	1,863
Total	-	-	1,184	5,181

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cash on hand	358	360	90	90
Cash at banks - current accounts	3,672	3,617	2,972	3,021
Cash at banks - savings accounts	916,973	876,543	331,877	334,776
Highly liquid short-term investments	54,358	160,000	40,296	90,000
Total	975,361	1,040,520	375,235	427,887

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	968,802	1,034,711	375,235	472,887
Yen (JPY)	6,559	5,809	-	-
Total	975,361	1,040,520	375,235	472,887

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6 Current investments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Current investments				
Short-term deposits at financial institutions	137,598	34,061	137,598	34,061
Total	137,598	34,061	137,598	34,061

Short-term deposits at financial institutions have annual interest rates of from 2.65 % (2013: 3.05% to 3.20%) and mature in 3 months.

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

7 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Related parties	4	-	-	26,341	13,508
Other parties		1,295,727	1,220,131	415,714	452,180
Total		1,295,727	1,220,131	442,055	465,688
Less allowance for doubtful accounts		(68)	(68)	-	-
Net		1,295,659	1,220,063	442,055	465,688
Bad and doubtful debts expense for the year		-	68	-	-

Aging analyses for trade accounts receivable were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Related parties					
Within credit terms	4	-	-	26,341	13,508
Overdue:					
Less than 3 months		-	-	-	-
3-12 months		-	-	-	-
Over 12 months		-	-	-	-
		-	-	26,341	13,508
Less allowance for doubtful accounts		-	-	-	-
		-	-	26,341	13,508





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	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	1,294,337	1,213,664	415,714	448,931
Overdue:				
Less than 3 months	864	6,399	-	3,249
3-12 months	458	-	-	-
Over 12 months	68	68	-	-
	<u>1,295,727</u>	<u>1,220,131</u>	<u>415,714</u>	<u>452,180</u>
Less allowance for doubtful accounts	(68)	(68)	-	-
	<u>1,295,659</u>	<u>1,220,063</u>	<u>415,714</u>	<u>452,180</u>
Net	<u>1,295,659</u>	<u>1,220,063</u>	<u>442,055</u>	<u>465,688</u>

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	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	1,258,116	1,192,788	427,565	451,714
United States Dollars (USD)	15,317	18,544	14,490	13,974
Yen (JPY)	22,226	8,731	-	-
Total	<u>1,295,659</u>	<u>1,220,063</u>	<u>442,055</u>	<u>465,688</u>

8 Other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Related parties	4	-	-	90,846	44,124
Other parties					
Prepaid expenses		5,631	4,856	2,550	1,122
Accrued incomes		7,774	3,869	3,058	3,423
Other receivables		3,265	4,364	39	1,256
Others		2,048	1,471	323	368
		<u>18,718</u>	<u>14,560</u>	<u>5,970</u>	<u>6,169</u>
Total		<u>18,718</u>	<u>14,560</u>	<u>96,816</u>	<u>50,293</u>

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9 Inventories

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Finished goods	246,634	221,848	58,838	53,720
Work in process	80,154	98,329	4,711	8,105
Raw materials	110,276	146,660	11,057	18,549
Factory supplies	143,014	121,132	28,264	35,208
Goods in transit	46,398	25,679	389	110
Total	626,476	613,648	103,259	115,692
Less allowance for decline in value	(40,953)	(33,349)	(9,119)	(8,902)
Net	585,523	580,299	94,140	106,790

10 Investments in subsidiaries

	Separate financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
At 1 January	2,451,555	2,301,555
Acquisitions	10,336	150,000
At 31 December	2,461,891	2,451,555



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Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income for the years then ended were as follows:

	Ownership interest		Paid-up capital		Separate financial statements		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013
	(%)				Cost method			
					(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	71,758	54,079
International Casting Products Co., Ltd	100	100	785,000	785,000	796,034	796,034	-	-
SBG International Japan Company Limited	100	100	19,879	9,543	19,879	9,543	-	-
Somboon Forging Technology Company Limited	100	100	250,000	250,000	250,000	250,000	-	-
Total					2,461,891	2,451,555	71,758	54,079

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 registered the increase of shares capital on 28 January 2014.

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11 Investments in associates

	Consolidated financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
At 1 January	180,867	153,200
Share of net profit of investments - equity method	59,259	28,903
Dividend income	(6,663)	(1,236)
At 31 December	<u>233,463</u>	<u>180,867</u>



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Investments in associates as at 31 December 2014 and 2013, and dividend income for the years then ended were as follows:

	Type of business	Ownership Interest		Paid-up capital		Cost method		Equity method		Dividend income	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		(%)				(in thousand Baht)					
<i>Associates</i>											
Tsuchiyoshi Somboon Coated Sand Co., Ltd	Manufacture and sale of plastic-coated sand and dry sand	21.25	21.25	72,000	72,000	15,300	15,300	44,514	44,914	1,530	-
Yamada Somboon Company Limited	Manufacture and sale of auto parts	20.00	20.00	150,000	150,000	30,807	30,807	188,949	135,953	5,133	1,236
Total						46,107	46,107	233,463	180,867	6,663	1,236

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12 Other long-term investments

Name of the entity	Type of business	Paid-up capital	Ownership Interest		Consolidated financial statements	
			2014	2013	Cost 2014	Cost 2013
			(%)		(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.





SOMBOON GROUP

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14 Property, plant and equipment

	Consolidated financial statements						Total
	Land	Buildings and other constructions	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	
	(in thousand Baht)						
Cost							
At 1 January 2013	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 and 1 January 2014	599,136	1,734,043	8,151,954	154,840	19,343	821,283	11,480,599
Additions	17,309	1,660	53,272	7,610	1,311	494,709	575,871
Transfers	1,678	105,474	856,271	76	-	(963,499)	-
Disposals	(1)	-	(118,442)	(2,383)	(8,435)	(95)	(129,356)
At 31 December 2014	618,122	1,841,177	8,943,055	160,143	12,219	352,398	11,927,114
Depreciation							
At 1 January 2013	-	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 and 1 January 2014	-	512,409	4,433,715	125,165	17,539	-	5,088,828
Depreciation charge for the year	-	96,367	713,656	12,277	811	-	823,111
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(99,728)	(2,370)	(7,918)	-	(110,016)
At 31 December 2014	-	608,776	5,047,643	135,072	10,432	-	5,801,923
Net book value							
At 1 January 2013							
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 and 1 January 2014							
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
At 31 December 2014							
Owned assets	618,122	1,232,400	3,895,412	25,071	1,787	349,597	6,122,390
Assets under finance leases	-	-	-	-	-	2,801	2,801
	618,122	1,232,400	3,895,412	25,071	1,787	352,398	6,125,191



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	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 2013	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 and 1 January 2014	78,068	371,241	2,604,165	59,657	9,649	277,679	3,400,459
Additions	13,713	463	6,104	3,454	13	68,436	92,183
Transfers	-	76,299	31,509	-	-	(107,808)	-
Disposals	-	-	(60,948)	(21)	(3,993)	(94)	(65,056)
At 31 December 2014	91,781	448,003	2,580,830	63,090	5,669	238,213	3,427,586
Depreciation							
At 1 January 2013	-	90,305	1,338,707	44,481	10,595	-	1,484,088
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 and 1 January 2014	-	106,368	1,543,112	50,197	8,558	-	1,708,235
Depreciation charge for the year	-	28,012	221,103	4,237	516	-	253,868
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(60,943)	(21)	(3,993)	-	(64,957)
At 31 December 2014	-	134,380	1,703,272	54,413	5,081	-	1,897,146
Net book value							
At 1 January 2013							
Owned assets	78,068	179,162	826,226	9,054	476	210,554	1,303,540
Assets under finance leases	-	-	-	-	1,087	-	1,087
	78,068	179,162	826,226	9,054	1,563	210,554	1,304,627
At 31 December 2013 and 1 January 2014							
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
At 31 December 2014							
Owned assets	91,781	313,623	877,558	8,677	588	238,213	1,530,440
Assets under finance leases	-	-	-	-	-	-	-
	91,781	313,623	877,558	8,677	588	238,213	1,530,440



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The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2014 amounted to Baht 2,091.4 million (2013: Baht 2,000.9 million).

As at 31 December 2014, land of the Company valued at Baht 2.3 million comprises land for which the legal ownership has yet to be transferred which is in accordance with the agreements to purchase and to sell the land.

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 2014, the subsidiaries capitalised interest amounting to Baht 0.9 million (2013: Baht 7.3 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 3.48% per annum (2013: 4.65% - 5.09% per annum).

15 Intangible assets

	Consolidated financial statements		
	Software licences	Software under installation (in thousand Baht)	Total
Cost			
At 1 January 2013	98,856	5,980	104,836
Additions	10,049	740	10,789
Transfers	5,980	(5,980)	-
At 31 December 2013 and 1 January 2014	114,885	740	115,625
Additions	3,423	4,433	7,856
Transfers	2,945	(2,945)	-
At 31 December 2014	121,253	2,228	123,481
Amortisation			
At 1 January 2013	45,505	-	45,505
Amortisation charge for the year	13,842	-	13,842
At 31 December 2013 and 1 January 2014	59,347	-	59,347
Amortisation charge for the year	15,797	-	15,797
At 31 December 2014	75,144	-	75,144
Net book value			
At 1 January 2013	53,351	5,980	59,331
At 31 December 2013 and 1 January 2014	55,538	740	56,278
At 31 December 2014	46,109	2,228	48,337



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	Separate financial statements		
	Software licences	Software under installation (in thousand Baht)	Total
Cost			
At 1 January 2013	36,743	5,812	42,555
Additions	686	740	1,426
Transfers	5,812	(5,812)	-
At 31 December 2013 and 1 January 2014	43,241	740	43,981
Additions	41	4,433	4,474
Transfers	2,945	(2,945)	-
At 31 December 2014	46,227	2,228	48,455
Amortisation			
At 1 January 2013	18,903	-	18,903
Amortisation charge for the year	5,469	-	5,469
At 31 December 2013 and 1 January 2014	24,372	-	24,372
Amortisation charge for the year	4,894	-	4,894
At 31 December 2014	29,266	-	29,266
Net book value			
At 1 January 2013	17,840	5,812	23,652
At 31 December 2013 and 1 January 2014	18,869	740	19,609
At 31 December 2014	16,961	2,228	19,189

16 Deferred tax

Deferred tax assets as at 31 December were as follows:

	Consolidated Financial statements		Separate Financial statements	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	(in thousand Baht)			
Deferred tax assets	19,922	25,185	4,655	3,099
Net	19,922	25,185	4,655	3,099





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Movements in total deferred tax assets during the year ended 31 December 2014 and 2013 were as follows:

	Consolidated financial statements		
	(Charged) / Credited to:		
	At 1 January 2014	Profit or loss (Note 27) (in thousand Baht)	Other comprehensive income At 31 December 2014
Deferred tax assets			
Inventories	6,292	(1,177)	-
Rights for employee stock option plan	131	(131)	-
Employee benefit obligations	18,762	(3,955)	-
Total	25,185	(5,263)	-

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

	Separate financial statements		
	(Charged) / Credited to:		
	At 1 January 2014	Profit or loss (Note 27) (in thousand Baht)	Other comprehensive income At 31 December 2014
Deferred tax assets			
Inventories	470	242	-
Rights for employee stock option plan	131	(131)	-
Employee benefit obligations	2,498	1,445	-
Total	3,099	1,556	-

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	Separate financial statements (Charged) / Credited to:		
	At 1 January 2013	Profit or loss (Note 27) (in thousand Baht)	Other comprehensive income At 31 December 2013
Deferred tax assets			
Inventories	349	121	-
Rights for employee stock option plan	13	118	-
Employee benefit obligations	2,720	(33)	(189)
Total	3,082	206	(189)

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Temporary difference				
- Difference in rate of depreciation	(28,307)	(13,557)	(19,350)	(23,854)
Tax losses	(853,799)	(750,767)	-	-
Total	(882,106)	(764,324)	(19,350)	(23,854)

The tax losses expire during 2015 to 2022. 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	
	2014	2013	2014	2013
	(in thousand Baht)			
Current				
Bank overdrafts	-	12	-	-
Short-term loans from financial institutions				
- trust receipts				
unsecured	-	2,131	-	-
Current portion of long-term loans from financial institutions				
secured	665,240	572,079	251,204	226,463
Current portion of finance lease liabilities	655	2,644	-	354
Total current liabilities	665,895	576,866	251,204	226,817





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	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Non-current				
Long-term loans from financial institutions secured	2,245,779	2,700,731	749,699	978,703
Finance lease liabilities	1,817	-	-	-
Total non-current liabilities	2,247,596	2,700,731	749,699	978,703
Total	2,913,491	3,277,597	1,000,903	1,205,520

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	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Within one year	665,240	574,222	251,204	226,463
After one year but within five years	2,114,365	2,489,365	717,185	909,049
After five years	131,414	211,366	32,514	69,654
Total	2,911,019	3,274,953	1,000,903	1,205,166

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

As at 31 December 2014 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 2014 the Company had outstanding long-term loans amounted to Baht 1,001 million (*31 December 2013: Baht 1,205 million*) are repayable within 2016 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 2,934 million. The objective of these loans is to use in the subsidiaries' operation. As at 31 December 2014 the subsidiaries had outstanding long-term loans amounted to Baht 1,911 million (*31 December 2013: Baht 2,070 million*) are repayable within 2016 and 2022. 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.



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The Company hedges most of their interest rate risk by entering into interest rate swap agreements with a bank, 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 2014, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 45.9 million. (31 December 2013: Baht 79.0 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						
	2014			2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	783	(128)	655	2,682	(38)	2,644
After one year but within five years	1,959	(142)	1,817	-	-	-
Total	2,742	(270)	2,472	2,682	(38)	2,644
Separate financial statements						
	2014			2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	-	-	-	365	(11)	354
After one year but within five years	-	-	-	-	-	-
Total	-	-	-	365	(11)	354

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-cancellable.

Interest-bearing liabilities of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

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18 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Related parties	4	7,826	7,114	-	-
Other parties		1,113,632	1,097,674	334,039	370,904
Total		1,121,458	1,104,788	334,039	370,904

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	1,009,356	1,002,885	327,354	343,719
United States Dollars (USD)	91,437	82,842	-	19,914
Yen (JPY)	20,665	19,061	6,685	7,271
Total	1,121,458	1,104,788	334,039	370,904

19 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Accrued operating expenses	156,730	186,380	81,297	91,215
Deposits and advances received	20,722	33,390	-	-
Others	120,241	111,584	13,985	6,590
Total	297,693	331,354	95,282	97,805

20 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>For the year ended 31 December</i>	<i>(in thousand Baht)</i>			
Statement of financial position				
Obligations for:				
Post-employment benefits	144,251	138,613	47,004	43,528
Other long-term employee benefits	17,494	15,792	3,671	3,820
Total	161,745	154,405	50,675	47,348
<i>For the year ended 31 December</i>				
Statement of income: Recognised in profit or loss:				
Post-employment benefits	16,470	19,056	6,530	7,772
Other long-term employee benefits	5,923	2,182	2,220	520
Total	22,393	21,238	8,750	8,292

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	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Recognised in other comprehensive income:				
Actuarial (gains) losses recognised in the year	-	1,305	-	(2,862)

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	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	154,405	143,311	47,348	51,552
Benefits paid by the plan	(15,053)	(11,449)	(5,423)	(9,634)
Current service costs and interest	22,393	21,238	8,750	8,292
Actuarial (gains) losses in other comprehensive income	-	1,305	-	(2,862)
Defined benefit obligations at 31 December	161,745	154,405	50,675	47,348

Expense recognised in statement of income:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
For the year ended 31 December				
Current service costs	20,132	15,913	8,208	6,309
Interest on obligation	2,261	5,325	542	1,983
Total	22,393	21,238	8,750	8,292

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
For the year ended 31 December				
Cost of sales	15,755	14,950	2,844	2,698
Administrative expenses	6,638	6,288	5,906	5,594
Total	22,393	21,238	8,750	8,292





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Actuarial (gains) losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Included in retained earnings:				
At 1 January	23,213	21,908	(2,875)	(13)
Recognised during the year	-	1,305	-	(2,862)
At 31 December	23,213	23,213	(2,875)	(2,875)

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
			<i>(%)</i>	
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.

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20 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.



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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 2014 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 2014.

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 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.

During the year ended 31 December 2014, the management considered the performance of the Group for the year ended 31 December 2014, and the actual result of 2014 do not meet the criteria of offering the employee stock option plan. The Company did not record the expense from the scheme in this year and this plan was ended in 2014.





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22 Share capital

	Par value per share (in Baht)	2014 Number Baht (thousand shares / thousand Baht)		2013 Number Baht (thousand shares / thousand Baht)	
Authorised					
At 1 January					
- Ordinary shares	1	426,712	426,712	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	426,712	426,712
Issued and paid-up					
At 1 January					
- Ordinary shares	1	424,946	424,946	339,923	339,923
Issue of new shares	1	248	248	85,023	85,023
At 31 December					
- Ordinary shares	1	425,194	425,194	424,946	424,946

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.

The Company has registered the issued and paid-up share capital of 247,900 shares at the par value of Baht 1 per share, totalling of Baht 247,900 with the Ministry of Commerce on 28 February 2014 for the Employee Stock Option Plan.

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.



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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.



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	Pick-up axles and truck trunnion shafts		Other auto parts		Total		Elimination		Net	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<i>For the year ended 31 December</i>	<i>(in million Baht)</i>									
External revenue from sale of goods and rendering of services	2,501	2,899	5,583	6,074	8,084	8,973	-	-	8,084	8,973
Inter-segment revenue from sale of goods and rendering of services	122	51	1,746	2,033	1,868	2,084	(1,868)	(2,084)	-	-
Total	2,623	2,950	7,329	8,107	9,952	11,057	(1,868)	(2,084)	-	-
Interest income	18	16	1	1	19	17	(12)	(15)	7	2
Interest expense	(54)	(56)	(105)	(116)	(159)	(172)	12	15	(147)	(157)
Depreciation and amortisation	(259)	(239)	(576)	(530)	(835)	(769)	(4)	-	(839)	(769)
Segment profit before income tax	512	633	283	470	795	1,103	(76)	(52)	719	1,051

Material items of income and expense

Other material non-cash items:

- Impairment loss on plant and equipment	-	38	-	83	-	121	-	-	-	121
Segment assets	5,489	5,574	7,506	7,384	12,995	12,958	(3,181)	(3,035)	9,814	9,923
Segment liabilities	1,506	1,758	3,862	3,933	5,368	5,691	(772)	(641)	4,596	5,050

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 5,726 million (2013: Baht 6,380 million) of the Group's total revenues.



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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	
	2014	2013	2014	2013
	(in thousand Baht)			
Salary and wages and employee benefit expenses	1,349,566	1,488,950	392,358	446,242
Depreciation and amortisation expense	838,908	769,090	258,762	239,569
Raw materials and consumables used	3,724,570	4,676,655	1,284,293	1,488,564
Changes in inventories of finished goods and work in process	(6,611)	19,850	1,724	(15,289)
Utilities expense	552,197	597,356	116,466	120,264
Others	913,348	586,623	281,108	363,030
Total expenses	7,371,978	8,138,524	2,334,711	2,642,380

27 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
Current tax expense					
Current year		59,093	87,048	36,861	31,281
Adjustment for prior years		5,070	(7,909)	-	-
		64,163	79,139	36,861	31,281
Deferred tax expense	16				
Movements in temporary differences		5,263	5,845	(1,556)	(206)
		5,263	5,845	(1,556)	(206)
Total income tax expense		69,426	84,984	35,305	31,075





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Income tax recognised in other comprehensive income

Consolidated financial statements						
	2014			2013		
	Before	Tax	Net of	Before	Tax	Net of
	tax	(expense)	tax	tax	(expense)	tax
		benefit			benefit	
	<i>(in thousand Baht)</i>					
Defined benefit plan						
actuarial gains (losses)	-	-	-	(1,305)	520	(785)
Total	-	-	-	(1,305)	520	(785)

Separate financial statements						
	2014			2013		
	Before	Tax	Net of	Before	Tax	Net of
	tax	(expense)	tax	tax	(expense)	tax
		benefit			benefit	
	<i>(in thousand Baht)</i>					
Defined benefit plan						
actuarial gains (losses)	-	-	-	2,862	(189)	2,673
Total	-	-	-	2,862	(189)	2,673

Reconciliation of effective tax rate

Consolidated financial statements				
	2014		2013	
	Rate	(in thousand	Rate	(in thousand
	(%)	Baht)	(%)	Baht)
Profit before income tax expense		719,261		1,051,082
Income tax using the Thai corporation tax rate	20	143,852	20	210,216
Income not subject to tax		(33,859)		(90,747)
Expenses not deductible for tax purposes		6,712		31,625
Expenses can be deductible for tax purposes		(39,598)		(57,915)
Recognition of previously unrecognised tax losses		(13,958)		(12,458)
Under (over) provided in prior years		1,014		(1,582)
Current tax expense		64,163		79,139
Movements in temporary differences		5,263		5,845
Total tax expense	9.65	69,426	8.05	84,984

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	Separate financial statements			
	2014		2013	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		512,301		632,766
Income tax using the Thai corporation tax rate	20	102,460	20	126,553
Income not subject to tax		(47,889)		(74,600)
Expenses not deductible for tax purposes		3,996		4,462
Expenses can be deductible for tax purposes		(21,706)		(25,134)
Current tax expense		36,861		31,281
Movements in temporary differences		(1,556)		(206)
Total tax expense	6.89	35,305	4.92	31,075

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

28 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:

- exemption from payment of import duty on machinery approved by the Board;
- 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;
- 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.

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Summary of revenue from promoted and non-promoted businesses:

Consolidated financial statements						
	2014			2013		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Export sales	50,851	248,256	299,107	48,328	201,114	249,442
Local sales	5,097,178	4,556,055	9,653,233	4,363,226	6,444,497	10,807,723
Eliminate	(1,151,929)	(716,426)	(1,868,355)	(1,099,413)	(984,357)	(2,083,770)
Total	3,996,100	4,087,885	8,083,985	3,312,141	5,661,254	8,973,395

Separate financial statements						
	2014			2013		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Export sales	50,742	40,424	91,166	48,328	56,412	104,740
Local sales	1,108,528	1,423,242	2,531,770	815,125	2,030,397	2,845,522
Total	1,159,270	1,463,666	2,622,936	863,453	2,086,809	2,950,262

29 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years then ended 31 December 2014 and 2013 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. The basic earnings per share of prior year was recalculated by adjusting the number of ordinary share to reflect the stock dividend distributed in 2013, as if the stock dividend was distributed since the beginning of reporting period as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company	649,835	966,099	476,997	601,692
Number of ordinary shares outstanding at 1 January	424,946	339,923	424,946	339,923
Issue of ordinary shares				
12 March	-	21	-	21
28 February	209	-	209	-
Effect of stock dividend	-	84,989	-	84,989
Number of ordinary shares outstanding	425,155	424,933	425,155	424,933
Earnings per share (basic) (in Baht)	1.53	2.27	1.12	1.42

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Diluted earnings per share

The Group has not presented diluted earnings per share since the right for employee stock option plan was ended in 2014.

30 Dividends

The Company

At the Board of Directors' Meeting of the Company held on 8 August 2014, the Board of Directors approved an appropriation of dividend for the operation for the first six-month period of 2014 by cash dividend at the rate of Baht 0.22 per share, totalling of Baht 93.5 million from the promoted business (BOI). The dividend was paid to the shareholders on 3 September 2014.

At the Annual General Meeting of the Company held on 23 April 2014, the shareholders approved an appropriation of cash dividend for the operation for the year 2013 at the rate of Baht 0.75 per share, totalling of Baht 318.7 million from the promoted business (BOI). The interim cash dividend was paid to shareholders on 6 September 2013 at Baht 0.25 per share, totalling Baht 106.2 million. The remaining cash dividend of Baht 0.50 per share, totalling of Baht 212.6 million was paid to the shareholders on 14 May 2014.

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 of Baht 106.0 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 6 September 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.

Subsidiaries

At the Annual General Meeting of Shareholders of a subsidiary held on 25 April 2014, the shareholders approved an appropriation of cash dividend for the operation for the year 2013 at the rate of Baht 138 per share, totalling of Baht 71.8 million from the promoted business (BOI), which paid to the shareholders on 28 April 2014.

At the Annual General Meeting of shareholders of a subsidiary held on 5 April 2013, the shareholders approved the payment of cash dividend at the rate of Baht 104 per share, totalling Baht 54 million. The dividend was paid to shareholders on 25 April 2013.





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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. 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 floating rate. 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:

			Separate financial statements		
	Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2014					
Current					
Short-term loans to subsidiaries	MMR	260,000	-	-	260,000
Total		260,000	-	-	260,000
2013					
Current					
Short-term loans to subsidiaries	MMR	240,000	-	-	240,000
Total		240,000	-	-	240,000



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

		Consolidated financial statements			
		Interest rate	Within 1 year	After 1 year but within 5 years	Total
		(% per annum)		(in thousand Baht)	
2014					
Current					
Loans from financial institutions	FDR.3M + fixed		665,240	-	665,240
Non-current					
Loans from financial institutions	FDR.3M + fixed		-	2,114,365	2,245,779
Total			665,240	2,114,365	2,911,019
2013					
Current					
Loans from financial institutions	FDR.3M + fixed		574,222	-	574,222
Non-current					
Loans from financial institutions	FDR.3M + fixed		-	2,489,365	2,700,731
Total			574,222	2,489,365	3,274,953
		Separate financial statements			
		Interest rate	Within 1 year	After 1 year but within 5 years	Total
		(% per annum)		(in thousand Baht)	
2014					
Current					
Loans from financial institutions	FDR.3M + fixed		251,204	-	251,204
Non-current					
Loans from financial institutions	FDR.3M + fixed		-	717,185	749,699
Total			251,204	717,185	1,000,903
2013					
Current					
Loans from financial institutions	FDR.3M + fixed		226,463	-	226,463
Non-current					
Loans from financial institutions	FDR.3M + fixed		-	909,049	978,703
Total			226,463	909,049	1,205,166

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:



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		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in thousand Baht)			
United States Dollars					
Trade accounts receivable	7	15,317	18,544	14,490	13,974
Trade accounts payable	18	(91,437)	(82,842)	-	(19,914)
Other current liabilities		(141)	-	(70)	-
Gross balance sheet exposure		(76,261)	(64,298)	14,420	(5,940)
Currency forwards		-	7,406	-	-
Net exposure		(76,261)	(56,892)	14,420	(5,940)
Yen					
Cash and cash equivalents	5	6,559	5,809	-	-
Trade accounts receivable	7	22,226	8,731	-	-
Trade accounts payable	18	(20,665)	(19,061)	(6,685)	(7,271)
Other current liabilities		(11,856)	(18,865)	-	-
Gross balance sheet exposure		(3,736)	(23,386)	(6,685)	(7,271)
Currency forwards		-	31,936	-	-
Net exposure		(3,736)	8,550	(6,685)	(7,271)

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.

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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 2014 has net value of Baht 509.6 million. (2013: Baht 308.6 million)

32 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Capital commitments				
<i>Contracted but not provided for</i>				
Land	-	4.2	-	4.2
Machineries and equipments	7.5	319.6	-	-
Intangible assets	-	-	-	-
Building constructions	0.3	12.5	-	12.5
Total	7.8	336.3	-	16.7
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Non-cancellable operating lease commitments				
Within one year	60.4	52.0	16.8	15.7
After one year but within five years	26.6	48.2	12.9	19.6
After five years	-	-	-	-
Total	87.0	100.2	29.7	35.3
Other commitments				
Bank guarantees	74.9	75.7	20.3	20.3
Total	74.9	75.7	20.3	20.3

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% of the cost of the machining process minus material cost of products. The agreement is for 5 years, expiring in the year 2019, 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 2% of the forging process minus material costs of products. The agreement is for 5 years, expiring in the year 2019, and is renewable for a further 5 years.



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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 2019, 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.

The other subsidiary 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 the year 2018, and is renewable for a further 5 years.

As at 31 December 2014, the Company had an interest rate swap agreement to maintain interest rate of long term loan amounting to Baht 514.9 million (2013: Baht 309.4 million) by swapping from floating rate to fixed rate as stipulated by the agreement.

33 Court case

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 50.0 million. The court has ordered the Company to pay the service wages in the amount of Baht 5.0 million in February 2014. The Company had settled the dispute as the Company agreed to make the payment and already paid in November 2014. As of the reporting date, the case is in the process of the Supreme Court's judgement to close.

34 Events after the reporting period

At the Board of Directors' meeting of the Company held on 19 February 2015, the Board of Directors approved as the appropriation of dividend for the operation for the year 2014 from the promoted business (BOI) by cash dividend at the rate of Baht 0.60 per share, totalling Baht 255.12 million. The interim dividend was paid to shareholders on 3 September 2014 of Baht 0.22 per share, totalling Baht 93.54 million. The remaining dividend of Baht 0.38 per share, totalling to Baht 161.57 million will be paid to shareholders in May 2015.

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 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015



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TFRS	Topic	Year effective
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TAS 40 (revised 2014)	Investment Property	2015
TFRS 2 (revised 2014)	Share-based Payment	2015
TFRS 3 (revised 2014)	Business Combinations	2015
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TSIC 15 (revised 2014)	Operating Leases - Incentives	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 18 (revised 2014)	Transfers of Assets from Customers	2015

The Group/Company has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that in the period of initial application there will be no material impact on the financial statements.



Somboon Advance Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2014

36 Reclassification of accounts

Certain accounts in the 2013 financial statements have been reclassified to conform to the presentation in the 2014 financial statements as follows:

	2013					
	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						
Current assets						
Cash and cash equivalents	1,074,581	(34,061)	1,040,520	461,948	(34,061)	427,887
Current investments	-	34,061	34,061	-	34,061	34,061
Other receivables - related	-	-	-	44,124	(44,124)	-
Other receivables	14,560	-	14,560	6,168	44,124	50,292
		<u>-</u>			<u>-</u>	
Current liabilities						
Trade accounts payable	1,133,255	(28,467)	1,104,788	388,488	(17,585)	370,903
Accounts payable - purchase of assets	101,028	27,211	128,239	1,552	16,329	17,881
Other current liabilities	330,098	1,256	331,354	96,549	1,256	97,805
		<u>-</u>			<u>-</u>	

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